

# ETF Market Report

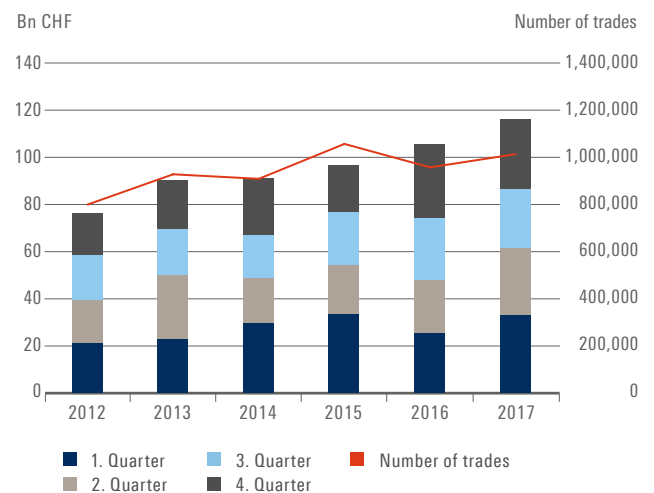
4. Quarter 2017

## Successful Year-End Surge

In the final quarter of the 2017 stock exchange year, investors had every reason to celebrate: The majority of stock markets ceased trading favorably and with substantial price gains. The Swiss Market Index SMI<sup>®</sup> closed at 9,381.87 points and thus grew by 14.14% over the year as a whole. Activity in new ETF admissions was brisk: 53 products from six different issuers boosted SIX Swiss Exchange's ETF offering to 1,278 (as of December 29, 2017).

Trading turnover on the Swiss ETF market grew significantly in Q4 2017 – due mainly to the high demand for equity ETFs. ETF turnover totaled CHF 30.1 billion, up 18% on the previous quarter. Commodity ETFs declined sharply in the reporting period (-37.29%). The number of trades in Q4 was up as against the previous quarter from 222,731 to 256,582 (+13.19%).

### ETF turnover development



Source: SIX Swiss Exchange

Average trade size

**113,692**

Best performance in 4. quarter 2017

**30.78%**

xtracker FTSE Vietnam ETF (XFVI)

Number of the year

**1,019,301**

Number of ETF transactions in 2017 on SIX Swiss Exchange

Number of new listings in the 4. quarter 2017

**53**

Top turnover single ETF

**946 mn**

Volume in the 4. quarter in the iShares SMI ETF (CH)

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# 1. ETF market SIX Swiss Exchange

## 1.1 ETF turnover and number of trades

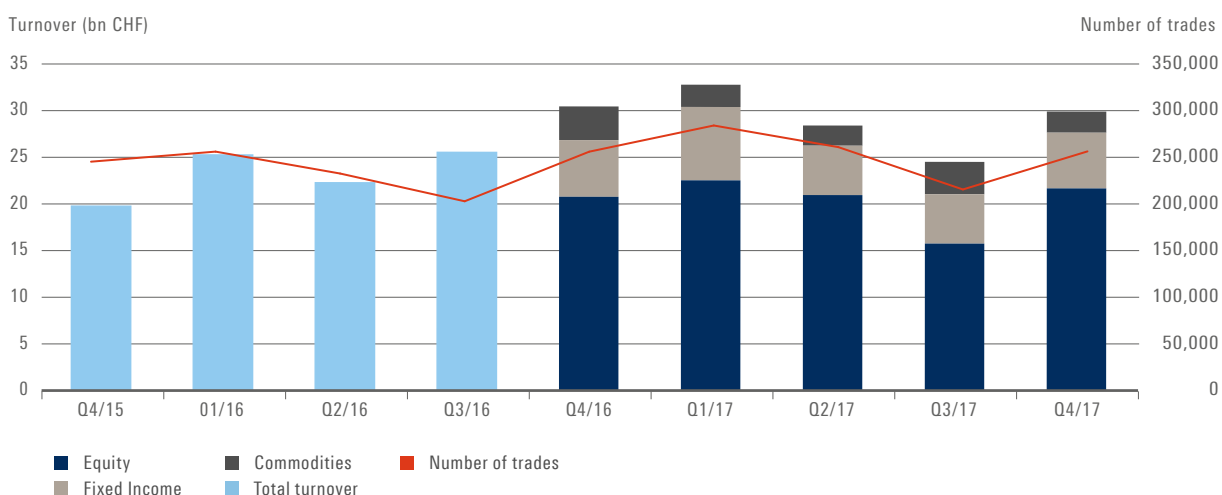
The excellent turnover trend in ETFs listed on SIX Swiss Exchange in Q4 was almost entirely due to the equity ETFs, which recorded an increase of 37.68% to CHF 21.8 billion. They remained the dominant asset class by some margin. Bond ETFs likewise made gains. Their turnover in Q4 was CHF 6 billion (+12.77%). Commodity ETFs were given the cold shoulder. After a sharp rise in the previous quarter, the trading turnover fell to CHF 2.3 billion in Q4 (-34.67%).

The iShares SMI ETF (symbol: CSSMI) took pole position on the list of the top 20 most-traded ETFs in Q4 2017. However, the product did not manage the jump to the top position among ETFs with the most trades – these “trading laurels” go the ETF iShares S&P 500 UCITS (symbol: CSSPX). In terms of number of tickets, the UBS ETF MSCI EM SF USD A (symbol: EGUSAS), which focuses on emerging countries, followed at some distance in second place. Overall, it is evident that the largest numbers of tickets were generated predominantly by ETFs in Swiss equities in Q4 2017. The only bond ETF in the top ten according to number of tickets is the iShares Core CHF CB ETF (symbol: CHCORP).

