



Cerulli Special Report:

# Exchange-Traded Funds in Europe: Challenges for Asset Managers

Report Cost:  
\$4,000

## Overview

Exchange-traded fund (ETF) assets in Europe have surged over the past nine years, and strong growth is forecaste to continue through 2013. While growth is driven largely by institutional demand, retail investor appetite is predicted to increase. Mutual fund firms in Europe, therefore, face the challenge of understanding and responding to the ETF phenomenon.

This report provides essential market intelligence to enable fund manufacturers to meet that challenge. Drawing on proprietary surveys and analysis, the report examines the European ETF sector, threats from its growth, and how fund managers can best respond to one of the leading financial innovations of our time.

### This report answers the following questions:

- How quickly will ETF assets in Europe grow in the future?
- How great a threat are ETFs to mutual fund net flows over the next few years?
- Will active ETFs feature in future product development in the European market?
- What type of asset manager is best suited to manufacture ETFs?
- What should mutual fund firms do to respond to the rise of ETFs?

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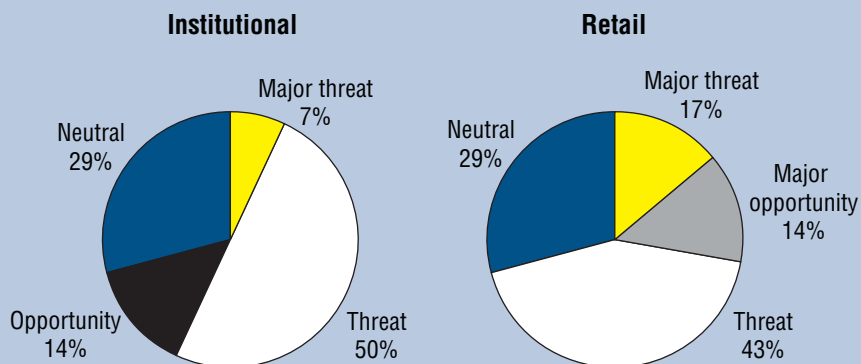
## KEY FINDINGS:

- The 40% annualized growth rates in ETF assets under management in Europe recorded from 2004-2008 will taper, yet Cerulli still forecasts a 5-year CAGR for 2008-2013 of 31%.
- The majority of mutual fund firms view ETFs as a threat to flows in both institutional and retail sectors, as they attracted net investment of €69 billion in 2008 and the first half of 2009.
- Almost 80% of European ETF assets are sourced from institutions, and there remains scope for increased use amid expectations of growing supply.
- European asset managers have to consider their response to the rise of ETFs very carefully, especially since not all will be suited to expanding into the sector.

## SAMPLE EXHIBIT:

### Fund Managers' Views on Whether ETFs are a Threat to, or an Opportunity for, Net Investment Flows Over the Next Three Years in Europe, 2009

Mutual fund firms clearly view ETFs as a threat to net investment flows, both in the institutional and retail segments.



Source: Cerulli Associates

With 45 pages and 52 exhibits, this report contains the following sections:

Executive Summary

Chapter 1: The ETF Marketplace

Chapter 2: Asset Gathering in Europe

Chapter 3: Opportunities and Threats

Conclusion and Prognosis

Faxable order form on reverse.

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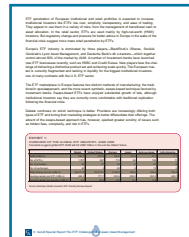
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