

August 2018 – The Season for Canadian Equity

- Canadian ETFs attracted nearly \$3 billion in flows in August, the second highest month of 2018 so far
- In a reversal from past months, Canadian equity had high inflows, as did corporate fixed income
- Structural changes at Invesco and Purpose shift the numbers, but natural ETF buying continues
- Ten new ETFs entered the market, bringing total assets to \$164 bln and the number of products to 750

Summary: (Table 1) Canadian ETFs had an inflow of \$2.8 billion in August, bringing total assets close to \$164 billion. Canadian equity flows were buoyed by creations in XIU, as well as some low-cost index tracking products, dividend strategies and the gold sector. Some inflow and AUM figures may have been slightly skewed by structural changes taking place at Invesco and Purpose. In the case of Invesco, the large mutual fund company is adopting its ETFs as the underlying for some of its traditional mutual funds, while Purpose is augmenting its ETF lineup by converting a number of closed-end funds into new or existing ETFs (fund conversions are reflected in AUM figures, but not flows). At the same time, investors are naturally clamouring for fixed income ETFs of almost every flavour, including both passive and active. See our Thematic ETF Research Report, *A Close Look at Actively Managed Fixed Income ETFs* published on August 21st ([link](#)).

August ETF Flow: Tables 2 - 17

Table 3 (next page) breaks down August's \$1.9 billion in equity flows by region. Outside of XIU's \$659 million inflow, other Canadian equity ETFs in demand include dividends (PDC), broad composite (ZCN) and some sectors. In fact, August 2018 had the highest Canadian equity flows of the year; a fact made more remarkable by the comparatively low U.S. and International flows (Chart 2). Sector ETFs in particular pulled in \$348 million (Table 4), led by financials and basic materials, which includes gold (XGD), though energy had a mild outflow.

On the fixed income side, new assets flowed evenly into a broad suite of products and categories, although Canadian corporates took in the highest dollar figures (Table 6), with foreign bonds growing the fastest in percentage terms. All told, \$835 million flowed into fixed income ETFs in August, with short-term and ultra-short term flows combining to nearly half a billion dollars, highlighting possible rate hike concerns on the part of ETF investors.

Breaking down by product (Table 8), we see that XIU's flows dominate, but several Canadian equity ETFs trend in the same direction, with low-cost alternatives ZCN from BMO, VCN from Vanguard and HXT from Horizons (swap-based) appearing in the top 15. The dollar figures in the outflow column are much smaller by comparison (Table 9), and we observe institutional outflows from XQB (iShares High Quality Canadian Bond) and structural redemptions from PGL (Invesco Long Term Government Bond) in the top spots.

	AUM (\$M)	Mkt Shr (%)	August 2018		Jan-Aug 2018	
			Flow \$M	Flow/AUM	Flow \$M	Flow/AUM
Equity	\$106,406		\$1,873	1.8%	\$8,969	10%
Canada	\$42,072	26%	\$1,273	3.1%	\$907	2%
United States	\$34,541	21%	\$293	0.9%	\$2,831	10%
International	\$29,794	18%	\$307	1.0%	\$5,231	21%
Fixed Income	\$52,992	32%	\$835	1.6%	\$4,124	8%
Commodities	\$616	0%	-\$13	-2.0%	-\$9	-1%
Multi-Asset	\$2,950	2%	\$132	4.7%	\$918	46%
Inverse / Levered	\$873	1%	-\$11	-1.2%	-\$180	-16%
Total	\$163,837	100%	\$2,816	1.8%	\$13,822	9%

*Equity Flows include option strategies; Source: National Bank of Canada, Bloomberg

