

# SPIVA<sup>®</sup> Canada Scorecard

YEAR-END 2013

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## 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.
- The index vs. active debate has been a contentious subject for decades, and there are strong opinions on both sides. The SPIVA Canada Scorecard has become 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 less frequently discussed, but are often far more fascinating.
- Generally, there are no consistent or useful trends to be found in annual active vs. index figures. The only consistent data point we have observed over a five-year time horizon is that the majority of active equity managers in most categories lag comparable benchmark indices.
- **Domestic Equities:** Canadian equity indices sharply rebounded in the second half of 2013. As of Dec. 31, 2013, the headline Canadian equity indices, the S&P/TSX Composite and the S&P/TSX 60, bounced back from mid-year slumps and registered gains of 12.99% and 13.25%, respectively, for the year. During the same period, the majority of Canadian active managers saw returns higher than the benchmark, as 66.67% of Canadian equity funds outperformed the S&P/TSX Composite. Similarly, 78.57% of active Canadian small-/mid-cap equity funds beat the S&P/TSX Completion. However, less than half (38.89%) of active Canadian focused equity funds outpaced the S&P's blended index, which comprises 50% of the S&P/TSX Composite, 25% of the S&P 500<sup>®</sup> and 25% of the S&P EPAC LargeMidCap.
- While results were impressive for actively managed Canadian equity funds over the one-year period, only 39.54% and 22.22% of funds, respectively, outperformed the S&P/TSX Composite over the three-year and five-year horizons. Similarly, only half of Canadian small-/mid-cap equity managers outperformed the S&P/TSX Canadian Completion Index over three years and 43.18% over the five-year horizon.
- **Foreign Equities:** The majority of active managers in the international equity category saw their returns lag behind the benchmarks, as only 16.13% of international equity managers beat their benchmarks over the past 12 months ending Dec. 31, 2013. Similarly, during the same period, only 19.39% of global equity managers had higher returns than the benchmark. Over the five-year period, 11.91% of active international equity funds were able to beat their benchmark, the S&P EPAC LargeMidCap Index. Only 13.33% of active global equity funds and 13.92% of active U.S. equity funds have outpaced the S&P Developed LargeMidCap and S&P 500 indices over the same span.

## Introduction

The SPIVA Canada Scorecard provides a semiannual update on the active vs. 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.

*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, 22.22% of actively managed funds in the Canadian Equity Funds category<sup>1</sup> outperformed the S&P/TSX Composite (see Report 1). There was a similar result for the past three years, with only 39.54% 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 relatively close to those of the S&P/TSX Composite (see Reports 3 and 4). However, the results are the opposite over the one- and three-year horizons. Average Canadian equity returns in these categories outperformed the S&P/TSX Composite on an asset-weighted basis as well as on an equal-weighted basis. Asset-weighted returns for all three time horizons were higher than their equal-weighted counterparts. The finding once again highlights the importance of averaging schemes, which can be used to gauge whether funds with more assets are doing better than funds with smaller assets.

## Canadian Small-/Mid-Cap Equity Funds

During the past 12 months, 78.57% of actively managed equity funds in the Canadian Small-/Mid-Cap Equity Funds category outperformed the S&P/TSX Completion<sup>2</sup> (see Report 1). In addition, the S&P/TSX Completion underperformed active small-/mid-cap equity fund returns on an equal- and asset-weighted basis in all three time periods (see Reports 3 and 4).

<sup>1</sup> 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.org](http://www.cifsc.org).

<sup>2</sup> 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 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<sup>®</sup>, 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 the dividend and income themes continued to dominate the investment landscape, 62.86% 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 9.38% of funds outperforming the benchmark index. No active funds were able to outperform the S&P/TSX Canadian Dividend Aristocrats over the five-year horizon. Asset-weighted and equal-weighted returns were higher for the index in this category over the three- and five-year 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 13.92% of funds in this category outperformed the S&P 500 (in Canadian dollar terms) over the past five years, while only 3.08% beat the index over 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, 11.91% outperformed the S&P EPAC LargeMidCap<sup>3</sup> (in Canadian dollars) over the past five years (see Report 1). When measured over a shorter one-year horizon, 16.13% 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 Funds 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, 19.39% and 5.61% 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 similar, with only 13.33% 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.

