Managed vehicles experienced net inflows of $950.4 billion in Q4 2024, according to MarketPulse powered by Simfund Total Market. This was an exceptionally strong period of demand after an already elevated year and the highest quarter of inflows since Q4 2021 ($1.2 trillion). Retail-focused vehicles experienced the bulk of demand for the quarter, concentrated mostly heavily in ETFs and money market mutual funds.

Industry Overview

1. Industry Overview by Asset Class

Asset and Net Flows in Billions of U.S. Dollars

	Q4 2024 NET FLOWS						
Vehicle Name	Total Flows	Equity	Bond	Allocation	Other	Money Market	Dec 2024 Assets
ETF	$547.4	$403.5	$101.8	$3.6	$32.2	$6.1	$13,923.7
MF	$413.5	($182.1)	$144.1	($62.4)	($11.7)	$525.6	$53,506.3
Retail SMA	$43.3	$16.7	$18.4	$8.3	($0.0)	$0.0	$1,357.3
CIT	$34.2	$1.5	$0.3	$32.6	$0.4	($0.6)	$6,375.2
Separate Account	($88.1)	($89.6)	$3.2	($1.6)	($0.1)	$0.0	$10,646.8

Source: ISS MI MarketPulse powered by Simfund
Includes funds of funds; other asset class includes alternatives and commodities.
Excludes variable annuities and unclassified vehicles

ETFs led inflows in Q4 2024, gathering $547.4 billion after $457.2 billion in Q3 2024. This was their highest quarter on record. Net deposits for the entirety of 2024 totaled $1.7 trillion. Flows for the year were most heavily in passive ETFs at $1.4 trillion, but active ETFs still contributed a significant $294.0 billion in 2024.

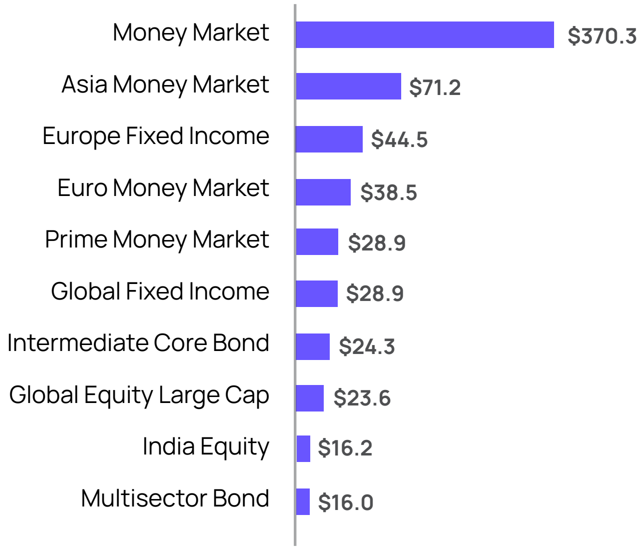
Mutual funds followed with net commitments of $413.5 billion. Money market funds were the primary contributor to the vehicle's Q4 flows at $525.6 billion. Absent them, long-term mutual funds recorded net outflows of $112.0 billion in Q4 but still saw $187.6 billion in positive 2024 flows. Retail SMAs saw net deposits of $43.3 billion for the quarter, in line with the $43.5 billion gathered in Q3 2024. Inflows for the vehicle in 2024 totaled $124.7 billion. Bond strategies contributed the most to SMAs for the year at $59.2 billion, followed by equity strategies at $43.9 billion.

Collective investment trusts experienced net deposits of $34.2 billion, lower than the levels recorded in Q3 ($46.5 billion) and Q2 ($139.7 billion). Flows for the year overall totaled $317.8 billion, in line with 2023's $348.8 billion. Allocation strategies led for the vehicle in Q4 with net deposits of $32.6 billion, a boost from minor inflows of $5.9 billion in Q3.

Institutional separate accounts faced the deepest redemptions of any vehicle in the fourth quarter. Its Q4 outflows of $88.1 billion were less severe than the $127.4 billion experienced in the third quarter. Equity funds contributed the most to net redemptions to the tune of $89.6 billion in Q4 and $94.8 billion in Q3. Separate accounts experienced outflows of $273.0 billion for 2024 as a whole.

