

# ETF Market Report

1. Quarter 2019

Number of  
the Quarter

**261,176**

Number of ETF transactions  
in the 1. Quarter 2019 on SIX

**52.17 %**

ETF Issuers Highest  
Market Share

UBS

**28.55 %**

Best Performance in  
1. Quarter 2019

Lyxor Hwabao WP MSCI China A  
(Ticker: CNAA)

**43**

Number of New Listings  
in the 1. Quarter 2019

**1,609.04 Mio.**

Top Turnover Single ETF

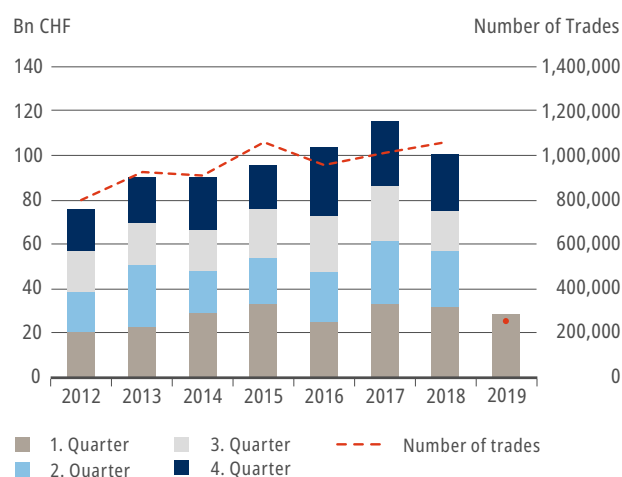
Q1 2019: Volume of most-traded product UBS ETF  
on MSCI ACWI hdg to USD TR (Ticker: ACWIU)

# Strong Start to the Year

Financial markets got the new year off to a flying start. The positive start held until the end of the first quarter, with almost all stock exchanges rallying in the wake of Chinese and US equity markets. At the end of March, the Swiss Market Index SMI<sup>®</sup> closed at 9,477.84 points, up more than 1,000 points on the end of December 2018. Even stock markets in EU countries, which had been lagging behind the world index on account of still unresolved Brexit questions, saw respectable price gains. This change of sentiment was prompted by the US Federal Reserve's decision not to raise the key interest rate again in 2019 and repeated signs that an end to the simmering trade dispute between the US and China might be in sight. At the same time, the significant decline in long-term interest rates, in particular in the US, improved the relative valuation. Moreover, company results mostly met investor expectations. The unresolved Brexit issue has so far had little impact, with investors obviously not considering it a serious problem. Price rises for several commodities (oil, industrial metals) also indicate that the global economy remains robust.

The Swiss ETF market benefited from the thoroughly dynamic start on financial markets. Trading turnover increased by 11.94% quarter on quarter to CHF 28.6 billion. All asset categories saw an upturn, with the strongest growth posted by the equities asset class at 13.69%. The positive trend continued for bonds and commodities from October 2018 onwards.

## ETF Turnover Development



Source: SIX

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## 1.1 ETF Turnover and Number of Trades

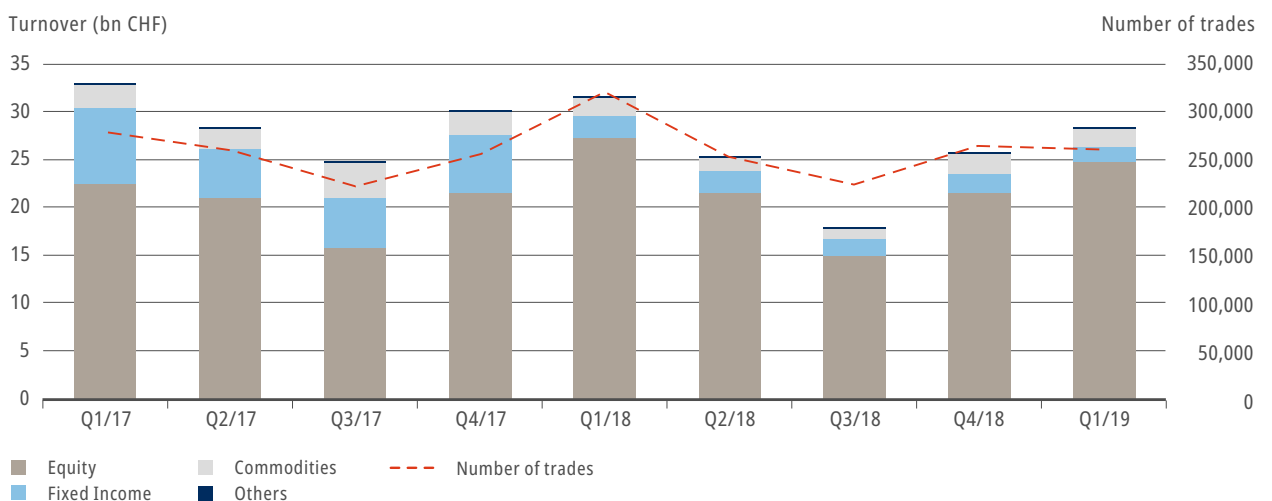
Turnover in equity ETFs also continued to perform very well, climbing 63.42% since October 2018. The same applied to commodity ETFs, with a 47.66% total upswing in the last two quarters. Even bond ETFs are on the up. Demand surged by almost a quarter in the last six months. With an 86.44% share of the total quarterly ETF turnover (Q4: 85.11%), equity ETFs were still the undisputed market leader, followed by bond ETFs at 6.85% and commodities ETFs at 6.43%. Despite seeing strong growth of 56.67% in the first quarter, the Other segment is still relatively small, with a 0.28% share on the overall ETF market.

