

May ETP launch review: smart beta dominates

This report aggregates newly launched funds in May and highlights the performance of the funds launched in April.

- May saw the launch of 32 new ETFs; smart beta and leveraged funds made up most new launches
- 17 funds were launched in the Americas, 11 added in Emea and four launched in the Apac region.
- 26 equity funds added in May. Three were fixed income and three were alternative

May new listings

Smart beta ETFs represented almost half of all the funds launched in May. Issuers added funds that were weighted based on various fundamentals and also proprietary strategies developed by research groups. Non-market cap weighted ETFs have become more and more prevalent as issuers develop alternative strategies to attract investor attention.

May saw the launch of five leveraged funds targeting highly volatile sectors. Direxion, one of the most prolific leverage houses, launched four new triple leveraged funds which offer bullish or bearish exposure to both the oil & gas exploration and production and biotech sectors. True to industry form, the oil & gas funds came up with the obligatory amusing tickers of **GUSH** and **DRIP** for the bullish and bearish funds respectively.

The three fixed income funds which listed in May were all European listed with exposure to convertible bonds, high yield US bonds and short maturity euro bonds

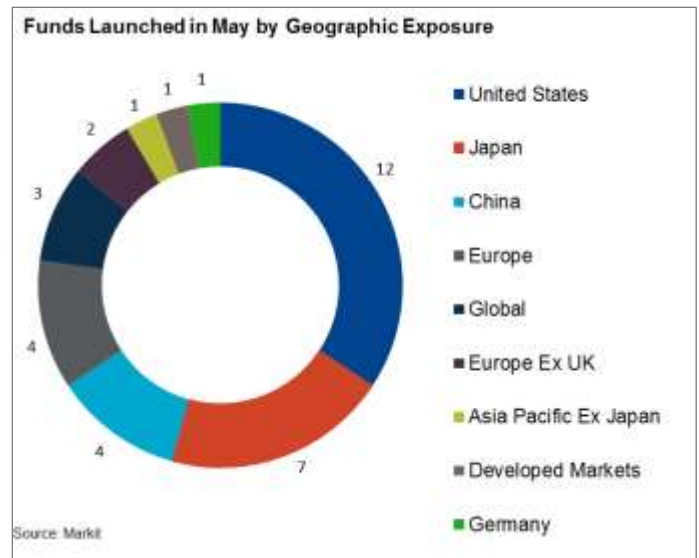
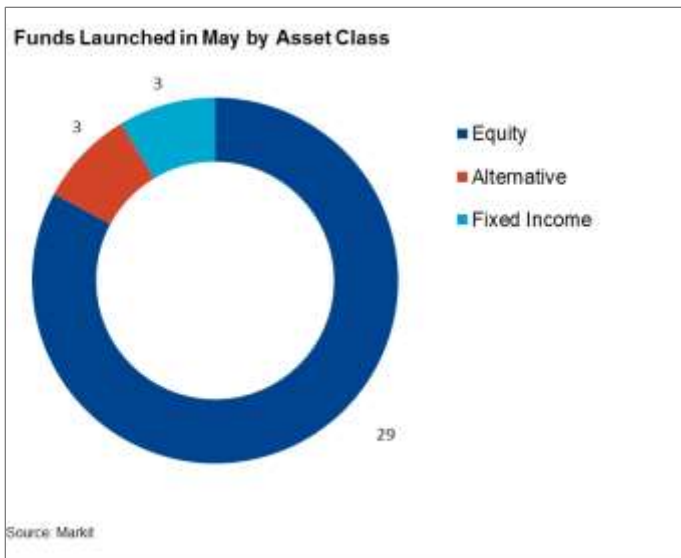
April flows

Flows into funds launched in April were dramatically lower than the previous month's funds. In total, the 33 funds managed to gain \$328m in May.

The Americas were responsible for \$139m in asset flows for the funds added in April. The largest gainer in the region has been the **Innovator IBD 50 Fund ETF (FFTY)** which has added almost \$35m since its April 10th inception.

