FUNDFLOWS INSIGHT REPORT

REFINITIV LIPPER RESEARCH SERIES

FEBRUARY 28, 2023

Fixed Income Funds & ETF Attract Net New Money in February

- For the second month in a row, mutual fund investors were net purchasers of fund assets, injecting $40.5 billion into conventional funds for February.
- Fixed income funds (+$24.4 billion for February) witnessed net inflows for the second consecutive month, while money market funds (+$49.4 billion) attracted net money for the fifth month in a row.
- For the twenty-third straight month, investors were net sellers of stock & mixed-assets funds (-$33.3 billion).
- Authorized Participants (APs) were net purchasers of ETFs but they injected just $1.9 billion for February.
- And, for the thirteenth straight month, fixed income ETFs (+$1.2 billion for February) witnessed net inflows while investors were net purchasers of stock & mixed-assets ETFs (+$659 million).
- World equity ETFs (+$9.3 billion) attracted the largest monthly net inflows of Lipper's five equity-based ETF macro-groups.

TABLE 1 **ESTIMATED NET FLOWS BY MAJOR FUND TYPES, FEBRUARY 2023 VERSUS JANUARY ($BIL)**

	FEBRUARY	JANUARY
Stock & Mixed Equity Funds	-33.3	-30.7
Bond Funds	24.4	21.8
Money Market Funds	49.4	15.7
TOTAL	40.5	6.8

Source: Refinitiv Lipper, an LSEG Business
Note: Columns may not sum because of rounding

TABLE 2 **ESTIMATED NET FLOWS OF MAJOR EQUITY FUND TYPES, FEBRUARY 2023 VERSUS JANUARY ($BIL)**

	FEBRUARY	JANUARY
USDE Funds	-26.2	-3.5
Sector Equity Funds	-1.1	-3.7
World Equity Funds	-1.5	-17.3
Mixed-Assets Funds	-2.5	-4.4
Alternatives Funds	-1.9	-1.7
TOTAL	-33.3	-30.7

Source: Refinitiv Lipper, an LSEG Business
Note: Columns may not sum because of rounding

Fixed Income Funds & ETFs Attract Net New Money in February

Executive Summary

Concerns about sticky inflation data, hawkish comments by Federal Reserve officials, another 25-basis-point (bp) rate hike at the beginning of February, and consumer spending rising to its highest level in almost two years weighed on investors' psyche during the month. Even with the rise in uncertainty, investors were net purchasers of mutual fund assets for the second month in a row, injecting $40.5 billion into the conventional funds business (excluding ETFs, which are reviewed in the section below). However, for the twenty-third consecutive month, stock & mixed-assets funds experienced net outflows (-$33.3 billion). Despite the 10-year Treasury yield rising 40 bps during the month, the fixed income funds macro-group—for the second month in a row—witnessed net inflows, taking in $24.4 billion. Money market funds (+$49.4 billion) attracted net new money for the fifth consecutive month.

The U.S. markets were mixed in the beginning of February after the Federal Reserve Board hiked its key lending rate by an expected 25 bps and after a much stronger-than-expected nonfarm payrolls report showed a large rise in new jobs and wage gains in January, stoking fears that Fed will need to be more aggressive in its fight against inflation. The Department of Labor reported the U.S. economy added 517,000 new jobs in January, soundly beating expectations of 187,000, with the unemployment rate dipping to 3.4%—its lowest since 1969. The Bureau of Labor Statistics reported that wage growth accelerated in January by 0.3%, in line with expectations. The 10-year Treasury yield rose one bp for the week to 3.53%, while the two-year Treasury yield jumped 11 bps to finish at 4.30%.

The following week, U.S. stocks ended lower—with the S&P 500 and the tech-focused Nasdaq posting their worst one-week returns since December as fears were fanned by inflation concerns. While the University of Michigan consumer sentiment index rose to a 13-month high, inflation expectations one-year out edged up to 4.2%. The 10-year Treasury yield rose 21 bps on the week to settle at 3.74%.

U.S. stocks ended mixed the following week, with the Dow posting its third consecutive weekly decline following stronger-than-anticipated inflation data and hawkish comments by Federal Reserve officials, weighing on the S&P 500 and Dow. Investors' resolve was tested during the week after the January producer price index showed wholesale prices increased by 0.7% last month—its largest rise since summer.

The Dow suffered a fourth weekly decline after the personal consumption expenditures prices index rose 0.6% in January for a yearly rate of 5.4%, rising from the 5.3% reading in December. The core PCE index (the Fed's preferred inflation gauge, stripping out food and energy prices) rose 4.7% for the year versus analysts' forecasts of 4.4%. Fanning inflation concerns, January consumer spending rose 1.8%—its largest gain in almost two years. On the last trading day of the month, the Dow locked in its largest monthly percentage decline (-4.19%) since September as rising interest rates and sticky U.S. inflation unnerved investors.

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EQUITY FUNDS

United States Diversified Equity (USDE) Funds

For the twenty-sixth consecutive month, USDE Funds witnessed net outflows (-$26.2 billion for February). The Small-Cap Core Funds classification (+$354 million) witnessed the largest net inflows in the 4x3-matrix subgroup (-$21.8 billion) for the month, followed by Mid-Cap Core Funds (+$126 million) and Small-Cap Value Funds (-$63 million). Investors shunned core-oriented funds (-$9.9 billion), while large-cap funds (-$14.8 billion) handed back the largest amount of the capitalization groups. Lipper's Large-Cap Core Funds classification (-$7.7 billion) suffered the largest net outflows of the macro-classification, bettered by Large-Cap Growth Funds (-$6.1 billion) and Mid-Cap Core Funds (-$2.7 billion).

