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*At the
corner of*
Insurance
and
**Asset
Management**

INTERVIEW

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Thought Leadership for the Insurance Investment Community

ETF Check-In Provided by Brownstone

Key Points

- There are 20 unique ETF issuers offering Fixed Income ETFs eligible to be reported as bonds approved by the NAIC.
- Fixed Income ETFs flows kept very close pace with Equity ETFs as 2019 was the second best year on record for ETFs with over \$326 billion of net flows.
- The Top 10 Fixed Income ETFs by market cap are all over \$20bn and have an average expense ratio of just 9bps.
- Non-Transparent Actively Managed ETFs were approved in 2019 and the first ones are expected to list in early 2020.

OVERALL FLOWS

For 2019, \$169 billion flowed into Equity ETFs while Fixed Income ETFs were close behind with \$155 billion. For the first month and a half of 2020, Equity ETFs have had \$45bn of net flows while Fixed Income ETFs have just over \$33bn.

NOTABLE LAUNCHES

- ✓ KDFI - KFA Dynamic Fixed Income ETF
- ✓ EMNT- PIMCO Enhanced Short Maturity Active ESG ETF
- ✓ PFLD - AAM Low Duration Preferred & Income Securities ETF
- ✓ FJNK- Pacific Global Focused High Yield ETF
- ✓ MTGP - WisdomTree Mortgage Plus Bond Fund
- ✓ IDY - Pacific Global International Equity Income ETF

TOP EQUITY ETF FLOWS

Creations			Redemptions		
Ticker	Name	Net Flows \$(MM)	Ticker	Name	Net Flows (MM)
VTI	Vanguard Total Stock Market ET	15,434.19	EFA	iShares MSCI EAFE ETF	-8,190.18
VOO	Vanguard S&P 500 ETF	12,533.77	XLF	Financial Select Sector SPDR F	-4,444.35
USMV	iShares Edge MSCI Min Vol USA	12,425.44	EWJ	iShares MSCI Japan ETF	-3,231.11
IEFA	iShares Core MSCI EAFE ETF	11,375.61	IWD	iShares Russell 1000 Value ETF	-3,152.63
IVV	iShares Core S&P 500 ETF	8,482.64	XLE	Energy Select Sector SPDR Fund	-3,122.52
QUAL	iShares Edge MSCI USA Quality	6,601.00	EEM	iShares MSCI Emerging Markets	-2,987.43
VXUS	Vanguard Total International S	6,409.12	TQQQ	ProShares UltraPro QQQ	-2,332.14
SPY	SPDR S&P 500 ETF Trust	5,787.90	IWF	iShares Russell 1000 Growth ET	-2,126.26
IEMG	iShares Core MSCI Emerging Mar	5,578.87	ACWI	iShares MSCI ACWI ETF	-1,604.87
ITOT	iShares Core S&P Total US Stoc	5,115.12	MDY	SPDR S&P MidCap 400 ETF Trust	-1,579.43

Michael Cafiero

Director of Multi-Asset Trading



Mike serves as a Director of Multi-Asset Sales and Trading at Brownstone Investment Group providing trade execution services to Institutions throughout North America and Europe. His focus is helping clients find liquidity when trading Equities, Fixed Income Products, and ETFs. His extensive background in ETF trading gave Mike exposure to many asset classes, allowing him to offer liquidity solutions within a wide variety of products now in their primary markets.

Mike joined Brownstone in August 2018. His previous experience includes serving as Director of ETF Sales and Trading at Cantor Fitzgerald and at Knight Capital Americas (Virtu). Mike's career in ETFs began when he worked for iShares ETFs at Barclays Global Investors (BlackRock).