In the first quarter, the list of the top 20 most-traded ETFs was dominated by ETFs based on broadly diversified market indicators. In the first quarter of 2019, the highest turnover was posted by ACWIU, followed by ACWIS, both ETFs from UBS based on the MSCI ACWI and hedged in CHF, and ACWIE, an ETF from UBS based on the MSCI ACWI and hedged in EUR. 16 of the 20 most-traded ETFs boosted their turnover. This held particularly true for ACWIS and ACWIE, where quarterly turnover strengthened by over one billion.

### Top-20 Most Traded ETFs

Product	Turnover (m CHF)	Trend
UBSETF MSCI ACWI SF H-USD ACC	1,609.04	↑
UBSETF MSCI ACWI SF H-CHF ACC	1,579.82	↑
UBSETF MSCI ACWI SF H-EUR ACC	1,346.22	↑
UBSETF MSCI EMU EUR ACC	663.03	↑
UBSETF MSCI EM SF USD ACC	652.88	↓
UBSETF MSCI EMU H-CHF ACC	648.91	↑
UBSETF MSCI EMU H-USD ACC	644.32	↑
UBSETF MSCI JAPAN JPY ACC	636.67	↑
iSh Core S&P500 USD Acc	530.36	↓
UBSETF MSCI UK H-USD ACC	509.28	↑
UBSETF MSCI UK H-CHF ACC	496.43	↑
Invesco EQQQ	423.11	↑
iShares SMI ETF (CH)	421.09	↓
LYX ETF EURO STOXX 50 (DR) DIS	420.22	↑
UBSETF SMI CHF DIS	403.66	↑
iShares MSCI EMU EUR (Dist)	388.93	↑
UBSETF MSCI UK H-EUR ACC	387.30	↑
UBSETF MSCI UK GBP ACC	385.07	↑
iSh Core MSCI EMU EUR Acc	336.66	↑
iSh Core S&P500 USD Dis	293.07	↓

Source: SIX



Source: SIX

## 1.2 Top-10 – Selected Changes in the Overall Market

In the first quarter, ETFs focused on China or oil dominated the top of the performance rankings. The Lyxor HWABAO WP MSCI China A (symbol: CNAА) topped the rankings with a total return of 28.55% (converted into CHF).

ETFs that leverage falling equity indices and ETFs based on Turkey, in particular, faced losses. LYSSL, an ETF from Lyxor on the SMI Daily 2x Inverse, brought up the rear in the last quarter. It lost 24.39% in the first three months (converted into CHF).

Based on the number of tickets traded, CSSMI, the ETF from iShares based on the SMI, was again in the lead in the first quarter, followed by the ETF CSSPX based on the S&P 500 and ETF IUSA, also based on the S&P 500. The latter doubled its number of tickets. ETF ZGLD based on gold, which jumped from ninth to seventh place, remains the only non-equity-based ETF in the top-10 as measured by tickets traded.

### Top-10 ETFs Best Performance

Product	Symbol	Performance	Trend
LYXOR HWABAO WP MSCI CHINA A	CNAА	28.55	↑
UBS ETF CMCI OIL USD	OILUSA	27.92	↑
ISHARES MSCI CHINA A	CNYA	26.14	↑
HSBC CHINA A INCLUSION ETF	HMCT	25.97	↑
CSOP SOURCE FTSE CHINA A50 U	CHNA	25.84	↑
COMSTAGE FTSE CHINA A50 UCIT	CBCHN	25.17	↑
UBS ETF CMCI OIL H. CHF	OILCHA	24.70	↑
COMSTAGE DJ EU STOXX 50 LV-I	CBSX5L	23.24	↑
LYXOR EURSTX50 DAILY LEV	LYLVE	22.97	↑
L&G CYBER SECURITY UCITS ETF	ISPY	22.94	↑

Source: Bloomberg

### Top-10 ETFs Worst Performance

Product	Symbol	Performance	Trend
LYXOR SMI DAILY -2X INVERSE	LYSSL	-24.39	↓
LYXOR DAILY SHORTDAX X2	LYSDS	-16.92	↓
COMSTAGE DJ EU STOXX 50 SH-I	CBSX5S	-11.69	↓
X SHORTDAX DAILY SWAP	XSDX	-10.14	↓
COMSTAGE ETF SHORTDAX TR	CBDAXS	-8.82	↓
COMSTAGE FUTURE 2X SHORT	CBBFDS	-7.36	↓
CMSTG US TRY BD FTR 2XSH TR	CB25DS	-5.14	↓
JPM EQUITY LGSHRT EURHDG ETF	JLSE	-4.93	↓
HSBC MSCI TURKEY UCITS ETF	HTRY	-4.21	↓
ISHARES MSCI TURKEY	ITKY	-4.11	↓

