

FUNDFLOWS INSIGHT REPORT

REFINITIV LIPPER RESEARCH SERIES

SEPTEMBER 30, 2021

Investors Prefer Equity ETFs Over Equity Funds in September

- For the second consecutive month, mutual fund investors injected \$6.9 billion into conventional funds for September.
- Fixed income funds (+\$35.5 billion) witnessed net inflows for the seventeenth month in a row, while money market funds (+\$2.6 billion) experienced net inflows for the second month in a row.
- For the sixth straight month, investors were net sellers of stock & mixed-assets funds (-\$31.2 billion).
- Authorized Participants (APs) were net purchasers of ETFs, injecting \$52.2 billion for September, for their twenty-fifth month of consecutive inflows.
- And, for the eighteenth month in a row, fixed income ETFs (+\$15.7 billion for September) attracted net new money while investors padded the coffers of stock & mixed-assets ETFs (+\$36.5 billion), their sixteenth straight month of net inflows.
- For the first month in seven, small-cap ETFs (+\$4.5 billion) experienced the largest net inflows of the four capitalization groups.

TABLE 1 ESTIMATED NET FLOWS BY MAJOR FUND TYPES, SEPTEMBER 2021 VERSUS AUGUST (\$BIL)

	SEPTEMBER	AUGUST
Stock & Mixed Equity Funds	-31.2	-18.1
Bond Funds	35.5	38.9
Money Market Funds	2.6	23.8
TOTAL	6.9	44.6

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

TABLE 2 ESTIMATED NET FLOWS OF MAJOR EQUITY FUND TYPES, SEPTEMBER 2021 VERSUS AUGUST (\$BIL)

	SEPTEMBER	AUGUST
USDE Funds	-26.7	-32.1
Sector Equity Funds	-2.3	0.0
World Equity Funds	0.9	11.9
Mixed-Asset Funds	-5.1	0.2
Alternatives Funds	2.0	1.8
TOTAL	-31.2	-18.1

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

Investors Prefer Equity ETFs Over Equity Funds in September

Executive Summary

Investors were net purchasers of mutual fund assets for the second month in a row, injecting \$6.9 billion into the conventional funds business (excluding ETFs, which are reviewed in the section below) for September. For the sixth month in a row, stock & mixed-assets funds experienced net outflows (-\$31.2 billion). And despite the Treasury yield curve steepening for the month, the fixed income funds macro-group took in net new money for the seventeenth consecutive month, taking in \$35.5 billion for September. Money market funds (+\$2.6 billion) attracted net new money for the second month running.

The U.S. markets began the month mixed after investors weighed the possible impact a lower-than-expected nonfarm payrolls report might have on future economic growth. The employment report raised issues with the job market's recovery amid a staggering rise in the delta variant of COVID-19. The Department of Labor announced the U.S. economy had added just 235,000 new jobs for August, far fewer than analyst expectations of 720,000.

The following week, the Dow and the S&P 500 witnessed five consecutive days of downside performance as investors worried that rising case counts of COVID may be slowing global economic growth. U.S. stocks ended the following week lower, with the Dow experiencing its third straight weekly decline, its longest losing streak since September 2020. This was prompted by a weak consumer sentiment reading and increased daily volatility at week end blamed on quadruple witching. The 10-year Treasury yield closed up three basis points (bps) to close out the day at 1.37%. Oil futures witnessed their fourth consecutive week of gains, settling at \$71.94/bbl.

On Monday, September 20, the Dow witnessed its worst one-day decline (-614.41 points) in nine weeks as debt default concerns for China's property giant Evergrande rattled the market. However, just two days later, the Dow and S&P 500 posted their strongest daily returns in two months after talks of restructuring Evergrande eased some of the market participants' initial default concerns and the Federal Reserve's decision to keep its bond buying program and interest rate unchanged—at least for now. At month end, investors focused on inflationary concerns and an impasse among Democratic leaders in the House concerning two high-profile spending bills. The 10-year Treasury yield closed the month up 22 bps at 1.52%, pressuring equities and longer-dated bonds alike.