2. Top Inflow Mutual Fund Categories

Net Flows in Billions of U.S. Dollars, Q4 2024

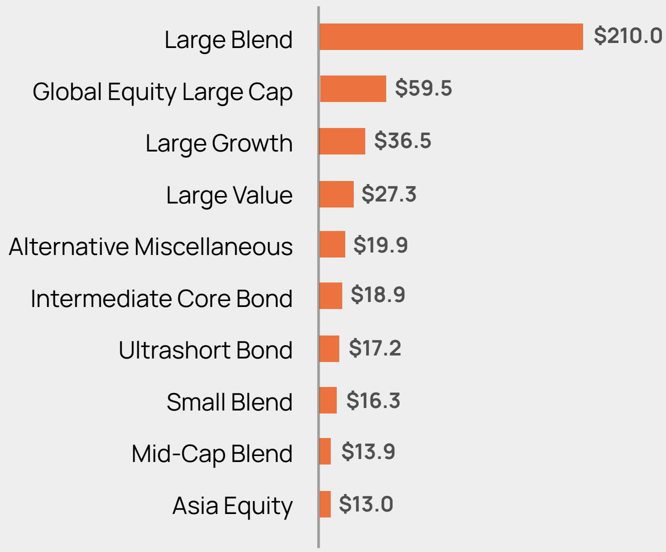


Money market funds played a critical role in supporting mutual fund flows throughout 2024. The asset class experienced net deposits of $1.2 trillion in 2024, compared to just $187.6 billion for long-term mutual funds. Multiple domiciles saw extensive flows into their respective short-term categories, with categories like Asia Money Market experiencing the highest inflows in Q2 at $95.4 billion. U.S.-based money market funds recorded the highest inflows by a wide margin in Q4. The category gathered net deposits of $370.3 billion in Q4, in line with the already high inflows of $296.0 billion from Q3. While not reaching the same heights as U.S. funds, Asian and European money market funds also experienced significant inflows. Euro Money Market funds experienced their highest quarter of inflows for the year at $38.5 billion.

Fixed income played the second largest role in mutual fund flows in the fourth quarter, accounting for four of the top 10 categories. Europe Fixed Income led among this group at $44.5 billion, even surpassing flows into Euro Money Market funds. Demand in the category was spread evenly through players such as pension fund Sjunde AP-fonden ($3.3 billion), Generali ($2.6 billion), and Aegon Group ($2.4 billion). Global Fixed Income gathered the second highest bond flows in the quarter, propelled by firms like PIMCO ($6.1 billion), Vanguard ($3.6 billion), and Fidelity ($3.0 billion).

