CANADIAN
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Rising to the Income Challenge

- Multi-Factor Approach to Investing
- Why Bond ETFs Are Finally Taking Centre Stage
- Perspectives on Europe
- Inside ETFs Florida Conference Review

Celebrating 25 Years of Exchange Traded Funds

Twenty five years ago on March 9th, 1990 the first ETF was listed in Canada on the Toronto Stock Exchange: the TIPs (Toronto 35 Index Participation Fund) tracking the TSX 35 index. The TIPS ETF listed nearly three years before the first ETF the SPDR S&P 500 ETF (SPY) was listed in the United States on January 29, 1993. The TIPS ETF does not exist in its original form as it was merged on March 7, 2000 with the HIPs (Hundred Index Participation Fund) tracking the TSX 100 index into the iUnits S&P/TSE Index Participation Fund (XIU CN): which has been renamed the iShares S&P/TSX 60 Index ETF (XIU CN).

At the end of February 2015, the Canadian ETF industry had 355 ETFs, with 502 listings, assets of US$65 billion, from 9 providers listed on the Toronto Stock exchange. Canada accounts for just 2.2% of the assets invested in ETFs/ETPs globally and has been an innovator in the ETF industry listing the first equity, fixed income and currency hedged ETFs to name a few of their firsts.

Assets invested in ETFs/ETPs globally reached a new record high of US$2.919 trillion at the end of February 2015, according to ETFGI's preliminary monthly ETF and ETP global insight report for February.

ETFs/ETPs listed globally

The global ETF/ETP industry had 5,632 ETFs/ETPs, with 10,902 listings, from 245 providers listed on 63 exchanges in 51 countries. We expect the assets to break through the US$3 trillion milestone in the first half of 2015. There were US$50.7 billion in net new asset (NNA) inflows in February – the second largest NNA month on record.

"Investors allocated the majority of net new assets to equities as the US market rebounded from a difficult January to end February with both the S&P 500 and the Dow up 6% for the month. Volatility declined during the month. Developed markets were up 6% for the month, while emerging and frontier markets were up 3%" according to Deborah Fuhr, managing partner of ETFGI.

In February 2015, ETFs/ETPs saw net inflows of US$50.7 Bn. Equity ETFs/ETPs gathered the largest net inflows with US$30.4 Bn, followed by fixed income ETFs/ETPs with US$15.6 Bn, and commodity ETFs/ETPs with US$2.9 Bn in net inflows. On a YTD basis the net new asset flows into fixed income, commodities, active ETFs and globally are at record levels at US$28.8 Bn, US$8.0 Bn, US$2.7 Bn and US$62.0 Bn respectively.

Source: www.etfgi.com

Terry Krowtowski, Senior Vice President
Radius Financial Education

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Rising to the Income Challenge

PowerShares Canada dividend-focused ETFs

Michael Cooke
Head of Distribution, PowerShares Canada

Across the developed world, millions of baby boomers are retiring each year, driving demand for investment income. Competing with retirees are investors still within the accumulation stage of their investment careers, many of whom see income investing as a buffer against potential capital losses.

The supply of relatively secure sovereign debt has grown, but this growth has been outstripped by demand, and fixed income yields have been compressed, with shorter-term bond yields falling below the rate of inflation.

Most investors are facing at least one of three challenges:
- tolerating market volatility
- achieving portfolio growth in a low-growth environment
- earning sufficient investment income

An income portfolio built around a core of dividend-paying stocks may help investors meet these challenges.

Lower Volatility

Historically, dividend paying equities in general have proven to be less volatile than those that do not pay a dividend. Dividends are generally a sign that management of a company views its profit margins to be stable and that it can safely pay excess cash to shareholders. Stronger-than-average balance sheets contribute to the stability of share values.

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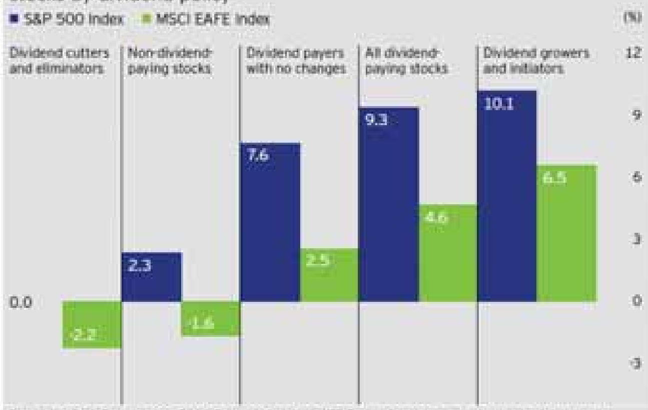
Better still are companies that increase their dividends over the long term. Most dividend growers have historically outperformed dividend payers as investors seek access to future payments, which they expect to be larger.

Over a 30-year period, dividend growers have outperformed both dividend payers and non-payers.Companies that initiated or increased their dividends delivered an average annual total return of 10.1% among S&P 500 constituents, versus 7.6% for those that simply maintained existing dividends. Index constituents that did not pay dividends delivered an average return of 2.3%.This ability to outperform over the long term was also evident among MSCI EAFE constituents.

Dividend growers and initiators have outperformed other companies
Average annual total returns of S&P 500 Index and MSCI EAFE Index stocks by dividend policy



Source: Ned Davis Research, Inc., 2014. Returns calculated in USD. Past performance does not guarantee future results. An investment cannot be made directly into an index.

All stocks were categorized by the following methodology for total return for each 12-month period over the course of the 30-year period ended Dec. 31, 2013. Dividend cutters and eliminators represent stocks in the MSCI EAFE Index and S&P 500 Index that have lowered or eliminated their dividend; non-dividend-paying stocks represent non-dividend-paying stocks of the MSCI EAFE Index and S&P 500 Index; dividend payers with no changes represent all dividend-paying stocks of the MSCI EAFE Index and S&P 500 Index that have maintained their existing dividend rate; all dividend-paying stocks represent all dividend-paying stocks in the MSCI EAFE Index and S&P 500 Index; and dividend growers and initiators represent all dividend-paying stocks of the MSCI EAFE Index and S&P 500 Index that raised their existing dividend or initiated a new dividend.

Dividend growers also represent a potential defence against inflation, as increasing income may offset the erosion of purchasing power.

Sufficient Long-Term Income

The dramatic gains in life expectancy made in the past 50 years have created a new investment quandary: the risk of outliving one's assets.

Short-duration investment grade bond yields have been compressed to a point where new capital invested may not generate enough income to satisfy the lifestyle needs of a retired investor. Higher returns may be available through longer-duration bonds, but these expose the investor to additional interest rate risk. Higher yields may also be achieved by moving further out on the risk spectrum, but this carries higher default risk.

Dividend yields tend to be higher than those of investment grade bonds, reflecting equity risk. But dividend-payers are generally mature businesses and may, as a group, represent the least risky companies in the equity market.

Tax Efficiency

For many income investors, the most important consideration is the value of their income on an after-tax basis. An income stream derived from Canadian-eligible dividends receives preferential tax treatment relative to interest income.

