

## Canadian ETF Space for Mar 2015 - Highlights

Net issuance across Canada's 10 ETF providers (Questrade joined the fray last month) totalled \$2.76 Billion for March. (Gross inflows: +\$3.3Bn; Total outflows: \$534MM). This included inflows of \$556MM into Canada's largest ETF – XIU.

A more difficult month for markets detracted \$1.25Bn from AUM, which given strong net inflows still climbed to yet another all-time high of \$83.0 Billion.

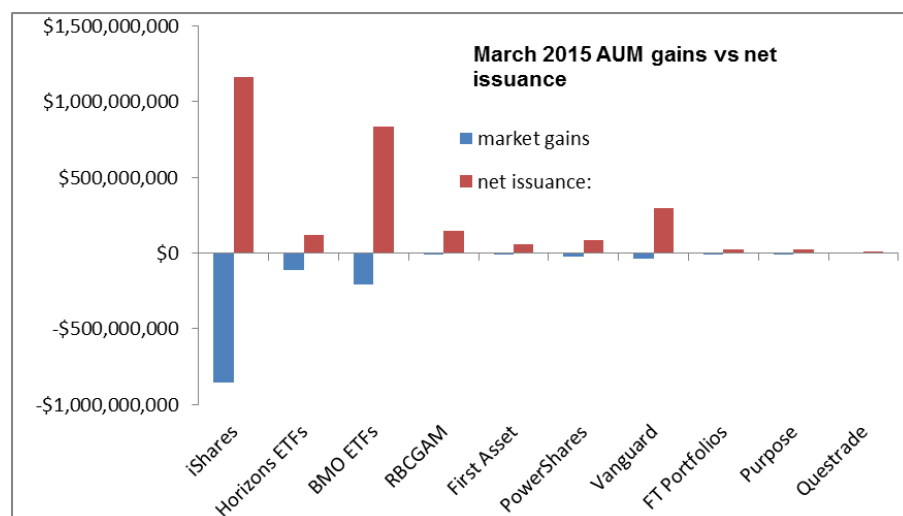
ETF Provider	Net Creations:	Top Creations:	Top Redemptions:
iShares	\$ 1,061.0	XIU; XSI; XBB; XEU; XEF; XSP; XHY; XEH; XC; XLB	XVD; XEG; XGD; XSB; XGB; XDV; XFN; XEM; XMA; XMU
iShares (former Claymore line-up)	\$ 102.7	CBO; CPD; CLF; XQB; CBH; CVD; CDZ; CJP; FIE; CWW	CLO; CRQ; CSD; CUD; CBQ; CPD.A; CMR; CBO.A; CWE.A
Horizons	\$ 121.8	HOU; HND; HXS; HFR; HPR; HGU; HAZ; HBB; HAB; HVU	HUF.U; HXU; HGD; HXD; HOD; HXE; HPU; HPD; HXT; HVI
BMO ETFs	\$ 835.8	ZHY; ZFM; ZPR; ZSP; ZEQ; ZIC; ZEB; ZLB; ZLU; ZEA	ZRR; ZDV; ZCM; ZFL; ZCN; ZUT; ZDJ; ZXB; ZMT; ZJG
RBC GAM ETFs	\$ 144.7	RPD; RID; RHP; RUD; RBO	RQC
First Asset	\$ 58.9	XXM.B; RWE; YXM.B; WXM; UXM.B; ZXM; TXF; NXF.B; RWW	UXM; FLI; XXM; FAI; YXM.D; OXF.A; MXF.A; MXF; NXF.A; CES.V
PowerShares	\$ 83.0	PXU; PSB; PFH; PTB; USB; ULV; PPS; TLV; PDC; QQC;	PGL; PXC; UHB; THB
Vanguard	\$ 299.8	VAB; VXC; VUN; VEF; VCN; VE; VSB; VDU; VUS; VFV	N/A
FT Portfolios	\$ 21.0	FSL;ETP; EUR; FUD; FHH; FHD	FDY
Purpose	\$ 23.1	PBD; PDF; PBI;	PHE
Questrade	\$ 12.0	QMG; QMV; QRT; QRI; QRH; QRD	*(Note: Seed money).

