

ETP LANDSCAPE

MONTHLY SNAPSHOT | DECEMBER 2013

BLACKROCK®

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What's Inside

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ROBUST ETP FLOWS IN DECEMBER MARK STRONG 2013 WITH EQUITY ETPs REACHING ALL-TIME RECORD

- ▶ Global ETP flows accelerated in December to \$24.7bn, following the Fed's decision to begin trimming its \$85bn monthly bond-buying program. This removed market uncertainty and Equity ETPs responded, bringing in the bulk of the inflows for the month at \$28.9bn – entirely from Developed Markets.
- ▶ Full-year Equity ETP flows set an all-time record at \$247.3bn, overtaking 2008 which was the only other year they had exceeded \$200bn. US exposures gathered \$147.8bn in 2013, followed by Japanese exposures with \$38.2bn. Pan-European funds surged in the second half of the year and finished with \$26.7bn, more than double the total from 2012.
- ▶ Total 2013 flows of \$235.5bn surpassed \$200bn for the second consecutive year, underscoring the industry's continued secular growth. The composition of flows shifted significantly in favor of Equities versus 2012, illustrating how investors use ETPs to seek efficient, tailored access to varied investment exposures and for diversified buy-and-hold investments.
- ▶ Fixed Income flows of \$27.5bn, while lower than 2012, remained strong thanks to investors pouring \$35.9bn into Short-Maturity ETPs.
- ▶ Strategic Beta Equity – which we define as non-market cap weighted Equity ETPs – contributed a record \$65.1bn of inflows in 2013 led by dividend-weighted funds, and nearly doubled the \$34.2bn from last year.
- ▶ Gold ETP outflows of (\$40.1bn) in 2013 offset all inflows from the past three years combined as the price of Gold fell from its peak and investors turned to Equities for more attractive returns.

About the ETP Landscape: Monthly Snapshot Report

This report provides a summary of global ETP assets under management and asset flows for the most recent month-end period.

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Global Overview

Highlights (US\$):^{1,2}

Global ETP flows of \$24.7bn in December represented a strong close to the year and came predominantly from Developed Markets Equities as they did consistently throughout 2013.

Flows for the month were driven by Large Cap US Equities, which finished with \$14.9bn – including \$9.3bn after the Fed's taper announcement. There was no market pullback following the news with the S&P 500 gaining 3.8% since Dec 18th after starting the month slow. However, Fixed Income flows were muted for the month at \$1.0bn with the 10-Year US Treasury yield rising 28 bps to 3.03%. Gold funds saw heavy outflows of (\$3.6bn).

On a full-year basis, 2013 was the third strongest on record for the Global ETP Industry. Global flows of \$235.5bn were topped only by the 2008 and 2012 totals. Developed Markets Equity indices continued to rally in 2013 and the Global ETP Industry saw record flows into funds with exposure to this segment. Developed Markets funds alone nearly equaled the Global ETP flows record from 2012, capturing \$257.7bn or more than double the Developed Equity 2012 flows. This overshadowed the impact of Emerging Markets Equity outflows which, along with Gold and Non-Short-Maturity Fixed Income, detracted from industry growth with combined outflows of (\$58.8bn).

US Equity was the primary driver behind 2013 global ETP growth. Funds with US Equity exposure accounted for \$147.8bn or 63% of all flows, up from approximately 26% in each of the past three years. Additionally, US-listed ETPs led all regions from an asset growth perspective at 26.1% (vs. a 2010-2012 3-year average of 19%), unexpected at this stage of the industry's development given the US accounts for 71% of the asset base. Through November, non-US clients had boosted US ETP growth contributing \$16bn or approximately 10% of the region's flows.⁸

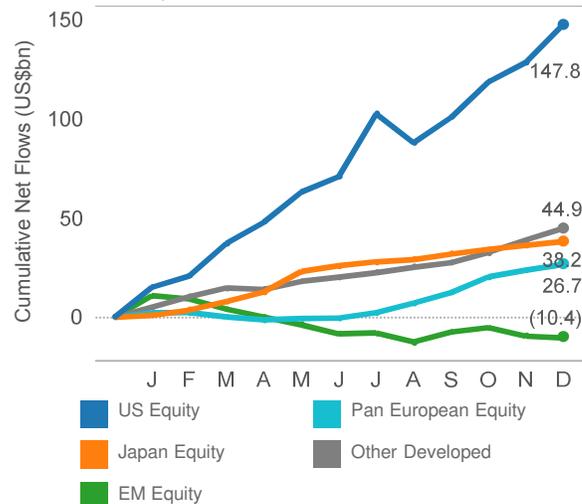
Japanese Equity exposures experienced the most dramatic increase in assets of all ETP categories at 94%. \$38.2bn or two-thirds of this growth came from flows. \$16.9bn was from just two funds listed in the US, although flows were strong in Asia and Europe as well. The remaining third was attributable to market movements. Prime Minister Abe's recent reforms to lift Japan out of its economic depression began to have an impact in 2013 and persuaded investors across the globe of the government's commitment to use all tools at its disposal to stimulate growth.

