

# Exchange-traded funds: 30 years in the Canadian market

January 22, 2021

2020 marked the 30th year since the first exchange-traded fund (ETF) launched on the Toronto Stock Exchange (TSX). Since entering the Canadian market in March 1990, ETFs have grown into a significant sector of the asset management industry and an important component of the holdings of Canadian investors, institutional and retail alike.

While markets experienced significant turbulence in the spring of 2020, the orderly, high volume trading of ETFs provided transparency, price discovery and much needed liquidity to Canadian markets. The ecosystem of dealers that act as market makers for ETFs functioned well. In general, dealers did not back away from their essential role in ETF markets, even through the extreme market stress of March 2020. Though there were short periods in which the prices of ETFs diverged from net asset value, this divergence was caused by the underlying market for constituent securities, and not dysfunction in the market for ETFs themselves. The resilience of ETFs during 2020 will likely contribute to increased investor confidence in ETFs and continued growth going forward.

This article explores current trends in the ETF industry, including the emergence of ETF series offerings and ESG ETFs, and whether lower-cost alternatives present a viable option to address the rising costs of index licensing. Along the way, we highlight key considerations for investment managers.

[Download the article here](#)

(PDF, 1.1 MB)

This article appears in the Winter 2021 edition of *Canadian ETF Watch* as “Canadian ETFs - 30 Years of Resilience,” reprinted with permission from Canadian ETF Watch.

By

[Jessica Evans](#), [Carol Derk](#)

Expertise

[Capital Markets](#), [Investment Management](#), [Renewable Energy](#)

---

## **BLG | Canada's Law Firm**

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 800 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

[blg.com](http://blg.com)

### **BLG Offices**

#### **Calgary**

Centennial Place, East Tower  
520 3rd Avenue S.W.  
Calgary, AB, Canada  
T2P 0R3

T 403.232.9500  
F 403.266.1395

#### **Ottawa**

World Exchange Plaza  
100 Queen Street  
Ottawa, ON, Canada  
K1P 1J9

T 613.237.5160  
F 613.230.8842

#### **Vancouver**

1200 Waterfront Centre  
200 Burrard Street  
Vancouver, BC, Canada  
V7X 1T2

T 604.687.5744  
F 604.687.1415

#### **Montréal**

1000 De La Gauchetière Street West  
Suite 900  
Montréal, QC, Canada  
H3B 5H4

T 514.954.2555  
F 514.879.9015

#### **Toronto**

Bay Adelaide Centre, East Tower  
22 Adelaide Street West  
Toronto, ON, Canada  
M5H 4E3

T 416.367.6000  
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing [unsubscribe@blg.com](mailto:unsubscribe@blg.com) or manage your subscription preferences at [blg.com/MyPreferences](http://blg.com/MyPreferences). If you feel you have received this message in error please contact [communications@blg.com](mailto:communications@blg.com). BLG's privacy policy for publications may be found at [blg.com/en/privacy](http://blg.com/en/privacy).

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.