Source: Bloomberg

### Top-10 ETFs Number of Trades (Tickets)

Product	Symbol	No. of Trades	Trend
iShares SMI ETF (CH)	CSSMI	5,870	↓
iSh Core S&P500 USD Acc	CSSPX	5,700	↓
iSh Core S&P500 USD Dis	IUSA	5,657	↑
iShares SMIM ETF (CH)	CSSMIM	4,758	↓
iSh Nasdaq 100 USD Acc	CSNDX	4,560	↓
Invesco EQQQ	EQQQ	4,205	↓
ZKB GOLD ETF	ZGLD	4,067	↑
iShares Core SPI ETF (CH)	CHSPI	3,841	↑
UBSETF SMIM CHF DIS	SMMCHA	3,379	↓
UBSETF SXI RE FUNDS CHF DIS	SRECHA	3,237	↑

Source: SIX

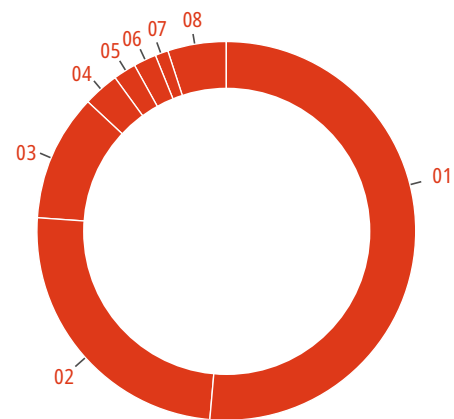
### 1.3 Turnover by Product Provider

UBS extended its lead in the turnover ranking, boosting its share from 40.54% to 52.17%. BlackRock/iShares, on the other hand, posted a market share loss for the second time in a row. After falling 6.57% in the fourth quarter, its share dropped by 5.94% in the first quarter of 2019. On the heels

of a 1.29% decline in the previous quarter, Lyxor, which was again ranked third, reported another market share loss of 2.36% to 11.01%. The remaining providers, newly headed by ZKB, have significantly lower market shares compared to the three leading issuers.

#### ETF Turnover by Product Provider

Issuer	Products	Turnover (m CHF)	Market Share	Trend
UBS-ETF	312	14,901.31	52.17	↑
iShares	312	7,072.46	24.76	↓
Lyxor	107	3,143.53	11.01	↓
ZKB ETFs	14	861.44	3.02	↑
Invesco	88	657.71	2.30	↓
Xtrackers	91	638.31	2.24	↓
Amundi	68	281.85	0.99	↓
Julius Bär	32	269.85	0.95	↓
SPDR ETF	88	261.25	0.92	↓
Vanguard	24	142.35	0.50	↓
ComStage	160	97.96	0.34	↓
HSBC	30	76.17	0.27	↓
BNP Paribas	28	57.47	0.20	↓
Raiffeisen	5	28.76	0.10	↑
Ossiam Lux	16	14.89	0.05	↓
Legal & General	11	13.88	0.05	↓
JPMorgan	19	13.52	0.05	↓
Van Eck Global	9	9.51	0.03	↑
WisdomTree	28	7.85	0.03	↓
China Post Global	6	5.87	0.02	↓
Nomura	4	2.68	0.01	→
UniCredit	2	1.78	0.01	↓
Franklin Templeton	9	1.18	0.00	↑
First Trust	2	1.15	0.00	↓
Fidelity	5	1.09	0.00	↓
	<b>1,470</b>	<b>28,563.83</b>	<b>100.00</b>	



01	52.17 %	UBS-ETF
02	24.76 %	iShares
03	11.01 %	Lyxor
04	3.02 %	ZKB ETFs
05	2.30 %	Invesco
06	2.24 %	Xtrackers
07	0.99 %	Amundi
08	3.53 %	other issuers

Source: SIX

## 1.4 Top-5 Selected Changes per Asset Class

## Equity Developed Market

Product	Turnover (m CHF)	Trend
UBSETF MSCI ACWI SF H-USD ACC	1,609	↑
UBSETF MSCI ACWI SF H-CHF ACC	1,580	↑
UBSETF MSCI ACWI SF H-EUR ACC	1,346	↑
UBSETF MSCI EMU EUR ACC	663	↑
UBSETF MSCI EMU H-CHF ACC	649	↑

Source: SIX

## Fixed Income &amp; Money Market

Product	Turnover (m CHF)	Trend
iSh \$ TreasBnd 7-10 USD Dis	234	↑
iShares Core CHF CB ETF (CH)	156	↑
iShares JPMorgan \$ EM Bond	119	↑
iSh \$ TreasBnd 1-3y USD Dis	95	↓
iSh \$ CorpBnd USD Dis	94	↑

