

---

**IIAC ACCVM**

Investment Industry Association of Canada Association canadienne du commerce des valeurs mobilières

# Q4 – 2024 IN REVIEW

---

## ETF REPORT

# Table of Contents



## 2024 Q4: Accelerating Growth in ETF Holdings

ETF Industry – Assets Under Management (AUM) .....	3
Net ETF Assets Trend across Broad Categories .....	3

## ETF Assets Growth Consistent and Strong

ETF Industry – Assets Under Management (AUM) .....	4
--	---

## Distribution of ETF Assets Across Broad Categories

Net ETF Assets Distribution across Broad Categories.....	5
Net ETF Assets Trend across Broad Categories .....	5
Net ETF Assets Contribution by Broad Category .....	6
ETF Asset Increases across Broad Categories .....	6

## ETF Segment Comparisons & Analysis

Correlation of AUM, Equity vs. Fixed Income .....	7
Prevalence of Selected ETF Qualities within Industry AUM.....	7
Distribution of Index Fund AUM by ETF Category .....	7
Distribution of Fund of Funds AUM by ETF Category .....	7

## Equity ETF Segment Distribution & Trends

Equity ETF Net Assets Distribution .....	8
Equity ETF Net Assets Trend across Fund Categories.....	8
Equity ETF Net Assets by Fund Category .....	8

## Fixed-Income ETF Segment Distribution & Trends

Fixed-Income ETF Net Assets Distribution .....	9
Fixed-Income ETF Net Assets Trend across Fund Categories...	9
Fixed-Income ETF Net Assets by Fund Category .....	9

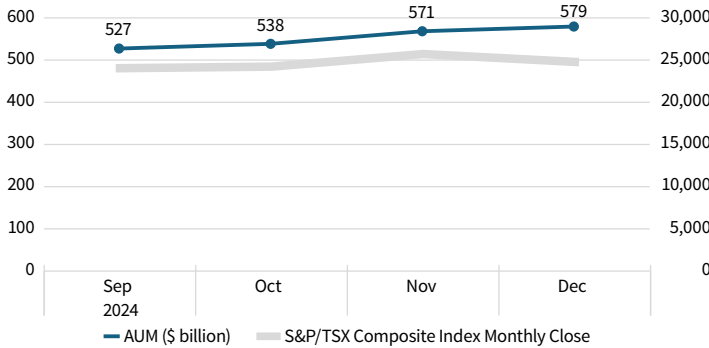
## Other Segments ETF Component Distribution

Money Market ETF Net Assets Distribution.....	10
Alternative Funds ETF Net Assets Distribution .....	10
Allocation Funds ETF Net Assets Distribution .....	10

## Disclaimer

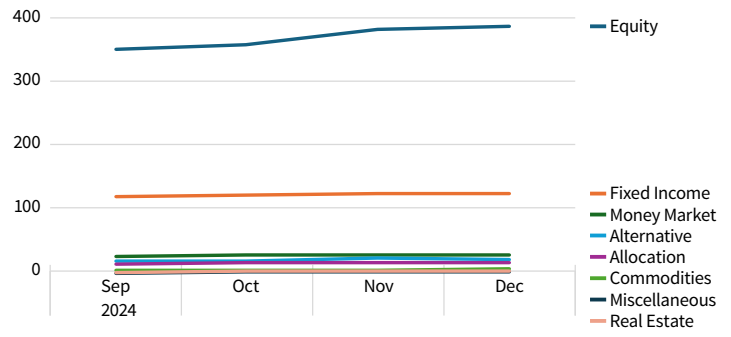
# 2024 Q4: ACCELERATING GROWTH IN ETF HOLDINGS

**ETF Industry – Assets Under Management (AUM), Sep 2024 – Dec 2024**



Produced by the IIAC with data derived from YCharts.

**Net ETF Assets Trend across Broad Categories, Sep 2024 – Dec 2024 (\$ in billions)**



Produced by the IIAC with data derived from YCharts.