Pan-European Equity flows provided a significant boost to global ETP growth in 2013 by more than doubling to \$26.7bn. Economic data in July began to indicate the region was emerging from its long recession. Consequently, all the flows

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GLOBAL EQUITY CUMULATIVE ETP FLOWS¹

2013 Net Flows: \$247.3bn



EQUITY ETP AUM GROWTH AND FLOWS (\$bn)¹

2013 AUM Growth: 37%

Equity Exposure	2012 AUM	2013 Flows	Market Move	2013 AUM	AUM Growth
US	669.9	147.8	200.9	1,018.7	52%
Pan-European	69.8	26.7	18.4	114.9	65%
Japan	61.5	38.2	19.9	119.6	94%
Other Dev.	294.5	44.9	34.9	374.3	27%
EM	276.6	(10.4)	(8.4)	257.8	(7%)

PAN EUROPEAN EQUITY FLOWS¹

2013 Net Flows: \$26.7bn



Global Overview (cont'd)

Highlights (US\$):^{1,2}

came in the second half of the year. This flow pattern was similar to 2012, when signs of Eurozone stability mid-year as the debt crisis subsided drove flows of \$11.0bn. However, it did not last long as by early 2013 the focus was again on slow growth.

2013 Pan-European Equity flows for funds listed in Europe experienced a healthy 40% increase compared to 2012, but notably the category grew largely due to ETPs listed in the US. These funds took in \$18.4bn, nearly a fourfold increase versus last year. The bulk of the activity resulted from just four broad-based ETPs which collectively have seen their assets swell from \$5.2bn to \$29.5bn over the past four years.

Strategic Beta Equity – which we define as non-market cap weighted ETPs including dividends, volatility, or factors (for example, momentum) – contributed a record \$65.1bn or 28% of global ETP flows in 2013. Assets for the category grew over 50%. Dividend weighted⁹ funds led for the second consecutive year with inflows of \$29.0bn vs. \$13.1bn in 2012. Many income-seeking investors turned to dividend stocks as bond alternatives in a persistent low-interest rate environment. Minimum Volatility funds also grew rapidly with assets more than doubling to \$13.2bn. These funds seek to smooth out the market's peaks and valleys in part by holding stocks that have exhibited less price volatility, capitalizing on investor's desire to manage volatility.

Outside of Equities, **the Fixed Income Duration Rotation** was the most significant trend of 2013. When tapering concerns took hold in May, investors did not rotate out of Fixed Income but instead shifted from longer- to shorter-maturity ETPs. Total Fixed Income flows were \$27.5bn with \$35.9bn coming from short-maturity funds. The effect was most pronounced among US-listed ETPs whereas flows were more evenly distributed in other regions. The trend also held for mutual funds where short maturity inflows reached \$128.0bn despite overall outflows of (\$85.4bn).

DECEMBER RESULTS AT A GLANCE¹

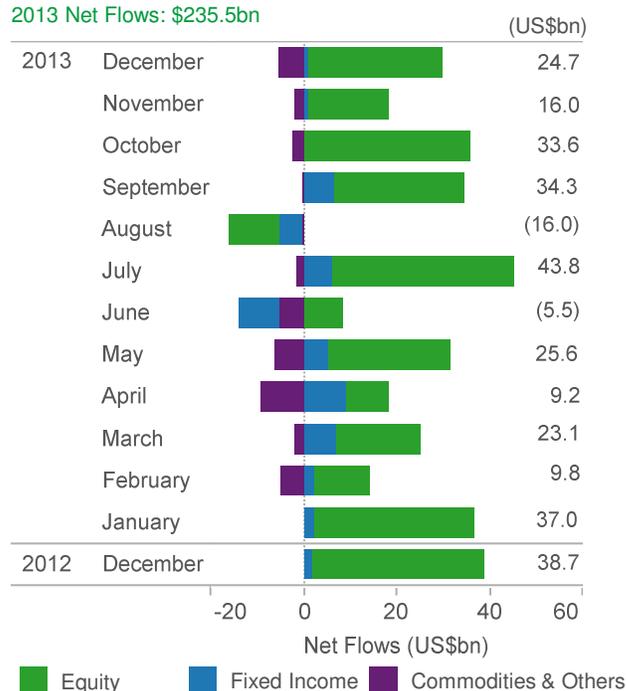
(US \$billions)

	December 2013	November 2013*	December 2012	December 2011
Monthly Flows	24.7	16.0	38.7	15.9
Assets	2,401	2,363	1,944	1,525
# of ETPs	4,988	4,981	4,759	4,311