The following table provides a sense of flows for March across the space, by provider and asset class:

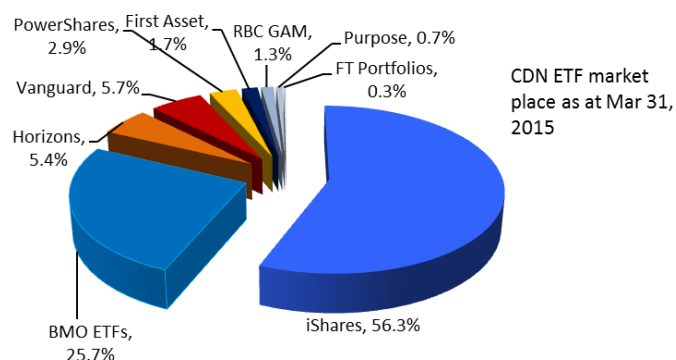
equities	fixed income	preferreds	portfolios	commodities	Mar-15	Flows by Category
\$ 753,044,261	\$ 293,923,751	\$ 6,774,471	\$ 7,270,272	\$ -	\$ 1,061,012,755	ishares
-\$ 8,965,722	\$ 74,497,364	\$ 29,110,885	\$ 8,093,460	\$ -	\$ 102,735,987	ishares claymore
\$ 5,705,300	\$ 35,166,643	\$ 17,639,565	\$ 3,631,573	\$ 59,675,848	\$ 121,818,929	horizons
\$ 485,458,592	\$ 282,237,789	\$ 64,729,213	\$ 3,360,175	\$ -	\$ 835,785,768	bmo etfs
\$ 109,387,398	\$ 35,349,540	\$ -	\$ -	\$ -	\$ 144,736,938	rbc gam etfs
\$ 57,128,115	\$ 516,994	\$ -	\$ 1,269,089	\$ -	\$ 58,914,198	first assets
\$ 116,400,506	\$ 38,479,141	\$ 5,062,175	\$ -	\$ -	\$ 82,983,539	powershares
\$ 222,157,408	\$ 77,655,309	\$ -	\$ -	\$ -	\$ 299,812,717	vanguard
\$ 6,957,918	\$ 7,042,453	\$ -	\$ 6,978,514	\$ -	\$ 20,978,885	ft portfolios canada
\$ 11,865,246	\$ 11,242,000	\$ -	\$ 8,601	\$ -	\$ 23,098,645	purpose
\$ 12,007,577	\$ -	\$ -	\$ -	\$ -	\$ 12,007,577	questrade
\$ 1,771,146,598	\$ 779,152,702	\$ 123,316,308	\$ 30,594,481	\$ 59,675,848	\$ 2,763,885,937	

Strong March, and indeed Q1 2015 inflows are encouraging, and hopefully speak of rising overall sales momentum and uptake (Q1, 2015 inflows: est: \$4.7Bn, vs Q1, 2014 inflows of \$1,0 Bn).

Combining the two, the following provides a visual of the relative contribution of new issuance vs market gains for March:



The resulting market share breakdown to the end of March is shown here:



Of note, Vanguard's continued strong sales momentum has enabled it to now claim 3<sup>rd</sup> place in the ETF industry in Canada, something we pointed out as a distinct near term possibility last month. In the aggregate, we'd offer the observation that there are two areas of strong AUM growth currently in Canada: Low cost broad exposure (Vanguard + iShares "Core" ETFs); and Smart Beta ETFs. Both of these segments are growing at a pace more than twice that of the broader ETF industry, and in the case of Vanguard, at a rate even significantly greater than that (>100% AUM growth y/o/y).

The top 25 ETFs (53.5% of AUM as at Mar 31, 2015) registered strong net creations of \$1.07 Billion (38.6% of overall inflows):

redemption/creation	aum	Month over Month Flows
1 XIU	\$ 11,616,656,100	\$ 556,268,836
2 XSP	\$ 2,757,952,890	\$ 45,746,861
3 ZSP	\$ 2,400,924,558	\$ 57,940,527
4 CBO	\$ 2,293,440,840	\$ 33,550,087
5 XSB	\$ 2,116,206,876	-\$ 20,263,523
6 XIC	\$ 2,031,921,916	\$ 31,044,865
7 XBB	\$ 1,860,454,024	\$ 48,927,915
8 XCB	\$ 1,535,763,332	\$ 22,047,380
9 XDV	\$ 1,437,798,835	-\$ 7,267,661
10 CPD	\$ 1,345,291,668	\$ 32,172,399
11 XRE	\$ 1,301,326,074	\$ 6,892,444
12 ZCN	\$ 1,260,921,659	-\$ 4,076,995
13 XIN	\$ 1,221,376,934	\$ 2,459,470
14 ZHY	\$ 1,210,482,053	\$ 117,476,720
15 ZPR	\$ 1,105,958,948	\$ 64,729,213
16 CDZ	\$ 1,021,284,384	\$ 5,307,769
17 ZWB	\$ 1,005,009,633	\$ 14,763,794
18 CLF	\$ 987,543,872	\$ 23,369,088
19 XFN	\$ 936,726,065	-\$ 6,195,608
20 XEG	\$ 935,225,742	-\$ 40,406,991
21 ZIC	\$ 886,138,515	\$ 51,091,764
22 ZDM	\$ 813,256,487	\$ 9,031,929
23 ZCS	\$ 806,981,008	\$ 1,495,589
24 ZAG	\$ 778,153,752	\$ 27,927,396
25 ZCM	\$ 756,884,156	-\$ 8,376,994

