

SPIVA[®] Canada Scorecard

MID-YEAR 2013

CONTRIBUTORS

Aye M. Soe, CFA

Director, Global Research & Design
aye.soe@spdji.com

Abigail Etches

Director, Business Development
abigail.etches@spdji.com

Summary

- The SPIVA[®] Canada Scorecard reports on the performance of actively managed Canadian mutual funds, corrected for survivorship bias, and shows equal- and asset-weighted peer averages.
- There is nothing novel about the index versus active debate. It has been a contentious subject for decades, and there are strong opinions on both sides. The SPIVA Canada Scorecard is the de facto scorekeeper of this debate.
- Beyond the SPIVA Canada Scorecard's widely cited headline numbers is a rich data set that addresses issues related to measurement techniques, universe composition and fund survivorship that are far less frequently discussed, but are often far more fascinating.
- There are no consistent or useful trends to be found in annual active versus index figures. The only consistent data point we have observed over a five-year horizon is that a majority of active equity managers in most categories lag comparable benchmark indices.
- **Domestic Equities:** As of June 30, 2013, the headline Canadian equities indices, the S&P/TSX Composite and the S&P/TSX 60, posted negative returns at -0.88% and -0.97%, respectively. However, over the past 12 months ended June 30, both the S&P/TSX Composite and the S&P/TSX 60 registered modest gains of 7.9% and 8.16% respectively. During the same period, the returns of most Canadian active managers were higher than the benchmark, as 72.73% of Canadian equity funds outperformed the S&P/TSX Composite Index. Similarly, 68.97% of active Canadian small-/mid-cap equity funds beat the S&P/TSX Completion and 34.48% of active Canadian focused equity category outpaced S&P's blended index, which comprises 50% of the S&P/TSX Composite, 25% of the S&P 500 and 25% of the S&P EPAC LargeMidCap. Over three- and five-year periods, only 45.65% and 30.36% of actively managed Canadian equity funds outperformed the TSX Composite Index, respectively.

- Over the longer term, such as the five-year investment horizon, we observe the same pattern repeating across all the categories. The majority of active managers underperformed their benchmarks.
- **Foreign Equities:** The majority of the active managers in the international equity category saw their returns lagged behind the benchmarks as only 27.27% of international equity managers beat their benchmarks over the past 12 months ended June 30. Similarly, during the same period, only 13.19% of global equity managers had higher returns than their benchmark. Over the five-year period, 11.36% active international equity funds were able to beat the benchmarks and only 8.26% of active global equity funds and 2.35% of active U.S. equity funds have outperformed the S&P EPAC LargeMidCap, S&P Developed LargeMid and S&P 500® indices, respectively.

Introduction

The SPIVA Canada Scorecard provides a semi-annual update on the active-versus-index debate in Canada. The SPIVA Canada Scorecard shows the performance of actively managed Canadian mutual funds compared with S&P Dow Jones Indices in their respective categories. Although many such reports are available, the SPIVA Canada Scorecard is unique in that it offers:

- **Survivorship bias correction:** Many funds might be liquidated or merged during a period of study. However, for an investor making a decision at the beginning of the period, these funds are part of the opportunity set. Unlike other commonly available comparison reports, SPIVA removes this survivorship bias.
- **Apples-to-apples comparison:** Fund returns are often compared with a popular benchmark regardless of its investment category. SPIVA Canada Scorecards make an appropriate comparison by measuring a fund's returns against the returns of a benchmark that reflects the fund's investment category.
- **Asset-weighted returns:** Average returns for a fund group are often calculated using only equal weighting, which results in the returns of a Canadian dollar (CAD) 10 billion fund affecting the average in the same manner as the returns of a CAD 10 million fund. The SPIVA Canada Scorecard shows both equal- and asset-weighted averages. Equal-weighted returns are a measure of average fund performance. Asset-weighted returns are a measure of the performance of the average invested dollar.

The SPIVA Canada Scorecard does not make investment recommendations or offer comments on the suitability of either index or active investing. It simply provides quarterly numbers according to the SPIVA methodology and a brief analysis of the numbers. Further, S&P Dow Jones Indices advises reading the methodology at the end of the report in order to understand how the numbers are derived.

