

FUNDFLOWS INSIGHT REPORT

REFINITIV LIPPER RESEARCH SERIES

JULY 31, 2021

Investors Embrace Inflation Protected Bond Funds and ETFs in July

- For the second month running, mutual fund investors were net sellers of fund assets, redeeming \$15.0 billion from conventional funds for July.
- Fixed income funds (+\$20.5 billion for July) witnessed net inflows for the fifteenth month in a row, while money market funds (-\$23.8 billion) experienced net outflows for the second month in a row.
- For the fourth straight month, investors were net sellers of stock & mixed-assets funds (-\$11.8 billion).
- Authorized Participants (APs) were net purchasers of ETFs, injecting \$54.1 billion for July, for their twenty-third month of consecutive inflows.
- And, for the sixteenth month in a row, fixed income ETFs (+\$17.8 billion for July) attracted net new money, while investors padded the coffers of stock & mixed-assets ETFs (+\$36.3 billion), their fourteenth straight month of net inflows.

Investors Embrace Inflation Protected Bond Funds and ETFs in July

Executive Summary

Investors were net redeemers of mutual fund assets for the second month in row, withdrawing \$15.0 billion from the conventional funds business (excluding ETFs, which are reviewed in the section below) for July. For the fourth month in a row, stock & mixed-assets funds experienced net outflows (-\$11.8 billion). The Treasury yield curve continued to flatten during the month, pushing the fixed income funds macro-group to its fifteenth consecutive month of net inflows, attracting \$20.5 billion for July. Money market funds (-\$23.8 billion) witnessed net outflows for the second consecutive month.

Benefiting from a better-than-expected nonfarm payrolls and May factory orders reports, the U.S. market began the month in the plus column, with the U.S. broad-based indices closing at record highs on the tailwind of a strong U.S. nonfarm payrolls report for June. The Department of Labor announced the U.S. economy had added 850,000 new jobs for June, easily beating analyst expectations of 706,000.

The following week, the Dow, S&P 500, and Nasdaq each posted modest gains, while the Russell 2000 suffered its second straight week of losses. The equity market witnessed a rollercoaster ride, with investors worried about global growth outlooks as the world community struggled with growing infection rates attributed to the delta variant of the coronavirus. Despite U.S. stocks breaking their three-week winning streak the following week amid fading consumer sentiment, the Dow closed above the 35,000 mark for the first time in history as investors cheered Q2 corporate earnings reports toward month end.

On the last trading day of the month stocks were weighed down by increasing worries over COVID-19, with Hong Kong's Hang Seng Total Return Index (-9.64%) suffering its largest monthly decline since October 2018. Despite the Federal Reserve's preferred measure of inflation—the PCE price index—showing U.S. inflation rose a sharp 0.5% in June, for July the 10-year Treasury yield finished down 21 basis points (bps) to close out the month at 1.24%.

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

	JULY	JUNE
Stock & Mixed Equity Funds	-11.8	-39.4
Bond Funds	20.5	64.5
Money Market Funds	-23.8	-77.0
TOTAL	-15.0	-51.8

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

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

	JULY	JUNE
USDE Funds	-24.8	-39.5
Sector Equity Funds	-1.2	-1.0
World Equity Funds	15.7	0.5
Mixed-Asset Funds	-3.3	-1.1
Alternatives Funds	1.9	1.6
TOTAL	-11.8	-39.4

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding



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EQUITY FUNDS

United States Diversified Equity (USDE) Funds

For the seventh consecutive month, USDE Funds witnessed net outflows (-\$24.8 billion for July). Of the classifications in the 4x3-matrix subgroup (-\$33.4 billion), Multi-Cap Growth Funds (+\$734 million) attracted the strongest net inflows for the month, followed by Multi-Cap Value Funds (+\$220 million). Investors shunned core-oriented funds (-\$10.1 billion) while large-cap funds (-\$10.8 billion) handed back the largest amount of the capitalization groups. Lipper's Large-Cap Core Funds classification (-\$5.1 billion) suffered the largest net outflows of the macro-classification, bettered by Large-Cap Growth Funds (-\$4.5 billion) and Multi-Cap Core Funds (-\$2.6 billion). For the eighth consecutive month, the non-4x3-matrix subgroup experienced net outflows, handing back \$3.0 billion for July. Of the subgroup classifications, three witnessed net inflows ranging from just \$4 million to \$274 million. S&P 500 Index Funds (-\$3.1 billion) handed back the largest amount, bettered by S&P Midcap 400 Index Funds (-\$348 million) and Equity Leverage Funds (-\$84 million). Year to date, USDE Funds witnessed \$187.0 billion in net redemptions.