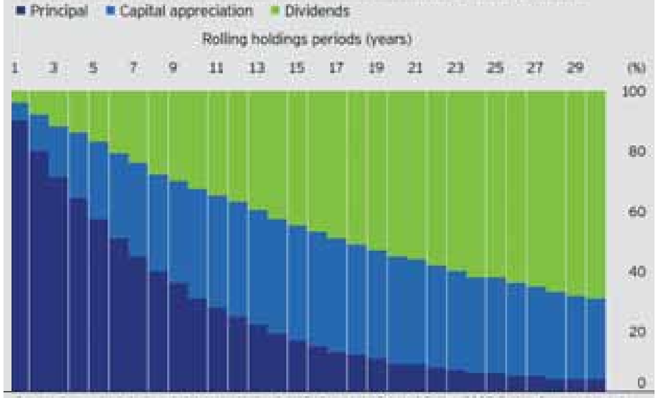
For the investors, this simply means they get to keep more income if it is derived from dividend-based securities than if it was derived from interest-bearing securities, such as bonds.

Growth Potential

Historically, dividends have accounted for a large portion of the market's total returns, but the long-term compounding power of rising dividends may be underappreciated.

Over a thirty-year period, reinvested dividends accounted for 69% of the value of a U.S. equity portfolio, using the S&P 500 as a proxy. Capital appreciation accounted for 27% of the portfolio value, with the remaining 4% representing the initial investment.

The importance of dividends grows over time
% contribution from principal, capital appreciation and dividends



Sources: Invesco and stock market data used in Irrational Exuberance by Robert J. Shiller, 2009. Past performance cannot guarantee comparable future results. An investment cannot be made directly in an index. S&P 500 Index: 30-year rolling periods average statistics from January 1, 1930 to December 31, 2009. Data shown is the most recently available, and was calculated using USD. This chart shows the percentage contribution of principal, capital appreciation and dividends to the end value of a hypothetical investment. There can be no guarantee or assurance that companies will declare dividends in the future or that, if declared, they will remain at current levels or increase over time.

Over the long-term, a high-yielding portfolio could pay out more each year in tax-advantaged dividend income than the original investment.

Equity income investing is not without its own risks. In general, the values dividend stocks will fluctuate in response to activities specific to the company, as well as general market, economic and political conditions. The risk of principal loss is somewhat higher for large-cap dividend payers than it is for investment grade bonds.

A portfolio of large companies with good balance sheets and cash on the books may be a better route in reaching investment goals, depending on risk tolerance and time horizon. Capturing the multiple benefits of dividends in a low-cost investment can enhance the overall investor experience.

PowerShares Canada offers two TSX-listed ETFs that focus on companies that have a track record of sustainable, typically growing, dividends payments. Each provides monthly income to investors.

PowerShares Canadian Dividend Index ETF (PDC) seeks to replicate, before fees and expenses, the performance of the NASDAQ Select Canadian Dividend Index.

Winner of the 2014 Lipper Award for three-year performance in the Canadian Income Equity category, PDC invests in liquid, high-yielding securities of Canadian corporates with a track record of growing dividends.

The strategy provides investors with growth potential from stock price increases, as well as the compounding effect of reinvested dividends, should they not immediately require the dividend income stream.

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PowerShares Canadian Preferred Share Index ETF (PPS) seeks to replicate, before fees and expenses, the performance of the NASDAQ Select Canadian Preferred Share Index, which is comprised of select investment-grade preferred shares issued by Canadian corporations that trade on the TSX.

PPS offers exposure to the Canadian preferred share market, providing the income investor with a more secure position in the capital structure of portfolio companies, compared to common equity. For investors less concerned about capital appreciation, PPS may provide a higher income yield, which is paid as a qualified Canadian dividend.

PowerShares Canadian Dividend Index ETF (PDC) was awarded the 2014 Lipper Fund Award in the Canadian Short Term Fixed Income category for the three-year period (out of 8 funds) ending July 31, 2014. The corresponding Lipper Leader ratings of the fund for the same period are as follows: N/A (1 year), 5 (3 years).

The Lipper Fund Awards are part of the Thomson Reuters Awards for Excellence, a global family of awards that celebrate exceptional performance throughout the professional investment community. The Thomson Reuters Awards for Excellence recognize the world's top funds, fund management firms, sell-side firms, research analysts, and investor relations teams. The Thomson Reuters Awards for Excellence also include the Extel Survey Awards and the StarMine Analyst Awards.

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Wednesday, May 27
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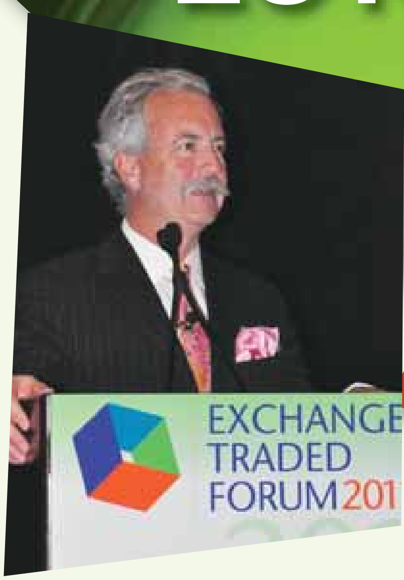
VANCOUVER

Wednesday, June 3
Fairmont Waterfront

NORTH TORONTO

Tuesday, October 20
Le Parc, Thornhill



Pat Bolland, Moderator
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Multi-Factor Approach to Investing

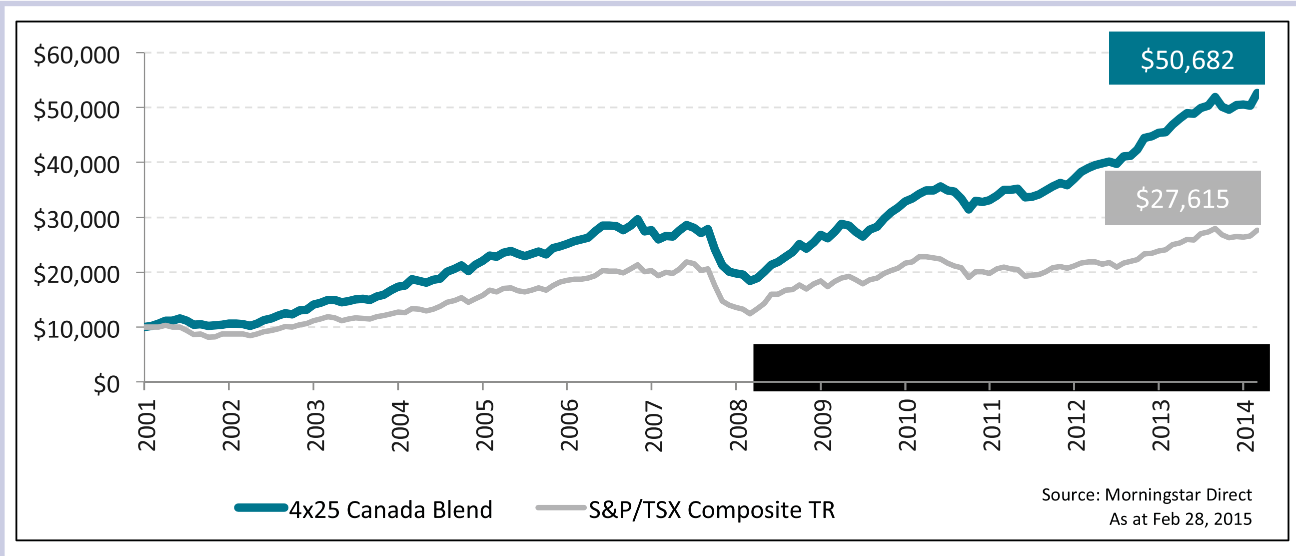
It's a known fact in the investment management community that investors often seem to measure long-term returns by looking at short-term performance. In fact, it is the bane of many a portfolio manager's existence that a winning long- term strategy like value investing can underperform for extended periods of time, causing some investors to flee – ironically usually just before value begins its outperformance again.