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EQUITY FUNDS

United States Diversified Equity (USDE) Funds

For the ninth consecutive month, USDE Funds witnessed net outflows (-\$26.7 billion for September). None of the classifications in the 4x3-matrix subgroup (-\$25.2 billion) attracted net inflows for the month. Mid-Cap Core Funds (-\$140 million) did the best job of mitigating losses in the subgroup. Investors shunned growth-oriented funds (-\$16.6 billion), while large-cap funds (-\$15.1 billion) handed back the largest amount of the capitalization groups. Lipper's Large-Cap Growth Funds classification (-\$11.0 billion) suffered the largest net outflows of the macro-classification, bettered by Large-Cap Core Funds (-\$2.8 billion) and Small-Cap Growth Funds (-\$2.6 billion). For the tenth consecutive month, the non-4x3-matrix subgroup experienced net outflows, handing back \$1.4 billion for September. Of the subgroup classifications, three witnessed net inflows ranging from just \$30 million to \$209 million. S&P 500 Index Funds (-\$936 million) handed back the largest amount, bettered by Equity Income Funds (-\$816 million) and S&P Midcap 400 Index Funds (-\$90 million). Year to date, USDE Funds witnessed \$245.7 billion in net redemptions.

TABLE 3

ESTIMATED NET FLOWS OF 4X3-MATRIX USDE FUNDS, SEPTEMBER 2021 VERSUS AUGUST (\$BIL)

	VALUE	CORE	GROWTH	SEPTEMBER	AUGUST
Large-Cap	-1.3	-2.8	-11.0	-15.1	-15.6
Multi-Cap	-1.7	-1.2	-1.7	-4.6	-6.9
Mid-Cap	-0.2	-0.1	-1.3	-1.6	-2.6
Small-Cap	-0.8	-0.5	-2.6	-3.9	-6.1
TOTAL	-3.9	-4.8	-16.6	-25.2	-31.2

Source: Refinitiv Lipper

Note: Columns and rows may not sum because of rounding

TABLE 4

ESTIMATED NET FLOWS OF OTHER USDE CLASSIFICATIONS, SEPTEMBER 2021 VERSUS AUGUST (\$BIL)

	SEPTEMBER	AUGUST
Equity Leverage Funds	0.2	-0.3
Equity Income Funds	-0.8	0.0
Options Arbitrage/Options Strategies Funds	0.2	0.2
Specialty Diversified Equity Funds	0.0	0.1
S&P Midcap 400 Index Funds	-0.1	-0.2
S&P 500 Index Funds	-0.9	-0.7
TOTAL	-1.4	-0.8

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

EQUITY FUNDS

World Equity Funds

For the fifth month in a row, investors were net purchasers of World Equity Funds. They injected \$853 million in net inflows for the month of September. For the third month in a row, institutional world equity funds (including variable insurance products) witnessed net inflows—taking in \$3.8 billion—while load and no-load world equity funds handed back \$2.9 billion and took in \$9 million, respectively. For the fourth consecutive month, Lipper’s Global Diversified Equity Funds subgroup (-\$1.1 billion for September) witnessed net outflows, while for the fifth month running the International Diversified Equity Funds subgroup experienced net inflows—attracting \$2.7 billion for September. International Multi-Cap Core Funds (+\$1.5 billion) remained at the top of the World Equity Funds macro-classification. International Multi-Cap Growth Funds—taking in \$1.2 billion net—was the runner-up for the month, followed by Global Multi-Cap Growth Funds (+\$485 million). At the bottom of the heap, Global Multi-Cap Core Funds (-\$1.1 billion) witnessed the largest net redemptions, bettered by Pacific ex-Japan Funds (-\$289 million). Over the last nine months, the World Equity Funds macro-classification took in a net \$18.1 billion.

TABLE 5
ESTIMATED NET FLOWS OF GLOBAL DIVERSIFIED EQUITY FUNDS, SEPTEMBER 2021 VERSUS AUGUST (\$BIL)

	VALUE	CORE	GROWTH	SEPTEMBER	AUGUST
Large-Cap	-0.2	0.0	-0.3	-0.5	-0.4
Multi-Cap	-0.2	-1.1	0.5	-0.8	-1.2
Small-/Mid-Cap (No Style)		0.2		0.2	-0.4
TOTAL (LARGE & MULTI)	-0.4	-1.0	0.2	-1.1	-2.0

Source: Refinitiv Lipper

Note: Columns and rows may not sum because of rounding

TABLE 6
ESTIMATED NET FLOWS OF INTERNATIONAL DIVERSIFIED EQUITY FUNDS, SEPTEMBER 2021 VERSUS AUGUST (\$BIL)

	VALUE	CORE	GROWTH	SEPTEMBER	AUGUST
Large-Cap	-0.1	0.1	-0.2	-0.2	3.4
Multi-Cap	-0.3	1.5	1.2	2.5	4.1
Small-/Mid-Cap	-0.1	0.2	0.1	0.3	1.2
TOTAL	-0.4	1.9	1.1	2.7	8.7

