

Media Release

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Investors continue to drive popularity of ASX exchange traded funds as market cap approaches record \$200 billion

ASX exchange traded funds (ETF) has surged with total funds under management (FUM) growing 36% to \$199 billion in the 12 months ended 30 June 2024. An ETF trades on ASX like an ordinary share but it is an open-ended investment that usually tracks a basket of securities or other asset classes such as gold. Investors are often attracted to ETFs for their ability to offer diversification to an investment portfolio and this trend has continued with 59 new products admitted in the financial year, bringing the total number of ETFs available to 351.

Andrew Campion, General Manager, Investment Products & Strategy said: “ETFs continue to be a popular investment vehicle with the average number of transactions over the 12 month period increasing by 50%. The rate of growth is very impressive – it was only a decade ago that FUM was below \$10 billion.

“ETFs offer investors an efficient way to diversify their portfolios and gain targeted exposure to specific sectors. In the past 12 months, we’ve welcomed a number of new issuers including Macquarie and Dimensional Fund Advisers. We also admitted ASX’s first spot bitcoin ETF last month, issued by VanEck, and launched Australia’s first ever Shariah-compliant Sukuk active ETF, issued by Hejaz Financial Services.

“A trend that we’ve observed in the past year is that we’re seeing many more active ETFs coming to market, offering investors more tailored investment portfolios.

“Looking ahead, if I had to sum up in a single word of what’s to come for the Australian ETF market, it would be ‘choice’ – more choice of fund managers, more thematic ETFs, more active strategies, and more alternative assets such as cryptocurrencies. There’s lots of innovation taking place and it will be an exciting space to watch.”

According to ASX’s latest Investment Products Report, Australian and global equities account for most of the FUM growth over the past 12 months – increasing by \$15 billion (up 37%) and \$29 billion (32%) respectively – followed by strong growth in fixed income of \$5.2 billion (up 24%) reflecting the higher interest rate environment.

As the number of investors continues to grow, the popularity of ETFs is expected to rise. Currently, 7.7 million Australians invest in on-exchange investments, with 1.5 million holding at least one ETF, according to the [ASX Australian Investor Study 2023](#).

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