

London Stock Exchange- Listed ETF Report

May 2024

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LSEG DATA &
ANALYTICS

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Headline figures

£1.09trn

Value of all ETFs listed on the LSE, as of May 2024.

£16.47bn

Total estimated net flows for the month.

£4.08bn

Flows for the best-selling classification,
Equity US.

£923m

Flows to sustainable ETFs over the month.

£839m

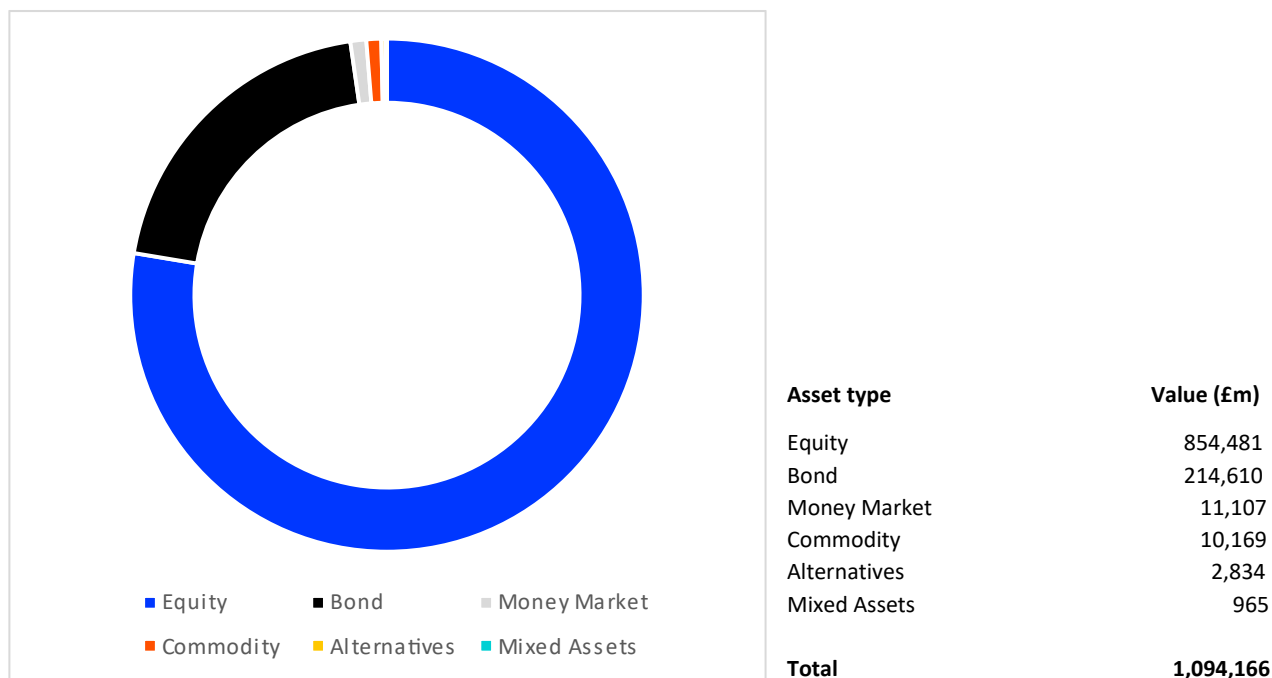
Inflows to active ETFs.

£5.32bn

Net ETF flows going to top-seller BlackRock.

Assets Under Management¹

Chart 1: Assets Under Management of ETFs Listed on the LSE by Asset Type as of May 31, 2024 (£bn)



Source: LSEG Lipper

Total ETF assets rose strongly by £35.52bn (up 3.4%) over May, driven by strong net inflows (see chart 2), growing 28.5% on an annual basis. Money market funds (MMFs) saw the greatest growth in percentage terms on a month-on-month basis (5.3%). Note also that this monthly growth is from a low base, as just 1% of ETF assets are held in commodity funds. On an annualised basis, MMF ETFs also grew the most, at 47.7%, followed by equities (34.4%) and commodities (19.5%). Conversely, mixed-assets ETFs were once more the main negative movers, down to 66.5% of their assets 12 months ago, albeit from a low base—currently 0.1% of ETF assets.