Barry Gordon
CEO & President, First Asset Exchange Traded Funds

The cyclicality of certain factors is well documented. Yet the long-term advantage over broad cap weighted indexation offered by factor based strategies like value, momentum and volatility is just as well known. So the obvious question is: how do you combine the advantages of factor investing in a way that mitigates or eliminates the cyclicality of individual factors?

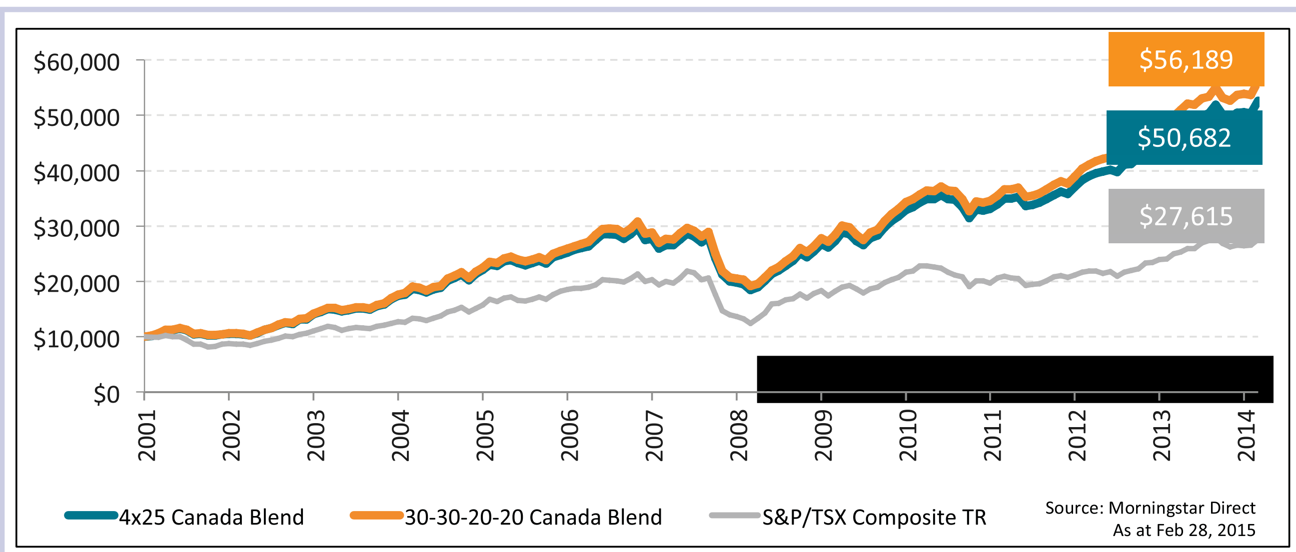
Fortunately, the solution does not require an advanced degree in mathematics – it is not rocket science. Combining factors in "multi-factor" strategies is a simple and effective way to build a portfolio that has a superior risk-adjusted return profile to the cap weighted index. Historically, as evidenced by work from *Bender, Briand, Melas et al*[1], as well as *Amenc, Goltz et al*[2], an investor can combine factor indexes to lower volatility of returns while still preserving and enhancing total returns, leading to higher Sharpe Ratios, higher Information Ratios (indicators of lower volatility), all while eliminating the cyclicality that typically causes assets to flee from long-term winning strategies during periods of underperformance. An important element, as identified by Bender et al, seems to be that while all factors experience cyclical underperformance, the historical correlations of relative returns of different factor strategies is quite low, and indeed materially negative in some cases. Simply put, the relative underperformance occurred at different times, so that a factor's periods of underperformance were offset by relative outperformance of the others.

A methodology as simple as combining factor based index ETFs on an equally weighted basis and rebalancing them annually is an effective way to achieve the type of risk-adjusted return profile investors seek. To demonstrate, below is a chart which shows how combining four factor driven indexes – Morningstar® Canada Target Value Index℠, Morningstar® Canada Target Momentum Index℠, Morningstar® Canada Target Dividend Index℠ and MSCI Canada Risk Weighted Index, on an equally weighted basis, rebalanced annually, performed in comparison to the broader market. Each of them, on their own, have outperformed the benchmark since their inception, but in combining them, the superior hypothetical, historical returns are compelling.



(If you want to make a point here can you please reword so as not to state that one can achieve historical returns) The ETFs which replicate those indexes are FXM, WXM, DXM and RWC.

However, there are ways to improve upon the absolute and risk-adjusted returns shown above, through a combination of more frequent optimization (rebalancing) and/or through adjusting weighting methodologies among factors. Adjusting the frequency of rebalancing from annually to quarterly yields improvement. More relevant is adjustment of the weighting of the factors themselves. As seen below, overweighting two of these indexes, Morningstar® Canada Target Value Index℠ and Morningstar® Canada Target Momentum Index℠, during the period since inception of the indices resulted in improved returns.



The drawback to this, of course, is that it requires significantly more effort and transaction expense on the part of advisors and individuals in order to try to achieve the additional relative outperformance.

First Asset's optimization methodology, which it employs in the management of its two core equity ETFs – **First Asset Core Canadian Equity ETF (TSX:CED)** and **First Asset Core U.S. Equity ETF (TSX:CES)** - takes this process one step further. It involves quarterly rebalancing and a relative strength optimization, all while ensuring that there is a minimum and maximum amount of exposure to any one factor during a quarter. Advisors and investors can get access to fully optimized multi-factor equity portfolios in a simple, user-friendly format through the low cost structure of an ETF. Two more smart solutions to help Canadians achieve their financial goals.