3. Top Inflow ETF Categories

Net Flows in Billions of U.S. Dollars, Q4 2024

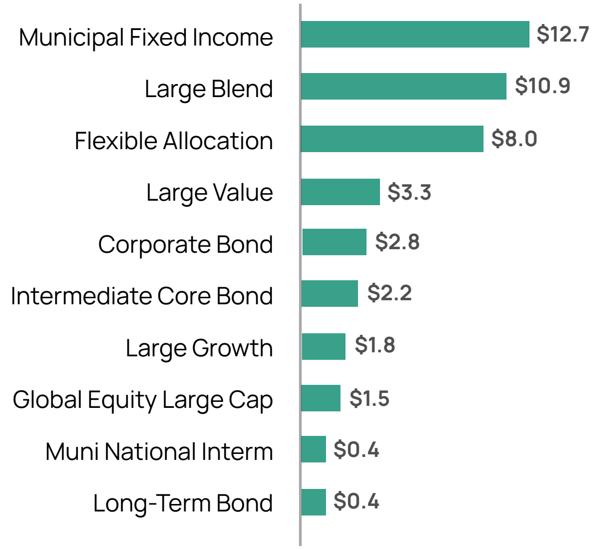


Equity strategies continued to drive the largest portion of flows into ETFs in the fourth quarter, accounting for seven of the top inflow categories. This was concentrated even further in large-cap exposures, which made up the four highest inflow classifications. Large Blend accounted for 37% of Q4 ETF inflows and surpassed flows into the second highest category by more than $150 billion. BlackRock led for Large Blend funds at $61.0 billion, followed closely by Vanguard $59.8 billion. Both firms saw significant increases from their Q3 net deposits of $20.9 billion and $41.0 billion, respectively. Those firms additionally played a leading role within the Global Equity Large Cap category. BlackRock experienced inflows of $20.1 billion in the classification, while Vanguard saw net deposits of $11.4 billion.

The likelihood of relaxed regulatory activity around cryptocurrencies in the United States provided a significant boost to crypto-related strategies in the fourth quarter. The Alternatives Miscellaneous category recorded inflows of $19.9 billion through spot crypto ETFs, leveraged funds, and funds investing in other parts of the crypto ecosystem. Spot funds experienced the largest portion of inflows by far, with iShares Bitcoin Trust leading at $15.8 billion and followed by iShares Ethereum Trust ($2.4 billion) and Fidelity Wise Origin Bitcoin ETF ($1.8 billion).

4. Top Inflow Retail SMA Categories

Net Flows in Billions of U.S. Dollars, Q4 2024

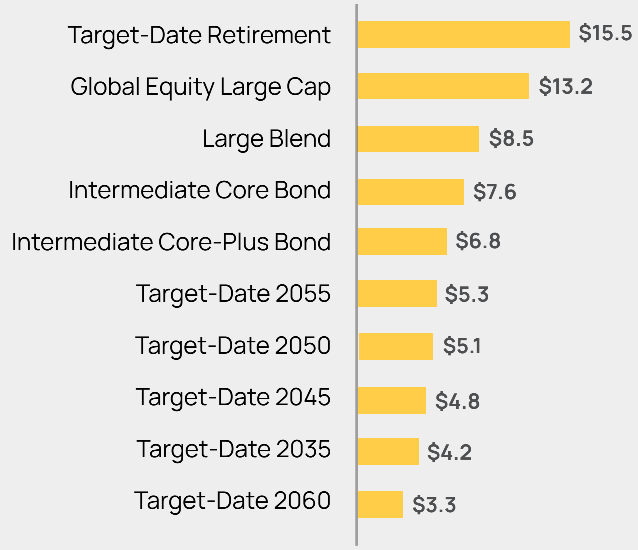


Fixed income strategies played a core role within retail SMAs in Q4, accounting for five of the top 10 inflow categories for the quarter. As retail SMAs are extensively used within tax-managed strategies, Municipal Fixed Income experienced the strongest inflows at $12.7 billion, in line with the $11.6 billion gathered in Q3. The category's inflows for 2024 overall totaled $33.8 billion, representing a quarter of all retail SMA net commitments for the year. AllianceBernstein led across both Q4 ($9.4 billion) and 2024 ($21.7 billion). Retail SMAs witnessed additional inflows into taxable bond categories including Corporate Bond ($2.8 billion) and Intermediate Core Bond ($2.2 billion). PIMCO experienced the highest flows within Corporate Bond at $653.4 million while BlackRock led among Intermediate Core Bond strategies at $807.4 million.

Large-cap equity classifications also played a sizable role in the fourth quarter, with three such strategies appearing on the top inflow rankings. This was most extensively concentrated in Large Blend, which grew net deposits from $6.9 billion in Q3 to $10.9 billion in Q4. Large Value also grew from the prior quarter, moving from minor net redemptions of $342.9 million to net deposits of $3.3 billion in Q4. Morgan Stanley gathered the highest net commitments into Large Blend SMAs at $4.0 billion, followed by Capital Wealth Planning ($3.6 billion). Alpine Capital Research meanwhile led for Large Value strategies at $2.0 billion.

