

# FUND FLOWS INSIGHT REPORT

## LSEG LIPPER RESEARCH SERIES

APRIL 30, 2023

### Investors Turn to ETFs in April While Giving a Cold Shoulder to Funds

- For the first month in four, mutual fund investors were net redeemers of fund assets, withdrawing \$46.0 billion from conventional funds for April.
- Fixed income funds (-\$3.6 billion for April) witnessed net outflows for the second month in a row, while money market funds (-\$4.3 billion) suffered their first net monthly redemptions in seven.
- For the twenty-fifth straight month, investors were net sellers of stock & mixed-assets funds (-\$38.1 billion).
- Authorized Participants (APs) were net purchasers of ETFs, injecting \$33.3 billion for April.
- And, for the fifteenth straight month, fixed income ETFs (+\$16.0 billion for April) witnessed net inflows while investors were net purchasers of stock & mixed-assets ETFs (+\$17.3 billion).
- U.S. Diversified Equity ETFs (+\$11.9 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, APRIL 2023 VERSUS MARCH (\$BIL)

	APRIL	MARCH
Stock & Mixed Equity Funds	-38.1	-41.0
Bond Funds	-3.6	-23.3
Money Market Funds	-4.3	350.8
<b>TOTAL</b>	<b>-46.0</b>	<b>286.4</b>

Source: LSEG Lipper

Note: Columns may not sum because of rounding

TABLE 2

#### ESTIMATED NET FLOWS OF MAJOR EQUITY FUND TYPES, APRIL 2023 VERSUS MARCH (\$BIL)

	APRIL	MARCH
USDE Funds	-15.8	-20.7
Sector Equity Funds	-4.3	-3.9
World Equity Funds	-11.4	-6.4
Mixed-Assets Funds	-5.0	-6.8
Alternatives Funds	-1.6	-3.2
<b>TOTAL</b>	<b>-38.1</b>	<b>-41.0</b>

Source: LSEG Lipper

Note: Columns may not sum because of rounding

### Investors Turn to ETFs in April While Giving a Cold Shoulder to Funds

#### Executive Summary

Despite both taxable bond and equity funds posting plus-side returns for April, investors were net redeemers of mutual fund assets for the first month in four, withdrawing \$46.0 billion from the conventional funds business (excluding ETFs, which are reviewed in the section below). For the twenty-fifth consecutive month, stock & mixed-assets funds experienced net outflows (-\$38.1 billion). And because of ongoing inflation concerns and the then growing probabilities of an additional interest rate hike by the Federal Reserve Board in May, the fixed income funds macro-group—for the second month in a row—witnessed net outflows, handing back \$3.6 billion. After experiencing its strongest monthly net inflows in March since April 2020, the money market funds (-\$4.3 billion) macro-group experienced its first monthly net outflows in seven.

U.S. markets generally finished lower at the beginning of March, with the Nasdaq and S&P 500 slumping during the holiday-shortened trading week, with equity markets closed for Good Friday. However, defying the Federal Reserve's hopes for a big slowdown in hiring, the Department of Labor reported the U.S. economy added 236,000 new jobs in March, slightly lower than analyst expectations of 238,000, with the unemployment rate slipping to 3.5%. In other news earlier in the week, U.S. job openings dropped below the 10-million mark to a 21-month low, perhaps indicating the beginning of a cooling job market, while first-time jobless claims from the week prior came in higher than expected.

The Dow posted its fourth straight week of market gains the following week—its longest weekly winning streak since October after investors digested strong Q1 bank earnings. Investors remained nervous after economic data showed that March retail sales—a critical component of consumer spending—declined 1%, dropping for the fourth month in five. In other news, core consumer-price inflation ticked higher to a 5.6% year-over-year rate.

The Dow snapped its four-week winning streak as investors kept a keen eye on Q1 earnings while watching for signs of an economic slowdown. The Conference Board's leading economic index for March fell to its lowest level since November 2020 as the number of people collecting unemployment benefits reached its highest level since November 2021. Despite the U.S. banking system coming under renewed pressure in the last week of April over First Republic Bank's inability to raise new capital after experiencing significant withdrawals over the week, strong Q1 earnings from the likes of Meta Platforms, Microsoft, and Alphabet pushed the Dow to its best monthly gain in three months—rising 2.48% for April.



# EQUITY FUNDS

## United States Diversified Equity (USDE) Funds

For the twenty-eighth consecutive month, USDE Funds witnessed net outflows (-\$15.8 billion for April).

Once again, the Multi-Cap Core Funds classification (+\$2.9 billion) witnessed the only net inflows in the 4x3-matrix subgroup (-\$13.3 billion) for the month, followed by Small-Cap Value Funds (-\$114 million) and Multi-Cap Value Funds (-\$358 million). Investors shunned growth-oriented funds (-\$9.4 billion), while large-cap funds (-\$9.1 billion) handed back the largest amount of the capitalization groups. Lipper’s Large-Cap Growth Funds classification (-\$5.1 billion) suffered the largest net outflows of the macro-classification, bettered by Large-Cap Core Funds (-\$2.7 billion) and Mid-Cap Growth Funds (-\$2.5 billion).

For the ninth consecutive month, the non-4x3-matrix subgroup witnessed net outflows, handing back \$2.5 billion for April. Of the subgroup classifications, two witnessed net inflows, with S&P 500 Index Funds (+\$620 million) attracting the largest sum. Equity Income Funds (-\$2.9 billion) suffered the largest outflows of the group, bettered by Equity Leverage Funds (-\$151 million) and S&P Midcap 400 Index Funds (-\$70 million).

Year to date, USDE Funds handed back \$66.2 billion.

