TD Securities



ETF Strategy

Canadian ETF Weekly

Date: October 27, 2026

Weekly ETF Fund Flows | YTD Fund Flows | Canadian ETF AUM | Fee Distribution | Top Performers

Industry Highlights

- **Understanding ROC in Covered Call ETFs**

Product Announcement

- **NEI Investments Debuts ETF Series**
- **Brompton Adds Two HighPay ETFs**

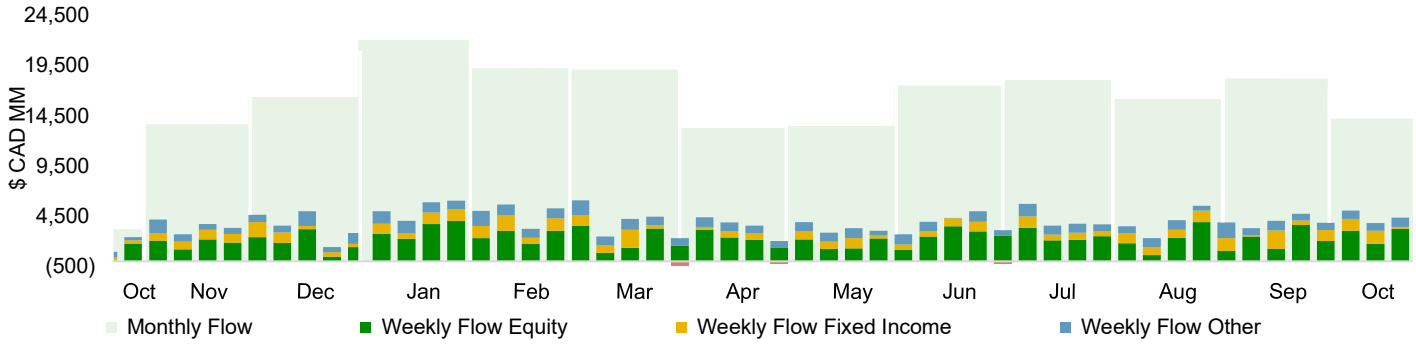
Weekly Fund Flows

- **Equities Lead Inflows:** CAD listed ETFs had inflows of $4.3B, mainly driven by $3.2B inflows into Equity ETFs and $735mm inflows into Mixed Allocation ETFs.

Canadian ETF Summary

Number of ETFs	**2133**
Total AUM (Net/Gross)	**$937B/$1081B**
AUM (1 wk Δ)	**-0.52%**
YTD Fund Flow	**$170932M**
Equity Fund Flow (1 wk)	**$3249M**
FI Fund Flow (1 wk)	**$175M**

Fund Flows - Last 12 Months



Source: Bloomberg, TD Securities

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Weekly Commentary

Understanding ROC in Covered Call ETFs

Key Takeaways

- **Not all ROC is created equal.** A high ROC does not necessarily mean a fund is returning investors' capital. For many covered call ETFs, it reflects the tax treatment of option premiums. Unearned ROC arises when distributions exceed portfolio-generated cash flow and may erode NAV over time. Sometimes, even "earned ROC" can coincide with NAV erosion, for example, when an ETF's distribution yield exceeds its total return.
- **Covered call ETFs can generate substantial ROC as a result of their options strategy.** Option premiums are a legitimate source of cash flow for covered call ETFs, but realized capital losses from option management, portfolio rebalancing, and loss carryforwards can cause those distributions to be reported as ROC rather than capital gains, which often leads to misleading headlines.
- **Investors should not focus on ROC in isolation.** Investors should focus on distribution sustainability, the outcome they are looking to achieve, the options strategy, and/or the total return of the fund**.** The proportion of distributions classified as ROC has only a modest relationship with distribution yield (correlation ≈ 0.24) and explains very little of the variation in yields across covered call ETFs ($R^2 \approx 0.06$). A better approach is to understand how a fund generates and supports its distributions, whether through option premiums, dividends, leverage, or other sources of cash flow, rather than relying on the ROC percentage alone.

The growth of covered call and other income-focused ETFs has renewed interest in Return of Capital (ROC), one of the ETF industry's most misunderstood concepts. Options overwriting involves a clear trade-off: option premiums provide current income in exchange for some upside participation, with the balance depending on option coverage and moneyness. In rising markets, calls can limit gains and cause the ETF to lag its underlying portfolio; in declining markets, premiums can help cushion losses. For yield-focused investors, understanding this income–upside trade-off also raises questions about how distributions are funded and classified, including ROC. ROC can vary with market conditions and, all else equal, may be higher in rising markets and lower in falling markets. However, ROC is a tax classification, not necessarily evidence that a fund is "returning investors' own money," and does not by itself establish the economic source or sustainability of a distribution.

For investors that are seeking yield, but are also cognizant of total returns of their assets, it's important to understand that the total return of covered call ETFs also depends on the performance of the underlying stocks and sectors. Investors should therefore also consider the exposures they believe can perform well, rather than choose ETFs solely for higher distribution yields, which may not deliver the desired total return.

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What Is Return of Capital?

At its most basic level, ROC represents the portion of a distribution that is not classified as interest income, dividends, or capital gains. Instead, it is reported as a return of an investor's capital and reduces the investor's adjusted cost base (ACB). Taxes on ROC are generally deferred until the ETF units are eventually sold, which is one reason ROC can be tax-efficient for taxable investors. More details on ETF taxation can be found in *Taxation of ETFs for Canadians*.

However, the classification of a distribution does not necessarily tell investors where the cash actually came from. An ETF can generate substantial cash flow through dividends and covered call premiums while still reporting a large portion of its distribution as ROC.

The Difference Between "ROCs"

A useful framework is to distinguish between "Earned ROC" and "Unearned ROC" based on how distributions are funded.

- **Earned ROC** (sometime referred to as good ROC) refers to distributions supported by an ETF's strategy-generated cash flow but classified as ROC for tax purposes. For example, covered call ETFs earn varying premiums by selling calls on their holdings; distributions funded by these premiums may be reported as ROC on the tax slip. Earned ROC does not guarantee a stable NAV, which can decline despite this cash-flow support.
- **Unearned ROC** (sometime referred to as bad ROC) describes distributions that exceed what the portfolio generates through dividends, interest, option premiums, or capital gains. In this situation, a portion of the distribution may be funded from investors' capital rather than cash flow generated by the strategy. If this persists, it can contribute to declining net asset value and may warrant closer consideration of distribution sustainability.