### Top-20 most traded ETFs

Product	Turnover (mn CHF)	Trend
iSHARES SMI ETF (CH)	946.15	↑
iSHARES Core CHF CB ETF (CH)	761.31	↑
iSHARES S&P 500 UCITS	658.94	↓
iSHARES MSCI EMG UCITS	633.28	↑
AMUNDI ETF EURO STOXX 50	498.85	↑
UBS ETF MSCI EMU EUR A-acc	460.60	↑
AMUNDI ETF FRN USD CORP-H EUR	422.03	↑
iSHARES EURO STOXX 50 UCITS	403.02	↑
iSHARES Core SPI ETF (CH)	383.33	↑
DB X-TR MSCI JPN	378.76	↑
UBS ETF (CH) - SLI (CHF) A	375.56	↑
iSHARES MSCI EM IMI UCITS ETF	365.81	↑
iSHARES STOXX Europe 600 (DE)	361.13	↑
AMUNDI ETF TOPIX EUR HEDGED	355.83	↑
iSHARES \$ TRSRY BND 7-10 UCITS	345.11	↑
UBS ETF - MSCI EM SF USD A	332.82	↓
iSHARES S&P 500 UCITS	327.40	↑
Edge Wld MF CHF Hgd (Acc)	326.61	↑
iSHARES Global HY Corp Bnd CHF	311.47	↓
UBS ETF MSCI EMU hdg to USD	294.48	↑

Source: SIX Swiss Exchange



Source: SIX Swiss Exchange

## 1.2 Top-10 – selected changes in the overall market

ETFs based on selected emerging countries again posted the best performance in CHF in the last quarter. The Xtracker FTSE VIETNAM 1C ETF (symbol: XFVT) topped the performance rankings. The product tracks the indexed performance of the Vietnamese stock market. The two ETFs HSBC MSCI South Africa and iShares MSCI South Africa were major surprise winners. Performance in equities was fueled by currency gains of the South African rand against the Swiss franc.

ETFs on the Mexican stock market, where prices went on a rollercoaster ride in Q4 2017, took considerably damage. In SIX Swiss Exchange trade tickets, the iShares S&P 500 ETF (CSSPX) took the lead once again ahead of the UBS ETF on MSCI Emerging Markets (EGUSAS) with 6,381 tickets to 5,392.

### Top-10 ETFs best performance

Product	Symbol	Performance	Trend
DBX FTSE VIETNAM 1C	XFVI	+30.78	↑
HSBC MSCI SOUTH AFRICA UCITS	HZAR	+21.51	↑
iSHARES MSCI SOUTH AFRICA	SRSA	+21.24	↑
GAM PHYS PALLADIUM - EUR A	JBPAEA	+16.96	↑
LYX ETF S-AFR FTSE JSE TOP40	LYAFS	+16.17	↑
GAM PHYS PALLADIUM - EUR AX	JBPAEX	+15.72	↑
UBS ETF CMCI OIL H. EUR	OILEUA	+15.49	↑
GAM PHYS PALLADIUM - GBP AX	JBPAGX	+14.85	↑
NOMURA NIKKEI225 EUR-H ETF	NXKE	+14.47	↑
UBS ETF CMCI OIL USD	OILUSA	+14.32	↑

Source: Bloomberg, Derivative Partners AG

### Top-10 ETFs worst performance

Product	Symbol	Performance	Trend
iSHARES MSCI MEX CAPPED USD	CSMXCP	-8.61	↓
DBX MSCI MEXICO 1C	XMEX	-8.21	↓
HSBC MSCI MEXICO CAPPED UCIT	HMEX	-8.14	↓
LYX DX2 SHORT BTP ETF	LYSSL	-6.80	↓
iSHARES EURO STOXX TELECOMMU	SXKEEX	-4.39	↓
iSHARES EURO STOXX BANKS 30-	SX7EEX	-3.31	↓
ETFs US ENERGY INFRASTRUCTUR	MLPI	-3.10	↓
iSHARES MSCI EM LATAM	LTAM	-2.90	↓
SOURCE EURO STOXX OPT BANKS	S7XE	-2.76	↓
MRKT ACES NYSE ARCA GLD BUGS	MAGB	-2.44	↓

Source: Bloomberg, Derivative Partners AG

### Top-10 ETFs number of trades (tickets)

Product	Symbol	No. of trades	Trend
iSHARES S&P 500 UCITS	CSSPX	6,381	↓
UBS ETF - MSCI EM SF USD A	EGUSAS	5,392	↑
iSHARES SMI ETF (CH)	CSSMI	4,877	↑
iSHARES SMIM ETF (CH)	CSSMIM	4,682	↑
UBS ETF MSCI EMU EUR A-acc	EMUAA	4,335	↑
iSHARES Core SPI ETF (CH)	CHSPI	3,682	↑
iSHARES Core CHF CB ETF (CH)	CHCORP	3,319	↑
iSHARES MSCI EM IMI UCITS ETF	EIMI	3,117	↑
POWERSHARES EQQQ	EQQQ	3,048	↑
iSHARES EURO STOXX 50 UCITS	CSSX5E	3,044	↑

