

Monday, May 13, 2024

ScotiaRED

ETF EDGE

YOUR CANADIAN ETF SNAPSHOT: WEEK ENDING MAY 10

Notable Weekly Market News

- **Actively managed MFs left behind:** Active mutual funds experienced outflows of more than \$50bn in the first three months of the year, per Morningstar Direct. Instead, investors are focusing on strategies that track an index over those that select stocks, particularly ETFs.
- **1,000 MFs terminated in past decade:** Mutual funds are being extinguished at a faster pace than new launches as trillions of dollars continue to drain from the products in favor of exchange-traded vehicles.
- **ESMA Reviewing UCITS-eligible assets:** European Securities and Markets Authority (ESMA) launched a review of the UCITS Eligible Assets Directive, looking into eligibility of assets including structured and leveraged loans, AT1 bonds, commodities, crypto assets, and emission allowances.
- **European ETF retail adoption faces challenges:** Euroclear's latest whitepaper said the planned ban on payment for order flow and high trading fees could hinder retail uptake of ETFs as issuers continue to jostle for position in the market.
- **Global ETF industry surges ahead of global hedge fund industry:** As of the end of Q1/24, assets invested in the global ETFs industry have surged ahead of the global hedge fund industry by a staggering US\$8.40 trillion. During Q1/24, hedge funds gathered \$16.57B while ETFs took in \$397.61 billion.
- **ESG bleeds?** ESG-focused ETFs experienced their largest net outflows ever recorded in one month: \$4.6 billion.

Last Week's Canadian ETF Market Summary (Detailed stats in attached PDF)

Canadian ETF Weekly Snapshot

40

ETF Providers
(+5% YoY)

1384

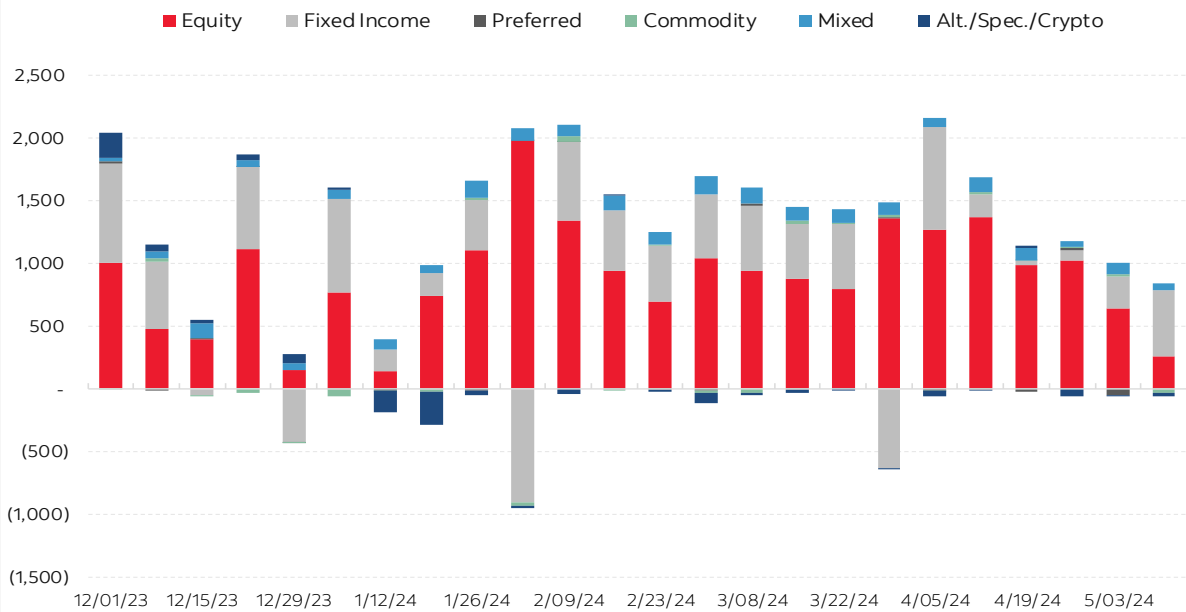
ETFs
(+17% YoY)

\$466B

CAD AUM
(+26% YoY)

\$13.1B

Traded
(Last Week)

