

## Index Versus Active Funds Scorecard For Canadian Funds

### Standard & Poor's Indices Versus Active Funds Scorecard, Q3 2009

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□ The Standard & Poor's Indices Versus Active Funds (SPIVA) Scorecard reports performance of actively managed Canadian mutual funds corrected for survivorship bias and shows equal and asset weighted peer averages.

□ **Domestic Equities:** For Q3 2009, only 36.0% of Canadian Equity active funds were able to outperform the S&P/TSX Composite Index. Similarly, active funds in the Canadian Small/Mid Cap Equity category only 31.8% of active funds beating the S&P/TSX Completion Index. For the Canadian Focused Equity category 42.7% of active funds outpaced the blended index (comprised of 50% S&P/TSX Composite + 25% S&P 500 + 25% S&P EPAC LargeMidCap).

□ Over the past twelve months, active funds in the Canadian Equity, Canadian Small/Mid Cap Equity and Canadian Focused Equity categories were able to add value over their benchmarks when looking at equal weighted and asset weighted returns. For all but the equal weighted returns in the Canadian Equity and Canadian Small/Mid Cap Equity categories, active fund returns exceeded their benchmarks.

□ Over longer periods, we continue to observe indices outperforming the majority of domestic funds. In three-year and five-year periods, only 12.1% and 5.9%, respectively, of actively managed Canadian Equity funds have outperformed the S&P/TSX Composite Index.

□ **Foreign Equities:** Over the last five years, only 8.3% of active funds in the International Equity category, 14.1% in the Global Equity category, and 12.3% in the U.S. Equity category have outpaced S&P EPAC LargeMidCap, S&P Developed LargeMidCap and S&P 500 indices respectively.

## Introduction

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*The SPIVA Scorecard goes beyond simple performance numbers of each fund category to report detailed apples-to-apples comparisons corrected for survivorship bias.*

*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 Standard & Poor's Indices Versus Active Funds Canada (SPIVA Canada) Scorecard keeps quarterly tabs on the active-versus-index debate in Canada. It now includes additional categories of interest to Canadian investors. SPIVA Canada shows performances of actively managed Canadian mutual funds compared with Standard & Poor's indices in their respective categories. Although many such reports are available, the SPIVA Canada scorecard is unique in many respects:

- **Survivorship bias correction:** Many funds might be liquidated or merged during a period of study. However, for someone making an investment decision at the beginning of the period, these funds are part of the opportunity set. Unlike 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. An appropriate comparison would be to measure a fund's returns against the returns of a benchmark for that particular investment category. The SPIVA scorecard does this.
- **Asset-weighted returns:** Average returns for a fund group are often calculated using only equal weighting, which results in the returns of a \$10 billion fund affecting the average in the same manner as the returns of a \$10 million fund. 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 scorecard shows both equal- and asset-weighted averages.

Quarterly SPIVA reports can be found online at [www.spiva.standardandpoors.com](http://www.spiva.standardandpoors.com).

SPIVA Canada does not make investment recommendations or offer comments on the suitability of either index or active investing. The scorecard simply reports quarterly numbers according to the SPIVA methodology and provides a brief analysis of the numbers. Further, we advise reading the methodology at the end of the report in order to understand how we derive the numbers.

*Less than one-tenth of actively managed Canadian Equity funds have outperformed the S&P/TSX Composite Index in the past five years.*

## Canadian Equity Funds

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In the past five years, Report 1 shows, only 5.9% of actively managed funds in the Canadian Equity category<sup>1</sup> have outperformed the S&P/TSX Composite Index. We see a similar result for the three-year period, with only 12.1% of active funds exceeding the index return. For the five-year period, Reports 3 and 4 show that the average returns of active funds in this category, on both an equal- and asset-weighted basis, have been inferior to those of the S&P/TSX Composite Index. Also, for the three year horizon, average returns in this category have lagged the Composite. For the one-year horizon active funds were able to outperform the S&P/TSX Composite on an asset-weighted basis but not on an equal-weighted basis.

*The Canadian Equity category is one where the majority of active funds were unable to beat the index in Q3 2009.*

## Canadian Small/Mid Cap Equity Funds

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The Canadian Small/Mid Cap Equity category encompasses both the small-cap and mid cap categories. Report 1 indicates that in the past twelve months, 48.0% of actively managed Canadian Small/Mid Cap funds have outperformed the S&P/TSX Completion Index<sup>2</sup>. Reports 3 and 4 show the S&P/TSX Completion Index has exceeded active fund returns on an equal-weighted but not an asset-weighted basis for the past twelve months.