Chart 1: Canadian ETF Flows by Month

Source: National Bank Financial, Bloomberg

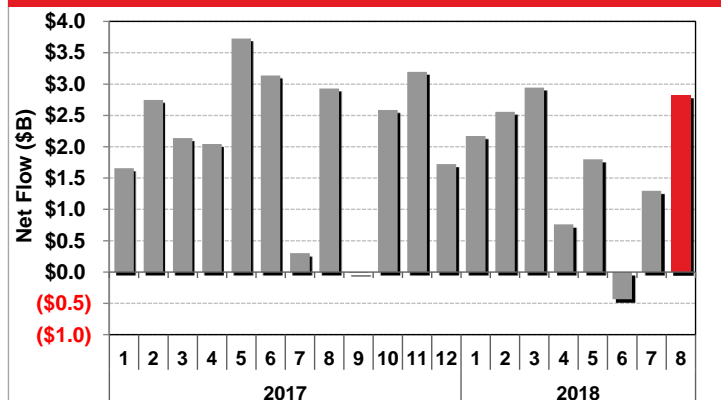


Chart 2: Equity ETF Flow by Geography

Source: National Bank of Canada, Bloomberg

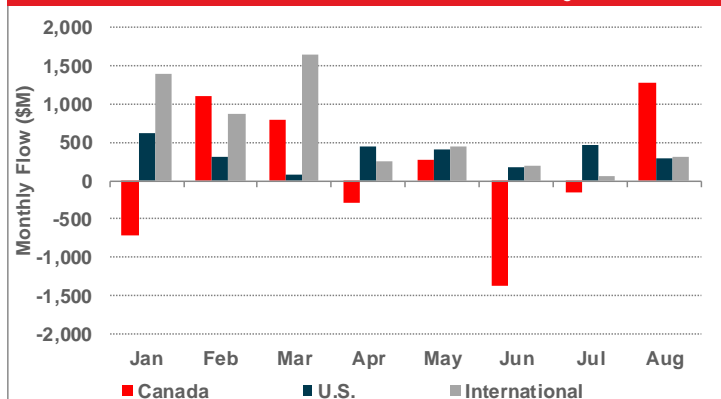


Table 2 - ETF Flows by Category - August 2018

Asset Class	AUM (\$M)	Mkt Shr	Flow (\$M)	Flow/AUM
Equity	\$106,406	65%	\$1,873	1.8%
Fixed Income	\$52,992	32%	\$835	1.6%
Commodities	\$616	0%	-\$13	-2.0%
Multi-Asset	\$2,950	2%	\$132	4.7%
Inverse / Levered	\$873	1%	-\$11	-1.2%
Total	\$163,837	100%	\$2,816	1.8%

*Equity Flows include option strategies; Source: National Bank of Canada, Bloomberg

Table 3 - Equity ETF Flows by Geography - August 2018

Geography	AUM (\$M)	Mkt Shr	Flow (\$M)	Flow/AUM
Canada	\$42,072	40%	\$1,273	3.1%
United States	\$34,541	32%	\$293	0.9%
DM: Broad	\$12,024	11%	\$135	1.1%
DM: Regional & Country	\$6,434	6%	-\$1	0.0%
Emerging Markets	\$3,582	3%	-\$74	-2.0%
Global	\$7,755	7%	\$247	3.3%
Total	\$106,406	100%	\$1,873	1.8%

*Equity Flows include option strategies; Source: National Bank of Canada, Bloomberg

Table 4 - Equity ETF Flows by Sector* - August 2018

Sector	AUM (\$M)	Mkt Shr	Flow (\$M)	Flow/AUM
Financials	\$7,466	48%	\$210	2.9%
Real Estate	\$2,477	16%	\$25	1.1%
Energy	\$1,321	9%	-\$24	-1.7%
Basic Materials	\$1,138	7%	\$110	9.4%
Health Care	\$1,016	7%	\$29	3.1%
Utilities	\$1,002	6%	\$9	0.9%
Technology	\$641	4%	\$10	1.6%
Other	\$372	2%	-\$21	-5.3%
Total	\$15,433	100%	\$348	2.3%

