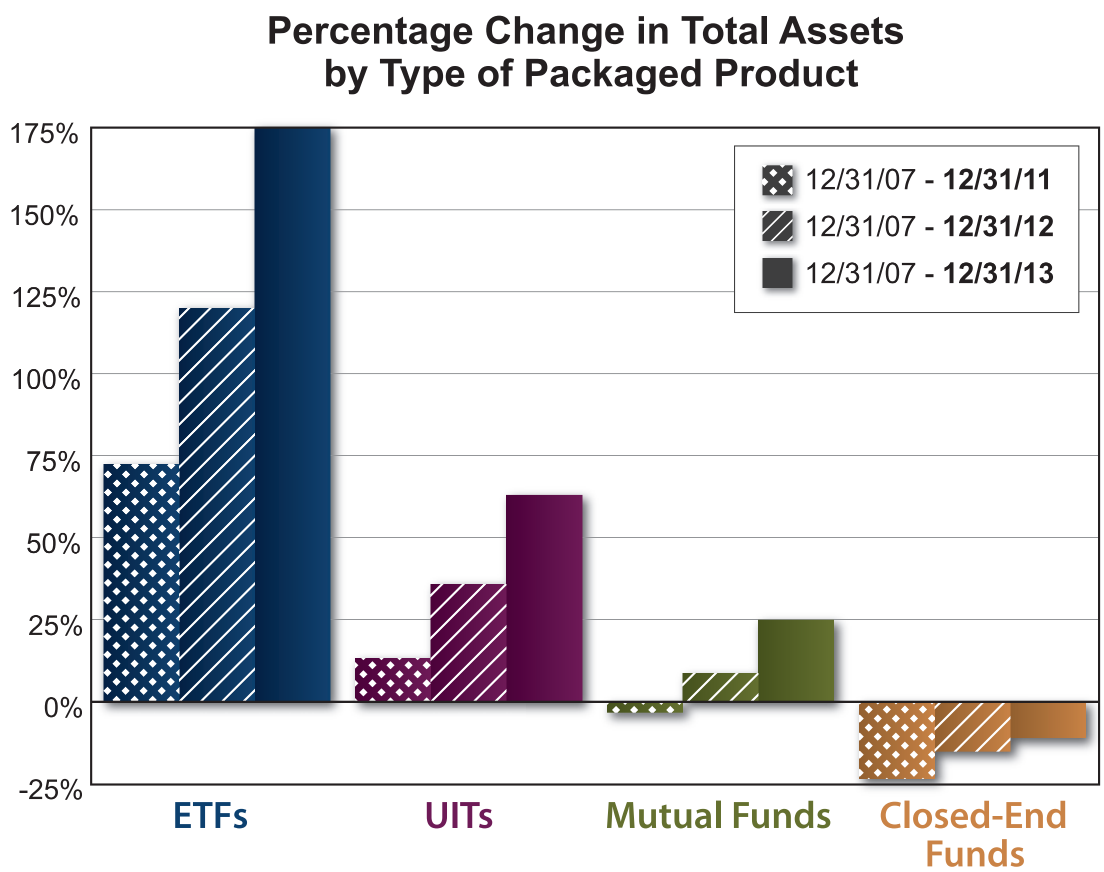
Passive Investment Vehicles Continue To Post Big Gains In Asset Growth



Sources: Investment Company Institute, Strategic Insight Simfund

View from the Observation Deck

1. This marks the third calendar year in which we have tracked the asset growth of the four major types of packaged products since the close of 2007 (prior to financial crisis in 2008).
2. Exchange-traded funds (ETFs) and unit investment trusts (UITs), which are primarily passive investment vehicles, have posted higher asset growth rates than mutual funds and closed-end funds, which are primarily actively managed investment vehicles, in the past four, five and six-year periods.
3. The percentage changes in the total assets invested in packaged products from 12/31/07 to 12/31/13 were as follows (chart): ETFs (+175%); UITs (+63%); Mutual Funds (+25%); and Closed-End Funds (-11%).
4. We have noted in previous blog posts that some industry pundits have predicted that ETFs, in time, will supplant mutual funds as the most popular packaged product. We intend to continue monitoring.
5. Total assets in each of the four categories were as follows (12/31/13): ETFs ($1.67 trillion); UITs ($86.5 billion); Mutual Funds ($15.0 trillion); and Closed-End Funds ($279.3 billion).

This chart is for illustrative purposes only.