Source: SIX

## Equity Emerging Market

Product	Turnover (m CHF)	Trend
UBSETF MSCI EM SF USD ACC	653	↓
iShares MSCI EM (Acc)	267	↑
iSh MSCI EM USD Dis	154	↓
iShares MSCI EM IMI UCITS ETF	125	↓
UBSETF MSCI EM USD DIS	113	↑

Source: SIX

## Commodities

Product	Turnover (m CHF)	Trend
ZKB GOLD ETF (USD)	234	↑
ZKB GOLD ETF	214	↑
UBSETF GOLD USD DIS	151	↓
UBSETF GOLD H-CHF DIS	118	↓
ZKB GOLD ETF HEDGED (CHF)	108	↑

Source: SIX

## Equity Style / Strategy / Themes

Product	Turnover (m CHF)	Trend
iShares SMIM ETF (CH)	287	↓
UBSETF SMIM CHF DIS	151	↓
Lyxor STOXX EU 600 Oil & Gas	148	↑
Lyxor STOXX EU 600 Banks	102	↑
LYX ETF WORLD WATER DIS	102	↑

Source: SIX

## Volatility

Product	Turnover (m CHF)	Trend
iShares MSCI World MinVol	7	↓
iShares MSCI EM MinVol	7	↓
UBSETF Factor Low Vol USD D	6	↑
UBSETF Factor Low Vol EUR D	4	↑
ISHARES MSCI EURO MINVOL	1	↓

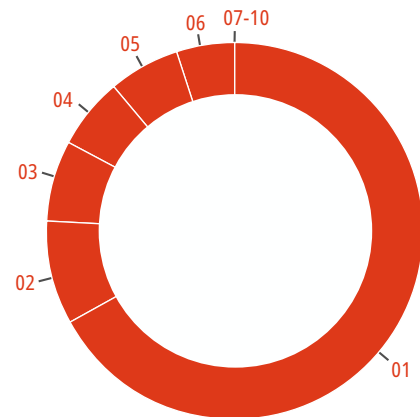
Source: SIX

### 1.5 Trading Details

#### Turnover by Asset Classes

Asset Class	Absolute	Change	Turnover (m)	Trend
1 Equity Developed Markets	66.86 %	31 %	19,098.76	↑
2 Equity Emerging Markets	8.73 %	5 %	2,493.64	↑
3 Fixed Income	6.80 %	-68 %	1,943.72	↓
4 Commodities	6.43 %	-49 %	1,837.73	↓
5 Equity Style / Strategy	5.61 %	-8 %	1,603.25	↓
6 Equity Themes	5.14 %	-25 %	1,468.42	↓
7 Funds	0.28 %	10 %	79.12	↑
8 Volatility	0.09 %	-75 %	26.35	↓
9 Money Market	0.04 %	-81 %	12.38	↓
10 Other	0.00 %	-62 %	0.45	↓
<b>Total</b>	<b>99.98 %</b>		<b>28,563.83</b>	

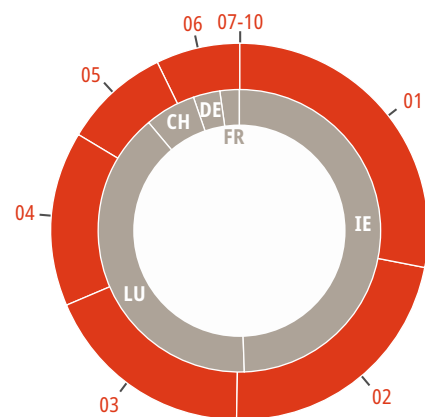
Source: SIX



#### Number of ETFs on SIX by Asset Class

Asset Class	Absolute	Change	Number*	Trend
1 Equity Developed Market	27.69 %	1 %	407	↑
2 Fixed Income	22.25 %	2 %	327	↑
3 Equity Style / Strategy	18.10 %	-2 %	266	↓
4 Equity Themes	15.17 %	4 %	223	↑
5 Equity Emerging Market	8.57 %	5 %	126	↑
6 Commodities	6.73 %	0 %	99	→
7 Volatility	0.54 %	0 %	8	→
8 Money Market	0.41 %	0 %	6	→
9 Funds	0.34 %	0 %	5	→
10 Other	0.20 %	0 %	3	→
<b>Total</b>	<b>100.00 %</b>		<b>1,470</b>	