TABLE 3 ESTIMATED NET FLOWS OF 4X3-MATRIX USDE FUNDS, APRIL 2023 VERSUS MARCH (\$BIL)

	VALUE	CORE	GROWTH	APRIL	MARCH
Large-Cap	-1.2	-2.7	-5.1	-9.1	-12.2
Multi-Cap	-0.4	2.9	-0.9	1.7	-2.0
Mid-Cap	-0.6	-1.0	-2.5	-4.1	-2.4
Small-Cap	-0.1	-0.9	-0.8	-1.9	-1.5
TOTAL	-2.3	-1.7	-9.4	-13.3	-18.1

Source: LSEG Lipper  
Note: Columns and rows may not sum because of rounding

TABLE 4 ESTIMATED NET FLOWS OF OTHER USDE CLASSIFICATIONS, APRIL 2023 VERSUS MARCH (\$BIL)

	APRIL	MARCH
Equity Leverage Funds	-0.2	-0.1
Equity Income Funds	-2.9	-3.1
Options Arbitrage/Options Strategies Funds	0.1	0.5
Specialty Diversified Equity Funds	0.0	-0.1
S&P Midcap 400 Index Funds	-0.1	0.0
S&P 500 Index Funds	0.6	0.1
TOTAL	-2.5	-2.7

Source: LSEG Lipper  
Note: Columns may not sum because of rounding

# EQUITY FUNDS

## World Equity Funds

For the seventeenth month in a row, investors were net sellers of World Equity Funds. They withdrew a net \$11.4 billion for the month of April.

For the fourteenth month in a row, institutional world equity funds (including variable insurance products) witnessed net redemptions—handing back \$8.6 billion—while load and no-load world equity funds handed back \$1.9 billion and \$875 million, respectively. For the twenty-third consecutive month, Lipper's Global Diversified Equity Funds subgroup (-\$3.5 billion for April) witnessed net outflows, while for the second month in a row, the International Diversified Equity Funds subgroup witnessed net outflows—to the tune of \$6.3 billion for April. The non-3x3-matrix (-\$1.6 billion) subgroup witnessed its first month of net redemptions in three.

International Large-Cap Core Funds (+\$1.2 billion) jumped to the top of the World Equity Funds macro-classification, taking in the largest net flows of the group for the month. International Large-Cap Value Funds—witnessing \$388 million in net inflows—was the runner-up for the month, followed by International Equity Income Funds (+\$100 million). At the bottom of the heap, International Large-Cap Growth Funds (-\$4.8 billion) witnessed the largest net redemptions, bettered by Global Large-Cap Core Funds (-\$1.4 billion).

For the first four months of the year, the World Equity Funds macro-group handed back some \$36.7 billion in net redemptions.

**TABLE 5**
**ESTIMATED NET FLOWS OF GLOBAL DIVERSIFIED EQUITY FUNDS, APRIL 2023 VERSUS MARCH (\$BIL)**

	VALUE	CORE	GROWTH	APRIL	MARCH
Large-Cap	-0.2	-1.4	-0.6	-2.3	-2.1
Multi-Cap	-0.3	-1.0	0.1	-1.2	-2.3
Small-/Mid-Cap (No Style)		0.0		0.0	0.2
<b>TOTAL (LARGE &amp; MULTI)</b>	<b>-0.5</b>	<b>-2.4</b>	<b>-0.5</b>	<b>-3.5</b>	<b>-4.2</b>

Source: LSEG Lipper

Note: Columns and rows may not sum because of rounding

**TABLE 6**
**ESTIMATED NET FLOWS OF INTERNATIONAL DIVERSIFIED EQUITY FUNDS, APRIL 2023 VERSUS MARCH (\$BIL)**

	VALUE	CORE	GROWTH	APRIL	MARCH
Large-Cap	0.4	1.2	-4.8	-3.2	-0.5
Multi-Cap	-0.8	-0.3	-1.3	-2.4	-1.1
Small-/Mid-Cap	-0.1	-0.2	-0.5	-0.8	-1.1
<b>TOTAL</b>	<b>-0.5</b>	<b>0.7</b>	<b>-6.6</b>	<b>-6.3</b>	<b>-2.7</b>

Source: LSEG Lipper

Note: Columns and rows may not sum because of rounding

**TABLE 7**
**ESTIMATED NET FLOWS OF REMAINING WORLD EQUITY FUND CLASSIFICATIONS, APRIL 2023 VERSUS MARCH (\$BIL)**

	APRIL	MARCH
China Region Funds	0.0	0.0
Emerging Markets Funds	-1.2	1.0
European Region Funds	0.0	-0.1
Frontier Markets Funds	0.0	0.0
Global Equity Income Funds	-0.2	-0.4
India Region Funds	0.0	0.0
International Equity Income Funds	0.1	0.1
Japanese Funds	-0.1	-0.1
Latin American Funds	0.0	0.0
Pacific Region Funds	0.0	0.0
Pacific ex-Japan Funds	-0.1	0.0
<b>TOTAL</b>	<b>-1.6</b>	<b>0.5</b>

Source: LSEG Lipper

Note: Columns may not sum because of rounding

# EQUITY FUNDS

## Sector Equity Funds

For the twelfth consecutive month, investors were net sellers of the Sector Equity Funds macro-classification, redeeming \$4.3 billion for April.

Only three of the 25 classifications in this group attracted net new money, with Precious Metals Equity Funds (+\$122 million) taking in the largest draw of net new money for the month, followed by Science & Technology Funds (+\$57 million). The Real Estate Funds classification suffered the largest net outflows of the group—handing back slightly less than \$1.6 billion for the month—bettered by Health/Biotechnology Funds (-\$582 million) and Commodities General Funds (-\$417 million).