For the seventh consecutive month, the non-4x3-matrix subgroup witnessed net outflows, handing back $4.4 billion for February. Of the subgroup classifications, none witnessed net inflows. S&P 500 Index Funds (-$1.7 billion) once again suffered the largest outflows of the group, bettered by Equity Income Funds (-$1.6 billion) and Options Arbitrage/Options Strategies Funds (-$663 million).

TABLE 3 **ESTIMATED NET FLOWS OF 4X3-MATRIX USDE FUNDS, FEBRUARY 2023 VERSUS JANUARY ($BIL)**

	VALUE	CORE	GROWTH	FEBRUARY	JANUARY
Large-Cap	-1.0	-7.7	-6.1	-14.8	-7.8
Multi-Cap	-0.7	-2.7	-1.2	-4.6	8.2
Mid-Cap	-0.3	0.1	-1.8	-2.0	-2.1
Small-Cap	-0.1	0.4	-0.7	-0.4	-0.7
TOTAL	**-2.0**	**-9.9**	**-9.8**	**-21.8**	**-2.4**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns and rows may not sum because of rounding

TABLE 4 **ESTIMATED NET FLOWS OF OTHER USDE CLASSIFICATIONS, FEBRUARY 2023 VERSUS JANUARY ($BIL)**

	FEBRUARY	JANUARY
Equity Leverage Funds	-0.1	0.4
Equity Income Funds	-1.6	0.4
Options Arbitrage/Options Strategies Funds	-0.7	-0.3
Specialty Diversified Equity Funds	-0.1	0.0
S&P Midcap 400 Index Funds	-0.2	-0.1
S&P 500 Index Funds	-1.7	-1.5
TOTAL	**-4.4**	**-1.1**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns may not sum because of rounding

EQUITY FUNDS

World Equity Funds

For the fifteenth month in a row, investors were net sellers of World Equity Funds. They withdrew a net $1.5 billion for the month of February. For the twelfth month in a row, institutional world equity funds (including variable insurance products) witnessed net redemptions—handing back $264 million—while load and no-load world equity funds handed back $1.7 billion and took in $435 million, respectively. For the twenty-first consecutive month, Lipper's Global Diversified Equity Funds subgroup (-$2.5 billion for February) witnessed net outflows, while for the first month in fourteen the International Diversified Equity Funds subgroup attracted net inflows—although only to the tune of $4 million for February. The non-3x3-matrix (+$1.0 billion) subgroup witnessed it first month of net inflows in 12.

International Large-Cap Core Funds (+$1.8 million) remained at the top of the World Equity Funds macro-classification, taking in the largest net flows of the group for the month. Emerging Markets Funds—witnessing $787 million in net inflows—was the runner-up for the month, followed by International Large-Cap Value Funds (+$600 million). At the bottom of the heap, Global Multi-Cap Core Funds (-$947 million) witnessed the largest net redemptions, bettered by Global Large-Cap Growth Funds (-$905 million).

TABLE 5 **ESTIMATED NET FLOWS OF GLOBAL DIVERSIFIED EQUITY FUNDS, FEBRUARY 2023 VERSUS JANUARY ($BIL)**

	VALUE	CORE	GROWTH	FEBRUARY	JANUARY
Large-Cap	-0.2	0.0	-0.9	-1.1	-1.8
Multi-Cap	-0.5	-0.9	-0.1	-1.6	-3.0
Small-/Mid-Cap (No Style)		0.1		0.1	0.2
TOTAL (LARGE & MULTI)	**-0.7**	**-0.8**	**-1.0**	**-2.5**	**-4.6**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns and rows may not sum because of rounding

TABLE 6 **ESTIMATED NET FLOWS OF INTERNATIONAL DIVERSIFIED EQUITY FUNDS, FEBRUARY 2023 VERSUS JANUARY ($BIL)**

	VALUE	CORE	GROWTH	FEBRUARY	JANUARY
Large-Cap	0.6	1.8	-0.8	1.6	-2.4
Multi-Cap	-0.1	-0.8	-0.2	-1.1	-8.2
Small-/Mid-Cap	-0.1	-0.1	-0.2	-0.5	-0.9
TOTAL	**0.3**	**0.9**	**-1.2**	**0.0**	**-11.4**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns and rows may not sum because of rounding

TABLE 7 **ESTIMATED NET FLOWS OF REMAINING WORLD EQUITY FUND CLASSIFICATIONS, FEBRUARY 2023 VERSUS JANUARY ($BIL)**

	FEBRUARY	JANUARY
China Region Funds	0.0	0.1
Emerging Markets Funds	0.8	-1.2
European Region Funds	0.0	0.0
Frontier Markets Funds	0.0	0.0
Global Equity Income Funds	0.0	-0.3
India Region Funds	0.0	0.0
International Equity Income Funds	0.2	0.0
Japanese Funds	-0.1	0.0
Latin American Funds	0.0	0.0
Pacific Region Funds	0.0	0.0
Pacific ex-Japan Funds	0.2	0.1
TOTAL	**1.0**	**-1.3**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns may not sum because of rounding

EQUITY FUNDS

Sector Equity Funds

For the tenth consecutive month, investors were net sellers of the Sector Equity Funds macro-classification, redeeming $1.1 billion for February.