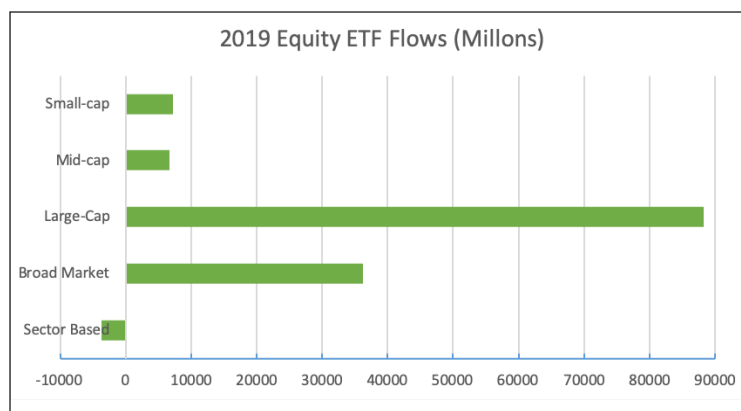
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TOP FIXED INCOME ETF FLOWS

Creations			Redemptions		
Ticker	Name	Net Flows \$(MM)	Ticker	Name	Net Flows (MM)
BNDX	Vanguard Total International B	11,086.95	BSV	Vanguard Short-Term Bond ETF	-5,996.74
BND	Vanguard Total Bond Market ETF	9,709.70	SHY	iShares 1-3 Year Treasury Bond	-3,130.48
AGG	iShares Core U.S. Aggregate Bo	8,804.97	TIP	iShares TIPS Bond ETF	-1,790.07
MBB	iShares MBS ETF	8,276.84	FLOT	iShares Floating Rate Bond ETF	-1,665.14
GOVT	iShares US Treasury Bond ETF	8,255.58	FLRN	SPDR Bloomberg Barclays Invest	-886.66
TLT	iShares 20+ Year Treasury Bond	7,206.55	BSCJ	Invesco BulletShares 2019 Corp	-481.14
IEF	iShares 7-10 Year Treasury Bon	6,737.72	BSJJ	Invesco BulletShares 2019 High	-462.75
VCIT	Vanguard Intermediate-Term Cor	5,321.27	PCY	Invesco Emerging Markets Sover	-403.13
JPST	JPMorgan Ultra-Short Income ET	5,057.83	TDTT	FlexShares iBoxx 3-Year Target	-321.21
HYG	iShares iBoxx High Yield Corpo	4,626.96	TBT	ProShares UltraShort 20+ Year	-301.38

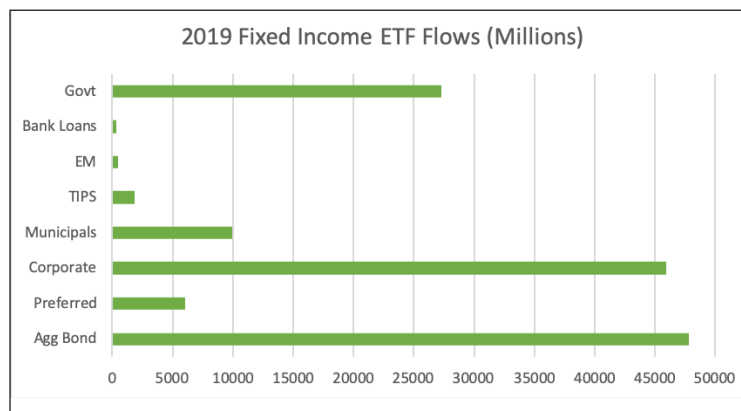
EQUITY BREAKDOWN



TOP 10 ETF FLOWS YEAR-TO-DATE THROUGH 2/15/20

Ticker	Name	Net Flows \$(MM)
IVV	iShares Core S&P 500 ETF	8,556
VOO	Vanguard S&P 500 ETF	7,872
AGG	iShares Core U.S. Aggregate Bo	3,578
VTI	Vanguard Total Stock Market ET	3,565
IEFA US	iShares Core MSCI EAFE ETF	3,146
VEA US	Vanguard FTSE Developed Market	2,875
BND US	Vanguard Total Bond Market ETF	2,874
VCIT US	Vanguard Intermediate-Term Cor	2,536
MBB US	iShares MBS ETF	2,322
ESGU US	iShares Trust iShares ESG MSCI	2,134

FIXED INCOME BREAKDOWN



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