Europe's largest earner has been the **iShares MSCI China A UCITS ETF (CNYA)**, which has led all ETFs featured in Markit's April launch report after seeing \$61m in asset flows since the beginning of April. Overall, the six funds added in the European region have gained over \$101m in assets since their inception.

The Apac region brought in \$88m in assets across the five funds that were launched in April. The largest share went to the **XIE Shares FTSE Chimerica ETF (3161)** which has gained \$28m in assets since April 16th.



May new launch strategies

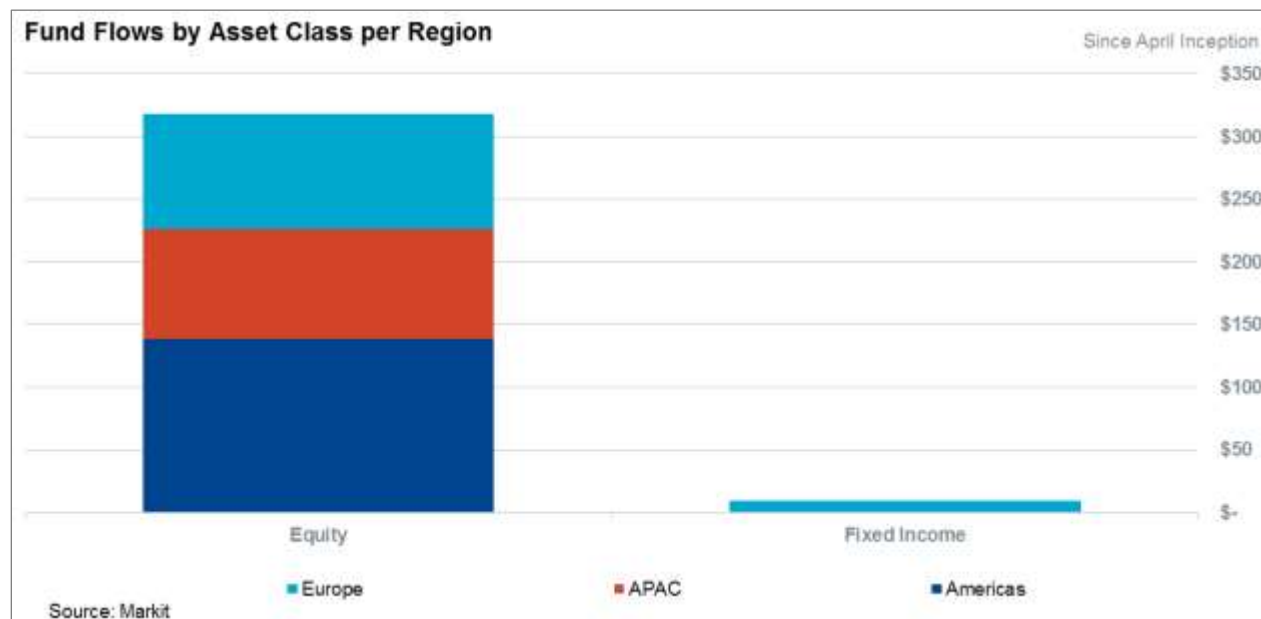
Global X was the leading ETF issuer during the month of May, in terms of ETF launches. The US based group added five new ETFs to its portfolio. Four of the ETFs are part of a new product suite of Smart Beta ETFs. **Global X Scientific Beta US ETF (SCIU)** uses a proprietary weighting methodology that aims to outperform market cap-weighted indices. **Global X** applies the same strategy to Europe, Japan and the Asia ex-Japan regions as well.

Global X also added the **Global X YieldCo Index ETF (YLCO)** which is seen as the first of its kind. A YieldCo is a dividend growth-oriented public company, created by a parent company, which bundles renewable and/or conventional long-term contracted operating assets in order to generate systematic cash flows. The ETF's top holding is Terraform Power Inc.

