

Global ETF Flows 2025

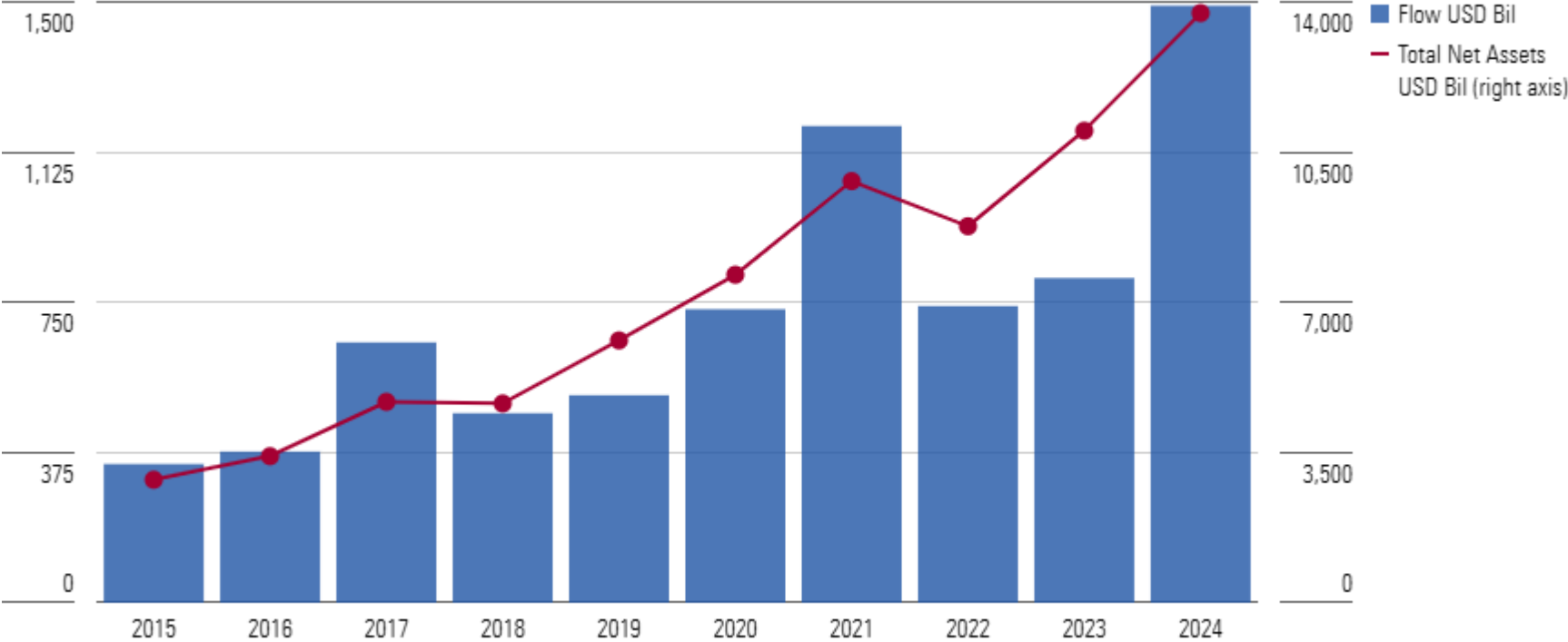
Data as of Dec. 31, 2024



ETFs Deliver Record Annual Flows as Assets Hit an All-Time High

Global flows were USD 1.5 trillion, easily surpassing 2021's USD 1.2 trillion, as assets reached USD 13.8 trillion. Ten years ago, assets stood at USD 2.9 trillion.

Record Assets, Record Flows
Global ETFs



Source: Morningstar Direct Data as of Dec. 31, 2024.