Source: SIX Swiss Exchange

### 1.3 Turnover by product provider

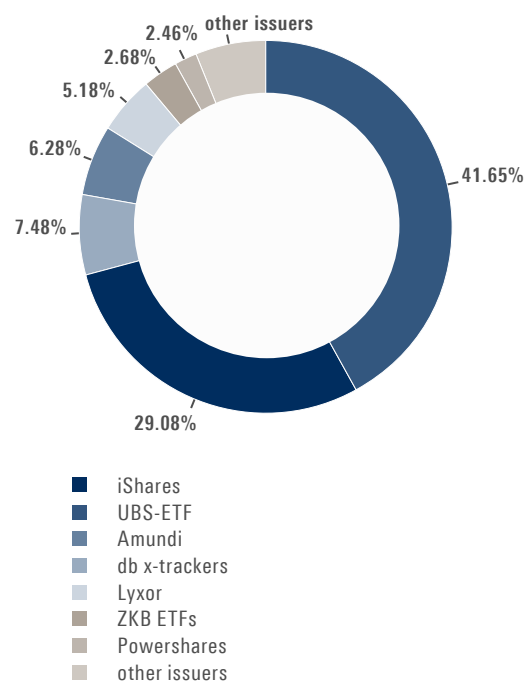
There was a swap at pole position in Q4: UBS was overtaken in terms of stock exchange ETF turnover by BlackRock/iShares, which took a considerable lead. The iShares ETFs achieved a market share of 41.65% (Q3 2017: 35.02%); UBS's share declined to 29.08% (37.16%). Amundi and Lyxor improved compared to

the previous quarter. In absolute terms, they gained share in turnover. Invesco Powershares has moved up to seventh place. The issuer has acquired its competitor Source and now manages ETF turnover on a consolidated basis under the Powershares label.

#### ETF turnover by product provider

Issuer	Products	Turnover (mn CHF)	Market share	Trend
iShares	274	12,544.07	41.65	↑
UBS-ETF	273	8,759.58	29.08	↓
Amundi	55	2,254.01	7.48	↑
db x-trackers	83	1,890.84	6.28	↓
Lyxor	90	1,558.88	5.18	↑
ZKB ETFs	14	808.54	2.69	↓
Powershares	62	739.75	2.46	↑
SPDR ETF	84	382.31	1.27	↑
Julius Bär	32	296.70	0.99	↑
HSBC	27	230.30	0.77	↑
ComStage	156	222.83	0.74	↑
EasyETF	26	143.15	0.48	↓
Vanguard	21	142.60	0.47	↑
Ossiam Lux	16	29.83	0.10	↓
Wisdom Tree Europe	28	27.75	0.09	↓
China Post Global	8	25.77	0.09	↓
ETF Securities	12	25.30	0.08	↓
Raiffeisen	5	16.10	0.05	↑
Nomura	4	7.98	0.03	↓
Van Eck Global	4	7.40	0.03	↑
First Trust	2	3.27	0.01	↓
UniCredit	2	1.07	0.00	→
<b>Total</b>	<b>1,278</b>	<b>30,118.00</b>	<b>100.00%</b>	

Source: SIX Swiss Exchange



## 1.4 Top-5 selected changes per asset class

### Equity Developed Market

Product	Turnover (mn CHF)	Trend
iSHARES SMI ETF (CH)	946	↑
iSHARES S&P 500 UCITS	659	↓
AMUNDI ETF EURO STOXX 50	499	↑
UBS ETF MSCI EMU EUR A-ACC	461	↑
iSHARES EURO STOXX 50 UCITS	403	↑

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### Fixed Income & Money Market

Product	Turnover (mn CHF)	Trend
iSHARES CORE CHF CB ETF (CH)	761	↑
AMUNDI ETF FRN USD CORP-H EUR	422	↑
iSHARES \$ TRSRY BND 7-10 UCITS	345	↑
iSHARES GLOBAL HY CORP BND CHF	311	↓
DBX2 EMLE	214	↓

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### Equity Emerging Market

Product	Turnover (mn CHF)	Trend
iSHARES MSCI EMG UCITS	633	↑
iSHARES MSCI EM IMI UCITS ETF	366	↑
UBS ETF - MSCI EM SF USD A	333	↓
iSHARES FTSE XINHUA	183	↑
iSHARES MSCI FE JP	177	↑

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### Commodities

Product	Turnover (mn CHF)	Trend
UBS ETF GOLD HEDGED (CHF) A	263	↑
UBS ETF GOLD (USD) A	224	↓
ZKB GOLD ETF (USD)	200	↓
ZKB GOLD ETF	163	↓
ZKB GOLD ETF HEDGED (CHF)	126	↑

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### Equity Style / Strategy / Themes

Product	Turnover (mn CHF)	Trend
iSHARES STOXX EUROPE 600 (DE)	361	↑
iSHARES SMIM ETF (CH)	241	↓
iSHARES MSCI WORLD VALUE FACTOR	218	↑
UBS ETF USA SELECT FACTOR MIX	189	↑
UBS ETF SMIM (CHF) A	182	↑

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### Volatility

Product	Turnover (mn CHF)	Trend
iSHARES MSCI WORLD MINVOL	14	↓
UBS ETF FACTOR LOW VOL EUR D	11	↑
iSHARES MSCI EURO MINVOL	10	↑
iSHARES MSCI EM MINVOL	5	↓
UBS ETF FACTOR LOW VOL USD D	3	↑

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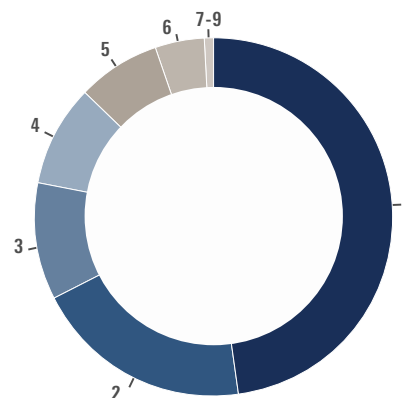
<sup>1</sup> Source: SIX Swiss Exchange

