

This survey, of 182 European ETF and Smart Beta investors, provides insights into European investors' perceptions, practices and future plans in the domain of ETFs and Smart Beta.

What does **ETF** means?

EXCHANGE TRADED FUNDS

HOW DO INVESTORS SELECT AND USE ETFs?

ETF USAGE IS BECOMING INCREASINGLY MAINSTREAM

% OF EQUITY INVESTORS USING ETFs

45% vs **91%**
In 2006 In 2019

% OF GOVERNMENT BOND INVESTORS USING ETFs

13% vs **66%**
In 2006 In 2019

THE ROLE OF ETFs IS BECOMING MORE TACTICAL

53%

Tactical allocation

51%

Long-term buy and hold



Achieving broad market exposure is still a top of objective

COST AND QUALITY OF REPLICATION ARE THE TWO MAIN DRIVERS FOR SELECTING ETF PROVIDERS

2/3 of respondents used ETFs to invest in Smart Beta in 2019



KEY OBJECTIVES DRIVING THE USE OF SMART BETA AND FACTOR INVESTING STRATEGIES

68% of respondents think they are useful in performance seeking portfolio, first of all, for harvesting risk premia



Improving performance is the main motivation

THE MOST RELEVANT FACTORS IN SMART BETA FOR FIXED-INCOME



LEVEL OF SLOPE OF THE YIELD CURVE
CREDIT

CHALLENGES OF ETFs AND SMART BETA FOR THE FUTURE

31% OF RESPONDENTS WANT TO SEE MORE SRI-BASED ETFs

INVESTORS OR FUTURES INVESTORS IN SMART BETA:

+ Increase in interest for the Smart Beta solutions
Plan to increase investment in it

74% vs **79%**
In 2018 In 2019

- Limited use, products not fitting the demand in Smart Beta for fixed income

Lack of research in the area

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