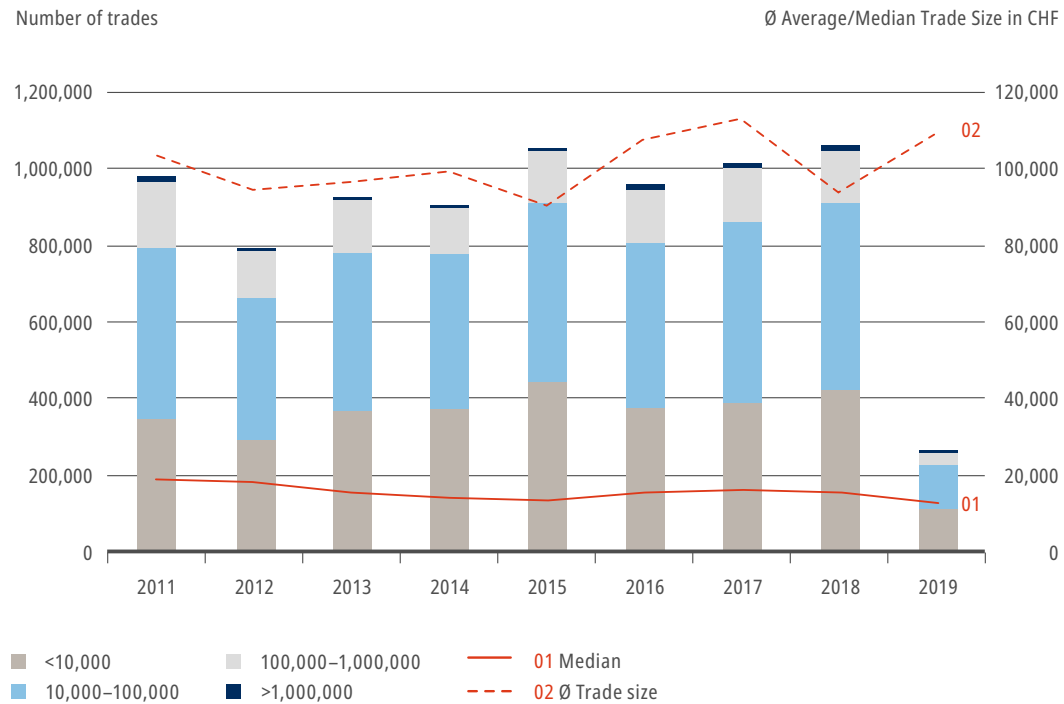
Source: SIX



\*Some fungible ETFs (same ISIN) are tradable in multiple currencies. They are accordingly counted more than once.



### 2.1 Trading Details (Breakdown of Respective Ticket Size)



Source: SIX

## 2.2 Number of ETFs on SIX by Market Maker (During the Quarter)

Name	ETFs	Name	ETFs	Name	ETFs
Flow Traders B.V.	1,181	Société Générale	175	Finovesta GmbH	3
Commerzbank AG	1,008	Virtu Financial Ireland Ltd	59	J.P. Morgan Securities PLC	2
Susquehanna	411	Deutsche Bank AG London Branch	47		
IMC Trading B.V.	399	Bank Julius Bär & Co. AG	34		
Goldenberg Hehmeyer LLP	250	Zürcher Kantonalbank	14		
UBS AG	238	Credit Suisse AG	6		
Optiver VOF	235	Raiffeisen Schweiz Genossenschaft	5		
BNP Paribas	189	Morgan Stanley	3		

Source: SIX

## Spread-Monitor (Tightest Spreads)

Product	Ticker	TER	Ø Bid Ask Spread (%)
X SWITZERLAND 1D	XSMI	0.30	0.03
ISHARES EURO ULTRASHORT BOND	ERNE	0.09	0.03
X MSCI EMU	XD5E	0.12	0.03
X EURO STOXX 50 1D	XESX	0.09	0.03
X DAX	XDAX	0.09	0.03
X EURO STOXX 50 1C	XESC	0.09	0.03
X SHORTDAX DAILY SWAP	XSDX	0.40	0.03
ISHARES EUR GOVT 1-3YR	IBGS	0.20	0.03
X LEVDAX DAILY SWAP	XLDX	0.35	0.04
X MSCI EMERGING MARKETS	XMME	0.20	0.04
X S&P500 SWAP	XSPX	0.15	0.04
ISHARES CORE S&P 500	IUSA	0.07	0.04
ISHARES CORE DAX UCITS ETF D	DAXEX	0.16	0.04
LYXOR EURO OVERNIGHT RTN-ACC	LYCSH	0.10	0.04
ISHARES USD TRSRY 1-3Y USD D	IBTS	0.20	0.04
ISHARES EURO CORP 1-5YR	SE15	0.20	0.04
INVESCO NASDAQ-100 DIST	EQQQ	0.30	0.04
ISHARES CORE EURO CORP BOND	IEAC	0.20	0.04
ISHARES SMI ETF CH	CSSMI	0.35	0.04
VANG S&P500 USDD	VUSA	0.07	0.04