Four of the 25 classifications in this group attracted net new money, with Commodities General Funds (+$1.0 billion) taking in the largest draw of net new money for the month, followed by Global Infrastructure Funds (+$199 million). The Health/Biotechnology Funds classification suffered the largest net outflows of the group, handing back slightly less than $518 million for the month, bettered by Natural Resources Funds (-$460 million) and Real Estate Funds (-$376 million).

TABLE 8 **ESTIMATED NET FLOWS OF SECTOR EQUITY FUNDS, FEBRUARY 2023 VERSUS JANUARY ($BIL)**

	FEBRUARY	JANUARY
Precious Metals Equity Funds	-0.1	0.3
Alternative Energy Funds	0.0	0.0
Basic Materials Funds	0.0	0.0
Consumer Goods Funds	0.0	0.0
Commodities Energy Funds	-	-
Commodities General Funds	1.0	-0.8
Commodities Specialty Funds	-	-
Consumer Services Funds	0.1	0.0
Energy MLP Funds	-0.1	-0.1
Financial Services Funds	-0.1	-0.1
Global Financial Services Funds	0.0	0.0
Global Health/Biotechnology Funds	-0.2	-0.3
Global Infrastructure Funds	0.2	0.0
Global Natural Resources Funds	-0.2	-0.1
Global Real Estate Funds	0.0	-0.2
Global Science/Technology Funds	-0.1	-0.2
Health/Biotechnology Funds	-0.5	-0.5
Industrials Funds	0.0	0.0
International Real Estate Funds	0.0	0.0
Natural Resources Funds	-0.5	-0.2
Real Estate Funds	-0.4	-1.0
Specialty/Miscellaneous Funds	0.0	0.0
Science &Technology Funds	0.1	-0.5
Telecommunication Funds	0.0	-0.1
Utility Funds	-0.3	-0.2
TOTAL	**-1.1**	**-3.7**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns may not sum because of rounding

EQUITY FUNDS

Mixed-Assets Funds

For the eighteenth consecutive month, the Mixed-Assets Funds macro-classification witnessed net outflows—handing back $2.5 billion for February. Convertible Securities Funds (-$130 million), Emerging Markets Mixed-Assets Funds (-$6 million), Flexible Portfolio Funds (-$1.1 billion), and Real Return Funds (-$144 million)—not shown in Table 9—collectively handed back $1.3 billion for the month.

For the second month in a row, the mixed-asset target-date funds subgroup experienced net inflows, taking in $7.1 billion. Meanwhile, the primarily broker-recommended mixed-asset target-allocation funds subgroup—for the twenty-second consecutive month—experienced net outflows (-$8.3 billion for the month).

Eight of the 18 classifications in the target-date/target-allocation subgroups experienced net inflows for the month, with Mixed-Asset Target 2050 Funds (+$1.6 billion), Mixed-Asset Target 2045 Funds (+$1.5 billion), and Mixed-Asset Target 2055 Funds (+$1.5 billion) attracting the largest net draws of the classifications. Mixed-Asset Target Allocation Growth Funds (-$3.7 billion) witnessed the largest net redemptions, bettered by Mixed-Asset Target Allocation Moderate Funds (-$2.9 billion) and Mixed-Asset Target Allocation Conservative Funds (-$1.5 billion).

Alternatives Funds

For the sixth month in a row, the Alternatives Funds macro-classification witnessed net outflows (-$1.9 billion) for February, with Alternative Long/Short Equity Funds (+$451 million) witnessing the largest net inflow of the macro-classification, followed by Alternative Multi-Strategy Funds (+$321 million). Absolute Return Funds (-$864 million) witnessed the largest net outflows of the remaining classifications in the group, bettered by Alternative Equity Market Neutral Funds (-$747 million) and Alternative Other Funds (-$495 million, a variable annuity subgroup).

TABLE 9 **ESTIMATED NET FLOWS OF TARGET DATE AND TARGET RISK FUNDS, FEBRUARY 2023 VERSUS JANUARY ($BIL)**

	FEBRUARY	JANUARY
Mixed Asset Target 2010 Funds	-0.1	-0.2
Mixed Asset Target 2015 Funds	-0.2	-0.3
Mixed Asset Target 2020 Funds	-1.1	-1.5
Mixed Asset Target 2025 Funds	-0.5	-0.9
Mixed Asset Target 2030 Funds	0.7	0.0
Mixed Asset Target 2035 Funds	1.3	0.9
Mixed Asset Target 2040 Funds	1.4	0.6
Mixed Asset Target 2045 Funds	1.5	1.2
Mixed Asset Target 2050 Funds	1.6	1.1
Mixed Asset Target 2055 Funds	1.5	1.3
Mixed-Asset Target 2060 Funds	1.1	1.0
Mixed-Asset Target 2060+ Funds	0.4	0.4
Mixed Asset Target Today Funds	-0.4	-0.5
Mixed Asset Target Alloc Aggres Funds	-0.2	-0.1
Mixed Asset Target Alloc Conserv Funds	-1.5	-0.9
Mixed Asset Target Alloc Growth Funds	-3.7	-3.5
Mixed Asset Target Alloc Moderate Funds	-2.9	-2.1
Retirement Income	0.0	0.0
TOTAL	**-1.2**	**-3.4**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns may not sum because of rounding

