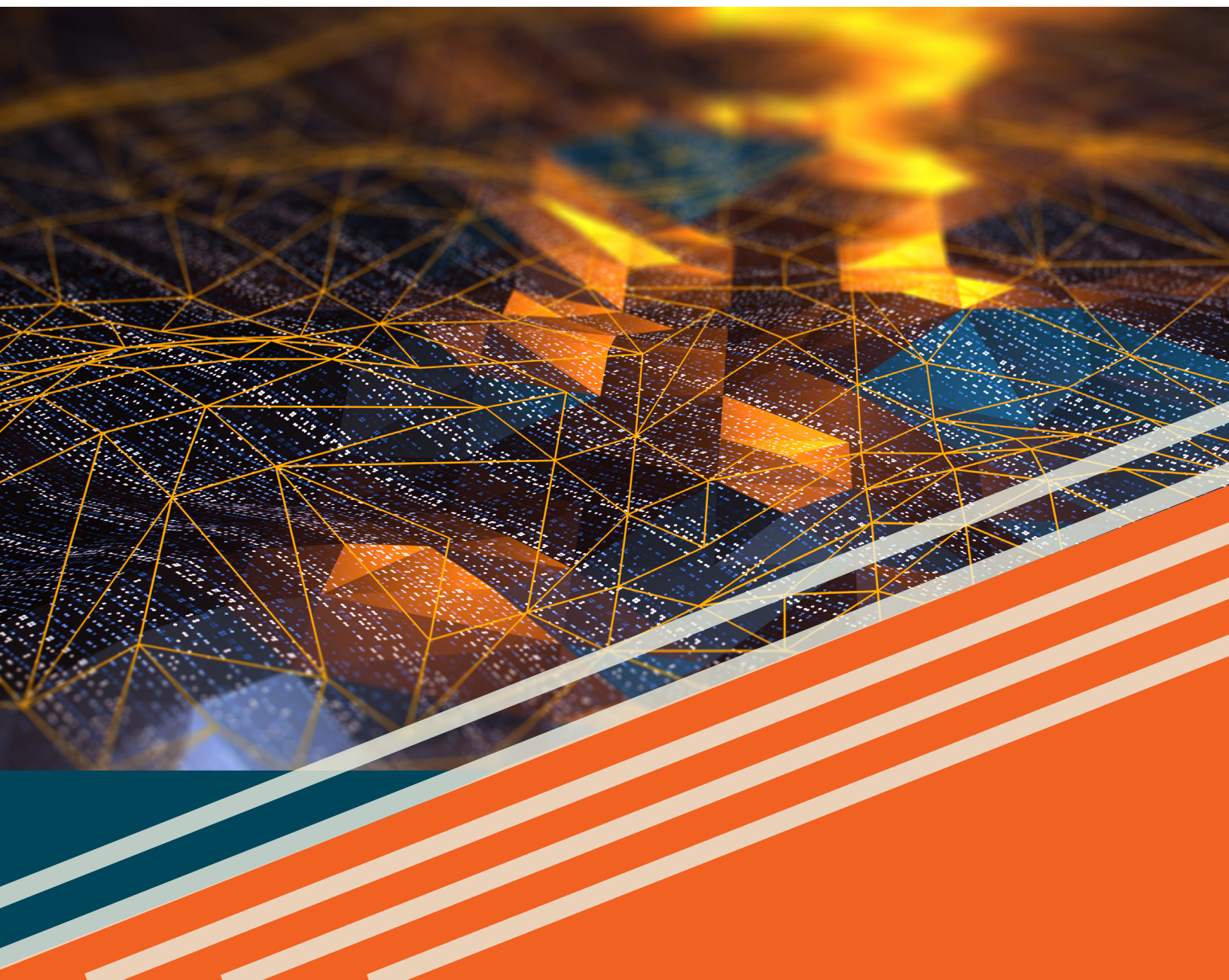


CIBC MELLON

Navigating Canada's ETF Landscape

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Ronald C. Landry is Head of Product and Canadian ETF Services at CIBC Mellon. He has over ten years of experience in ETF servicing and more than 25 years of experience in the financial services industry. In his role, Ronald is responsible for all aspects of the ETF business in Canada and product development and strategy for CIBC Mellon.

**THIS ARTICLE ORIGINALLY
APPEARED IN ETF EXPRESS
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Exploring Trends and Opportunities

As a global leader for the ETF market, Canada's unique blend of high governance and high innovation makes it an excellent market for new structures and ideas that also require a trust premium.

Canadian ETFs have brought in \$15.3 billion this year, with fixed-income funds accounting for \$9.2 billion. Higher yielding products that have a shorter duration, such as high-interest saving accounts or money markets products, have been at the forefront from a trend perspective.

The integration of innovation and governance also extends to the way the regulators and government entities have approached new asset classes, new instruments, and new markets.

From an industry perspective, Canadian and U.S. market stakeholders including U.S. and Canadian central depositories, the Canadian Capital Markets Association (CCMA), and industry participants including CIBC Mellon are all preparing to shorten the settlement cycle in Canada to T+1, the day after trade date. This change has wide-ranging implications. For starters, an accelerated settlement cycle requires market participants to review their operations, technology, procedures, and processes.

Looking ahead, ETFs will likely continue to gain momentum as an efficient way for retail and institutional investors to gain exposure to asset classes both traditional and emerging.

Product Focus for the Future

As we look ahead to next year, the ETF industry in Canada is poised for continued growth and forward-thinking solutions. With the increasing popularity of ETFs as investment vehicles, we anticipate several key trends and developments.