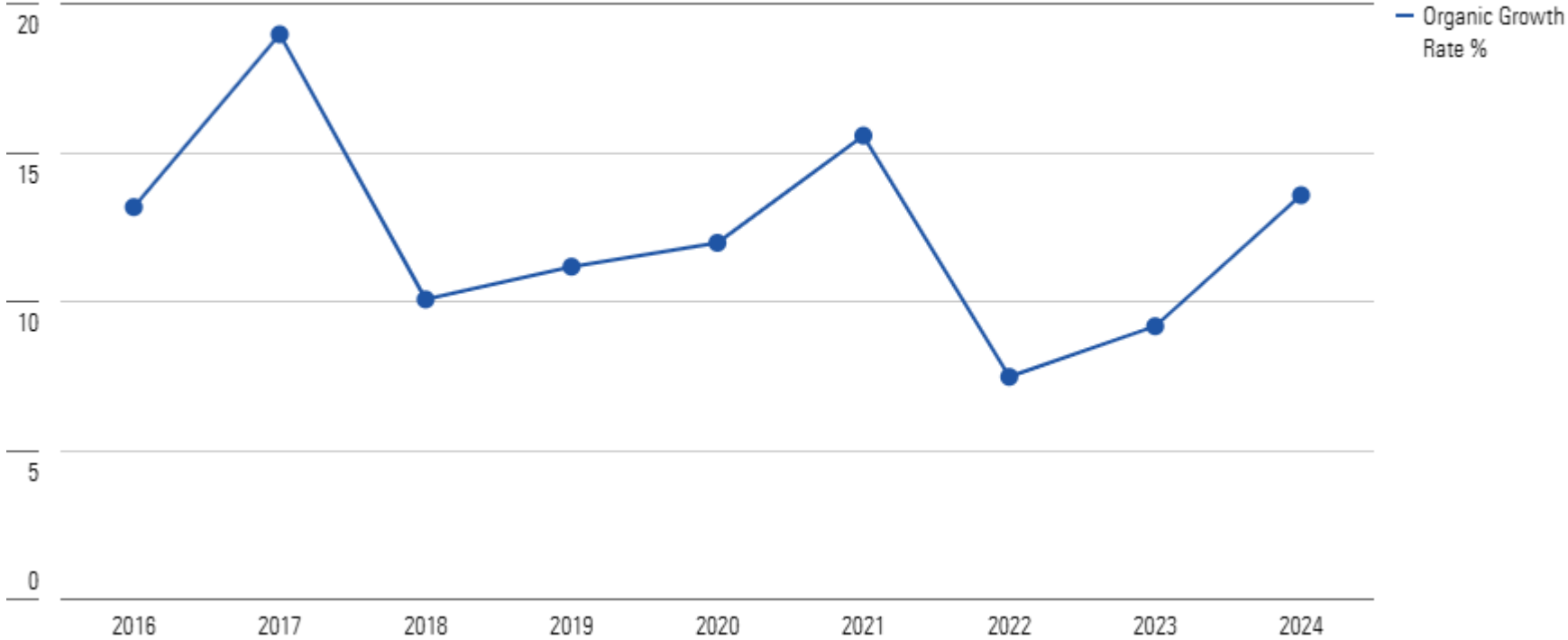
See important data disclosures at the end of this deck.

Defying Gravity: Assets Continue to Balloon, but Growth Rates Remain Robust

While a record year for flows on an absolute basis is noteworthy, just as impressive is the 13.6% annual organic growth rate in 2024. The larger the asset base, the harder it is to maintain a high rate, yet ETFs delivered their highest growth rate since 2021.