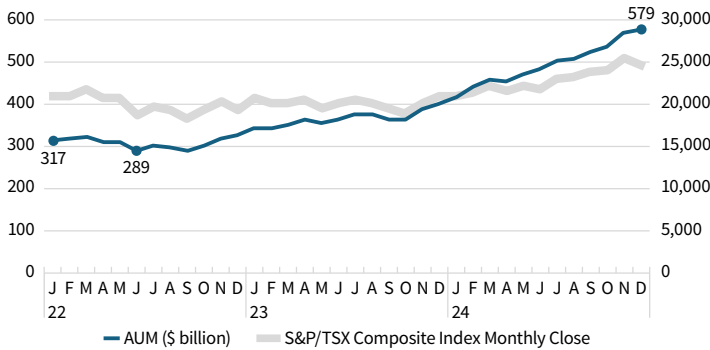
In the fourth quarter of 2024, Canada's ETF industry experienced significant growth, expanding by 9.8% to reach total assets under management (AUM) of \$578.7 billion. This expansion notably outpaced the S&P/TSX Composite Index, which increased by 3.0% during the same period, indicating sustained investor interest and confidence.

Equity and Fixed Income categories continued to dominate the industry, collectively accounting for 89.3% of the overall portfolio. Equity alone represented approximately two-thirds (67.6%) of total holdings. Notably, Commodities funds emerged prominently this quarter, leading growth among all categories with a substantial 98.4% increase, followed by Miscellaneous and Alternative funds, which expanded by 38.6% and 25.2%, respectively.

Fixed income funds also expanded, delivering quarterly growth of 4.8%, driven primarily by Canadian Short Term Fixed Income (5.9%), Canadian Fixed Income (5.5%), and Global Fixed Income (4.7%) funds. However, some fixed income categories, including Miscellaneous – Income and Real Property funds and Canadian Inflation Protected Fixed Income funds, contracted by 6.0% and 4.9%, respectively.

# ETF ASSETS GROWTH CONSISTENT AND STRONG

## ETF Industry – Assets Under Management (AUM), Jan 2022 – Dec 2024



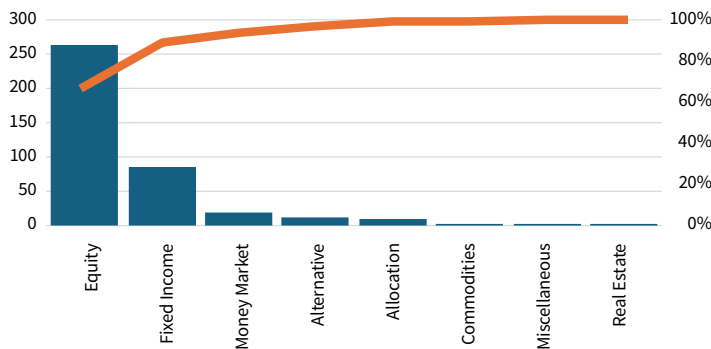
Produced by the IIAC with data derived from YCharts.

The Canadian ETF industry recorded substantial expansion over the past three years, with total assets under management (AUM) growing by 82.5%, from \$317.1 billion in January 2022 to \$578.7 billion in December 2024. This increase notably exceeded the growth of the S&P/TSX Composite Index, which grew by a modest 17.2% during the same period.

In the most recent quarter, the ETF industry expanded by 9.8%, noticeably leading the S&P/TSX Composite Index, which increased by only 3.0% in the same timeframe. A similar pattern emerges when examining year-on-year growth from December 2023 to December 2024, during which the industry grew by an impressive 43.3%, markedly ahead of the index's 18.0% increase.

# DISTRIBUTION OF ETF ASSETS ACROSS BROAD CATEGORIES

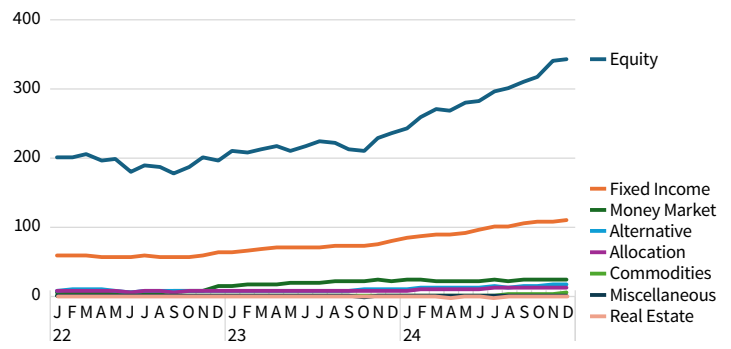
**Net ETF Assets Distribution across Broad Categories, Jan 2022 – Dec 2024 (average \$ in billions)**



Produced by the IIAC with data derived from YCharts.