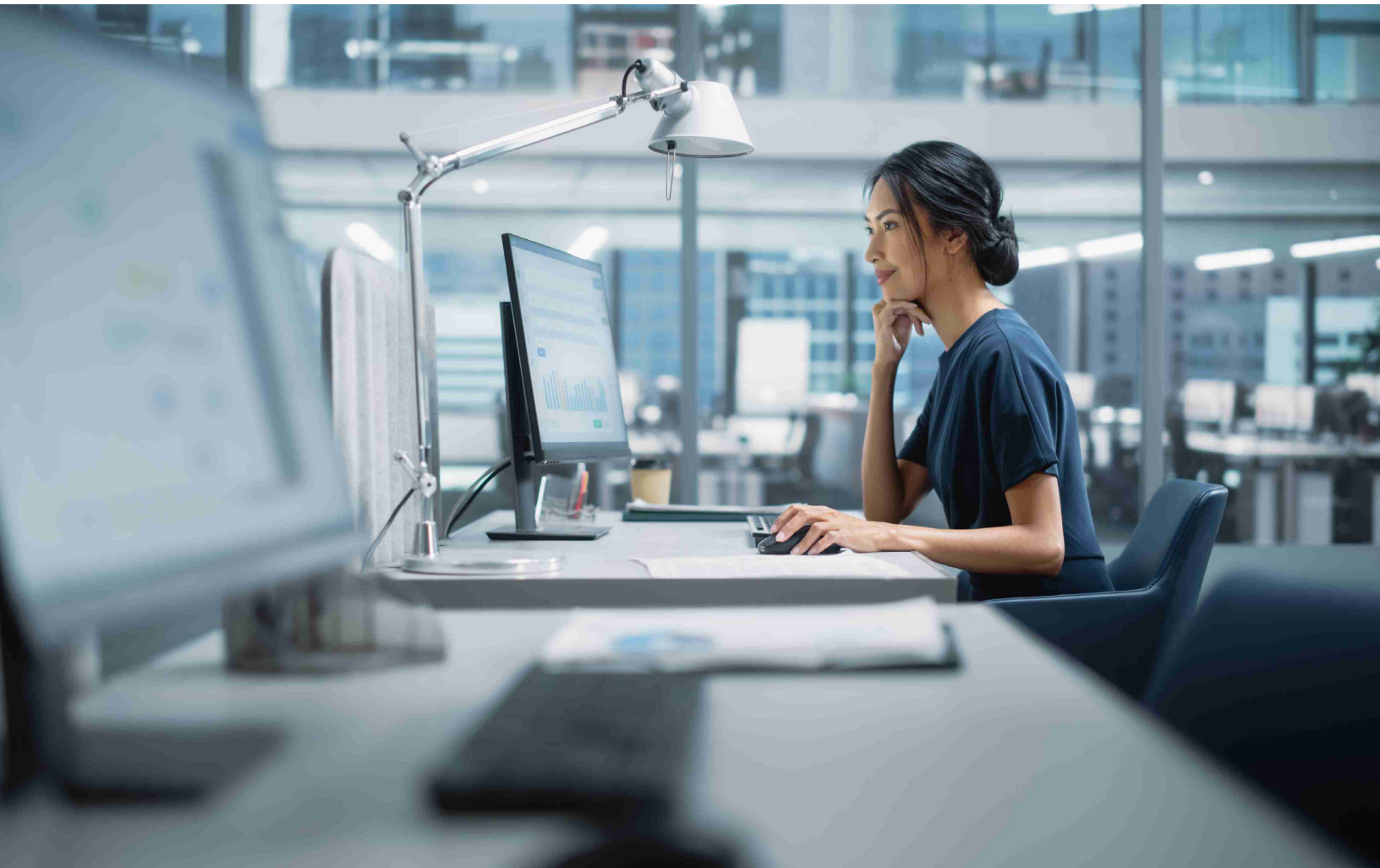
With increasing interest rates there has been a real desire for high-interest saving accounts, money market products have also been a leader from a flow perspective. Another area we've seen is covered call type products that have been launched.

We expect to see an expansion in thematic ETFs. These funds focus on specific sectors, themes or investment strategies and allow investors to align their portfolios with their interests or capitalize on emerging trends. As ESG has been a driver in the space, we anticipate continued growth in thematic ETFs that target sustainable sectors or companies with strong appetite for ESG practices.

The ETF industry here in Canada is likely to witness further advancements in technology. As investors become more tech-savvy and demand efficient and user-friendly platforms, ETF providers are investing in digital tools and resources. This includes improved mobile apps, online trading platforms, and customizable portfolio solutions to enhance the investor experience.

These developments will empower investors with a wider array of investment choices, catering to their evolving preferences and investment goals.

Looking forward, we are working with local market players and stakeholders to expand our service offerings and support our clients as they continue to innovate and expand into new and emerging asset types.



If You Have Further Questions

CIBC Mellon is pleased to engage with clients on this front and continue the conversation. Please contact your Relationship Manager if you would like more information.

About CIBC Mellon

CIBC Mellon is dedicated to helping Canadian institutional investors and international institutional investors into Canada service their financial assets throughout the investment lifecycle. Founded in 1996, CIBC Mellon is 50-50 jointly owned by The Bank of New York Mellon (BNY Mellon) and Canadian Imperial Bank of Commerce (CIBC). CIBC Mellon delivers informed investment services for investment funds, pension plans, insurance companies, banks, foundations, endowments, corporations, and global financial institutions whose clients invest in Canada. As at June 30, 2023, CIBC Mellon had more than C\$2.5 trillion in assets under custody and/or administration. CIBC Mellon is part of the BNY Mellon network, which as at June 30, 2023 had US\$46.9 trillion in assets under custody and/or administration.

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