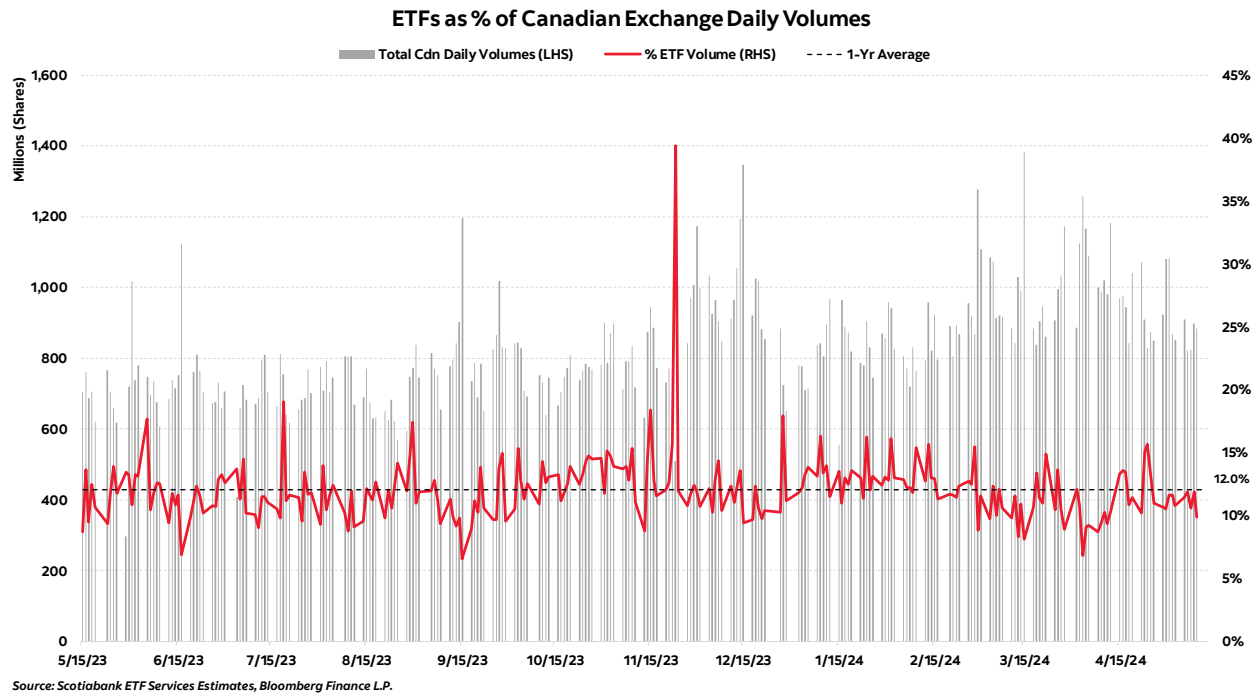


Source: Scotiabank ETF Services Estimates, Bloomberg Finance L.P.

Data is specific to Canadian-listed ETFs only

Weekly Creation/Redemption by Asset Class

	\$ Traded (CAD M)	Short Int (% of SO)	AUM (CAD M)	Net C/R (CAD M)	Net C/R (% AUM)		
					1-Week	1-Month	1-Year
Fixed Income	2,178.2	0.2%	105,996	465.2	0.4%	1.9%	18.7%
Equity	8,615.3	0.7%	303,629	253.3	0.1%	1.1%	12.4%
Cash	1,011.6	0.5%	21,290	70.2	0.3%	-4.8%	10.6%
Mixed Allocation	282.0	0.0%	16,668	51.4	0.3%	1.9%	26.6%
Specialty/Alternative	62.5	0.4%	3,112	-2.5	-0.1%	0.2%	-1.9%
Preferreds	92.2	1.2%	6,409	-10.6	-0.2%	-1.2%	-5.2%
Commodity	571.9	0.3%	3,012	-22.4	-0.8%	0.1%	-2.2%
Cryptocurrency	267.1	0.3%	5,792	-26.7	-0.4%	-1.1%	23.4%
Total	13,080.8	0.5%	465,906	777.9	0.2%	0.9%	13.9%



New ETF Products

Weekly New ETF Prelim Filings		
Approval Date	Fund Manager	ETF
May 6, 2024	Hamilton ETFs	Hamilton REITs Yield Maximizer ETF (RMAX)
Weekly New ETF Launches		
Launch Date	Fund Manager	ETF
May 7, 2024	CI Investments Inc.	CI Global Artificial Intelligence ETF (CIAI)

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