## 1.5 Trading details

### Turnover by asset classes

Asset class	Absolute	Change	Turnover (mn)	Trend
1 Equity Developed Market	48.00%	-1%	14,457.15	↓
2 Fixed Income	19.70%	-2%	5,932.43	↓
3 Equity Emerging Market	10.51%	+33%	3,165.43	↑
4 Equity Style / Strategy	9.10%	+51%	2,740.97	↑
5 Commodities	7.55%	-37%	2,273.55	↓
6 Equity Themes	4.47%	-31%	1,345.30	↓
7 Funds	0.29%	+22%	87.76	↑
8 Money Market	0.23%	+7%	68.56	↑
9 Volatility	0.16%	-56%	46.81	↓
<b>Total</b>	<b>100.00%</b>		<b>30,118.00</b>	

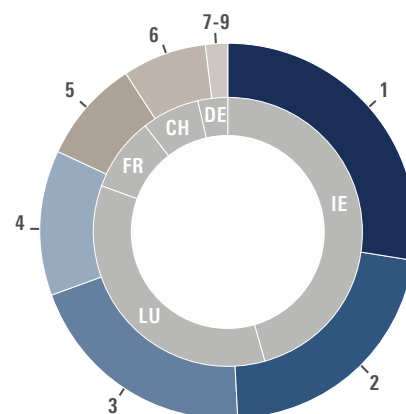
Source: SIX Swiss Exchange



### Number\* of ETFs on SIX Swiss Exchange by asset class

Asset class	Absolute	Change	Number	Trend
1 Equity Developed Market	27.54%	+1%	352	↑
2 Equity Style / Strategy	21.91%	0%	280	→
3 Fixed Income	20.27%	+6%	259	↑
4 Equity Themes	12.44%	+5%	159	↑
5 Equity Emerging Market	8.76%	-3%	112	↓
6 Commodities	7.36%	+1%	94	↑
7 Volatility	0.63%	0%	8	→
8 Funds	0.47%	0%	7	→
9 Money Market	0.47%	0%	7	→
<b>Total</b>	<b>100.00%</b>		<b>1,278</b>	

Source: SIX Swiss Exchange



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

## 2. ETFs in Switzerland

### 2.1 Top-10 Inflows (in mn CHF)

The most net new assets and net outflows were attributable to both bond ETFs and equity ETFs in November 2017. In absolute terms, the iShares \$ Short Duration Corporate Bond ETF (symbol: SDIG) achieved the most growth. The bond product tracks the Markit iBoxx USD Liquid Investment Grade 0-5 Index, which invests in short-term bonds. One of the biggest jumps in relative net outflows compared to the

previous quarter was made by iShares € High Yield CorpBd ETF (symbol: IHYG) with a difference of CHF 119 million. The two other bond ETFs (symbols: IEMB and CHCORP) stood out with their strong net outflows. The top ten net outflows of products in fourth to tenth place were all equity ETFs.

Product	October 2017	November 2017	Trend
iShares \$ Short Duration Corp Bd ETF	+61	+176	↑
iShares Core MSCI World ETF	+71	+172	↑
UBS ETF (CH) Gold hedged CHF	+7	+164	↑
iShares EURO STOXX 50 (DE)	+21	+152	↑
UBS ETF (CH) Gold	-1	+138	↑
UBS ETF MSCI USA Select Factor Mix	+5	+135	↑
UBS ETF MSCI ACWI SF	-15	+117	↑
iShares Core S&P 500 ETF	+3	+110	↑
iShares Core € Corp Bond ETF	+86	+86	→
UBS ETF Blomberg Barcl TIPS 1-10	+29	+59	↑