Organic Growth Is Still Robust Despite Swelling Assets

Global ETFs | Organic Growth Rate %



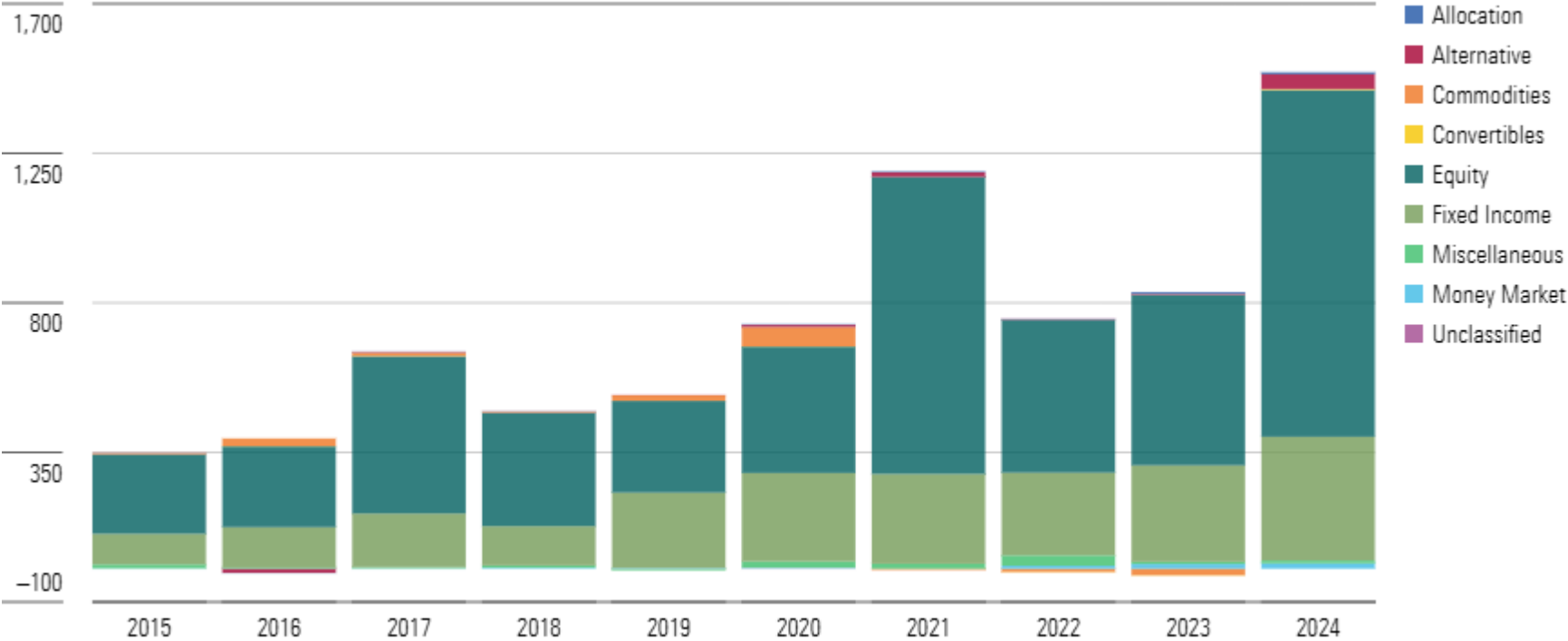
Source: Morningstar Direct Data as of Dec. 31, 2024.

Organic Growth Rate is flows over the period divided by beginning assets. It expresses non-performance-based asset growth and normalizes comparisons over time.

Cheap Equity and Fixed Income Continue to Dominate Flows

Much of the current discourse in the fund industry is around innovations in alternatives and private-to-public offerings, but “pure beta” equity and fixed-income strategies still overwhelmingly prevail in flows terms. These two core categories captured USD 1.4 trillion, or 95%, of flows in 2024. Alternatives (in maroon), the home of US spot bitcoin funds, have made a dent in the universe, but in terms of dollars at work, it’s just that: a dent. Alts, which includes digital assets funds, captured 3% of flows and hold just 1% of assets.

