
SPIVA[®] Canada Scorecard

CONTRIBUTOR

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SUMMARY

- The SPIVA Canada Scorecard reports on the performance of actively managed Canadian mutual funds versus that of their benchmarks, corrected for survivorship bias, and it 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 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 often much more fascinating.
- Generally, 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:** Canadian equity indices ended 2014 on a positive note. As of Dec. 31, 2014, the headline Canadian equities indices, the S&P/TSX Composite and the S&P/TSX 60, continued their winning streak from the previous year and registered gains of 10.55% and 12.27%, respectively. Rising markets proved to be difficult for active managers to overcome, as the majority of Canadian active managers saw their returns lag behind the benchmark, with just 26.47% of Canadian Equity Funds outperforming the S&P/TSX Composite. Similarly, only 15.56% of managers in the Canadian Focused Equity category outpaced the 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. The one-year results for several Canadian equity categories were equally unfavorable, as 39.13% of actively managed funds in the Canadian Small-/Mid-Cap Equity category and 6.67% of actively managed funds in the Canadian Dividend & Income category outperformed their respective benchmarks.
- Over the longer term, such as the five-year investment horizon, the results are unequivocal across all domestic equity categories. The data shows the losing pattern repeating across all categories, as the majority of active managers underperformed their benchmarks.
- **Foreign Equities:** The majority of active managers in the International Equity category saw their returns lag behind the benchmarks, as only 30% of international equity managers beat their benchmarks over the past 12 months ending Dec. 31, 2014. Similarly, only 5.95% of Global Equity managers had higher returns than the benchmark during the same period. Over the five-year period, only 13.16% of active International Equity Funds were able to beat their benchmarks, and only 2.83% of active Global Equity Funds and 2.9% of active U.S. Equity Funds outpaced the S&P EPAC LargeMidCap, S&P Developed LargeMidCap, and S&P 500, respectively.

INTRODUCTION

The SPIVA Canada Scorecard provides a semiannual 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 benchmarks in their respective categories. Although many such reports are available, the SPIVA Canada Scorecard is unique in that it offers the following:

- **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 Canada Scorecards remove this survivorship bias.
- **Apples-to-apples comparison:** A fund's 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.

Please note that neither S&P Dow Jones Indices, nor any of its affiliates make any assurance or provide any investment recommendation on the appropriateness of investing in either index or active investing. S&P Dow Jones Indices does not sponsor, endorse, sell, or promote any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. The SPIVA Canada Scorecard simply provides quarterly statistics according to the SPIVA methodology and a brief analysis of those statistics. Further, S&P Dow Jones Indices does advise that anyone reading this report also read the SPIVA methodology at the end of the report in order to understand how the data was derived.

Canadian Equity Funds

Over the past five years, 20% of actively managed funds in the Canadian Equity category¹ outperformed the S&P/TSX Composite (see Report 1). There was a similar result for the past three years, with only 38.78% of active funds exceeding the index's 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 the opposite for the three-year horizon. Asset-weighted returns for the one-, three-, and five-year time horizons were higher than their equal-weighted counterparts. This finding once again highlights the importance of averaging schemes, which can be used to gauge whether funds with greater assets are outperforming funds with fewer assets.

Canadian Small-/Mid-Cap Equity Funds

During the past 12 months, 39.13% of actively managed equity funds in the Canadian Small-/Mid-Cap Equity category outperformed the S&P/TSX Completion² (see Report 1). That figure rose to 52% over the three-year horizon but declined to 30% when viewed over a five-year horizon. In addition, the S&P/TSX Completion underperformed active small-/mid-cap equity fund returns on an equal- and asset-weighted basis when viewed over the three- and five-year measurement periods (see Reports 3 and 4).

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.

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

Canadian Dividend & Income Equity Funds

The mandate of constituents in 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 themes continue to dominate the investment landscape, only 6.67% of the active Canadian Dividend & Income Equity Funds outperformed the S&P/TSX Canadian Dividend Aristocrats over the past 12 months. Measured over three years, the figure became slightly better, with 25.81% of funds outperforming the benchmark index. None of the active funds were able to outperform the S&P/TSX Canadian Dividend Aristocrats over the five-year horizon. Asset- and equal-weighted returns were higher for the index than for the active funds in this category for all three time periods.