*In the last 12 months, just over a third of active funds in the U.S. Equity category beat the S&P 500.*

## Canadian Income Trust Equity Funds

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This category includes a limited number of funds; hence we do not include it in Report 1. Reports 3 and 4 indicate that in the five-year period, active fund equal and asset-weighted average returns for this category underperformed the S&P/TSX Income Trust Index. Similarly, for the three-year period, active fund equal and asset-weighted returns for this category underperformed the S&P/TSX Income Trust Index. In the past 12 months, active funds in this category on both an asset-weighted and equal weighted basis have outpaced the S&P/TSX Income Trust Index.

## Canadian Dividend & Income Equity Funds

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These funds' mandate is to invest primarily in income-generating securities. Our comparable index is the S&P/TSX Canadian Dividend Aristocrats Index, which includes constituents that have followed a managed-dividends policy of consistently increasing dividends every year for at least five years. When comparing fund returns in this category no active funds fared better than the index in the one-year period. In the three-year period, only 6.2% of active funds outperformed the S&P/TSX Canadian Dividend Aristocrats. In the five-year period no active funds were able to outperform the S&P/TSX Canadian Dividend Aristocrats Index.

Asset and equal weighted returns were higher for the S&P/TSX Canadian Dividend Aristocrats Index in this category versus the active funds, for the one, three and five-year periods.

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<sup>1</sup> We use the Canadian Investment Funds Standard Committee's (CIFSC) fund categories for this report. Additional information regarding this organization and their categories can be found at [www.cifsc.com](http://www.cifsc.com).

<sup>2</sup> The S&P/TSX Completion Index is composed of constituents of the S&P/TSX Composite Index that are not in the S&P/TSX 60 Index.

## U.S. Equity Funds

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U.S. equity funds offer Canadian investors exposure to the U.S. equity market with Canadian dollar returns. In addition to equity risk, these funds carry currency risk. Report 1 shows that just 12.3% of funds in this category outperformed the S&P 500 Index (in Canadian dollar terms) in the past five years, while only 27.0% and 38.2% beat the index in the three- and one-year period, respectively. Equal and asset-weighted average returns for the funds in this category were worse than the benchmark for the one, three and five-year periods.

## International Equity Funds

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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. Report 1 shows that only 27.9% of funds in this category outperformed the S&P EPAC LargeMidCap Index<sup>3</sup> (in Canadian dollars) in the last twelve months, with only 21.7% and 8.3%, respectively, beating the index in the three- and five-year periods. Returns for the benchmark surpassed equal- and asset-weighted active fund returns over the one, three and five-year periods.

## Global Equity Funds

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Global equity funds can invest in securities domiciled anywhere across the globe. In addition to equity risk, these funds carry currency risk. Report 1 indicates that in the five and three-year periods, only 14.1% and 32.5% respectively, of active funds outstripped the benchmark performance. In the last twelve months 43.6% of active funds in this category were able to beat the S&P Developed LargeMidCap Index<sup>4</sup>. Equal and asset-weighted average returns for the benchmark surpassed the active funds over all the one, three and five-year periods.

## Canadian Focused Equity Funds

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These funds have a large Canadian equity allocation but also include investments in equities outside Canada. Report 1 shows that the blended index of 50% S&P/TSX Composite + 25% S&P 500 + 25% S&P EPAC LargeMidCap outperformed 48.8% of active funds in the last twelve months. In the three and five-year periods 41.5% and 42.7% of active funds respectively, were able to outperform the blended index. Reports 3 and 4 indicate that the blended index underperformed equal and asset weighted returns of active funds over all periods.

## Survivorship

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A key advantage of the SPIVA report 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 left, then this would imply 80% survivorship.

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<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.

<sup>4</sup> Previously named the S&P/Citigroup World PMI Index. Previously PMI represented 80% of the cumulative available market cap; it now represents 85%. See the glossary for additional details.

Report 2 indicates that survivorship in the five-year period was 42.6%, 40.6%, 55.0%, and 39.1% for Canadian Equity, U.S. Equity, International Equity, and Global Equity funds, respectively. The corresponding survivorship figures in the three-year timeframe were 72.7 %, 76.4%, 82.6% and 80.0%. 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 has survivorship figures of 87.5% and 69.7% in the three- and five-year periods, respectively. The Canadian Income Trust Equity category has substantially fewer funds and survivorship of 86.7% and 88.9% for the three and five-year periods. The Canadian Focused Equity category also has high survivorship rates of 87.8% for the three-year period and 85.3% for the five-year period.