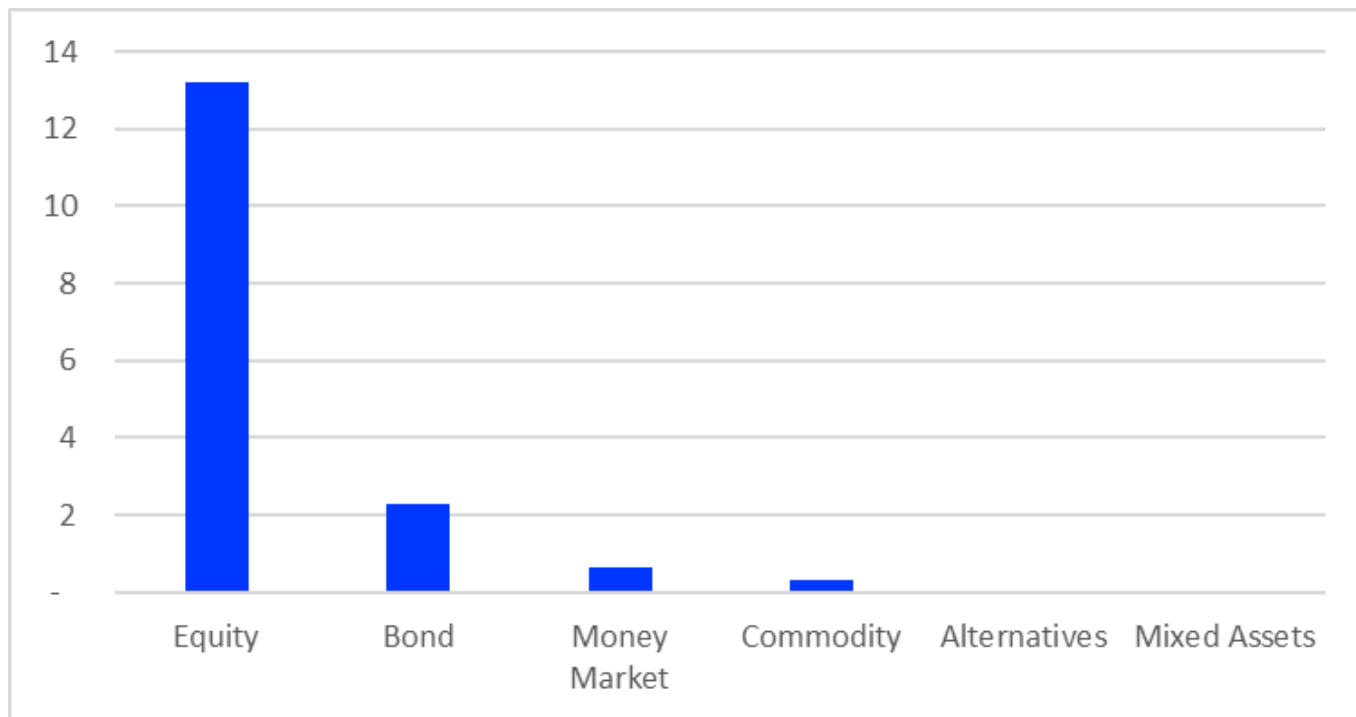
Equity and bond funds comprise the overwhelming majority of the total, at 78.1% and 19.6%, respectively.

¹ This report covers all assets under management and estimated net flows for ETFs listed on the London Stock Exchange. This means while turnover and trading volume are measures that are taken per exchange, flows and assets under management can only be calculated on a pan-European basis, since most ETFs in this report are cross-listed on various exchanges.

Flows

Flows by Asset Type

Chart 2: Estimated Net Flows in ETFs Listed on the LSE by Asset Type, May 2024 (£bn)



Source: LSEG Lipper

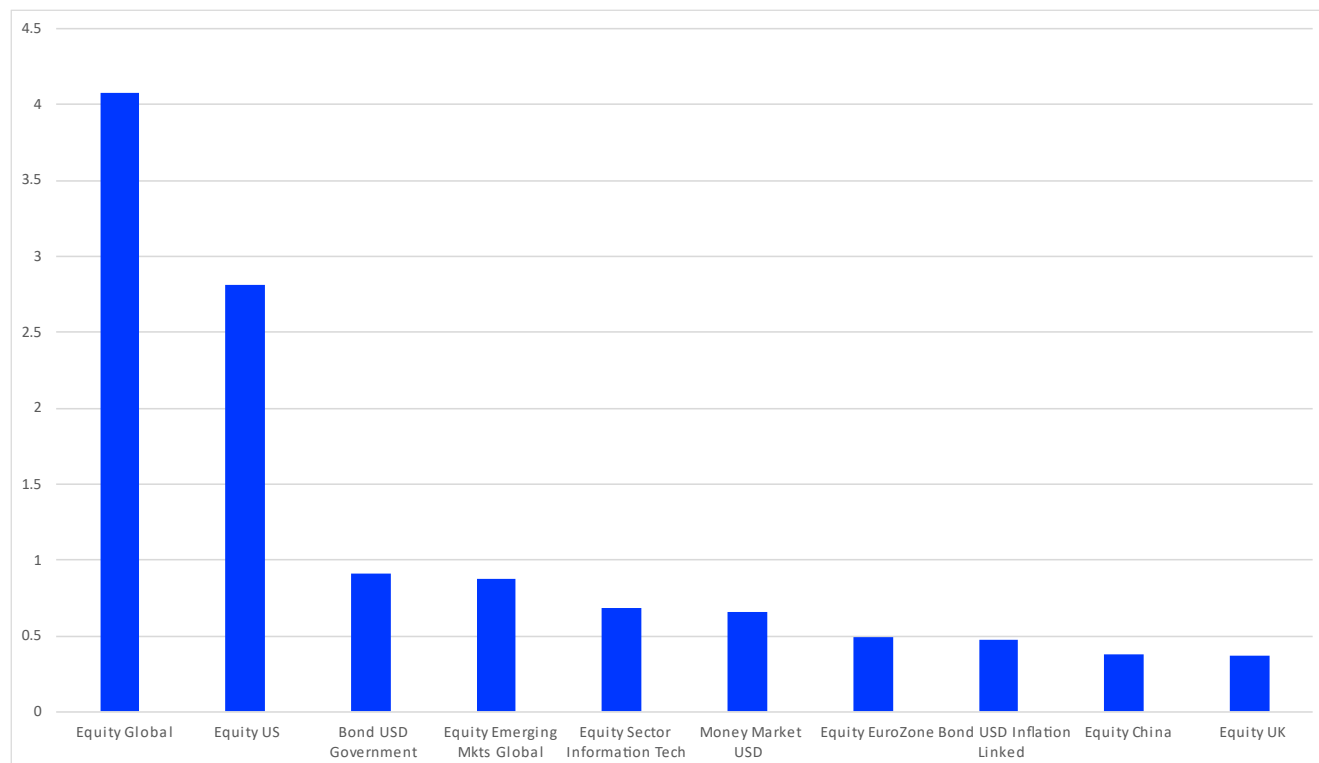
Total flows were more than double April's £7.78bn, at £16.47bn (£90.05bn over 12 months)—also making it the best month of the year for inflows, beating January's £12.6bn.

