

# ETF LAUNCHES IN 2022 MAY OVERTAKE LAST YEAR'S HISTORIC BOOM

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ERG launches 2022: The growth of new funds to start the year is particularly interesting because down markets usually cause ETF launches to slow, believe experts

Issuance of new [exchange-traded funds \(ETFs\)](#) are piling up this year and threatening to overtake 2021's historic boom as firms bet big on continued growth.

According to Bloomberg data, 50 new funds have launched in 2022, compared with 38 at this point last year. There's also been an uptick in the total number of actively managed strategies this year to 33 from 27, reflecting the growing preference for ETFs over mutual funds, said EQM Capital Chief Executive Officer Jane Edmondson.

"The high number of new ETF launches this year, relative to last year is attributable to pent-up demand as some issuers were cautious about launching new products early last year," said Edmondson. "But it is also evidence for how investors and the marketplace continue to embrace and prefer the ETF structure as compared to mutual funds."

Given the uncertainties related to Covid-19, issuers were hesitant to put out new products last year, Edmondson added. Now, almost two years into the pandemic, business disruptions are becoming less of a worry, powering new product launches.

The growth of new funds to start the year is particularly interesting because down markets usually cause ETF launches to slow, according to BI's James Seyffart. A Federal Reserve focused on raising interest rates to counter high inflation and a more subdued earnings season is enough to make any investor apprehensive, but so far, volatility hasn't been as great of a sentiment-killer as expected.

"The fact that there were still so many ETF launches in 2022 despite the dismal performance of the stock market generally and growth stocks specifically, it's a good indication from issuers on their expectation of growth for the ETF market," Seyffart said.

Many signs are pointing to sustained ETF growth to carry out the year and this is particularly true of actively-managed funds as market fluctuations encourage stock-picking. Add in the increased relevance on non-transparent funds, and it's no surprise to see these strategies grow in popularity.

"I don't think the growth of launches is surprising, especially in active," said Scott Livingston, global head of ETF strategy at T. Rowe Price Associates. "Now that active managers have the ability to shield their IP but still offer the benefits of the ETF wrapper to investors, we expect active launches to continue to grow."

*This story has been published from a wire agency feed without modifications to the text. Only the headline has been changed.*

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