

DECEMBER 2018

Tradeweb Exchange-Traded Funds Update

The following data is derived from trading activity on the Tradeweb Markets institutional European- and U.S.-listed ETF platforms.

EUROPEAN-LISTED ETFs

Total traded volume

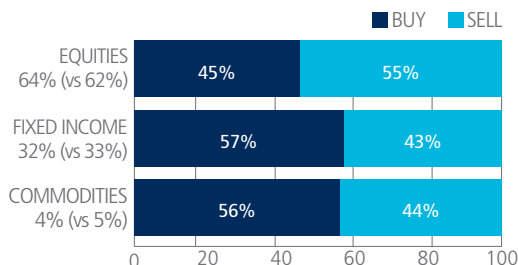
December proved to be the second best-performing month for the Tradeweb European ETF marketplace since its launch in late 2012, with total traded volume topping EUR 24 billion. In addition, the platform enjoyed a record-breaking fourth quarter, as trading activity surpassed EUR 72.4 billion, beating previous record-holder Q1 2018 by more than EUR 10 billion. The share of European ETF transactions processed via Tradeweb's Automated Intelligent Execution functionality (AiEX) remained high at 42.6%.

Adriano Pace, head of equities (Europe) at Tradeweb, said: "Traded volumes on our European ETF platform surged in 2018 thanks to a confluence of factors including the advent of MiFID II, heightened market volatility, and the increased adoption of electronic trading. At the end of December, total activity for the year had reached EUR 251.5 billion, up 52% from 2017 and 89% from 2016."

Volume breakdown

Fixed income and commodity ETFs were primarily bought in December in contrast to their equity-based counterparts, which saw 'sells' outstrip 'buys' by ten percentage points. Activity in the asset class accounted for 64% of the overall platform flow. North America Equities was once again the most heavily-traded sector during the month with nearly EUR 5.4 billion in traded notional.

Volume by asset class



All figures in brackets refer to the previous 12-month rolling average. Buy/sell percentages are now calculated at an individual asset class level.

Volume by most active category

	Volume (EUR Mn)	Buy (%)	Sell (%)
North America Equities	5,367	34%	66%
Europe Equities	4,512	43%	57%
Government Bonds	2,491	69%	31%
Emerging Markets Equities	2,298	71%	29%
Corporate Bonds	2,056	40%	60%

Top ten by traded notional volume

Equity and fixed income products shared December's list of most actively-traded ETFs, with the iShares Core S&P 500 UCITS ranked first. The fund, which offers diversified exposure to U.S. large-cap stocks, featured in the top ten list nine times in 2018.

Rank	Ticker	ETF	Issuer	Asset Class
1	CSPX	iShares Core S&P 500 UCITS ETF	iShares	Equity
2	EMMUSC	UBS ETF MSCI Emerging Markets UCITS ETF	UBS	Equity
3	VUSD	Vanguard S&P 500 UCITS ETF	Vanguard	Equity
4	PJS1	PIMCO Euro Short Maturity Source UCITS ETF	Invesco	Fixed Income
5	CU2	Amundi MSCI USA UCITS ETF	Amundi	Equity
6	IEML	iShares J.P. Morgan EM Local Gov Bond UCITS ETF	iShares	Fixed Income
7	IBTM	iShares Treasury Bond 7-10yr UCITS ETF	iShares	Fixed Income
8	IEAC	iShares Core Corp Bond UCITS ETF	iShares	Fixed Income
9	CSSPX	iShares Core S&P 500 UCITS ETF	iShares	Equity
10	IEMB	iShares J.P. Morgan \$ EM Bond UCITS ETF	iShares	Fixed Income

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ABOUT DATA POINTS

Data Points is a monthly report that aggregates information from the Tradeweb rates, credit, money markets and equities marketplaces, and the world's largest liquidity providers.

ABOUT TRADEWEB

Tradeweb is a leading global provider of institutional markets, driving the evolution of electronic trading across rates, credit, money markets and equities. Tradeweb applies technology with flexible trading protocols to enhance workflow efficiency and increase market transparency.

U.S.-LISTED ETFs

Total traded volume

Total consolidated U.S. ETF notional value traded in December 2018 rose 118% year over year to USD 15.5 billion. Total volume traded in 2018 of USD 106.9 billion exceeded full-year 2017 volume of USD 55.2 billion by 93.5%.

Volume breakdown

As a percentage of total notional value, equities accounted for 64.1% and fixed income for 29.3% with the remainder comprised of commodity and specialty ETFs.

ASSET CLASS AS A PERCENTAGE OF NOTIONAL VALUE TRADED

OTHER 6.6%	FIXED INCOME 29.3%	EQUITY 64.1%
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Other includes commodity and specialty ETFs

Adam Gould, Head of U.S. Equities at Tradeweb, said: “December is usually a particularly busy month for ETF trading, and 2018 was no exception. Extreme volatility across multiple asset classes helped drive money managers to ETFs for various reasons including (but not limited to) portfolio hedging, tactical positioning and strategic tax management. In many cases, the ETF can be a leading indicator of where the underlying fund holdings are moving. In chaotic markets, the ability to put on or take off exposure via one security can be compelling.”

Top ten by traded notional volume

During the month, 682 unique tickers traded on Tradeweb’s U.S. ETF platform. As the yield curve inverted, interest in short term bond funds escalated, with two funds – iShares 1-3 Year Treasury Bond ETF (Nasdaq: SHY) and Vanguard’s Short Term Bond ETF (NYSE: BSV) – leading the pack.

Rank	Ticker	ETF	Issuer	Asset Class
1	SHY	1-3 Year Treasury Bond ETF	iShares	Fixed Income
2	BSV	Short-Term Bond ETF	Vanguard	Fixed Income
3	IVV	Core S&P 500 ETF	iShares	Equity
4	IEFA	Core MSCI EAFE ETF	iShares	Equity
5	BBEU	BetaBuilders Europe ETF	J.P. Morgan	Equity
6	IWB	Russell 1000 ETF	iShares	Equity
7	SDY	S&P® Dividend ETF	State Street	Equity
8	EWJ	MSCI Japan ETF	iShares	Equity
9	EFA	MSCI EAFE ETF	iShares	Equity
10	AGG	Core U.S. Aggregate Bond ETF	iShares	Fixed Income