Equities and Fixed Income Continue to Dominate Flows
Yearly Estimated Flows USD Bil



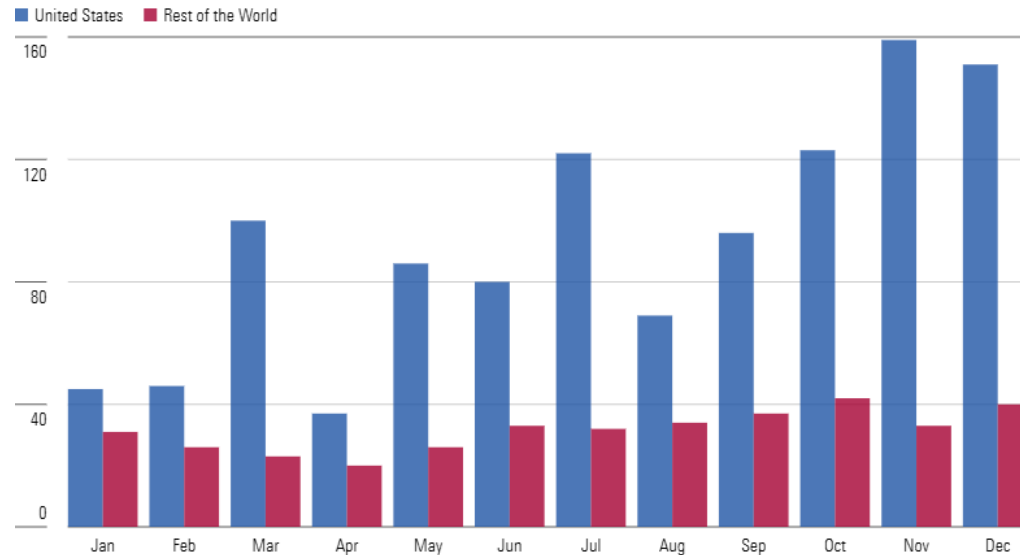
Source: Morningstar Direct Data as of Dec. 31, 2024.

“Risk On” Got Supercharged After November’s US Election

The chart on the left shows that US ETF flows in November and December jumped following Donald Trump’s victory at the beginning of November, resulting in USD 310 billion of inflows. Flows into funds domiciled elsewhere were steadier throughout the year, as expressed in the relatively flat red line in the right-hand chart. Non-US funds maintained their 25% market share despite runaway flows for US funds.

US Flows Peaked in November, While the Rest of the World Was Steady Throughout the Year...

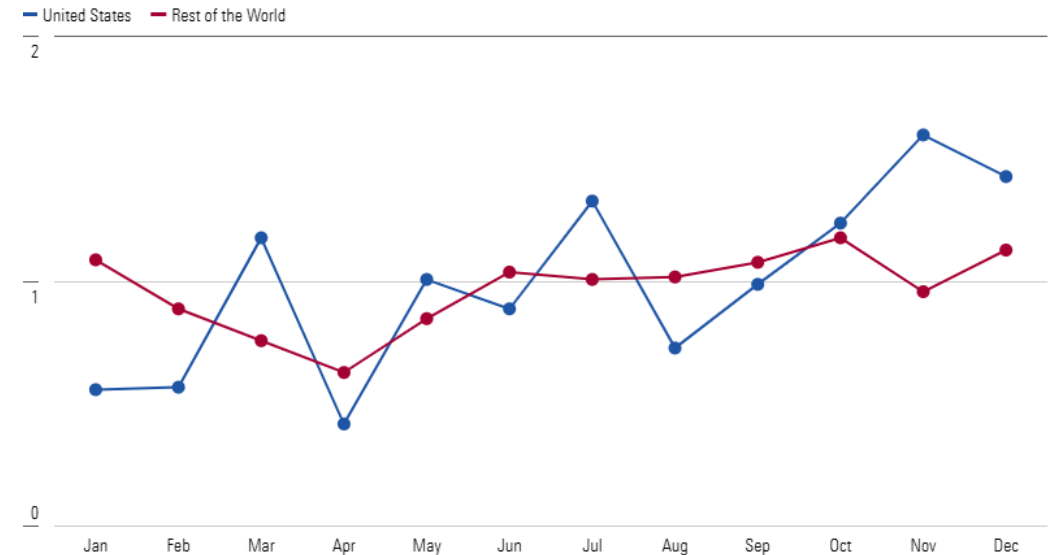
Global ETFs | Monthly Estimated Flows USD Bil



Source: Morningstar Direct Data as of Dec. 31, 2024.