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1. Bender, J., R. Briand, D. Melas, R. Subramanian, and M. Subramanian. “Deploying Multi-Factor Index Allocations in Institutional Portfolios.” MSCI Research Insight, Dec 2013
2. Amenc N., F. Goltz, A. Lodh and L. Martellini, “Toward Smart Equity Factor Indices: Harvesting Risk Premia without Taking Unrewarded Risks”, The Journal of Portfolio Management, Vol. 40, No. 4, pp106-122, Summer 2014

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Use of Index Performance: Returns of an Index do not represent a fund's returns. An investor cannot invest directly in an index. As a result of the risks and limitations inherent in hypothetical performance data, hypothetical results may differ from actual index performance. All performance data for all indices assumes the reinvestment of all distributions. Performance data results prior to February 6, 2012 for the Morningstar indexes and prior to December 26, 2013 for the MSCI index are hypothetical, but are calculated using the same methodology that has been in use by the index provider since the index was first published. Information regarding the Morningstar and MSCI indices, including the applicable index methodology, is available at **http://indexes.morningstar.com or http://MSCI.com/products/indices**. Use of benchmark: The S&P/TSX Composite TR Index is a capitalization-weighted index designed to measure market activity of stocks listed on the Toronto Stock Exchange. This index is used as a benchmark to help you understand the Canada Blend portfolio’s performance relative to the general performance of broader Canadian equity market. Morningstar® is a trademark of Morningstar, Inc. and has been licensed for use for certain purposes by First Asset Investment Management Inc. First Asset ETFs are not sponsored, endorsed, sold or promoted by Morningstar or any of its affiliates (collectively, "Morningstar"), and Morningstar makes no representation regarding the advisability of investing in any First Asset ETF. MSCI is a trademark of MSCI Inc. The MSCI indexes have been licensed for use for certain purposes by First Asset. The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities or any index on which such funds or securities are based. The prospectus of the funds contains a more detailed description of the limited relationship MSCI has with First Asset and any related funds. The exchange traded funds are managed by First Asset Investment Management Inc.

Barry H. Gordon, CEO & President, First Asset Exchange Traded Funds

Why Bond ETFs Are Finally Taking Centre Stage

Bond ETFs do have portfolio managers, and not all of them are created equal. A skilled manager will continually work to minimize tracking error so that investors get the exposure they want.

Pat Chiefalo
Managing Director and Head of Product for iShares, BlackRock Canada

As an analyst, I was a very strong advocate that one of the best ways for investors to gain exposure to fixed income securities is through an exchange traded fund (ETF). Here at BlackRock I continue to support this. To my mind, ETFs offer a number of key advantages over individual bonds, but I appreciate that not all investors are fully aware of these aspects. Equity ETFs have been around in Canada for 25 years, which makes bond ETFs relatively new entrants having launched only 10 years ago. Retail investors are, in general, probably more familiar with investing in equities than in bonds. So even though fixed income ETFs have come a very long way in a relatively short time, it's understandable that the investing public is still getting to know them.

As investors become more familiar with these products, I think they will see some pretty clear advantages over direct bond holdings. First, bond ETFs are relatively low-cost and are easy to buy and sell. Second, they provide immediate diversification, with sometimes hundreds or thousands of bonds in each fund. And third, ongoing portfolio management of the ETF ensures that investors maintain their target exposures in terms of credit, duration and so on.

This suggests to me that there is still an education gap among investors when it comes to bond ETFs. To fully appreciate the benefits, it's important to understand how they work. So here are three key elements that every investor should know about bond ETFs:

iShares by BlackRock

1. A bond ETF typically tracks an index but can also be more strategic in nature

While fixed income ETFs typically track an index, there a few fixed income ETFs that are outcome or model based solutions. Within this article, we'll explore not only index based products, but also a model-based solution. Index based products generally seek to track the performance of an index (minus fees and expenses) and comprise the majority of bond ETFs out there.

Like equity indexes, bond indexes typically target a specific part of the market, such as a sector (e.g. government, corporate investment grade, corporate non-investment grade), a region (e.g. Canada, US, International, etc.), or maturity range (e.g. short – typically with one-to-five-year maturity bonds, mid – with seven-to-10-year maturity bonds, long – with 10-year-plus maturities, and so on). Bond indexes can also combine these elements in a variety of ways, allowing investors to access both broad and narrow segments of the bond market through the ETFs that track them. For example, you can access the broad Canadian bond market through a fund like the iShares Canadian Bond Universe Index ETF (XBB), focus further and gain exposure to high-quality, short-duration Canadian bonds to hold in the core of your portfolio with the iShares Core Short Term High Quality Canadian Bond Index ETF (XSQ), or you can target a laddered strategy of shorter-maturity corporate bonds with a fund like the iShares 1-5 Year Laddered Corporate Bond Index ETF (CBO).

For investors that are looking to minimize interest rate volatility while still maximizing yield, they may want consider the iShares Short Term Strategic Fixed Income ETF (XSI). XSI is a model-based solution, as it does not track an index, but rather is structured as a "fund of funds." It leverages BlackRock's global iShares platform and directly holds funds that provide exposure to both domestic and international iShares bond funds. Within a portfolio, XSI can be combined with longer duration iShares bond ETFs to lower portfolio duration, diversify with global bond exposures and seek higher yields.

Bottom line: *Understanding the underlying index or strategy is key to knowing what you own in a bond ETF.*

2. A bond ETF's current price is visible and updated throughout the day on an exchange

While some investors appreciate the fact that they can trade an ETF intraday, others may never take advantage of this feature. And that's okay, because the mere fact that bond ETFs trade on the stock exchange is still a benefit for these buy-and-hold investors. The reason: they provide price transparency in an otherwise opaque market.

Individual bonds trade over-the-counter (OTC), which means that buyers and sellers negotiate individually in order to reach a deal. As a result, bonds can be hard to track down and quotes from different brokers can vary widely. In contrast, investors can see bond ETF execution prices on an exchange throughout the trading day, as well as live bid/ask prices at which investors are willing to buy and sell these ETFs. Being able to see the price at which you can buy and sell the ETF allows you to make more informed decisions about your bond investments. This can be particularly powerful during periods of time when markets are moving quickly or segments of the bond market are experiencing illiquidity (as happened, infamously, during the global financial crisis of 2008).

Bottom line: *Whether you intend to trade or not, the fact that bond ETFs offer low cost transparent pricing arms you with valuable information that can help you make an informed investment decision.*

3. A bond ETF is managed by a human (sometimes several)

A common misconception about bond ETFs is that they simply hold all the securities in the index they track, rendering a portfolio manager unnecessary. This is actually a flattering assumption, because if a bond ETF manager is doing the job correctly, investors are simply getting the exposure they expect, without much deviation from the performance of the underlying index (otherwise known as tracking error). Ideally, the actions of the bond ETF manager are invisible.

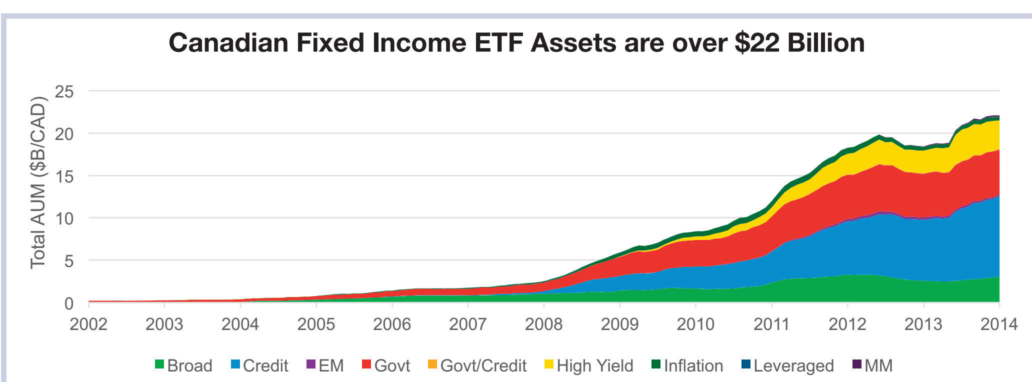
The truth is that a lot of work goes on behind the scenes to make this happen. Bond indexes can hold hundreds and sometimes thousands of bonds, some of which are illiquid or thinly traded. At iShares, our ETF managers place a priority on sound fund construction and leverage the knowledge and global resources of the world's largest asset manager – BlackRock – to ensure that bond portfolios track their underlying indexes as closely as possible, using only the securities that are available at any given time. This can be particularly tricky in certain situations (for example, an illiquid market segment like high-yield), but a good manager is able to navigate a range of market environments.

