



## **Vanguard Surpasses iShares in ETF Advisor Loyalty**

**CAMBRIDGE, MASS., (August 30, 2010)** – Vanguard now ranks first among ETF providers in advisor loyalty displacing the long-standing industry leader iShares. This reversal was driven not only by an increase in ETF producers' loyalty to Vanguard, but compounded by a decrease in ETF producers' loyalty to iShares. This and other findings are contained in the new 2010 Advisor Brandscape™ report that was released earlier this month by Cogent Research.

According to the report, which is based on a nationally representative survey of 1,560 investment advisors, Vanguard achieves a Net Promoter® Score (NPS<sup>SM</sup>) of 33% compared to iShares' 20%. NPS<sup>SM</sup> is a standardized loyalty metric developed by Bain & Company and deployed across many industries. These results represent a ten-point gain for Vanguard since last year, and a corresponding eight-point drop for iShares. State Street/Spiders ranked third overall, while PIMCO, finishing its freshman year as an ETF provider, rounds out the list of top-four providers.

Advisors' loyalty to Vanguard is manifested across a variety of critical metrics such as overall market penetration, level of commitment and share of wallet. In fact, the average amount of assets that Vanguard currently captures among the advisors it serves has more than doubled, from \$2.3 million per user in 2009 to \$5.5 million per user in 2010. This \$5.5 million figure now rivals iShares' per advisor AUM average of \$5.7 million. "Obviously, in terms of penetration, they have a long way to go to catch iShares, but right now the momentum is clearly with Vanguard" said Cogent Principal John Meunier.

Driving advisor loyalty to Vanguard is the fact that the firm outperforms all other major ETF providers on nine of ten critical areas of client experience and service. "Vanguard's commitment to delivering in those areas that matter most to ETF producers has clearly paid off in terms of loyalty and dollars," said Christy White, Cogent Principal.

## ETF COMPANY LOYALTY SCORES AMONG OWNERS

Rank		Firm	Net Promoter® Score
2010	2009		
1	2	Vanguard	33
2	1	iShares	20
3	3	Spiders/State Street	20
4	N/A	PIMCO	12
5	6	PowerShares	-1
<b>Overall Industry Average</b>			<b>2</b>

Source: Cogent Research Advisor Brandscape™ 2010

### About Cogent Research

Cogent Research helps clients gain clarity, obtain perspective, and formulate direction on critical business issues. Founded in 1996, Cogent provides custom research, syndicated research products, and evidence-based consulting to leading organizations in the financial services, life sciences, and consumer goods industries. Through quality research, advanced analytics, and deep industry knowledge, Cogent Research delivers data-driven solutions and strategies that enable clients to better understand customers, define products, and shape market opportunities in order to increase revenues and grow the value of their products and brands.

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