Canadian Equity Funds

In the past five years, 30.36% of actively managed funds in the Canadian Equity Funds category¹ outperformed the S&P/TSX Composite (see Report 1). There was a similar result for the past three years, with only 45.65% of active funds exceeding the index return. For the five-year period, the average returns of active Canadian equity funds in this category, on both an equal- and asset-weighted basis, were inferior to those of the S&P/TSX Composite (see Reports 3 and 4). However, the results are mixed for the three- and one-year horizons: average Canadian equity returns in this category lagged the S&P/TSX Composite on an asset-weighted basis but not on an equal-weighted basis. The finding once again highlights the importance of averaging schemes, which can be used to gauge whether funds with more assets are doing better versus funds with small assets.

¹ This report uses the Canadian Investment Funds Standard Committee's (CIFSC) fund categories. Additional information regarding this organization and their categories can be found at www.cifsc.com.

Canadian Small/MidCap Equity Funds

During the past 12 months, 68.97% of actively managed equity funds in the Canadian Small/MidCap Funds category outperformed the S&P/TSX Completion² (see Report 1). In addition, the S&P/TSX Completion Index outperformed active small/mid-cap equity fund returns on an equal- and asset-weighted basis in three- and five-year time periods (see Reports 3 and 4).

Canadian Dividend and Income Equity Funds

The mandate of constituents of the Canadian Dividend & Income Equity Funds category is to invest primarily in income-generating securities. S&P Dow Jones Indices' comparable index is the S&P/TSX Canadian Dividend Aristocrats[®], which includes constituents that have followed a managed-dividends policy of consistently increasing dividends every year for at least five out of six years. As dividends and income theme continuing to dominate the investment landscape, 58.62% of the Canadian active income funds outperformed the S&P/TSX Canadian Dividend Aristocrats over the past 12 months. Measured over three years, the figure dropped significantly with 3.13% of funds outperforming the benchmark index and 0% of active funds were able to outperform the S&P/TSX Canadian Dividend Aristocrats. Asset-weighted and equal-weighted returns were higher for the index in this category for the three- and five-year time periods, but not for the one year time period.

U.S. Equity Funds

The U.S. Equity Funds category offers Canadian investors exposure to the U.S. equity market with Canadian dollar returns. In addition to equity risk, these funds carry currency risk. Just 2.35% of funds in this category outperformed the S&P 500 (in Canadian dollar terms) in the past five years, while only 1.45% beat the index in the three-year period (see Report 1). The S&P 500 outperformed active funds in the equal- and asset-weighted categories in all time periods examined.

International Equity Funds

This category encompasses funds that invest most of their assets in developed countries other than Canada and the U.S. In addition to equity risk, these funds carry currency risk. Of the active funds in this category, 11.36% outperformed the S&P EPAC LargeMidCap³ (in Canadian dollars) over the past five years (see Report 1). When measured over a shorter one year horizon, 27.27% of these funds, beat the index. Returns for the S&P EPAC LargeMidCap surpassed both equal-weighted and asset-weighted active fund returns over one-, three- and five-year time horizons.

Global Equity Funds

The Global Equity Fund category can invest in securities domiciled anywhere across the globe. In addition to equity risk, these funds carry currency risk. Over the one- and three-year periods, 13.19% and 3.74% of the funds outperformed the benchmark S&P Developed LargeMidCap respectively (see Report 1). When viewed over the longer five-year period, the picture is less rosy, with only 8.26% of active global equity funds able to beat the benchmark. Equal- and asset-weighted average returns for the S&P Developed LargeMidCap surpassed those of the active funds in all time periods examined.

² The S&P/TSX Completion comprises constituents of the S&P/TSX Composite that are not in the S&P/TSX 60.

³ Previously named the S&P/Citigroup EPAC PMI Index. Previously PMI represented 80% of the cumulative available market cap; it now represents 85%. See the glossary for additional details.