The distribution of average AUM across broad categories reveals a concentration in two primary asset classes: Equity and Fixed Income, together constituting 89.3% of the overall portfolio. Equity assets alone represent approximately two-thirds (67.6%) of the total portfolio. Conversely, Real Estate, Miscellaneous, and Commodities form the smallest segments, collectively contributing less than 0.6%.

**Net ETF Assets Trend across Broad Categories, Jan 2022 – Dec 2024 (\$ in billions)**



Produced by the IIAC with data derived from YCharts.

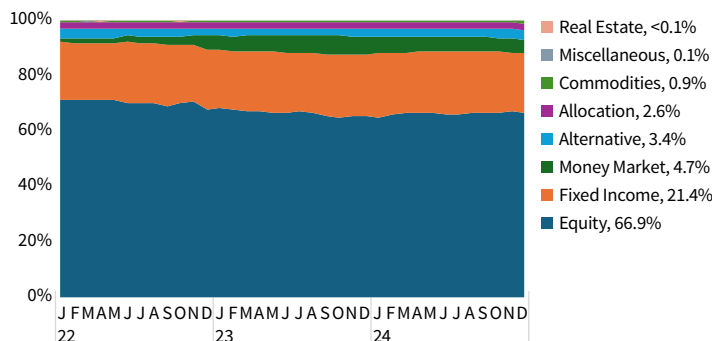
Over the past three years, all asset categories, except Real Estate, expanded their AUM. Money Market funds demonstrated remarkable growth of 470.6%, leading all categories. Commodities and Alternative funds also exhibited notable expansions, increasing by 199.2% and 98.6%, respectively. Major asset classes such as Equity and Fixed Income recorded significant growths of 71.2% and 86.8%.

Year-on-year data highlights exceptional growth in Commodities funds, which increased by 239.9%. Alternative and Allocation funds also recorded notable expansions, growing by 61.1% and 53.4%, respectively.

In the latest quarter, all asset categories recorded growth, led again by Commodities funds with a substantial increase of 98.4%, followed by Miscellaneous funds at 38.6% and Alternative funds at 25.2%.

# DISTRIBUTION OF ETF ASSETS ACROSS BROAD CATEGORIES

**Net ETF Assets Contribution by Broad Category, Jan 2022 – Dec 2024 (percent)**



Produced by the IIAC with data derived from YCharts.

Equity funds' percentage contribution to the overall portfolio decreased by 4.4% over three years, declining from 71.3% in January 2022 to 66.9% in December 2024. This reduction allowed Money Market and Fixed Income funds to increase their respective shares by 3.2% and 0.5%.

Other asset categories maintained relatively stable contributions within narrow ranges. Cumulatively, Equity and Fixed Income categories consistently contributed over 87.5% of the total portfolio throughout the period, while Miscellaneous and Real Estate categories accounted for less than 0.15% combined.

**ETF Asset Increases across Broad Categories, Jan 2022 – Dec 2024**

Broad Category	3Y Asset increases since Jan 2022	YOY increases since Dec 2023	Q3 increases since Sep 2023
Equity	71.2%	45.9%	10.5%
Fixed Income	86.8%	38.9%	4.8%
Money Market	470.6%	6.6%	4.4%
Alternative	98.6%	61.1%	25.2%
Allocation	91.8%	53.4%	9.9%
Commodities	199.2%	239.9%	98.4%
Miscellaneous	14.5%	45.6%	38.6%
Real Estate	-32.2%	0.6%	20.7%
Overall	82.5%	43.3%	9.8%
S&P/TSX Composite Index	17.2%	18.0%	3.0%

Produced by the IIAC with data derived from YCharts.

