

CIBC Institutional ETF Services

CANADIAN ETF WEEKLY RECAP (CETFA use only)



October 13, 2026

Canadian ETFs gathered \$6.0B last week (+32% WoW), the strongest since early September, putting record YTD flows of \$198.7B on track to cross \$200B this week. The inflows went mainly into core, index-based building blocks, with active's share falling to 15% of equity flows from 23%, and to 39% of fixed income flows from 44%. About three-quarters of equity inflows went outside Canada for a second consecutive week, a sharp turn from three weeks ago when Canadian equity ETFs took about half.

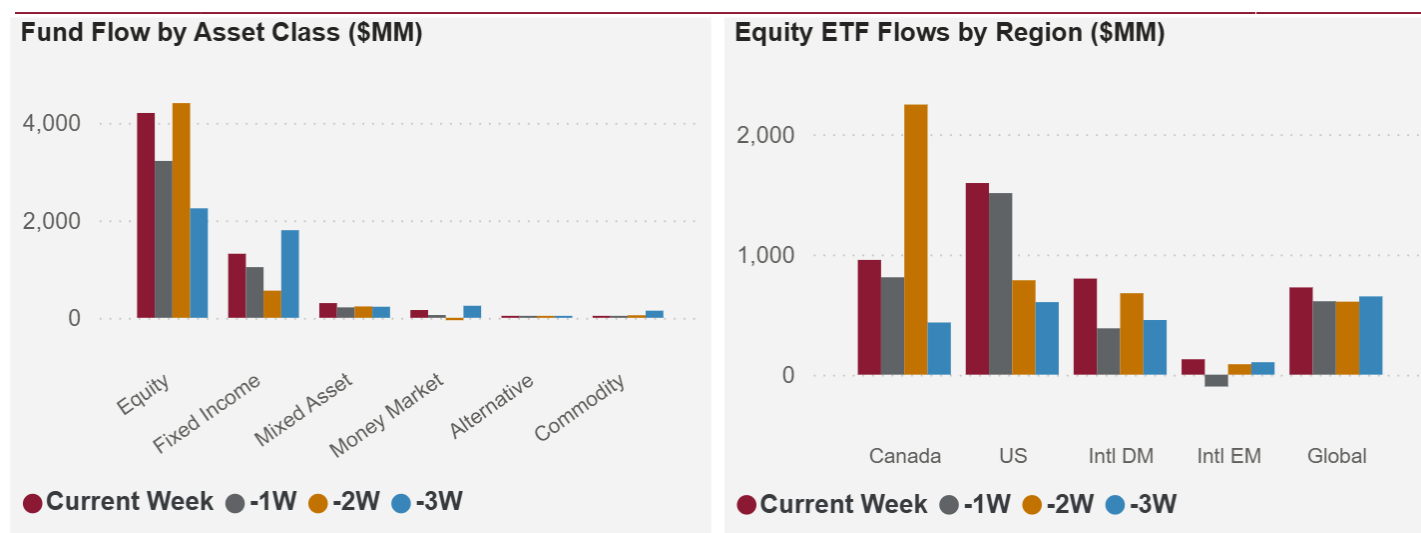
Three developments stood out this week, all pointing to a growing investor focus on diversification and portfolio resilience (details below). While most Canadian investors (83%) believe their portfolios are well diversified, only 57% are familiar with index concentration, even as a handful of companies make up a growing share of major indices. At the same time, 60% want to learn more about alternative investments, while the OSC is raising the bar for firms, flagging weak know-your-product processes and concentration risk in alternatives. Meanwhile, managed futures ETFs in the U.S. have grown to nearly US\$9 billion, driven by demand for strategies with low correlation to traditional stocks and bonds. With more institutional and hedge fund-style strategies now accessible through ETFs, including portable alpha and return-stacking approaches, investors have more ways to diversify, protect against inflation and build resilience.

Weekly Canadian ETF Flows Recap – Canadian ETFs gathered \$6.0B last week (+32% WoW), bringing YTD flows to \$198.7B, and the money went mainly into core, index-based building blocks. Index products drove the gain, with active's share falling to 15% of equity flows from 23%, and covered call demand fell to ~\$100MM from ~\$400MM the prior week. Value traded also fell 8%, so flows more likely reflected allocation rather than trading. Equities took in \$4.2B and fixed income \$1.3B, while money market inflows nearly tripled to \$160MM and multi-asset portfolios rose 41% to \$302MM. Within equities, Canadian investors moved out of the TSX 60 and into the broader TSX Composite which largely netted out. Abroad, international developed inflows nearly doubled, emerging markets turned positive, and Nasdaq-100 demand picked up. Bank ETF selling eased sharply from the prior week, though financials remained the weakest sector, while tech and materials led sector inflows. In fixed