TABLE 10 **ESTIMATED NET FLOWS OF ALTERNATIVES FUNDS, FEBRUARY 2023 VERSUS JANUARY ($BIL)**

	FEBRUARY	JANUARY
Absolute Return Funds	-0.9	-0.5
Alternative Active Extension Funds	0.0	-0.1
Alternative Equity Market Neutral Funds	-0.7	-0.9
Alternative Event Driven Funds	-0.1	-0.2
Alternative Global Macro Funds	-0.3	-0.3
Alternative Long/Short Equity Funds	0.5	0.3
Alternative Managed Futures Funds	-0.1	0.0
Alternative Multi-Strategy Funds	0.3	-0.1
Alternative Other Funds	-0.5	0.4
Dedicated Short Bias Funds	0.0	-0.3
TOTAL	**-1.9**	**-1.7**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns may not sum because of rounding

FIXED INCOME FUNDS

Fixed Income Funds

For the second month in a row, fund investors were net purchasers of bond funds, injecting $24.4 billion for February. On the taxable bond (non-money market) fund side (+$23.0 billion), 18 of Lipper's 31 classifications witnessed net inflows. On the tax-exempt side (+$1.4 billion), 14 of the 20 classifications in the municipal bond fund universe saw net inflows.

On the taxable side, investors put money to work in Core Bond Funds (+$15.1 billion), General Bond Funds (+$4.4 billion), Core Bond Funds (+$3.9 billion), and General U.S. Treasury Funds (+$2.4 billion). The High Yield Funds classification witnessed the largest net outflows of the group, handing back $2.8 billion for February, bettered by Loan Participation Funds (-$2.3 billion), Ultra-Short Obligation Funds (-$2.2 billion), and Short Investment-Grade Debt Funds (-$887 million).

On the municipal bond fund side, Intermediate Municipal Debt Funds (+$1.6 billion) witnessed the largest net inflows for the month, followed by General & Insured Municipal Debt Funds (+$1.3 billion) and California Intermediate Municipal Debt Funds (+$94 million). Short Municipal Debt Funds (-$1.3 billion) suffered the largest net redemptions of the subgroup, bettered by High Yield Municipal Debt Funds (-$375 million) and Short-Intermediate Municipal Debt Funds (-$99 million).

Money Market Funds

For the fifth month in a row, investors were net purchasers of the Money Market Funds macro-classification, injecting $49.4 billion for February.

On the taxable side (+$48.7 billion), Money Market Funds (+$42.5 billion) attracted the largest net inflows of the subgroup, followed by U.S. Treasury Money Market Funds (+$7.7 billion) and Institutional Money Market Funds (+$6.5 billion). Meanwhile, U.S. Government Money Market Funds witnessed the largest net outflows for the month (-$5.2 billion), bettered by Institutional U.S. Treasury Money Market Funds (-$3.1 billion).

On the tax-exempt side (+$711 million), three of the five classifications in the group witnessed net inflows for the month, with Tax-Exempt Money Market Funds (+$360 million) taking in the largest amount of net new money for the month. California Tax-Exempt Money Market Funds (-$217 million) witnessed the largest net outflows of the subgroup, bettered by Other States Tax-Exempt Money Market Funds (-$7 million).

TABLE 11 **ESTIMATED NET FLOWS OF MAJOR FIXED INCOME FUND TYPES, FEBRUARY 2023 VERSUS JANUARY ($BIL)**

	TAXABLE	MUNICIPAL	FEBRUARY	JANUARY
Long-Term Bond	7.5	1.1	8.5	14.0
Short & Intermediate	15.5	0.4	15.8	7.9
Money Market	48.7	0.7	49.4	15.7
TOTAL	**71.6**	**2.1**	**73.8**	**37.5**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns and rows may not sum because of rounding

Fund Flows by Promoter (ex-ETFs)

Top Mutual Fund Attractors of Investors' Assets by Promoter (ex-ETFs)

Fidelity Investments (+$35.2 billion), Charles Schwab Investment Management (+$23.9 billion), and Vanguard (+$11.8 billion) were lead attractors of mutual fund net inflows in February. The **Fidelity Institutional Government Portfolio, Institutional Share Class (FRGXX**, +$13.8 billion) helped keep Fidelity at the top of the estimated net flows' promoter leaderboard for the month. Charles Schwab was the second top attractor of investors assets, also benefitting from investors' growing interest in money market funds.