## 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, 25% S&P 500 and 25% S&P EPAC LargeMidCap, saw its returns lag behind 38.89% of active funds in this category in the past 12 months (see Report 1). Over the three- and five-year periods, 15.00% and 18.42% of active funds, respectively, outperformed the blended index. The benchmark 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), this implies 80% survivorship.

Survivorship in the five-year period ending Dec. 31, 2013, was 57.41% (Canadian Equity), 64.56% (U.S. Equity), 69.05% (International Equity), and 67.50% (Global Equity). The corresponding survivorship figures in the three-year time frame were higher, at 74.42%, 76.92%, 88.24% and 81.31%, respectively. In other words, a significant

<sup>3</sup> 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.

percentage of the funds in these four categories have been merged or liquidated over the past five years. The Canadian Dividend & Income Equity category had high survivorship levels of 96.88% in the three-year period and 90.63% in the five-year period. The Canadian Small-/Mid-Cap category had survivorship of 88.24% and 61.36% for the three- and five-year periods, respectively. The Canadian Focused Equity category had survivorship rates of 66.25% for the three-year period and 60.53% 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 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 vs. 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)<sup>4</sup> 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

<sup>4</sup> Refer to [www.cifsc.org](http://www.cifsc.org) for additional information regarding CIFSC and its categories.

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."<sup>5</sup> 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.

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-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.

<sup>5</sup> Canadian Investment Funds Standards Committee – 2007 Retail Investment Fund Category Definitions.

**Exhibit 1: Fund Categories and Their Benchmarks**

Fund Category	Comparison Benchmark
Canadian Equity	S&P/TSX Composite S&P/TSX Capped Composite <sup>6</sup>
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.

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/spindices](http://www.spdji.com/spindices).

<sup>6</sup> 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 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 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 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.

<b>Report 1: Active Funds Outperforming Index: Year-End 2013</b>				
Fund Category	Comparison Index	One Year (%)	Three Years (%)	Five Years (%)
Canadian Equity	S&P/TSX Composite Total Return	66.67	39.54	22.22
	S&P/TSX Capped Composite Total Return	66.67	39.54	22.22
Canadian Small-/Mid-Cap Equity	S&P/TSX Completion Total Return	78.57	50.00	43.18
Canadian Dividend and Income Equity	S&P/TSX Canadian Dividend Aristocrats Total Return	62.86	9.38	0.00
U.S. Equity	S&P 500 Total Return (CAD)	35.71	3.08	13.92
International Equity	S&P EPAC LargeMidCap Total Return (CAD)	16.13	2.94	11.91
Global Equity	S&P Developed LargeMidCap Total Return (CAD)	19.39	5.61	13.33
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)	38.89	15.00	18.42

Source: S&P Dow Jones Indices, Fundata. Data as of Dec. 31, 2013, CIFSC categorizations. Financial information provided by Fundata Canada Inc. 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 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 2013			
Fund Category	Period	Count at Beginning of Period	Survivorship (%)
Canadian Equity	One Year	42	80.95
	Three Years	43	74.42
	Five Years	54	57.41
Canadian Small-/Mid-Cap Equity	One Year	28	96.43
	Three Years	34	88.24
	Five Years	44	61.36
Canadian Dividend & Income Equity	One Year	35	100.00
	Three Years	32	96.88
	Five Years	32	90.63
U.S. Equity	One Year	56	100.00
	Three Years	65	76.92
	Five Years	79	64.56
International Equity	One Year	31	96.77
	Three Years	34	88.24
	Five Years	42	69.05
Global Equity	One Year	98	90.82
	Three Years	107	81.31
	Five Years	120	67.50
Canadian Focused Equity	One Year	54	96.30
	Three Years	80	66.25
	Five Years	76	60.53

Source: S&P Dow Jones Indices, Fundata. Data as of Dec. 31, 2013, CIFSC categorizations. Financial information provided by Fundata Canada Inc. 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 one-, three- 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 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 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 given category each month.