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 2.9% of funds in this category outperformed the S&P 500 (CAD) over the past five years, while only 3.13% beat the index in the three-year period (see Report 1). The S&P 500 outperformed active funds in both asset- and equal-weighted categories over 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, 13.16% outperformed the S&P EPAC LargeMidCap³ (in Canadian dollars) over the past five years (see Report 1). When measured over the shorter one-year horizon, 30% of these funds beat the index. Returns for the S&P EPAC LargeMidCap surpassed both the equal- and asset-weighted active fund returns over the one-, three-, and five-year time horizons.

Global Equity Funds

The Global Equity Funds category can invest in securities domiciled anywhere around the globe. In addition to equity risk, these funds carry currency risk. Over the one- and three-year periods, 5.95% and 4.21% of the funds outperformed the benchmark, the S&P Developed LargeMidCap, respectively (see Report 1). When viewed over the longer five-year period, the performances were also low, with only 2.83% 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 of the time periods examined.

Canadian Focused Equity Funds

These funds have a large Canadian equity allocation, but they also include investments in equities outside of Canada. The comparable benchmark, a blended index of 50% S&P/TSX Composite, 25% S&P 500, and 25% S&P EPAC LargeMidCap saw its returns lag behind 15.56% of active funds in this category in the past 12 months (see Report 1). Over the three- and five-year periods, 13.79% and 11.11% of active funds outperformed the blended index, respectively. The blended index had higher equal- and asset-weighted returns than those of active funds in all periods examined (see Reports 3 and 4).

³ Previously named the S&P/Citigroup EPAC PMI Index. The PMI used to represent 80% of the cumulative available market cap; it now represents 85%. Please see the glossary for additional details.

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 at the beginning of a five-year period and at the end of the period, 20 have dropped out or merged (leaving 80), this implies 80% survivorship.

Survivorship in the five-year period ending Dec. 31 2014, was 60% (Canadian Equity), 63.77% (U.S. Equity), 68.42% (International Equity), and 69.81% (Global Equity). The corresponding survivorship figures in the three-year time frame were higher, at 63.27%, 78.13%, 90.32%, and 84.21%, respectively. 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 rates of 96.77% and 84.38% in the three- and five-year periods, respectively.

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 its 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 nonequity 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, as 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, 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 (CIFSC)⁴ categories:

- Canadian Equity
- Canadian Small-/Mid-Cap Equity
- Canadian Income Trust Equity
- Canadian Dividend & 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 Small-Cap Equity category was expanded to the Canadian Small-/Mid-Cap 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-/Mid-Cap 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 Small-Cap 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-/Mid-Cap category for the past year.

In addition, as a result of the elimination of the Small-Cap 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.

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

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

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-cap 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.

Exhibit 1: Fund Categories and Their Benchmarks	
Fund Category	Comparison Benchmark
Canadian Equity	S&P/TSX Composite S&P/TSX Capped Composite ⁶
Canadian Small-/Mid-Cap Equity	S&P/TSX Completion
Canadian Dividend & 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

Source: S&P Dow Jones Indices LLC.

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 started 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 when the history under consideration does not have 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 percentage of funds that have outperformed their comparable benchmark over the 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 their benchmark. 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 an 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: Active Funds Outperforming the Index: Year-End 2014				
Fund Category	Comparison Index	One-Year (%)	Three-Year (%)	Five-Year (%)
Canadian Equity	S&P/TSX Composite (TR)	26.47	38.78	20.00
	S&P/TSX Capped Composite (TR)	26.47	38.78	20.00
Canadian Small-/Mid-Cap Equity	S&P/TSX Completion (TR)	39.13	52.00	30.00
Canadian Dividend & Income Equity	S&P/TSX Canadian Dividend Aristocrats (TR)	6.67	25.81	0.00
U.S. Equity	S&P 500 (TR) (CAD)	11.11	3.13	2.90
International Equity	S&P EPAC LargeMidCap (TR) (CAD)	30.00	12.90	13.16
Global Equity	S&P Developed LargeMidCap (TR) (CAD)	5.95	4.21	2.83
Canadian Focused Equity	50% S&P/TSX Composite (TR) plus 25% S&P 500 (TR) (CAD) and 25% S&P EPAC LargeMidCap (TR) (CAD)	15.56	13.79	11.11

Source: S&P Dow Jones Indices LLC, Fundata. Data as of Dec. 31, 2014, CIFSC categorizations. Financial information provided by Fundata Canada Inc. Charts and tables are provided for illustrative purposes only. Past performance is no guarantee of future results.