As the equity market rebounded from April's retreats over May, ETFs were significant beneficiaries. Equity funds netted most of this, at £13.21bn (£90.05bn over 12 months).

As in April, all asset class flows were in the black for May, with bond ETFs taking £2.27bn—again, roughly double that of the previous month (£17.98bn over 12 months); money market £660m (£3.31bn); commodities at £295m (£950m); alternatives £31m (-£525m); and mixed assets £4m (-£523m).

Largest Inflows

Chart 3: Ten Best-Selling Lipper Global Classifications, May 2024 (£bn)



Source: LSEG Lipper

May saw equities and bonds rebounded April's market weakness pullback. Within equities, UK mid-caps, Europe, and the US outperformed global equities, while the FTSE 100, APAC, Japan, and emerging markets lagged, although the latter still saw inflows of £876m.

Despite the US' outperformance, Equity Global ETFs saw the strongest inflows, raking in £4.08bn. Nevertheless, it was still a strong month for US equity ETFs, which took £2.82bn. Tech stocks led May's S&P 500 rally, and this was reflected in Equity Sector Information Tech inflows of £680m. Also, the FTSE 250's outperformance notwithstanding, Equity UK Small- and Mid-Cap ETFs took a relatively modest £159m, while Equity UK attracted £370m.

| Equity Global top money takers, May 2024 | Flow (£m) |
|---|-----------|
| UBS MSCI World UCITS ETF USD Acc | 603.28 |
| iShares Core MSCI World UCITS ETF USD (Acc) | 335.42 |
| Xtrackers MSCI World ESG UCITS ETF 1C | 333.20 |
| iShares MSCI ACWI UCITS ETF USD (Acc) | 324.27 |
| Vanguard FTSE All-World UCITS ETF USD Acc | 289.81 |

Source: LSEG Lipper

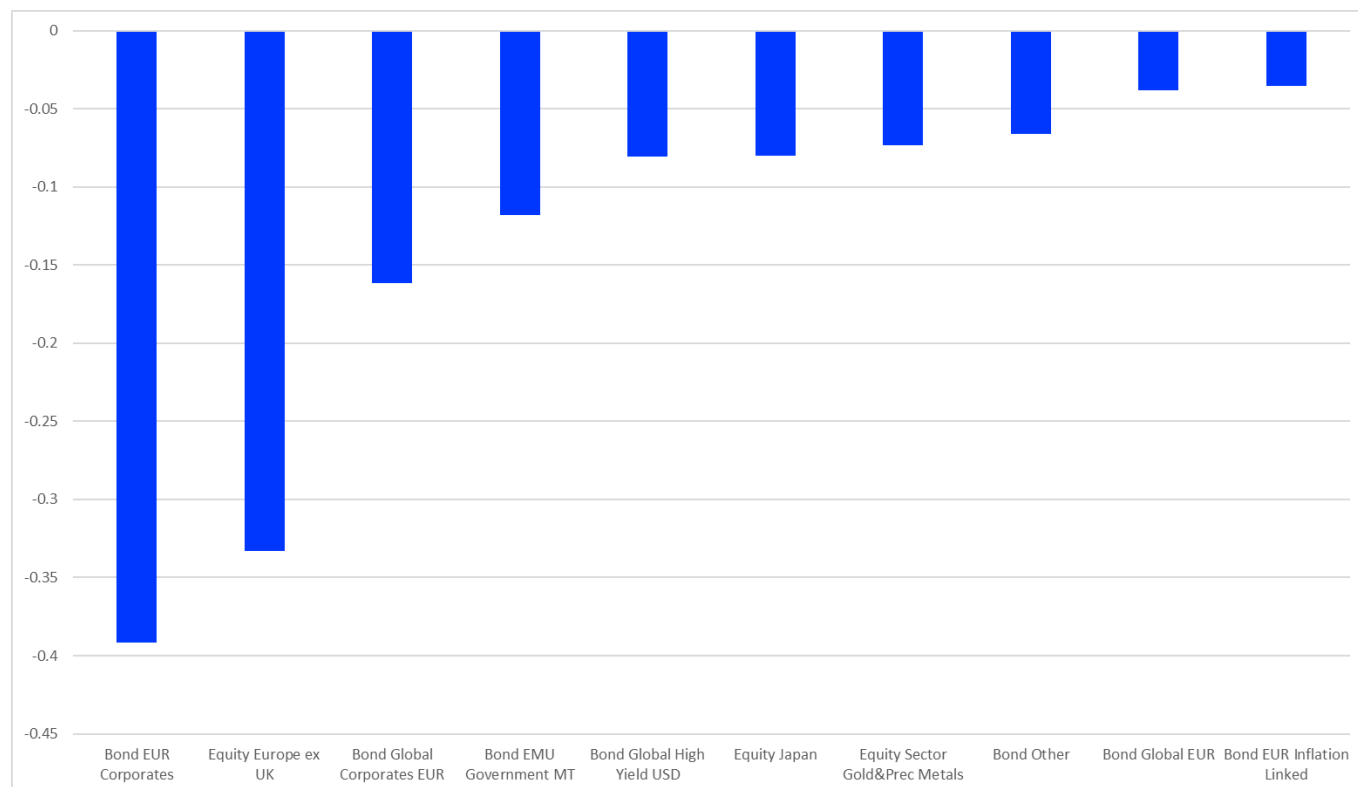
| Equity US top money takers, May 2024 | Flow (£m) |
|--|-----------|
| SPDR S&P 500 UCITS ETF Dist | 1,185.95 |
| iShares Core S&P 500 UCITS ETF USD (Acc) | 945.92 |
| Vanguard S&P 500 UCITS ETF USD Acc | 377.51 |
| Invesco S&P 500 UCITS ETF Acc | 364.72 |
| iShares NASDAQ 100 UCITS ETF USD (Acc) | 295.78 |