TABLE 12 **LARGEST MONTHLY ESTIMATED NET INFLOWS ($BIL) BY FUND PROMOTER (EX-ETFs), FEBRUARY 2023**

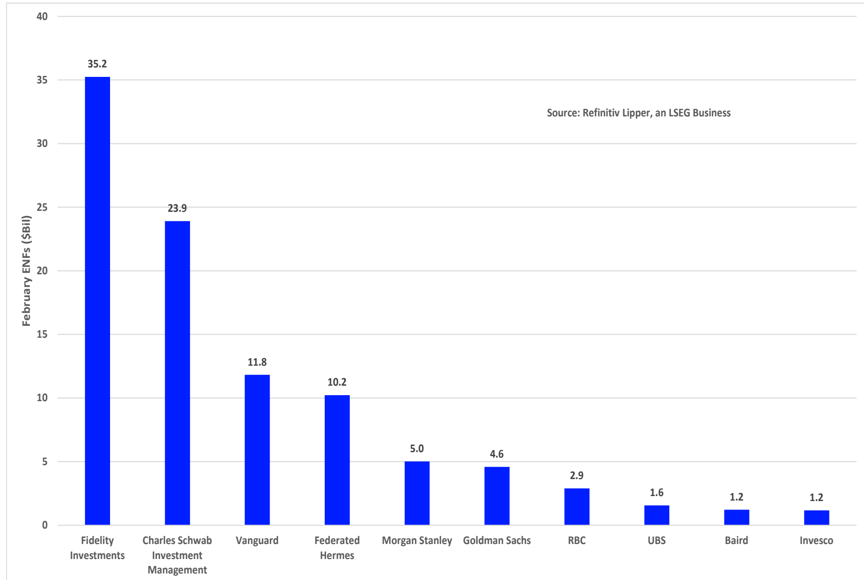

TABLE 13 **TOP SELLING SHARE CLASSES (EX-ETFs) BY FUND PROMOTER, FEBRUARY 2023**

Fidelity Investments Top-Selling Share Classes	ASSET CLASS	ENFS ($MIL)
Fidelity Instl Government Portfolio;Institutional	Money Market	13,794
Fidelity Money Market Fund;Premium	Money Market	4,616
Fidelity Instl Money Market Portf;Institutional	Money Market	4,040
Fidelity Instl Money Market Portf;I	Money Market	2,806
Strategic Advisers Fidelity Core Income Fund	Bond	2,714

Charles Schwab Top-Selling Share Classes	ASSET CLASS	ENFS ($MIL)
Schwab Value Advantage Money Fund;Investor	Money Market	10,438
Schwab Value Advantage Money Fund;Ultra	Money Market	6,421
Schwab Treasury Obligations Money;Inv	Money Market	2,451
Schwab Treasury Obligations Money;Ultra	Money Market	2,016
Schwab Government Money Fund;Investor	Money Market	932

Source: Refinitiv Lipper, an LSEG Business

FUND*FLOWS* INSIGHT REPORT

REFINITIV LIPPER RESEARCH SERIES

FEBRUARY 28, 2023

World Equity ETFs Remain Popular in February

ETF Executive Summary

For the tenth consecutive month, ETFs attracted net new money, however, they took in just $1.9 billion for February. Authorized participants (APs—those investors who create and redeem ETF shares) were net purchasers of stock & mixed-assets ETFs—also for the tenth month in a row—but they injected just $659 million into equity ETF coffers. For the thirteenth month running, they were net purchasers of bond ETFs—injecting $1.2 billion for the month. APs were net purchasers of three of the five equity-based ETF macro-classifications, padding the coffers of World Equity ETFs (+$9.3 billion), Alternatives ETFs (+$927 million), and Mixed-Assets ETFs (+$102 million) while being net sellers of Sector Equity ETFs (-$5.6 billion) and U.S. Diversified Equity ETFs (-$4.1 billion).

U.S. stocks posted mixed returns in the beginning of February, after the U.S. jobs report came in stronger than expected for January and the Fed hiked its key lending rate by 25 bps on February 2. The Department of Labor reported the U.S. economy added 517,000 new jobs in January, much stronger than analyst expectations of 187,000. The unemployment rate declined to 3.4%—its best showing since 1969. The Bureau of Labor Statistics reported that wage growth accelerated by an expected 0.3%. The January ISM services sector index rose to 55.2% from December's 49.6%—signaling economic expansion. The 10-year Treasury yield rose one bp for the week to 3.53%, while the two-year Treasury yield jumped 11 bps to finish at 4.30%.

U.S. stocks ended lower the following week as fears of rising inflation grew after the University of Michigan consumer sentiment index rose to a 13-month high and as inflation expectations one-year out rose to 4.2%. Disappointing Q4 earnings results from the likes of Expedia, which showed declining profit margins, weighed on investor resolve as they questioned the recent run by consumer discretionary issues—a top performing sector this year. The 10-year Treasury yield climbed 21 bps on the week to settle at 3.74%.

U.S. stocks were mixed the following week as investors were confronted with more hawkish comments by Fed officials during the week after Fed Governor Michelle Bowman indicated her concern that inflation is not falling quickly enough, leading many pundits to believe the Fed will continue hiking interest rates. However, in support of the thinking that recent interest rate hikes have had some influence on the economy, the Conference Board said that its U.S. January leading economic index fell 0.3% for a 3.6% decline over the last six months—in line with analyst expectations. Nonetheless, the 10-year Treasury yield rose eight bps to 3.82%.

The Dow experienced its fourth consecutive week of losses after the personal consumption expenditures prices index rose 0.6% in January for a yearly rate of 5.4%, rising from the 5.3% reading in December. The core PCE index (the Fed's preferred inflation gauge, stripping out food and energy prices) rose 4.7% for the year versus analysts' forecasts of 4.4%. The 10-year Treasury yield rose 13 bps for the week to 3.95%. On the last trading day of the month, the Conference Board reported that consumer confidence declined in February to 102.9 from 106—hitting a three-month low. The 10-year Treasury yield declined three bps to 3.92%—but still rising 40 bps for the month, while the two-year Treasury yield rose three bps to 4.81%, rising 60 bps for February.

TABLE 1 **ESTIMATED NET FLOWS BY MAJOR ETF TYPES, FEBRUARY 2023 VERSUS JANUARY ($BIL)**

	FEBRUARY	JANUARY
Stock & Mixed Equity ETFs	0.7	20.0
Bond ETFs	1.2	25.2
TOTAL	**1.9**	**45.1**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns may not sum because of rounding

TABLE 2 **ESTIMATED NET FLOWS OF MAJOR EQUITY ETF TYPES, FEBRUARY 2023 VERSUS JANUARY ($BIL)**

	FEBRUARY	JANUARY
USDE ETFs	-4.1	-0.7
Sector Equity ETFs	-5.6	-1.1
World Equity ETFs	9.3	20.2
Mixed-Assets ETFs	0.1	-2.4
Alternatives ETFs	0.9	3.8
TOTAL	**0.7**	**20.0**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns may not sum because of rounding

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EQUITY ETFs

United States Diversified Equity (USDE) ETFs

For the second consecutive month, the USDE ETFs macro-classification experienced net outflows, handing back $4.1 billion for February. Lipper's broad-based 4x3-matrix subgroup witnessed net inflows—for the ninth month in 10—attracting $7.7 billion. Small-Cap Core ETFs (+$2.1 billion), Small-Cap Value ETFs (+$1.1 billion), and Large-Cap Growth ETFs (+$1.1 billion) witnessed the largest net inflows of the subgroup.