*Includes all geo focuses and Covered Call Strategies; Source: NBF, Bloomberg

Table 8 - Top Single Long ETF Inflows - August 2018

Rank	Ticker	Name	Flow (\$M)	Flow/AUM
1	XIU	iShares S&P/TSX 60 Index ETF	\$659	7%
2	PSB	Invesco 1-5 Year Laddered I.G. Corp Index ETF	\$343	65%
3	PDC	Invesco Canadian Dividend Index ETF	\$295	84%
4	ZCN	BMO S&P/TSX Capped Composite Index ETF	\$128	3%
5	XFN	iShares S&P/TSX Capped Financials Index ETF	\$124	12%
6	ZSP	BMO S&P 500 Index ETF	\$124	2%
7	ZEA	BMO MSCI EAFE Index ETF	\$123	5%
8	XGD	iShares S&P/TSX Global Gold Index ETF	\$106	15%
9	XLB	iShares Core Canadian Long Term Bond Index E	\$94	26%
10	PSA	Purpose High Interest Savings ETF	\$83	12%
11	FSF	First Asset Global Financial Sector ETF	\$68	116%
12	HXT	Horizon S&P/TSX 60 Index ETF	\$65	3%
13	VCN	Vanguard FTSE Canada All Cap Index ETF	\$60	4%
14	MFT	Mackenzie Floating Rate Income ETF	\$56	10%
15	PXC	Invesco FTSE RAFI Canadian Ind	\$54	21%

Source: National Bank of Canada, Bloomberg

Table 5 - Equity ETF Flows by Focus - August 2018

Focus	AUM (\$M)	Mkt Shr	Flow (\$M)	Flow/AUM
Cap-weighted	\$60,839	57%	\$1,140	1.9%
Dividend / Income	\$15,825	15%	\$282	1.8%
Factor: Low Vol	\$5,596	5%	\$30	0.5%
Factor: Multi-factor	\$2,211	2%	\$35	1.6%
Factor: Fundamental	\$2,620	2%	\$5	0.2%
Sector	\$15,433	15%	\$348	2.3%
Thematic	\$2,591	2%	\$24	1.0%
Other	\$1,291	1%	\$9	0.7%
Total	\$106,406	100%	\$1,873	1.8%

*Equity Flows include option strategies; Source: National Bank of Canada, Bloomberg

Table 6 - Fixed Income ETF Flows by Type - August 2018

Type	AUM (\$M)	Mkt Shr	Flow (\$M)	Flow/AUM
Canada Aggregate	\$13,710	26%	\$126	0.9%
Canada Government	\$6,860	13%	-\$41	-0.6%
Canada Corporate	\$12,251	23%	\$348	2.9%
U.S. / North America	\$4,757	9%	\$35	0.7%
Foreign	\$2,147	4%	\$170	8.5%
Sub-Investment Grade	\$4,830	9%	\$72	1.6%
Preferred/Convertible	\$8,438	16%	\$125	1.5%
Total	\$52,992	100%	\$835	1.6%

Source: National Bank of Canada, Bloomberg

Table 7 - Fixed Income ETF Flows by Maturity - August 2018

Maturity	AUM (\$M)	Mkt Shr	Flow (\$M)	Flow/AUM
Broad/Mixed	\$24,286	46%	\$356	1.5%
Ultra Short Term	\$4,349	8%	\$130	3.2%
Short Term	\$16,305	31%	\$362	2.3%
Mid Term	\$4,745	9%	-\$4	-0.1%
Long Term	\$2,204	4%	\$54	2.5%
Real Return	\$557	1%	-\$1	-0.1%
Target Maturity	\$546	1%	-\$60	-10.0%
Total	\$52,992	100%	\$835	1.6%