Source: Refinitiv Lipper

Note: Columns and rows may not sum because of rounding

TABLE 7
ESTIMATED NET FLOWS OF REMAINING WORLD EQUITY FUND CLASSIFICATIONS, SEPTEMBER 2021 VERSUS AUGUST (\$BIL)

	SEPTEMBER	AUGUST
China Region Funds	-0.1	-0.1
Emerging Markets Funds	-0.1	5.7
European Region Funds	0.0	0.2
Frontier Markets Funds	0.0	0.0
Global Equity Income Funds	-0.2	-0.2
India Region Funds	0.0	0.0
International Equity Income Funds	-0.1	0.0
Japanese Funds	0.2	-0.1
Latin American Funds	0.0	0.0
Pacific Region Funds	0.0	0.0
Pacific ex-Japan Funds	-0.3	-0.2
TOTAL	-0.7	5.2

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

EQUITY FUNDS

Sector Equity Funds

For the fourth consecutive month, investors were net sellers of the Sector Equity Funds macro-classification, redeeming \$2.3 billion for September. Just seven of the 25 classifications in this group attracted net new money, with Global Real Estate Funds (+\$146 million) and Real Estate Funds (+\$135 million) taking in the largest draws of net new money for September. The Global Infrastructure Funds classification suffered the largest net outflows of the group, handing back slightly less than \$817 million for the month, bettered by Commodities General Funds (-\$439 million) and Science & Technology Funds (-\$368 million). Year to date, Sector Equity Funds witnessed \$2.3 billion in net inflows.

TABLE 8

ESTIMATED NET FLOWS OF SECTOR EQUITY FUNDS, SEPTEMBER 2021 VERSUS AUGUST (\$BIL)

	SEPTEMBER	AUGUST
Precious Metals Equity Funds	-0.1	0.0
Alternative Energy Funds	0.0	0.0
Basic Materials Funds	-0.2	0.0
Consumer Goods Funds	0.0	0.0
Commodities Energy Funds	-	-
Commodities General Funds	-0.4	1.0
Commodities Specialty Funds	-	-
Consumer Services Funds	-0.1	-0.1
Energy MLP Funds	-0.1	-0.1
Financial Services Funds	0.0	0.1
Global Financial Services Funds	0.0	0.0
Global Health/Biotechnology Funds	-0.2	-0.3
Global Infrastructure Funds	-0.8	-0.4
Global Natural Resources Funds	0.0	-0.2
Global Real Estate Funds	0.1	0.2
Global Science/Technology Funds	0.1	0.1
Health/Biotechnology Funds	0.0	-0.1
Industrials Funds	0.1	0.0
International Real Estate Funds	0.0	0.0
Natural Resources Funds	-0.2	-0.2
Real Estate Funds	0.1	0.4
Specialty/Miscellaneous Funds	-0.1	0.0
Science & Technology Funds	-0.4	-0.4
Telecommunication Funds	0.0	0.0
Utility Funds	-0.1	-0.1
TOTAL	-2.3	0.0

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

EQUITY FUNDS

Mixed-Assets Funds

For the fifth month in six, the Mixed-Assets Funds macro-classification witnessed net outflows, handing back \$5.8 billion for September. Convertible Securities Funds (+\$8 million), Emerging Markets Mixed-Assets Funds (-\$32 million), Flexible Portfolio Funds (-\$871 million), and Real Return Funds (+\$108 million)—not shown in Table 9—collectively handed back some \$787 million for the month. For the second month in three, the mixed-asset target date funds subgroup witnessed net outflows, redeeming \$508 million for September, while the primarily broker-recommended mixed-asset target risk funds subgroup—for the fifth consecutive month—witnessed net outflows (-\$3.8 billion for the month).

Only eight of the 18 classifications in the target-date/target-risk subgroups witnessed net inflows for the month, with Mixed-Asset Target 2055 Funds (+\$568 million), Mixed-Asset Target 2060 Funds (+\$516 million), and Mixed-Asset Target 2050 Funds (+\$454 million) attracting the largest net draws of the classifications. Mixed-Asset Target Allocation Moderate Funds (-\$1.8 billion) witnessed the largest net redemptions, bettered by Mixed-Asset Target Allocation Growth Funds (-\$1.7 billion) and Mixed-Asset Target 2020 Funds (-\$1.2 billion). Over the last nine months, Mixed-Assets Funds handed back \$4.5 billion, with mixed-asset target date funds taking in \$25.7 billion, mixed-asset target risk funds suffering \$23.9 billion in net redemptions, and the remaining mixed-assets fund classifications handing back \$6.3 billion.