TABLE 3

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

	VALUE	CORE	GROWTH	JULY	JUNE
Large-Cap	-1.1	-5.1	-4.5	-10.8	-23.8
Multi-Cap	0.2	-2.6	0.7	-1.6	-4.7
Mid-Cap	-0.7	-0.2	-2.4	-3.3	-3.3
Small-Cap	-1.5	-2.2	-2.4	-6.0	-1.6
TOTAL	-3.0	-10.1	-8.6	-21.7	-33.4

Source: Refinitiv Lipper

Note: Columns and rows may not sum because of rounding

TABLE 4

ESTIMATED NET FLOWS OF OTHER USDE CLASSIFICATIONS, JULY 2021 VERSUS JUNE (\$BIL)

	JULY	JUNE
Equity Leverage Funds	-0.1	0.3
Equity Income Funds	0.3	-0.2
Options Arbitrage/Options Strategies Funds	0.2	0.2
Specialty Diversified Equity Funds	0.0	0.1
S&P Midcap 400 Index Funds	-0.3	-0.1
S&P 500 Index Funds	-3.1	-6.4
TOTAL	-3.0	-6.1

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

EQUITY FUNDS

World Equity Funds

For the third month in a row, investors were net purchasers of World Equity Funds. They attracted \$15.7 billion in net inflows for the month of July. For the fourth month in five, institutional world equity funds (including variable insurance products) witnessed net inflows—taking in \$17.6 billion—while load and no-load world equity funds handed back \$1.4 billion and \$550 million, respectively. For the second month in a row, Lipper's Global Diversified Equity Funds subgroup (-\$1.0 billion for July) witnessed net outflows, while for the third month running the International Diversified Equity Funds subgroup experienced net inflows—attracting \$14.3 billion for July. International Multi-Cap Core Funds (+\$9.7 billion) jumped to the top of the World Equity Funds macro-classification. International Multi-Cap Growth Funds—taking in \$3.5 billion net—was the runner-up for the month, followed by Emerging Markets Funds (+\$2.9 billion). At the bottom of the heap, Global Multi-Cap Core Funds (-\$1.2 billion) witnessed the largest net redemptions, bettered by Global Large-Cap Value Funds (-\$1.0 billion). Over the last seven months, the World Equity Funds macro-classification took in a net \$5.3 billion.

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

	VALUE	CORE	GROWTH	JULY	JUNE
Large-Cap	-1.0	0.4	0.4	-0.2	-0.5
Multi-Cap	-0.2	-1.2	0.4	-1.0	-2.3
Small-/Mid-Cap (No Style)		0.2		0.2	0.4
TOTAL (LARGE & MULTI)	-1.2	-0.6	0.8	-1.0	-2.4

Source: Refinitiv Lipper

Note: Columns and rows may not sum because of rounding

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

	VALUE	CORE	GROWTH	JULY	JUNE
Large-Cap	0.2	1.4	-0.3	1.3	-1.5
Multi-Cap	-0.2	9.7	3.5	13.0	4.7
Small-/Mid-Cap	0.1	-0.1	0.1	0.0	0.6
TOTAL	0.1	10.9	3.3	14.3	3.8

Source: Refinitiv Lipper

Note: Columns and rows may not sum because of rounding

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

	JULY	JUNE
China Region Funds	-0.2	0.0
Emerging Markets Funds	2.9	-1.8
European Region Funds	0.1	0.2
Frontier Markets Funds	0.0	0.0
Global Equity Income Funds	0.0	-0.5
India Region Funds	0.0	0.0
International Equity Income Funds	0.0	0.0
Japanese Funds	0.0	1.4
Latin American Funds	0.0	0.0
Pacific Region Funds	-0.3	-0.1
Pacific ex-Japan Funds	-0.2	0.1
TOTAL	2.3	-0.8

