

IIAC  **ACCVM**
Investment Industry Association of Canada Association canadienne du commerce des valeurs mobilières

Q3 – 2022 IN REVIEW

ETF REPORT

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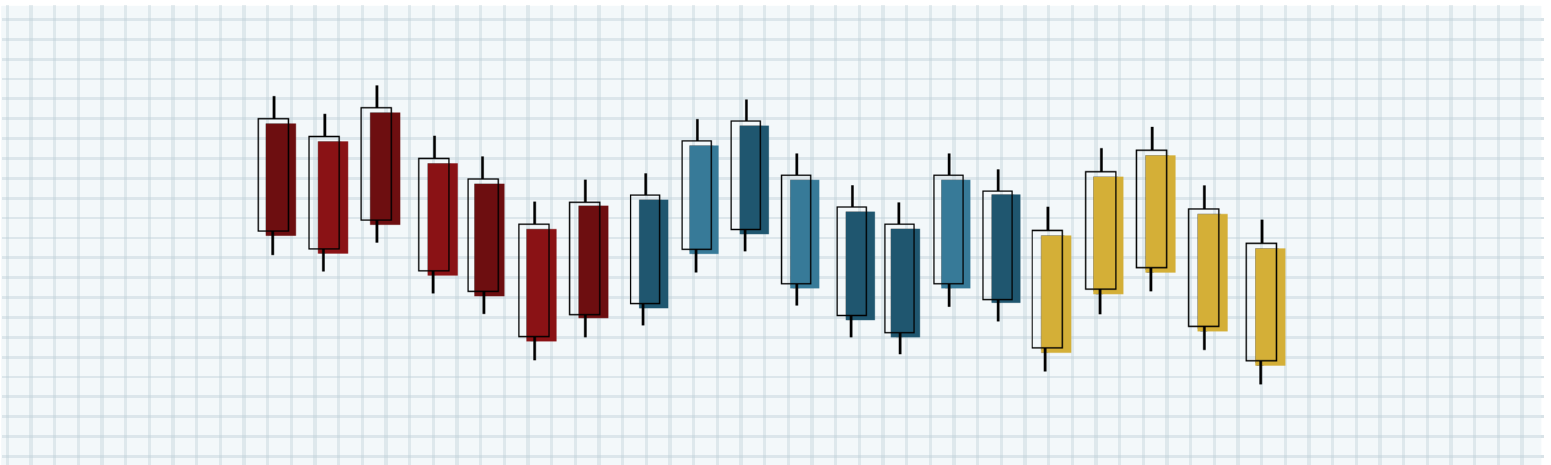
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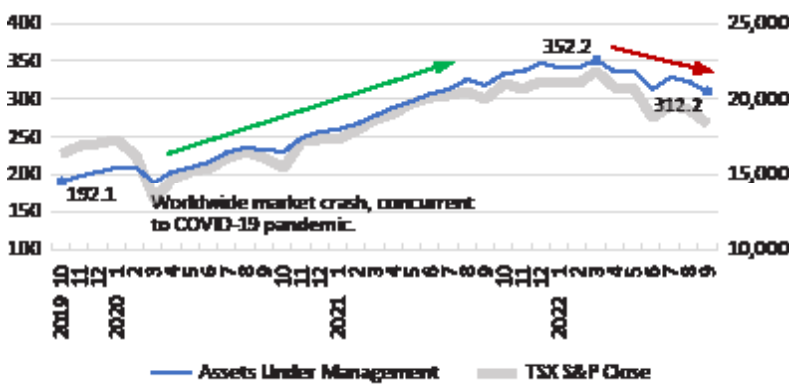
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ETF ASSETS UNDER MANAGEMENT SUMMARY & SEGMENTATION

ETF Assets Under Management, Oct 2019 – Sep 2022
(\$ in billions)



Produced by the IIAC with data derived from CETFA, Yahoo Finance.

Assets under management (AUM) for Canada’s ETF firms has recorded an overall increase of 62.5% over the last 3 years (36 months) from \$192.1 billion in Oct 2019 to \$312.2 billion in Sep 2022.

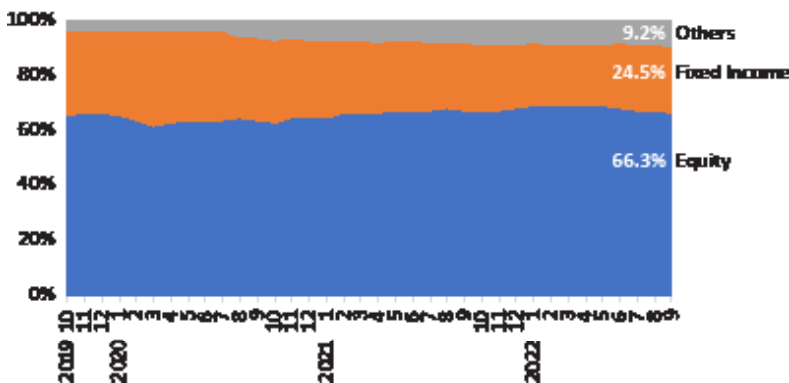
However, overall assets under management has trended downward since reaching \$352.2 billion in March 2022. Over the trailing six-month period, assets decreased 11.4%, while the Canadian equities market made a corresponding decline of 15.7%.