Canadian Focused Equity Funds

These funds have a large Canadian equity allocation but also include investments in equities outside of Canada. The comparable benchmark, a blended index of 50% S&P/TSX Composite, plus 25% S&P 500 and 25% S&P EPAC LargeMidCap, saw its returns lagged behind 34.48% of active funds in this category in the past 12 months (see Report 1). In the past three and five years 13.85% and 15.28% of active funds, respectively, outperformed the blended index. The blended index had higher equal- and asset-weighted returns than those of active funds in all periods examined (see Reports 3 and 4).

Survivorship

A key advantage of the SPIVA methodology is its correction for survivorship bias, which can skew results as funds merge or liquidate. For example, if there are 100 funds in the beginning of a five-year period and at the end of the period 20 have dropped out or merged (leaving 80), then this implies 80% survivorship.

Survivorship in the five years ended June 30, 2013, was 67.86%, 58.82%, 70.45% and 72.73% for funds in the Canadian Equity, U.S. Equity, International Equity and Global Equity categories, respectively. The corresponding survivorship figures in the three-year timeframe were higher at 84.78%, 76.81%, 86.49% and 81.31%. In other words, a significant percentage of the funds in these four categories have been merged or liquidated in the past five years. The Canadian Dividend & Income Equity category had high survivorship of 90.63% and 85.71% in the three- and five-year periods, respectively. The Canadian Small/MidCap category had survivorship of 80.00% and 59.57% for the three- and five-year periods, respectively. The Canadian Focused Equity category had survivorship rates of 72.31% for the three-year period and 62.50% for the five-year period.

SPIVA Methodology

Data

S&P Dow Jones Indices obtains a custom feed of monthly return data from Fundata Canada for all equity mutual funds that have information in their database. The feed includes data on funds that have merged or liquidated. Fundata applies the following filters to the file S&P Dow Jones Indices receives:

- All non-equity funds are excluded
- All pooled funds, segregated funds or other specialized categories that do not qualify as retail mutual funds are excluded
- Multiple occurrences of the same fund's portfolio reporting in two or more currencies are also excluded
S&P Dow Jones Indices only uses the Canadian dollar version
- Only a single share class is included

The file contains the following data fields on a monthly basis:

- Fund name
- Fund identifier
- Month and year
- Fund returns for the month, after management and other costs, and including distributions
- Fund assets under management in that month
- Fund categorization in that month
- Management type (i.e., whether the fund is indexed or actively managed)

S&P Dow Jones Indices then limits the subset using the following filters:

- S&P Dow Jones Indices chooses funds that are actively managed, excluding index funds.
- S&P Dow Jones Indices removes funds that do not have information on assets under management for any month within the previous five years from the sample. These funds are relatively few, and their equal-weighted returns are compared to those of the funds with assets reported in Report A1 to illustrate the impact of their exclusion. S&P Dow Jones Indices removes these funds because our report on asset-weighted returns cannot be computed without fund asset information, and we wish to use a consistent data set across the four main reports on active-versus-index performance included in the SPIVA Canada Scorecard.

Fund Categories

S&P Dow Jones Indices chooses funds that have, at any point in the previous 60 months, been classified in at least one of the following eight Canadian Investment Funds Standards Committee CIFSC⁴ categories:

- Canadian Equity
- Canadian Small/MidCap Equity
- Canadian Income Trust Equity
- Canadian Dividend and Income Equity
- U.S. Equity
- International Equity
- Global Equity
- Canadian Focused Equity

The categories reviewed in this report represent the major areas of interest for Canadian investors of equity funds.

The CIFSC governs categorization of Canadian mutual funds. In August 2007, the CIFSC's fund categorization structure changed, posing some challenges for S&P Dow Jones Indices' reports. For example, the Canadian Equity (Pure) category was eliminated; the funds in that category were folded into the revised definition of Canadian Equity, which now encompasses funds primarily invested in Canadian securities. Also, the Canadian SmallCap Equity category was expanded to the Canadian Small/MidCap Equity category. According to the CIFSC, "For each small/mid cap equity category there is a market capitalization threshold that determines whether a fund has a small enough market cap to meet that category. The threshold is determined by comparing the geometric mean market cap of a fund to that same measure for an appropriate benchmark index."⁵ In this case, the benchmark index the CIFSC uses for the Canadian Small/MidCap Equity category is the S&P/TSX Completion.