*Nov-2013 restated with additional Asia Pacific and Europe data

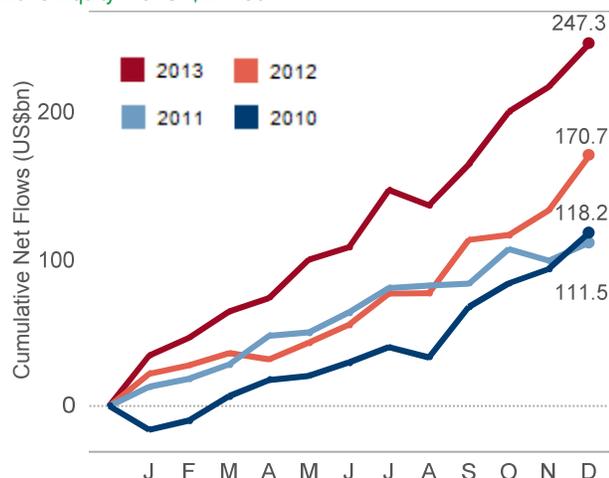
GLOBAL 13-MONTH ROLLING FLOWS¹

2013 Net Flows: \$235.5bn



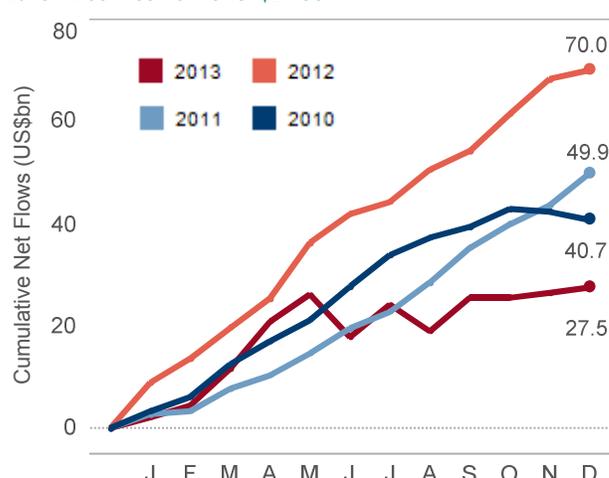
CUMULATIVE EQUITY ETP FLOWS¹

2013 Equity Flows: \$247.3bn



CUMULATIVE FIXED INCOME ETP FLOWS¹

2013 Fixed Income Flows: \$27.5bn



2013 Overview

GLOBAL ETP 2013 FLOWS BY EXPOSURE¹

(US\$bn)		Annual 2013	Annual 2012	Annual 2011	
Fixed Income	Total	27.5	70.0	49.9	
Developed Markets Equity	North America Equity	Total	147.9	76.3	52.3
	Other Developed/ Global Equity	Asia Pacific Equity	38.0	12.1	9.8
		Europe Equity	26.7	9.7	15.0
		Global/Global ex-US	45.0	17.8	24.7
		Total	109.8	39.6	49.5
	Total	257.7	115.9	101.8	
Emerging Markets Equity	Total	(10.4)	54.8	9.8	
Commodities	Total	(42.9)	19.3	9.0	
Others	Total	3.6	2.7	3.1	
Global ETP Total		235.5	262.7	173.5	

GLOBAL ETP CUMULATIVE NET FLOWS¹

2013 Net Flows: \$235.5bn



GLOBAL EQUITY ETP YTD FLOWS BY EXPOSURE¹

2013 Net Flows: \$247.3bn (up 45% from \$170.7bn for Annual 2012)



Beyond Raw Flows: Capturing Investor Sentiment

Overview³

The **BlackRock Risk Sentiment Measure³** indicated in December that investors are moving out of more defensive categories than in recent months.

For **US-listed Equity ETPs** — which make up 83% of 2013 Equity ETPs flows globally — risk sentiment rose in December but remain lower than the 1-Year average. Inflows into less risky US Large Cap and Broad Developed Markets funds were larger than more modest inflows into higher risk US Small Cap ETPs. Broad Emerging Markets ETPs registered outflows this month.

US-listed Fixed Income risk sentiment rose in December after trending downward in November. Despite the overall measure rising, the greatest outflows during the month came from Broad Maturity High Yield Corporate funds, which fall in the higher risk group. The outflows were partially offset by inflows into Short Maturity High Yield Corporate funds. Broad Aggregate and Short Maturity Investment Grade Corporate funds registered healthy inflows and both fall into the lower risk group.

Background and Methodology

Over longer horizons, our research shows that Risk Sentiment exhibits greater persistence than raw flows alone, consistent with the idea that the composition of flows is indicative of investor sentiment and growing ETP adoption.

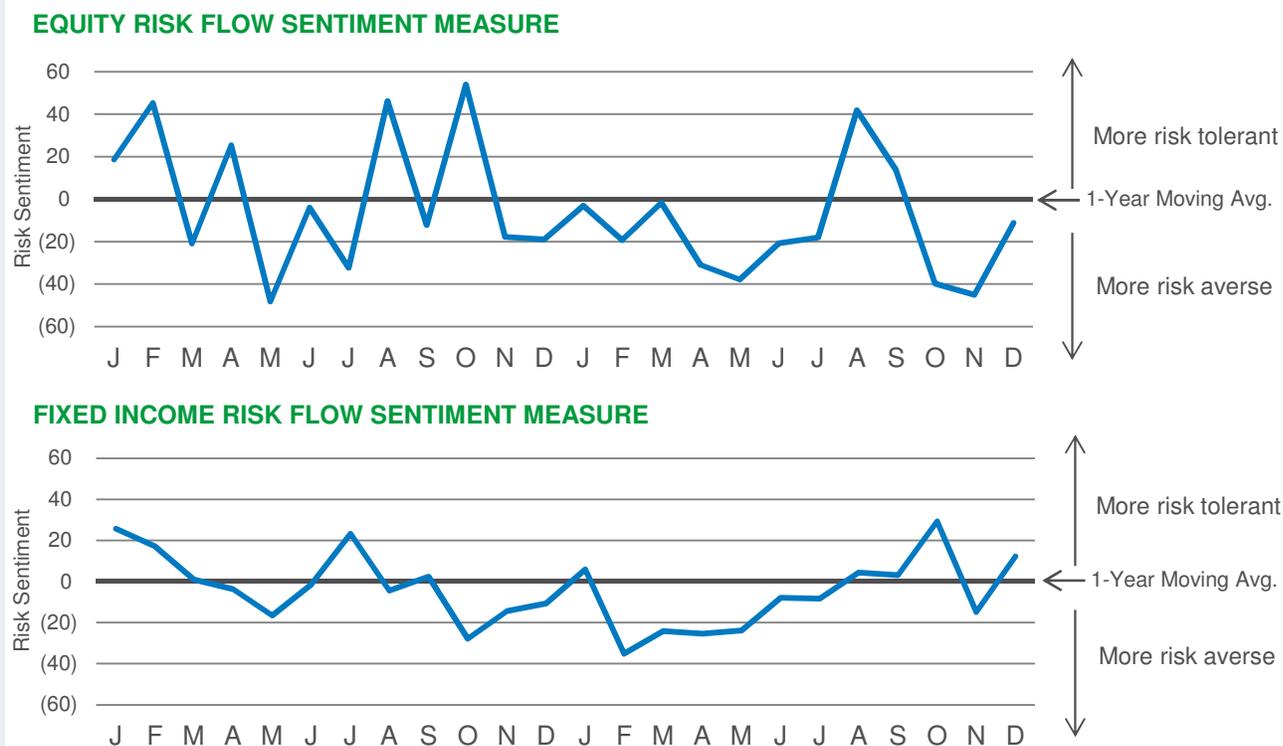
To better understand and capture shifts in investor sentiment, we developed the **BlackRock Risk Sentiment Measure³** using net inflows into all US-listed ETPs and the daily price volatility since 2005. The measure is computed by asset class (e.g., Equity, Fixed Income) and for different time periods (weekly, monthly, etc.) to reflect shifts in risk appetite that are harder to discern from raw flow data.