Source: National Bank of Canada, Bloomberg

Table 9 - Top Single Long ETF Outflows - August 2018

Rank	Ticker	Name	Flow (\$M)	Flow/AUM
1	XQB	iShares High Quality Canadian Bond Index ETF	-\$99	-16%
2	PGL	Invesco Long Term Government Bond Index ETF	-\$67	-13%
3	ZCH	BMO China Equity Index ETF	-\$65	-48%
4	XBB	iShares Core Canadian Universe Bond Index ETF	-\$58	-2%
5	HXH	Horizons Cdn High Dividend Index ETF	-\$49	-16%
6	CDZ	iShares S&P/TSX Canadian Dividend Aristocrats	-\$48	-5%
7	ZIC	BMO Mid-Term US IG Corporate Bond Index ETF	-\$41	-3%
8	RBO	RBC 1-5 Year Laddered Corporate Bond ETF	-\$40	-16%
9	XIC	iShares Core S&P/TSX Capped Composite	-\$36	-1%
10	ZMP	BMO Mid Provincial Bond Index ETF	-\$28	-4%
11	HXS	Horizons S&P 500 Index ETF	-\$27	-4%
12	XFR	iShares Floating Rate Index ETF	-\$26	-4%
13	XWD	iShares MSCI World Index ETF	-\$26	-4%
14	XEG	iShares S&P/TSX Capped Energy Index ETF	-\$22	-2%
15	ZWB	BMO Covered Call Canadian Banks ETF	-\$20	-1%

Source: National Bank of Canada, Bloomberg

YTD Flows (Jan - Aug): Tables 10 - 17

In 2018 so far, investors have poured \$13.8 billion into new ETF assets (Table 10, next page). Despite some spiking volatility at the start of the year, equity ETFs account for the majority of the new money. Table 11 (next page) shows that within the equity category, international developed and emerging market regions are selling the fastest. Of the \$4 billion created in bond ETFs, Table 14 shows that new assets are flowing evenly into three main areas: 1) low-cost aggregate products for pure and broad exposure 2) preferred shares, mainly actively managed, and 3) foreign or "global" bond ETFs, many of them also active. See our August report, *A Close Look at Actively Managed Fixed Income ETFs* ([link](#)) for a deeper dive into this space.

Low-cost, passive cap-weighted ETFs dominate the year-to-date inflow leaderboard, Table 16. Outside of the structural apparent inflow into ZWP (BMO Europe High Dividend Covered Call), top products ZCN, ZSP and VCN, all charge less than 10 bps in MER. It's interesting to note that despite the seeming race to zero, assets can still flow to certain higher-priced pockets of the market, either in the case of a well-respected brand for active management (e.g, PIMCO and PMIF's inflows) or a niche sub-sector of the market that's buzzing with sentiment (HMMJ, Horizons Marijuana Life Sciences Index ETF).

Table 10 - ETF Flows by Category - Jan-Aug 2018

Asset Class	AUM (\$M)	Mkt Shr	Flow (\$M)	Flow/AUM
Equity	\$106,406	65%	\$8,969	10%
Fixed Income	\$52,992	32%	\$4,124	8%
Commodities	\$616	0%	-\$9	-1%
Multi-Asset	\$2,950	2%	\$918	46%
Inverse / Leveraged	\$873	1%	-\$180	-16%
Total	\$163,837	100%	\$13,822	9%

*Equity Flows include option strategies; Source: National Bank of Canada, Bloomberg

Table 11 - Equity ETF Flows by Geography - Jan-Aug 2018

Geography	AUM (\$M)	Mkt Shr	Flow (\$M)	Flow/AUM
Canada	\$42,072	40%	\$907	2%
United States	\$34,541	32%	\$2,831	10%
DM: Broad	\$12,024	11%	\$1,271	12%
DM: Regional & Country	\$6,434	6%	\$1,892	41%
Emerging Markets	\$3,582	3%	\$828	29%
Global	\$7,755	7%	\$1,240	20%
Total	\$106,406	100%	\$8,969	10%

*Equity Flows include option strategies; Source: National Bank of Canada, Bloomberg

Table 12 - Equity ETF Flows by Sector* - Jan-Aug 2018

Sector	AUM (\$M)	Mkt Shr	Flow (\$M)	Flow/AUM
Financials	\$7,466	48%	\$618	9%
Real Estate	\$2,477	16%	-\$180	-7%
Energy	\$1,321	9%	-\$215	-14%
Basic Materials	\$1,138	7%	\$44	3%
Health Care	\$1,016	7%	\$77	9%
Utilities	\$1,002	6%	\$104	11%
Technology	\$641	4%	\$142	35%
Other	\$372	2%	\$12	4%
Total	\$15,433	100%	\$602	4%