In terms of the Canadian Equity category change, the Fundata file helps achieve comparability across history by backfilling the classifications before the classification system restructuring. S&P Dow Jones Indices realizes that this introduces a backward-looking bias, but fortunately the benchmark for both the Canadian Equity and Canadian Equity Pure categories is the S&P/TSX Composite.

The Canadian SmallCap Equity category restructuring presented additional challenges. The backfilling of classifications resulted in small-cap funds being reclassified historically as small-cap or mid-cap equities, and these same funds were benchmarked to the S&P/TSX Completion rather than the S&P/TSX SmallCap. As a result, S&P Dow Jones Indices decided to only show data for the Small/MidCap category for the past year.

⁴ Refer to www.cifsc.com for additional information regarding CIFSC and its categories.

⁵ Canadian Investment Funds Standards Committee – 2007 Retail Investment Fund Category Definitions.

In addition, as a result of the elimination of the SmallCap Equity category, S&P Dow Jones Indices can no longer compare small caps with the S&P/TSX SmallCap. If this category is reinstated, it will be added to our reports.

The Income Trust Equity category is no longer relevant for the Canadian investable universe, so it is has been excluded from this report.

Benchmarks

The S&P/TSX Indices were also subject to a number of changes in 2007. Following a consultation process with the index community, the S&P/TSX SmallCap's methodology was adjusted to create a more appropriate Canadian benchmark of small capitalization equities. The S&P/TSX SmallCap is now a separate index from the S&P/TSX Composite index family. In addition, the S&P/TSX MidCap was renamed the S&P/TSX Completion and its methodology was revised. It includes the constituents of the S&P/TSX Composite that are not in the S&P/TSX 60 Index. In 2011, the methodology for the S&P/TSX Dividend Aristocrats was revised to allow for one year of static dividend payments.

The benchmark indices used in the SPIVA Canada Scorecard are shown in the table below. All the index returns are total returns (i.e., include dividend reinvestment) in Canadian dollars. **There has been no deduction of index returns to account for fund investment expenses.** Active fund returns are after expenses, but do not include front- or back-end loads or other commissions that investors might pay.

Fund Categories and Their Benchmarks	
Fund Category	Comparison Benchmark
Canadian Equity	S&P/TSX Composite S&P/TSX Capped Composite ⁶
Canadian Small/MidCap Equity	S&P/TSX Completion
Canadian Dividend and Income Equity	S&P/TSX Canadian Dividend Aristocrats
U.S. Equity	S&P 500
International Equity	S&P EPAC LargeMidCap
Global Equity	S&P Developed LargeMidCap
Canadian Focused Equity	50% S&P/TSX Composite plus 25% S&P 500 and 25% S&P EPAC LargeMidCap

Previous SPIVA Canada Scorecards included a report (Report A2) that compared the Canadian Equity Fund category with a blended index of the S&P/TSX Composite (70%) and the S&P 500 (30%). As a result of the foreign content limit removal in 2005, increasing numbers of Canadian investors are redeploying funds outside of Canada to gain international equity exposure. Report A2 has been removed but the report now includes the Canadian Focused Equity category. Funds in the Canadian Focused Equity category include non-Canadian equity exposure. This category is compared to a monthly returning series comprising the S&P/TSX Composite (50%), the S&P 500 (25%) and the S&P EPAC LargeMidCap (25%).

For additional information on any of the benchmark indices, please see the one-page glossary at the end of this report, or visit our website at www.spdji.com.

⁶ The main reports show a comparison with the S&P/TSX Capped Composite, since mutual funds are restricted from holding more than 10% of their portfolio in a single stock. A capped index better represents an active manager's opportunity set in periods where the history includes a concentration problem. In practical terms, both benchmarks would be equivalent where the history under consideration does not have a greater than 10% single-stock concentration in the S&P/TSX Composite.