To compute risk sentiment within a particular asset class, we sort ETPs into two groups, high and low risk, based on their 60-day realized return volatility. For example, currently the high risk group in US equities includes Small Cap Equities and ETPs that track Gold Miners while the low risk group includes Large Cap Equities and Preferred Stock ETPs.

Within Fixed Income, High-Yield Bond funds would fall into the high risk group while Short-Term Treasury funds are in the low risk group.

Risk sentiment is then defined as the total dollar inflows/outflows for the riskier group of ETPs less those of the safer group, scaled by the dispersion in flows across the sample. Zero on the scale below represents the 1-year moving average.

It's important to note the BlackRock Risk Sentiment Measure considers risk sentiment excluding cash.

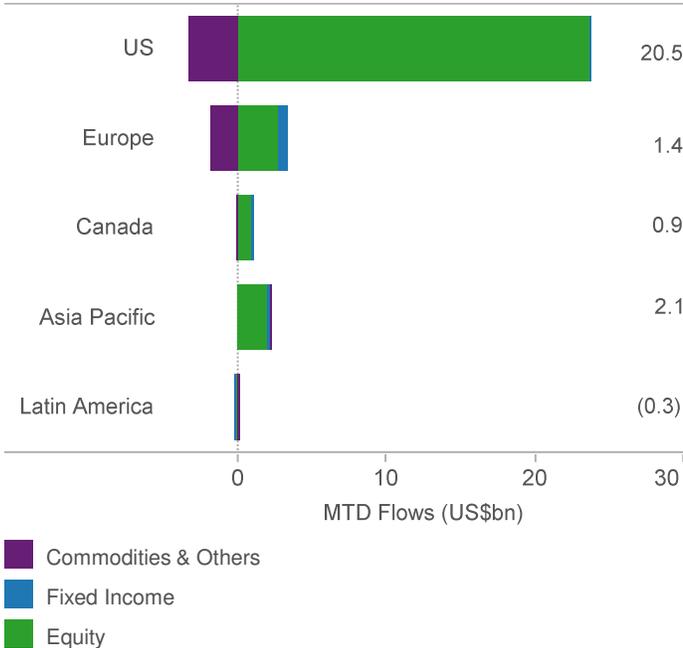


Flows By Listing Region

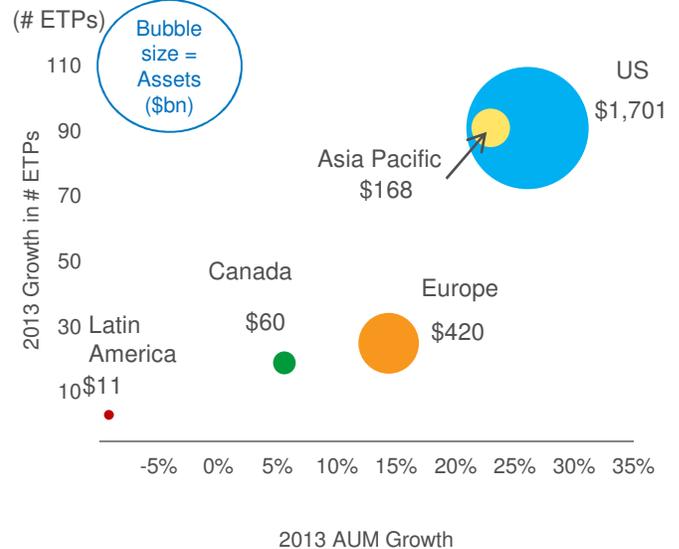
Highlights (US\$):¹

- ▶ 2013 flows into US-listed products reached a new record with \$190.5bn, representing 81% of the global total compared to 71% for full-year 2012.
- ▶ Funds listed in the US account for 70.9% of global ETP assets
- ▶ The US has the highest asset growth rate in 2013 at 26%, followed by Asia Pacific with 23%
- ▶ Europe flows remained positive in December, for the sixth consecutive month