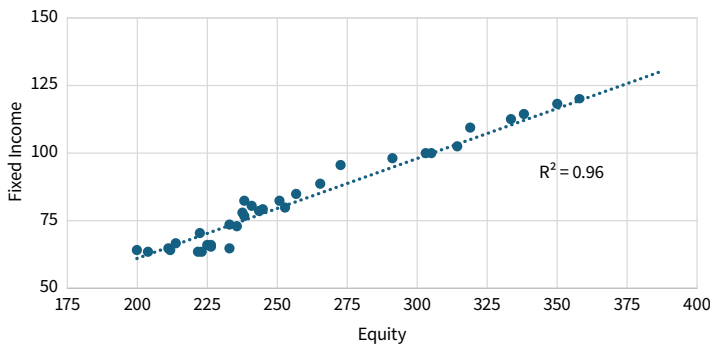
Analyzing growth across different time frames (36 months, 12 months, and the most recent quarter) reveals significant variation among categories. Real Estate was the only category to contract, declining by 32.2% over three years. However, it expanded by 20.7% in the most recent quarter, reflecting some recovery despite ongoing challenges from fluctuating interest rates.

The overall ETF portfolio significantly led the S&P/TSX Composite Index in growth across both 36-month and 12-month periods, indicative of effective portfolio management and sustained investor confidence in Canadian markets. Commodities funds notably expanded by 98.4% in the last quarter, followed by Miscellaneous and Alternative funds at 38.6% and 25.2%, respectively.

On a year-on-year basis, Commodities funds again exhibited outstanding growth of 239.9%, with Alternative and Allocation funds following at 61.1% and 53.4%, respectively.

# ETF SEGMENT COMPARISONS & ANALYSIS

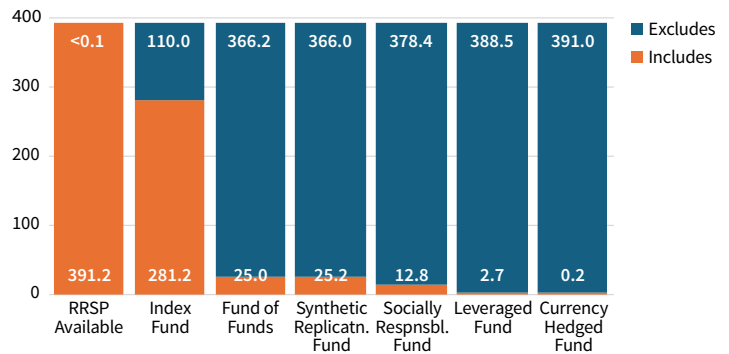
## Correlation of AUM, Equity vs. Fixed Income, Jan 2022 – Dec 2024 (\$ in billions)



Produced by the IIAC with data derived from YCharts.

Regression analysis conducted on Equity and Fixed Income AUM from January 2022 to December 2024 demonstrates a strong positive correlation, indicated by an R-squared value of 0.96 and a positive intercept. This substantial correlation suggests that fund managers adopted a balanced investment approach between equity and fixed income assets consistently over the analyzed three-year period.

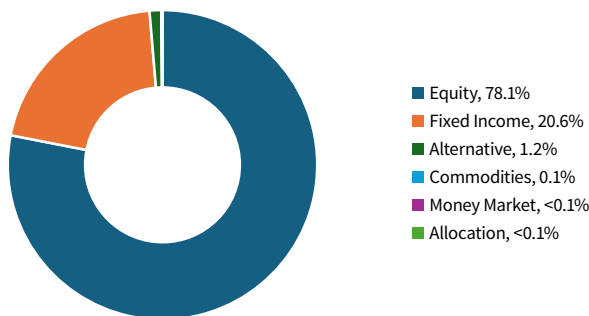
## Prevalence of Selected ETF Qualities within Industry AUM, Jan 2022 – Dec 2024 (average \$ in billions)



Produced by the IIAC with data derived from YCharts.

Regarding asset distribution based on investment strategies, the entire ETF portfolio (100%) remains eligible for Registered Retirement Savings Plan (RRSP) investment. Within this portfolio, index funds dominated as the preferred investment strategy, representing a significant majority with a 71.9% share over the three-year period. Funds of funds and synthetic replication funds followed, each contributing 6.4%. On the other end of the spectrum, currency hedge funds and leveraged funds accounted for minimal portfolio shares, contributing only 0.1% and 0.7%, respectively.