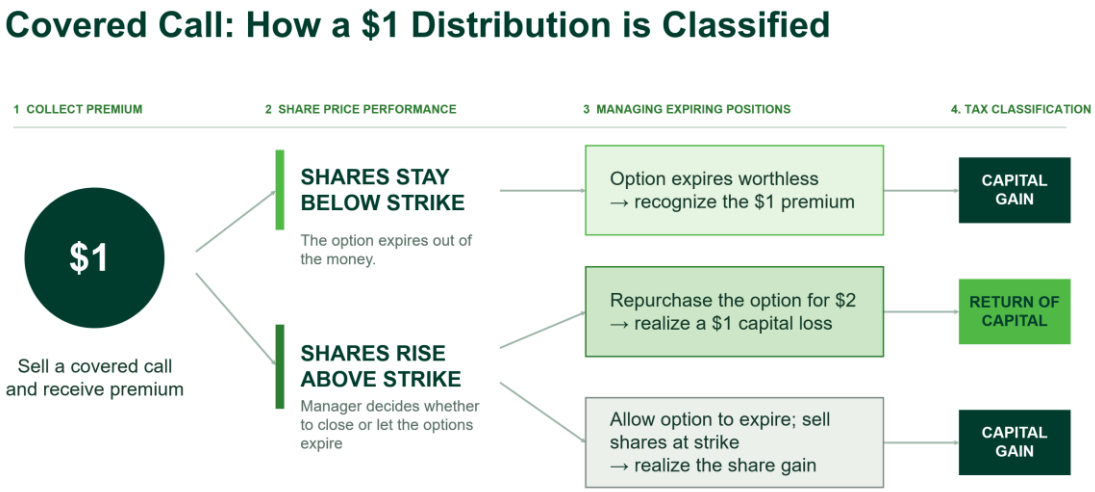
Both forms appear under the same ROC label on the year-end statement. The tax classification alone therefore does not distinguish how the distribution was funded or establish whether it is sustainable.

Why Covered Call ETFs May Report High ROC

The reason many covered call ETFs exhibit large ROC percentages lies in the unique treatment of option-writing strategies. Covered call ETFs generate cash flow primarily through option premiums and portfolio dividends. Economically, these premiums represent a key source of income that helps support the fund's distribution. However, throughout the year, portfolio managers frequently realize capital losses that can offset the capital gains associated with option-writing activities. When this occurs, distributions funded by option premiums can ultimately be reported as ROC rather than capital gains.

There are two particularly important sources for these capital losses:

- **Repurchasing in-the-money call options:** When markets rise and a covered call position moves deep in-the-money, managers may buy back the option before expiration. These transactions often generate realized capital losses. The simplified example below illustrates how buying back in-the-money calls can result in ROC.



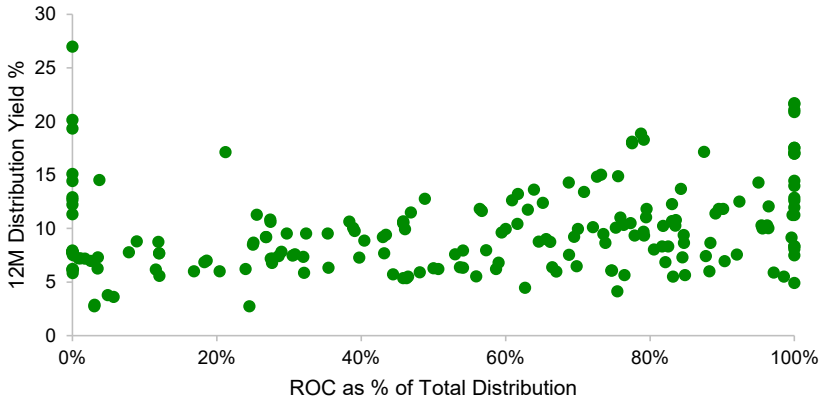
- **Securities rebalancing and sales.** Covered call ETFs periodically rebalance holdings, update sector exposures, or replace securities. These transactions can create realized capital losses, particularly in volatile markets.

In addition, many established ETFs have accumulated capital loss carryforwards from prior years. These losses can be used to offset future capital gains generated through option-writing activities, increasing the likelihood that distributions are ultimately characterized as return of capital (ROC). Similarly, capital losses arising from currency hedging programs or other fund activities may also be used to offset future option-related gains, further contributing to ROC distributions.

ROC and Distribution Yield: Related but Weak Relationship

A common perception among investors is that high distribution yields are primarily driven by return of capital (ROC). In other words, the higher a fund's yield, the larger the share of its distributions that comes from ROC. While there is some relationship between the two, the connection appears to be much weaker than many investors assume. Furthermore, there is a view that the higher the distribution, the higher the proportion of unearned ROC. But as discussed above, the amount of ROC being paid out by an ETF is driven by a number of factors,

Canadian Covered Call ETFs: ROC and Distribution Yield



Source: ETF Issuers' websites

and is not an indication that this ROC is unearned.

To examine this relationship, we collected data on ROC, total distributions, and 12-month distribution yields for Canadian covered call ETFs. To ensure a complete dataset, we included only ETFs with a full year of 2025 distribution data. The sample contains yield-focused ETFs with ROC making up anywhere from 0% to 100% of total distributions and 12-month yields ranging from roughly 3% to 27%.

The data show a modest positive relationship between ROC and yield, meaning funds with a higher proportion of ROC in their distributions may, on average, have somewhat higher yields. However, the relationship is relatively weak. Across the sample, the correlation between ROC percentage and 12-month distribution yield is approximately 0.24. In addition, ROC percentage explains only about 6% of the variation in yields across funds ($R^2 \approx 0.06$). Statistically, this suggests that most of the differences in yields are driven by factors other than ROC.

The key takeaway is that ROC is only one factor influencing a covered call ETF's yield. While higher-ROC funds may sometimes offer higher distributions, ROC alone provides limited insight into why one fund yields more than another. **Investors evaluating the attractiveness or sustainability of a covered call ETF's income stream should focus more broadly on how the strategy generates cash flow**, including option-writing activity, portfolio income, leverage, and distribution policies. These factors are often more important in determining the level and sustainability of a fund's distributions than ROC alone.

What Investors Should Focus On

Rather than treating ROC as inherently earned or unearned, good or bad, investors should focus on whether distributions are supported by the underlying strategy and whether the fund is maintaining its ability to generate cash flow over time. A high ROC number by itself is not necessarily a warning sign. In many covered call ETFs, ROC is simply the result of option-premium income being offset by realized capital losses or capital loss carryforwards. Conversely, a low ROC percentage does not automatically indicate a high-quality distribution. **Simply speaking, investors should focus on whether the options strategy being implemented by the manager generates enough organic premium to sustain the yields being paid out under current and future market conditions. That will determine if a fund's yield is sustainable, instead of its level of ROC.**

Total return focused investors should consider both the distributions and changes in the NAV: a higher payout does not necessarily mean a better investment outcome if capital declines offset the income received. Even earned ROC can coincide with NAV erosion, so strategy-generated cash flow should not be confused with total investment gains. For covered call ETFs, exchanging growth in stocks or a sector for yield remains central to the outcome of covered calls, but its important to not lose sight of the stocks under the hood. Investors should therefore assess the income received alongside capital performance, rather than judge results solely by distribution yield or ROC classification alone.