DECEMBER NET FLOWS BY LISTING REGION¹



ASSET GROWTH RATES AND # OF ETPs¹



LISTING REGION VIEW¹

By Listing Region	Net Flows		Dec 2013 Assets	% Asset Market Share	Number of Products
	Dec 2013	Annual 2013			
US	20.5	190.5	1,701.3	70.9	1,536
Europe	1.4	18.4	420.3	17.5	2,130
Canada	0.9	5.2	59.6	2.5	291
Latin America	(0.3)	(0.1)	11.0	0.5	38
Asia Pacific	2.1	21.5	168.2	7.0	633
Middle East and Africa	0.0	0.0	40.8	1.7	360
Global ETP Total	24.7	235.5	2,401.2	100.0	4,988

ETP Growth vs. the Broader Investment Landscape

Highlights (US\$):^{1,4}

The ETP Industry continued to benefit from the secular trend of greater adoption in 2013. ETP use in the capital markets continues to grow as investors seek efficient, tailored access to different exposures and look for diversified buy-and-hold instruments.

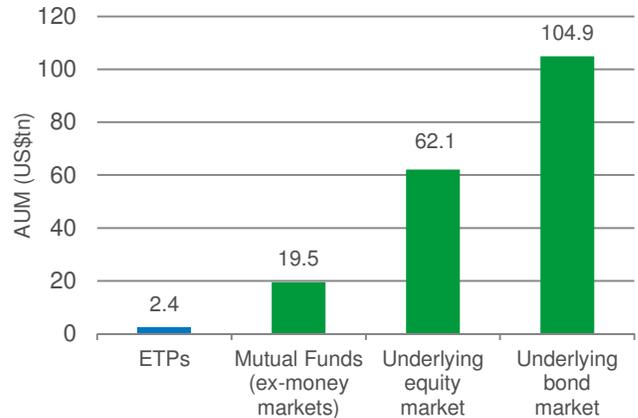
ETPs compete against active mutual funds as well as Equity and Debt markets more broadly. We estimate the size of the broader vanilla global investment landscape to be approximately \$189 trillion including assets of \$2.4 trillion from ETPs, \$19.5 trillion from mutual funds (excluding money market funds), \$62.1 trillion from the underlying Equity markets and \$104.9bn from the underlying Bond markets.

The growth of Global ETP assets continues to outstrip that of mutual funds, but penetration of the broader investment landscape remains low at 1-2% with ample room to move higher. Increased Institutional adoption, growth of retail markets and continued industry innovation are all likely to spur increased penetration in the years ahead.

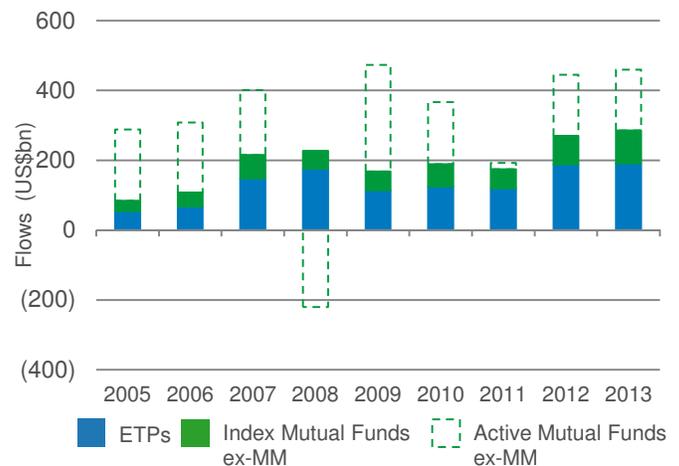
In the US, ETP flows have trailed overall Mutual Fund flows (index plus active) each of the past two years. However, ETP assets surpassed those of comparable Index Mutual Funds during 2009 after the financial crisis ended. In the four years since then, US ETPs – while at \$1.7tn are still similar in terms of aggregate AUM – have cumulative inflows of \$622bn, double the \$296bn for Index Mutual Funds.

US ETP assets have grown at a 27% CAGR over the past 10 years. This compares to 7% for mutual funds. In 2013, US ETPs not only kept up with their historical pace by growing 26% but they also achieved the highest asset growth of all ETP regions for the year. Assets increased by \$351.7bn, with flows of \$190.5bn boosted by record market move for the industry of \$161.2bn.

GLOBAL ETP ASSETS VS. OTHER INVESTMENTS^{1,5,6,7}



US INDEX VS. ACTIVE FLOWS^{1,5}



ETP and Mutual Fund Flows – Equity and Money Market

Highlights (US\$):^{1,4}

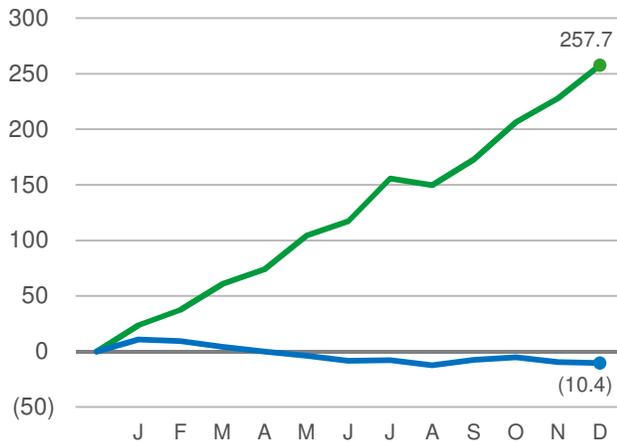
ETP and mutual funds flows have exhibited similar patterns this year – particularly for Equities.

