**Q4 2024 Commentary**

**Canadian ETF assets increased by 8.1% over the final quarter of 2024 and by 35.9% year-over-year. Continuing the upward trend, assets have now reached $534.5 billion at the end of December 2024, achieving a new peak and reinforcing prior gains.** Total net creations for Q4 2024 also soared to a record high of $28.2 billion, an 89.1% increase from the previous quarter. December was the best-selling month of the quarter, which saw monthly net creations of $10.4 billion.

Equity, the largest ETF category, tallied $19.8 billion in quarterly net creations. Looking at the sub-asset class composition, US equity mandates led the way, with net creations tallying $8.2 billion over the quarter, while Canadian equity mandates followed with $5.5 billion. Sector equities rounded out the top three with $2.8 billion. The five best-selling sector equity ETFs in Q4 2024 accounted for a combined total of $2.2 billion of positive net creations.

Fixed income, the second-largest ETF category, attracted $6.4 billion in net creations. Investment grade bond funds were responsible for the lion’s share of net sales, as mix and corporate bond funds outsold the broader category with $2.9 and $ 1.9 billion in quarterly net creations, respectively. Government bond funds finished Q4 with a total of $485 million in net creations. Meanwhile, high-yield bond ETFs ended the quarter with $1.0 billion in net creations.

Focusing on ETF sponsors, 32 out of 42 registered positive net creations over Q4 2024, with BlackRock Canada in the lead at $7.6 billion in quarterly net creations and boasting the highest market share by assets among Canadian ETFs at 25.7%, garnering $137.1 billion. BMO Asset Management came second, accounting for $6.1 billion in net creations and sponsoring five of the top 10 best-selling ETFs of Q4 2024. Meanwhile, Vanguard Canada brought in $4.3 billion in quarterly net creations

Looking at product development, Q4 2024 saw 26 ETFs added to the Canadian exchange. In terms of asset class composition, the quarter’s launches favoured equities, as 17 funds had equity mandates, while fixed income mandates had nine ETFs. Global X Investments Canada Inc. was the most prolific fund sponsor, with nine ETF launches over Q4 2024, while Capital International and Scotia Global Asset Management launched four and three ETFs, respectively, over the quarter.