Other important considerations include how the ETF generates its income and the trade-offs embedded in the strategy. Investors should evaluate factors such as the percentage of the portfolio overwritten with call options, the fund's option moneyness (at-the-money versus out-of-the-money call writing), the ETF's distribution policy, and the fund's ability to maintain or grow its net asset value over time. For example, a fund that writes a high percentage of its portfolio using at-the-money calls may generate higher current income but sacrifice more upside participation during rising markets. Conversely, a fund that writes fewer or further out-of-the-money calls may offer greater capital appreciation potential but lower immediate distributions. Understanding the portfolio construction, option-writing strategy, and long-term NAV trend is likely to provide far greater insight into a covered call ETF's quality and sustainability than focusing on the ROC percentage alone. See the below two examples to emphasize our point:

- **Example 1 - High ROC Does Not Necessarily Mean an Unsustainable Distribution:** ETF ABC may distribute 10% annually with a relatively high percentage classified as ROC, but if its NAV remains resilient and the strategy continues to generate sufficient option premium and total return, the ROC figure alone may not indicate an unsustainable distribution. By contrast, ETF XYZ also distributes 10% but reports much lower ROC, yet consistently pay distributions in excess of what the portfolio generates, contributing to NAV erosion over time. In this case, ETF XYZ 's lower ROC would not necessarily make its distribution higher quality.
- **Example 2 - Higher Income Comes with Less Upside Participation:** Consider two covered call ETFs. ETF ABC overwrites a larger portion of its portfolio with at-the-money calls, generating more option premium and supporting a higher distribution, but sacrificing more upside in strong markets. ETF XYZ overwrites a smaller portion of the portfolio or sells calls further out of the money, resulting in a lower distribution but greater upside participation. Although both these ETFs deliver different yield and upside outcomes, they may not necessarily differ in their ability to deliver earned ROC and quality income. Investors should assess whether the distribution is consistent with the strategy's total-return potential and whether the NAV can be maintained over time.

One area not covered by this report is how the percentage overwritten by a fund, the moneyness of the calls, and which derivative vehicle is used impacts the potential long-term total return of a fund. One could argue

which strategy best positions the ETF for greater total returns, but neither approach is necessarily inherently better in delivering quality income based on the outcome sought by the investor.

ROC remains one of the most misunderstood metrics in the ETF industry. While some ROC can represent a genuine return of investors' capital, a significant portion of the ROC reported by covered call ETFs may reflect option-premium income that has been offset by realized capital losses or loss carryforwards. **How much of that ROC is earned versus unearned is hard to know.** Ultimately, the sustainability of an ETF's distribution depends far more on the underlying strategy than on the ROC percentage reported on a tax slip. Factors such as option-writing coverage levels, strike selection, portfolio construction, distribution policies, and long-term NAV trends are often far more important indicators of a fund's income-generating ability. As covered call ETFs continue to grow in popularity, investors should look beyond the headline ROC figure and focus on how a fund actually generates cash flow and/or its total return potential.

Product Announcements

New Listings

Ticker	New Listing Announcements
NESB	NEI Investments launched the NEI Global Short-Term Bond Fund
NECP	NEI Investments launched the NEI Conservative Income ETF Portfolio
NEBP	NEI Investments launched the NEI Balanced ETF Portfolio
NEGP	NEI Investments launched the NEI Growth ETF Portfolio
PAYB	Brompton Funds launched the Brompton Financials HighPay ETF
PAYT	Brompton Funds launched the Brompton Technology HighPay ETF

Comments

- **NEI Investments Debuts ETF Series:** Last week, NEI Investments launched the NEI Global Short-Term Bond Fund (NESB CN), NEI Conservative Income ETF Portfolio (NECP CN), NEI Balanced ETF Portfolio (NEBP CN), and NEI Growth ETF Portfolio (NEGP CN). Management fees are 0.35% for the bond fund and 0.15% for the ETF portfolios.
  - The NEI Global Short-Term Bond Fund primarily invests in global fixed income instruments across developed and emerging markets.
  - The NEI Conservative Income ETF Portfolio aims to maintain a 40% equity and 60% fixed income allocation and may invest in equity and fixed income ETFs managed by Vanguard Investments Canada.
  - The NEI Balanced ETF Portfolio aims to maintain a 60% equity and 40% fixed income allocation and may invest in equity and fixed income ETFs managed by Vanguard Investments Canada.
  - The NEI Growth ETF Portfolio aims to maintain an 85% equity and 15% fixed income allocation and may invest in equity and fixed income ETFs managed by Vanguard Investments Canada.

- **Brompton Adds Two HighPay ETFs:** Brompton Funds launched the Brompton Financials HighPay ETF (PAYB CN) and Brompton Technology HighPay ETF (PAYT CN). Both use modest 25% leverage and covered call strategies, charge a 0.6% management fee, and distribute twice monthly. The funds seek high income and long-term capital appreciation by investing primarily in leading financial services companies (PAYB) and technology companies (PAYT).

New Filings and Changes

Ticker	New Filing Announcements

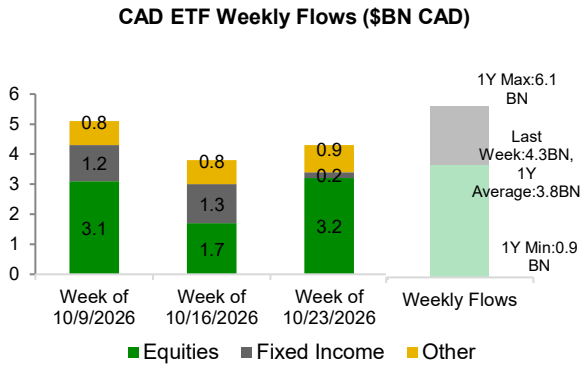
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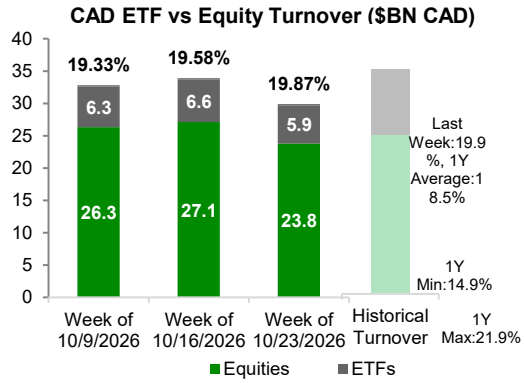
- **None this week**.

Weekly Flow Summary

Last week, CAD-listed ETFs had an average daily turnover of $5.9B, 116% of the average daily turnover over the last year. During the same period, CAD-listed stocks had an average daily turnover of $29.7B, 93% of the average daily turnover over the last year. ETF turnover accounted for 20.0% of total equity turnover.

CAD listed ETFs had inflows of $4.3B, mainly driven by $3.2B inflows into Equity ETFs and $735mm inflows into Mixed Allocation ETFs. The inflows into U.S. ETFs had the largest inflows of $1.3B, followed by inflows of $1.2B into Global ETFs.





Equity ETFs posted net inflows of $3.2B:

- Among equity ETFs, the Vanguard S&P 500 Index ETF (VFV CN) had the largest inflows of $230mm, followed by the Scotia Canadian Large Cap Equity Index Tracker ETF (SITC CN) with $214mm inflows, and BMO Equal Weight Banks Index ETF (ZEB CN) with $212mm inflows. The BMO Equal Weight US Banks Index ETF (ZBK CN) had the largest outflows of $80mm, followed by the iShares Core S&P/TSX Capped Composite Index ETF (XIC CN) with $72mm in outflows, and BMO Covered Call Canadian Banks ETF (ZWB CN) with $53mm of outflows.
- Factor ETFs saw net inflows of $503mm this week. Dividend ETFs had the largest inflows of $155mm, followed by Value with $140mm of inflows, while Low Vol had the largest outflows of $5mm. Value ETFs had the 3rd largest weekly inflows over the last year, with inflows of $140mm.
- Sector ETFs saw net inflows of $398mm this week. Energy and Materials were popular, with $128mm and $113mm respectively, while Utilities had the largest outflows of $62mm. Utilities ETFs had the 3rd largest weekly outflows over the last year.