Source: Swiss Fund Data, Morningstar

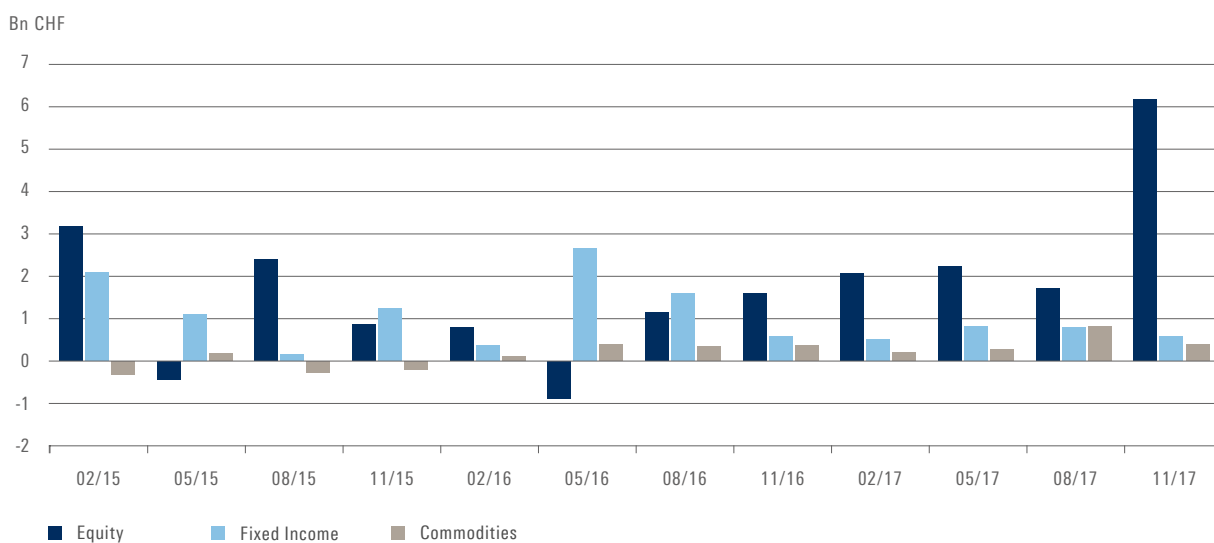


## 2.2 Top-10 Outflows (in mn CHF)

Product	October 2017	November 2017	Trend
iShares JP Morgan \$ EM Bond ETF	-24	-120	↓
iShares € High Yield CorpBd ETF	+11	-108	↓
iShares Core CHF Corporate Bond (CH)	-135	-81	↑
iShares Core DAX® (DE)	-35	-79	↓
UBS ETF EURO STOXX 50	+4	-67	↓
iShares MSCI Europe ETF	+2	-54	↓
iShares MSCI Taiwan ETF	+0	-41	↓
iShares EURO STOXX 50 ETF	+28	-38	↓
iShares MSCI Japan EUR Hedged ETF	+13	-36	↓
iShares S&P 500 ETF	-11	-36	↓

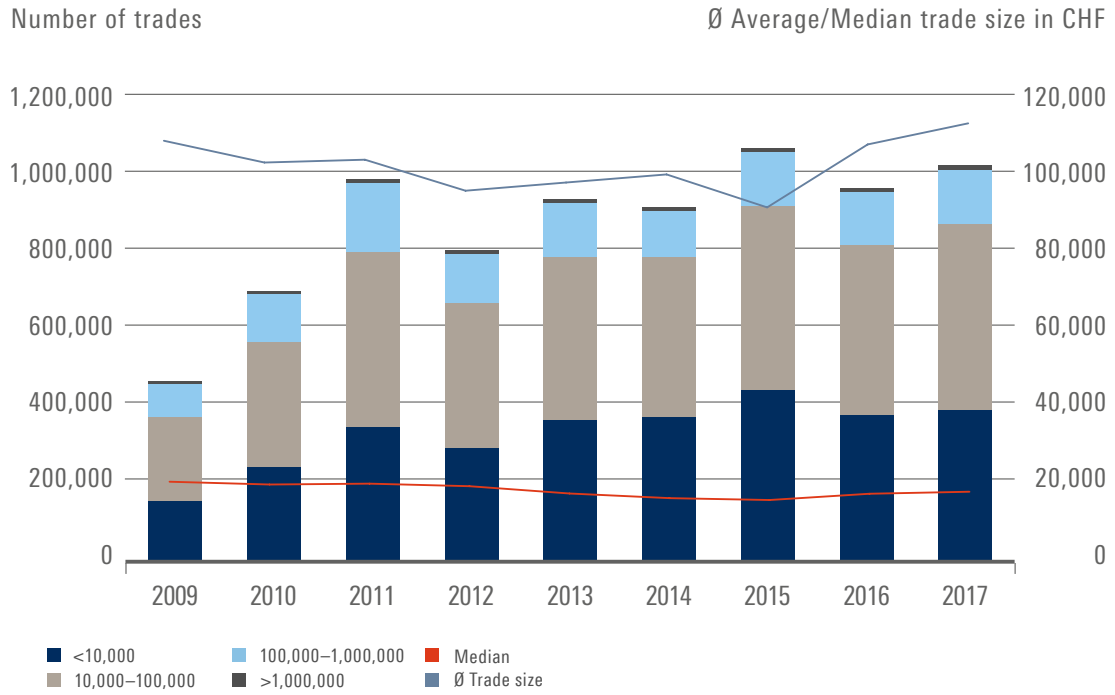
Source: Swiss Fund Data, Morningstar

### Net new assets



Source: Swiss Fund Data, Morningstar

### 2.3 Trading details (breakdown of respective ticket size)



Source: SIX Swiss Exchange

## 2.4 Number of ETFs on SIX Swiss Exchange by market maker (during the quarter)

Name	ETFs	Name	ETFs	Name	ETFs
Flow Traders B.V.	1,012	BNP Paribas	146	UniCredit Bank AG	2
Commerzbank AG	802	Deutsche Bank AG London Branch	42	J.P. Morgan Securities PLC	2
Susquehanna	560	Virtu Financial Ireland Ltd	36		
Optiver VOF	362	Bank Julius Bär & Co. AG	32		
UBS AG	224	Credit Suisse AG	20		
Goldenberg Hehmeyer LLP	192	Zürcher Kantonalbank	14		
IMC Trading B.V.	187	Raiffeisen Schweiz Genossenschaft	5		
Société Générale	147	Morgan Stanley	3		

Source: SIX Swiss Exchange

### Spread-Monitor (tightest spreads)

Product	Ticker	TER	Ø Bid Ask Spread
DBX II EONIA CASH 1C	XEON	0.15	0.03
iSHARES SMI ETF CH	CSSMI	0.35	0.04
LYX ETF EURO CASH	LYCSH	0.10	0.05
iSHARES CORE S&P 500	CSSPX	0.07	0.05
iSHARES S&P 500	IUSA	0.07	0.05
UBS ETF SMI	SMICHA	0.20	0.05
iSHARES USD TRSRY 1-3Y USD D	IBTS	0.20	0.06
iSHARES EUR GOVT 3-7Y ACC	CSBGE7	0.20	0.06
iSHARES USD TRSRY 1-3Y USD A	IBTA	0.20	0.06
iSHARES CORE EURO STOXX 50	CSSX5E	0.10	0.06
iSHARES USD TREASURY 7-10Y	IBTM	0.20	0.06
VANGUARD S&P 500 UCITS ETF	VUSA	0.07	0.07
iSHARES EURO ULTRASHORT BOND	ERNE	0.09	0.07
iSHARES EURO GOVT BOND 1-3Y	CSBGE3	0.20	0.07
UBS ETF MSCI EMU	EMUEUA	0.18	0.07
LYXOR EUROMTS 3-5Y DR ETF	LYMTB	0.17	0.08
HSBC S&P 500 UCITS ETF	HSPX	0.09	0.08
iSHARES CORE EURO GOVT BOND	IEGA	0.20	0.08
iSHARES USD TRES BOND 7-10Y	CSBGU0	0.20	0.08
iSHARES EURO GOVT 0-1YR	IEGE	0.20	0.08
iSHARES NASDAQ 100 USD ACC	CSNDX	0.33	0.08