*Includes all geo focuses and Covered Call Strategies; Source: NBF, Bloomberg

Table 16 - Top ETF Inflows - Jan-Aug 2018

Rank	Ticker	Name	Flow (\$M)	Flow/AUM
1	ZWP*	BMO Europe High Dividend Covered Call ETF	\$1,097	NA
2	ZCN	BMO S&P/TSX Capped Composite Index ETF	\$763	24%
3	ZSP	BMO S&P 500 Index ETF	\$673	17%
4	VCN	Vanguard FTSE Canada All Cap Index ETF	\$454	40%
5	PMIF	PIMCO Monthly Income Fund CAD-H	\$440	160%
6	XEF	iShares Core MSCI EAFE IMI Index ETF	\$425	27%
7	HMMJ	Horizons Marijuana Life Sciences Index ETF	\$389	78%
8	PDC	Invesco Canadian Dividend Index ETF	\$382	138%
9	VAB	Vanguard Canadian Aggregate Bond Index ETF	\$372	28%
10	VGRO	Vanguard Growth ETF Portfolio	\$370	NA
11	MFT	Mackenzie Floating Rate Income ETF	\$354	130%
12	ZEA	BMO MSCI EAFE Index ETF	\$338	17%
13	HFR	Horizons Active Floating Rate Bond ETF	\$307	73%
14	VUN	Vanguard US Total Market Index ETF	\$299	29%
15	RPF	RBC Canadian Preferred Share ETF	\$286	41%

*Structural inflow into ZWP as it was wrapped under ZWE upon launch; Source: National Bank of Canada, Bloomberg

Table 13 - Equity ETF Flows by Focus - Jan-Aug 2018

Focus	AUM (\$M)	Mkt Shr	Flow (\$M)	Flow/AUM
Cap-weighted	\$60,839	57%	\$5,306	10%
Dividend / Income	\$15,825	15%	\$1,245	8%
Factor: Low Vol	\$5,596	5%	\$358	7%
Factor: Multi-factor	\$2,211	2%	\$426	25%
Factor: Fundamental	\$2,620	2%	-\$284	-10%
Sector	\$15,433	15%	\$602	4%
Thematic	\$2,591	2%	\$1,029	70%
Other	\$1,291	1%	\$288	31%
Total	\$106,406	100%	\$8,969	10%

*Equity Flows include option strategies; Source: National Bank of Canada, Bloomberg

Table 14 - Fixed Income ETF Flows by Type - Jan-Aug 2018

Type	AUM (\$M)	Mkt Shr	Flow (\$M)	Flow/AUM
Canada Aggregate	\$13,710	26%	\$1,351	11%
Canada Government	\$6,860	13%	\$159	2%
Canada Corporate	\$12,251	23%	-\$245	-2%
U.S. / North America	\$4,757	9%	\$727	18%
Foreign	\$2,147	4%	\$1,040	90%
Sub-Investment Grade	\$4,830	9%	\$22	0%
Preferred/Convertible	\$8,438	16%	\$1,070	15%
Total	\$52,992	100%	\$4,124	8%

Source: National Bank of Canada, Bloomberg

Table 15 - Fixed Income ETF Flows by Maturity - Jan-Aug 2018

Maturity	AUM (\$M)	Mkt Shr	Flow (\$M)	Flow/AUM
Broad/Mixed	\$24,286	46%	\$3,017	14%
Ultra Short Term	\$4,349	8%	\$1,317	46%
Short Term	\$16,305	31%	\$51	0%
Mid Term	\$4,745	9%	-\$305	-6%
Long Term	\$2,204	4%	\$84	4%
Real Return	\$557	1%	\$71	15%
Target Maturity	\$546	1%	-\$111	-17%
Total	\$52,992	100%	\$4,124	8%