Source: Bloomberg

## 2.3 New Listings in the Quarter

First Trading Day	Product	Symbol	Currency	Management Fee	Market Maker
22.03.2019	iShares Electric Vehicles Driving Technology UCITS ETF	ECAR	USD	0.40 %	Commerzbank AG, Optiver VOF
15.03.2019	Lyxor MSCI Brazil UCITS ETF - Acc	LYRIO	USD	0.65 %	Commerzbank AG, Flow Traders B.V., IMC Trading B.V., Société Générale, Susquehanna
15.03.2019	Lyxor MSCI Eastern Europe ex Russia UCITS ETF - Acc	LYCEC	EUR	0.50 %	Flow Traders B.V., Société Générale, Susquehanna
15.03.2019	Lyxor MSCI EM Latin America UCITS ETF - Acc	LYLTM	USD	0.65 %	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
15.03.2019	Lyxor MSCI Russia UCITS ETF - Acc	LYRUS	USD	0.65 %	Flow Traders B.V., Société Générale, Susquehanna
15.03.2019	Lyxor MSCI Russia UCITS ETF - Dist	LYRUD	USD	0.65 %	Flow Traders B.V., Société Générale
15.03.2019	Lyxor MSCI South Africa UCITS ETF - Acc	LYAFS	EUR	0.45 %	Flow Traders B.V., Société Générale, Susquehanna
15.03.2019	Lyxor MSCI Turkey UCITS ETF - Acc	LYTUR	EUR	0.45 %	Flow Traders B.V., Société Générale, Susquehanna
04.03.2019	AMUNDI STOXX GLOBAL ARTIFICIAL INTEL UCITS ETF - EUR (C)	GOAI	USD	0.35 %	BNP Paribas
22.02.2019	Lyxor China Enterprise (HSCEI) UCITS ETF - Acc	LYASI	USD	0.65 %	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
22.02.2019	Lyxor China Enterprise (HSCEI) UCITS ETF - USD	LYASC	CHF	0.65 %	Flow Traders B.V., Société Générale
22.02.2019	Lyxor Commodities Thomson Reuters/CoreCommodity CRB - Acc	CRB	USD	0.35 %	Flow Traders B.V., Société Générale, Susquehanna
22.02.2019	Lyxor Hong Kong (HSI) UCITS ETF - Dist	LYHSI	USD	0.65 %	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
22.02.2019	Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF - Acc	LYAEJ	USD	0.60 %	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
22.02.2019	Lyxor MSCI AC Asia Pacific Ex Japan UCITS ETF - USD	LYPXJ	CHF	0.60 %	Flow Traders B.V., Société Générale
22.02.2019	Lyxor MSCI Korea UCITS ETF - Acc	LYKRW	USD	0.45 %	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
22.02.2019	Lyxor MSCI Taiwan UCITS ETF - Acc	LYTWN	USD	0.45 %	Flow Traders B.V., Société Générale, Susquehanna
22.02.2019	Lyxor Thomson Reuters/CoreCommodity CRB EX-Energy - Acc	LYCRN	USD	0.35 %	Flow Traders B.V., Société Générale, Susquehanna
21.02.2019	iShares Core MSCI Japan IMI UCITS ETF USD (Dist)	SJPD	USD	0.20 %	Commerzbank AG, Optiver VOF
21.02.2019	iShares MSCI Europe SRI UCITS ETF EUR (Dist)	ISED	EUR	0.30 %	Commerzbank AG, IMC Trading B.V.
11.02.2019	Invesco Preferred Shares UCITS ETF Acc	PRAC	USD	0.50 %	Goldenberg Hehmeyer LLP
11.02.2019	Invesco US Treasury Bond 1-3 Year UCITS ETF Dist	TRE3	USD	0.06 %	Flow Traders B.V.
11.02.2019	Invesco US Treasury Bond 3-7 Year UCITS ETF Dist	TRE7	USD	0.06 %	Flow Traders B.V.
11.02.2019	Invesco US Treasury Bond 7-10 Year UCITS ETF Dist	TREX	USD	0.06 %	Flow Traders B.V.
11.02.2019	Invesco US Treasury Bond 7-10 Year UCITS ETF GBP Hdg Dist	TRXS	GBP	0.10 %	Flow Traders B.V.