Alternatives Funds

For the ninth month running, the Alternatives Funds macro-classification experienced net inflows (+\$2.0 billion) for September, with Alternative Long/Short Equity Funds (+\$893 million) and Alternative Multi-Strategy Funds (+\$725 million) witnessing the largest net inflows of the macro-classification. Alternative Global Macro Funds (-\$419 million) witnessed the largest net outflows of the remaining classifications in the group, bettered by Alternative Other Funds (-\$277 million, a variable annuity subgroup) and Alternative Active Extension Funds (-\$22 million). Year to date, the Alternatives Funds macro-classification took in a net \$13.1 billion.

TABLE 9

ESTIMATED NET FLOWS OF TARGET DATE AND TARGET RISK FUNDS, SEPTEMBER 2021 VERSUS AUGUST (\$BIL)

	SEPTEMBER	AUGUST
Mixed Asset Target 2010 Funds	-0.1	-0.1
Mixed Asset Target 2015 Funds	-0.4	-0.5
Mixed Asset Target 2020 Funds	-1.2	-1.3
Mixed Asset Target 2025 Funds	-0.7	-0.3
Mixed Asset Target 2030 Funds	0.0	0.4
Mixed Asset Target 2035 Funds	0.1	0.8
Mixed Asset Target 2040 Funds	0.1	0.7
Mixed Asset Target 2045 Funds	0.2	0.7
Mixed Asset Target 2050 Funds	0.5	0.8
Mixed Asset Target 2055 Funds	0.6	0.9
Mixed-Asset Target 2060 Funds	0.5	0.7
Mixed-Asset Target 2060+ Funds	0.2	0.2
Mixed Asset Target Today Funds	-0.3	-0.1
Mixed Asset Target Alloc Aggres Funds	-0.2	-0.2
Mixed Asset Target Alloc Conserv Funds	-0.2	0.2
Mixed Asset Target Alloc Growth Funds	-1.7	-1.0
Mixed Asset Target Alloc Moderate Funds	-1.8	-1.7
Retirement Income	0.0	0.1
TOTAL	-4.4	0.1

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

TABLE 10

ESTIMATED NET FLOWS OF ALTERNATIVES FUNDS, SEPTEMBER 2021 VERSUS AUGUST (\$BIL)

	SEPTEMBER	AUGUST
Absolute Return Funds	0.3	0.1
Alternative Active Extension Funds	0.0	0.0
Alternative Equity Market Neutral Funds	0.5	0.4
Alternative Event Driven Funds	0.2	0.4
Alternative Global Macro Funds	-0.4	0.0
Alternative Long/Short Equity Funds	0.9	0.9
Alternative Managed Futures Funds	0.1	0.1
Alternative Multi-Strategy Funds	0.7	0.4
Alternative Other Funds	-0.3	-0.2
Dedicated Short Bias Funds	0.0	0.0
TOTAL	2.0	1.9

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

FIXED INCOME FUNDS

Fixed Income Funds

For the seventeenth consecutive month, despite a steepening yield curve and ongoing inflationary fears, fund investors continued to pad the coffers of bond funds, injecting \$35.5 billion net for September. On the taxable bond (non-money market) fund side (+\$29.6 billion), 22 of Lipper's 31 classifications witnessed net inflows. On the tax-exempt side (+\$5.9 billion), 19 of the 20 classifications in the municipal bond fund universe saw net inflows.

On the taxable side, investors put money into Core Bond Funds (+\$6.1 billion), Multi-Sector Income Funds (+\$4.4 billion), and Short Investment-Grade Debt Funds (+\$4.3 billion). Once again, the GNMA Funds classification witnessed the largest net redemptions of the group, handing back \$850 million for September, bettered by Core Plus Bond Funds (-\$430 million), Ultra-Short Obligation Funds (-\$269 million), and Global High Yield Funds (-\$211 million). On the municipal bond fund side, General & Insured Municipal Debt Funds (+\$2.1 billion) witnessed the largest net inflows for the month, followed by Intermediate Municipal Debt Funds (+\$1.2 billion) and Short-Intermediate Municipal Debt Funds (+\$1.0 billion). New York Municipal Debt Funds (-\$4 million) suffered the only net redemptions of the subgroup, bettered by Ohio Municipal Debt Funds (+\$5 million). The Fixed Income Funds macro-classification took in a net \$419.1 billion over the last nine months.