## Appendix 1: SPIVA Methodology

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### **Data**

Standard & Poor's 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 we receive:

- 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 funds' portfolio reporting in two or more currencies are also excluded – we simply take the Canadian dollar version
- Only a single share class is included

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

1. Fund name
2. Fund identifier
3. Month and year
4. Fund returns for the month, after management and other costs, and including distributions
5. Fund assets under management in that month
6. Fund categorization in that month
7. Management type, i.e., whether the fund is indexed or actively managed

We then limit our subset using the following filters:

- We choose funds that are actively managed, excluding index funds.
- We remove from the sample funds that do not have information on assets under management for any month within the previous five years. These funds are relatively few, and we compare their equal weighted returns to those of the funds with assets reported in Report A1 to illustrate the impact of their exclusion. We remove 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 SPIVA Canada.

### **Fund Categories**

We choose funds that have, at any point in the previous 60 months, been classified in at least one of the following eight CIFSC<sup>5</sup> categories:

1. Canadian Equity
2. Canadian Small/Mid Cap Equity
3. Canadian Income Trust Equity
4. Canadian Dividend and Income Equity
5. U.S. Equity
6. International Equity
7. Global Equity
8. Canadian Focused Equity

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<sup>5</sup> Refer to [www.cifsc.com](http://www.cifsc.com) for additional information regarding this organization and their categories.

We have expanded the number of categories because of additional history and/or investor interest. We believe these categories represent the major areas of interest for Canadian investors of equity funds.

The Canadian Investment Funds Standards Committee (CIFSC) governs categorization of Canadian mutual funds. In August 2007, the CIFSC's fund categorization structure changed, posing some challenges for our 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/Mid Cap Equity category. "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>6</sup> In this case, the benchmark index CIFSC uses for the Canadian Small/Mid Cap Equity category is the S&P/TSX Completion Index.

In terms of the first change, the Fundata file helps achieve comparability across history by backfilling the classifications before the classification system restructuring. We realize that this introduces a backward looking bias, but we are fortunate in the fact that the benchmark for both Canadian Equity and Canadian Equity Pure categories is the S&P/TSX Composite Index.

The Canadian SmallCap Equity category restructuring presented additional challenges. The backfilling of classifications results in SmallCap funds being reclassified historically as Small/Mid Equity, and these same funds being benchmarked to the S&P/TSX Completion Index rather than the S&P/TSX SmallCap Index. As a result, we have 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 SmallCap Equity category, we can no longer compare small caps with the S&P/TSX SmallCap Index. If this category is reinstated, we will add it to our reports.

The Canadian Income Trust Equity category includes a small number of funds, so is excluded from Report 1.

## ***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 Index's methodology was adjusted to create a more appropriate Canadian benchmark of small capitalization equities. The S&P/TSX SmallCap Index is now a separate index from the S&P/TSX Composite index family. In addition, the S&P/TSX MidCap Index was renamed the S&P/TSX Completion Index and its methodology was revised. It includes the constituents of the S&P/TSX Composite Index which are not in the S&P/TSX 60 Index.

The benchmarks we choose are shown in the table. 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.

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<sup>6</sup> Canadian Investment Funds Standards Committee – 2007 Retail Investment Fund Category Definitions.

<b>Fund Category</b>	<b>Comparison Benchmark</b>
Canadian Equity	S&P/TSX Composite Index S&P/TSX Capped Composite Index <sup>7</sup>
Canadian Small/Mid Cap Equity	S&P/TSX Completion Index
Canadian Income Trust Equity	S&P/TSX Income Trust Index
Canadian Dividend & Income Equity	S&P/TSX Canadian Dividend Aristocrats Index
U.S. Equity	S&P 500 Index
International Equity	S&P EPAC LargeMidCap Index
Global Equity	S&P LargeMidCap Index
Canadian Focused Equity	50% S&P/TSX Composite Index + 25% S&P 500 Index + 25% S&P EPAC LargeMidCap Index

Previously we included a report (Report A2) that compared Canadian Equity Funds with a blended index of the S&P/TSX Composite Index (70%) and the S&P 500 Index (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 we have now included the Canadian Focused Equity category. Funds in the Canadian Focused Equity category include non-Canadian equity exposure. We compare this category to a monthly returning series consisting of the S&P/TSX Composite Index (50%), the S&P 500 Index (25%), and the S&P EPAC LargeMidCap Index (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.standardandpoors.com](http://www.standardandpoors.com).