Source: SIX

## 2.3 New Listings in the Quarter

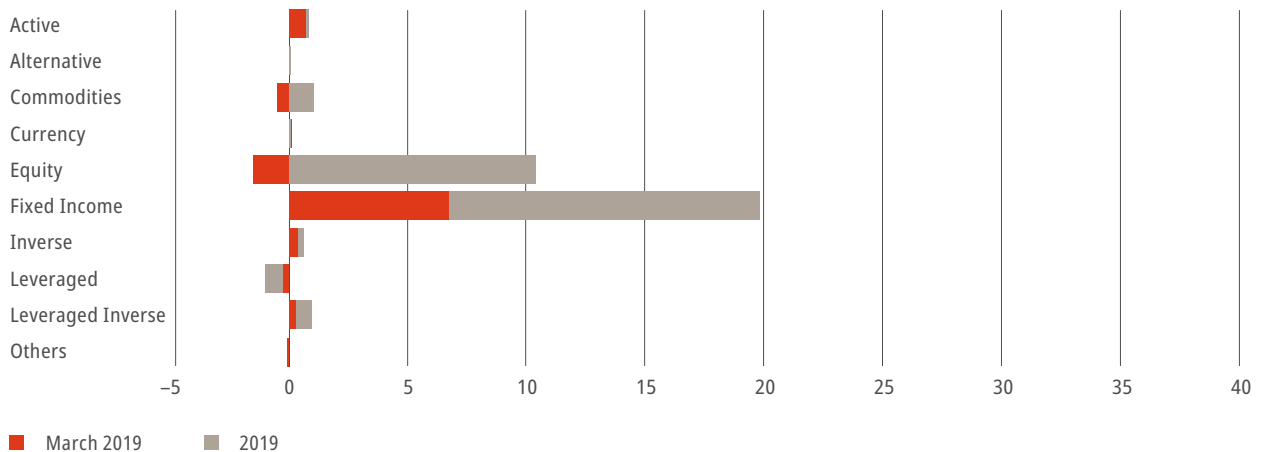
First Trading Day	Product	Symbol	Currency	Management Fee	Market Maker
11.02.2019	Invesco US Treasury Bond UCITS ETF Dist	TRES	USD	0.06 %	Flow Traders B.V.
11.02.2019	Invesco Variable Rate Preferred Shares UCITS ETF Acc	VPAC	USD	0.50 %	Flow Traders B.V.
08.02.2019	Xtrackers Artificial Intelligence & Big Data UCITS ETF	XAIX	USD	0.10 %	Commerzbank AG, Flow Traders B.V., Susquehanna
08.02.2019	Xtrackers Future Mobility UCITS ETF	XMOV	USD	0.10 %	Commerzbank AG, Susquehanna
07.02.2019	UBS ETF BBG BAR TIPS 10+ UCITS ETF (hedged to GBP) A-dis	TIP10G	GBP	0.25 %	Deutsche Bank AG London Branch
05.02.2019	iShares MSCI EM SRI UCITS ETF USD (Dist)	SEMD	USD	0.35 %	Flow Traders B.V., Goldenberg Hehmeyer LLP
05.02.2019	iShares MSCI Japan SRI UCITS ETF USD (Dist)	SUJD	USD	0.30 %	Commerzbank AG, Flow Traders B.V., Optiver VOF
05.02.2019	iShares MSCI USA SRI UCITS ETF USD (Dist)	SRIL	USD	0.30 %	Commerzbank AG, Optiver VOF
18.01.2019	Lyxor STOXX Europe 600 Banks UCITS ETF - Acc	LYBNK	EUR	0.30 %	BNP Paribas, Commerzbank AG, Flow Traders B.V., IMC Trading B.V., Société Générale
18.01.2019	Lyxor STOXX Europe 600 Basic Resources UCITS ETF - Acc	LYBRE	EUR	0.30 %	BNP Paribas, Flow Traders B.V., IMC Trading B.V., Optiver VOF, Société Générale
18.01.2019	Lyxor STOXX Europe 600 Healthcare UCITS ETF - Acc	LYHLT	EUR	0.30 %	BNP Paribas, Flow Traders B.V., IMC Trading B.V., Société Générale
18.01.2019	Lyxor STOXX Europe 600 Oil & Gas UCITS ETF - Acc	LYOIL	EUR	0.30 %	BNP Paribas, Flow Traders B.V., IMC Trading B.V., Société Générale
18.01.2019	Lyxor STOXX Europe 600 Telecommunications UCITS ETF - Acc	LYTEL	EUR	0.30 %	BNP Paribas, Flow Traders B.V., IMC Trading B.V., Société Générale
16.01.2019	SPDR S&P 500 EUR Hdg UCITS ETF (Acc)	SPXE	EUR	0.12 %	Commerzbank AG
09.01.2019	JPM EUR Corporate Bond 1-5 yr REI - UCITS ETF EUR (acc)	JR15	EUR	0.19 %	Commerzbank AG, Goldenberg Hehmeyer LLP
09.01.2019	JPM EUR Corporate Bond REI UCITS ETF - EUR (acc)	JREB	EUR	0.19 %	Commerzbank AG, Goldenberg Hehmeyer LLP
09.01.2019	JPM Global Emerging Markets REI Eq (ESG) UCITS ETF USD (acc)	JREM	USD	0.30 %	Commerzbank AG, Goldenberg Hehmeyer LLP
09.01.2019	JPM USD Corporate Bond REI UCITS ETF - USD (acc)	JRUB	USD	0.19 %	Commerzbank AG, Goldenberg Hehmeyer LLP

Source: SIX

The largest asset class, equities, reported assets under management of USD 566 billion, representing a share of 65.90% (end December: 65.08%). The bonds asset class again came in second place, with its share almost unchanged at 24.51%. Once again, the commodities asset class ranked third, with its share falling 0.61% to 7.24%.

The number of ETFs increased by five to 2,322 in the first quarter, with total assets under management rising by around USD 91 million to USD 860 million. The asset classes bonds, leveraged inverse, active, inverse, currency and alternative saw net inflows in comparison to the previous year, whereas equities, leveraged, commodities and other all posted net outflows.