Fixed Income ETFs posted net inflows of $175mm. Money market ETFs had inflows of $46mm:

- Fixed income flows this week were led by I.G. Corporate and Government, with $95mm and $81mm in inflows respectively. The Mackenzie Canadian Strategic Fixed Income ETF (MKB CN) had the largest inflows of $129mm, followed by the Mackenzie Emerging Markets Bond Index Etf Cad-Hedged (QEBH CN) with $76mm inflows, and Mackenzie Emerging Markets Local Currency Bond Index ETF (QEBL CN) with $67mm inflows.
- From a maturity perspective, Mixed Maturity and Target Maturity were popular with $173mm and $44mm respectively.
- Among money market ETFs the Global X 0-3 Month T-Bill ETF (CBIL CN) had the largest inflows of $57mm, followed by the BMO Money Market Fund ETF Series (ZMMK CN) with $41mm inflows.

Asset Allocation ETFs posted net inflows of $735mm:

- All-Equity ETFs had the largest inflows of $474mm, followed by Balanced ETFs with inflows of $126mm. The iShares Core Equity ETF Portfolio (XEQT CN) had the largest inflows of $254mm, followed by the Vanguard All-Equity ETF Portfolio (VEQT CN) and Fidelity All-in-One Balanced ETF (FBAL CN) with $137mm and $65mm, respectively.

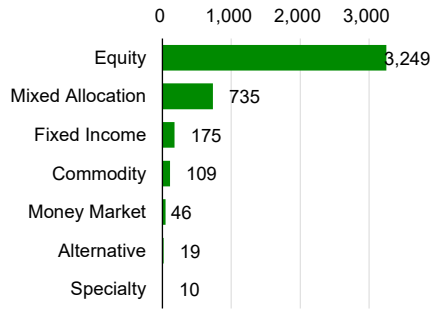
Fund Flows

As of 2026-10-23

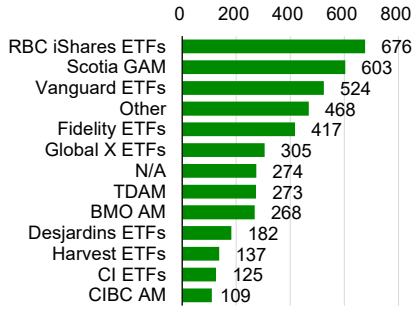
Weekly Fund Flows Summary

ETFs posted net inflows of $4342mm last week driven by equity and mixed allocation ETFs, with inflows of $3249mm and $735mm, respectively. RBC iShares ETFs observed the largest inflows of $676mm across its ETF lineup. Assets in the U.S. region experienced the largest inflows of $1349mm.

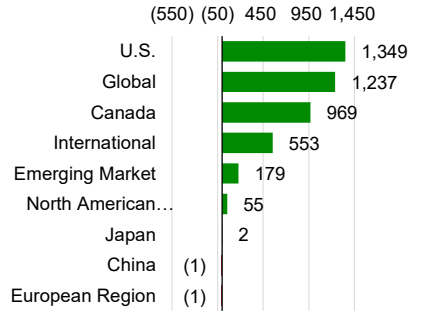
Asset Class ($MM)



ETF Providers ($MM)



Region ($MM)



Top 10 Weekly Inflows and Outflows

Largest Inflows			% AUM
XEQT	iShares Core Equity ETF Portfolio	$254MM	1.08%
VFV	Vanguard S&P 500 Index ETF	$230MM	0.63%
SITC	Scotia Canadian Large Cap Equity Ind	$214MM	22.13%
ZEB	BMO Equal Weight Banks Index ETF	$212MM	3.06%
SITU	Scotia US Equity Index Tracker ETF	$203MM	4.28%
SITI	Scotia International Equity Index Tr	$172MM	13.29%
VEQT	Vanguard All-Equity ETF Portfolio	$137MM	0.77%
XEG	iShares S&P/TSX Capped Energy Index	$130MM	5.02%
MKB	Mackenzie Canadian Strategic Fixed I	$129MM	13.87%
QCN	Mackenzie Canadian Equity Index ETF	$123MM	1.95%

Comments

The iShares Core Equity ETF Portfolio (XEQT CN Equity) saw the largest inflows of $254mm, followed by the Vanguard S&P 500 Index ETF (VFV CN Equity) and Scotia Canadian Large Cap Equity Index Tracker ETF (SITC CN Equity) with inflows of $230mm and $214mm, respectively. The Scotia Canadian Large Cap Equity Index Tracker ETF (SITC CN Equity) saw significant inflows compared to its AUM, with weekly inflows accounting for 22% of its AUM.

Largest Outflows			% AUM
ZAG	BMO Aggregate Bond Index ETF	$-136MM	1.02%
VSB	Vanguard Canadian Short-Term Bond In	$-115MM	5.87%
ZBK	BMO Equal Weight US Banks Index ETF	$-80MM	12.33%
ZCM	BMO Mid Corporate Bond Index ETF	$-78MM	5.36%
XIC	iShares Core S&P/TSX Capped Composit	$-72MM	0.20%
ZWB	BMO Covered Call Canadian Banks ETF	$-53MM	1.16%
XUT	iShares S&P/TSX Capped Utilities Ind	$-49MM	7.49%
QUIG	Mackenzie US Investment Grade Corpor	$-45MM	6.93%
XBB	iShares Core Canadian Universe Bond	$-45MM	0.41%
HND	BetaPro Natural Gas Inverse Le	$-40MM	59.67%

Comments

The BMO Aggregate Bond Index ETF (ZAG CN Equity) saw the largest outflows of $136mm, followed by the Vanguard Canadian Short-Term Bond Index ETF (VSB CN Equity) and BMO Equal Weight US Banks Index ETF (ZBK CN Equity) with outflows of $115mm and $80mm, respectively. The BetaPro Natural Gas Inverse Le (HND CN Equity) saw significant outflows compared to its AUM, with weekly outflows accounting for 60% of its AUM.

Source: Bloomberg, TD Securities

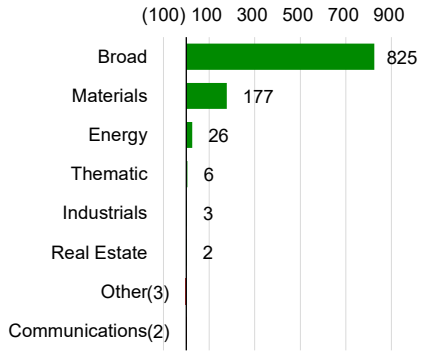
*Numbers in this section were netted to remove double counting arising from Canadian-listed ETFs that invest in other Canadian-listed ETFs. Data marked as "gross" represents the gross numbers without removing double counting.

Flows into Canadian Securities From Global ETFs

Total inflows into Canadian Securities (including equities and fixed income) from foreign ETFs were $1.03B. The JPMorgan BetaBuilders Canada ETF (BBCA US) saw the largest inflows of $236mm last week. The Broad sector saw inflows of $825mm and other saw outflows of $3mm.