- ▶ **Developed Markets Equity mutual fund** inflows are \$159.7bn year-to-date whereas last year saw large outflows. Developed Markets Equity ETPs have gathered \$257.7bn, more than double that of last year.
- ▶ **Emerging Markets Equity mutual fund** outflows were (\$7.1bn) but have held up better than ETPs, which surrendered (\$10.4bn) during 2013.

- ▶ **Money Market mutual funds** saw a similar pattern to last year. Outflows have recovered to (\$63.3bn) after bottoming at (\$158.6bn) during June in the immediate aftermath of the Fed's initial comments on tapering. Money Market ETP trends are not shown below as assets are minimal. Flows are included with those of Fixed Income funds.

GLOBAL EQUITY ETP FLOWS^{1,4}

2013 Flows: \$247.3bn

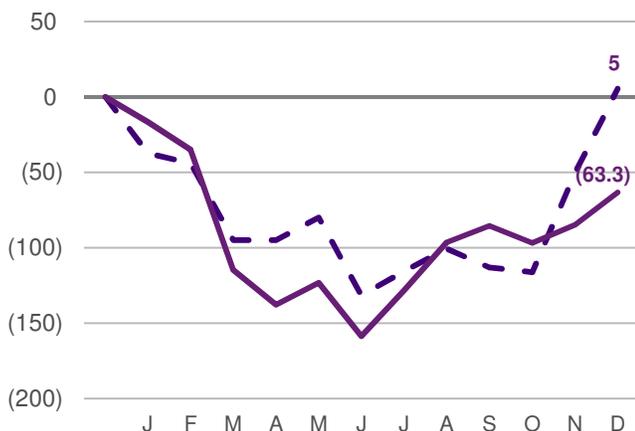


GLOBAL EQUITY MUTUAL FUND FLOWS^{1,4}

2013 Flows: \$152.6bn



MONEY MARKET MUTUAL FUND FLOWS^{1,4}



- Developed Markets Flows
- Emerging Markets Flows
- Money Market Mutual Fund Flows in 2013
- - - Money Market Mutual Fund Flows in 2012

ETP and Mutual Fund Fixed Income Flows

Highlights (US\$):^{1,4}

Fixed Income ETP and mutual funds (ex money market) flows have exhibited similar patterns this year – a duration rotation influenced by Fed tapering announcements/expectations.

- ▶ **Fixed Income ETPs** gathered \$27.5bn in 2013, with \$35.9bn or more than 100% of that coming from **Short Maturity** funds. **Other Duration Buckets** lost (\$8.3bn).
- ▶ **Investment Grade Corporate ETPs** ended the year with only \$1.2bn of inflows. However Short Maturity Investment Grade gathered \$6.6bn. **Inflation bond ETPs** exhibited a similar trend with overall outflows of (\$6.0bn) but short-maturity collections of \$1.5bn.

- ▶ **Short Maturity Fixed Income mutual funds** gathered \$128.0bn in 2013, consistently positive each month. Floating Rate Bond funds contributed half of the 2013 total at \$60.1bn.
- ▶ **Other duration buckets** had 2013 outflows of (\$213.4bn), with the trend shifting negative after the Fed tapering announcements in late May. Since end of May, fixed income mutual funds in other duration buckets had withdraws totalling more than (\$300bn).
- ▶ From a sub-asset-class lens, the duration rotation to short maturity funds is also evident among mutual funds. **Inflation-Protected Bond funds** were hard-hit this year, with 2013 outflows of (\$35.7bn). However, Short-Term inflation funds had 2013 inflows of \$6.6bn. **Municipal bond funds** had annual outflows of (\$57.4bn) overall, while Short-Term Munis only saw withdraws of (\$1.5bn).

GLOBAL FIXED INCOME ETP FLOWS^{1,2,4}

2013 Flows: \$27.5bn



GLOBAL FIXED INCOME MUTUAL FUND FLOWS^{1,2,4}

2013 Flows: (\$85.4bn)



Largest 2013 Fund Inflows and Outflows

ETPs as of December 2013 (US\$mn) ¹	Bloomberg Ticker	2013 Annual Inflows	Dec-13 Assets
SPDR S&P 500	SPY US	16,316	174,851
WisdomTree Japan Hedged Equity Fund	DXJ US	9,822	12,610
iShares Core S&P 500	IVV US	7,505	53,709
iShares MSCI Japan	EWJ US	7,117	13,990
Vanguard European	VGK US	6,866	13,654
Vanguard Total Stock Market	VTI US	6,498	39,154
iShares MSCI EAFE	EFA US	6,299	52,826
Vanguard S&P 500	VOO US	5,742	14,960
Vanguard FTSE Developed Markets ETF	VEA US	5,527	19,023
iShares MSCI EMU	EZU US	5,118	8,312
Grand Total		76,809	403,090

ETPs as of December 2013 (US\$mn) ¹	Bloomberg Ticker	2013 Annual Outflows	Dec-13 Assets
SPDR Gold	GLD US	(25,050)	30,822
Vanguard FTSE Emerging Markets	VWO US	(8,314)	46,555
iShares iBoxx \$ Investment Grade Corporate Bond	LQD US	(8,240)	15,680
iShares Barclays TIPS Bond	TIP US	(7,909)	12,574
db x-trackers DAX ETF	XDAX GY	(7,665)	3,147
iShares MSCI Emerging Markets	EEM US	(5,325)	40,125
iShares MSCI Brazil	EWZ US	(3,661)	4,378
iShares J.P. Morgan USD Emerging Markets Bond	EMB US	(2,759)	3,462
SPDR Barclays Capital High Yield Bond	JNK US	(2,486)	9,965
iShares Gold Trust	IAU US	(2,395)	6,322
Grand Total		(73,805)	173,029