Direxion Funds launched four new ETFs in May focused on two distinct sectors; biotech and oil & gas export/production. For each sector, there is a bull and bear version to capture the assets of investors with either sentiment towards the market segment. All four of the funds are triple leveraged.

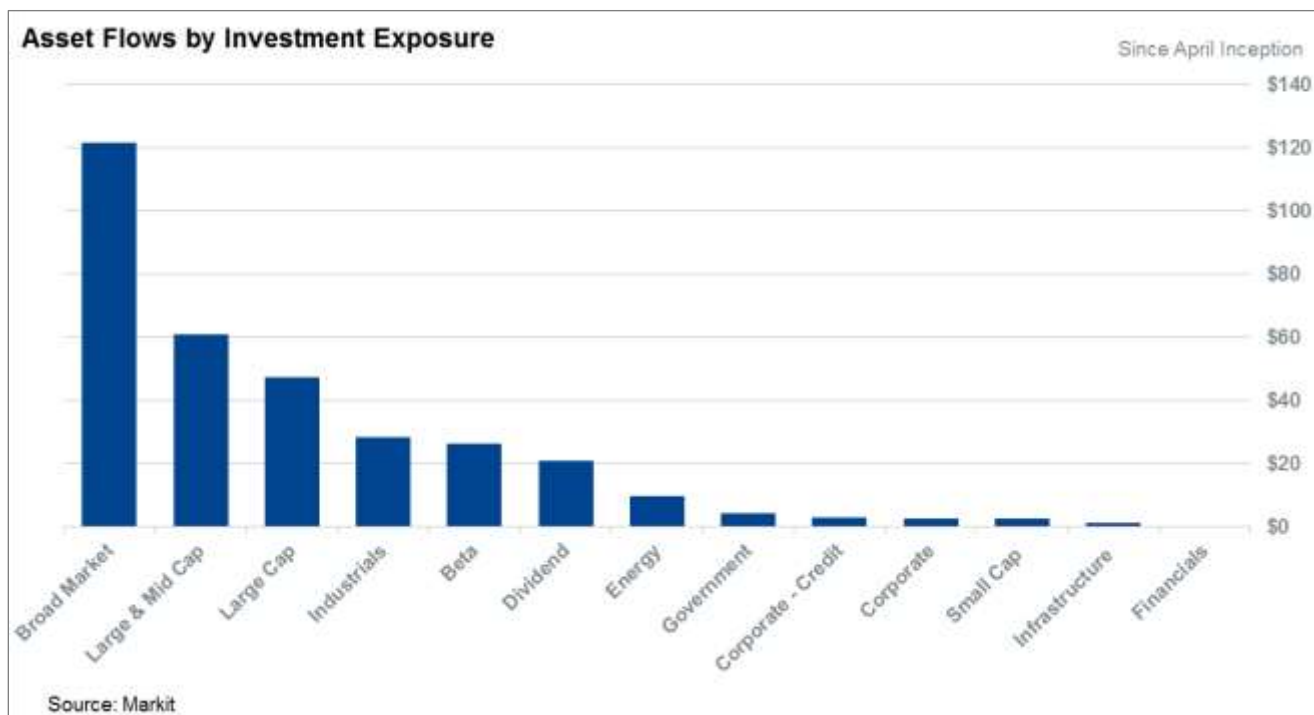
WisdomTree brought four new funds to the market with three currency hedged ETFs focusing on Europe, Germany and Japan. The newly added funds are part of **WisdomTree's** continued expansion into Europe, providing UK listings for funds that mirror the ETFs that have seen success in the US. The **WisdomTree Japan Dividend Growth Fund (JDG)** was the company's sole new US listing. The fund's objective is to provide investors with exposure to Japanese equities with long-term earnings growth expectations.