#### Net New Assets per Asset Class (in bn USD)



Source: ETFGI

Asset Classes	ETFs/ETPs	AuM Mar 2018 (in Mio. USD)	Market Share	Net New Assets (in m USD)		
				Mar 2019	2019	2018
Active	39	9,353	1.1%	396	471	-156
Alternative	2	97	0.0%	7	15	-15
Commodities	334	62,240	7.2%	-279	616	3,402
Currency	76	625	0.1%	50	42	37
Equity	1,128	566,390	65.9%	-846	10,178	35,546
Fixed Income	411	210,639	24.5%	6,584	19,910	19,668
Inverse	68	3,602	0.4%	253	417	-489
Leveraged	188	2,784	0.3%	-170	-468	-406
Leveraged inverse	69	2,544	0.3%	117	428	-1,249
Others	12	1,231	0.1%	-14	-20	492
<b>Total</b>	<b>2,327</b>	<b>859,506</b>	<b>100.00%</b>	<b>6,097</b>	<b>31,591</b>	<b>56,831</b>

Source: ETFGI



**We have a strong pipeline of new products to come over the next year.**




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**Nima Pouyan**, Head Invesco ETF Switzerland & Liechtenstein is responsible for the development of the Swiss business and works closely with banks, asset managers, asset managers and institutional clients in the insurance and corporate sectors. Nima Pouyan joined the firm from Deutsche Bank, where he most recently served as Vice President for passive investment product distribution in Switzerland and the Middle East, and previously held senior positions at DWS and Deutsche Bank Wealth Management.

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Nima Pouyan, Head Invesco ETF Switzerland & Liechtenstein

#### **What Is Your Specialty?**

Investments – that’s all we do. If you ask what makes us special, I’d say it’s that we all focus on delivering a superior investment experience. That could mean a number of things to different people and it really boils down to what adds value for our clients. For those who simply want to track the performance of core benchmarks, superior may be gauged by our ability to offer ETFs with low total cost of ownership, better relative performance or low tracking error. Cost is also important for investors who use ETFs tactically, as trading tools. Sector ETFs are good examples. We work with market participants to ensure our ETFs are sufficiently liquid to trade in size and have consistently tight spreads. Finally, for investors who want access to specialist strategies, we offer some unique exposures, as well as ETFs for other interesting segments, such as AT1s and blockchain technology.

#### **What Issues Are Currently Shaping Developments in the ETF Sector?**

There has been plenty of talk this year on the so-called war on fees, and I’m happy to say we’re already well-positioned on that front. One point I would make is that investors need to look beyond the headline fee – even if it’s zero – to the total cost of ownership, considering all costs over the long term. There have been other trends besides just cost. Flow data as well as surveys inform us that European investors are now using ETFs for a variety of purposes, much like in the more-established US market. Factors and other smart beta strategies are now more commonly used to replace or complement core passive and active funds. ETF issuers are also providing investors access to less traditional segments, with income providing great examples. Just in the last year, we have launched ETFs with targeted exposure

to Floating Rate Notes, Preferred Shares and AT1 Capital Bonds. One final area worth mentioning is ESG, and you can expect to see continued growth in demand in the years ahead.

#### **What Are Your Clients Focusing on in the Current Environment?**

Fixed income ETFs had the highest net inflows in the first quarter. We saw more than US\$1 billion go into our new 7-10 Year US Treasury ETF in just over a month, making it one of our most successful launches ever in Europe. We've also had strong flows into our USD Short Maturity ETF and, for those wanting higher yields, our AT1 Capital Bond ETF. Aside from income-seeking investors, others in Europe seem to have been increasing allocation to fixed income, as well as gold, because of the political and economic uncertainty. In equities, the general trend has been for core market-cap exposures over higher risk products. For instance, the product with the second-highest inflow in the first quarter was our S&P 500 ETF. Interestingly, however, there was still sizable flows going into certain niche areas, either because they've been unloved and are therefore seen as good value, or because there is some other notable opportunity to exploit. As an example of the latter, our MSCI Saudi Arabia ETF became the largest of its kind in Europe as investors sought exposure ahead of its inclusion into MSCI Emerging Markets this June.

#### **What Changes Do You Have Planned?**

We have a strong pipeline of new products to come over the next year, but you'll need to wait for further details on those. What I can talk about are the changes we've

made over the past couple years, particularly to our core fund range. We wanted to ensure they remain amongst the most attractive versus peers in terms of having a low total cost of ownership – THE lowest in some cases – and strong performance relative to the index. We have been able to enhance performance on some of the ETFs, with our replication method having a distinct advantage over many of our competitors. By using swaps to gain index exposure, we capture effectively 100% of the dividends, with 0% withholding tax, versus the higher withholding tax rate that physically replicating products are subject to on dividends. Another significant development has been the expansion of our core fixed income range to include low-cost exposures to government bond indices. These complement our more innovative smart beta and actively managed ETFs and provide investors with a greater choice of fixed income solutions, as they have with our established equity and commodity ranges.

#### **Where Do You See the ETF Market in Switzerland in the near Future?**

As for the whole European ETF market we also expect a continuing growth in market share in Switzerland. New asset classes, especially in the fixed income space provide a broader offering and attract assets which were only managed active in the past. In addition, we see high potential in the Swiss retail market. Digital platforms will provide retail investors easy access to ETF multi asset strategies to invest their individual savings at very low costs.

**Thank You for the Interview!**

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