

BROWN BROTHERS HARRIMAN

140 Broadway
New York, NY 10005-1101

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Contact: Arielle Patrick
Weber Shandwick
apatrick@webershandwick.com
(212) 445-8470

**Results of 3rd Annual ETF.com & Brown Brothers Harriman
Financial Advisor Survey Indicate A New Wave of Growth**

San Francisco, Calif., and Boston, Mass., November 5, 2015 – ETF.com, the leading independent authority on exchange-traded funds (ETFs), together with Brown Brothers Harriman & Co. (BBH), a market leading ETF custodian and administrator, announced today the results of their third “Annual Advisor Survey,” which gauges the market sentiment of ETF-focused financial advisors.

The survey examines perception trends among advisors when it comes to the ETF selection process, the relative value of index brands, ETF provider reputation, newly launched ETFs, and emerging strategies such as active management and smart beta.

“2015 has been one of the most exciting years ever in terms of innovation, adoption, and overall growth in the ETF market,” said Matt Hougan, Chief Executive Officer of ETF.com. “The results of our Annual Advisor Survey, conducted with BBH, show that advisors are eager to adopt these new, innovative ETFs.”

“In the current US investment environment, investors are seeking access to lower cost strategies that provide alpha, diversification and lower risk,” added Shawn McNinch, Senior Vice President and Global Head of ETF Services at BBH. “As a result, ETF sponsors have continued to evolve their product sophistication by launching more smart beta, active, and currency-hedged ETF products.”

Key findings of the study, which surveyed 250 US financial advisors, indicate that while the US market has continued to add traditional passive products, a new wave of growth is likely to come from smart beta and active ETFs as advisors look for excess returns:

- **Advisors are making very few trades in client accounts**
73% of respondents make between 1 and 5 trades in a client account per month. This places greater importance on long-term holding costs, such as expense ratios, as opposed to trading costs (i.e. commissions and spreads).
- **Advisors are willing to consider active funds or ETFs with shorter track records**
Only 20% of respondents need an active fund or ETF to have a track record of over three years.

- **Smart beta is on the rise**
99% of respondents plan to maintain or increase their exposure to smart beta over the next year.
- **Liquidity becoming more of a focus**
59% of respondents feel that they need more education on ETF liquidity. Recent market volatility highlighted the need to understand how these products react in certain market conditions.
- **Advisors want more alternative and fixed income ETFs**
Alternative and international fixed income remain the top asset classes where advisors would like to see more ETFs.
- **ETF sponsor brand trumps index brand**
56% felt that the brand of the ETF was more important than the brand of the underlying index.

About Brown Brothers Harriman

BBH is a privately held financial institution that has been a thought leader and solutions provider for nearly 200 years. The Firm serves individuals, families, businesses, and institutions in its three business lines: Investor Services, Investment Management, and Private Banking. In addition to the \$4.7 trillion in assets under custody and administration in Investor Services, BBH Investment Management has \$54 billion in assets under management (AUM), and Private Banking has \$27 billion in AUM. BBH's culture of accountability fosters deep and lasting relationships built on commitment, adaptability, and trust. The company is independent, selective, and specialised by design.

BBH operates a global business with eighteen locations, including New York, Boston, Beijing, Charlotte, Chicago, Denver, Dublin, Grand Cayman, Hong Kong, Kraków, London, Luxembourg, Nashville, New Jersey, Philadelphia, Tokyo, Wilmington, and Zürich. For more information about Brown Brothers Harriman, please visit www.bbh.com.

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