Bottom line: *Bond ETFs do have portfolio managers, and not all of them are created equal. A skilled manager will continually work to minimize tracking error so that investors get the exposure they want.*

Of course, there's much more to the story than this, but these three points really get to the heart of what a bond ETF is.

Source: BlackRock and Bloomberg as of August 31, 2014 expressed in $ millions

Pat Chiefalo, Managing Director and Head of Product for iShares, BlackRock Canada ***pat.chiefalo@blackrock.com***



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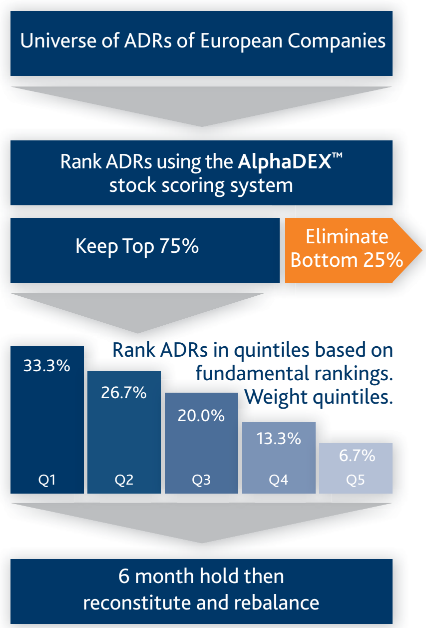
Now is the time to capitalize on attractive European dividend yields with TSX:EUR, First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged).

AlphaDEX™ Methodology



- **European equities** provide excellent opportunities for performance and yield
- Proprietary **AlphaDEX™** methodology delivers a disciplined, rules-based investment approach
- **Currency-hedged** to help mitigate against currency risk
- All the **benefits of an ETF** including intraday trading, transparency and liquidity and low fees
- Management fee of 0.60%*

Find out why **EUR** is the right European fund for your portfolio. Go to **www.firsttrust.ca** or call **1-877-622-5552**.

First Trust Portfolios Canada®

* Maximum annual management fee of 0.80%

Commissions, trailing commissions, management fees and expenses all may be associated with ETF investments. ETFs are not guaranteed, their values change frequently and past performance may not be repeated. Please read the prospectus before investing.

Perspectives on Europe

Compelling Valuations and a Budding Turnaround Provide Investors With Attractive Investment Opportunities Across the Pond.

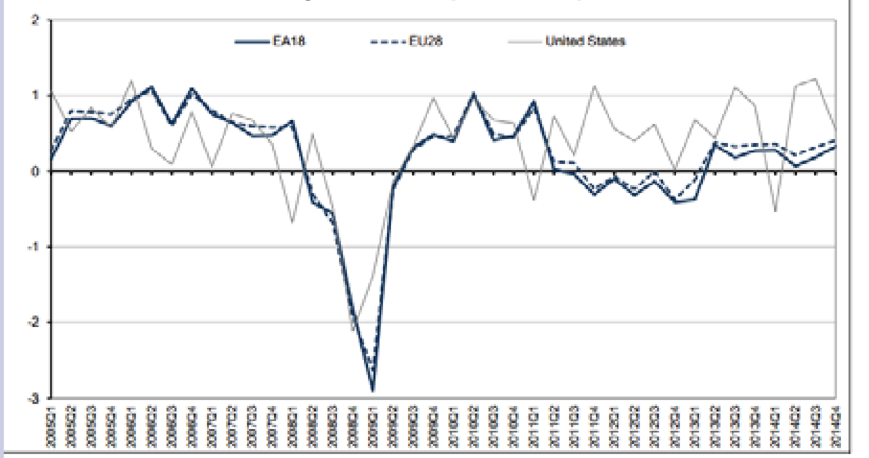
Hit hard by recession and racked by various debt crises, much of the European Union (EU) has struggled economically since the financial crisis of 2008/09. Despite consistent stand-outs like Germany (the EU's economic leader) and a revitalized U.K., the rest of the region is only now beginning to show signs of a solidifying recovery.

But within that growing recovery is the opportunity to uncover important value for investors. The EU has a massive and sophisticated consumption-based economy. Its markets provide investors with a diverse range of sectors, industries and world-leading companies. As the domestic economy continues to recover, consumers and businesses will benefit, consequently providing a strong underpinning to the region's markets.

Crossing the Atlantic for Opportunities

We see opportunity in European stocks, partly because the region's equity markets have underperformed relative to North American markets, making its valuations more attractive.

EU 28, euro area and United States GDP growth rates
% change over the previous quarter



Source: Eurostat. 03/06/15.

Relative Valuations
MSCI Europe/MSCI U.S. Cycle-adjusted P/E

Source: J.P.Morgan

Eurozone Datastream Index
Normalized Earnings & Valuations

Source: Datastream, Concensus Economics, RBCGAM

In addition to the valuation story, there are a number of fundamental factors that provide a positive backdrop for European equities:

1. Quantitative easing (QE)

In March, the European Central Bank (ECB) implemented its own QE program, pledging to buy 60 billion euros a month worth of fixed income securities to expand the money supply, stimulate growth and enhance market confidence. While QE does not address any of the eurozone's structural problems, we expect it will have a positive influence on European stock markets.

2. Euro weakness

Over the past several months, the euro has fallen over 20% against the U.S. dollar. Continued weakness in the euro is another expected result of the QE program. Up until last summer, a stronger euro was a drag on profits for the many European multinational companies with significant offshore revenues. However, this trend is now reversing and we expect the euro's recent weakness to become a tailwind for improving corporate profits.

3. Lower oil prices

While declining oil prices have put stress on Canada's economy, the impact for Europe is unequivocally positive and could result in a substantial boost to consumption growth in 2015. Even a small transfer of spending away from energy and towards other goods and services could produce real GDP growth rates substantially above what the market currently expects. Our analysis suggests that a 20% decline in energy prices could boost real GDP growth by 1% to 1.5% in key European countries. To put this in perspective, these estimated growth contributions are greater than the absolute consensus expectations for 2015.

4. Improving credit demand

We are starting to see increasing credit demand from both corporations and households. According to January's ECB Bank Lending Survey, non-financial corporate credit advanced to its best reading since early 2007. Credit demand from households also continued to rise. We are optimistic that these stronger readings are a precursor to outright credit growth in Europe. If such a credit impulse occurs, it could drive a positive economic surprise and, in turn, drive equities higher.