Source: National Bank of Canada, Bloomberg

Table 17 - Top ETF Outflows - Jan-Aug 2018

Rank	Ticker	Name	Flow (\$M)	Flow/AUM
1	XIU	iShares S&P/TSX 60 Index ETF	-\$777	-7%
2	ZDV	BMO Canadian Dividend ETF	-\$387	-44%
3	CBO	iShares 1-5 Year Laddered Corp Index ETF	-\$357	-22%
4	XRE	iShares S&P/TSX Capped REIT Index ETF	-\$257	-19%
5	ZCS	BMO Short Corporate Bond Index ETF	-\$235	-14%
6	HNU	BetaPro Natural Gas 2x Daily B	-\$215	-73%
7	XIC	iShares Core S&P/TSX Capped Composite	-\$195	-5%
8	ZMU	BMO Mid-Term US IG Corp CAD-H Index ETF	-\$187	-35%
9	ZCM	BMO Mid Corporate Bond Index ETF	-\$181	-13%
10	XCB	iShares Canadian Corporate Bond Index ETF	-\$180	-10%
11	ZEQ	BMO MSCI Europe High Quality CAD-H Index ET	-\$177	-39%
12	CDZ	iShares S&P/TSX Canadian Dividend Aristocrats	-\$177	-16%
13	XEG	iShares S&P/TSX Capped Energy Index ETF	-\$166	-16%
14	XHY	iShares US High Yield Bond Index ETF CAD-H	-\$136	-21%
15	CLF	iShares 1-5 Year Laddered Govt Index ETF	-\$120	-15%

Flows by Provider & New Launches: Table 18

In August, the largest four ETF providers: iShares, BMO, Vanguard and Horizons, each logged 1-2% growth by new assets, ranging from \$127 million to \$868 million in dollar amounts.

Invesco had a large (\$632 million, or 18% of beginning assets) structural inflow, primarily into its 1-5 Year laddered I.G. Corp (PSB) and Canadian Dividend (PDC) ETFs.

Purpose's ETF assets increased by \$320 million or 15%, partially due to several fund conversions or mergers into hedged/non-hedge/USD units of FLOT, RPU and PRA.

New Launches: Table 19

Ten new ETFs were launched in August 2018:

Horizons Active Emerging Markets Bond ETF (HEMB): is actively managed by two sub-advisor firms to invest in Emerging Markets debt securities. Fiera Capital oversees the portfolio strategy and asset allocation, and security selection of sovereign bonds (about 80% of the portfolio). Horizons's parent company Mirae Asset Global Investments (USA) oversees the security selection of the corporate issuances (about 20% of the portfolio).

Horizons Balanced TRI ETF Portfolio (HBAL): targets a long-term asset allocation of about 70/30 in equity securities and fixed income, respectively, rebalanced semi-annually. HBAL gains the exposure by investing in other swap-based Horizons Total Return Index ETFs. The ETF does not charge a "bundling" fee, but there is a maximum MER of 17 bps from the underlying ETFs.

Horizons Conservative TRI ETF Portfolio (HCON): targets a long-term asset allocation of about 50/50 in equity securities and fixed income, respectively, rebalanced semi-annually. HCON gains the exposure by investing in other swap-based Horizons Total Return Index ETFs. The ETF does not charge a "bundling" fee and has a maximum MER of 18 bps from the underlying ETFs.

Wisdomtree Japan Equity Index ETF (JAPN and JAPN/B): invests in dividend-paying Japanese companies that derive less than 80% of their revenue from sources in Japan. The Index tilts towards companies with a more significant global revenue base. JAPN hedges the currency exposure while JAPN/B is non-hedged. WisdomTree has a similar product in the U.S. (DXJ) that is quite popular as a tactical tool.

Wisdomtree ICBCCS S&P China 500 Index (CHNA/B): invests in 500 of the largest, most liquid Chinese companies while approximating the sector composition of the broader Chinese equity market. All Chinese share classes, including A-shares and offshore listings are eligible for inclusion.