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

EQUITY FUNDS

Sector Equity Funds

For the second consecutive month, investors were net sellers of the Sector Equity Funds macro-classification, redeeming \$1.2 billion for July. Only six of the 25 classifications in this group attracted net new money, with Real Estate Funds (+\$265 million) and Global Real Estate Funds (+\$247 million) taking in the largest draws of net new money for July. The Commodities General Funds classification suffered the largest net outflows of the group, handing back slightly more than \$669 million for the month, bettered by Global Health/Biotechnology Funds (-\$251 million) and Energy MLP Funds (-\$235 million). Year to date, Sector Equity Funds witnessed \$4.5 billion in net inflows.

TABLE 8

ESTIMATED NET FLOWS OF SECTOR EQUITY FUNDS, JULY 2021 VERSUS JUNE (\$BIL)

	JULY	JUNE
Precious Metals Equity Funds	0.0	0.0
Alternative Energy Funds	0.0	0.0
Basic Materials Funds	-0.1	0.0
Consumer Goods Funds	0.0	0.0
Commodities Energy Funds	-	-
Commodities General Funds	-0.7	-0.4
Commodities Specialty Funds	-	-
Consumer Services Funds	0.0	0.1
Energy MLP Funds	-0.2	-0.1
Financial Services Funds	-0.2	0.0
Global Financial Services Funds	0.0	0.0
Global Health/Biotechnology Funds	-0.3	-0.3
Global Infrastructure Funds	0.2	0.0
Global Natural Resources Funds	-0.2	0.3
Global Real Estate Funds	0.2	0.1
Global Science/Technology Funds	0.2	0.0
Health/Biotechnology Funds	-0.2	-0.4
Industrials Funds	-0.1	0.0
International Real Estate Funds	0.1	0.0
Natural Resources Funds	-0.2	0.1
Real Estate Funds	0.3	0.1
Specialty/Miscellaneous Funds	0.0	0.1
Science & Technology Funds	0.0	-0.5
Telecommunication Funds	0.0	0.0
Utility Funds	-0.1	-0.1
TOTAL	-1.2	-1.0

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

EQUITY FUNDS

Mixed-Assets Funds

For the fourth month in a row, the Mixed-Assets Funds macro-classification witnessed net outflows, handing back \$3.3 billion for July. Convertible Securities Funds (-\$14 million), Emerging Markets Mixed-Assets Funds (-\$13 million), Flexible Portfolio Funds (-\$890 million), and Real Return Funds (+\$74 million)—not shown in Table 9—collectively handed back some \$817 million for the month. For the first month in three, the mixed-asset target date funds subgroup witnessed net outflows, handing back \$1.0 billion for July, while the primarily broker-recommended mixed-asset target risk funds subgroup—for the third consecutive month—witnessed net outflows (-\$1.5 billion for July).

Nine of the 18 classifications in the target-date/target-risk subgroups witnessed net inflows for the month, with Mixed-Asset Target 2055 Funds (+\$664 million), Mixed-Asset Target 2060 Funds (+\$545 million), and Mixed-Asset Target 2050 Funds (+\$402 million) attracting the largest net draws of the classifications. Mixed-Asset Target 2020 Funds (-\$2.2 billion) witnessed the largest net redemptions, bettered by Mixed-Asset Target Allocation Moderate Funds (-\$1.6 billion) and Mixed-Asset Target 2025 Funds (-\$684 million). Over the last seven months, Mixed-Assets Funds attracted just a net \$424 million, with mixed-asset target date funds taking in \$23.4 billion, mixed-asset target risk funds suffering \$17.4 billion in net redemptions, and the remaining mixed-assets fund classifications handing back \$5.6 billion.

Alternatives Funds

For the seventh month running, the Alternatives Funds macro-classification experienced net inflows (+\$1.9 billion) for July, with Alternative Long/Short Equity Funds (+\$856 million) and Alternative Multi-Strategy Funds (+\$395 million) witnessing the largest net inflows of the macro-classification. Alternative Other Funds (-\$208 million, a variable annuity subgroup) witnessed the largest net outflows of the remaining classifications in the group, bettered by Dedicated Short Bias Funds and Alternative Active Extension Funds (-\$30 million). Year to date, the Alternatives Funds macro-classification took in a net \$9.3 billion.