ETP Flows by Exposure: Developed Equity

Exposure (US\$m) ¹		Dec 2013 Net Flows	2013 Annual Net Flows	% of 2013 Flows	Assets	% of Assets	# ETPs
US Size and Style	Large Cap	14,853	58,963	25.0	486,699	20.3	236
	Mid Cap	(8)	13,065	5.5	84,875	3.5	49
	Small Cap	1,736	16,306	6.9	89,571	3.7	69
	Micro Cap	38	253	0.1	1,094	0.0	4
	Total Market	708	10,860	4.6	66,064	2.8	63
	Extended Market	53	1,090	0.5	4,015	0.2	2
	Preferred Stock	(498)	(1,889)	(0.8)	12,056	0.5	5
US Size and Style Total		16,883	98,648	41.9	744,374	31.0	428
US Sector	Basic Materials	108	1,258	0.5	7,428	0.3	15
	Consumer Cyclical	(145)	2,842	1.2	16,483	0.7	19
	Consumer Non-cyclical	0	750	0.3	10,313	0.4	13
	Energy	(479)	4,948	2.1	33,289	1.4	44
	Financials	874	7,486	3.2	32,628	1.4	39
	Health Care	(43)	5,424	2.3	25,145	1.0	30
	Industrials	1,320	6,147	2.6	15,619	0.7	18
	Real Estate	(321)	1,822	0.8	27,747	1.2	24
	Technology	432	6,210	2.6	25,538	1.1	28
	Telecommunications	(71)	(78)	(0.0)	1,055	0.0	6
	Utilities	(382)	(1,727)	(0.7)	6,730	0.3	13
	Theme	(29)	308	0.1	1,047	0.0	8
US Sector Total		1,265	35,391	15.0	203,021	8.5	257
US Strategy		1,007	13,796	5.9	71,311	3.0	60
US Total		19,155	147,836	62.8	1,018,706	42.4	745
Canada Equity		273	(799)	(0.3)	32,904	1.4	87
North America Regional Equity		68	859	0.4	8,095	0.3	21
North America Total		19,496	147,897	62.8	1,059,704	44.1	853
Pan European Size and Style	Large Cap	943	7,880	3.3	45,087	1.9	80
	Mid Cap	(28)	350	0.1	1,246	0.1	9
	Small Cap	91	1,642	0.7	3,555	0.1	12
	Total Market	2,225	15,951	6.8	48,021	2.0	69
	Pan European Size and Style Total		3,231	25,788	10.9	97,838	4.1
Pan European Sector		(258)	378	0.2	13,798	0.6	151
Pan European Strategy		(67)	492	0.2	3,235	0.1	20
Pan European Total		2,907	26,693	11.3	114,943	4.8	341
Country	Germany	452	(5,982)	(2.5)	41,374	1.7	65
	U.K.	282	3,825	1.6	21,056	0.9	52
	Switzerland	169	359	0.2	10,647	0.4	23
	France	579	(474)	(0.2)	5,992	0.2	18
	Others	15	2,317	1.0	11,109	0.5	67
	Europe Single Country Total		1,496	44	0.0	90,178	3.8
Europe Total		4,403	26,737	11.4	205,121	8.5	566
Asia-Pacific	Regional	(100)	1,388	0.6	17,020	0.7	60
	Country	1,952	36,654	15.6	142,578	5.9	237
Asia Pacific Total		1,852	38,042	16.2	159,598	6.6	297
Broad-Based Global /Global ex-US		4,025	44,984	19.1	203,077	8.5	456
Developed Equity Total		29,775	257,660	109.4	1,627,501	67.8	2,172