April overview



April listed funds total inflows (As of 05/29/2015)

| Asset Class | Americas | APAC | Europe | Total Per Asset Class |
|-------------------------|-----------------------|----------------------|-----------------------|-----------------------|
| Equity | \$ 138,798,436 | \$ 87,867,967 | \$ 91,793,800 | \$ 318,460,202 |
| Fixed Income | \$ 6,283 | | \$ 9,787,202 | \$ 9,793,485 |
| Total Per Region | \$ 138,804,719 | \$ 87,867,967 | \$ 101,581,002 | \$ 328,253,688 |



May newly listed ETPs

Americas listed:

| ETP name | Ticker | Listing country | Launch date | Asset class | Investment focus |
|---|--------|-----------------|-------------|-------------|---------------------------------|
| Highland HFR Global ETF | HHFR | United States | 2015-05-29 | Alternative | Global Macro |
| Highland HFR Equity Hedge ETF | HHDG | United States | 2015-05-29 | Alternative | Equity Strategies |
| Highland HFR Event-Driven ETF | DRVN | United States | 2015-05-29 | Alternative | Global Macro |
| WisdomTree Japan Dividend Growth Fund | JDG | United States | 2015-05-28 | Equity | Dividend |
| Global X Yieldco Index ETF | YLCO | United States | 2015-05-28 | Equity | Alternative Energy |
| Direxion Daily S&P Oil & Gas Exp. & Prod. Bear 3X Shares | DRIP | United States | 2015-05-28 | Equity | Oil & Gas |
| Direxion Daily S&P Oil & Gas Exp. & Prod. Bull 3X Shares | GUSH | United States | 2015-05-28 | Equity | Oil & Gas |
| Direxion Daily S&P Biotech Bear 3X Shares | LABD | United States | 2015-05-28 | Equity | Pharmaceuticals & Biotechnology |
| Direxion Daily S&P Biotech Bull 3X Shares | LABU | United States | 2015-05-28 | Equity | Pharmaceuticals & Biotechnology |
| Elkhorn S&P 500 Capital Expenditures Portfolio ETF | CAPX | United States | 2015-05-27 | Equity | Large Cap |
| Global X Scientific Beta Europe ETF | SCID | United States | 2015-05-13 | Equity | Proprietary |
| Global X Scientific Beta US ETF | SCIU | United States | 2015-05-13 | Equity | Proprietary |
| Global X Scientific Beta Japan ETF | SCIJ | United States | 2015-05-13 | Equity | Proprietary |
| Global X Scientific Beta Asia ex-Japan ETF | SCIX | United States | 2015-05-13 | Equity | Proprietary |
| Diamond Hill Valuation-Weighted 500 ETF | DHVV | United States | 2015-05-12 | Equity | Proprietary |
| PowerShares Europe Currency Hedged Low Volatility Portfolio | FXEU | United States | 2015-05-06 | Equity | Low Beta |
| UBS E-TRACS Monthly Pay 2xLeveraged MSCI US REIT ETN | LRET | United States | 2015-05-06 | Equity | Real Estate |

Europe, Middle East & Africa listed:

| ETP name | Ticker | Listing country | Launch date | Asset class | Investment focus |
|--|--------|-----------------|-------------|-------------|--------------------|
| AMUNDI ETF JPX-NIKKEI 400 UCITS ETF - DAILY HEDGED EUR | JPHE | France | 2015-05-29 | Equity | Broad Market Value |
| AMUNDI ETF JPX-NIKKEI 400 UCITS ETF - DAILY HEDGED GBP | JPHG | France | 2015-05-29 | Equity | Broad Market Value |
| AMUNDI ETF JPX-NIKKEI 400 UCITS ETF - DAILY HEDGED USD | JPHU | France | 2015-05-29 | Equity | Broad Market |