...And US ETF Flows Are Volatile Relative to Funds Domiciled Elsewhere

Global ETFs | Monthly Organic Growth Rate %



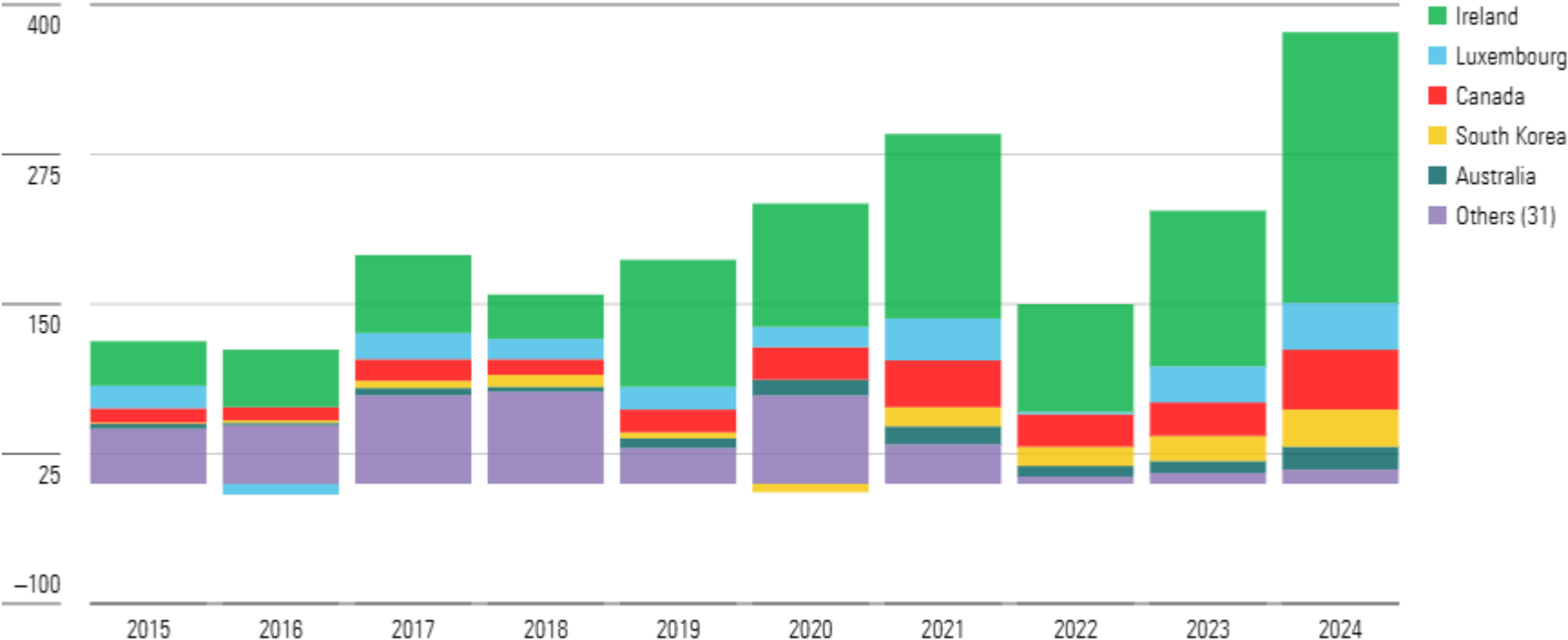
Source: Morningstar Direct Data as of Dec. 31, 2024.

Organic Growth Rate is flows over the period divided by beginning assets. It expresses non-performance-based asset growth and normalizes comparisons over time.

Funds Outside the US Had a Record Year, Too

Funds outside of the US grew 13.1%, just lower than the US' 14% clip, on flows of USD 377 billion. South Korea had a blowout year, growing at a torrid 33% rate for the second straight calendar year. Ireland outpaced its cross-border rival Luxembourg in both flows and growth rate. The former grew at 18%, while the latter grew 12%.