TABLE 9

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

	JULY	JUNE
Mixed Asset Target 2010 Funds	-0.2	-0.2
Mixed Asset Target 2015 Funds	-0.5	-0.4
Mixed Asset Target 2020 Funds	-2.2	-0.9
Mixed Asset Target 2025 Funds	-0.7	-0.3
Mixed Asset Target 2030 Funds	0.0	0.5
Mixed Asset Target 2035 Funds	0.3	0.7
Mixed Asset Target 2040 Funds	0.3	0.5
Mixed Asset Target 2045 Funds	0.4	0.6
Mixed Asset Target 2050 Funds	0.4	0.8
Mixed Asset Target 2055 Funds	0.7	0.7
Mixed-Asset Target 2060 Funds	0.5	0.6
Mixed-Asset Target 2060+ Funds	0.2	0.2
Mixed Asset Target Today Funds	-0.2	-0.4
Mixed Asset Target Alloc Aggres Funds	-0.1	-0.1
Mixed Asset Target Alloc Conserv Funds	-0.1	-0.6
Mixed Asset Target Alloc Growth Funds	0.3	-3.0
Mixed Asset Target Alloc Moderate Funds	-1.6	0.8
Retirement Income	0.1	0.1
TOTAL	-2.5	-0.4

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

TABLE 10

ESTIMATED NET FLOWS OF ALTERNATIVES FUNDS, JULY 2021 VERSUS JUNE (\$BIL)

	JULY	JUNE
Absolute Return Funds	0.1	0.2
Alternative Active Extension Funds	0.0	0.0
Alternative Equity Market Neutral Funds	0.4	0.3
Alternative Event Driven Funds	0.4	0.4
Alternative Global Macro Funds	0.0	-0.1
Alternative Long/Short Equity Funds	0.9	0.8
Alternative Managed Futures Funds	0.1	0.2
Alternative Multi-Strategy Funds	0.4	0.5
Alternative Other Funds	-0.2	-0.7
Dedicated Short Bias Funds	0.0	0.1
TOTAL	1.9	1.6

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

FIXED INCOME FUNDS

Fixed Income Funds

For the fifteenth consecutive month and despite ongoing inflationary fears, fund investors continued to pad the coffers of bond funds, injecting \$20.5 billion net for July. On the taxable bond (non-money market) fund side (+\$10.3 billion), 19 of Lipper's 31 classifications witnessed net inflows. On the tax-exempt side (+\$10.1 billion), 19 of the 20 classifications in the municipal bond fund universe saw net inflows.

Investors put money into Multi-Sector Income Funds (+\$3.8 billion), Short Investment-Grade Debt Funds (+\$3.2 billion), and General Bond Funds (+\$2.4 billion). The Global Income Funds classification witnessed the largest net redemptions of the group, handing back \$3.0 billion for July, bettered by Core Plus Bond Funds (-\$2.6 billion), Core Bond Funds (-\$730 million), and U.S. Mortgage Funds (-\$546 million). On the municipal bond fund side, High Yield Municipal Debt Funds (+\$2.5 billion) witnessed the largest net inflows for the month, followed by General & Insured Municipal Debt Funds (+\$1.8 billion) and Intermediate Municipal Debt Funds (+\$1.8 billion). New York Intermediate Municipal Debt Funds (+\$17 million) suffered the only net redemptions of the subgroup, bettered by Maryland Municipal Debt Funds (+\$12 million). The Fixed Income Funds macro-classification took in a net \$344.6 billion over the last seven months.

Money Market Funds

For the second month in a row, investors were net redeemers of the Money Market Funds macro-classification, withdrawing \$23.8 billion for July. On the taxable side (-\$21.5 billion), Institutional Money Market Funds (+\$4.4 billion) attracted the largest net inflows of the subgroup, followed by Institutional U.S. Government Money Market Funds (+\$2.8 billion) and U.S. Treasury Money Market Funds (-\$274 million). Meanwhile, Institutional U.S. Treasury Money Market Funds witnessed the largest net outflows for the month (-\$16.6 billion), bettered by Money Market Funds (-\$6.1 billion).