Year to date, Sector Equity Funds witnessed \$13.1 billion in net redemptions.

TABLE 8

### ESTIMATED NET FLOWS OF SECTOR EQUITY FUNDS, APRIL 2023 VERSUS MARCH (\$BIL)

	APRIL	MARCH
Precious Metals Equity Funds	0.1	0.1
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	-0.4	-0.7
Commodities Specialty Funds	-	-
Consumer Services Funds	0.0	0.0
Energy MLP Funds	-0.1	-0.2
Financial Services Funds	-0.3	-0.2
Global Financial Services Funds	0.0	0.0
Global Health/Biotechnology Funds	-0.2	-0.4
Global Infrastructure Funds	-0.1	-0.1
Global Natural Resources Funds	-0.2	-0.3
Global Real Estate Funds	-0.1	-0.1
Global Science/Technology Funds	-0.2	-0.1
Health/Biotechnology Funds	-0.6	-0.7
Industrials Funds	0.0	0.0
International Real Estate Funds	0.0	0.0
Natural Resources Funds	-0.3	-0.6
Real Estate Funds	-1.6	-0.2
Specialty/Miscellaneous Funds	0.0	-0.1
Science & Technology Funds	0.1	0.0
Telecommunication Funds	-0.1	-0.1
Utility Funds	-0.3	-0.3
<b>TOTAL</b>	<b>-4.3</b>	<b>-3.9</b>

Source: LSEG Lipper

Note: Columns may not sum because of rounding

# EQUITY FUNDS

## Mixed-Assets Funds

For the twentieth consecutive month, the Mixed-Assets Funds macro-classification witnessed net outflows—handing back \$5.0 billion for April. Convertible Securities Funds (-\$95 million), Emerging Markets Mixed-Assets Funds (-\$1 million), Flexible Portfolio Funds (-\$2.0 billion), and Real Return Funds (-\$229 million)—not shown in Table 9—collectively handed back \$2.3 billion for the month.

For the fourth month in a row, the mixed-asset target-date funds subgroup experienced net inflows, taking in \$5.9 billion. Meanwhile, the primarily broker-recommended mixed-asset target-allocation funds subgroup—for the twenty-fourth consecutive month—experienced net outflows (-\$8.6 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 (+\$1.3 billion), Mixed-Asset Target 2055 Funds (+\$1.3 billion), and Mixed-Asset Target 2035 Funds (+\$1.2 billion) attracting the largest net draws of the classifications. Mixed-Asset Target Allocation Growth Funds (-\$4.7 billion) witnessed the largest net redemptions, bettered by Mixed-Asset Target Allocation Moderate Funds (-\$2.3 billion) and Mixed-Asset Target Allocation Conservative Funds (-\$1.4 billion).

YTD, the Mixed-Assets Funds macro-group handed back \$18.8 billion.

## Alternatives Funds

For the eighth month in a row, the Alternatives Funds macro-classification witnessed net outflows (-\$1.6 billion) for April, with Alternative Other Funds (+\$145 million, a variable annuity classification) witnessing the largest net inflows of the macro-classification, followed by Alternative Long/Short Equity Funds (+\$88 million). Alternative Multi-Strategy Funds (-\$408 million) witnessed the largest net outflows of the remaining classifications in the group, bettered by Alternative Equity Market Neutral Funds (-\$340 million) and Alternative Global Macro Funds (-\$308 million).

For the first four months of the year, Alternative Funds witnessed \$8.3 billion in net redemptions.

TABLE 9

ESTIMATED NET FLOWS OF TARGET DATE AND TARGET RISK FUNDS, APRIL 2023 VERSUS MARCH (\$BIL)

	APRIL	MARCH
Mixed Asset Target 2010 Funds	-0.1	-0.2
Mixed Asset Target 2015 Funds	-0.1	-0.3
Mixed Asset Target 2020 Funds	-1.0	-1.2
Mixed Asset Target 2025 Funds	-0.6	-1.0
Mixed Asset Target 2030 Funds	0.7	0.4
Mixed Asset Target 2035 Funds	1.2	1.0
Mixed Asset Target 2040 Funds	1.1	1.3
Mixed Asset Target 2045 Funds	1.2	1.4
Mixed Asset Target 2050 Funds	1.3	1.7
Mixed Asset Target 2055 Funds	1.3	1.7
Mixed-Asset Target 2060 Funds	1.0	1.3
Mixed-Asset Target 2060+ Funds	0.4	0.5
Mixed Asset Target Today Funds	-0.4	-0.6
Mixed Asset Target Alloc Aggres Funds	-0.2	-0.3
Mixed Asset Target Alloc Conserv Funds	-1.4	-1.6
Mixed Asset Target Alloc Growth Funds	-4.7	-5.1
Mixed Asset Target Alloc Moderate Funds	-2.3	-3.6
Retirement Income	0.0	-0.1
<b>TOTAL</b>	<b>-2.7</b>	<b>-4.6</b>

Source: LSEG Lipper

Note: Columns may not sum because of rounding

TABLE 10

ESTIMATED NET FLOWS OF ALTERNATIVES FUNDS, APRIL 2023 VERSUS MARCH (\$BIL)