ETP Flows by Exposure: EM Equity, Fixed Income, & Commodities

Exposure (US\$mn) ¹		Dec 2013 Net Flows	2013 Annual Net Flows	% of 2013 Flows	Assets	% of Assets	# ETPs
Broad EM	Broad Emerging Markets	(2,876)	(8,088)	(3.4)	122,376	5.1	109
	Broad Frontier Markets	30	381	0.2	633	0.0	5
	Broad EM Total	(2,846)	(7,707)	(3.3)	123,009	5.1	114
Regional EM		(415)	(2,335)	(1.0)	7,380	0.3	78
EM Single Country	Brazil	(73)	(4,733)	(2.0)	7,430	0.3	45
	China	1,011	159	0.1	57,015	2.4	199
	India	(15)	90	0.0	5,654	0.2	52
	Russia	(62)	(914)	(0.4)	3,352	0.1	17
	South Korea	1,604	4,101	1.7	21,000	0.9	111
	Mexico	(140)	1,010	0.4	10,958	0.5	19
	Others	86	(50)	(0.0)	21,970	0.9	150
EM Single Country Total		2,412	(336)	(0.1)	127,380	5.3	593
Emerging Markets Equity Total		(849)	(10,377)	(4.4)	257,769	10.7	785
Equity Total		28,926	247,283	105.0	1,885,269	78.5	2,957
Fixed Income	Broad/Aggregate	1,233	1,960	0.8	43,348	1.8	35
	Govt/Corp	(210)	11,430	4.9	32,470	1.4	27
	Emerging Markets	5	981	0.4	18,952	0.8	74
	Municipal	(88)	(560)	(0.2)	11,560	0.5	35
	Government - Sovereign	472	6,111	2.6	40,853	1.7	261
	Government - US Treasury	(300)	1,383	0.6	34,584	1.4	75
	Government Total	172	7,493	3.2	75,437	3.1	336
	Inflation	(670)	(6,865)	(2.9)	24,889	1.0	38
	High Yield Corporate	9	6,810	2.9	44,445	1.9	50
	Investment Grade Corporate	481	1,215	0.5	78,372	3.3	135
	Money Market	125	(1,519)	(0.6)	4,844	0.2	19
	Mortgage	(399)	(1,208)	(0.5)	7,124	0.3	7
Others	380	7,788	3.3	13,136	0.5	32	
Fixed Income Total		1,038	27,524	11.7	354,576	14.8	788
Commodities	Broad Market	(101)	(498)	(0.2)	17,215	0.7	114
	Agriculture	(171)	(184)	(0.1)	4,809	0.2	193
	Energy	(1,177)	(2,553)	(1.1)	7,104	0.3	208
	Industrial Metals	(107)	(213)	(0.1)	1,869	0.1	119
	Precious Metals - Gold	(3,608)	(40,145)	(17.0)	67,793	2.8	119
	Precious Metals - Silver	(231)	739	0.3	11,244	0.5	68
	Precious Metals - Others	20	(19)	(0.0)	4,563	0.2	80
	Precious Metals - Total	(3,819)	(39,425)	(16.7)	83,600	3.5	267
Commodities Total		(5,376)	(42,871)	(18.2)	114,597	4.8	901
Alternatives	Volatility	(94)	1,877	0.8	2,803	0.1	48
	Others	(36)	(18)	(0.0)	2,755	0.1	70
Alternatives Total		(129)	1,859	0.8	5,558	0.2	118
Asset Allocation		106	1,494	0.6	4,531	0.2	79
Currency		87	236	0.1	5,057	0.2	145
Israel ETP		-	-	-	31,639	1.3	-
Global ETP Total		24,651	235,525	100.0	2,401,228	100.0	4,988

Endnotes

The ETP (or exchange traded product) category encompasses any portfolio exposure security that trades intra-day on an exchange. The data for this report are captured from a number of sources by BlackRock including provider websites, fund prospectuses, provider press releases, provider surveys, Bloomberg, the National Stock Exchange, Strategic Insight Simfund, Wind, and the Bank of Israel. All amounts are reported in US dollars. Flows are derived using daily net asset values and shares outstanding using the most recent data we can capture at month-end. For products with cross-listings, we attribute net flows and assets to the primary listings. For Middle East and Africa, net flows data is not available. Assets are derived using shares outstanding and prices at the end of each month (or the closest date available). Where price is not available, we use an approximation. For ETPs listed in Israel, product level detail is not available. Product level information is aggregated by provider, asset class, exposure, region listed and replication method to produce the various analyses in the report.

1. Data is as of December 30, 2013 for Europe and December 31, 2013 for the US, Canada, Latin America, Israel, and some Asia ETPs. Some Asia ETP data is as of November 30, 2013. Global ETP flows and assets are sourced using shares outstanding and net asset values from Bloomberg for the US, Canada, Europe, Latin America and some ETPs in Asia. Middle East ETP assets are sourced from the Bank of Israel. ETP flows and assets in China are sourced from Wind. Inflows for years prior to 2010 are sourced from Strategic Insights Simfund. Asset classifications are assigned by the BlackRock based on product definitions from provider websites and product prospectuses. Other static product information is obtained from provider websites, product prospectuses, provider press releases, and provider surveys. Market returns are sourced from Bloomberg.
2. We classify maturity buckets of a Fixed Income ETP if the fund invests at least 70% of its assets in the corresponding maturity/exposure range: Short maturity includes: underlying security maturities < 3 years and floating rate where the fund holds floating rate securities and/or bank loans. Intermediate includes: 3 years < underlying security maturities < 10 years. The "other" category includes Long-Term: underlying security maturities > 10 years; Broad Maturities: The fund invests in more than two maturity buckets without emphasizing one; Selected Maturities: The fund holds securities with multiple selected range of maturity buckets, i.e. barbell strategy which focuses on the specific short-term and long-term buckets with even weights; and Fixed Maturity: The fund itself has a target maturity date and arranged holdings correspondingly.
3. Source: BlackRock, Bloomberg, Reuters
4. Mutual fund data is sourced from EPFR (excluding Money Market funds and ETFs). Full year 2012 and January-November 2013 data is sourced from EPFR monthly data. December 2013 data is sourced from EPFR weekly data for the four weeks ended December 25, 2013. Money Market mutual fund flows is sourced from EPFR weekly data for the four weeks ended December 25, 2013.
5. US and Global mutual fund data is sourced from Strategic Insight Simfund (excluding Money Market Funds and ETPs), as of November 2013.
6. Underlying equity market total market capitalization is sourced from the Bloomberg World Exchange Market Capitalization Index (WCAUWRLD Index), as of end of Dec 2013.
7. Underlying bond market total outstanding amount is sourced from the Bank for International Settlements (BIS)
8. Source: Broadridge
9. Equity ETPs that are dividend focus or dividend weighted can provide very different geographic exposures such as US, global, European, or other single-country or regional exposures.

Index returns are for illustrative purposes only and do not represent actual Fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

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