Largest Flows into Canadian Securities		CAD	% AUM
BBCA	JPMorgan BetaBuilders Canada E	$236MM	2.09%
EWC	iShares MSCI Canada ETF	$109MM	1.51%
GDX	VanEck Gold Miners ETF/USA	$101MM	0.68%
VXUS	Vanguard Total International S	$99MM	0.80%
IDEV	iShares Core MSCI Internationa	$48MM	1.18%
CAHCHA	UBS MSCI Canada UCITS ETF	$-16MM	-5.39%
VCSH	Vanguard Short-Term Corporate	$-17MM	-1.03%
VCIT	Vanguard Intermediate-Term Cor	$-18MM	-0.94%
CAHUSA	UBS MSCI Canada UCITS ETF	$-31MM	-29.30%
D5BH	Xtrackers MSCI Canada Screened	$-66MM	-5.30%

Canada Centric Flows by Industry ($MM)



YTD Fund Flows

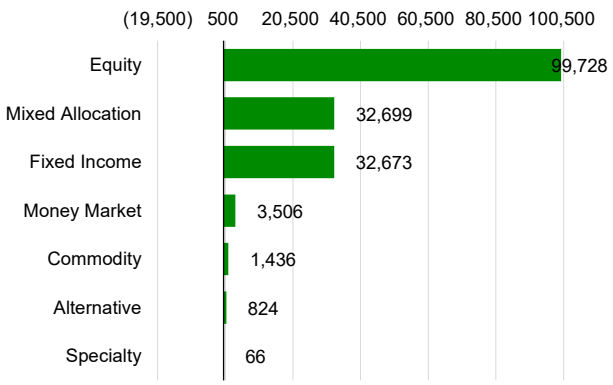
ETFs saw total inflows of $170.9B year-to-date. RBC iShares ETFs has gathered YTD new assets of $48266mm, followed by Vanguard ETFs and BMO AM. Equity ETFs have seen the largest inflows of $99.7Bn. Canada focused ETFs have attracted the largest inflows of $59.0Bn.

Providers – YTD Fund Flow ($MM)

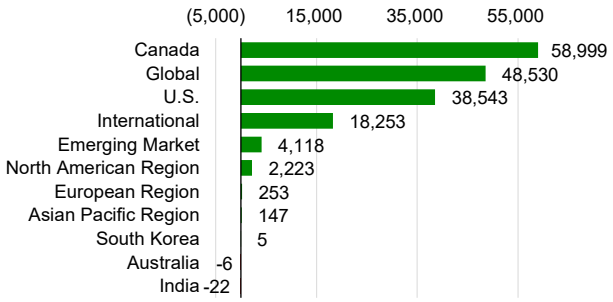
Provider Name	Net	Gross*
RBC iShares	$48,266	$58,196
Vanguard ETFs	$24,238	$33,597
BMO AM	$16,895	$19,027
Fidelity ETFs	$14,409	$23,993
TDAM	$13,355	$13,876
Global X ETFs	$8,392	$9,087
Desjardins ETFs	$7,752	$7,752
N/A	$7,007	$7,196
CIBC AM	$4,295	$5,489
Manulife ETFs	$3,738	$3,881
Scotia GAM	$3,495	$3,505
Harvest ETFs	$3,327	$4,706
Hamilton ETFs	$3,134	$4,991
CI ETFs	$2,606	$2,852
NBI ETFs	$1,644	$1,645
JP Morgan	$1,584	$1,584
Purpose Invest	$1,421	$1,540
Pimco ETFs	$1,298	$1,298
Evolve ETFs	$1,241	$1,365
Franklin ETFs	$577	$578
Capital Group	$511	$515
Brompton ETFs	$487	$561
Other	$1,260	$1,440
Total	$170,932	$208,674

^ CI ETFs include CI ETFs and Invesco Canada ETFs. Scotia GAM represents Scotia ETFs and Dynamic ETFs

Asset Class ($MM)



Region ($MM)



Source: Bloomberg, TD Securities

*Numbers in this section were netted to remove double counting arising from Canadian-listed ETFs that invest in other Canadian-listed ETFs. Data marked as "gross" represents the gross numbers without removing double counting.

AUM

As of 2026-10-23

ETF Market Share

Total AUM of Canadian ETFs reached $937.2B. RBC iShares ETFs saw the largest positive AUM change of $2.6B over the last month. RBC iShares ETFs also had the largest positive AUM change of $15.7B over the last three months, and the largest positive AUM change of $34.0B over the last six months.

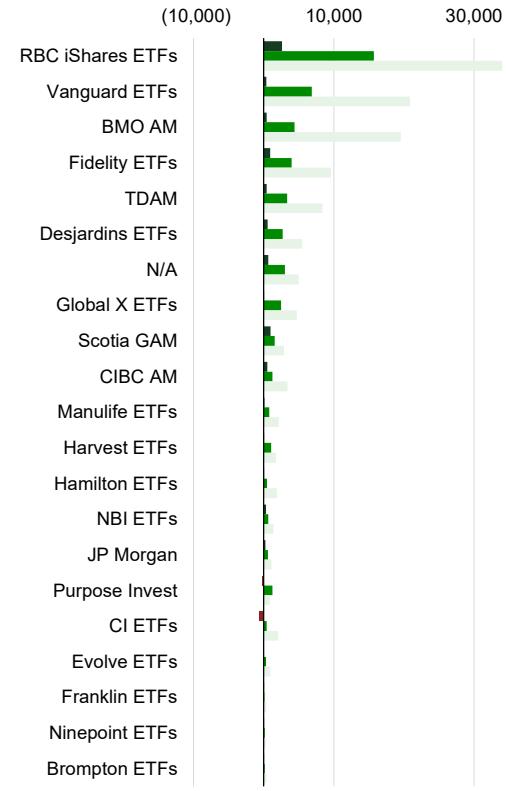
1-month AUM change since 9/23/2026 | 3-month AUM change since 7/24/2026 | 6-month AUM change since 4/24/2026

Providers – Total AUM ($MM)

Provider Name	Net	Gross*
RBC iShares ETFs	$262,915	$297,423
BMO AM	$177,360	$196,109
Vanguard ETFs	$140,832	$179,554
Global X ETFs	$53,649	$61,099
TDAM	$46,021	$47,564
Fidelity ETFs	$43,337	$70,475
CI ETFs	$37,243	$38,158
N/A	$32,369	$33,109
Desjardins ETFs	$19,341	$19,341
Scotia GAM	$17,558	$17,574
Purpose Invest	$15,435	$16,489
NBI ETFs	$15,244	$15,317
CIBC AM	$13,996	$15,279
Hamilton ETFs	$11,487	$18,701
Harvest ETFs	$10,499	$13,969
Manulife ETFs	$9,406	$9,568
Evolve ETFs	$7,090	$7,331
Pimco ETFs	$5,827	$5,827
Franklin ETFs	$3,395	$3,400
JP Morgan	$2,197	$2,197
Brompton ETFs	$1,946	$2,296
Picton Mahoney	$1,851	$1,851
Other	$8,229	$8,553