Purpose Floating Rate Income Fund (FLOT, FLOT/B and FLOT/U): on August 7th, Purpose converted its Floating Rate Income Fund from closed-end fund (FLOT.UN and FLOT/U) to ETF units (FLOT and FLOT/U respectively). A new non-currency hedged unit (FLOT/B) also commenced trading. The fund is actively managed by Neuberger Berman Investment Advisors and invests primarily in floating rate debt securities, short-term debt securities, high yield debt securities, and asset-backed and mortgage backed securities.

Table 18 - ETF Flows by Provider - August 2018

Provider	AUM (\$M)	Mkt Shr (%)	August 2018		Jan-Aug 2018	
			Flow (\$M)	Flow/AUM	Flow (\$M)	Flow/AUM
1 BlackRock iShares	\$60,434	36.9%	\$868	1%	\$181	0%
2 BMO	\$50,726	31.0%	\$384	1%	\$3,148	7%
3 Vanguard	\$17,573	10.7%	\$399	2%	\$3,354	24%
4 Horizons	\$10,602	6.5%	\$127	1%	\$1,330	15%
5 RBC	\$5,089	3.1%	-\$96	-2%	\$297	6%
6 First Asset	\$4,568	2.8%	\$100	2%	\$654	17%
7 Invesco	\$4,143	2.5%	\$632	18%	\$643	18%
8 Mackenzie	\$2,902	1.8%	\$119	4%	\$1,573	121%
9 Purpose	\$2,552	1.6%	\$102	5%	\$568	33%
10 PIMCO	\$750	0.5%	\$54	8%	\$465	156%
11 AGF	\$728	0.4%	\$4	0%	\$360	106%
12 WisdomTree	\$676	0.4%	\$27	4%	\$283	74%
13 Harvest	\$589	0.4%	\$6	1%	\$126	29%
14 Franklin Templeton	\$559	0.3%	\$53	11%	\$287	118%
15 First Trust	\$425	0.3%	\$6	1%	-\$27	-6%
16 Desjardins	\$340	0.2%	-\$2	-1%	\$224	172%
17 Manulife	\$298	0.2%	-\$6	-2%	\$27	11%
18 Evolve Funds	\$267	0.2%	\$28	12%	\$175	196%
19 Hamilton Capital	\$254	0.2%	\$3	1%	\$157	161%
20 Lysander	\$116	0.1%	\$2	1%	\$26	29%
21 Brompton Group	\$88	0.1%	\$0	0%	-\$3	NA
22 TDAM	\$79	0.0%	-\$1	-2%	-\$57	-43%
23 Auspice	\$23	0.0%	\$0	0%	-\$4	-16%
24 Bristol Gate	\$23	0.0%	\$5	32%	\$22	NA
25 Equium Capital	\$13	0.0%	\$1	9%	\$5	73%
26 Scotia Bank	\$8	0.0%	\$0	0%	\$8	NA
27 Arrow Capital	\$8	0.0%	\$3	45%	\$4	78%
28 Galileo	\$4	0.0%	\$0	0%	\$0	0%
Total Displayed*	\$163,837	100.0%	\$2,816	2%	\$13,826	9%

*Excludes \$4 mln Excel Funds exit flows; Source: National Bank of Canada, Bloomberg

Vanguard FTSE Developed ex North America High Dividend Yield Index ETF (VIDY) tracks the FTSE index and invests in high dividend stocks in developed markets outside Canada and U.S. The Index is market cap-weighted. It provides exposure to a range of industry sectors other than real estate and related sectors, such as REITs.

