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## ***Global ETF Investors Look to Increase Exposure to Active ETFs in 2020***

*Partially driven by a series of “green lights” for new active ETF strategies in the U.S., Brown Brothers Harriman’s ETF survey finds global investors are ready to put their foot on the gas.*

**Boston, MA, January 27, 2020 – Brown Brothers Harriman & Co. (BBH)**, a market leading ETF custodian and administrator, in partnership with **ETF.com**, a leading independent authority on exchange-traded funds, today released the findings of their 7<sup>th</sup> annual ETF investor survey. The survey found that 57% of global ETF investors plan to increase their exposure to actively-managed ETFs in the next 12 months. Active sits atop the list of strategies U.S. ETF investors would like to see more of in 2020, across a variety of asset classes. In contrast, European investors want to see more ESG, while investors in the greater china region are looking for low volatility ETF strategies.

BBH’s survey, which measures the expectations and preferences of 300 institutional investors, financial advisers, and fund managers from the United States, Europe, and Greater China, also found that ETF adoption continues to rise across the globe. 69% of global ETF investors plan to increase their ETF allocation in the next 12 months, an increase of 8 percentage points over last year’s survey.

“Across the globe, ETF market growth shows no signs of slowing,” said Shawn McNinch, Global Head of ETF Services at BBH. “In 2019, investors found creative—and differentiated—ways to use ETFs to drive results. That said, regional nuances exist in terms of ETF usage and managers need to be aware of these as they build a global ETF offering.”

“This survey takes the pulse of the ETF industry,” Heather Bell, Managing Editor at [ETF.com](https://www.ETF.com) and Editor of ETF Report said. “This year’s survey shows the continuing growth of ETFs overseas, and the increasing importance of environmental, social and governance-based strategies.”

Other key findings include:

- **ESG ETFs are poised for growth:** While U.S. investors ranked active strategies highest, ESG is the global favorite, ranking #1 among global investors as the strategy they want to see more of. In fact, 30% of respondents expect to have between 11% and 20% of their portfolio in ESG ETFs within the next 5 years.
- **Buying a new ETF requires a solid AUM foundation:** Only 12% of investors would buy a new ETF with less than \$25 million AUM.
- **Smart beta ETFs have emerged as core portfolio staples:** 40% of global investors have between 11 and 20% of their portfolio in smart beta. That’s up 7% from last year.
- **In turbulent markets, investors are using ETFs for diversified fixed income exposure:** For the second year in a row, investors ranked fixed income ETFs as their go-to product type in periods of heightened volatility.
- **Low volatility ETFs find an audience:** While ESG was king in Europe, investors in Greater China ranked managing risk/low volatility as the top ETF strategy they would like to see more of. For U.S. investors, it was tied for the top spot along with active strategies.

Read the full report here: [2020 Global ETF Survey](#).

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BBH’s Investor Services business provides cross-border custody, accounting, administration, execution and technology services to many of the world’s leading asset managers and financial institutions. With deep ETF product expertise, BBH works with both experienced ETF managers and new, innovative market entrants to introduce and grow their ETF products. BBH helps asset managers launch, list, and cross-list ETFs across the globe.

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