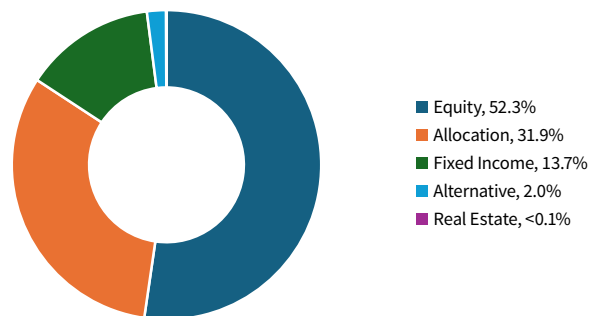
## Distribution of Index Fund AUM by ETF Category, Jan 2022 – Dec 2024 (percent)



Produced by the IIAC with data derived from YCharts.

Focusing specifically on asset distribution within index funds and funds of funds, equity assets were predominant. Equity funds comprised 78.1% of the total index funds portfolio, with fixed income funds accounting for the remaining 20.6%. In funds of funds, equity funds again represented the largest share at 52.3%, followed by allocation funds with 31.9% and fixed income funds contributing 13.7%.

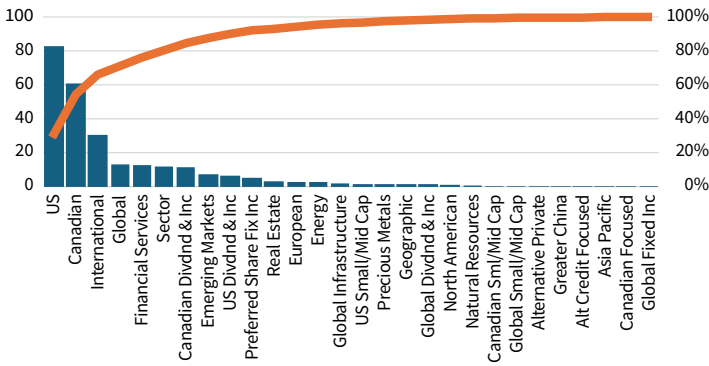
## Distribution of Fund of Funds AUM by ETF Category, Jan 2022 – Dec 2024 (percent)



Produced by the IIAC with data derived from YCharts.

# EQUITY ETF SEGMENT DISTRIBUTION & TRENDS

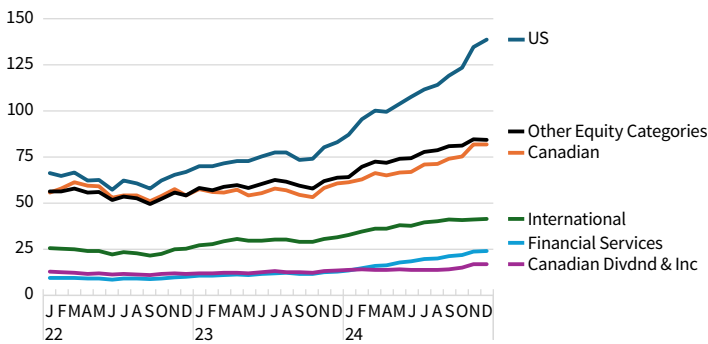
Equity ETF Net Assets Distribution, Jan 2022 – Dec 2024 (average \$ in billions)



The distribution of average assets under management (AUM) within equity ETFs from January 2022 to December 2024 indicates a concentration among a limited number of categories. Specifically, the top 10 out of a total of 27 equity categories constitute a substantial 92.1% of the overall equity portfolio. Within this concentrated distribution, the top five categories alone account for a notable 76.0% share. Further scrutiny reveals that the three largest categories—U.S. Equity, Canadian Equity, and International Equity—collectively make up approximately two-thirds (66.1%) of the equity portfolio, contributing individually 31.4%, 23.1%, and 11.6%, respectively.

Produced by the IIAC with data derived from YCharts.

Equity ETF Net Assets Trend across Fund Categories, Jan 2022 – Dec 2024 (\$ in billions)

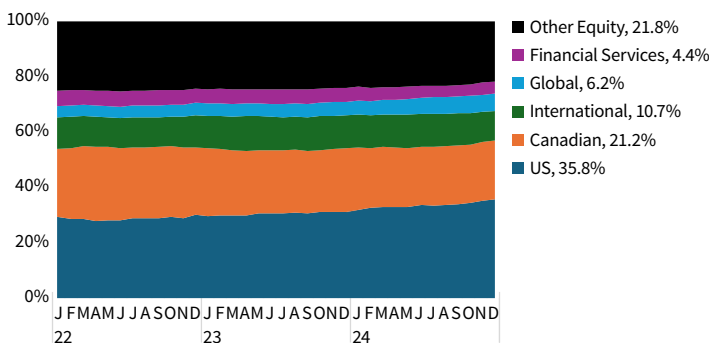


Analyzing the equity AUM trends over the three-year period demonstrates significant expansion across all major equity-based asset sub-categories. Among these, Global Equity funds achieved the highest increase, surging by 156.5%. U.S. Equity followed with an impressive gain of 109.2%, while International Equity funds experienced growth of 60.8% over the same period.