Source: LSEG Lipper

Lastly, despite the current mood music being that China is currently “uninvestable”, clearly not everyone agrees (despite £139m of outflows in April), as Equity China ETFs saw robust inflows of £376m. Other equity sectors to see positive flows were Industrials (£345m) and Financials (£301m).

Largest Outflows

Chart 4: Ten Largest Outflows by Lipper Global Classification, May 2024 (£bn)



Source: LSEG Lipper

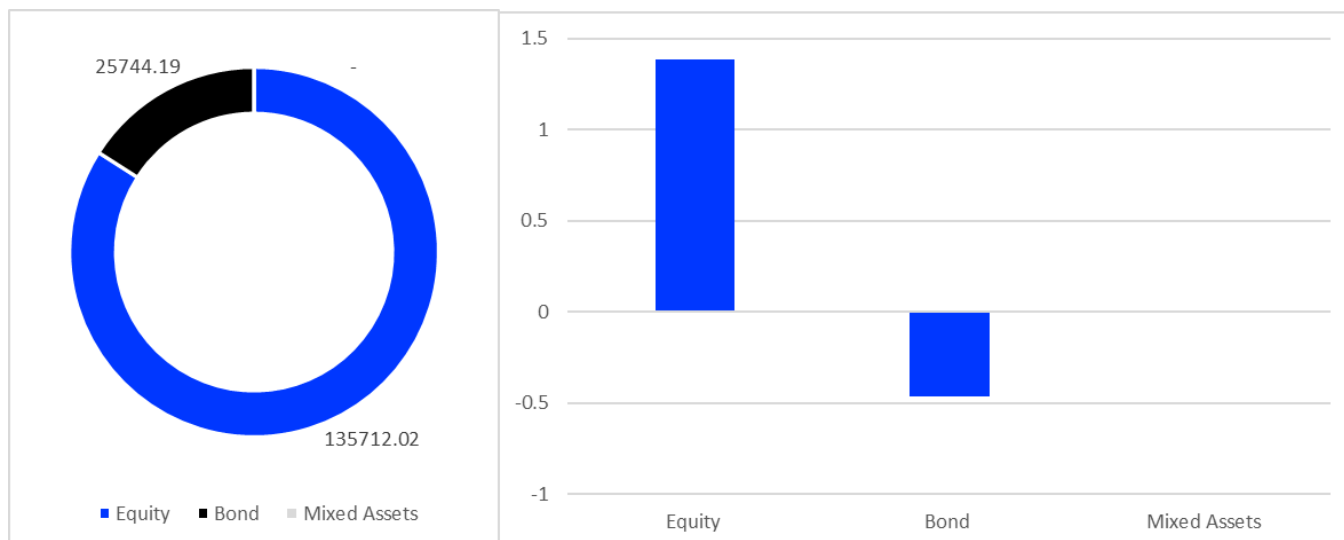
Equity Europe ex UK saw the same outflows as last month (-£333m), when it suffered the heaviest losses—this, despite the relatively strong performance of European equities. Similarly, ETF investors took £80m of Equity Japan assets off the table after a strong 12-month run up to the end of Q1 24 for the market.

This month, however, it was Bond EUR Corporates which saw the heaviest outflows (-£392m). Seven out of the bottom 10 classifications by flows were bonds, broadly based, with no particular theme (aside from something of a skew to euro-denominated fixed income) emerging with redemptions from the asset class. One thing that is evident is a shift out of Bond EUR Inflation Linked (-£35m) into USD-denominated linkers.

As was the case last month, Equity US Income continued to shed money (-£15m) despite the overall popularity of US equities. At an equity sector level, the only significant outflows were from Agribusiness ETFs (-£30m).

Sustainable ETFs

Chart 5: Sustainable ETF Sales (LHS, £m) and Estimated Net Flows (RHS, £bn), May 2024



Source: LSEG Lipper

Some £161.46bn of ETF assets on the London Stock Exchange are defined by Lipper Research as sustainable, held across 428 vehicles (see definition below), down from £157.59bn in April. The bulk (84.06%) are equity, with 15.94% in bond vehicles. Mixed-assets funds—always small—have completely dropped from the table.

Total sustainable flows largely recovered from April's strong reversal of flows, taking £923m in May. Sustainable equity ETFs attracted £1.39bn, mirroring April's outflows, while their fixed income peers lost £463m.

As can be seen from the table below, the top money takers were in line with conventional flows, as investors favoured Equity Global and Equity US sustainable funds.