Overall, we see a number of positive fundamentals that, when combined with an attractive valuation story, could support strong relative returns for European stocks.

Continued on page 18

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Accessing European Markets: RBC Quant European Dividend Leaders ETF

The key to investing in such a diverse region as Europe is to identify the market opportunities that end up providing investors with the best potential returns. This requires an asset manager that can apply both a broad-based, strategic worldview and a localized, tactical view – all backed by specific expertise in the region. RBC Global Asset Management (RBC GAM) leverages the expertise and experience of its Quantitative Investment Management team, led by Portfolio Manager Bill Tilford. Bill and his team apply a discerning lens to the region, providing investors with access to the best opportunities that Europe has to offer.

RBC Quant European Dividend Leaders ETF (Ticker: RPD), also offered in a **USD version (Ticker: RPD.u)**, is a high-quality, core European dividend income solution that provides investors with exposure to the compelling opportunities in Europe. Developed by RBC GAM's Quantitative Investment Management team, this ETF employs a rules-based, multi-factor investment approach to build a portfolio of European companies with strong balance sheets, sustainable dividends and the potential for dividend growth. An innovative approach to weighting and regular rebalancing is designed to further enhance risk-return characteristics.

RBC Quant European Dividend Leaders (CAD Hedged) ETF (Ticker: RHP) is currency hedged, which provides investors with the same equity exposure as RPD, while also striving to eliminate exposure to currency risk. For those investors anticipating a weakening in European currencies against the Canadian dollar, RHP can help them take advantage of that investment outlook.

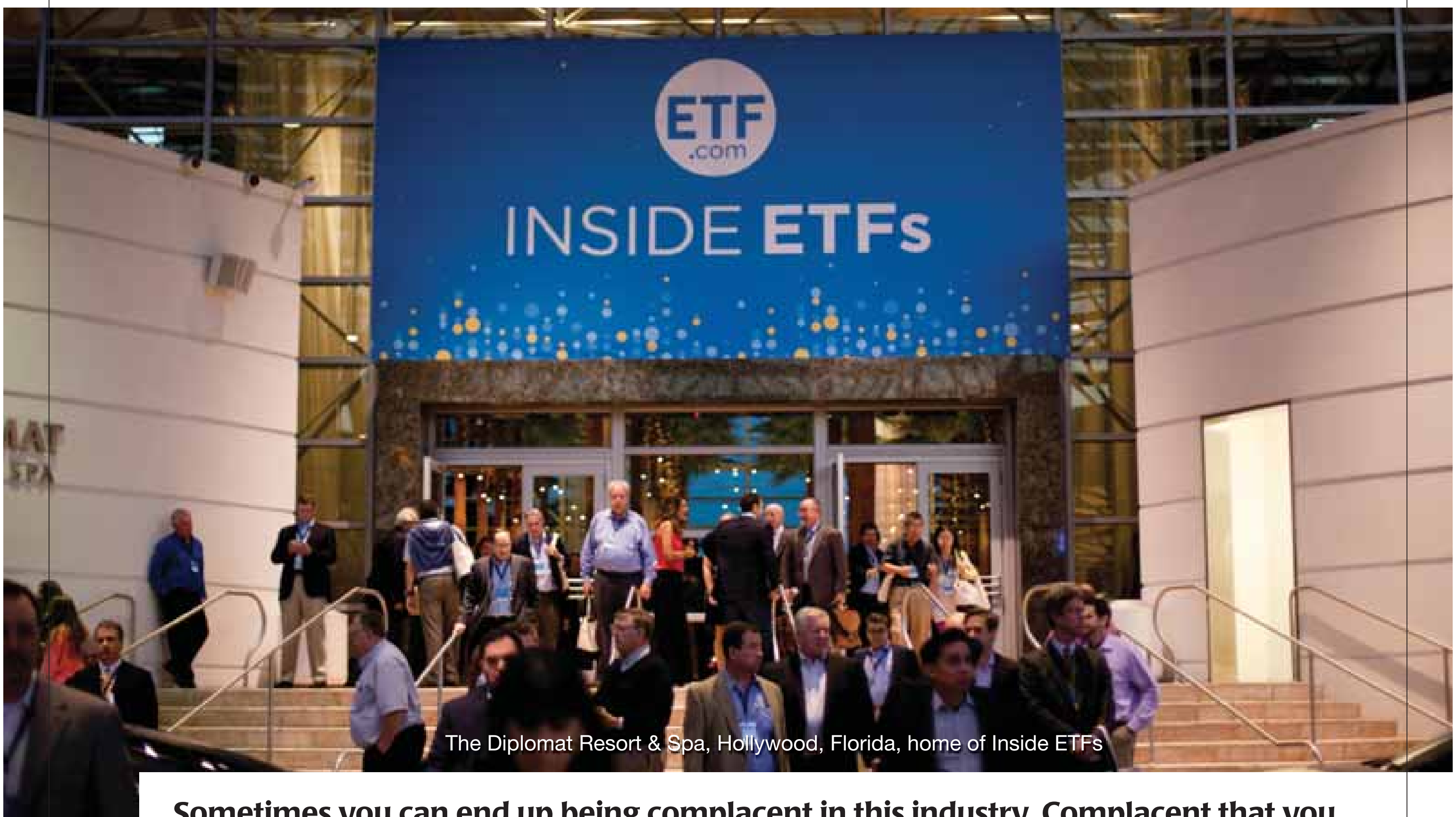
The Rising Tide Not Likely to Lift All Boats

As compelling as today's European markets may be, the region's recovery is likely to be uneven across such a wide variety of markets and local economies. In addition, the quality of, and outlook for, many European companies still remains uncertain and varied. Such conditions require smart investment solutions to separate the quality opportunities from the rest of the market. RBC Quant European Dividend Leaders ETF uses a disciplined process that uncovers opportunities for investors by screening for dividend yields and companies' financial strength, growth fundamentals and stock market capitalization.

A Complementary Continent

With North American equity valuations at or near fair value, Europe's diverse investment opportunities provide a compelling complement for investors to diversify their portfolios beyond North America. The conditions appear in place to see Europe's massive economy solidify its growing recovery, providing investors with solid opportunities that benefit from the continent's improving outlook. Using smart, innovative and high-quality solutions is an effective way to cross the pond to Europe's inviting investment shores.

Inside ETFs Florida Conference Review



The Diplomat Resort & Spa, Hollywood, Florida, home of Inside ETFs

Sometimes you can end up being complacent in this industry. Complacent that you know it all, that you've read all the right information, and there's not a single new thing you can learn about ETFs. But having 1,900 people gathered at the ETF.com annual conference in Florida would jerk anybody out of their complacent behavior.

This high-powered conference on ETFs was be held at the **Westin Diplomat Hotel** in **Hollywood, Florida** as it has been for the past several years. For those of you who are active investors or traders, and especially those who live in Florida, this conference provided the most comprehensive venue for ETF knowledge available in a conference format. It was a mix of close to 1,900 registered investment advisors, ETF Sponsors, stock exchanges, ETF model portfolio managers, index providers, trading and research companies. All the major vendors were present in the Exhibit Hall, major market players, over 1900 attendees and a superb high-quality roster of speakers. It was a great chance to dialogue with firms as well as capture updated product and research literature. **CNBC** was also on hand to broadcast live from the event.