Over the last 3 years (36 months), equity and fixed income funds combined have accounted for over 90% of the industry’s total portfolio value.

While equity funds have maintained their share of total assets under management, the fixed income segment has declined from a high of 34.7% in Mar 2020 to 24.5% in Sep 2022, a significant shift that is not surprising given the sell-off in bond markets.

This shift in fixed income share has translated into a 5.8% share increase for funds categorized here as “others,” but actually specializing in money market, currency, cryptocurrency, commodities, volatility, and blends of multiple asset types.

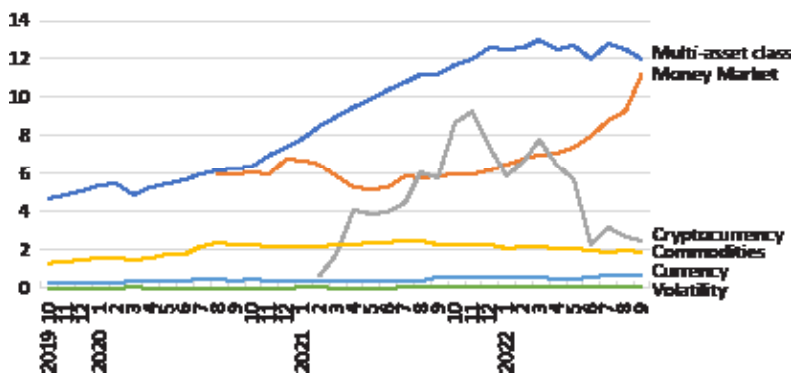
Fund Asset Category Distribution, Oct 2019 – Sep 2022
(Percent)



Produced by the IIAC with data derived from CETFA.

ETF ASSETS UNDER MANAGEMENT SUMMARY & SEGMENTATION

Assets under Management, excluding Equity & Fixed Income, Oct 2019 – Sep 2022 (\$ in billions)



Produced by the IIAC with data derived from IIROC.

Over the last 36 months, total assets under management increased for all the ETF segments in these specialty asset categories. There was a notable shift out of crypto assets in the last 12 months.

Comparing fund growth since Oct 2019, or first reporting date:

Asset Growth by Fund Type Class, Oct 2019 – Sep 2022

| Asset Class | AUM, Oct 2019 (\$ billions) | AUM, Sep 2022 (\$ billions) | Asset Growth since Oct 2019 (%) | Coefficient of Variation ¹ |
|-------------|-----------------------------|-----------------------------|---------------------------------|---------------------------------------|
| Multi-asset | 4.71 | 12.07 | +156.0% | 0.34 |
| Commodities | 1.34 | 1.95 | +45.8% | 0.16 |
| Currency | 0.33 | 0.75 | +126.6% | 0.24 |
| Volatility | 0.03 | 0.10 | +308.0% | 0.48 |

Produced by the IIAC with data derived from CETFA.

¹ Coefficient of variation is the ratio of standard deviation to average value.

Asset Growth by Fund Type Class, since first report date

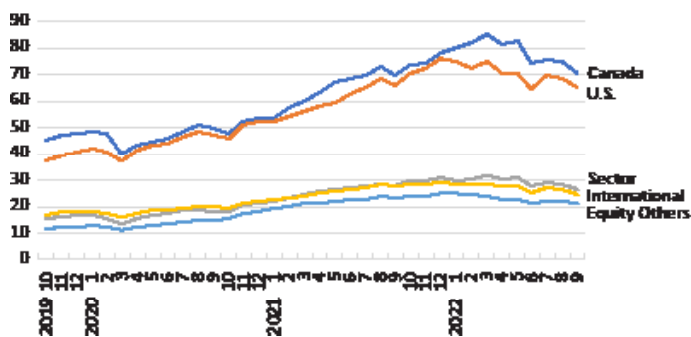
| Asset Class | AUM, first report (\$ billions) | AUM, Sep 2022 (\$ billions) | Asset Growth since Oct 2019 (%) | Coefficient of Variation |
|---------------------------|---------------------------------|-----------------------------|---------------------------------|--------------------------|
| Money-market (Aug 2020) | 5.97 | 11.21 | +87.8% | 0.20 |
| Cryptocurrency (Feb 2021) | 0.68 | 2.52 | +270.0% | 0.48 |

Produced by the IIAC with data derived from CETFA.

The commodities segment has been the most stable, with coefficient of variation of 0.16. Volatility and cryptocurrency funds have been the most volatile, with coefficient of variation of 0.48.

EQUITY FUNDS SEGMENTATION

Equity Fund Segment Assets, Oct 2019 – Sep 2022
(\$ in billions)



Produced by the IIAC with data derived from CETFA.

Within the equity-based ETF segment, Canada, U.S., sector, and international oriented funds collectively have consistently accounted for approximately 90% of overall asset value.

Despite the recent decline, all the leading asset categories have shown a notable increase over the last 36 months, with U.S.-centric equity funds increasing by 73.2%, followed by sector-centric equity funds increasing 67.9%, Canada-centric equity funds increasing 57.1%, and international equity funds 44.9%.