Ex-US ETFs Thrived in 2024, Too
Yearly Estimated Flows USD Bil



Source: Morningstar Direct Data as of Dec. 31, 2024.

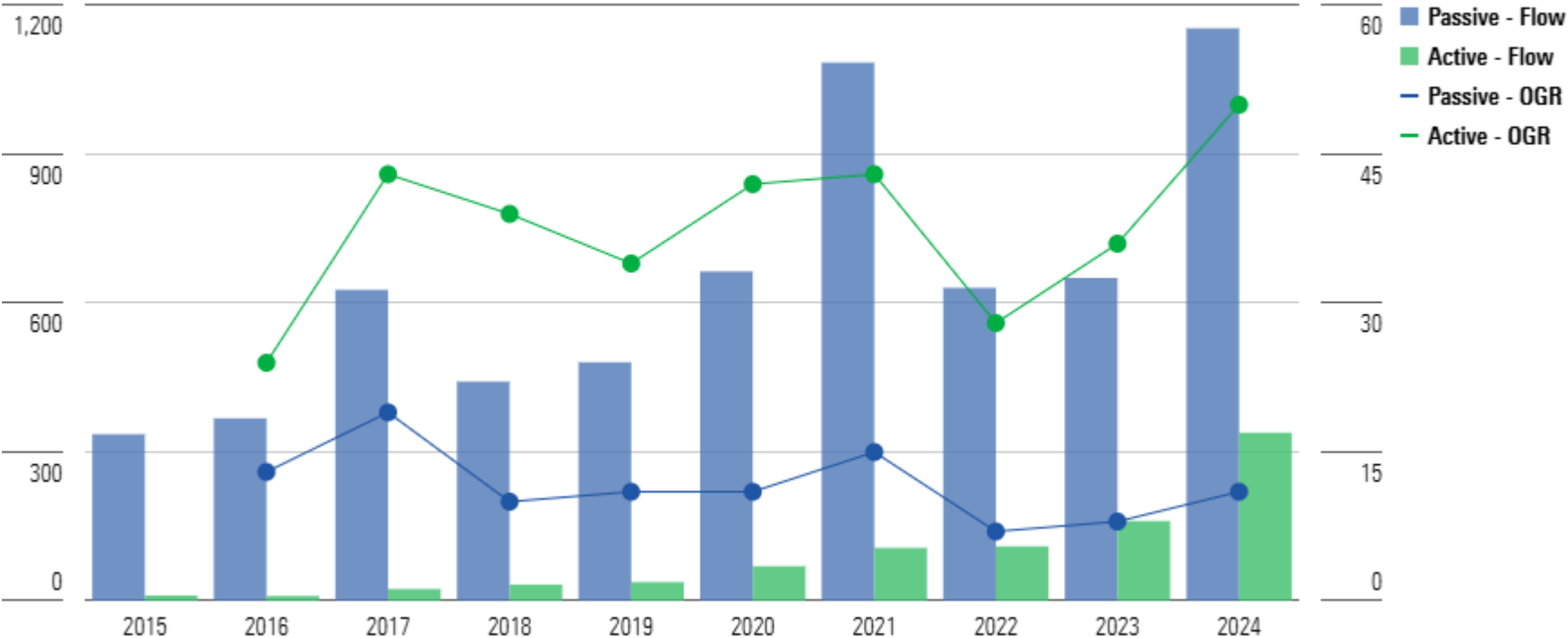
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Actively Managed Funds Grew 50% Organically in 2024 as Flows Doubled

Flows into actively managed ETFs more than doubled year on year, to USD 339 billion from USD 161 billion. While passives grew organically at a very healthy 11%, actives blew the doors off with a 50% rate. Flows were buoyed by equity and fixed-income strategies, which captured 89% of active flows.