For the first month in 17, small-cap ETFs (+$3.5 billion) experienced the largest net inflows of the four capitalization groups, followed by multi-cap ETFs (+$2.7 billion). Core-oriented ETFs (+$3.4 billion) attracted the largest net inflows of the valuation subgroup while their growth- and value-oriented counterparts took in $2.2 billion and $2.1 billion, respectively. Mid-Cap Value ETFs (-$41 million) experienced the only net outflows of the subgroup, bettered by Large-Cap Value ETFs (+$42 million) and Mid-Cap Growth ETFs (+$99 million).

Outside the 4x3-matrix classifications (-$11.9 billion), Options Arbitrage/Options Strategies ETFs (+$2.8 billion) witnessed the largest net inflows of the subgroup, while S&P 500 Index ETFs (-$11.9 billion) experienced the largest net outflows, bettered by Equity Income ETFs (-$3.4 billion).

JPMorgan Equity Premium Income ETF (JEPI) individually witnessed the largest net inflows (+$1.8 billion), while SPDR S&P 500 ETF Trust (SPY) witnessed the largest individual net outflows (-$11.1 billion).

TABLE 3 **ESTIMATED NET FLOWS OF USDE 4X3-MATRIX ETFs, FEBRUARY 2023 VERSUS JANUARY ($MIL)**

	VALUE	CORE	GROWTH	FEBRUARY	JANUARY
Large-Cap	41.7	117.5	1,103.4	1,262.7	-4,662.8
Multi-Cap	961.6	974.0	716.5	2,652.1	404.0
Mid-Cap	-41.1	238.5	99.0	296.4	-845.7
Small-Cap	1,130.2	2,063.0	319.8	3,512.9	61.6
TOTAL	**2,092.5**	**3,392.9**	**2,238.7**	**7,724.1**	**-5,042.9**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns and rows may not sum because of rounding

TABLE 4 **ESTIMATED NET FLOWS OF OTHER USDE CLASSIFICATIONS, FEBRUARY 2023 VERSUS JANUARY ($MIL)**

	FEBRUARY	JANUARY
Equity Leverage ETFs	302.1	-3,056.5
Equity Income ETFs	-3,426.9	2,333.1
Options Arbitrage/Options Strategies ETFs	2,769.9	3,450.1
Specialty Diversified ETFs	-	-
S&P Midcap 400 Index ETFs	396.6	121.5
S&P 500 Index ETFs	-11,899.2	1,530.8
TOTAL	**-11,857.5**	**4,378.9**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns may not sum because of rounding

EQUITY ETFs

World Equity ETFs

For the sixth consecutive month, APs were net purchasers of World Equity ETFs, injecting $9.3 billion for February. For the fifth month in a row, APs were net purchasers of the non-3x3-matrix subgroup—injecting a net $6.0 billion—with European Region ETFs (+$3.1 billion) attracting the largest amount of net new money for that subgroup, followed by Emerging Markets ETFs (+$808 million) and Pacific Region ETFs (+$494 million). The Global Diversified Equity ETFs 3x3 subgroup witnessed net outflows for the first month in five, handing back $437 million for February. Meanwhile, the International Diversified Equity ETFs 3x3 subgroup witnessed net inflows for the thirty-second month in a row, taking in $3.8 billion for the month.

International Multi-Cap Core ETFs (+$2.0 billion) and Global Large-Cap Growth ETFs (+$73 million) took the number-one spots for those subgroups. Global Multi-Cap Core ETFs experienced the largest net redemptions of the macro-classification—handing back $345 million for the month—bettered by India Region ETFs (-$148 million) and Global Large-Cap Core ETFs (-$116 million).

JPMorgan BetaBuilders Europe ETF (**BBEU**), with net inflows of $2.1 billion for February, attracted the most individual interest in the macro-classification. **iShares MSCI Emerging Markets Min Vol Factor ETF** (**EEMV**) handed back the largest individual net redemptions (-$1.2 billion).

TABLE 5 **ESTIMATED NET FLOWS OF GLOBAL DIVERSIFIED EQUITY ETFs, FEBRUARY 2023 VERSUS JANUARY ($MIL)**

	VALUE	CORE	GROWTH	FEBRUARY	JANUARY
Large-Cap	-6.8	-116.1	72.7	-50.2	94.4
Multi-Cap	-40.2	-344.8	-14.3	-399.2	534.8
Small-/Mid-Cap (No Style)		12.2		12.2	12.5
TOTAL (LARGE & MULTI)	**-47.0**	**-460.9**	**58.4**	**-437.2**	**641.7**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns and rows may not sum because of rounding