Money Market Funds

For the second month in a row, investors were net purchasers of the Money Market Funds macro-classification, injecting \$2.6 billion for September. On the taxable side (+\$4.5 billion), Institutional U.S. Treasury Money Market Funds (+\$14.0 billion) attracted the largest net inflows of the subgroup, followed by U.S. Government Money Market Funds (+\$10.9 billion) and U.S. Treasury Money Market Funds (+\$1.6 billion). Meanwhile, Institutional U.S. Government Money Market Funds witnessed the largest net outflows for the month (-\$9.1 billion), bettered by Institutional Money Market Funds (-\$7.8 billion).

On the tax-exempt side (-\$1.9 billion), all five classifications witnessed net outflows for the month, with Other States Tax-Exempt Money Market Funds (-\$46 million) doing the best job of mitigating losses. Institutional Tax-Exempt Money Market Funds (-\$897 million) experienced the largest net redemptions of the subgroup, bettered by Tax-Exempt Money Market Funds (-\$624 million). Over the last nine months, the Money Market Funds macro-classification took in a little more than \$200.2 billion.

TABLE 11
ESTIMATED NET FLOWS OF MAJOR FIXED INCOME FUND TYPES, SEPTEMBER 2021 VERSUS AUGUST (\$BIL)

	TAXABLE	MUNICIPAL	SEPTEMBER	AUGUST
Long-Term Bond	17.3	3.2	20.4	22.5
Short & Intermediate	12.3	2.7	15.1	16.5
Money Market	4.5	-1.9	2.6	23.8
TOTAL	34.1	4.0	38.1	62.8

Source: Refinitiv Lipper

Note: Columns and rows may not sum because of rounding

FUNDFLOWS INSIGHT REPORT

REFINITIV LIPPER RESEARCH SERIES

SEPTEMBER 30, 2021

APS EMBRACE REAL ESTATE AND SMALL-CAP ETFs IN SEPTEMBER

ETF Executive Summary

For the twenty-fifth straight month, ETFs witnessed net inflows, taking in \$52.2 billion for September. Authorized participants (APs—those investors who actually create and redeem ETF shares) were net purchasers of stock & mixed-assets ETFs for the sixteenth consecutive month, injecting \$36.5 billion into equity ETF coffers. And for the eighteenth month in a row, they were net purchasers of bond ETFs—injecting \$15.7 billion for the month. Once again, APs were net purchasers of all five equity-based ETF macro-classifications, padding the coffers of U.S. Diversified Equity ETFs (+\$26.0 billion), World Equity ETFs (+\$8.0 billion), Mixed-Assets ETFs (+\$1.2 billion), Alternatives ETFs (+\$1.0 billion), and Sector Equity ETFs (+\$270 million). Over the last nine months, stock & mixed-assets ETFs took in \$470.5 billion and bond ETFs attracted \$160.8 billion of net new money.

U.S. stocks were mixed at the beginning of September on a lower-than-expected August U.S. nonfarm payrolls report. The U.S. economy added just 235,000 new jobs for August, far fewer than analyst expectations of 720,000. However, the unemployment rate dropped to 5.2% from 5.4% in July, touching a new pandemic low. The following week U.S. broad-based indices witnessed five consecutive down days as investors worried that the rising case count of COVID may be slowing global economic growth. In other news, the August U.S. producer price index rose 0.7%, above analyst forecasts of 0.6%, sending the year-over-year rise to 8.3% for August—its largest gain since its inception in 2010.

The following week stocks didn't fare much better, with the S&P 500 index posting its third consecutive weekly decline and suffering its longest losing streak since September 2020. The downward spiral was attributed to a weak consumer sentiment reading and quadruple witching, when the market experienced the simultaneous expiration of stock options, single stock futures, stock index futures, and stock index options. Oil futures witnessed their fourth consecutive week of gains, settling at \$71.94/bbl.

Later in the month, the worst one-day decline for the Dow in nine weeks—caused by default concerns for China's property giant Evergrande—was offset by the strongest daily returns in two months after investors cheered the Federal Reserve's decision to keep its bond buying program and interest rate unchanged. Nonetheless, at month end, investors took their collective foot off the gas pedal, focusing on inflation, rising COVID-19 cases, and two high-profile spending bills. The average equity fund (-3.57%) posted its first monthly loss in 11. Commodity prices were mixed for the month, with near-month gold prices falling 3.29% to close the month at \$1,755.30/oz. and front-month crude oil prices climbing 9.53% to close at \$75.03/barrel (bbl).