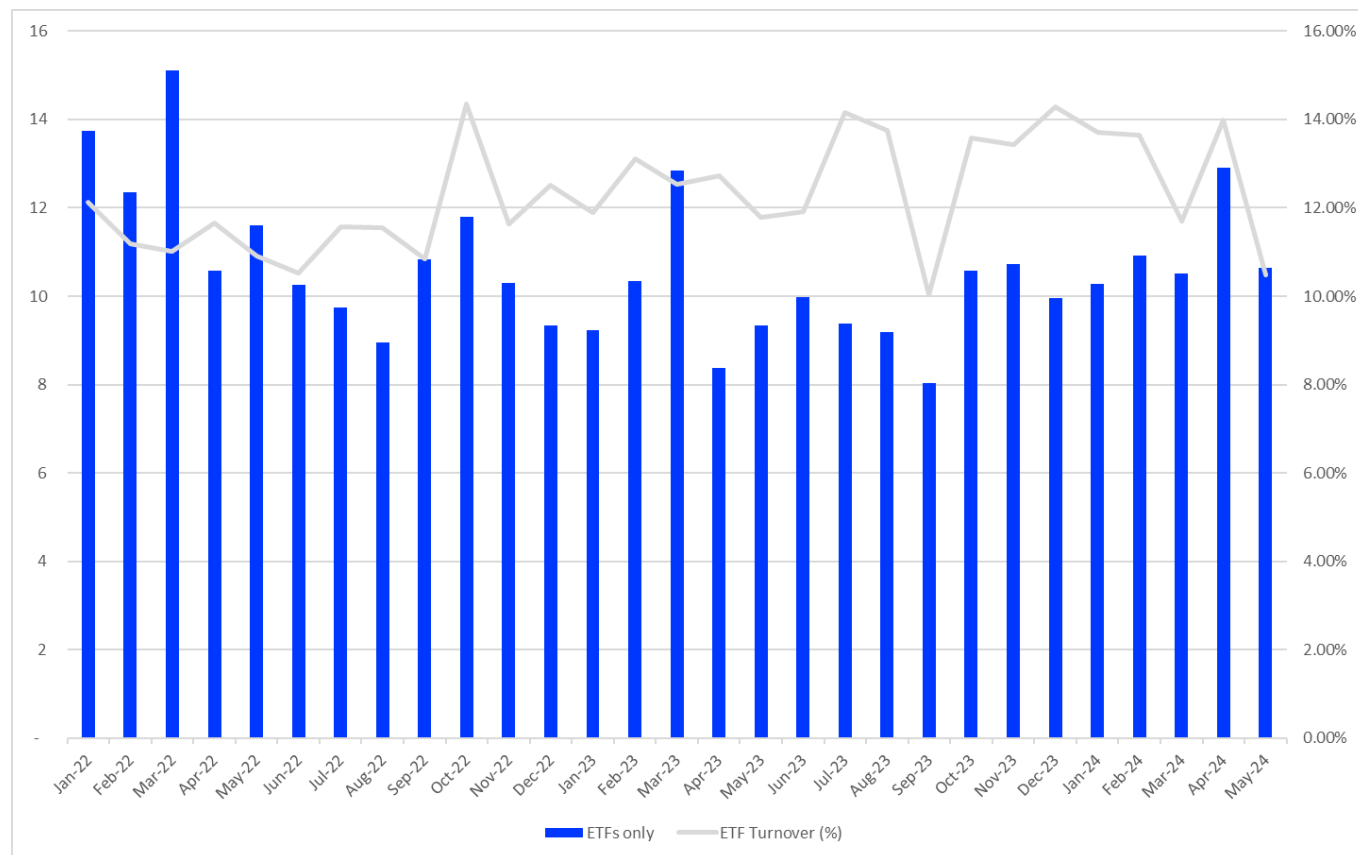
| Sustainable top money takers, May 2024 | Classification | Flow (£m) |
|---|------------------|-----------|
| Xtrackers MSCI World ESG UCITS ETF 1C | Equity Global | 333.20 |
| Xtrackers MSCI AC World ESG Screened UCITS ETF 1C | Equity Global | 289.28 |
| JPM US Research Enhanced Idx Eq ESG UCITS ETF USD A | Equity US | 254.67 |
| JPM Global Research Enhanced Idx Eq ESG UCITS ETF USD A | Equity Global | 251.07 |
| iShares MSCI EM IMI ESG Screened UCITS ETF USD D | Equity EM Global | 208.27 |

Source: LSEG Lipper

The Sustainable section has a narrower and stricter focus than those which indicate some form of ESG strategy in their fund documentation—to a smaller group of sustainable funds, defined as all SFDR article 9 funds plus all Lipper Responsible Investment Attribute funds reduced to those containing indicative sustainable keywords in the fund name.

Trading Volumes

Chart 6: ETF Turnover (GBP bn) and as a % of Total London Stock Exchange Order Book Turnover



Source: LSEG Lipper

The average traded value for ETFs in May was £10.64bn, down from the previous month's £12.91bn, accounting for 10.48% of total London Stock Exchange average daily turnover, a lower proportion than for the previous month. This is a little counterintuitive, given that flows are well up on April. One possible reason for this is that the flows recorded by Lipper are not exchange-specific, so it's likely that the flows are coming from other exchanges on which LSE-listed ETFs are also listed.

This is also suggested by the fact that two of the top-10 traded ETFs are FTSE 250 trackers, with UK mid-cap products not making an appearance on chart 3.