<b>Report 3: Equal-Weighted Fund Returns: Year-End 2013</b>			
Fund Category or Index	One Year (%)	Three Years (%, Annualized)	Five Years (%, Annualized)
Canadian Equity	19.08	4.41	11.37
S&P/TSX Composite Total Return	12.99	3.40	11.92
S&P/TSX Capped Composite Total Return	12.99	3.40	11.92
Canadian Small-/Mid-Cap Equity	25.08	4.90	17.59
S&P/TSX Canadian Completion Total Return	12.22	2.70	15.82
Canadian Dividend & Income Equity	15.96	7.24	11.73
S&P/TSX Canadian Dividend Aristocrats Total Return	14.48	10.41	19.60
U.S. Equity	35.78	13.70	12.01
S&P 500 Total Return (CAD)	41.27	18.80	14.45
International Equity	23.91	7.74	7.83
S&P EPAC LargeMidCap Total Return (CAD)	30.36	10.83	9.95
Global Equity	27.63	9.74	10.40
S&P Developed LargeMidCap Total Return (CAD)	35.03	14.36	12.40
Canadian Focused Equity	22.44	5.36	10.52
50% S&P/TSX Composite Total Return plus 25% S&P 500 Total Return (CAD) plus 25 % S&P EPAC LargeMidCap Total Return (CAD)	24.40	9.11	12.06

Source: S&P Dow Jones Indices, Fundata. Data as of Dec. 31, 2013, CIFSC categorizations. Financial information provided by Fundata Canada Inc. 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 returns. The funds used in the averaging process in one month might not be the same as used in 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 returns of funds and the count that are excluded from the sample set due to missing asset data.

<b>Report 4: Asset-Weighted Fund Returns: Year-End 2013</b>			
Fund Category or Index	One Year (%)	Three Years (%, Annualized)	Five Years (%, Annualized)
Canadian Equity	19.70	4.84	11.49
S&P/TSX Composite Total Return	12.99	3.40	11.92
S&P/TSX Capped Composite Total Return	12.99	3.40	11.92
Canadian Small/MidCap Equity	25.43	5.08	17.60
S&P/TSX Canadian Completion Total Return	12.22	2.70	15.82
Canadian Dividend & Income Equity	16.98	7.62	11.90
S&P/TSX Canadian Dividend Aristocrats Total Return	14.48	10.41	19.60
U.S. Equity	37.62	14.18	12.30
S&P 500 Total Return (CAD)	41.27	18.80	14.45
International Equity	24.16	7.54	6.80
S&P EPAC LargeMidCap Total Return (CAD)	30.36	10.83	9.95
Global Equity	27.66	10.36	9.86
S&P Developed LargeMidCap Total Return (CAD)	35.03	14.36	12.40
Canadian Focused Equity	20.43	4.93	10.25
50% S&P/TSX Composite Total Return plus 25% S&P 500 Total Return (CAD) plus 25% S&P EPAC LargeMidCap Total Return (CAD)	24.40	9.11	12.06

Source: S&P Dow Jones Indices, Fundata. Data as of Dec. 31, 2013, CIFSC categorizations. Financial information provided by Fundata Canada Inc. 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 2013**

Fund Category	In Sample?	One Year (%)	Three Years (% Annualized)	Five Years (% Annualized)
Canadian Equity	Included	19.08	4.41	11.37
	Excluded	18.93	2.75	11.90
Canadian Small-/Mid-Cap Equity	Included	25.08	4.90	17.59
	Excluded	26.37	9.12	18.97
Canadian Dividend & Income Equity	Included	15.96	7.24	11.73
	Excluded	12.64	6.04	10.48
U.S. Equity	Included	35.78	13.70	12.01
	Excluded	35.61	13.93	14.40
International Equity	Included	23.91	7.74	7.83
	Excluded	23.97	7.23	11.02
Global Equity	Included	27.63	9.74	10.40
	Excluded	24.83	7.53	10.36
Canadian Focused Equity	Included	22.44	5.36	10.52
	Excluded	20.77	3.61	11.37
Fund Category	In Sample?	One Year (Count)	Three Years (Count, Annualized)	Five Years (Count, Annualized)
Canadian Equity	Included	42	43	54
	Excluded	26	25	0
Canadian Small-/Mid-Cap Equity	Included	28	34	44
	Excluded	10	10	0
Canadian Dividend & Income Equity	Included	35	32	32
	Excluded	8	12	0
U.S. Equity	Included	56	65	79
	Excluded	21	23	0
International Equity	Included	31	34	42
	Excluded	12	11	0
Global Equity	Included	98	107	120
	Excluded	23	35	0
Canadian Focused Equity	Included	54	80	76
	Excluded	15	23	0

Source: S&P Dow Jones Indices, Funddata. Data as of Dec. 31, 2013, CIFSC categorizations. Financial information provided by Fundata Canada Inc. 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 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 the 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®).

For more information, please go to [www.spiva.spdji.com](http://www.spiva.spdji.com).

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