Markit ETP monthly overview – May 2015

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|--|------|----------------|------------|--------------|--------------|
| First Trust US Large Cap Core AlphaDEX UCITS | FEXD | United Kingdom | 2015-05-28 | Equity | Broad Market |
| UC Thomson Reuters Balanced European Convertible Bond UCITS ETF | ECBD | Germany | 2015-05-18 | Fixed Income | Convertible |
| WisdomTree Japan Equity UCITS ETF USD Hedged | DXJ | United Kingdom | 2015-05-18 | Equity | Broad Market |
| WisdomTree Europe Equity UCITS ETF USD Hedged | HEDJ | United Kingdom | 2015-05-18 | Equity | Broad Market |
| PIMCO Short-Term High Yield Corporate USD acc Bond Index Source UCITS ETF | STYC | United Kingdom | 2015-05-18 | Fixed Income | High Yield |
| PIMCO Euro Short Maturity Accumulation Source UCITS ETF | PM9L | Germany | 2015-05-18 | Fixed Income | Broad Market |
| PowerShares S&P 500 High Dividend Low Volatility UCITS ETF | HDLV | United Kingdom | 2015-05-11 | Equity | Dividend |
| WisdomTree Germany Equity UCITS ETF GBP Hedged | DXGP | United Kingdom | 2015-05-11 | Equity | Broad Market |

Apac listed:

| ETP name | Ticker | Listing country | Launch date | Asset class | Investment focus |
|--|--------|-----------------|-------------|-------------|------------------|
| Vanguard HK S&P 500 Index ETF | 3140 | Hong Kong | 2015-05-20 | Equity | Broad Market |
| CSOP Chinext ETF | 83147 | Hong Kong | 2015-05-15 | Equity | Broad Market |
| Harvest CSI 500 Small Cap Index ETF | 83150 | Hong Kong | 2015-05-13 | Equity | Broad Market |
| Yuanta CSI 300 -1X ETF | 00638R | Taiwan | 2015-05-06 | Equity | Broad Market |

April newly listed performance

Americas listed:

| ETP name | Ticker | Listing country | Launch date | Asset class | AUM Growth | Total Asset Flow |
|--|--------|-----------------|-------------|--------------|------------|------------------|
| Innovator IBD 50 Fund | FFTY | United States | 2015-04-10 | Equity | 1389.88% | \$ 34,729,000 |
| PowerShares S&P 500 ex-Rate Sensitive Low Volatility Portfolio | XRLV | United States | 2015-04-09 | Equity | 1047.24% | \$ 26,245,000 |
| ETF Series Solutions U.S. Global Jets ETF | JETS | United States | 2015-04-30 | Equity | 569.57% | \$ 28,289,000 |
| WisdomTree Japan Hedged Dividend Growth Fund | JHDG | United States | 2015-04-09 | Equity | 212.31% | \$ 10,297,000 |
| Global X MSCI Pakistan ETF | PAK | United States | 2015-04-23 | Equity | 193.90% | \$ 3,027,500 |
| Global X Guru Activist Index ETF | ACTX | United States | 2015-04-30 | Equity | 100.13% | \$ 1,485,000 |
| Direxion Daily CSI 300 China A Share Bull 2X Shares | CHAU | United States | 2015-04-16 | Equity | 55.90% | \$ 10,227,000 |
| Deutsche X-trackers S&P Hedged Global Infrastructure ETF | DBIF | United States | 2015-04-08 | Equity | 50.18% | \$ 1,235,000 |
| PowerShares FTSE RAFI Global & Fundamental Index ETF - CAD | PXG | Canada | 2015-04-14 | Equity | 48.59% | \$ 1,231,399 |
| PowerShares FTSE RAFI Canadian Small-Mid Fundamental Index ETF | PZC | Canada | 2015-04-14 | Equity | 46.37% | \$ 2,484,016 |
| Purpose International Dividend ETF | PID | Canada | 2015-04-22 | Equity | 30.29% | \$ 5,064,530 |
| Purpose International Tactical Hedged Equity Fund | PHW | Canada | 2015-04-22 | Equity | 26.69% | \$ 5,467,253 |
| PowerShares FTSE RAFI U.S. Fundamental Index ETF - CAD | PXS | Canada | 2015-04-14 | Equity | 13.91% | \$ 6,520,738 |
| iShares FactorSelect MSCI USA Small-Cap ETF | SMLF | United States | 2015-04-30 | Equity | 3.32% | \$ 7,000 |
| iShares FactorSelect MSCI USA ETF | LRGF | United States | 2015-04-30 | Equity | 2.56% | \$ - |
| iShares FactorSelect MSCI Intl Small-Cap ETF | ISCF | United States | 2015-04-30 | Equity | 1.69% | \$ - |
| iShares FactorSelect MSCI Global ETF | ACWF | United States | 2015-04-30 | Equity | 0.76% | \$ - |
| iShares FactorSelect MSCI International ETF | INTF | United States | 2015-04-30 | Equity | 0.61% | \$ - |
| SPDR MSCI USA Quality Mix ETF | QUS | United States | 2015-04-16 | Equity | 0.23% | \$ - |
| Horizons US 7-10 Year Treasury Bond ETF | HTB | Canada | 2015-04-08 | Fixed Income | -1.56% | \$ 6,283 |
| Deutsche X-trackers Dow Jones Hedged International Real Estate ETF | DBRE | United States | 2015-04-08 | Equity | -2.36% | \$ - |
| Recon Capital FTSE 100 ETF | UK | United States | 2015-04-08 | Equity | | \$ 2,489,000 |