You must Google and read **Dave Nadig**'s ***"4 things I Learned at Inside ETFs"***. According to Dave:

ETF .com INSIDE ETFs

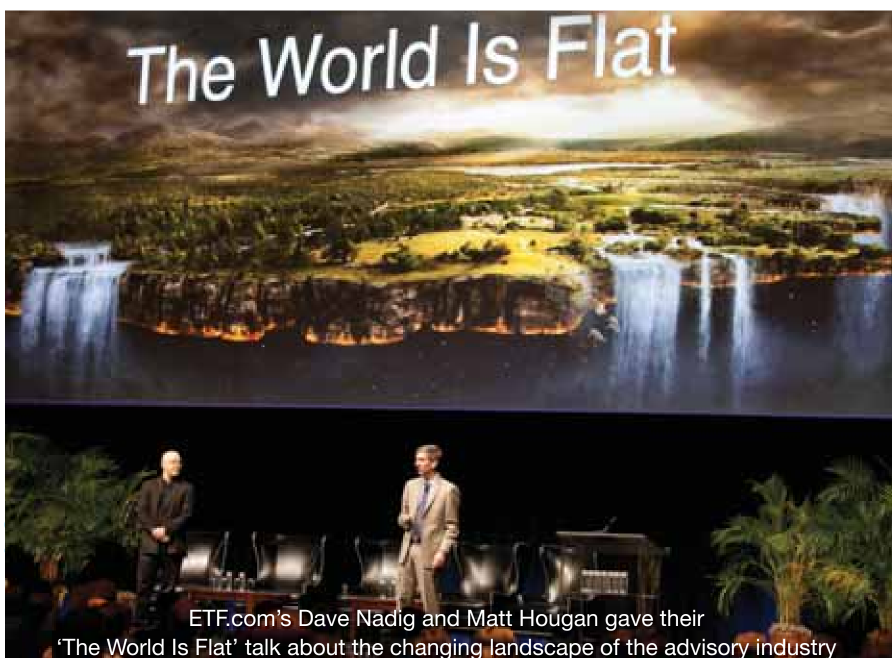
- **ETFs Are Kind Of A Big Deal**
- **Robo Advisors Are A Polarizing Force**
- **2015 Is All About Fixed Income**
- **Like It Or Not, 'Smart Beta' Is Here To Stay**

Jeffrey Gundlach, CEO & CIO of DoubleLine, gave a memorable presentation on what he sees coming in 2015

The South Lagoon Pool, site for Sunday night's Cuban party featuring Tito Puente Jr.'s band, sponsored by MSCI

ETF.com's Matt Hougan

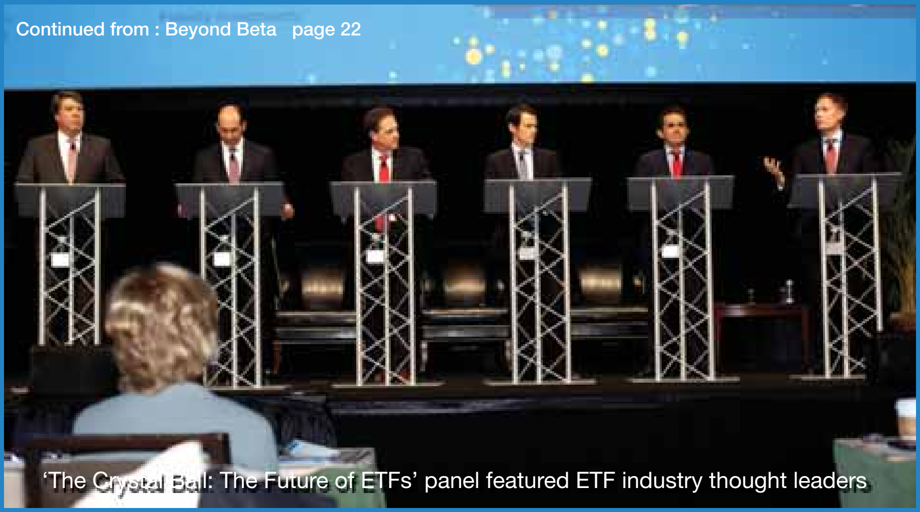
ETF.com's Dave Nadig



ETF.com's Dave Nadig and Matt Hougan gave their 'The World Is Flat' talk about the changing landscape of the advisory industry

Continued on page 22

Continued from : Beyond Beta page 22



'The Crystal Ball: The Future of ETFs' panel featured ETF industry thought leaders

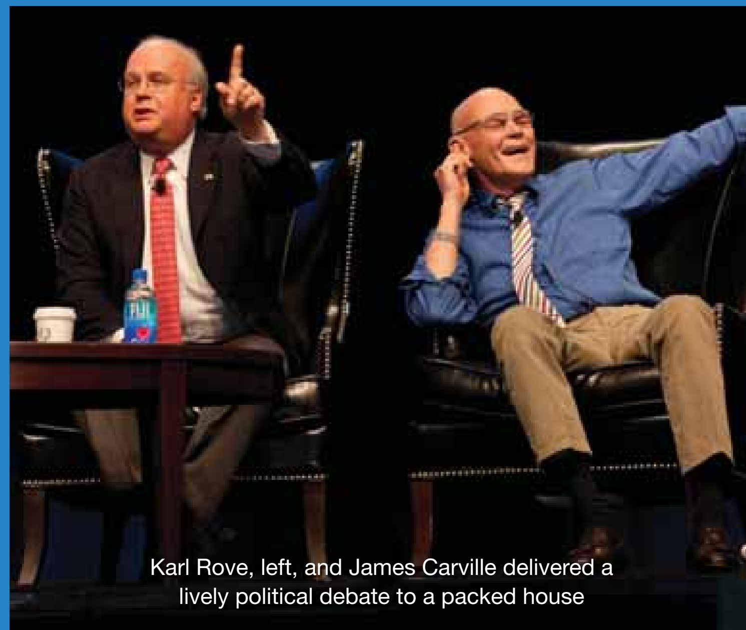
Evening pool parties of course draw a crowd

Tito Puente Jr. brought the Cuban beat to Inside ETFs

Robert Kaplan, senior fellow at
The Center for a New American Security, gave Monday's closing keynote:
'What Investors Need to Know About an Age of Anarchy'

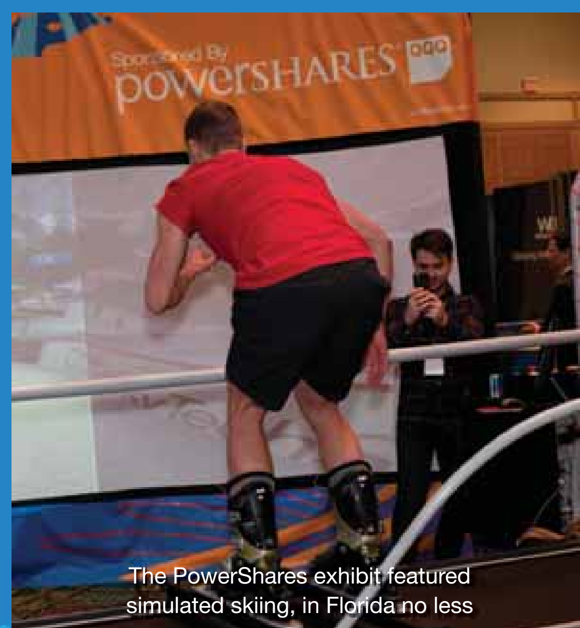
ETF.com's Matt Hougan, left, moderated the lively 'The Future of Financial Advice:
Man vs. Machine' panel with Wealthfront's Adam Nash, center, and Ric Edelman of Edelman Financial Services

Rob Arnott, chairman & CEO of Research Affiliates, gave a talk titled: 'Is Indexing Facing an Existential Crisis?'