TABLE 1

ESTIMATED NET FLOWS BY MAJOR ETF TYPES, SEPTEMBER 2021 VERSUS AUGUST (\$BIL)

	SEPTEMBER	AUGUST
Stock & Mixed Equity ETFs	36.5	48.9
Bond ETFs	15.7	19.5
TOTAL	52.2	68.4

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

TABLE 2

ESTIMATED NET FLOWS OF MAJOR EQUITY ETF TYPES, SEPTEMBER 2021 VERSUS AUGUST (\$BIL)

	SEPTEMBER	AUGUST
USDE ETFs	26.0	33.5
Sector Equity ETFs	0.3	4.8
World Equity ETFs	8.0	8.7
Mixed-Asset ETFs	1.2	0.6
Alternatives ETFs	1.0	1.4
TOTAL	36.5	48.9

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding



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EQUITY ETFs

United States Diversified Equity (USDE) ETFs

For the eighth month in a row, the USDE ETFs macro-classification experienced net inflows, taking in \$26.0 billion for September. Lipper's broad-based 4x3-matrix subgroup witnessed net inflows for the twenty-sixth consecutive month—taking in \$9.2 billion—with Multi-Cap Core ETFs (+\$3.8 billion), Small-Cap Core ETFs (+\$2.6 billion), and Small-Cap Growth ETFs (+\$1.6 billion) witnessing the largest net inflows of the subgroup. For the first month in seven, small-cap ETFs (+\$4.5 billion) experienced the largest net inflows of the four capitalization groups, followed by multi-cap ETFs (+\$2.9 billion). Core-oriented ETFs (+\$6.7 billion) attracted the largest net inflows of the valuation subgroup for the fourth consecutive month, while their growth- and value-oriented counterparts took in \$3.0 billion and handed back \$518 million, respectively. Multi-Cap Value ETFs (-\$1.1 billion) suffered the largest net redemption of the subgroup, bettered by Mid-Cap Value ETFs (+\$22 million) and Mid-Cap Core ETFs (+\$132 million).

Outside the 4x3-matrix classifications (+\$16.7 billion), S&P 500 ETFs (+\$7.8 billion) and Equity Leverage ETFs (+\$5.0 billion) witnessed the largest net inflows, while S&P Midcap 400 Index ETFs (+\$409 billion) witnessed the smallest net inflows of the subgroup. **SPDR S&P 500 ETF (SPY)** individually witnessed the largest net inflows (+\$7.2 billion), while **iShares Core S&P 500 ETF (IVV)** witnessed the largest individual net outflows (-\$3.1 billion). For the nine-month period ended September 30, the USDE ETFs macro-classification attracted \$247.8 billion in net inflows.

TABLE 3

ESTIMATED NET FLOWS OF USDE 4X3-MATRIX ETFs, SEPTEMBER 2021 VERSUS AUGUST (\$MIL)

	VALUE	CORE	GROWTH	SEPTEMBER	AUGUST
Large-Cap	247.2	152.2	527.7	927.1	12,881.6
Multi-Cap	-1,092.5	3,780.9	225.9	2,914.3	8,250.1
Mid-Cap	22.2	132.4	709.8	864.4	826.3
Small-Cap	304.7	2,611.8	1,585.0	4,501.5	731.4
TOTAL	-518.4	6,677.3	3,048.4	9,207.3	22,689.3

Source: Refinitiv Lipper

Note: Columns and rows may not sum because of rounding

TABLE 4

ESTIMATED NET FLOWS OF OTHER USDE CLASSIFICATIONS, SEPTEMBER 2021 VERSUS AUGUST (\$MIL)

	SEPTEMBER	AUGUST
Equity Leverage ETFs	4,963.9	-2,188.1
Equity Income ETFs	2,361.8	1,395.0
Options Arbitrage/Options Strategies Funds	1,220.0	1076.0
Specialty Diversified ETFs	-	-
S&P Midcap 400 Index Funds	409.0	-680.5
S&P 500 Index ETFs	7,792.0	11,206.0
TOTAL	16,746.6	10,808.4

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

EQUITY ETFs

World Equity ETFs

For the sixteenth month in a row, APs were net purchasers of World Equity ETFs, injecting \$8.0 billion for September. APs were net purchasers of the non-3x3-matrix subgroup—injecting a net \$3.5 billion—with Emerging Markets ETFs (+\$1.7 billion) attracting the largest amount of net new money for that subgroup, followed by Japanese ETFs (+\$657 million). The Global Diversified Equity ETFs 3x3 subgroup witnessed net inflows for the second month in three, attracting \$126 million for September. Meanwhile, the International Diversified Equity ETFs 3x3 subgroup witnessed net inflows for the fifteenth month in a row, taking in \$4.4 billion for September. International Multi-Cap Core ETFs (+\$2.9 billion) and International Multi-Cap Growth ETFs (+\$551 million) took the number-one and -two spots for that subgroup. International Large-Cap Core ETFs experienced the largest net redemptions of the macro-classification, handing back \$179 million for the month, bettered by European Region ETFs (-\$123 million) and Pacific Region ETFs (-\$50 million). **Vanguard Total International Stock Index ETF (VXUS)**, with net inflows of \$1.1 billion for September, attracted the most individual interest in the macro-classification. **iShares MSCI ACWI ETF (ACWI)** handed back the largest individual net redemptions (-\$490 million). Over the last nine months, the World Equity ETFs macro-classification attracted a net \$120.9 billion.