^ CI ETFs include CI ETFs and Invesco Canada ETFs. Scotia GAM represents Scotia ETFs and Dynamic ETFs

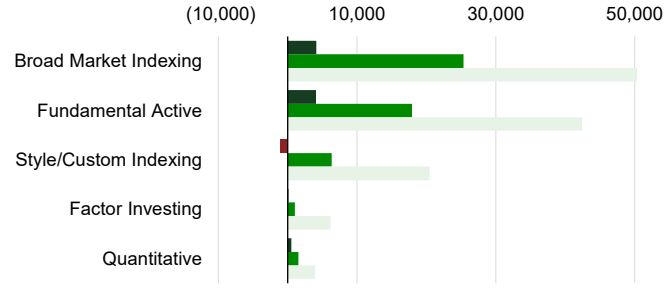
Providers – Monthly AUM Change ($MM)



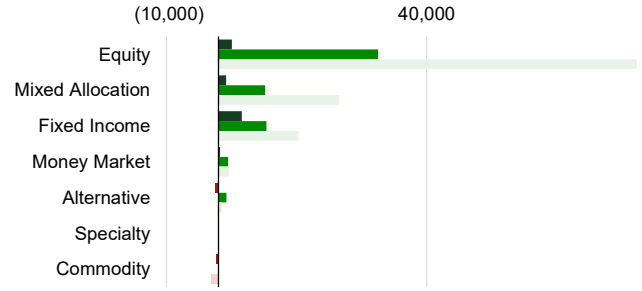
Monthly AUM Changes

The strategy with the largest positive AUM change is broad market indexing ETFs with AUM growth of $4.1B over the last month. The asset class with the largest positive AUM changes is equity ETFs with AUM growth of $2.5B over the last month.

Monthly AUM Changes by Strategy ($MM)



Asset Class ($MM)



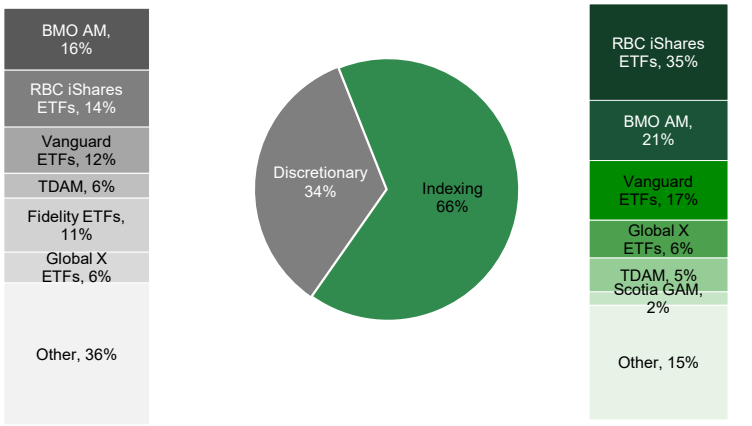
Source: Bloomberg, TD Securities

*Numbers in this section were netted to remove double counting arising from Canadian-listed ETFs that invest in other Canadian-listed ETFs. Data marked as "gross" represents the gross numbers without removing double counting.

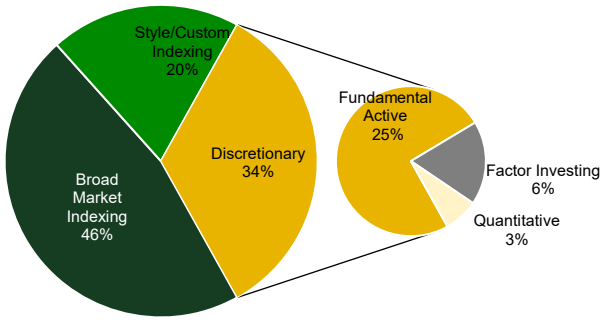
ETF Strategy Breakdown – % AUM

Indexing ETFs continue to lead the Canadian ETF market. Around 66% of all ETFs adopt indexing strategies and 34% of ETFs adopt discretionary strategies. RBC iShares ETFs is the largest issuer of indexing ETFs and BMO AM is the largest issuer of discretionary ETFs. Broad market indexing ETFs account for 46% of the Canadian ETF AUM followed by fundamental active strategies accounting for 25% of the Canadian ETF AUM.

Discretionary Strategy **Indexing Strategy**



Strategy Breakdown by AUM – Canadian ETFs



Market Share by Asset Class – % AUM

RBC iShares ETFs ranks the first among all equity ETF issuers with 30% market share, followed by BMO AM and Vanguard ETFs with market shares of 19% and 16% respectively. BMO AM ranks the first among all fixed income ETF issuers with 29% market share, followed by RBC iShares ETFs and Vanguard ETFs with market shares of 25% and 6% respectively.

Equity **Fixed Income**



Source: Bloomberg, TD Securities

*Numbers in this section were netted to remove double counting arising from Canadian-listed ETFs that invest in other Canadian-listed ETFs. Data marked as "gross" represents the gross numbers without removing double counting.

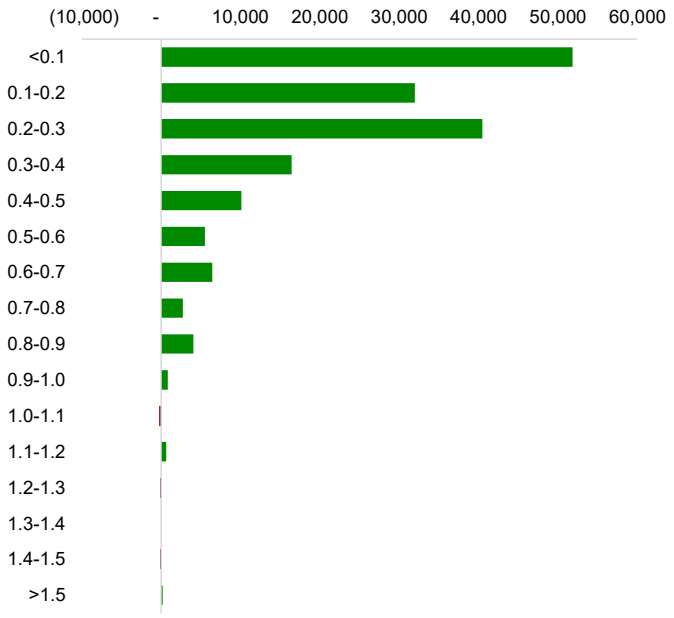
Fee Distribution

As of 2026-10-23

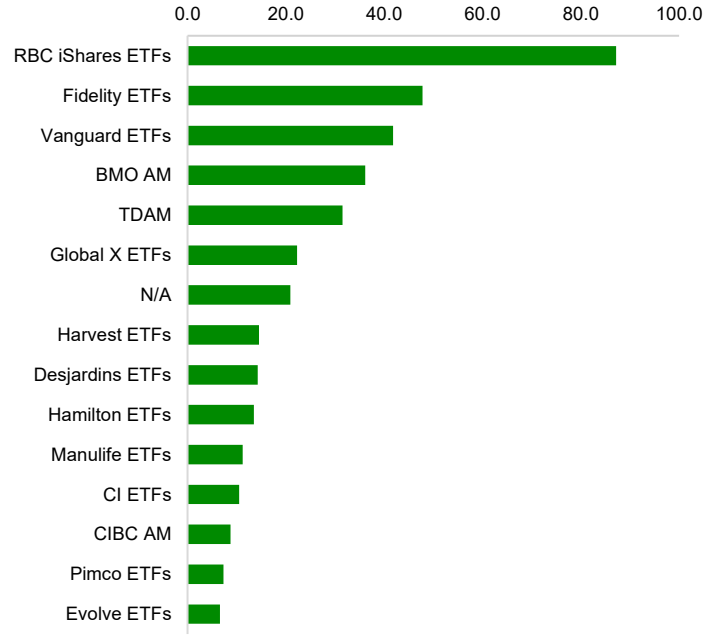
Management Fee Distribution and Revenue

Majority of this year's fund flows went into ETFs with management fees under 0.3%. RBC iShares ETFs saw the largest management fee revenue of $87mm by YTD fund flows, followed by Fidelity ETFs and Vanguard ETFs.