Overall equity holdings also displayed robust increases on shorter timescales, registering a considerable year-on-year increase of 45.9% from December 2023 to December 2024 and a quarterly gain of 10.5% from September 2024 to December 2024. All principal equity asset sub-categories contributed positively to these figures, albeit at varying magnitudes. Notably, the quarterly growth was predominantly driven by strong expansions in U.S. Equity and Canadian Equity funds, which rose by 16.4% and 10.6%, respectively.

Produced by the IIAC with data derived from YCharts.

Equity ETF Net Assets by Fund Category, Jan 2022 – Dec 2024 (percent)



Examining the equity AUM percentage contributions reveals a consistent dominance by the top five equity categories, maintaining a combined contribution of over 74.7% throughout the 36-month span. Within this group, U.S. Equity funds increased their share by 6.5%, rising from 29.3% in January 2022 to 35.8% in December 2024. Global Equity funds also enhanced their contribution, gaining 2.1% over the same period, from 4.1% to 6.2%.

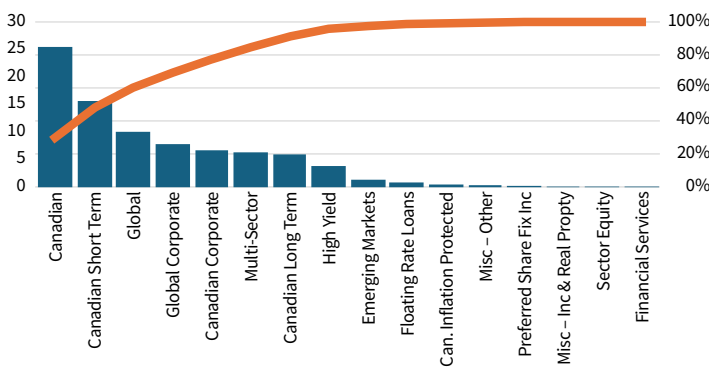
Conversely, Canadian Equity funds experienced a decline of 3.4% in their contribution (from 24.6% to 21.2%), while the broader category of other equity funds decreased by 3.2% (from 25.0% to 21.8%). Additionally, Financial Services Equity funds recorded a marginal reduction of 1.3% in portfolio share, declining from 5.7% to 4.4%.

Produced by the IIAC with data derived from YCharts.



# FIXED-INCOME ETF SEGMENT DISTRIBUTION & TRENDS

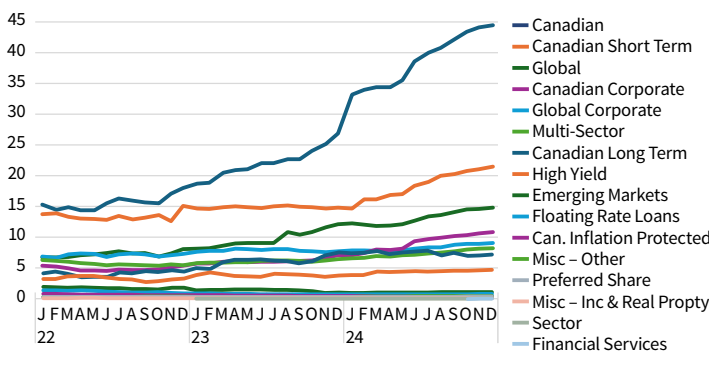
**Fixed-Income ETF Net Assets Distribution, Jan 2022 – Dec 2024 (average \$ in billions)**



Produced by the IIAC with data derived from YCharts.

The distribution of average AUM within fixed income funds demonstrates considerable concentration among key categories. Specifically, the top seven categories out of a total of sixteen account for 91.4% of the overall fixed income portfolio. The top five categories alone comprise nearly three-quarters (77.1%) of the portfolio. Within this leading group, the two largest categories—Canadian Fixed Income funds and Canadian Short Term Fixed Income funds—together represent almost half (48.3%) of the fixed income portfolio, with individual contributions of 30.0% and 18.3%, respectively. Conversely, the smallest five categories collectively contribute less than 1.0%, each individually contributing under 0.4%.