TABLE 6 **ESTIMATED NET FLOWS OF INTERNATIONAL DIVERSIFIED EQUITY ETFs, FEBRUARY 2023 VERSUS JANUARY ($MIL)**

	VALUE	CORE	GROWTH	FEBRUARY	JANUARY
Large-Cap	32.8	333.0	477.9	843.7	63.9
Multi-Cap	458.1	2,007.9	24.0	2,490.0	3,683.4
Small-/Mid-Cap	58.2	194.1	183.2	435.4	323.7
TOTAL	**549.1**	**2,535.1**	**685.0**	**3,769.1**	**4,070.9**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns and rows may not sum because of rounding

TABLE 7 **ESTIMATED NET FLOWS OF REMAINING WORLD EQUITY ETF CLASSIFICATIONS, FEBRUARY 2023 VERSUS JANUARY ($MIL)**

	FEBRUARY	JANUARY
China Region ETFs	295.9	1,811.2
Emerging Markets ETFs	807.7	4,941.7
European Region ETFs	3,146.3	5,250.4
Frontier Markets Funds	47.6	180.1
Global Equity Income ETFs	228.7	314.8
India Region ETFs	-147.6	454.0
International Equity Income ETFs	798.4	1,215.9
Japanese ETFs	4.2	-66.9
Latin American ETFs	-29.0	36.3
Pacific Region ETFs	493.9	8.3
Pacific ex-Japan ETFs	363.6	1,340.9
TOTAL	**6,009.7**	**15,486.7**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns may not sum because of rounding

EQUITY ETFs

Sector Equity ETFs

For the third consecutive month, Sector Equity ETFs witnessed net outflows—handing back $5.6 billion for February—with 10 of Lipper's 28 Sector Equity ETF classifications experiencing net inflows. Financial Services ETFs (+$1.6 billion), Commodities Specialty ETFs (+$723 million), and Industrials ETFs (+$641 million) observed the largest net inflows for the month, while Natural Resources ETFs (-$2.1 billion), Health/Biotechnology ETFs (-$1.1 billion), and Real Estate ETFs (-$985 million) suffered the largest net outflows.

First Trust Financials AlphaDEX Fund (FXO), taking in a net $ 1.0 billion, attracted the largest individual inflows for the month. At the bottom of the individual ETF pile for Sector Equity ETFs, First Trust Energy AlphaDEX Fund (FXN) handed back a net $996 million for the month.

TABLE 8 **ESTIMATED NET FLOWS OF SECTOR EQUITY ETFs, FEBRUARY 2023 VERSUS JANUARY ($MIL)**

	FEBRUARY	JANUARY
Precious Metals Equity ETFs	-313.4	356.1
Alternative Energy Funds	-216.3	-183.1
Basic Materials ETFs	-73.8	1,230.6
Consumer Goods ETFs	-469.6	105.3
Commodities Agriculture ETFs	-48.3	-165.7
Commodities Energy ETFs	533.4	82.6
Commodities General ETFs	-519.0	-504.4
Commodities Base Metals ETFs	34.0	-20.8
Commodities Precious Metals ETFs	-582.4	880.5
Commodities Specialty ETFs	723.1	392.6
Consumer Services ETFs	-321.5	47.1
Energy MLP ETFs	-188.4	-14.7
Financial Services ETFs	1,647.5	-133.8
Global Financial Services ETFs	72.2	23.4
Global Health/Biotechnology ETFs	-356.0	-159.2
Global Infrastructure ETFs	-95.7	-278.3
Global Natural Resources ETFs	92.2	155.1
Global Real Estate ETFs	58.8	101.0
Global Science/Technology ETFs	-555.6	-28.8
Health/Biotechnology ETFs	-1,104.7	-797.4
Industrials ETFs	640.9	100.9
International Real Estate ETFs	0.6	-20.8
Natural Resources ETFs	-2,077.5	-456.1
Real Estate ETFs	-985.3	-506.8
Specialty/Miscellaneous ETFs	67.4	90.4
Science &Technology ETFs	-798.6	-1,579.3
Telecommunication ETFs	-89.8	153.8
Utility ETFs	-652.1	60.2
TOTAL	**-5,577.7**	**-1,069.6**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns may not sum because of rounding

EQUITY ETFs

Alternatives ETFs

For the fourth consecutive month, Alternatives ETFs witnessed net inflows (+$927 million for February). APs were net purchasers of Dedicated Short Bias ETFs (+$588 million) and Alternative Long/Short Equity ETFs (+$348 million). Alternative Event Driven ETFs (-$55 million) witnessed the largest net outflows of the group, bettered by Alternative Multi-Strategy ETFs (-$23 million).

ProShares UltraPro Short QQQ (**SQQQ**), taking in $804 million, drew the largest individual net inflows of the macro-classification, while **Direxion Daily S&P 500 Bear 3X Shares** (**SPXS**) handed back $151 million and suffered the largest individual net redemptions of the group.

TABLE 9 **ESTIMATED NET FLOWS OF ALTERNATIVES ETFs, FEBRUARY 2023 VERSUS JANUARY ($MIL)**

	FEBRUARY	JANUARY
Absolute Return ETFs	21.7	-37.8
Alternative Active Extension ETFs	-9.0	-12.6
Alternative Equity Market Neutral ETFs	-22.0	100.8
Alternative Event Driven ETFs	-54.8	10.0
Alternative Global Macro ETFs	-1.4	-13.2
Alternative Long/Short Equity ETFs	348.0	97.3
Alternative Managed Futures ETFs	79.6	-13.7
Alternative Multi-Strategy ETFs	-23.0	-5.9
Dedicated Short Bias ETFs	587.6	3,717.3
TOTAL	**926.7**	**3,842.4**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns may not sum because of rounding

FIXED INCOME ETFs

Fixed Income ETFs

For the thirteenth consecutive month, fixed income ETFs (+$1.2 billion for February) witnessed net inflows. On the taxable bond ETF side (+$2.0 billion), 16 of the 31 Lipper classifications attracted net new money for the month. Meanwhile, tax-exempt offerings (-$835 million) posted net inflows in three of the 10 classifications of the subgroup.

