**Executive summary**

- ETF promoters in Europe experienced estimated net inflows of €16.3 bn for April.

- Assets under management in the European ETF industry hit a new all-time high (€1,124.0 bn) at the end of April 2021.

- Equity ETFs (+€10.0 bn) posted the highest estimated net inflows in the European ETF industry for April.

- The best-selling Lipper global classification for April was Equity Global (+€3.4 bn), followed by Equity US (+€2.7 bn) and Bond USD High Yield (+€0.7 bn).

- iShares was the best-selling ETF promoter in Europe for April (+€9.7 bn), ahead of Vanguard Group (+€1.5 bn) and Xtrackers (+€1.1 bn).

- The 10 best-selling funds gathered total net inflows of €4.9 bn for April.

- The best-selling ETF for April, iShares Core MSCI World UCITS ETF USD (Acc), accounted for net inflows of €1.1 bn.
Review of the European ETF Market, April 2021

April 2021 marked the thirteenth consecutive month with inflows into ETFs after the outflows caused by the outbreak of the COVID-19 pandemic in March 2020. These inflows occurred in a positive but volatile market environment in which investor sentiment was still impacted by the dynamics of the COVID-19 pandemic in Europe and other parts of the world. The positive performance of the underlying markets led in combination with the estimated net inflows to increasing assets under management (from €1,095.2 bn as of March 31, 2021, to €1,124.0 bn at the end of April). The increase of €28.8 bn for April was driven by the estimated net sales (+€16.3 bn), while the performance of the underlying markets contributed €12.5 bn to the increase of the assets under management. It was not surprising equity funds (€798.0 bn) held the majority of assets, followed by bond funds (€276.6 bn), commodities products (€39.0 bn), alternative UCITS products (€5.8 bn), money market funds (€2.3 bn), mixed-assets funds (€2.3 bn), and “other” funds (€0.1 bn).

Graph 1: Market Share, Assets Under Management in the European ETF Segment by Asset Type, April 30, 2021

Source: Refinitiv Lipper
**Fund Flows by Asset Type**

The European ETF industry enjoyed healthy estimated net inflows for April (+€16.3 bn) which were far above the rolling 12-month average (€13.3 bn).

The inflows in the European ETF industry for April were driven by equity ETFs (+€10.0 bn), followed by bond ETFs (+€5.2 bn), commodities ETFs (+€0.7 bn), alternative UCITS ETFs (+€0.2 bn), money market ETFs (+€0.2 bn), and mixed assets ETFs (+€0.1 bn). Meanwhile, “other” ETFs (-€0.001 bn) were the only asset type which showed outflows for the month.

This flow pattern drove the estimated overall net inflows to €16.3 bn for the month and €65.7 bn for the year 2021 so far.

Graph 2: Estimated Net Sales by Asset Type, April 2021 (Euro Millions)

Source: Refinitiv Lipper
**Assets Under Management by Lipper Global Classifications**

In order to examine Lipper global classifications in further detail, the European ETF market was split into 168 different peer groups. The highest assets under management at the end of April were held by funds classified as Equity U.S. (€223.9 bn), followed by Equity Global (€137.6 bn), Equity Emerging Markets Global (€56.8 bn), Equity Eurozone (€54.7 bn), and Equity Europe (€54.7 bn). These five peer groups accounted for 46.95% of the overall assets under management in the European ETF segment, while the 10-top classifications by assets under management accounted for 58.99%.

Overall, 19 of the 168 peer groups each accounted for more than 1% of assets under management. In total, these 19 peer groups accounted for €808.1 bn, or 71.90%, of the overall assets under management. In addition, it was noteworthy that the rankings of the largest peer groups saw some movement in single positions after the market turmoil caused by the COVID-19 crisis and the ongoing recovery. As the positions of the peer groups had been quite stable in the past, this indicates that European investors use ETFs to trade according to their market views. Even as some of these positions might be core holdings, once investors get into risk-off mode they also reduce their exposure to core asset classes. Nevertheless, these numbers showed assets under management in the European ETF industry continued to be highly concentrated.

**Graph 3: Ten-Top Lipper Global Classifications by Assets Under Management, April 30, 2021 (Euro Millions)**

![Graph 3: Ten-Top Lipper Global Classifications by Assets Under Management, April 30, 2021 (Euro Millions)](image)

*Source: Refinitiv Lipper*
The peer groups on the other side of the table showed some funds in the European ETF market are quite low in assets and their constituents risk being closed in the near future. They are obviously lacking investor interest and might, therefore, not be profitable for their respective fund promoters (Please read our report: “Is there a consolidation ahead in the European ETF industry?” for more details on this topic).