TABLE 5
ESTIMATED NET FLOWS OF GLOBAL DIVERSIFIED EQUITY ETFs, SEPTEMBER 2021 VERSUS AUGUST (\$MIL)

	VALUE	CORE	GROWTH	SEPTEMBER	AUGUST
Large-Cap	0.0	163.4	0.0	163.4	-86.9
Multi-Cap	16.8	-7.2	-48.5	-38.9	75.0
Small-/Mid-Cap (No Style)		1.1		1.1	1.5
TOTAL (LARGE & MULTI)	16.8	156.2	-48.5	125.6	-10.4

Source: Refinitiv Lipper

Note: Columns and rows may not sum because of rounding

TABLE 6
ESTIMATED NET FLOWS OF INTERNATIONAL DIVERSIFIED EQUITY ETFs, SEPTEMBER 2021 VERSUS AUGUST (\$MIL)

	VALUE	CORE	GROWTH	SEPTEMBER	AUGUST
Large-Cap	188.7	-178.8	301.1	311.0	1,351.7
Multi-Cap	210.0	2,859.6	551.5	3,621.1	5,015.7
Small-/Mid-Cap	24.5	35.4	363.1	423.1	1,817.8
TOTAL	423.2	2,716.2	1,215.7	4,355.1	8,185.1

Source: Refinitiv Lipper

Note: Columns and rows may not sum because of rounding

TABLE 7
ESTIMATED NET FLOWS OF REMAINING WORLD EQUITY ETF CLASSIFICATIONS, SEPTEMBER 2021 VERSUS AUGUST (\$MIL)

	SEPTEMBER	AUGUST
China Region ETFs	574.2	32.3
Emerging Markets ETFs	1,711.2	68.9
European Region ETFs	-123.4	973.3
Frontier Markets Funds	2.1	12.5
Global Equity Income ETFs	-18.3	-19.2
India Region ETFs	-49.4	-65.9
International Equity Income ETFs	452.5	341.5
Japanese ETFs	657.0	37.9
Latin American ETFs	353.9	-792.4
Pacific Region ETFs	-50.4	102.9
Pacific ex-Japan ETFs	-3.0	-152.5
TOTAL	3,506.5	539.2

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

EQUITY ETFs

Sector Equity ETFs

For the twelfth consecutive month, Sector Equity ETFs witnessed net inflows—although they only took in \$270 million for September—with 11 of Lipper’s 28 Sector Equity ETF classifications experiencing net inflows. Real Estate ETFs (+\$3.0 billion), Natural Resources ETFs (+\$2.0 billion), and Global Science & Technology ETFs (+\$1.0 billion) observed the largest net inflows for the month, while Industrials ETFs (-\$1.3 billion), Consumer Goods ETFs (-\$958 million), and Health/Biotechnology ETFs (-\$945 million) suffered the largest net outflows. **iShares US Real Estate ETF (IYR)**, taking in a net \$2.2 billion, attracted the largest individual inflows for September. At the bottom of the individual ETF pile for Sector Equity ETFs, **Financial Select Sector SPDR ETF (XLF)** handed back a net \$1.5 billion for the month. The Sector Equity ETFs macro-classification took in a net \$89.1 billion over the last eight months.

TABLE 8

ESTIMATED NET FLOWS OF SECTOR EQUITY ETFs, SEPTEMBER 2021 VERSUS AUGUST (\$MIL)