	APRIL	MARCH
Absolute Return Funds	-0.2	-0.3
Alternative Active Extension Funds	0.0	0.0
Alternative Equity Market Neutral Funds	-0.3	-0.8
Alternative Event Driven Funds	-0.3	-0.7
Alternative Global Macro Funds	-0.3	-0.7
Alternative Long/Short Equity Funds	0.1	0.0
Alternative Managed Futures Funds	-0.3	0.0
Alternative Multi-Strategy Funds	-0.4	-0.6
Alternative Other Funds	0.1	-0.2
Dedicated Short Bias Funds	0.0	0.0
<b>TOTAL</b>	<b>-1.6</b>	<b>-3.2</b>

Source: LSEG Lipper

Note: Columns may not sum because of rounding

# FIXED INCOME FUNDS

## Fixed Income Funds

For the second consecutive month, fund investors were net sellers of bond funds, redeeming \$3.6 billion for April. On the taxable bond (non-money market) fund side (-\$231 million), only 12 of Lipper's 31 classifications witnessed net inflows. On the tax-exempt side (-\$3.4 billion), just four 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 (+\$9.5 billion), Core Plus Bond Funds (+\$1.4 billion), International Income Funds (+\$902 million), and General U.S. Treasury Funds (+\$577 million). The Loan Participation Funds classification witnessed the largest net outflows of the group, handing back \$2.8 billion for April, bettered by General Bond Funds (-\$2.4 billion), Short Investment-Grade Debt Funds (-\$1.6 billion), and Corporate Debt BBB-Rated Funds (-\$1.4 billion).

On the municipal bond fund side, California Intermediate Municipal Debt Funds (+\$121 million) witnessed the largest net inflows for the month, followed by Intermediate Municipal Debt Funds (+\$74 million) and Massachusetts Municipal Debt Funds (+\$5 million). General & Insured Municipal Debt Funds (-\$1.4 billion) suffered the largest net redemptions of the subgroup, bettered by Short Municipal Debt Funds (-\$834 million) and High Yield Municipal Debt Funds (-\$459 million).

Year to date, the Fixed Income Funds macro-group attracted \$19.3 billion.

## Money Market Funds

For the first month in seven, investors were net redeemers of the Money Market Funds macro-classification, withdrawing \$4.3 billion for April.

On the taxable side (+\$576 million), Money Market Funds (+\$10.3 billion) attracted the largest net inflows of the subgroup, followed by U.S. Treasury Money Market Funds (+\$7.0 billion), Institutional Money Market Funds (+\$3.2 billion), and U.S. Government Money Market Funds (+\$2.1 billion). Meanwhile, investors were net redeemers of Institutional U.S. Treasury Money Market Funds and Institutional U.S. Government Money Market Funds, withdrawing \$18.4 billion and \$3.6 billion, respectively, for the month.

On the tax-exempt side (-\$4.8 billion), only one of the five classifications in the group witnessed net inflows for the month, with California Tax-Exempt Money Market Funds (+\$569 million) taking in the only amount of net new money for the month. Tax-Exempt Money Market Funds (-\$4.4 billion) witnessed the largest net outflows of the subgroup, bettered by Institutional Tax-Exempt Money Market Funds (-\$605 million). During the first four months of 2023, the Money Market Funds macro-group took in \$411.6 billion.

TABLE 11

ESTIMATED NET FLOWS OF MAJOR FIXED INCOME FUND TYPES, APRIL 2023 VERSUS MARCH (\$BIL)

	TAXABLE	MUNICIPAL	APRIL	MARCH
Long-Term Bond	-6.6	-2.2	-8.8	-9.0
Short & Intermediate	6.3	-1.2	5.1	-14.3
Money Market	0.6	-4.8	-4.3	350.8
<b>TOTAL</b>	<b>0.3</b>	<b>-8.2</b>	<b>-7.9</b>	<b>327.5</b>

Source: LSEG Lipper

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)

Morgan Stanley (+\$8.1 billion), Charles Schwab Investment Management (+\$6.7 billion), and State Street Global Advisors (+\$6.3 billion) were lead attractors of mutual fund net inflows in April. The **Morgan Stanley Institutional Liquidity Government Portfolio, Institutional Share Class (MVRXX, +\$11.7 billion)** helped push Morgan Stanley to the top of the estimated net flows' promoter leaderboard for the month. Charles Schwab Investment Management was the second top attractor of investors' assets, also benefitting from investors' continued interest in money market funds.