**Fixed-Income ETF Net Assets Trend across Fund Categories, Jan 2022 – Dec 2024 (\$ in billions)**



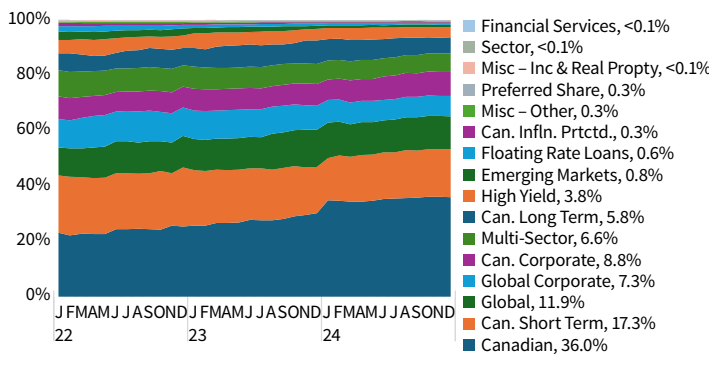
Produced by the IIAC with data derived from YCharts.

Evaluating trends across fixed income fund categories, most sub-categories expanded their AUM over the past three years, except Emerging Markets Fixed Income funds, Floating Rate Loans funds, Canadian Inflation Protected Fixed Income funds, and Miscellaneous – Income and Real Property funds, each of which contracted. Canadian Fixed Income funds led the expansion, increasing significantly by 190.8%. Global Fixed Income funds and Canadian Corporate Fixed Income funds followed with substantial growths of 119.3% and 102.1%, respectively.

However, Miscellaneous – Income and Real Property funds and Canadian Inflation Protected Fixed Income funds contracted, declining by 6.0% and 4.9%, respectively, in the same quarter. Notably, these two sub-categories also contracted over the longer spans of 36 months and 12 months.

The overall fixed income portfolio expanded by 4.8% during the latest quarter, largely driven by Canadian Fixed Income, Canadian Short Term Fixed Income, and Global Fixed Income funds, which increased by 5.5%, 5.9%, and 4.7%, respectively.

**Fixed-Income ETF Net Assets by Fund Category, Jan 2022 – Dec 2024 (percent)**



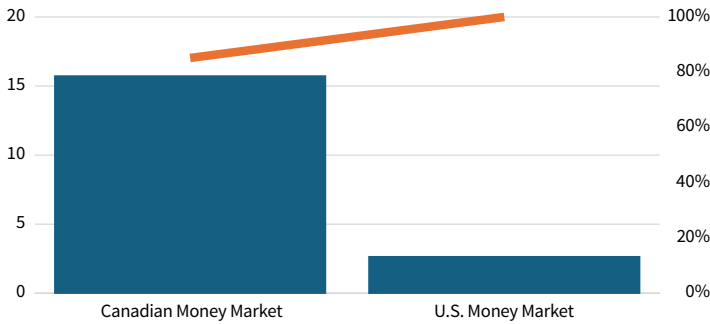
Produced by the IIAC with data derived from YCharts.

Analyzing the dynamics of fixed income categories, the top five categories consistently represented a median of 75.7% of the portfolio over the 36-month period. Comparing contributions from January 2022 to December 2024, Canadian Fixed Income and Global Fixed Income funds increased their shares by 12.9% and 1.8%, respectively.

Conversely, Canadian Short Term Fixed Income funds, Global Corporate Fixed Income funds, and Multi-Sector Fixed Income funds reduced their contributions by 3.4%, 3.0%, and 2.9%, respectively.