	SEPTEMBER	AUGUST
Precious Metals Equity ETFs	82.9	-378.9
Alternative Energy Funds	35.6	-109.7
Basic Materials ETFs	-417.9	-428.7
Consumer Goods ETFs	-957.7	92.8
Commodities Agriculture ETFs	-21.7	-10.1
Commodities Energy ETFs	-125.0	-148.0
Commodities General ETFs	-329.2	60.2
Commodities Base Metals ETFs	22.9	-16.7
Commodities Precious Metals ETFs	-370.8	-1,970.7
Commodities Specialty ETFs	-68.3	21.9
Consumer Services ETFs	-34.0	-168.6
Energy MLP ETFs	-131.5	-175.4
Financial Services ETFs	-738.1	2,414.2
Global Financial Services ETFs	113.6	19.2
Global Health/Biotechnology ETFs	49.0	117.3
Global Infrastructure ETFs	-7.9	-67.0
Global Natural Resources ETFs	-116.2	437.7
Global Real Estate ETFs	-16.5	-90.9
Global Science/Technology ETFs	1,040.5	1,635.5
Health/Biotechnology ETFs	-944.8	1,610.6
Industrials ETFs	-1,250.9	-247.2
International Real Estate ETFs	156.4	43.9
Natural Resources ETFs	2,022.5	-1,700.3
Real Estate ETFs	3,024.7	760.6
Specialty/Miscellaneous ETFs	178.6	650.1
Science & Technology ETFs	-693.6	447.8
Telecommunication ETFs	333.1	921.6
Utility ETFs	-565.5	1,045.2
TOTAL	270.2	4,766.2

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

EQUITY ETFs

Alternatives ETFs

For the sixth month running, Alternatives ETFs witnessed net inflows (+\$1.1 billion for September). APs were net purchasers of Alternative Long/Short Equity ETFs (+\$757 million) and Dedicated Short Bias ETFs (+\$204 million). Alternative Global Macro ETFs (-\$2.5 million) witnessed the largest net inflows of the group, bettered by Alternative Equity Market Neutral ETFs (+\$1.7 million). Once again, **Global X NASDAQ 100 Covered Call ETF (QYLD)**, taking in \$529 million, drew the largest individual net inflows of the macro-classification, while **ProShares UltraPro Short S&P500 ETF (SPXU)** handed back \$66 million and suffered the largest individual net withdrawals of the group. Alternatives ETFs attracted a net \$7.8 billion over the last nine months.

TABLE 9 ESTIMATED NET FLOWS OF ALTERNATIVES ETFs, SEPTEMBER 2021 VERSUS AUGUST (\$MIL)

	SEPTEMBER	AUGUST
Absolute Return ETFs	15.5	26.1
Alternative Active Extension ETFs	11.9	24.8
Alternative Equity Market Neutral ETFs	-1.7	0.0
Alternative Event Driven ETFs	11.7	5.0
Alternative Global Macro ETFs	-2.5	0.1
Alternative Long/Short Equity ETFs	757.1	621.2
Alternative Managed Futures ETFs	29.4	-0.6
Alternative Multi-Strategy ETFs	24.0	3.4
Dedicated Short Bias ETFs	204.0	714.2
TOTAL	1,049.3	1,394.3

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

FIXED INCOME ETFs

Fixed Income ETFs

For the eighteenth month in a row, fixed income ETFs (+\$15.7 billion for September) witnessed net inflows. On the taxable bond ETF side (+\$14.2 billion), 22 of the 31 Lipper classifications attracted net new money for the month. Meanwhile, tax-exempt offerings (+\$1.5 billion) posted net inflows in seven of the 10 classifications of the subgroup. On the taxable side, net flows into Inflation Protected Bond ETFs (+\$3.6 billion) and Core Bond ETFs (+\$2.9 billion) beat those of the other classifications. Emerging Markets Hard Currency Debt ETFs (-\$427 million) and Corporate Debt BBB-Rated ETFs (-\$152 million) suffered the largest net redemptions of the group. **Vanguard Short-Term Bond Index ETF (BSV)**, with net inflows of \$1.4 billion, attracted the largest individual inflows of the group, while **iShares iBoxx \$ Inv Grade Corporate Bond ETF (LQD)**, handing back some \$1.3 billion for September, suffered the largest individual net redemptions. On the tax-exempt side, General & Insured Municipal Debt ETFs (+\$844 million) had the largest net inflows, while High Yield Municipal Debt ETFs (-\$39 million) suffered the largest net redemption for the month. Year to date, the Fixed Income ETFs macro-classification took in a net \$160.8 billion.

TABLE 10

ESTIMATED NET FLOWS OF MAJOR FIXED INCOME ETF TYPES, SEPTEMBER 2021 VERSUS AUGUST (\$MIL)

	TAXABLE	MUNICIPAL	SEPTEMBER	AUGUST
Long-Term Bond	2,770.6	833.8	3,604.5	9,814.0
Short & Intermediate	11,442.4	631.7	12,074.1	9,684.6
TOTAL	14,213.0	1,465.5	15,678.5	19,498.6

Source: Refinitiv Lipper

Note: Columns and rows may not sum because of rounding

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