TABLE 12

## LARGEST MONTHLY ESTIMATED NET INFLOWS (\$BIL) BY FUND PROMOTER (EX-ETFs), MARCH 2023

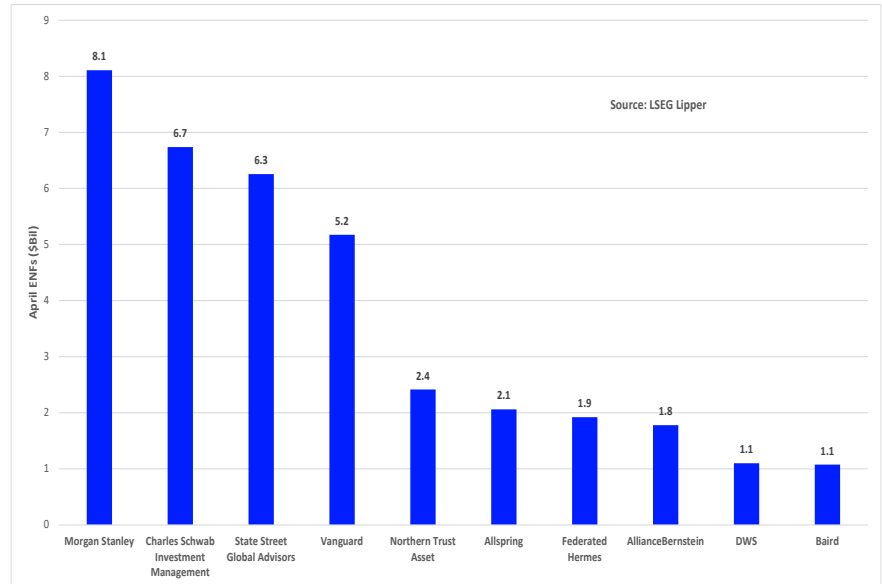


TABLE 13

## TOP SELLING SHARE CLASSES (EX-ETFs) BY FUND PROMOTER, MARCH 2023

Morgan Stanley Top-Selling Share Classes		ASSET CLASS	ENFS (\$MIL)
Morgan Stanley Inst Liq Govt Port;Institutional		Money Market	11,693
Morgan Stanley Inst Liq Govt Port;Impact		Money Market	729
Morgan Stanley Inst Liq Prime Port;CastleOak		Money Market	322
Morgan Stanley Inst Liq Treasury Port;Participant		Money Market	181
Morgan Stanley Inst Liq Govt Port;Investor		Money Market	129
Charles Schwab Top-Selling Share Classes		ASSET CLASS	ENFS (\$MIL)
Schwab Value Advantage Money Fund;Investor		Money Market	4,560
Schwab Treasury Obligations Money;Inv		Money Market	2,570
Schwab Treasury Obligations Money;Ultra		Money Market	1,754
Schwab Government Money Fund;Investor		Money Market	1,045
Schwab California Municipal Money Fund;Ultra		Money Market	336

Source: LSEG Lipper



# FUND FLOWS INSIGHT REPORT

## LSEG LIPPER RESEARCH SERIES

APRIL 30, 2023

### Bond ETFs Witness Their Fifteenth Consecutive Month of Net Inflows in April

#### ETF Executive Summary

For the twelfth consecutive month, ETFs attracted net new money, taking in \$33.3 billion for April. Authorized participants (APs—those investors who create and redeem ETF shares) were net purchasers of stock & mixed-assets ETFs—also for the twelfth month in a row—injecting \$17.3 billion into equity ETF coffers. For the fifteenth month running, they were net purchasers of bond ETFs—injecting \$16.0 billion for the month. APs were net purchasers of four of the five equity-based ETF macro-classifications, padding the coffers of U.S. Diversified Equity ETFs (+\$11.9 billion), World Equity ETFs (+\$3.8 billion), Alternatives ETFs (+\$1.8 billion), and Sector Equity ETFs (+\$18 million) while being net sellers of Mixed-Assets ETFs (-\$133 million).

U.S. stocks posted negative returns in the beginning of April after the Department of Labor reported the U.S. economy added 236,000 new jobs in March, just missing analyst expectations of 238,000. The unemployment rate ticked down to 3.5%, while wages rose 0.3%. The 10-year Treasury yield rose nine basis points (bps) on the day to 3.39% as the odds of a 25-bps hike by the Federal Reserve Board on May 3 increased. In other news earlier in the week, U.S. job openings dropped below the 10-million mark to a 21-month low—perhaps indicating the beginning of a cooling job market—while first-time jobless claims from the week prior came in higher than expected.

U.S. stocks ended higher the following week as investors cheered better-than-expected Q1 bank earnings. Despite this, investors continued their handwringing after economic data showed that March retail sales declined 1%—dropping for the fourth month in five—and after Federal Reserve Governor Christopher Waller said the Fed needs to keep hiking interest rates because inflation is still too high. Adding to the angst, core consumer-price inflation ticked higher to a 5.6% year-over-year rate.

The Dow snapped its four-week winning streak as investors continued to assess Q1 earnings while focusing on signs of an economic slowdown. However, investors were still in the hunt since 76.1% of the S&P 500 constituents that had reported earnings thus far beat analyst expectations, according to LSEG's proprietary research team. The 10-year Treasury yield closed the week up five bps to 3.57%.

Even though the banking sector once again came under pressure in the last week of the month after investors learned that First Republic Bank might be headed into receivership by the Federal Deposit Insurance Corporation, strong Q1 earnings reports from Meta Platforms, Microsoft, and Alphabet pushed the Dow to its best monthly gain in three months—rising 2.48% for the month. The 10-year Treasury yield closed the week down 13 bps to 3.44%. The two- and 10-year Treasury yield spread remained negative by 60 bps—widening just two bps from March's month-end closing value.

TABLE 1

**ESTIMATED NET FLOWS BY MAJOR ETF TYPES, APRIL 2023 VERSUS MARCH (\$BIL)**

	APRIL	MARCH
Stock & Mixed Equity ETFs	17.3	3.2
Bond ETFs	16.0	29.2
<b>TOTAL</b>	<b>33.3</b>	<b>32.4</b>

Source: LSEG Lipper

Note: Columns may not sum because of rounding

TABLE 2

**ESTIMATED NET FLOWS OF MAJOR EQUITY ETF TYPES, APRIL 2023 VERSUS MARCH (\$BIL)**

	APRIL	MARCH
USDE ETFs	11.9	8.3
Sector Equity ETFs	0.0	-4.0
World Equity ETFs	3.8	0.2
Mixed-Assets ETFs	-0.1	-1.4
Alternatives ETFs	1.8	0.0
<b>TOTAL</b>	<b>17.3</b>	<b>3.2</b>

Source: LSEG Lipper

Note: Columns may not sum because of rounding



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LSEG Lipper





# EQUITY ETFs

## United States Diversified Equity (USDE) ETFs

For the second month in a row, the USDE ETFs macro-classification experienced net inflows, taking in \$11.9 billion for April. Lipper's broad-based 4x3-matrix subgroup witnessed net inflows—for the second month in three—taking in \$3.4 billion. Multi-Cap Core ETFs (+\$2.7 billion), Large-Cap Growth ETFs (+\$1.4 billion), and Large-Cap Core ETFs (+\$1.3 billion) witnessed the largest net inflows of the subgroup.