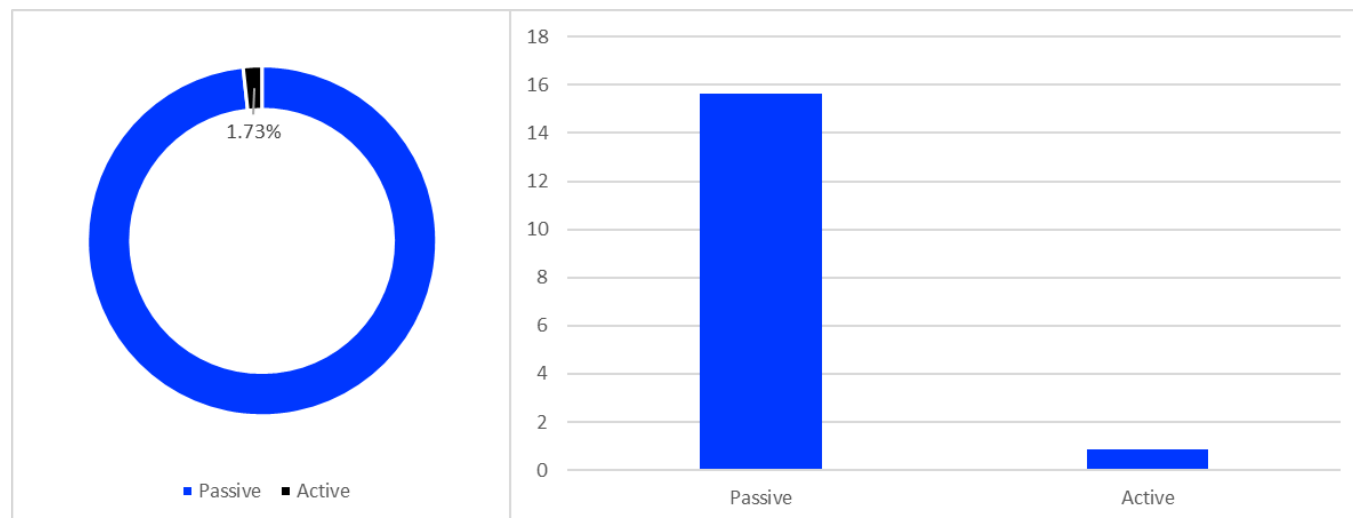
Top Traded ETFs on London Stock Exchange in May 2024

| | ETF | Classification | Value (£) | Trades |
|----|--|---------------------------|------------------|---------------|
| 1 | ISHRS CORE S&P 500 UCITS ETF USD (ACC) | Equity US | 387,728,078 | 24,966 |
| 2 | ISH \$ TR BND 0-1YR U-A | Money Market USD | 263,505,426 | 7,811 |
| 3 | ISHRS CORE MSCI WORLD ETF USD (ACC) | Equity Global | 243,736,923 | 13,265 |
| 4 | ISHARES CORE FTSE100 UCITS ETF GBP(DIST) | Equity UK | 230,874,106 | 9,126 |
| 5 | VANGUARD FTSE 250 UCITS ETF | Equity UK Small & Mid Cap | 150,466,165 | 6,942 |
| 6 | ISHARES FTSE 250 UCITS ETF GBP (DIST) | Equity UK Small & Mid Cap | 134,055,222 | 5,516 |
| 7 | ISHRS NASDAQ 100 UCITS ETF USD (ACC) | Equity Global | 118,369,251 | 4,749 |
| 8 | ISHARES CORE EM IMI UCITS ETF USD (ACC) | Equity EM Global | 118,226,311 | 7,925 |
| 9 | INVESCO S&P 500 UCITS ETF | Equity EM Global | 110,863,079 | 2,983 |
| 10 | X MSCI WORLD CON STAP | Equity Global | 101,695,389 | 764 |

Source: LSEG

Active ETFs

Chart 7: Active and Passive, Total Net Assets (LHS, %), and Estimated Net Flows (RHS, £bn), May 2024



Source: LSEG Lipper

There are 85 active and 1,697 passive ETFs listed on the LSE. Active ETFs total net assets were 1.73% of the total, or £17.54bn. Active ETFs saw inflows of £839m, up from £646m in April, with flows dominated by JP Morgan, which took £766m (see table below). No other promoter took more than £50m into actively managed ETFs. What's also of note in the table below is that, as in March and April, all its members are ESG funds.

Meanwhile, passive ETFs attracted £15.63n—more than double the prior month.

