

## Canadian ETF Industry Reports \$3 Billion in Sales During Last Quarter

**Toronto – January 16, 2012** – According to the Canadian ETF Association (CETFA), Canadian-listed exchange traded funds continued to show strong sales for the fourth quarter of 2011 (Q4). The latest Quarterly ETF Asset Flow Report shows that the Canadian ETF Industry had nearly \$3 billion in net new sales during Q4, finishing 2011 with more than \$7.6 billion in net new sales.

Despite difficult market conditions in 2011, strong sales helped Canadian ETF assets grow by nearly 13 per cent to slightly more than \$43.1 billion.

Each quarter the CETFA compiles the sales data for the entire Canadian ETF industry. In order to determine net sales, the CETFA looks at the amount of money that is used for net creations, or the creation of new ETF units. If any ETF experiences net creations, it means more units of that ETFs are being bought than sold. If the industry is in net creations, positive sales are occurring. If it is in net redemptions, money is flowing out of the industry.

### Top 10 ETFs

While sales were diversified across a broad spectrum of categories, the top 10 asset gathering ETFs in Q4 accounted for 87 per cent of the net creations for the quarter.

ETF Name	Ticker	Q4 (\$ in millions)	2011 (\$ in millions)
iShares S&P/TSX 60 Index Fund	XIU	\$558	\$899
iShares DEX Universe Bond Index Fund	XBB	\$209	\$287
HBP NYMEX® Natural Gas Bull Plus ETF	HNU	\$207	(\$131)
BMO Aggregate Bond Index ETF	ZAG	\$200	\$267
HBP NYMEX® Crude Oil Bear Plus ETF	HOD	\$151	(\$19)
Claymore 1-5 Yr Laddered Corporate Bond ETF	CBO	\$133	\$259
Claymore 1-5 Yr Laddered Government Bond ETF	CLF	\$132	\$256
iShares DEX All Corporate Bond Index Fund	XCB	\$106	\$177
Claymore S&P/TSX CDN Preferred Share ETF	CPD	\$95	\$260
BMO Covered Call Canadian Banks ETF	ZWB	\$85	\$703

### Income ETFs Lead Sales

The CETFA found that ETFs that paid regular income distributions accounted for more than \$4.4 billion in net creations during 2011, continuing a strong trend amongst Canadian investors for yield-seeking ETFs. Six of the top 10 asset gathering ETFs for Q4 were income-focused ETFs.

Amongst the asset classes, the Fixed Income ETF asset category saw the largest inflows both throughout the year and Q4. There was approximately \$3 billion in net creations in fixed income ETFs during 2011, with \$1.4 billion in net creations occurring in Q4 alone.

Covered Call ETFs, which make regular income distributions, also saw strong inflows, with more than \$1.2 billion in net creations flowing into these ETFs during 2011. The Specialty ETF asset category, which includes covered call ETFs, accounted for \$296 million in net creations during Q4. In fact, the most successful ETF launch in 2011 in terms of sales was a covered call ETF, the BMO Covered Call Canadian Bank ETF, which generated \$703 million in net creations throughout the course of the year.

### **Equity Sales Remain Strong**

New money into Canadian Equity ETFs during 2011 amounted to \$1.3 billion of net creations, with \$595 million of that coming in Q4. Of those Q4 sales, \$558 million flowed into just one ETF, the iShares S&P/TSX 60 Index Fund.

The Dividend Equity and Sector Equity asset classes also saw strong inflows during Q4. Net inflows into Dividend Equity increased \$112 millions during the course of Q4, while Sector Equity ETFs earned even twice that with more than \$240 million in net creations during the same period.

### **About the CETFA**

The Canadian ETF Association is the national body of exchange traded fund providers. Canadian investors have over \$40 billion invested in more than 200 Canadian-listed ETFs. As ETF usage continues to grow in Canada, the CETFA will seek to educate Canadians on the appropriate usage of exchange traded funds, as well as work proactively with members and regulators to ensure the ETF industry adopts best practice standards.

The CETFA was founded by three Canadian ETF providers: BMO ETFs, Claymore Investments Inc., and Horizons Exchange Traded Funds Inc. Membership in CETFA is open to all Canadian ETF providers.

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