For the second month running large-cap ETFs (+\$2.0 billion) attracted the largest net inflows of the four capitalization groups, followed by multi-cap ETFs (+\$947 million) and small-cap ETFs (+\$538 million). Core-oriented ETFs (+\$3.6 billion) attracted the largest net inflows of the valuation subgroup while their growth- and value-oriented counterparts took in \$2.4 billion and handed back \$2.7 billion, respectively. Multi-Cap Value ETFs (-\$1.8 billion) experienced the largest net outflows of the subgroup, bettered by Large-Cap Value ETFs (-\$766 million) and Mid-Cap Core ETFs (-\$273 million).

Outside the 4x3-matrix classifications (+\$8.5 billion), S&P 500 Index ETFs (+\$4.9 billion) and Options Arbitrage/Options Strategies ETFs (+\$3.0 billion) witnessed the largest net inflows of the subgroup, while Equity Income ETFs (+\$68 million) experienced the smallest net inflows, bettered by S&P Midcap 400 Index ETFs (+\$396 million).

**Vanguard 500 Index ETF (VOO)** individually witnessed the largest net inflows (+\$2.9 billion), while **Xtrackers MSCI USA ESG Leaders Equity ETF (USSG)** witnessed the largest individual net outflows (-\$2.1 billion).

Year to date, the USDE ETF macro-group took in \$15.4 billion.

TABLE 3

### ESTIMATED NET FLOWS OF USDE 4X3-MATRIX ETFs, APRIL 2023 VERSUS MARCH (\$MIL)

	VALUE	CORE	GROWTH	APRIL	MARCH
Large-Cap	-766.4	1,307.6	1,439.2	1,980.5	3,413.1
Multi-Cap	-1,848.3	2,673.3	121.9	946.9	-794.5
Mid-Cap	26.8	-272.9	138.1	-108.0	-632.7
Small-Cap	-87.7	-54.3	679.5	537.5	-2,832.7
<b>TOTAL</b>	<b>-2,675.5</b>	<b>3,653.8</b>	<b>2,378.7</b>	<b>3,357.0</b>	<b>-846.8</b>

Source: LSEG Lipper

Note: Columns and rows may not sum because of rounding

TABLE 4

### ESTIMATED NET FLOWS OF OTHER USDE CLASSIFICATIONS, APRIL 2023 VERSUS MARCH (\$MIL)

	APRIL	MARCH
Equity Leverage ETFs	133.0	1,473.8
Equity Income ETFs	68.1	429.2
Options Arbitrage/Options Strategies ETFs	2,969.5	2,638.8
Specialty Diversified ETFs	-	-
S&P Midcap 400 Index ETFs	396.0	155.8
S&P 500 Index ETFs	4,947.0	4,492.7
<b>TOTAL</b>	<b>8,513.5</b>	<b>9,190.3</b>

Source: LSEG Lipper

Note: Columns may not sum because of rounding

# EQUITY ETFs

## World Equity ETFs

For the eighth consecutive month, APs were net purchasers of World Equity ETFs, injecting \$3.8 billion for April.

For the sixth month in seven, APs were net purchasers of the non-3x3-matrix subgroup—injecting a net \$2.9 billion—with European Region ETFs (+\$805 million) attracting the largest amount of net new money for that subgroup, followed by Japanese ETFs (+\$774 million) and International Equity Income ETFs (+\$538 million). The Global Diversified Equity ETFs 3x3 subgroup witnessed net outflows for the third month in a row, handing back \$1.3 billion for April. Meanwhile, the International Diversified Equity ETFs 3x3 subgroup witnessed net inflows for the thirty-fourth month in a row, taking in \$2.2 billion for the month.

International Multi-Cap Core ETFs (+\$1.7 billion) and Global Large-Cap Growth ETFs (+\$113 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 \$1.3 billion for the month—bettered by International Large-Cap Core ETFs (-\$234 million) and International Small-/Mid-Cap Growth ETFs (-\$190 million).

**Vanguard European Stock Index ETF (VGK)**, with net inflows of \$700 million for April, attracted the most individual interest in the macro-classification. **iShares MSCI ACWI ETF (ACWI)** handed back the largest individual net redemptions (-\$1.3 billion).

Year to date, the World Equity ETF macro-group attracted a net \$33.6 billion.

TABLE 5

### ESTIMATED NET FLOWS OF GLOBAL DIVERSIFIED EQUITY ETFs, APRIL 2023 VERSUS MARCH (\$MIL)

	VALUE	CORE	GROWTH	APRIL	MARCH
Large-Cap	11.0	-19.3	113.3	104.9	37.5
Multi-Cap	-36.0	-1,320.2	-4.2	-1,360.3	-653.9
Small-/Mid-Cap (No Style)		0.5		0.5	1.6
<b>TOTAL (LARGE &amp; MULTI)</b>	<b>-25.0</b>	<b>-1,339.5</b>	<b>109.1</b>	<b>-1,255.0</b>	<b>-614.8</b>

Source: LSEG Lipper

Note: Columns and rows may not sum because of rounding

TABLE 6

### ESTIMATED NET FLOWS OF INTERNATIONAL DIVERSIFIED EQUITY ETFs, APRIL 2023 VERSUS MARCH (\$MIL)

	VALUE	CORE	GROWTH	APRIL	MARCH
Large-Cap	-186.1	-233.6	1,097.2	677.6	474.8
Multi-Cap	17.5	1,701.3	17.2	1,736.0	1,753.9
Small-/Mid-Cap	8.0	-71.3	-190.4	-253.7	297.0
<b>TOTAL</b>	<b>-160.6</b>	<b>1,396.4</b>	<b>924.1</b>	<b>2,159.9</b>	<b>2,525.7</b>