Actively Managed ETFs Grew 5 Times Faster Than Passives in 2024

Net Flows (USD bil) and Organic Growth Rate %



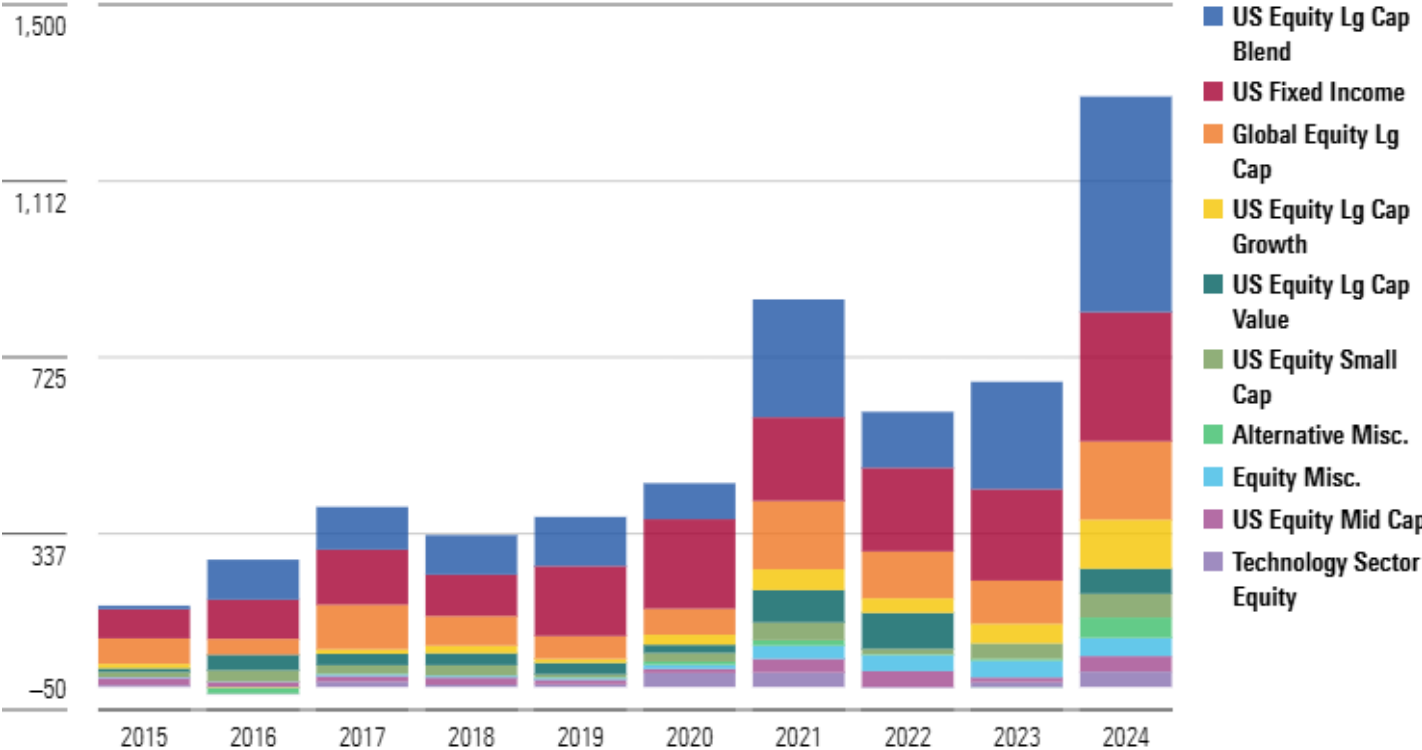
Source: Morningstar Direct Data as of December 31, 2024.

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Global Categories – US Large Cap Blend and US Fixed Income Dominate

US large cap, US fixed income, and global equity large cap have dominated flows over the past 10 years, and 2024 was no exception. These three categories captured 62% of flows last year and 66% in 2023. As recently as 2021, they captured just 50% of flows. Alternative miscellaneous includes the US-domiciled spot bitcoin vehicles that launched with fanfare in January 2024.

Three Global Categories Dominate Flows
 Categories With the Largest Flows in 2024 Over the Past 10 Years



Source: Morningstar Direct Data as of December 31, 2024.

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