Reports

Report 1: Percent of Active Funds Outperforming Index

This report shows the percent of funds that have outperformed their comparable benchmark in one-year, three-year and five-year periods. The comparison starts with the funds in a category at the beginning of the period. At the end of the period, the report shows what percentage of funds have survived and outperformed the benchmark index. The fund's category at the end of the period is not considered because the category at the beginning of the holding period is of interest.

Most reports that purport to show the percent of active funds outperforming index work with the funds in a category at the end of the period and then compare their historical returns to the benchmark. The SPIVA Canada Scorecard corrects for this survivorship bias by starting with the funds at the beginning of the period.

Report 1: Percent of Active Funds Outperforming Index: Mid-Year 2013					
Fund Category	Comparison Index	One Year	Three Years	Five Years	
Canadian Equity	S&P/TSX Composite Total Return	72.73	45.65	30.36	
Canadian Equity	S&P/TSX Capped Composite Total Return	72.73	45.65	30.36	
Canadian Small/MidCap Equity	S&P/TSX Completion Total Return	68.97	42.86	25.53	
Canadian Dividend and Income Equity	S&P/TSX Canadian Dividend Aristocrats Total Return	58.62	3.13	0.00	
U.S. Equity	S&P 500 Total Return (CAD)	18.97	1.45	2.35	
International Equity	S&P EPAC LargeMidCap Total Return (CAD)	27.27	8.11	11.36	
Global Equity	S&P Developed LargeMidCap Total Return (CAD)	13.19	3.74	8.26	
Canadian Focused Equity	50% S&P/TSX Composite Total Return plus 25% S&P 500 Total Return (CAD) and 25% S&P EPAC LargeMidCap Total Return (CAD)	34.48	13.85	15.28	

Source: S&P Dow Jones Indices, Fundata. Data as of June 30, 2013, CIFSC categorizations. Financial information provided by Fundata Canada Inc. © Fundata Canada Inc. All Rights Reserved. There has been no reduction of fund expenses from index returns. Tables are provided for illustrative purposes. Past performance is not a guarantee of future results.

Report 2: Survivorship

This report shows the number of funds that existed in a particular category at the beginning of, one-year, three-year and five-year periods, and how many survived at the end of those periods. The fund's category at the end of the period is not considered because the category at the beginning of the holding period is of interest.

Report 2: Survivorship: Mid-Year 2013			
Fund Category	Period	Count at Beginning of Period	Survivorship (%)
Canadian Equity	One Year	44	88.64
	Three Years	46	84.78
	Five Years	56	67.86
Canadian Small/MidCap Equity	One Year	29	96.55
	Three Years	35	80.00
	Five Years	47	59.57
Canadian Div & Income Equity	One Year	29	100.00
	Three Years	32	90.63
	Five Years	35	85.71
U.S. Equity	One Year	58	94.83
	Three Years	69	76.81
	Five Years	85	58.82
International Equity	One Year	33	96.97
	Three Years	37	86.49
	Five Years	44	70.45
Global Equity	One Year	91	96.70
	Three Years	107	81.31
	Five Years	121	72.73
Canadian Focused Equity	One Year	58	82.76
	Three Years	65	72.31
	Five Years	72	62.50

Source: S&P Dow Jones Indices, Fundata. Data as of June 30, 2013, CIFSC categorizations. Financial information provided by Fundata Canada Inc. © Fundata Canada Inc. All Rights Reserved. There has been no reduction of fund expenses from index returns. Tables are provided for illustrative purposes. Past performance is not a guarantee of future results.

Report 3: Equal-Weighted Fund Returns

This report shows the equal-weighted average returns of funds in a particular category for one-year, three-year and five-year periods. For every month in the time period, S&P Dow Jones Indices takes all funds that are in existence in a category and calculates the simple average return. The returns from all months in the period are then compounded. These returns are compared with those of the benchmark returns. The funds used in the averaging process in one month might not be the same as used the next because some funds would have merged or liquidated, new funds would have been formed, and some might have had their categories changed.