# OTHER SEGMENTS ETF COMPONENT DISTRIBUTION

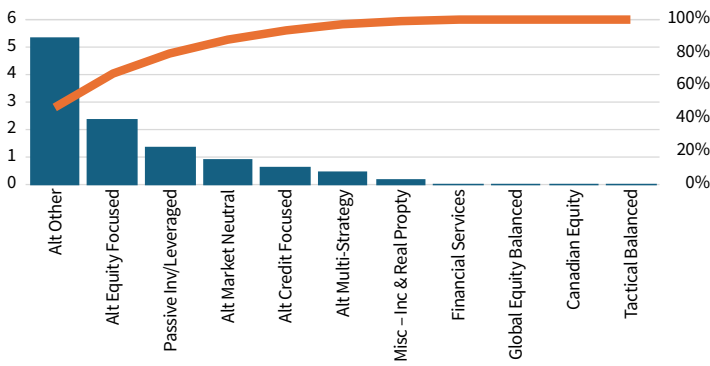
**Money Market ETF Net Assets Distribution, Jan 2022 – Dec 2024 (average \$ in billions)**



Within money market funds, Canadian Money Market funds constitute the majority of the portfolio, representing 85.2% of total AUM. The remaining 14.8% is attributed to U.S. Money Market funds.

Produced by the IIAC with data derived from YCharts.

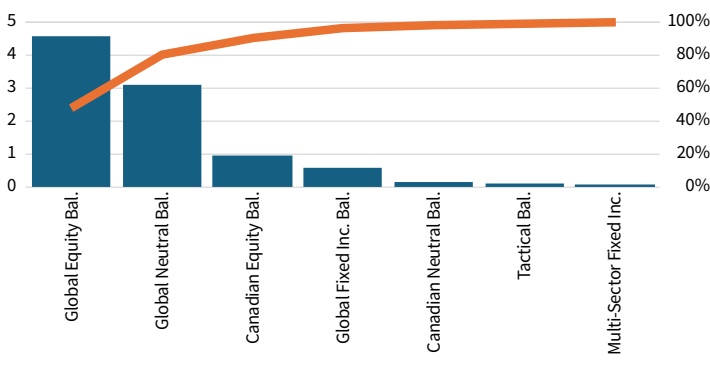
**Alternative Funds ETF Net Assets Distribution, Jan 2022 – Dec 2024 (average \$ in billions)**



Alternative funds exhibit considerable category concentration, with the top five of ten categories accounting for 93.2% of the portfolio. The leading three categories alone—Alternative Other funds (46.5%), Alternative Equity Focused funds (20.9%), and Passive Inverse/Leveraged funds (12.2%)—constitute more than three-quarters (79.5%) of the overall alternative funds portfolio. In stark contrast, the smallest four categories collectively represent less than 0.8%, with individual contributions below 0.4% each.

Produced by the IIAC with data derived from YCharts.

**Allocation Funds ETF Net Assets Distribution, Jan 2022 – Dec 2024 (average \$ in billions)**



Allocation funds similarly show a high degree of concentration. The top four of seven categories represent 96.5% of the overall allocation funds portfolio. The two largest categories—Global Equity Balanced funds and Global Neutral Balanced funds—constitute approximately four-fifths (80.4%) of the allocation funds portfolio, contributing 48.0% and 32.5%, respectively. The three smallest categories collectively account for less than 3.6%, with individual contributions under 1.6% each.

Produced by the IIAC with data derived from YCharts.

# DISCLAIMER

This material is not distributed or intended for investor use.

Any charts, graphs and tables included in this material are for illustrative purposes only. All data, overviews and commentaries are provided for informational purposes only and are not intended as and do not constitute financial, investment, tax, legal or other advice. Please seek professional advice for your particular situation. The Investment Industry Association of Canada (the “IIAC”) does not provide financial, investment, tax, legal or other advice.

This material is not intended to be and should not be considered an offer to sell, a solicitation of an offer to buy, or a recommendation to buy or sell.

Past performance is not a guarantee or reliable indicator of future results. Views expressed in this material are as of the quarter indicated, based on information available at that time, and may change based on economic, market or other conditions. Information contained in this material has been compiled from sources believed to be reliable, but not guaranteed, and no representation or warranty, express or implied, is made by the IIAC with respect to its timeliness or accuracy. The IIAC does not assume any duty to update any of the information in this material.

This material has not been reviewed by and is not registered with any securities or other regulatory authority.

No part of this material may be reproduced in any form, or referred to in any other publication, without the IIAC’s express written permission.

## Comment Please!



The “ETF Report” is produced quarterly by the Investment Industry Association of Canada (IIAC).

We want to hear from you. Send suggestions for future editions and feedback to [publicaffairs\\_affairespublique@iiac.ca](mailto:publicaffairs_affairespublique@iiac.ca).