Source: Bloomberg

## 2.5 New listings in the quarter

First trading day	Product	Symbol	Currency	Management fee	Market Maker
19.12.2017	BNP Paribas Easy Equity Dividend Europe UCITS ETF Cap	EDEU	EUR	0.30%	BNP Paribas
19.12.2017	BNP Paribas Easy Equity Dividend US UCITS ETF Cap	DIUS	EUR	0.30%	BNP Paribas
19.12.2017	BNP Paribas Easy Equity Value US UCITS ETF Cap	EVUS	EUR	0.30%	BNP Paribas
19.12.2017	BNP Paribas Easy FTSE EPRA/NAREIT Eurozone UCITS ETF Cap	EEEE	EUR	0.40%	BNP Paribas, Susquehanna
19.12.2017	BNP Paribas Easy FTSE EPRA/NAREIT Eurozone UCITS ETF QD Dis	EEEE	EUR	0.40%	BNP Paribas, Susquehanna
08.12.2017	Lyxor MSCI EMU (DR) UCITS ETF D-EUR	LYMFE	EUR	0.25%	Commerzbank AG, Flow Traders B.V., IMC Trading B.V., Société Générale, Susquehanna
08.12.2017	Lyxor MSCI EMU (DR) UCITS ETF Monthly hedged C-CHF	MFEC	CHF	0.25%	Flow Traders B.V., Société Générale
05.12.2017	iSh Global Inflation Linked Govt Bond UCITS EUR Hedge Dist	GILE	EUR	0.25%	Commerzbank AG
05.12.2017	iShares High Yield Corp Bond UCITS ETF EUR (Acc)	HIGH	EUR	0.50%	Goldenberg Hehmeyer LLP
05.12.2017	iShares \$ Corp Bond UCITS ETF EUR Hedged (Dist)	LQEE	EUR	0.25%	Goldenberg Hehmeyer LLP
05.12.2017	iShares \$ Treasury Bond 20+yr UCITS ETF EUR Hedged (Dist)	DTLE	EUR	0.25%	Commerzbank AG
05.12.2017	iShares Core Corp Bond UCITS ETF EUR (Acc)	IEAA	EUR	0.20%	Goldenberg Hehmeyer LLP
05.12.2017	iShares Core MSCI World UCITS ETF GBP Hedged (Dist)	IWDG	GBP	0.55%	Commerzbank AG
01.12.2017	Lyxor \$ Floating Rate Note UCITS ETF - Monthly Hedged D-CHF	FLOTH	CHF	0.15%	Flow Traders B.V., Société Générale
01.12.2017	Lyxor SG Japan Quality Income UCITS ETF - D-JPY	SGQJ	JPY	0.45%	Société Générale
24.11.2017	LYXOR EUROMTS 10-15Y INVESTMENT GRADE (DR) UCITS ETF C-EUR	LYMTE	EUR	0.17%	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
24.11.2017	LYXOR EUROMTS 1-3Y INVESTMENT GRADE (DR) UCITS ETF C-EUR	LYMTA	EUR	0.17%	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
24.11.2017	LYXOR EUROMTS 3-5Y INVESTMENT GRADE (DR) UCITS ETF C-EUR	LYMTB	EUR	0.17%	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
24.11.2017	LYXOR EUROMTS ALL-MATURITY IG (DR) UCITS ETF C-EUR	LYMTX	EUR	0.17%	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
24.11.2017	LYXOR EUROMTS INFLATION LINKED IG (DR) UCITS C-EUR	LYMTI	EUR	0.20%	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
23.11.2017	UBS ETF BBG Barc Euro Inflation Linked 1-10 (EUR) A-dis	INFL1	EUR	0.20%	Deutsche Bank AG London Branch
23.11.2017	UBS ETF BBG Barclays Euro Inflation Linked 10+ (EUR) A-dis	INFL10	EUR	0.20%	Deutsche Bank AG London Branch
23.11.2017	UBS ETF JPM USD EM Diversified Bond 1-5 (USD) A-dis	SHEMB	USD	0.42%	Deutsche Bank AG London Branch, Flow Traders B.V.
20.11.2017	PowerShares Preferred Shares UCITS ETF	PRFD	USD	0.50%	Goldenberg Hehmeyer LLP
01.11.2017	db x-trackers MSCI US Cons Disrtary Index UCITS ETF(DR)-1D	XUCD	USD	0.02%	Optiver VOF
01.11.2017	db x-trackers MSCI US Informtion Tech Indx UCITS ETF(DR)-1D	XUTC	USD	0.02%	Optiver VOF
01.11.2017	db x-trackers MSCI USA Cons Staples Index UCITS ETF (DR)-1D	XUCS	USD	0.02%	Optiver VOF
01.11.2017	db x-trackers MSCI USA Energy Index UCITS ETF (DR)-1D	XUEN	USD	0.02%	Optiver VOF
01.11.2017	db x-trackers MSCI USA Financials Index UCITS ETF (DR)-1D	XUFN	USD	0.02%	Optiver VOF
01.11.2017	db x-trackers MSCI USA Health Care Index UCITS ETF (DR)-1D	XUHC	USD	0.02%	Optiver VOF