income, aggregate bonds stayed on top, CLOs emerged as a new source of demand at ~\$180MM, and mid-term flows swung positive as short-term inflows jumped to ~\$280MM. Issuer flows broadened, with iShares, Vanguard and Fidelity taking 44% of weekly flows (down from 62%) as BMO (+\$983MM), 1832 (+\$566MM) and Mackenzie (+\$491MM) gained ground. BMO also launched all three new ETFs this week: ZCRB (BMO Core Bond Fund – ETF Series), ZEMB (BMO Emerging Markets Bond Fund – ETF Series) and ZLAT (BMO MSCI Latin America GDP Weighted Index ETF).

Fund Flow Highlights - Please see report for additional information

Net Weekly Flows (\$MM)	YTD Net ETF Flows (\$MM)	ETF Volume Traded	ETF AUM (\$MM)
6,028	198,630	1,023,993,447	1,089,333



New ETFs in Canada - Current Week

Ticker	Fund Name	Fund Asset Class	Strategy	Geography
ZCRB	BMO Core Bond Fund - ETF Series	Fixed Income	Aggregate	Canada
ZEMB	BMO Emerging Markets Bond Fund - ETF Series	Fixed Income	Aggregate	Intl EM
ZLAT	BMO MSCI Latin America GDP Weighted Index ETF	Equity	Quant	Intl EM

ETF Industry News and Developments Recap – In "Canadian Investors Say They're Diversified but New Data Suggest Many Don't Fully Understand What That Means," 83% of Canadian investors said they are confident their portfolios are well diversified, yet only 57% are familiar with index concentration despite a small number of companies accounting for an increasingly large share of major equity indices. At the same time, 67% are concerned about market volatility over the next 12 months, while 60% want to learn more about alternative investments, highlighting a significant opportunity for investor education around concentration risk, diversification, and portfolio construction. That growing interest in alternatives is occurring alongside greater regulatory scrutiny. In "OSC Staff Notice 33-762 Registration, Inspections and Examinations Division 2026 Annual Report," the OSC highlighted deficiencies related to product due diligence, suitability assessments, alternative investments, AI governance, digital engagement practices, and fee transparency. The regulator specifically noted concerns around inadequate KYP (Know Your Product) processes and portfolio concentration within alternative investments, signaling that as investors adopt more sophisticated strategies, firms will face higher expectations around product governance, documentation, risk oversight, and investor outcomes. Against that backdrop,

“Managed Futures ETFs Gain Traction as Investors Seek Diversifiers Beyond Bonds” highlights how portfolio construction itself is evolving. The managed futures ETF category has grown to nearly US\$9 billion, driven by demand for strategies that can provide low correlation to traditional stock and bond markets. The article argues that investors are increasingly exploring alternatives to complement traditional diversification approaches, particularly following periods when stocks and bonds moved in the same direction. More broadly, it suggests that institutional and hedge fund-style strategies are becoming increasingly accessible through ETF wrappers, while innovations such as portable alpha and return-stacking are expanding the toolkit available to investors seeking diversification, inflation protection, and portfolio resilience.

Global ETF Product Filings Recap – In **Canada**, filings were concentrated around core portfolio-construction and income solutions, with BMO filing a broad global equity ETF (MSCI ACWI), several fixed-income and securitized-credit strategies, and Purpose filing active global equity and multi-asset income funds. In the **U.S.**, issuers continued pushing the boundaries of ETF innovation, with filings focused on options-based income and buffer strategies, thematic and tactical asset allocation, political- and congressional-trading ETFs, Shariah-compliant mandates, crypto products, and leveraged single-stock exposures, highlighting the industry's ongoing search for differentiated sources of return and investor engagement. In **Europe**, there were no notable ETF filings this week, with industry activity instead focused on launches, benchmark changes, and product restructurings.

CIBC Economics: The Week Ahead – In the **U.S.**, markets are pricing in a Federal Reserve pause in October and a potential rate hike in December, but this week's U.S. inflation data could shift expectations if core CPI comes in stronger than expected, given the labour market remains near full employment. In **Canada**, August manufacturing shipments were likely boosted by businesses accelerating exports ahead of a 50% tariff, potentially pulling demand forward from future months, while Bank of Canada Governor Macklem is expected to reiterate that further rate hikes remain possible if higher energy prices continue to feed through to broader inflation, leaving the timing of any additional tightening uncertain.

ETF Contacts

ETF Sales Desk

416 242-1387

etfsales@cibc.com

ETF Trading Desk

416 594-8478

etfdesk@cibc.com

Retail Block Desk

416 594-8557

rbd@cibc.com

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