On the tax-exempt side (-\$2.3 billion), all five classifications witnessed net outflows for the month, with Other States Tax-Exempt Money Market Funds (-\$40 million) handing back the smallest amount. Institutional Tax-Exempt Money Market Funds (-\$1.5 billion) experienced the largest net redemptions of the subgroup, bettered by Tax-Exempt Money Market Funds (-\$636 million). Over the last seven months, the Money Market Funds macro-classification took in a little more than \$173.7 billion.

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

	TAXABLE	MUNICIPAL	JULY	JUNE
Long-Term Bond	6.0	5.0	11.0	39.5
Short & Intermediate	4.3	5.1	9.5	25.1
Money Market	-21.5	-2.3	-23.8	-77.0
TOTAL	-11.2	7.9	-3.3	-12.4

Source: Refinitiv Lipper

Note: Columns and rows may not sum because of rounding

FUNDFLOWS INSIGHT REPORT

REFINITIV LIPPER RESEARCH SERIES

JULY 31, 2021

APS GIVE A COLD SHOULDER TO FINANCIAL SERVICES AND SMALL-CAP ETFs IN JULY

ETF Executive Summary

For the twenty-third straight month, ETFs witnessed net inflows, taking in \$54.1 billion for July. Authorized participants (APs—those investors who actually create and redeem ETF shares) were net purchasers of stock & mixed-assets ETFs for the fourteenth consecutive month, injecting \$36.3 billion into equity ETF coffers. And for the sixteenth month in a row, they were net purchasers of bond ETFs—injecting \$17.8 billion for the month. APs were net purchasers of all five equity-based ETF macro-classifications, padding the coffers of U.S. Diversified Equity ETFs (+\$21.1 billion), World Equity ETFs (+\$13.3 billion), Alternatives ETFs (+\$807 million), Mixed-Assets ETFs (+\$757 million), and Sector Equity ETFs (+\$323 million). Over the last seven months, stock & mixed-assets ETFs took in \$385.1 billion and bond ETFs attracted \$125.6 billion of net new money.

U.S. stocks rallied at the beginning of July on a better-than-expected U.S. nonfarm payrolls report and May factory orders with the U.S. broad-based indices closing at record highs. The unemployment rate rose to 5.9% from 5.8% in May, largely attributed to workers actively looking at returning to the labor force. U.S. May factory orders rose 1.7%, rising in 12 of the last 13 months. The following week investors took a renewed focus in tech and growth-oriented issues but turned a cold shoulder to value-oriented and small-cap issues, with the Russell 2000 suffering its second straight week of losses. The 10-year Treasury yield finished the week at 1.37%, which remained a tailwind for tech-related companies.

U.S. stocks broke their three-week winning streak the following week amid fading consumer sentiment, with the Russell 2000 (-5.1%) posting the largest weekly decline of the oft-followed indices. This came after investors appeared to shrug off relatively strong retail sales and a mostly upbeat beginning to the Q2 corporate earnings season, instead focusing on the University of Michigan's consumer sentiment index falling to 80.8 in July from 85.5 in June as investors began to tighten their belts and prepare for a 4.8% cost of living increase for 2021.

At month end, the broad-based U.S. indices suffered slight declines for the week, but the S&P 500 (+2.27%) still managed to post its sixth consecutive monthly gain. On the last trading day of the month stocks were weighed down by increasing worries over COVID-19. Despite increasing inflationary pressures, the Treasury yield curve continued to flatten for the month. The 10-year Treasury yield declined 21 bps, the largest decline of all the maturities, to 1.24% at month end after hitting a monthly low of 1.19% on July 19. The two- and 10-year Treasury yield spread (105 bps) narrowed 15 bps for July. Commodity prices rose modestly for the month, with near-month gold prices climbing 2.36% to close the month at \$1,812.60/oz. and front-month crude oil prices rising 0.65% to close at \$73.95/barrel (bbl).

