

Presented by Syntax Advisors

**Deborah Fuhr:** Welcome to ETF TV News - the weekly show that provides updates for institutional investors on new listings and other updates in the global ETF industry. I'm Deborah Fuhr and joining us this week is David Mazza, Managing Director of Direxion ETFs. Welcome, Dave.

**David Mazza:** Thanks for having me.

**Deborah Fuhr:** Can you tell us about the two new ETFs you listed last week on the NYSE?

**David Mazza:** We listed two leveraged ETFs providing amplified exposure up to 200% on really two unique areas in the market that we see converging in 2021. One is actually the ticker TENG, which is leveraged exposure to 5G companies, so these are the companies that are powering the rollout of 5G in the US and around the globe. In addition, we've launched OOTO which was a play on Out Of The Office, which is leveraged exposure on travel and vacation companies. So these are names ranging from Disney to other theme parks and the like, which again, of course, with the reopening that's occurring around the globe, so there might be some opportunities for traders to take some amplified exposure there.

**Deborah Fuhr:** Can you tell us about the types of investors you expect will use these products and how they'll use them?

**David Mazza:** So we really advocate leveraged ETFs should only be used by traders, whether they're institutions or retail investors who have the ability to pay frequent attention to their portfolios. What they really are doing is providing that 200% exposure on a daily basis. So they're not intended to be long term investment vehicles, but for traders who have the ability to use them and again monitor them, they can be helpful tools for them to take advantage of opportunities that arise in the market.

**Deborah Fuhr:** That's great. And how have you seen the demand for leveraged and inverse ETFs kind of play out over the past year or so?

**David Mazza:** Well, we've actually seen a significant increase in the volumes of our leveraged and inverse products, especially on the leveraged side. These products tend to be most interesting to the trading community when volatility increases, so when there's opportunities to take advantage of dislocations in the market. And we certainly saw a big one in the previous year and a significant equity market rebound. So we are really seeing usage broaden out as more investors become comfortable getting into the markets and

can be comfortable understanding how these funds are intended to be used.

**Deborah Fuhr:** What are your plans for the rest of 2021?

**David Mazza:** Well Direxion's been on a path to continue to diversify our lineup into more traditional ETF areas, but in particular on thematic ETFs. So what you'll see from us in 2021 is continuing to roll out opportunistic leveraged and inverse ETFs, alongside some interesting thematic products that could be used for more medium term and long term investors.

**Deborah Fuhr:** The ETF industry globally and in the US has been doing phenomenally well over the past 24 months. What is your outlook for the industry for the rest of 2021?

**David Mazza:** I think what we find really interesting is that ETFs continue to show their resiliency in difficult market environments, which has remained a question for years. That gives greater confidence for a broader number of investors and types of investors to step into the market and use the benefits of both equity ETFs, fixed income ETFs for traders, leveraged and inverse products and many of the other exciting elements that are occurring on the active side. That's a conversation for another day, but I think because there's so many great things occurring, the industry continues to mature in really positive ways.

**Deborah Fuhr:** That's great. Thank you so much for joining us.

**David Mazza:** Thank you.

**Deborah Fuhr:** In other news, last week there were 33 new listings from 23 issuers on 15 exchanges around the world and 31 new cross-listings. When we look at the types of products that came to market, the trends have continued. There were 26 equity products, six that were mixed in terms of their online portfolio. One fixed income. ESG and thematic were the main types of products with some China exposure and Hong Kong and five were active.

On a year to date basis there's been 667 new listings. There's been 238 closures here today. And as of the end of May, some pretty exciting news: the ETF industry has had 24 consecutive months of net inflows. The assets globally just broke through nine trillion dollars. When we look at the inflows on a year to date basis, we've had 559 billion of net inflows at the end of the fifth month of the year. All of last year we had 762 billion of net inflows. So we're on track for, I think, a year where we're going to have over a trillion dollars in net inflows.

When we look at where the money is going, the majority of money, both for this month, May and year to date has gone into equity exposure and we've had more money going into equities this year than all of last year. So we are at 396 billion of net flows into equities year to date, where last year, all of the year we saw 365. Fixed income has also seen significant inflows at 85 billion year to date, active ETFs have captured 74 billion, so we've seen a significant uptick in the amount of active ETF flows and also product launches. Overall, they account for four percent of the assets. Most of the flows are going into products that are structured as ETFs and they account for 97% of all the assets.

And if we look at the issuers, we saw that, at the end of May, iShares has now broken through three trillion dollars in their products, Vanguard has nearly two trillion dollars, State Street has just over a trillion. Those three combined account for 66% of all the assets. And that's very impressive when you realize that there's 550 issuers that are out there, so there's a big gap between those three and the next one. So the fourth ranked firm is Invesco that currently has 402 billion in assets and accounts for just 4.4% of total market share.

I'd like to thank David Mazza for joining us and sharing his insights. I'd like to thank you for watching. And I'd like to thank Syntax Advisors for sponsoring the episodes of ETF TV. For further updates or to see prior episodes, please go to [ETFTV.NET](http://ETFTV.NET). Thank you.

**Dan Barnes:** ETF TV news does not provide investment advice nor recommend products.