Creations and Redemptions across the 25 ETFs registering the greatest in and out flows in March saw the top 25 enjoying inflows of \$1.83 Billion (66% of all inflows for the month), while ETFs registering the largest outflows suffered redemptions totalling \$453.4MM.

## Top 25 ETFs for March by inflows

	redemption/creation	aum	Month over Month Flows
1	XIU	\$ 11,616,656,100	\$ 556,268,836
2	ZHY	\$ 1,210,482,053	\$ 117,476,720
3	PXJ	\$ 221,210,274	\$ 113,154,055
4	XSI	\$ 147,148,509	\$ 95,132,183
5	ZFM	\$ 217,883,603	\$ 65,120,429
6	ZPR	\$ 1,105,958,948	\$ 64,729,213
7	ZSP	\$ 2,400,924,558	\$ 57,940,527
8	ZEQ	\$ 183,672,981	\$ 54,977,247
9	ZIC	\$ 886,138,515	\$ 51,091,764
10	VAB	\$ 320,060,730	\$ 50,399,305
11	ZEB	\$ 657,801,702	\$ 49,534,710
12	XBB	\$ 1,860,454,024	\$ 48,927,915
13	XEU	\$ 123,483,808	\$ 46,595,357
14	XEF	\$ 338,369,092	\$ 46,395,083
15	PSB	\$ 605,478,992	\$ 46,024,163
16	XSP	\$ 2,757,952,890	\$ 45,746,861
17	XHY	\$ 626,117,668	\$ 40,166,760
18	PFH	\$ 137,202,202	\$ 37,333,719
19	VXC	\$ 131,259,720	\$ 37,048,813
20	ZLB	\$ 504,042,543	\$ 35,171,241
21	VUN	\$ 446,581,744	\$ 35,148,385
22	XEH	\$ 83,989,963	\$ 34,959,460
23	HOU	\$ 191,145,272	\$ 34,153,900
24	CBO	\$ 2,293,440,840	\$ 33,550,087
25	ZLU	\$ 290,044,140	\$ 33,523,997

## Largest 25 in terms of outflows for March

25	CSD	\$ 287,875,898	-\$ 4,405,489
24	HPU.T	\$ -	-\$ 5,052,963
23	XMA	\$ 114,089,022	-\$ 5,141,964
22	CRQ	\$ 205,530,412	-\$ 5,647,046
21	XEM	\$ 260,340,626	-\$ 5,721,100
20	XFN	\$ 936,726,065	-\$ 6,195,608
19	HXE	\$ 19,401,081	-\$ 6,489,011
18	ZFL	\$ 109,112,500	-\$ 6,623,803
17	HOD	\$ 81,105,718	-\$ 7,005,182
16	XDV	\$ 1,437,798,835	-\$ 7,267,661
15	HXD	\$ 62,092,481	-\$ 7,778,435
14	HGD	\$ 18,918,673	-\$ 8,262,075
13	ZCM	\$ 756,884,156	-\$ 8,376,994
12	HXU	\$ 44,737,616	-\$ 8,474,504
11	ZDV	\$ 548,557,874	-\$ 8,691,348
10	HUF.U	\$ 39,786,951	-\$ 9,034,200
9	XGB	\$ 304,211,088	-\$ 11,387,760
8	PXC	\$ 227,418,401	-\$ 12,043,453
7	CLO	\$ 24,317,591	-\$ 16,680,554
6	ZRR	\$ 40,055,984	-\$ 16,964,906
5	XSB	\$ 2,116,206,876	-\$ 20,263,523
4	XGD	\$ 522,072,795	-\$ 21,120,760
3	XEG	\$ 935,225,742	-\$ 40,406,991
2	XWD	\$ 322,594,400	-\$ 52,478,615
1	PGL	\$ 515,957,148	-\$ 151,868,039