TABLE 1

ESTIMATED NET FLOWS BY MAJOR ETF TYPES, JULY 2021 VERSUS JUNE (\$BIL)

	JULY	JUNE
Stock & Mixed Equity ETFs	36.3	54.6
Bond ETFs	17.8	18.6
TOTAL	54.1	73.3

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

TABLE 2

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

	JULY	JUNE
USDE ETFs	21.1	31.2
Sector Equity ETFs	0.3	7.8
World Equity ETFs	13.3	13.9
Mixed-Asset ETFs	0.8	0.7
Alternatives ETFs	0.8	1.1
TOTAL	36.3	54.6

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 sixth month in a row, the USDE ETFs macro-classification experienced net inflows, taking in \$21.1 billion for July. Lipper's broad-based 4x3-matrix subgroup witnessed net inflows for the twenty-fourth consecutive month—taking in \$11.2 billion—with Large-Cap Core ETFs (+\$6.7 billion), Multi-Cap Core ETFs (+\$4.7 billion), and Large-Cap Growth ETFs (+\$3.8 billion) witnessing the largest net inflows of the subgroup. For the second month in a row, large-cap ETFs (+\$10.4 billion) experienced the largest net inflows of the four capitalization groups, followed by multi-cap ETFs (+\$3.2 billion). Core-oriented ETFs (+\$10.6 billion) attracted the largest net inflows of the valuation subgroups for the second consecutive month, while their growth- and value-oriented counterparts took in \$4.3 billion and handed back \$3.7 billion, respectively. Small-Cap Value ETFs (-\$1.8 billion) suffered the largest net redemption of the subgroup, bettered by Multi-Cap Value ETFs (-\$1.7 billion) and Small-Cap Core ETFs (-\$946 million).

Outside the 4x3-matrix classifications (+\$9.9 billion), S&P 500 ETFs (+\$6.1 billion) and Equity Income ETFs (+\$3.1 billion) witnessed the largest net inflows, while Equity Leverage ETFs (-\$386 million) experienced the largest net outflows of the subgroup. **Vanguard 500 Index ETF (VOO)** individually witnessed the largest net inflows (+\$5.3 billion), while **iShares Core S&P Small-Cap ETF (IJR)** witnessed the largest individual net outflows (-\$1.1 billion). For the seven-month period ended July 31, the USDE ETFs macro-classification attracted \$188.4 billion in net inflows.

TABLE 3

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

	VALUE	CORE	GROWTH	JULY	JUNE
Large-Cap	-123.2	6,719.6	3,833.6	10,430.0	10,897.8
Multi-Cap	-1,690.2	4,651.2	229.3	3,190.3	5,743.1
Mid-Cap	-115.4	199.4	99.0	183.0	836.0
Small-Cap	-1,805.8	-945.5	123.8	-2,627.5	2,917.2
TOTAL	-3,734.6	10,624.7	4,285.7	11,175.9	20,394.2

Source: Refinitiv Lipper

Note: Columns and rows may not sum because of rounding

TABLE 4

ESTIMATED NET FLOWS OF OTHER USDE CLASSIFICATIONS, JULY 2021 VERSUS JUNE (\$MIL)

	JULY	JUNE
Equity Leverage ETFs	-385.7	-1,433.7
Equity Income ETFs	3,129.3	3,289.8
Options Arbitrage/Options Strategies Funds	1,325.4	578.8
Specialty Diversified ETFs	-	-
S&P Midcap 400 Index Funds	-255.4	-619.0
S&P 500 Index ETFs	6,092.5	8,960.4
TOTAL	9,906.1	10,776.3