Report 2: Survivorship

This report shows the number of funds that existed in a particular category at the beginning of the one-, three-, 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: Year-End 2014			
Fund Category	Period	Count at Beginning of Period	Survivorship (%)
Canadian Equity	Last Quarter	33	100.00
	Year-to-Date	34	91.18
	One-Year	34	91.18
	Three-Year	49	63.27
	Five-Year	40	60.00
Canadian Small-/Mid-Cap Equity	Last Quarter	23	100.00
	Year-to-Date	23	100.00
	One-Year	23	100.00
	Three-Year	25	92.00
	Five-Year	40	70.00
Canadian Dividend & Income Equity	Last Quarter	30	100.00
	Year-to-Date	30	100.00
	One-Year	30	100.00
	Three-Year	31	96.77
	Five-Year	32	84.38
U.S. Equity	Last Quarter	52	100.00
	Year-to-Date	54	94.44
	One-Year	54	94.44
	Three-Year	64	78.13
	Five-Year	69	63.77
International Equity	Last Quarter	28	100.00
	Year-to-Date	30	93.33
	One-Year	30	93.33
	Three-Year	31	90.32
	Five-Year	38	68.42
Global Equity	Last Quarter	81	100.00
	Year-to-Date	84	96.43
	One-Year	84	96.43
	Three-Year	95	84.21
	Five-Year	106	69.81
Canadian Focused Equity	Last Quarter	44	100.00
	Year-to-Date	45	97.78
	One-Year	45	97.78
	Three-Year	58	72.41
	Five-Year	81	60.49

Source: S&P Dow Jones Indices LLC, Fundata. Data as of Dec. 31, 2014, CIFSC categorizations. Financial information provided by Fundata Canada Inc. Charts and tables are provided for illustrative purposes only. Past performance is no 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 the one-, three-, and five-year periods. For every month in the time period, S&P Dow Jones Indices takes all funds from a particular 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 those used in the next month because some funds may have merged or liquidated, new funds may have been formed and some may have had their categories changed.

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

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 for a given category each month.

Report 3: Equal-Weighted Fund Returns: Year-End 2014			
Fund Category or Index	One-Year (%)	Three-Year (%, Annualized)	Five-Year (%, Annualized)
Canadian Equity	8.85	11.68	7.10
S&P/TSX Composite (TR)	10.55	10.22	7.53
S&P/TSX Capped Composite (TR)	10.55	10.22	7.53
Canadian Small-/Mid-Cap Equity	2.61	10.25	8.94
S&P/TSX Canadian Completion (TR)	5.74	7.52	8.34
Canadian Dividend & Income Equity	7.77	10.36	8.18
S&P/TSX Canadian Dividend Aristocrats (TR)	13.86	12.57	12.54
U.S. Equity	18.35	20.75	13.46
S&P 500 (TR) (CAD)	23.93	25.70	17.78
International Equity	1.79	13.36	5.58
S&P EPAC LargeMidCap (TR) (CAD)	4.11	16.15	7.96
Global Equity	9.11	15.76	9.15
S&P Developed LargeMidCap (TR) (CAD)	14.79	20.94	12.89
Canadian Focused Equity	8.60	12.66	7.17
50% S&P/TSX Composite (TR) plus 25% S&P 500 (TR) (CAD) plus 25% S&P EPAC LargeMidCap (TR) (CAD)	12.29	15.57	10.20

Source: S&P Dow Jones Indices LLC, Fundata. Data as of Dec. 31, 2014, CIFSC categorizations. Financial information provided by Fundata Canada Inc. Charts and tables are provided for illustrative purposes only. Past performance is no 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-, three-, 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. The funds used in the averaging process in one month might not be the same as those used the next month, because some funds may have merged or liquidated, new funds may 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 A1 shows the equal-weighted fund returns, along with the count that are excluded from the sample set due to missing asset data.