This report essentially shows equal weighted performance of actively managed funds in a category over the time period, with the level of granularity for determining the eligible population in that category being monthly.

Most reports that purport to show average active fund performance work with the funds in a category at the end of the period, and then take the average of their historical returns. The SPIVA Canada Scorecard presents a more accurate picture of active fund performance in a category by calculating the average performance of the active funds in existence in a category each month.

Report 3: Equal-Weighted Fund Returns: Mid-Year 2013			
Fund Category or Index	One Year	Three Year (Annualized)	Five Year (Annualized)
Canadian Equity	11.21	5.40	-0.68
S&P/TSX Composite Total Return	7.90	5.39	-0.53
S&P/TSX Capped Composite Total Return	7.90	5.39	-0.53
Canadian Small/MidCap Equity	11.90	7.41	1.18
S&P/TSX Canadian Completion Total Return	7.13	7.72	2.59
Canadian Dividend and Income Equity	9.99	8.36	2.99
S&P/TSX Canadian Dividend Aristocrats Total Return	9.12	12.90	9.76
U.S. Equity	20.80	13.88	4.32
S&P 500 Total Return (CAD)	24.80	18.17	7.85
International Equity	19.37	7.41	-1.07
S&P EPAC LargeMidCap Total Return (CAD)	22.66	10.23	0.99
Global Equity	18.50	10.06	1.87
S&P Developed LargeMidCap Total Return (CAD)	23.09	13.92	4.32
Canadian Focused Equity	14.00	6.48	0.00
50% S&P/TSX Composite Total Return plus 25% S&P 500 Total Return (CAD) plus 25 % S&P EPAC LargeMidCap Total Return (CAD)	15.81	9.79	1.95

Source: S&P Dow Jones Indices, Fundata. Data as of June 30, 2013, CIFSC categorizations. Financial information provided by Fundata Canada Inc. © Fundata Canada Inc. All Rights Reserved. There has been no reduction of fund expenses from index returns. Tables are provided for illustrative purposes. Past performance is not a guarantee of future results.

Report 4: Asset-Weighted Fund Returns

This report shows the asset-weighted average returns of funds in a particular category for one-year, three-year and five-year periods. For every month, S&P Dow Jones Indices takes all funds in a category and calculates the average return by weighing each fund's return by its month-end assets. The returns from all the months in the period are then compounded. These returns are compared with those of the benchmark returns. The funds used in the averaging process in one month might not be the same as used the next because some funds would have merged or liquidated, new funds would have been formed, and some might have had their categories changed.

This report essentially shows asset-weighted performance of actively managed funds in a category over the time period, with the level of granularity for determining the eligible population in that category being monthly.

Most fund reports do not show asset-weighted returns. The SPIVA Canada Scorecard presents an accurate picture of asset-weighted active fund performance in a category by calculating the asset-weighted average performance of the active funds in existence in a category each month.

Report 4: Asset-Weighted Fund Returns: Mid-Year 2013			
Fund Category or Index	One Year	Three Year (Annualized)	Five Year (Annualized)
Canadian Equity	11.21	5.40	-0.68
S&P/TSX Composite Total Return	7.90	5.39	-0.53
S&P/TSX Capped Composite Total Return	7.90	5.39	-0.53
Canadian Small/MidCap Equity	11.90	7.41	1.18
S&P/TSX Canadian Completion Total Return	7.13	7.72	2.59
Canadian Dividend and Income Equity	9.99	8.36	2.99
S&P/TSX Canadian Dividend Aristocrats Total Return	9.12	12.90	9.76
U.S. Equity	20.80	13.88	4.32
S&P 500 Total Return (CAD)	24.80	18.17	7.85
International Equity	19.37	7.41	-1.07
S&P EPAC LargeMidCap Total Return (CAD)	22.66	10.23	0.99
Global Equity	18.50	10.06	1.87
S&P Developed LargeMidCap Total Return (CAD)	23.09	13.92	4.32
Canadian Focused Equity	14.00	6.48	0.00
50% S&P/TSX Composite Total Return plus 25% S&P 500 Total Return (CAD) plus 25 % S&P EPAC LargeMidCap Total Return (CAD)	15.81	9.79	1.95