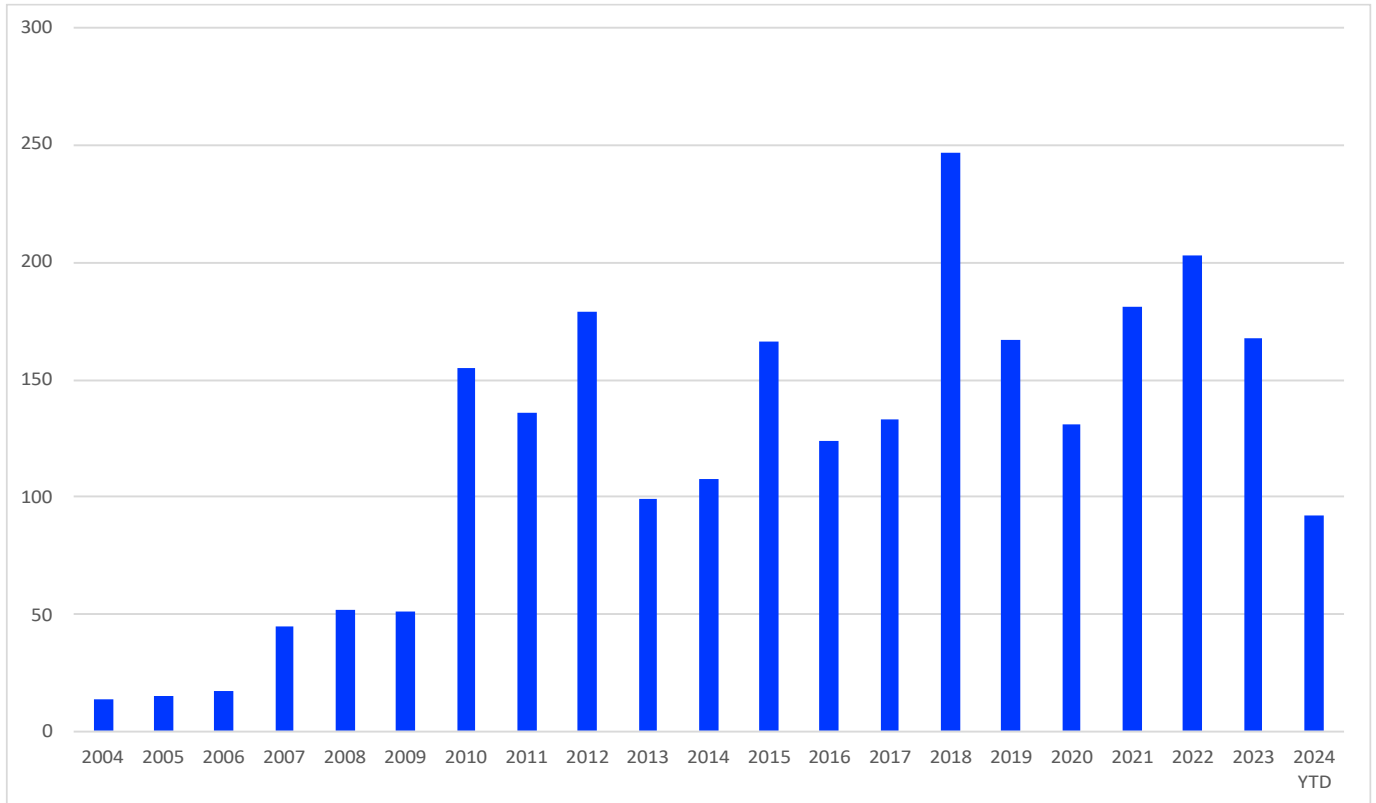
Table: Five Best-selling Active ETFs, May 2024 (£m)

| Name | Lipper Global Classification | Flow (GBP m) |
|---|------------------------------|--------------|
| JPM US Research Enhanced Index Eq ESG UCITS ETF USD A | Equity US | 254.67 |
| JPM Gbl Research Enhanced Index Eq ESG UCITS ETF USD A | Equity Global | 251.07 |
| JPM Europe Research Enhanced Index Eq ESG UCITS ETF EUR A | Equity Europe | 136.45 |
| Invesco Qnt Stgs ESG Global Eq MF UCITS ETF Acc | Equity Global | 44.84 |
| JPM EURCorpBd Research Enhanced Idx ESG UCITS ETF EUR A | Bond Global Corporates EUR | 36.78 |

Source: LSEG Lipper

New Listings

Chart 8: New listings on the London Stock Exchange since 2004



Source: LSEG Lipper

There have been 92 launches year to date. Some 22 were over May. Of the 22 launches this month, three were equity, one alternatives, with the rest being fixed income. That's ahead of the rate of launches for any year since 2018, assuming a steady rate of launches.

Most notably, there are 12 target maturity fixed income launches, the bulk from Invesco.

