Canadian Institutions Use ETFs for Strategic and Tactical Applications

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Executive Summary:

The increasing use of exchange-traded funds in fixed income is contributing to the uptake of ETFs by Canadian institutions as a standard tool for achieving strategic goals in their investment portfolios.

Half of the institutions in the study describe their use of ETFs overall as mainly strategic in nature—a change from the recent past in which ETFs were viewed chiefly as tools for tactical portfolio functions. When it comes to selecting a particular ETF for investment, liquidity and trading volume trump all other considerations.

Based on these and other important selection criteria, Canadian institutional funds and asset managers alike name iShares by BlackRock as ETF provider of choice.

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greenwich.com ContactUs@greenwich.com Ph +1203.625.5038