Source: S&P Dow Jones Indices, Fundata. Data as of June 30, 2013, CIFSC categorizations. Financial information provided by Fundata Canada Inc. © Fundata Canada Inc. All Rights Reserved. There has been no reduction of fund expenses from index returns. Tables are provided for illustrative purposes. Past performance is not a guarantee of future results

Report A1: Equal Weighted Returns of Funds Excluded from Sample Due to Missing Asset Data: Mid-Year 2013

Fund Category	In Sample?	One Year	Three Year (Annualized)	Five Year (Annualized)
Canadian Equity	Included	11.21	5.40	-0.68
	Excluded	11.89	4.20	-1.61
Canadian Small/MidCap Equity	Included	11.90	7.41	1.18
	Excluded	15.24	11.46	4.66
Canadian Dividend and Income Equity	Included	-1.71	3.15	9.99
	Excluded	-1.94	1.71	7.99
U.S. Equity	Included	5.63	18.03	20.80
	Excluded	5.40	15.55	19.46
International Equity	Included	1.90	7.32	19.37
	Excluded	-0.70	5.11	15.70
Global Equity	Included	3.14	11.21	18.50
	Excluded	1.67	8.98	15.78
Canadian Focused Equity	Included	0.68	7.17	14.00
	Excluded	0.71	5.67	11.82
Canadian Equity	Included	44	46	56
	Excluded	24	31	4
Canadian Small/MidCap Equity	Included	29	35	47
	Excluded	9	9	1
Canadian Dividend and Income Equity	Included	29	32	35
	Excluded	11	14	0
U.S. Equity	Included	58	69	85
	Excluded	22	25	1
International Equity	Included	33	37	44
	Excluded	13	15	1
Global Equity	Included	91	107	121
	Excluded	22	38	2
Canadian Focused Equity	Included	58	65	72
	Excluded	20	18	0

Source: S&P Dow Jones Indices, Funddata. Data as of June 30, 2013, CIFSC categorizations. Financial information provided by Fundata Canada Inc. © Fundata Canada Inc. All Rights Reserved. There has been no reduction of fund expenses from index returns. Tables are provided for illustrative purposes. Past performance is not a guarantee of future results.

Glossary

S&P 500

Widely regarded as the best single gauge of the U.S. equities market, this index includes a representative sample of 500 leading companies in leading industries of the U.S. economy and provides over 80% market coverage of the U.S. equities market.

S&P/TSX Canadian Dividend Aristocrats

This index is designed to measure the performance of Canadian securities that have followed a managed dividends policy of consistently increasing dividends every year for at least five years.

S&P/TSX Capped Composite

This includes all the constituents of the S&P/TSX Composite with relative weighting of each constituent capped at 10%.

S&P EPAC LargeMidCap

This index is a float-weighted, rules-based benchmark that captures universe of securities in the developed markets excluding North America. The S&P EPAC LargeMidCap constitutes the top 85% of the available market capitalization of the global S&P EPAC BMI. The S&P EPAC LargeMidCap was previously named the S&P/Citigroup EPAC PMI Index and represented 80% of the available market cap. On Oct. 1, 2008, the new size divisions and name change took effect.

S&P Developed LargeMidCap

This index is a float-weighted, rules-based benchmark that captures securities in the developed markets. The S&P Developed LargeMidCap constitutes the top 85% of the available market cap of the global S&P Developed BMI. The S&P Developed LargeMidCap was previously named the S&P/Citigroup World PMI Index and represented 80% of the available market capitalization. On Oct. 1, 2008, the new size divisions and name change took effect.

S&P/TSX Completion

This is a modular component of the S&P/TSX Composite. This index comprises constituents of the S&P/TSX Composite that are not in the S&P/TSX 60.

S&P/TSX Composite

This is the headline index and the principal broad market measure for Canadian equity markets. The S&P/TSX Composite is the basis for numerous subindices, which break down the Canadian market by different factors including size, liquidity, and Global Industry Classification Standard (GICS).

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