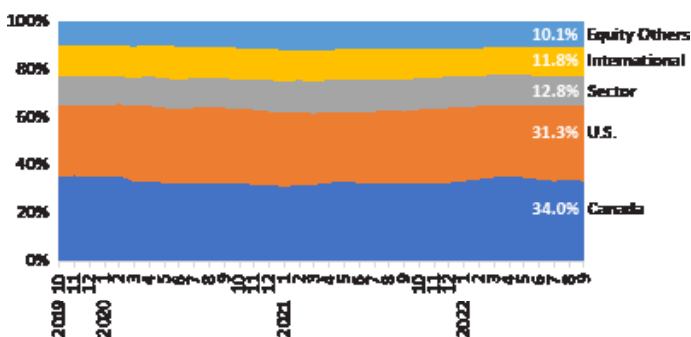
Equity Asset Growth by Fund Type, Oct 2019 – Sep 2022

| Asset Class | AUM, Oct 2019 (\$ billions) | AUM, Sep 2022 (\$ billions) | Asset Growth since Oct 2019 (%) | Coefficient of Variation ¹ |
|---------------|-----------------------------|-----------------------------|---------------------------------|---------------------------------------|
| Canada | 44.81 | 70.38 | +57.1% | 0.23 |
| U.S. | 37.41 | 64.80 | +73.2% | 0.22 |
| Sector | 15.75 | 26.45 | +67.9% | 0.25 |
| International | 16.82 | 24.38 | +44.9% | 0.19 |
| Others | 11.62 | 20.96 | +80.4% | 0.25 |

Produced by the IIAC with data derived from CETFA.

¹ Coefficient of variation is the ratio of standard deviation to average value.

Long-Term Net Assets by Fund Type Class, Oct 2019 – Sep 2022
(Percent)

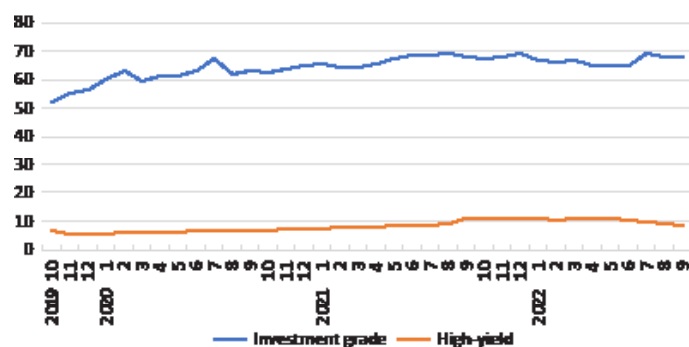


Produced by the IIAC with data derived from CETFA.

In terms of percent contribution, all equity-related asset categories have maintained a consistent balance within well-defined ranges, with minimal variation.

FIXED INCOME FUNDS SEGMENTATION

Fixed Income Fund Segment Assets, Oct 2019–Sep 2022
(\$ in billions)



Produced by the IIAC with data derived from CETFA.

Both investment grade and high-yield fixed income funds have displayed steady growth across the last 36 months.

Investment grade funds have exhibited a 30.1% increase in assets under management, going from \$52.4 billion in Oct 2019 to \$68.1 billion in Sep 2022. High-yield funds recorded a 22.6% increase, starting with \$6.9 billion in Oct 2019 and ending in Sep 2022 with \$8.51 billion in assets under management.

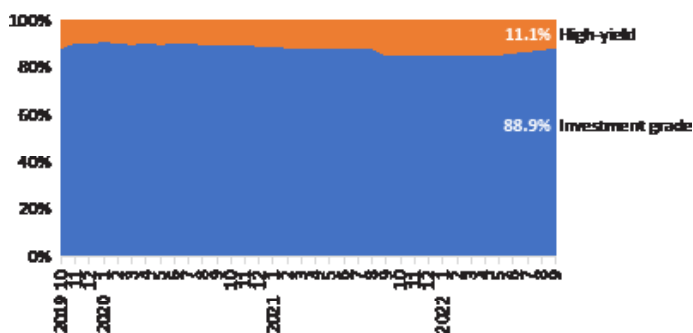
Fixed Income Asset Growth by Fund Type, Oct 2019–Sep 2022

| Asset Class | AUM, Oct 2019 (\$ billions) | AUM, Sep 2022 (\$ billions) | Asset Growth since Oct 2019 (%) | Coefficient of Variation ¹ |
|------------------|-----------------------------|-----------------------------|---------------------------------|---------------------------------------|
| Investment Grade | 52.36 | 68.13 | +30.1% | 0.06 |
| High-yield | 6.94 | 8.51 | +22.6% | 0.22 |

Produced by the IIAC with data derived from CETFA.

¹ Coefficient of variation is the ratio of standard deviation to average value.

Fixed Income Fund Segment Asset Distribution, Oct 2019–Sep 2022
(percent)



Produced by the IIAC with data derived from CETFA.

In terms of percent contribution, investment grade and high-yield funds have largely maintained a consistent balance within well-defined ranges, with minimal variation.

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