Source: LSEG Lipper

Note: Columns and rows may not sum because of rounding

TABLE 7

### ESTIMATED NET FLOWS OF REMAINING WORLD EQUITY ETF CLASSIFICATIONS, APRIL 2023 VERSUS MARCH (\$MIL)

	APRIL	MARCH
China Region ETFs	55.4	-288.9
Emerging Markets ETFs	519.8	-290.7
European Region ETFs	804.6	-46.0
Frontier Markets Funds	-27.7	28.9
Global Equity Income ETFs	74.4	114.5
India Region ETFs	0.1	17.6
International Equity Income ETFs	538.4	459.9
Japanese ETFs	774.3	-409.9
Latin American ETFs	11.9	-288.5
Pacific Region ETFs	168.9	-316.5
Pacific ex-Japan ETFs	-4.4	-661.2
<b>TOTAL</b>	<b>2,915.5</b>	<b>-1,680.7</b>

Source: LSEG Lipper

Note: Columns may not sum because of rounding

# EQUITY ETFs

## Sector Equity ETFs

For the first month in five, Sector Equity ETFs witnessed net inflows—however, attracting just \$18 million for April—with 11 of Lipper’s 28 Sector Equity ETF classifications experiencing net inflows.

Consumer Goods ETFs (+\$1.5 billion), Financial Services ETFs (+\$1.5 billion), and Telecommunications ETFs (+\$1.2 billion) observed the largest net inflows for the month, while Science & Technology ETFs (-\$1.8 billion), Natural Resources ETFs (-\$1.3 billion), and Real Estate ETFs (-\$877 million) suffered the largest net outflows.

**Financial Select Sector SPDR Fund (XLF)**, taking in a net \$1.6 billion, attracted the largest individual inflows for the month. At the bottom of the individual ETF pile for Sector Equity ETFs, **Vanguard Information Technology Index ETF (VGT)** handed back a net \$836 million for the month.

Year to date, the Sector Equity ETFs macro-group witnessed \$10.7 billion in net redemptions.

TABLE 8

ESTIMATED NET FLOWS OF SECTOR EQUITY ETFs, APRIL 2023 VERSUS MARCH (\$MIL)

	APRIL	MARCH
Precious Metals Equity ETFs	-428.3	407.0
Alternative Energy Funds	-141.1	-137.6
Basic Materials ETFs	5.7	-526.2
Consumer Goods ETFs	1,494.5	74.0
Commodities Agriculture ETFs	-52.3	-98.2
Commodities Energy ETFs	-221.8	130.1
Commodities General ETFs	-433.6	-824.6
Commodities Base Metals ETFs	-30.5	-55.2
Commodities Precious Metals ETFs	989.2	311.4
Commodities Specialty ETFs	-80.7	351.0
Consumer Services ETFs	197.7	989.5
Energy MLP ETFs	-40.2	-27.8
Financial Services ETFs	1,479.0	-1,004.9
Global Financial Services ETFs	-43.5	-110.9
Global Health/Biotechnology ETFs	90.4	56.8
Global Infrastructure ETFs	-2.5	-67.3
Global Natural Resources ETFs	64.9	-113.7
Global Real Estate ETFs	51.8	93.9
Global Science/Technology ETFs	-95.6	-572.1
Health/Biotechnology ETFs	-508.7	-1,755.4
Industrials ETFs	-284.1	249.7
International Real Estate ETFs	-27.7	-3.3
Natural Resources ETFs	-1,310.0	-2,643.1
Real Estate ETFs	-877.0	-1,023.4
Specialty/Miscellaneous ETFs	121.6	51.2
Science & Technology ETFs	-1,825.1	1,890.1
Telecommunication ETFs	1,229.1	-34.8
Utility ETFs	696.9	365.1
<b>TOTAL</b>	<b>18.1</b>	<b>-4,028.4</b>

Source: LSEG Lipper

Note: Columns may not sum because of rounding

# EQUITY ETFs

## Alternatives ETFs

For the fifth month in six, Alternatives ETFs experienced net inflows (taking in \$1.8 billion for April).

APs were net purchasers of Dedicated Short Bias ETFs (+\$1.3 billion) and Alternative Long/Short Equity ETFs (+\$455 million). Alternative Active Extension ETFs (-\$23 million) witnessed the largest net outflows of the group, bettered by Alternative Event Driven ETFs (-\$11 million).

**ProShares UltraPro Short QQQ (SQQQ)**, taking in \$716 million, drew the largest individual net inflows of the macro-classification, while **Direxion Daily Semiconductor Bear 3X Shares (SOXS)** handed back \$447 million and suffered the largest individual net redemptions of the group.

Year to date, the Alternatives ETFs macro-group took in a net \$6.5 billion.

TABLE 9 ESTIMATED NET FLOWS OF ALTERNATIVES ETFs, APRIL 2023 VERSUS MARCH (\$MIL)		
	APRIL	MARCH
Absolute Return ETFs	16.2	47.6
Alternative Active Extension ETFs	-22.9	-10.8
Alternative Equity Market Neutral ETFs	-2.8	-14.1
Alternative Event Driven ETFs	-10.9	-48.5
Alternative Global Macro ETFs	-6.8	-1.4
Alternative Long/Short Equity ETFs	455.4	141.7
Alternative Managed Futures ETFs	28.7	-20.7
Alternative Multi-Strategy ETFs	4.0	18.6
Dedicated Short Bias ETFs	1,296.4	-127.9
TOTAL	1,757.4	-15.4

Source: LSEG Lipper  
Note: Columns may not sum because of rounding

# FIXED INCOME ETFs

## Fixed Income ETFs

For the fifteenth consecutive month, fixed income ETFs (+\$16.0 billion for April) witnessed net inflows.