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

EQUITY ETFs

World Equity ETFs

For the fourteenth month in a row, APs were net purchasers of World Equity ETFs, injecting \$13.3 billion for July. APs were net purchasers of the non-3x3-matrix subgroup, injecting a net \$1.8 billion. For the fourth month in five, the Global Diversified Equity ETFs subgroup witnessed net inflows, taking in \$2.4 billion for July. Meanwhile, the International Diversified Equity ETFs subgroup witnessed net inflows for the thirteenth month in a row, taking in \$9.0 billion for the month. International Multi-Cap Core ETFs (+\$6.8 billion) remained at the top of the leaderboard for the month, while Global Multi-Cap Core ETFs (+\$1.9 billion) and International Large-Cap Growth ETFs (+\$1.6 billion) took the number-two and -three spots. Pacific ex-Japan ETFs experienced the largest net redemptions of the macro-classification, handing back \$768 million for the month, bettered by International Small-/Mid-Cap Growth ETFs (-\$635 million) and Latin American ETFs (-\$488 million). iShares Core MSCI EAFE ETF (IEFA), with net inflows of \$2.4 billion for July, attracted the most individual interest in the macro-classification. iShares MSCI EAFE Small-Cap ETF (SCZ) handed back the largest individual net redemptions (-\$822 million). Over the last seven months, the World Equity ETFs macro-classification attracted a net \$104.2 billion.

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

	VALUE	CORE	GROWTH	JULY	JUNE
Large-Cap	0.0	464.2	0.0	464.2	86.6
Multi-Cap	21.8	1,941.1	-13.0	1,949.9	-139.8
Small-/Mid-Cap (No Style)		0.0		0.0	-1.2
TOTAL (LARGE & MULTI)	21.8	2,405.3	-13.0	2,414.1	-54.5

Source: Refinitiv Lipper

Note: Columns and rows may not sum because of rounding

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

	VALUE	CORE	GROWTH	JULY	JUNE
Large-Cap	40.4	-309.2	1,585.0	1,316.1	1,380.4
Multi-Cap	42.4	6,795.8	1,377.4	8,215.7	6,338.1
Small-/Mid-Cap	86.8	49.4	-635.2	-499.0	-469.1
TOTAL	169.7	6,536.0	2,327.2	9,032.9	7,249.4

Source: Refinitiv Lipper

Note: Columns and rows may not sum because of rounding

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

	JULY	JUNE
China Region ETFs	243.1	658.9
Emerging Markets ETFs	1,031.3	2,836.5
European Region ETFs	977.0	4,077.4
Frontier Markets Funds	6.6	0.5
Global Equity Income ETFs	75.5	86.1
India Region ETFs	11.1	192.8
International Equity Income ETFs	214.0	567.2
Japanese ETFs	595.8	-868.8
Latin American ETFs	-488.5	-372.8
Pacific Region ETFs	-55.6	-16.9
Pacific ex-Japan ETFs	-767.6	-494.7
TOTAL	1,842.6	6,666.2

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

EQUITY ETFs

Sector Equity ETFs

For the tenth consecutive month, Sector Equity ETFs witnessed net inflows—however, they took in only \$332 million for July—with 13 of Lipper’s 28 Sector Equity ETF classifications experiencing net inflows. Global Science & Technology ETFs (+\$3.1 billion), Health/Biotechnology ETFs (+\$2.8 billion), and Consumer Goods ETFs (+\$1.4 billion) observed the largest net inflows for the month, while Financial Services ETFs (-\$2.4 billion), Basic Materials ETFs (-\$1.2 billion), and Natural Resources ETFs (-\$1.0 billion) suffered the largest net outflows. **Health Care Select Sector SPDR Fund (XLV)**, taking in a net \$2.8 billion, attracted the largest individual inflows for July. At the bottom of the individual ETF pile for Sector Equity ETFs, **iShares US Real Estate ETF (IYR)** handed back a net \$2.2 billion for the month. The Sector Equity ETFs macro-classification took in a net \$84.1 billion over the last seven months.

TABLE 8

ESTIMATED NET FLOWS OF SECTOR EQUITY ETFs, JULY 2021 VERSUS JUNE (\$MIL)