Management Fee Distribution (%) by YTD Fund Flow ($MM)



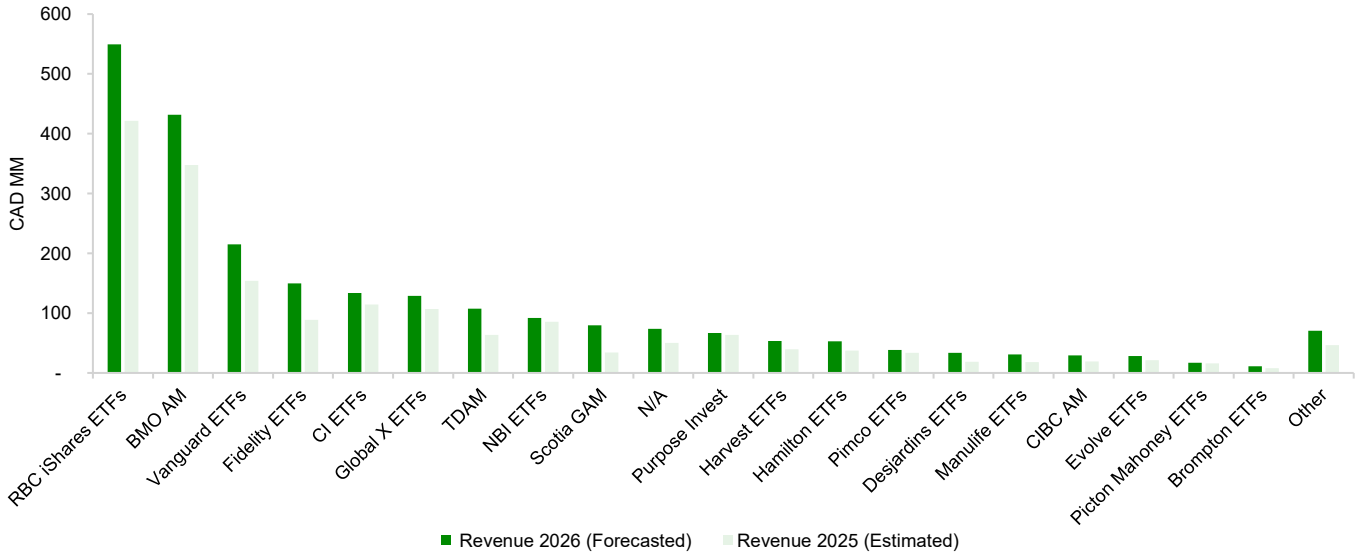
Management Fee Revenue per Issuer by YTD Fund Flow ($MM)



ETF Revenue Per Issuer

RBC iShares ETFs is forecasted to generate the largest ETF revenue in 2026, followed by BMO AM and Vanguard ETFs.

Management Fee Revenue Per Issuer - F2026 vs. E2025



Source: Bloomberg, TD Securities, Issuers' website

*Numbers in this section were netted to remove double counting arising from Canadian-listed ETFs that invest in other Canadian-listed ETFs. Data marked as "gross" represents the gross numbers without removing double counting.

Top Performers

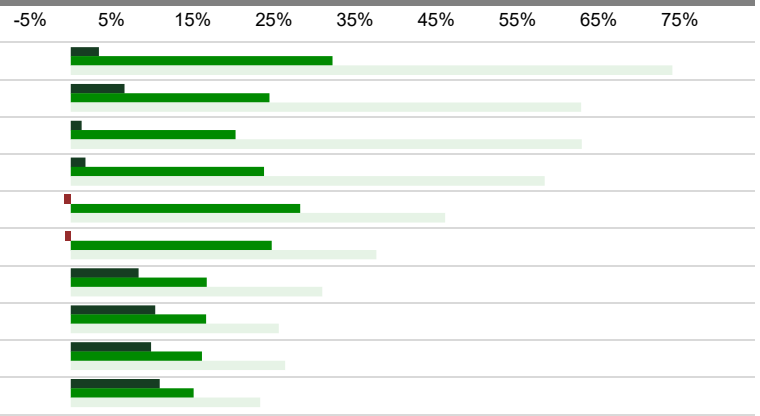
As of 2026-10-23

1-month Performance 3-month Performance 6-month Performance

The top performing equity ETFs based on 1-month, 3-month, and 6-month performance include the Evolve Cyber Security Index Fund (CYBR/B), Ishares Cybersecurity And Tech Index Etf (XHAK), and FirstTrust Nasdaq Cybersecurity ETF - CAD (CIBR). The top performing fixed income ETFs based on 1-month, 3-month, and 6-month performance include the Brompton Wellington Square Investment Grade CLO ETF (BBBB/U), Brompton Split Corp Preferred Share ETF (SPLT), and Quadravest Preferred Split Share ETF (PREF). The top performing other ETFs based on 1-month, 3-month, and 6-month performance include the Fidelity Global Value Long/Short Fund ETF (FGLS), 3iQ Solana Staking ETF (SOLQ), and CI Galaxy Solana ETF (SOLX/B). Note that to avoid bias towards short-term performance, only ETFs with a track of record of over 6-month are included.

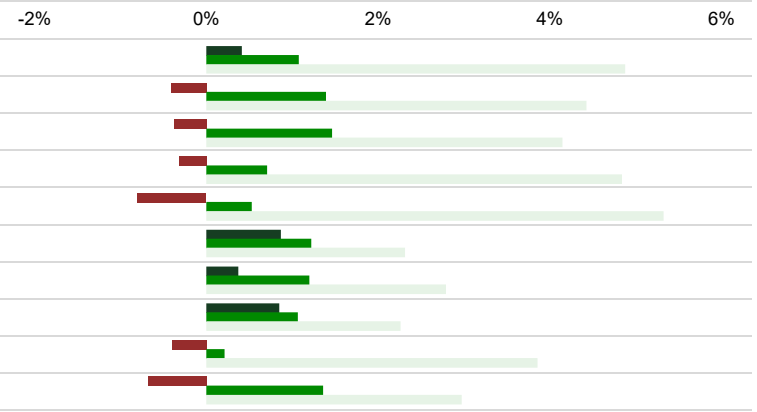
TOP 10 Performing Equity ETFs

CYBR/B	Evolve Cyber Security Index Fund
XHAK	Ishares Cybersecurity And Tech Index Etf
CIBR	FirstTrust Nasdaq Cybersecurity ETF - CAD
CBUG	CI Digital Security Index ETF
SKYY	FirstTrust Cloud Computing ETF
XDNA	iShares Genomics Immunology and Healthcare Index ETF
KNGU	Brompton US Cash Flow Kings ETF
ZXLE	BMO SPDR Energy Select Sector Index ETF
ZWEN	BMO Covered Call Energy ETF
HPF/U	Harvest Energy Leaders Income ETF