Graph 4: Ten Smallest Lipper Global Classifications by Assets Under Management, April 30, 2021 (Euro Millions)

Source: Refinitiv Lipper
Fund Flows by Lipper Global Classifications
The net inflows of the 10 best-selling Lipper classifications accounted for €11.2 bn. As for the overall sales for April, it was not surprising equity funds (+€8.1 bn) dominated the table of the 10 best-selling peer groups by net flows while the peer group count was equally split between equity and bond ETFs. In line with the overall trend, the best-selling Lipper global classification for April was Equity Global (+€3.4 bn), followed by Equity US (+€2.7 bn) and Bond USD High Yield (+€0.7 bn).

These numbers showed the European ETF segment is also highly concentrated with regard to fund flows by sector. Generally speaking, one would expect the flows into ETFs to be concentrated since investors often use ETFs to implement their market views and short-term asset allocation decisions. These products are made for, and therefore, are easy to use for these purposes.

Graph 5: Ten Best- and Worst-Selling Lipper Global Classifications by Estimated Net Sales, April 2021 (Euro Millions)

Source: Refinitiv Lipper

On the other side of the table, the 10 peer groups with the highest estimated net outflows for April accounted for €1.9 bn of outflows.
Assets Under Management by Promoters
A closer look at assets under management by promoters in the European ETF industry also showed high concentration, with only 23 of the 46 ETF promoters in Europe holding assets at or above €1.0 bn. The largest ETF promoter in Europe—iShares (€508.5 bn)—accounted for 45.24% of the overall assets under management, far ahead of the number-two promoter—Xtrackers (€133.2 bn)—and the number-three promoter—Lyxor ETF (€87.7 bn). (To learn more about the concentration of the European ETF market at the promoter level, please read our report: Spotlight on the concentration at the promoter level in the European ETF industry).

Graph 6: Ten-Top ETF Promoters by Assets Under Management, April 30, 2021 (Euro Millions)

Source: Refinitiv Lipper

The 10-top promoters accounted for 93.18% of the overall assets under management in the European ETF industry. This meant, in turn, the other 36 fund promoters registering at least one ETF for sale in Europe accounted for only 6.82% of the overall assets under management.
Fund Flows by Promoters

Since the European ETF market is highly concentrated, it was not surprising that seven of the 10 largest promoters by assets under management were among the 10-top selling ETF promoters for April. iShares was the best-selling ETF promoter in Europe for April (+€9.7 bn), ahead of Vanguard Group (+€1.5 bn) and Xtrackers (+€1.1 bn).

Graph 7: Ten Best-Selling ETF Promoters, April 2021 (Euro Millions)

Source: Refinitiv Lipper

The flows of the 10-top promoters accounted for estimated net inflows of €15.9 bn, or 97.32%, of the overall estimated net inflows. With regard to the overall flow trend in April, it was clear that some of the 46 promoters (11) faced net outflows (-€0.3 bn in total) over the course of the month.
Assets Under Management by Funds

There were 2,995 instruments (primary funds and convenience share classes) listed as ETFs in the Lipper database at the end of April. Regarding the overall market pattern, it was not surprising assets under management at the ETF level were also highly concentrated. Only 268 of the 2,995 instruments held assets above €1.0 bn each. These products accounted for €734.7 bn, or 65.36%, of the overall assets in the European ETF industry. The 10 largest ETFs in Europe accounted for €164.7 bn, or 14.65%, of the overall assets under management. (Please read our study: Is the European ETF industry dominated by only a few funds? to learn more about the concentration at the single-fund level in the European ETF industry).

Graph 8: Ten Largest ETFs by Assets Under Management, April 30, 2021 (Euro Millions)

Source: Refinitiv Lipper
ETF Flows by Funds

A total of 1,302 of the 2,995 instruments analyzed in this report showed net inflows of more than €10,000 each for April, accounting for €30.5 bn. This meant the other 1,693 instruments faced no flows or net outflows for the month. (When looking at this statistic, one needs to bear in mind that some of these instruments are convenience share classes that do not report assets under management. This means Lipper can’t calculate fund flows for these ETFs). Upon closer inspection, only 68 of the 1,302 ETFs posting net inflows enjoyed inflows of more than €100 m during April—for a total of €14.0 bn.

The best-selling ETF for April, iShares Core MSCI World UCITS ETF USD (Acc), accounted for net inflows of €1.1 bn. It was followed by iShares EURO STOXX Banks 30-15 UCITS ETF (DE) (+€0.5 bn) and Invesco S&P 500 UCITS ETF Acc (+€0.5 bn).

The flow pattern at the fund level indicated there was a lot of turnover and rotation during April, but it also showed the concentration of the European ETF industry even better than the statistics at the promoter or classification levels. Given its size and the overall trend for net sales at the promoter level, it was not surprising that eight of the 10 best-selling funds for April were promoted by iShares. These iShares ETFs accounted for total estimated net inflows of €4.0 bn.
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