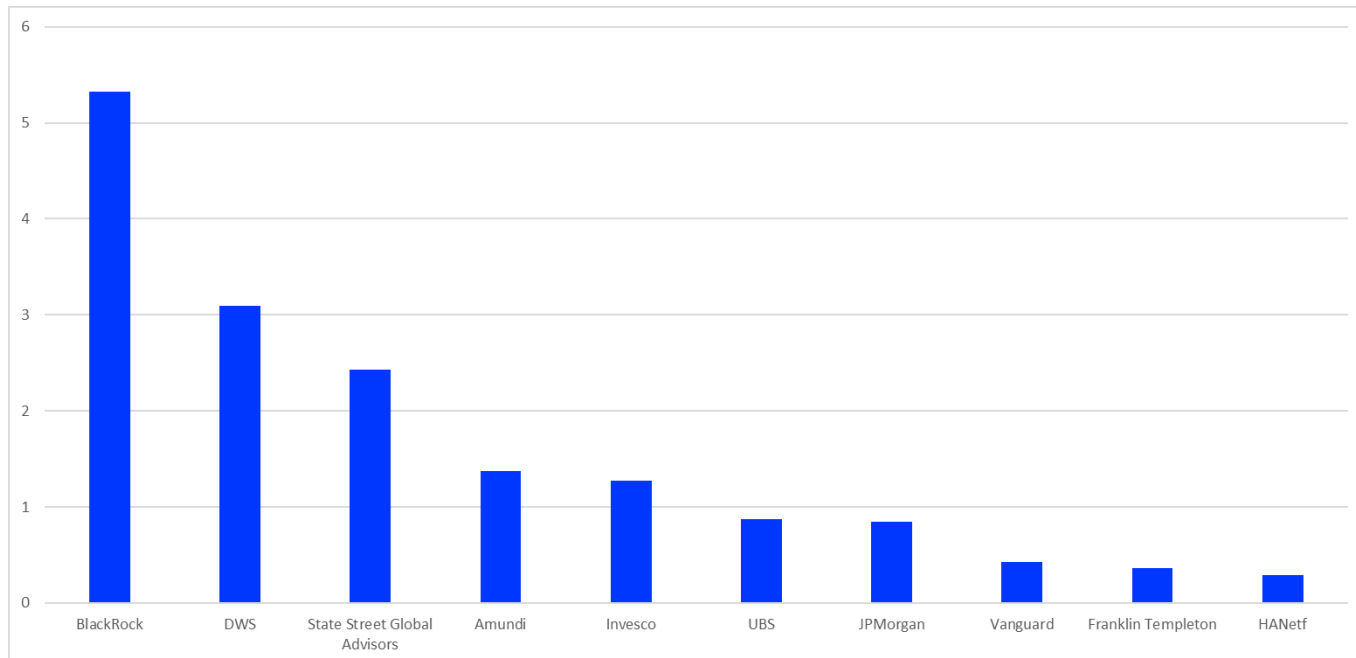
New Launches, May 2024

| ETF name | ISIN | Issuer | Asset type | Value (£m) |
|---|--------------|---------------|--------------|------------|
| Lloyd Focused Equity UCITS ETF USD Acc | IE000NYVK0R8 | HANetf | Equity | 142.78 |
| Lloyd Growth Equity UCITS ETF USD Acc | IE00068IJAK0 | HANetf | Equity | 100.38 |
| SPDR Bloomberg SASB U.S. HY Corp ESG UCITS ETF Acc | IE0004TYCC17 | SSgA | Bond | 99.79 |
| First Trust Vest US Eq Mod BffrUCITS ETF May AUSD Acc | IE000P0FL8E3 | First Trust | Alternatives | 10 |
| Invesco BltShs 2028 USD Crp Bd UCITS ETF USD Acc | IE000GMRDSZ7 | Invesco | Bond | 5.88 |
| Invesco BltShs 2026 USD Crp Bd UCITS ETF USD Acc | IE000ZUAJ6B7 | Invesco | Bond | 5.72 |
| Invesco BltShs 2027 USD Crp Bd UCITS ETF USD Acc | IE0001XIQ4D9 | Invesco | Bond | 5.54 |
| Invesco BltShs 2030 USD Crp Bd UCITS ETF USD Acc | IE00034XRBU1 | Invesco | Bond | 3.96 |
| Invesco BltShs 2029 USD Crp Bd UCITS ETF USD Acc | IE000B4EDHL6 | Invesco | Bond | 3.93 |
| iShares \$ Treasury Bond 3-7yr UCITS ETF GBP Hgd A | IE0000U2ASV9 | BlackRock | Bond | 3.54 |
| HSBC Sust Development Bank Bonds UCITS ETF ETFC | IE000L6BRPZ8 | HSBC | Bond | 1.02 |
| Xtrackers S&P 500 Eql Wght ESG UCITS ETF 4C GBPH | IE000SZ25OI0 | DWS | Equity | 0.1 |
| HSBC Global Aggregate Bond UCITS ETF ETFSHGBP | IE0009RYSBF2 | HSBC | Bond | 0.1 |
| HSBC Global Aggregate Bond UCITS ETF ETFCH | IE0007SZHO07 | HSBC | Bond | 0.08 |
| Goldman Sachs Global Green Bond UCITS ETF USDH Dis | IE000REVDBO3 | Goldman Sachs | Bond | 0.07 |
| iShares iBond Dec 2030 Term \$ Corp UCITS ETF USD A | IE0008TDJ461 | BlackRock | Bond | 0.01 |
| iShares iBond Dec 2029 Term \$ Corp UCITS ETF USD A | IE000QJMYB29 | BlackRock | Bond | 0.01 |
| Invesco BltShs 2026 USD Crp Bd UCITS ETF USD Dis | IE000O36LOH8 | Invesco | Bond | |
| Invesco BltShs 2027 USD Crp Bd UCITS ETF USD Dis | IE000BMDG046 | Invesco | Bond | |
| Invesco BltShs 2028 USD Crp Bd UCITS ETF USD Dis | IE000A0RC215 | Invesco | Bond | |
| Invesco BltShs 2029 USD Crp Bd UCITS ETF USD Dis | IE000C5Q64P6 | Invesco | Bond | |
| Invesco BltShs 2030 USD Crp Bd UCITS ETF USD Dis | IE000GB2EQ90 | Invesco | Bond | |

Source: LSEG Lipper

Flows by Promoter

Chart 9: 10 Best-Selling ETF Promoter for ETFs Listed on LSE, May 2024 (£bn)



Source: LSEG Lipper

There are 29 promoters with ETFs on the LSE. Five—considerably more than the normal one or two—had flows of more than £1bn over May, with the largest being BlackRock (£5.32bn). BlackRock netted £3.39bn in equity flows, and £1.5bn to its bond funds, while the overwhelming bulk of second-placed DWS went to equity ETFs (£2.93bn).

Eight more accounted for flows of more than £100m, while six suffered outflows. It's therefore been a bumper month for more than just the regular market-dominating firms.

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