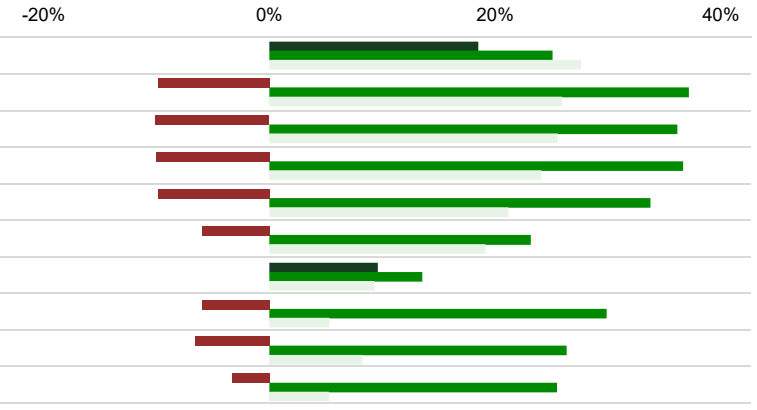
TOP 10 Performing Fixed Income ETFs

BBBB/U	Brompton Wellington Square Investment Grade CLO ETF
SPLT	Brompton Split Corp Preferred Share ETF
PREF	Quadravest Preferred Split Share ETF
ZAAA	BMO AAA CLO ETF
ZBBZ	BMO BBB CLO ETF
ZRR	BMO Real Return Bond Index ETF
BAAA/U	Brompton Wellington Square AAA CLO ETF
XRB	iShares Canadian Real Return Bond Index ETF
RUQP	RBC Target 2027 US Corporate Bond ETF
QEBL	Mackenzie Emerging Markets Local Currency Bond Index



TOP 10 Performing ETFs ex. Equity and Fixed Income

FGLS	Fidelity Global Value Long/Short Fund ETF
SOLQ	3iQ Solana Staking ETF
SOLX/B	CI Galaxy Solana ETF
SOLL/B	Purpose Solana ETF
SOLA	EVOLVE SOLANA ETF
CMCX/B	CI Galaxy Multi-Crypto Navigator ETF
HUC	Global X Crude Oil ETF
LBIT	EVOLVE LEVERED BITCOIN ETF
CCCX/B	CI Galaxy Core Multi-Crypto ETF
HBIX	Harvest Bitcoin Enhanced Income ETF



Source: Bloomberg, TD Securities

Appendix: Comparison of New and Old Weekly Report

The new ETF weekly report covers more industry data and employs different methodologies for AUM and fund flow calculations. It also covers two additional topics including fee distribution and performance. The tables below summarize the key differences between these two reports.

Content	New Weekly Report	Old Weekly Report
Front Page	**Summary of industry highlights, product announcements, and weekly fund flows** Canadian ETF Summary Table **Fund Flow Chart for the last 12 months**	Canadian ETF Summary Table
Weekly Commentary	One or more industry-related topics with commentary	One or more industry-related topics with commentary
Product Announcements	New listings and new filings **separately**	New listings and new filings
Fund Flow	Weekly fund flows by asset class, provider and region Top 10 weekly inflows and outflows Weekly flows into Canadian Securities from Global ETFs **YTD fund flows by provider, asset class and region**	Weekly fund flows by asset class, provider and region Top 10 weekly inflows and outflows Weekly flows into Canadian Securities from Global ETFs
AUM	ETF AUM by provider Monthly AUM Change (all ETFs by strategy and asset class) AUM market share by asset class ETF strategy breakdown by AUM	ETF AUM by provider Monthly AUM Change (all ETFs by strategy and asset class, asset class breakdown) AUM market share by asset class ETF strategy breakdown by AUM
Fee Distribution	**Management Fee Distribution by YTD Fund Flow** **Management Fee Revenue per Issuer by YTD Fund Flow** **Gross Revenue Per Issuer**	N/A
Top Performers	**Top 10 Performing Equity ETFs** **Top 10 Performing Fixed Income ETFs** **Top 10 Performing ETFs ex. Equity and Fixed Income**	N/A

Note: Additional information covered in the new weekly report is highlighted in bold.

Methodology	New Weekly Report	Old Weekly Report
Fund Flow	ETF Fund flows in the new report are calculated by daily changes in shares outstanding multiplied by NAV at the end of the day. The fund flows of ETFs held by other ETFs are adjusted to remove double counting arising from Canadian listed ETFs that invest in other Canadian listed ETFs. For example, if ETF A holds ETF B, and both are Canadian ETFs, ETF B's fund flows will be adjusted proportionally to remove double counting. PCFs and Bloomberg data are used for the calculation.	Gross fund flows were used. These flows were not adjusted to remove any double counting. If ETF A holds ETF B and posts inflows, both ETF A and ETF B will have inflows. Only Bloomberg data were used for the calculation.
AUM	ETF AUM in the new report is calculated by shares outstanding multiplied by NAV at the end of the day. The AUM of ETFs held by other ETFs is adjusted to remove double counting arising from Canadian listed ETFs that invest in other Canadian listed ETFs. For example, if ETF A holds ETF B, and both are Canadian ETFs, the AUM of ETF B will be adjusted proportionally to remove double counting. PCFs and Bloomberg data are used for the calculation.	Gross AUM was used. These AUM numbers were not adjusted to remove any double counting. If ETF A holds ETF B and grows in AUM, both ETF A and ETF B will increase in AUM. Only Bloomberg data were used for the calculation.
Fee Distribution	YTD fund flows used in this sector are adjusted to remove double counting arising from Canadian listed ETFs that invest in other Canadian listed ETFs, same as previous sectors. ETF revenue per issuer is calculated by totaling ETF revenue across an issuer's lineup. Forecasted ETF revenue is calculated by the AUM of last Friday multiplied by management fee (expressed as a percentage). Estimated ETF revenue (last year) is calculated by the AUM of last year-end multiplied by management fee (expressed as a percentage). To better estimate revenue, the AUM numbers used in revenue calculation are only adjusted to remove double counting arising from Canadian listed ETFs that invest in other Canadian listed ETFs managed by the same fund manager. The rationale is that if an ETF holds another ETF issued by the same company, management fees for the underlying ETFs are often waived by the fund manager. We understand that assumptions may differ from reality.	N/A
Top Performers	ETFs are ranked based on the average of 1-month, 3-month, and 6-month performance, measured by NAV total returns in base currency sourced from Bloomberg. Leveraged and Inverse ETFs are excluded from the tables.	N/A

Disclosure:
English: www.tdsecurities.com/tds/content/SalesTrading_Disclaimer?language=en_CA
French: www.tdsecurities.com/tds/content/SalesTrading_Disclaimer?language=fr_CA