Table 19 - New Launches - August 2018

Name	Ticker	Inception	Assets (\$M)	Est. MER (%)	Type	Note
Horizons Active Emerging Markets Bond ETF	HEMB	2018-08-01	24.1	0.62	Fixed Income	CAD-Hedged
Horizons Balanced TRI ETF Portfolio	HBAL	2018-08-02	5.1	0.18*	Multi-Asset	ETF of ETFs
Horizons Conservative TRI ETF Portfolio	HCON	2018-08-02	5.1	0.17*	Multi-Asset	ETF of ETFs
Wisdomtree Japan Equity Index ETF	JAPN	2018-08-03	2.5	0.58	Equity	CAD-Hedged
Wisdomtree Japan Equity Index ETF	JAPN/B	2018-08-03	2.5	0.54	Equity	
Wisdomtree ICBCCS S&P China 500 Index	CHNA/B	2018-08-03	2.4	0.62	Equity	
Purpose Floating Rate Income Fund	FLOT	2018-08-07	130.5	0.96	Fixed Income	CAD-Hedged
Purpose Floating Rate Income Fund	FLOT/B	2018-08-07	1.0	0.96	Fixed Income	
Purpose Floating Rate Income Fund	FLOT/U	2018-08-07	19.9	0.96	Fixed Income	U.S. dollar unit
Vanguard FTSE Dev. ex North Am High Div Yld	VIDY	2018-08-28	7.5	0.32	Equity	

*The underlying swap-based Total Return Index ETFs also pay a swap-fee; Source: National Bank of Canada, SEDAR, ETF Providers

Appendix 1 - Glossary

AUM (Assets Under Management): AUM is expressed in local currency, which is the Canadian dollar for the purpose of this report.

Market Share / AUM (%): AUM as % of category total AUM on the last line of the table.

Flow: The net dollar amount of fund creations and redemptions for the period based on daily NAV and the change in Shares Outstanding. Flows are expressed in local currency, which is the Canadian dollar for the purpose of this report.

MER (Management Expense Ratio): Manager's 2017 annual fee for managing and administering the fund, expressed as a percentage of total fund value. In most cases this includes fees from investing in other ETFs. Where audited MER is unavailable or if the fee has been significantly reduced recently, the MER is estimated using the Stated Management Fee and sales tax.

Canadian MER does not include trading commissions incurred by the ETF, nor does it include trading expenses (such as swap or forward fees). An asterisk (*) indicates that the fund pays additional expenses such as swap or forward fees, which are normally reported under trading expenses. The asterisk can also indicate that the fund charges a performance fee. Data are sourced from annual fillings.

NAV (Net Asset Value per share): ETF price is used when NAV is not available.

Flow/AUM (Flow as % AUM): Flow as a percentage of assets under management from the beginning of the period

All numbers are as of last month's final business day.

Appendix 2 - Equity ETF Categories

We group Equity ETFs into the categories below. These groupings follow NBF's discretion and can differ from the ETF Provider's definition and classification from other sources.

Cap-Weighted: A fund that weights securities based on the total or float-adjusted market capitalization of each security.

Dividend/Income: A fund with primary goal of providing income. We classify a fund as belonging to the Income category when its strategy focuses on providing income, or the fund self-identifies as using an income strategy even though it may incorporate other factors in addition to income.

Fundamental: A fund that selects and/or weights securities based on fundamental metrics from a company's financial statements such as balance sheet. Strategies include Value, Growth, Quality, RAFI Fundamental, Earnings, etc.

Low Vol or Risk: A fund that aims to achieve reduced portfolio volatility, either by screening for low volatility stocks, low beta stocks and/or minimizing the portfolio volatility.

Multi-Factor: ETFs that consider more than one NBF-defined factor including Income, Fundamental, Risk and Momentum.

Sector: ETFs that provide exposure to broad industry sectors classified by the Global Industry Classification Standard (GICS)

Thematic: ETFs that provide niche exposures such as blockchain technology, infrastructure, Marijuana companies, Socially Responsible Investing, technology sub-sectors, agriculture, water, sentiment & behavior, etc.

Other: Any non-cap weighted strategy that is not covered by otherwise defined categories. This includes momentum, equal-weight, share buyback, high beta, ESG, proprietary, actively managed, tactical rotation, price-weighted, etc.

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