On the taxable side, net flows into Short U.S. Treasury ETFs (+$10.0 billion) and Core Bond ETFs (+$4.1 billion) beat those of the other classifications. High Yield ETFs (-$8.0 billion) and Corporate Debt BBB-Rated ETFs (-$2.8 billion) suffered the largest net redemptions of the group.

iShares Short Treasury Bond ETF (**SHV**), with net inflows of $4.6 billion, attracted the largest individual inflows of the group, while **iShares iBoxx $ High Yield Corporate Bond ETF** (**HYG**), handing back some $5.2 billion for February, suffered the largest individual net redemptions.

On the tax-exempt side, General & Insured Municipal Debt ETFs (+$363 million) had the largest net inflows, while Short-Intermediate Municipal Debt ETFs (-$711 million) suffered the largest net redemptions for the month. **Vanguard Tax-Exempt Bond Index ETF** (**VTEB**), with net inflows of $495 million, attracted the largest individual inflows of the subgroup.

TABLE 10 **ESTIMATED NET FLOWS OF MAJOR FIXED INCOME ETF TYPES, FEBRUARY 2023 VERSUS JANUARY ($MIL)**

	TAXABLE	MUNICIPAL	FEBRUARY	JANUARY
Long-Term Bond	-9,629.5	46.7	-9,582.8	19,251.1
Short & Intermediate	11,657.6	-881.7	10,776.0	5,919.4
TOTAL	**2,028.1**	**-834.9**	**1,193.2**	**25,170.4**

Source: Refinitiv Lipper, an LSEG Business
Note: Columns and rows may not sum because of rounding

ETF Flows by Promoter

Top ETF Attractors of Investors' Assets by Promoter

Vanguard (+$8.8 billion), JPMorgan (+$5.4 billion), and BNY Mellon Investment Management (+$2.1 billion) were the primary attractors of investors' assets in February. Estimated net flows into **Vanguard Total Bond Market Index ETF** (**BND**, +$1.7 billion) and **Vanguard 500 Index ETF** (**VOO**, +$1.5 billion) helped Vanguard remain at the top of the ETF estimated net flows leaderboard for the month. JPMorgan was the second top attractor of investors' assets, benefitting from investors' search for low-cost equity and bond issues.

TABLE 11 LARGEST MONTHLY ESTIMATED NET INFLOWS ($BIL) BY ETF PROMOTER, FEBRUARY 2023

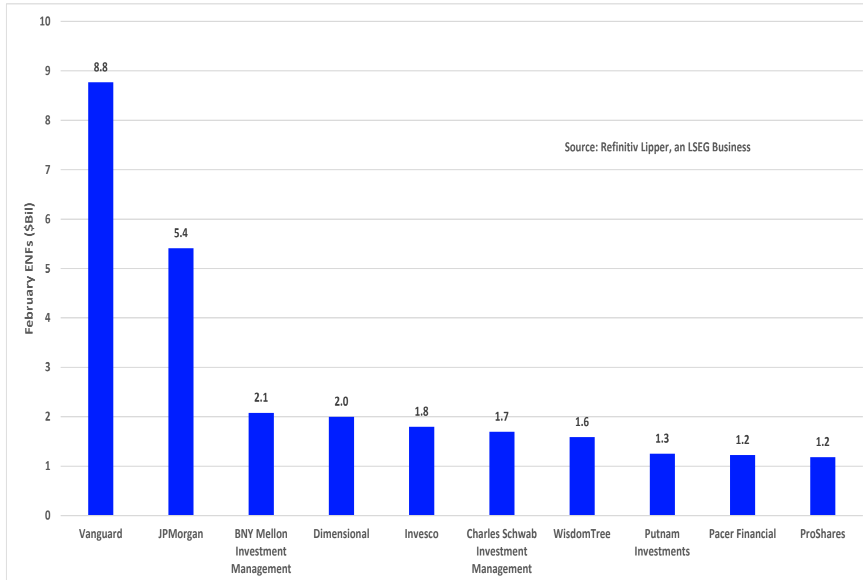

TABLE 12 TOP SELLING ETFs BY PROMOTER, FEBRUARY 2023

Vanguard Top-Selling ETFs	ASSET CLASS	ENFS ($MIL)
Vanguard Total Bond Market Index Fund;ETF	Bond	1,747
Vanguard 500 Index Fund;ETF	Equity	1,514
Vanguard Total Stock Market Index Fund;ETF	Equity	1,346
Vanguard Value Index Fund;ETF	Equity	873
Vanguard Total International Bond Index Fund;ETF	Bond	688

JPMorgan Top-Selling ETFs	ASSET CLASS	ENFS ($MIL)
JPMorgan BetaBuilders Europe ETF	Equity	2,063
JPMorgan Equity Premium Income ETF	Equity	1,816
JPMorgan Ultra-Short Income ETF	Bond	794
JPMorgan International Research Enhanced Eqty ETF	Equity	301
JPMorgan Nasdaq Equity Premium Income ETF	Equity	246

Source: Refinitiv Lipper, an LSEG Business

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