Report 4: Asset-Weighted Fund Returns: Year-End 2014			
Fund Category or Index	One-Year (%)	Three-Year (%, Annualized)	Five-Year (%, Annualized)
Canadian Equity	9.61	11.96	7.35
S&P/TSX Composite (TR)	10.55	10.22	7.53
S&P/TSX Capped Composite (TR)	10.55	10.22	7.53
Canadian Small-/Mid-Cap Equity	2.81	10.36	8.66
S&P/TSX Canadian Completion (TR)	5.74	7.52	8.34
Canadian Dividend & Income Equity	10.87	12.26	9.03
S&P/TSX Canadian Dividend Aristocrats (TR)	13.86	12.57	12.54
U.S. Equity	17.41	21.14	13.56
S&P 500 (TR) (CAD)	23.93	25.70	17.78
International Equity	2.90	13.15	5.21
S&P EPAC LargeMidCap (TR) (CAD)	4.11	16.15	7.96
Global Equity	8.57	15.73	9.15
S&P Developed LargeMidCap (TR) (CAD)	14.79	20.94	12.89
Canadian Focused Equity	9.11	12.10	7.03
50% S&P/TSX Composite (TR) plus 25% S&P 500 (TR) (CAD) plus 25 % S&P EPAC LargeMidCap (TR) (CAD)	12.29	15.57	10.20

Source: S&P Dow Jones Indices LLC, Fundata. Data as of Dec. 31, 2014, CIFSC categorizations. Financial information provided by Fundata Canada Inc. Charts and tables are provided for illustrative purposes only. Past performance is no guarantee of future results.

Report A1: Equal-Weighted Returns of Funds Excluded from Sample Due to Missing Asset Data: Year-End 2014						
Fund Category	In Sample?	Last Quarter (%)	Year-to-Date (%)	One-Year (%)	Three-Year (% Annualized)	Five-Year (% Annualized)
Canadian Equity	Included	-1.28	8.85	8.85	11.68	7.10
	Excluded	-2.22	7.31	7.31	10.24	5.76
Canadian Small-/Mid-Cap Equity	Included	-4.61	2.61	2.61	10.25	8.94
	Excluded	-2.84	5.93	5.93	12.15	9.84
Canadian Dividend & Income Equity	Included	-1.64	7.77	7.77	10.36	8.18
	Excluded	-3.86	4.96	4.96	8.55	7.98
U.S. Equity	Included	7.49	18.35	18.35	20.75	13.46
	Excluded	7.20	16.73	16.73	19.91	13.10
International Equity	Included	0.26	1.79	1.79	13.36	5.58
	Excluded	-1.27	0.97	0.97	12.02	5.63
Global Equity	Included	3.39	9.11	9.11	15.76	9.15
	Excluded	3.05	10.19	10.19	15.10	6.99
Canadian Focused Equity	Included	0.50	8.60	8.60	12.66	7.17
	Excluded	0.13	9.36	9.36	12.00	6.95
Fund Category	In Sample?	Last Quarter (Count)	Year-to-Date (Count)	One-Year (Count)	Three-Year (Count, Annualized)	Five-Year (Count, Annualized)
Canadian Equity	Included	33	34	34	49	40
	Excluded	18	21	21	23	1
Canadian Small-/Mid-Cap Equity	Included	23	23	23	25	40
	Excluded	14	14	14	15	0
Canadian Dividend & Income Equity	Included	30	30	30	31	32
	Excluded	11	11	11	13	0
U.S. Equity	Included	52	54	54	64	69
	Excluded	16	16	16	20	1
International Equity	Included	28	30	30	31	38
	Excluded	12	12	12	18	1
Global Equity	Included	81	84	84	95	106
	Excluded	23	28	28	36	0
Canadian Focused Equity	Included	44	45	45	58	81
	Excluded	15	15	15	16	0

Source: S&P Dow Jones Indices LLC, Fundata. Data as of Dec. 31, 2014, CIFSC categorizations. Financial information provided by Fundata Canada Inc. Charts and tables are provided for illustrative purposes only. Past performance is no 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 for at least five out of six years.

S&P/TSX Capped Composite

This index 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 designed to be a float-weighted, rules-based benchmark that captures the universe of securities in 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 designed to be 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®).

For more information, please go to www.spiva.spdji.com.

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