	JULY	JUNE
Precious Metals Equity ETFs	-323.2	941.9
Alternative Energy Funds	-239.0	577.2
Basic Materials ETFs	-1,243.4	487.2
Consumer Goods ETFs	1,427.0	487.1
Commodities Agriculture ETFs	-122.4	-151.3
Commodities Energy ETFs	-305.3	-310.7
Commodities General ETFs	147.8	678.0
Commodities Base Metals ETFs	4.8	-21.7
Commodities Precious Metals ETFs	-513.1	286.2
Commodities Specialty ETFs	-99.9	15.4
Consumer Services ETFs	-569.1	-911.1
Energy MLP ETFs	65.3	-78.2
Financial Services ETFs	-2,430.6	-2,351.1
Global Financial Services ETFs	-204.1	1,131.5
Global Health/Biotechnology ETFs	161.7	69.0
Global Infrastructure ETFs	11.5	256.1
Global Natural Resources ETFs	103.9	223.5
Global Real Estate ETFs	-14.1	137.6
Global Science/Technology ETFs	3,119.8	308.5
Health/Biotechnology ETFs	2,806.0	186.7
Industrials ETFs	-642.7	-1,237.4
International Real Estate ETFs	-48.6	-12.3
Natural Resources ETFs	-1,033.2	1,233.0
Real Estate ETFs	-990.3	3,983.2
Specialty/Miscellaneous ETFs	101.1	-114.0
Science & Technology ETFs	372.8	1,767.4
Telecommunication ETFs	523.2	-21.5
Utility ETFs	266.4	265.1
TOTAL	332.3	7,825.3

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

EQUITY ETFs

Alternatives ETFs

For the fourth month running, Alternatives ETFs witnessed net inflows (+\$807 million for July). APs were net purchasers of Alternative Long/Short Equity ETFs (+\$554 million) and Dedicated Short Bias ETFs (+\$167 million). Alternative Equity Market Neutral ETFs (-\$850 thousand) witnessed the smallest net inflows of the group, bettered by Alternative Event Driven ETFs (+\$1 million). **Global X NASDAQ 100 Covered Call ETF (QYLD)**, taking in \$408 million, drew the largest individual net inflows of the macro-classification, while **ProShares Short VIX Short-Term Futures ETF (SVXY)** handed back \$126 million and suffered the largest individual net withdrawals of the group. Alternatives ETFs attracted a net \$5.3 billion over the last seven months.

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

	JULY	JUNE
Absolute Return ETFs	44.7	37.7
Alternative Active Extension ETFs	22.5	4.2
Alternative Equity Market Neutral ETFs	0.9	1.7
Alternative Event Driven ETFs	1.0	5.8
Alternative Global Macro ETFs	1.2	-4.8
Alternative Long/Short Equity ETFs	554.2	478.1
Alternative Managed Futures ETFs	10.1	9.1
Alternative Multi-Strategy ETFs	6.2	35.8
Dedicated Short Bias ETFs	166.6	543.4
TOTAL	807.3	1,110.9

Source: Refinitiv Lipper

Note: Columns may not sum because of rounding

FIXED INCOME ETFs

Fixed Income ETFs

For the sixteenth month in a row, fixed income ETFs (+\$17.8 billion for July) witnessed net inflows. On the taxable bond ETF side (+\$15.6 billion), 22 of the 31 Lipper classifications attracted net new money for the month. Meanwhile, tax-exempt offerings (+\$2.2 billion) posted net inflows in nine of the 10 classifications of the subgroup. On the taxable side, net flows into Short Investment-Grade Debt ETFs (+\$6.1 billion) and Inflation Protected Bond ETFs (+\$4.5 billion) beat those of the other classifications. Short-Intermediate Investment-Grade Debt ETFs (-\$887 million) and Corporate Debt BBB-Rated ETFs (-\$764 million) suffered the largest net redemptions of the group. **Vanguard Short-Term Bond Index ETF (BSV)**, with net inflows of \$6.0 billion, attracted the largest individual inflows of the group, while **iShares US Treasury Bond ETF (GOVT)**, handing back some \$1.8 billion for July, suffered the largest individual net redemptions. On the tax-exempt side, General & Insured Municipal Debt ETFs (+\$1.1 billion) had the largest net inflows, while New York Intermediate Municipal Debt ETFs (+\$0) was flat for the month. Year to date, the Fixed Income ETFs macro-classification took in a net \$125.6 billion.

TABLE 10

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

	TAXABLE	MUNICIPAL	JULY	JUNE
Long-Term Bond	4,003.1	1,318.0	5,321.1	7,821.3
Short & Intermediate	11,615.1	875.8	12,490.9	10,797.7
TOTAL	15,618.3	2,193.8	17,812.1	18,619.0

Source: Refinitiv Lipper

Note: Columns and rows may not sum because of rounding

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