On the taxable bond ETF side (+\$15.4 billion), 21 of the 31 Lipper classifications attracted net new money for the month. Meanwhile, tax-exempt offerings (+\$594 million) posted net inflows in six of the 10 classifications of the subgroup.

On the taxable side, net flows into High Yield ETFs (+\$6.0 billion) and Core Bond ETFs (+\$3.9 billion) beat those of the other classifications. Short-Intermediate Investment-Grade Debt ETFs (-\$820 million) and Inflation Protected Bond ETFs (-\$756 million) suffered the largest net redemptions of the group.

iShares iBoxx \$ High Yield Corporate Bond ETF (HYG), with net inflows of \$2.9 billion, attracted the largest individual inflows of the group, while iShares 7-10 Year Treasury Bond ETF (IEF), handing back some \$1.6 billion for April, suffered the largest individual net redemptions.

On the tax-exempt side, General & Insured Municipal Debt ETFs (+\$766 million) had the largest net inflows, while Short Municipal Debt ETFs (-\$171 million) suffered the largest net redemptions for the month. Vanguard Tax-Exempt Bond Index ETF (VTEB), with net inflows of \$400 million, attracted the largest individual inflows of the subgroup.

Year to date, the Fixed Income ETFs macro-group attracted \$72.0 billion.

TABLE 10

### ESTIMATED NET FLOWS OF MAJOR FIXED INCOME ETF TYPES, APRIL 2023 VERSUS MARCH (\$MIL)

	TAXABLE	MUNICIPAL	APRIL	MARCH
Long-Term Bond	12,514.8	853.2	13,367.9	21,065.7
Short & Intermediate	2,872.1	-259.1	2,613.0	8,183.3
<b>TOTAL</b>	<b>15,386.8</b>	<b>594.1</b>	<b>15,980.9</b>	<b>29,249.0</b>

Source: LSEG Lipper

Note: Columns and rows may not sum because of rounding

# ETF FLOWS BY PROMOTER

## Top ETF Attractors of Investors' Assets by Promoter

Vanguard (+\$9.6 billion), BlackRock (+\$7.6 billion), and State Street Global Advisors (+\$5.6 billion) were the primary attractors of ETF investors' assets in April. Estimated net flows into **Vanguard 500 Index ETF (VOO, +\$2.9 billion)** and **Vanguard Total Bond Market Index ETF (BND, +\$1.5 billion)** helped Vanguard jump to the top of the ETF estimated net flows leaderboard for the month. BlackRock 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, MARCH 2023

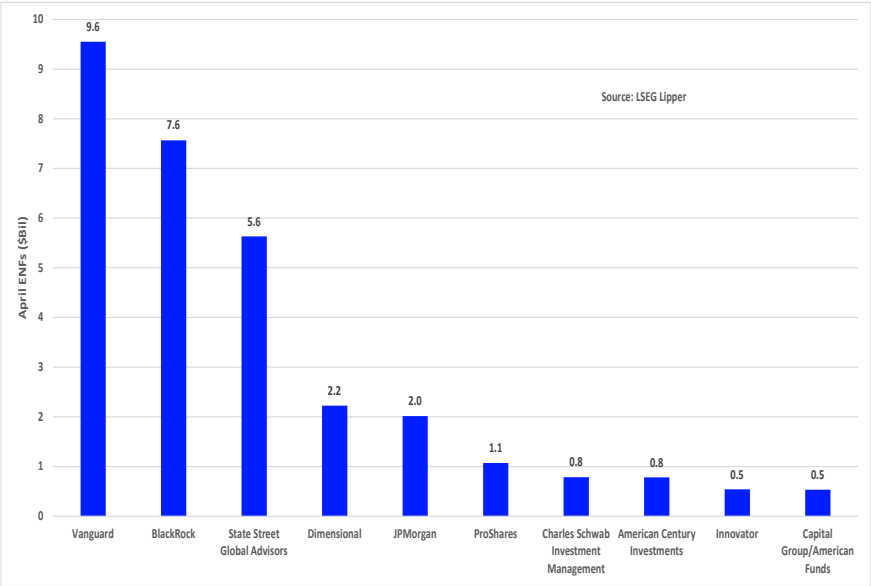


TABLE 12

TOP SELLING ETFs BY PROMOTER, MARCH 2023

Vanguard Top-Selling ETFs	ASSET CLASS	ENFS (\$MIL)
Vanguard 500 Index Fund;ETF	Equity	2,924
Vanguard Total Bond Market Index Fund;ETF	Bond	1,486
Vanguard Total International Bond Index Fund;ETF	Bond	755
Vanguard European Stock Index Fund;ETF	Equity	700
Vanguard Total Stock Market Index Fund;ETF	Equity	686
BlackRock Top-Selling ETFs	ASSET CLASS	ENFS (\$MIL)
iShares iBoxx \$ High Yield Corporate Bond ETF	Bond	2,857
iShares 20+ Year Treasury Bond ETF	Bond	1,594
iShares Core S&P 500 ETF	Equity	1,504
iShares MSCI USA Quality Factor ETF	Equity	1,432
iShares Core US Aggregate Bond ETF	Bond	799

Source: LSEG Lipper

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