Source: SIX Swiss Exchange

First trading day	Product	Symbol	Currency	Management fee	Market Maker
31.10.2017	POWERSHARES EQQQ NASDAQ-100 CHF Hedged UCITS ETF	EQCH	CHF	0.35%	Flow Traders B.V., Optiver VOF
31.10.2017	POWERSHARES EQQQ NASDAQ-100 EUR Hedged UCITS ETF	EQEU	EUR	0.35%	Flow Traders B.V., Optiver VOF
31.10.2017	POWERSHARES EQQQ NASDAQ-100 GBP Hedged UCITS ETF	EQGB	GBP	0.35%	Flow Traders B.V., Optiver VOF
31.10.2017	POWERSHARES S&P 500 HIGH DIV LOW VOL CHF HEDGED UCITS ETF	HDCH	CHF	0.35%	Optiver VOF
31.10.2017	PowerShares US High Yield Fallen Angels CHF Hdgd UCITS ETF	FACH	CHF	0.50%	Flow Traders B.V., Goldenberg Hehmeyer LLP
31.10.2017	PowerShares US High Yield Fallen Angels EUR Hdgd UCITS ETF	FAEU	EUR	0.50%	Flow Traders B.V., Goldenberg Hehmeyer LLP
31.10.2017	PowerShares US High Yield Fallen Angels GBP Hdgd UCITS ETF	FAGB	GBP	0.50%	Flow Traders B.V., Goldenberg Hehmeyer LLP
25.10.2017	iShares \$ Floating Rate Bond UCITS ETF EUR Hedged (Dist)	FLOE	EUR	0.12%	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
25.10.2017	iShares \$ Floating Rate Bond UCITS ETF GBP Hedged (Dist)	FLOS	GBP	0.12%	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
25.10.2017	iShares \$ Floating Rate Bond UCITS ETF USD (Dist)	FLOT	USD	0.10%	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
25.10.2017	iShares \$ TIPS 0-5 UCITS ETF USD (Dist)	TIP5	USD	0.10%	Commerzbank AG, Flow Traders B.V., Susquehanna
25.10.2017	iShares \$ Treasury Bond 20+yr UCITS ETF CHF Hedged (Dist)	DTLC	CHF	0.20%	Commerzbank AG, Flow Traders B.V., Susquehanna
25.10.2017	iShares Diversified Commodity Swap UCITS ETF USD	ICOM	USD	0.20%	Optiver VOF, Susquehanna
25.10.2017	iShares S&P 500 Consumer Staples UCITS ETF USD (Acc)	IUCS	USD	0.15%	Commerzbank AG, Optiver VOF, Susquehanna
25.10.2017	iShares S&P 500 Industrials UCITS ETF USD (Acc)	IUIS	USD	0.10%	Commerzbank AG, Optiver VOF, Susquehanna
25.10.2017	iShares S&P 500 Materials UCITS ETF USD (Acc)	IUMS	USD	0.15%	Commerzbank AG, Optiver VOF, Susquehanna
25.10.2017	iShares S&P 500 Utilities UCITS ETF USD (Acc)	IUUS	USD	0.10%	Commerzbank AG, Optiver VOF, Susquehanna
13.10.2017	Lyxor China Enterprise (HSCEI) UCITS ETF - C-EUR	LYASI	USD	0.65%	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
13.10.2017	LYXOR MSCI AC ASIA PACIFIC EX JAPAN UCITS ETF - C-EUR	LYAEJ	USD	0.60%	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
13.10.2017	LYXOR MSCI USA UCITS ETF - D-EUR	LYUSA	USD	0.25%	Commerzbank AG, Flow Traders B.V., Optiver VOF, Société Générale, Susquehanna
13.10.2017	LYXOR MSCI WORLD UCITS ETF - D-EUR	LYWLD	USD	0.30%	Commerzbank AG, Flow Traders B.V., Optiver VOF, Société Générale
12.10.2017	LYXOR JPX-NIKKEI 400 UCITS ETF (DR) - Daily Hedged C-CHF	JPXC	CHF	0.25%	Flow Traders B.V., Optiver VOF, Société Générale
06.10.2017	LYXOR HONG KONG (HSI) UCITS ETF - D-EUR	LYHSI	USD	0.65%	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna

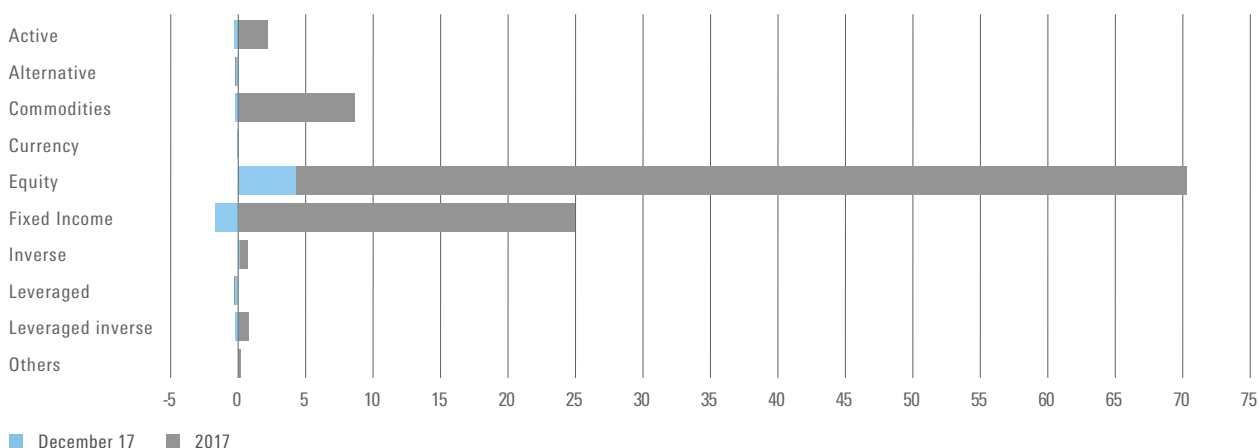
Source: SIX Swiss Exchange

## 3. European market

Net new assets in ETFs have again been dynamic at the European level over the last few months – especially in the equity asset class, where a total of USD 70.7 billion of net new assets was invested in 2017 as a whole. In 2016, only USD 18 billion was invested there. In December, the greatest net outflows were seen in the second-biggest asset class, bond ETFs.