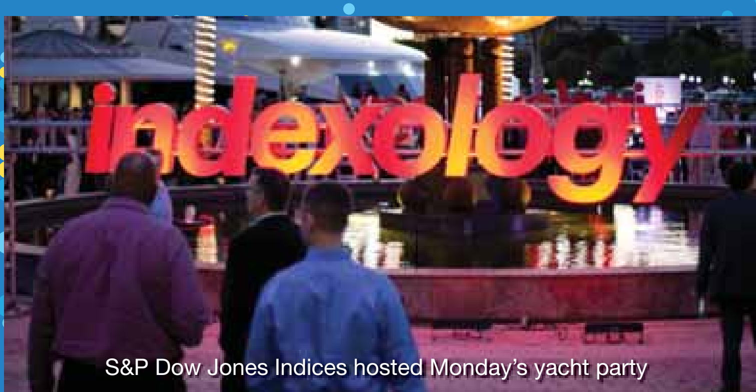


Karl Rove, left, and James Carville delivered a lively political debate to a packed house

David Kotok, chairman & chief investment officer at Cumberland Advisors, gave a free book signing Tuesday for 'From Bear to Bull with ETFs'



The PowerShares exhibit featured simulated skiing, in Florida no less



S&P Dow Jones Indices hosted Monday's yacht party

Anchors aweigh as the Inside ETFs yacht party departs

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- Value
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- Low Volatility
- High Beta
- S&P/TSX Small Cap
- Covered Calls
- S&P/TSX Venture Select
- MSCI Canada
- FTSE RAFI Canada
- Morningstar Canada
- Dow Jones Canada

International Equity
- Emerging Markets
- Europe
- Global Funds
- Japan
- Latin America
- United States
- BRIC (Brazil, Russia, India & China)
- EAFE (Europe, Australia, Asia, and the Far East)

Currencies
- Euro
- Pound
- U.S. Dollar
- Yen

Commodities
- Agriculture
- Base Metals
- Precious Metals
- Energy
- Broad

Volatility & Alternative Strategies
- VIX Short-Term Futures
- VIX Mid-Term Futures
- Managed Futures
- Hedge Fund

Multi-Asset
- Active Diversified Income
- Core Portfolio Funds
- Completion Portfolio Builders
- Monthly Income Funds

Fixed Income
- Corporate
- Convertible
- Government
- Real Return
- High Yield
- Target Maturity
- Laddered
- Barbells
- Senior Loan

Sector Equity
- Agriculture
- Consumer Staples
- Energy
- Financial
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- Infrastructure
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- Materials
- Metals & Mining
- Real Estate
- Socially Responsible
- Utilities
- Water

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2015 CALENDAR OF EVENTS

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Retirement Investment Summit Canada (RISC) 4th Annual

Tuesday, April 21 & Wednesday, April 22 ~ Toronto

RISC is Canada's premier event on Retirement Planning and Investing. Hear from leading financial industry professionals and industry experts who will provide valuable insights into the issues and trends that matter the most for Canada's financial professionals in Canada. Join us for presentations, advisor/client focused sessions, panel discussions, networking events and knowledge sharing critical issues facing the retirement industry. This extensive two-day event delivers a focused set of tools and resources from select sponsor partners that include products, retirement coaching and planning, current economic perspectives, information on advisor support programs and tools for your business and development. This is an opportunity for financial advisors to gather together in a great location to network, learn from each other, and participate in the numerous educational opportunities that fill the agenda.

RETIREMENT INVESTMENT SUMMIT CANADA

RadiusPMARS.com

Exchange Traded Forum (ETF) 6th Annual

Tuesday, May 26 & Wednesday, May 27 ~ Toronto

Canada's leading event dedicated to **Exchange Traded Products**. Hear from leading financial industry professionals and industry experts who will provide valuable insights into the issues and trends that matter most to Canada's financial professionals. Join us for presentations, advisor/client-focused sessions, roundtable discussions, networking events and knowledge sharing critical issues facing the financial industry. This is an opportunity for IIROC based financial advisors and also Portfolio Managers to gather together in a great location to network, learn from each other, and participate in the numerous educational opportunities that fill the agenda.

EXCHANGE TRADED FORUM

ExchangeTradedForum.com

Exchange Traded Forum (ETF West) 5th Annual

Wednesday, June 3 ~ Vancouver

Canada's leading event dedicated to **Exchange Traded Products**. Hear from leading financial industry professionals and industry experts who will provide valuable insights into the issues and trends that matter most to Canada's financial professionals. Join us for presentations, advisor/client-focused sessions, roundtable discussions, networking events and knowledge sharing critical issues facing the financial industry. This is an opportunity for IIROC based financial advisors and also Portfolio Managers to gather together in a great location to network, learn from each other, and participate in the numerous educational opportunities that fill the agenda.

EXCHANGE TRADED FORUM

ExchangeTradedForum.com

World Alternative Investment Summit Canada (WAISC)

Mon., Sept. 14 to Wed., Sept. 16 ~ Niagara Falls 14th Year

WAISC is in its 13th year and is Canada's largest gathering of **alternative** and **exempt market** investment professionals and service providers. Featuring panel discussions with top-level Canadian and international speakers, fund managers and leading service providers, WAISC brings together over 300 delegates to explore every side of **alternative** investments. WAISC is a popular annual event that is not to be missed.

WAISC

waisc.com

Exchange Traded Forum (ETF North Toronto)

Tuesday, October 20 ~ North Toronto

Canada's leading event dedicated to Exchange Traded Products. Hear from leading financial industry professionals and industry experts who will provide valuable insights into the issues and trends that matter most to Canada's financial professionals. Join us for presentations, advisor/client-focused sessions, roundtable discussions, networking events and knowledge sharing critical issues facing the financial industry. This is an opportunity for IIROC based financial advisors and also Portfolio Managers to gather together in a great location to network, learn from each other, and participate in the numerous educational opportunities that fill the agenda.

EXCHANGE TRADED FORUM

ExchangeTradedForum.com

World Alternative Investment Summit Canada (WAISC West)

Wednesday, October 28 ~ Vancouver

WAISC West is in its 4th year and is Canada's largest gathering of **alternative** and **exempt market** investment professionals and service providers. Featuring panel discussions with top-level international speakers, fund managers and leading service providers, WAISC brings together over 200 delegates to explore every side of **alternative** investments.

WAISC

waisc.com

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