5. Top Inflow CIT Categories

Net Flows in Billions of U.S. Dollars, Q4 2024

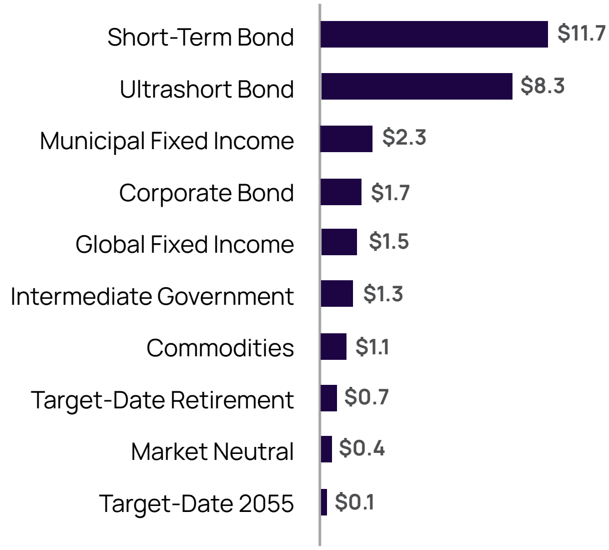


Considering the core role that CITs play within retirement plans, target-date strategies frequently dominate the leading inflow category rankings. Those classifications made up six of the top 10 inflow categories in the fourth quarter. Target-Date Retirement was the top inflow category for Q4 at $15.5 billion, having experienced a significant rebound from minor outflows of $1.3 billion in Q3. BlackRock was the leading inflow-gathering manager in that classification at $8.4 billion, while flexPATH Strategies followed with $6.1 billion. Other target-date vintages rounded out the top ten. When including all target-date categories with the exception of in-retirement strategies, BlackRock continued to gather the highest inflows at $10.3 billion, followed by Fidelity ($5.2 billion) and Vanguard ($4.5 billion).

Large-cap equity strategies additionally played a large role in CITs for the quarter. Global Equity Large Cap surged ahead in the fourth quarter, gathering net deposits of $13.2 billion after minor inflows of $1.2 billion in Q3. Large Blend flows remained significant at $8.5 billion, but were down slightly from the $11.7 billion gathered in Q3. CITs' role on retirement plans has additionally promoted a push towards low-cost options. Across both categories, passive products led in the fourth quarter. Index funds gathered $9.8 billion in Global Equity Large Cap inflows against inflows of $3.4 billion for active funds. Among Large Blend funds, passive funds gathered $11.4 billion while active funds faced outflows of $2.9 billion.

6. Top Inflow Separate Account Categories

Net Flows in Billions of U.S. Dollars, Q4 2024



Bond strategies accounted for a larger portion of leading separate account classifications than they had for any other vehicle in the fourth quarter, taking up six spots on the top inflow rankings. Inflow activity in Q4 was most heavily concentrated in short-term strategies. Short-Term Bond grew inflows to $11.7 billion from $8.0 billion in Q3. Ultrashort Bond meanwhile experienced net deposits of $8.3 billion in Q4, a significant turnaround from harsh Q3 net redemptions of $12.2 billion. BNY was the largest inflow-gathering manager within Short-Term Bond at $10.4 billion, having gathered inflows of only $2.8 billion in Q3. Goldman Sachs received the second highest inflows at $3.9 billion. Federated Hermes led within Ultrashort funds at $7.6 billion, which was a large boost from the outflows of $8.1 billion the firm had faced the prior quarter. JPMorgan followed in the category with net commitments of $3.3 billion.

Other fixed income exposures played a less overwhelming role in fourth quarter activity. Municipal Fixed Income gathered the third highest inflows at $2.3 billion, a decline from the $6.1 billion the category brought in during Q3. Corporate Bond conversely experienced a much more positive rebound. The grouping brought in net deposits of $1.7 billion in Q4 after having faced severe net outflows of $12.8 billion in Q3. Global Fixed Income and Intermediate Government followed with net commitments of $1.5 billion and $1.3 billion, respectively.

We're committed to bringing our clients ongoing insights from this expanded dataset and illustrating how this data enables firms to spot opportunities, analyze fund flows across vehicle types, or conduct customized benchmarking.

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