Overall, only the equity, inverse and other asset classes attracted new assets in the last trading month. Investors took assets out of the other asset classes.

### Net New Assets per asset class (in bn USD)



Source: ETFGI

Asset classes	ETFs/ETPs	AuM Dec. 17 (in mn USD)	Market share	Net New Assets (in mn USD)		
				December 17	2017	2016
Active	21	8,669	1.08%	-286	2,242	-203
Alternative	10	374	0.05%	-37	-144	-144
Commodities	386	60,584	7.55%	-231	8,591	11,367
Currency	69	298	0.04%	-8	-3	143
Equity	1,053	539,516	67.24%	4,330	70,727	18,216
Fixed Income	379	180,499	22.50%	-1,772	24,924	24,400
Inverse	68	4,041	0.50%	27	845	741
Leveraged	192	3,956	0.49%	-58	-80	-364
Leveraged inverse	74	3,728	0.46%	-204	1,000	1,530
Other	8	717	0.09%	10	179	11
<b>Total</b>	<b>2,260</b>	<b>802,382</b>	<b>100.00%</b>	<b>1,771</b>	<b>108,280</b>	<b>55,696</b>

Source: ETFGI

## «Investors are increasingly looking for online solutions, especially multi-asset model portfolios build with ETFs.»

Since May 2017 **Sven Württemberger** is heading Passive Investments for Switzerland and Israel at Deutsche Asset Management. In this role he oversees distribution for Xtrackers ETFs and Index Mandates. In previous roles Sven headed distribution activities for BlackRock/iShares in Germany and Switzerland. Before joining BlackRock in 2009 Sven already worked at Deutsche Asset Management in Frankfurt, predominantly in developing structured product solutions for institutional investors. Sven started his career as strategic-consultant at Towers Watson. Sven holds a Master (MBA) in International Finance from Helsinki School of Economics and University St. Gallen as well as a Bachelor (BA Hons) in Finance from Bristol Business School, UK.



Sven Württemberger, Deutsche Asset Management

### What is your specialty?

We focus on a holistic product offering, to provide investors solutions which meet their investment demands. We also continuously expanded our product range over the last years according to market needs, in order to provide solutions across the full spectrum of asset classes and investment styles. With more than ten years of experience, Xtrackers accounts to one of the leading ETF provider in the industry. Next to traditional indices, we also provide factor based solutions, i.e. strategic beta products not only on the equity but increasingly also fixed income side. In 2017 we for example launched a quality weighted corporate bond ETF with a yield enhanced return profile.

### What issues are currently shaping developments in the ETF sector?

A leading topic remains Digitalisation. ETFs are a great access vehicle for online and digital portfolio management, due to their transparency around costs and performance, providing continuous liquidity and simplicity in building broadly diversified portfolios. Investors are increasingly looking for online solutions, especially multi-asset model portfolios build with ETFs. Deutsche Asset Management offers such digital portfolios, which are especially interesting to investors who previously did not have access to ETFs via traditional banking routes. Digitalisation is therefore a great enabler to broaden the investor landscape and ultimately ETF usage.

### What are your clients focusing on in the current environment?

The European ETF market recorded significantly higher inflows in 2017 than in the previous year. Most of the money has gone into equity ETFs. There were two trends here, which we also saw for our Xtrackers franchise, namely, equity ETFs on emerging markets and Europe. EM have done surprisingly well for many, especially when allocating to products on broad indices. For instance, at the beginning of 2017, there were concerns that emerging markets might actually be suffering from a trend towards a US protectionist trade policy. Focussing on the second trend mentioned previously, inflows into European indices were significantly higher than those for US indices. Despite Brexit and low interest rates, many investors appeared to value the European stock market more attractively than the one from the US. On top of that, inflows into bond ETFs were also considerable. Over the year, one-third of new money in ETFs flowed into bonds. Here, government bonds remained popular. Despite relatively low interest rates, government bonds continued to be essential for risk diversification in a broad portfolio.

### What kind of innovations do you have planned?

One of the markets we are currently focusing on is the US bond market. The interest rate level there is in general already on a higher level compared to Eurozone and Switzerland. We are observing a higher demand from investors for alternatives within the cor-

porate bond space. Additionally, dividend strategies are also interesting in general since more and more investors are shifting to distributing portfolios. With this, not only the increased overall value, but also the level of paid dividends is of interest. Furthermore, we are experiencing more and more demand for thematic ETFs - e.g. sustainability or innovative trends like artificial intelligence, cyber security and robotics.

**Where do you see the Swiss ETF market in the future?**

The Swiss ETF market offers great growth opportunities. The market is still in a phase where new client segments can be unlocked - this offers attractive perspectives for all providers. Many large institutional investors have just begun to invest in ETFs. On the other side of the market, robo advisors which have been explained earlier are still at the beginning of their development. This could further accelerate the private client market and increase the attractiveness of ETFs even further.

**Thank you for the interview!**



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