Markit ETP monthly overview – May 2015

Europe, Middle East & Africa listed:

| ETP name | Ticker | Listing country | Launch date | Asset class | AUM Growth | Total Asset Flow |
|---|---------|-----------------|-------------|--------------|------------|------------------|
| iShares MSCI China A UCITS ETF | CNYA | United Kingdom | 2015-04-08 | Equity | 102.78% | \$ 60,895,143 |
| ETFS Lombard Odier IM Global Government Bond Fundamental GO UCITS ETF | CORE | United Kingdom | 2015-04-14 | Fixed Income | 24.17% | \$ 4,232,340 |
| ETFS Lombard Odier IM Euro Corporate Bond Fundamental GO UCITS ETF | FWEC | United Kingdom | 2015-04-14 | Fixed Income | 10.83% | \$ 3,024,862 |
| ETFS Lombard Odier IM Global Corporate Bond Fundamental GO UCITS ETF | CRED | United Kingdom | 2015-04-14 | Fixed Income | 6.10% | \$ 2,530,000 |
| WisdomTree ISEQ 20 UCITS ETF | WTIE | Ireland | 2015-04-20 | Equity | 2.37% | \$ 30,898,657 |
| LYXOR UCITS ETF IBOXX EUR LIQUID HIGH YIELD BB | HYBB FP | France | 2015-04-23 | Fixed Income | | |

Apac listed:

| ETP name | Ticker | Listing country | Launch date | Asset class | AUM Growth | Total Asset Flow |
|---|--------|-----------------|-------------|-------------|------------|------------------|
| XIE Shares FTSE Chimerica ETF | 3161 | Hong Kong | 2015-04-16 | Equity | 2821.10% | \$ 27,975,780 |
| BetaShares Australian Equities Strong Bear Hedge Fund | BBOZ | Australia | 2015-04-17 | Equity | 405.26% | \$ 6,262,959 |
| KODEX SYNTH-US EnergyETF | 218420 | South Korea | 2015-04-27 | Equity | -2.99% | \$ 9,569,998 |
| Daiwa Nikkei 225 Inverse (-1x) ETF | 1456 | Japan | 2015-04-24 | Equity | -6.91% | \$ 21,886,773 |
| Daiwa TOPIX Inverse (-1x) ETF | 1457 | Japan | 2015-04-24 | Equity | -8.47% | \$ 22,172,457 |

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