## **Reports**

### **Report 1: Percent of Active Funds Outperforming Index**

This report shows the percent of funds that have outperformed the comparison benchmark in three-month, year-to-date, one-year, three-year and five-year periods. We start with the funds in a category at the beginning of the period. At the end of the period, we report what percent of funds have survived and outperformed the index. The fund's category at the end of the period is not considered, since the category at the beginning of the holding period is of interest.

<sup>7</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 a greater than 10% single-stock concentration in the S&P/TSX Composite Index.

This report essentially shows what percentage of funds in the opportunity set at the beginning of the period survived and beat the benchmark.

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. SPIVA corrects for this survivorship bias by starting with the funds at the beginning of the period.

### **Report 2: Survivorship**

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

This report essentially shows what percentage of funds in the opportunity set at the beginning of the period survived.

### **Report 3: Equal Weighted Fund Returns**

This report shows the equal weighted average returns of funds in a particular category for three-month, year-to-date, one-year, three year and five year time periods. For every month in the time period, we take all funds that are in existence in a category and calculate the simple average return. We then compound the returns from all months in the period. 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, since 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. SPIVA 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 4: Asset Weighted Fund Returns**

This report shows the asset weighted average returns of funds in a particular category for three-month, year-to-date, one-year, three-year and five-year periods. For every month, we take all funds in a category and calculate the average return by weighing each fund's return by its month-end assets. We then compound the returns from all the months in the period. 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, since 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. SPIVA 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 1: Percent of Active Funds Outperforming Index: Q3 2009**

<b>Category</b>	<b>Comparison Index</b>	<b>Last Quarter</b>	<b>Year To Date</b>	<b>One Year</b>	<b>Three Years</b>	<b>Five Years</b>
Canadian Equity	S&P/TSX Composite Index Total Return	36.00	35.19	44.44	12.12	5.94
Canadian Equity	S&P/TSX Capped Composite Index Total Return	36.00	35.19	44.44	12.12	5.94
Cdn Small/Mid Cap Equity	S&P/TSX Completion Index Total Return	31.82	50.00	48.00	n/a	n/a
Cdn Dividend & Income Equity	S&P/TSX Canadian Dividend Aristocrats Index Total Return	0.00	0.00	0.00	6.25	0.00
U.S. Equity	S&P 500 Total Return Index C\$	40.28	54.67	38.16	26.97	12.26
International Equity	S&P EPAC LargeMidCap Index Total Return C\$	35.71	48.84	27.91	21.74	8.33
Global Equity	S&P Developed LargeMidCap Index Total Return C\$	39.22	61.82	43.64	32.50	14.09
Cdn Focused Equity	50% S&P/TSX Composite Index TR + 25% S&P 500 Index TR C\$ + 25% S&P EPAC LargeMidCap Index TR C\$	42.67	67.50	48.75	41.46	42.67

Source: Standard & Poor's, Fundata. All data ending September 30, 2009. CIFSC categorizations.

Note: There has been no deduction of fund expenses from index returns.

## Report 2: Survivorship: Q3 2009

Category	Period	Count at Beginning of Period	Survivorship %
Canadian Equity	Last Quarter	66	98.00
	Year To Date	71	88.89
	One Year	74	88.89
	Three Years	87	72.73
	Five Years	101	42.57
Cdn Small/Mid Cap Equity	Last Quarter	56	97.73
	Year To Date	63	86.00
	One Year	63	86.00
	Three Years	68	n/a
	Five Years	59	n/a
Cdn Dividend & Income Equity	Last Quarter	36	100
	Year To Date	35	100
	One Year	35	100
	Three Years	37	87.50
	Five Years	33	69.70
Cdn Income Trust Equity	Last Quarter	16	92.86
	Year To Date	16	92.86
	One Year	17	86.67
	Three Years	20	86.67
	Five Years	9	88.89
U.S. Equity	Last Quarter	89	97.22
	Year To Date	95	93.33
	One Year	97	92.11
	Three Years	110	76.40
	Five Years	157	40.65
International Equity	Last Quarter	53	95.24
	Year To Date	56	93.02
	One Year	57	93.02
	Three Years	56	82.61
	Five Years	62	55.00
Global Equity	Last Quarter	135	98.04
	Year To Date	141	90.91
	One Year	142	90.91
	Three Years	156	80.00
	Five Years	220	39.09
Cdn Focused Equity	Last Quarter	89	97.33
	Year To Date	97	91.25
	One Year	97	91.25
	Three Years	96	87.80
	Five Years	77	85.33

## Report 3: Equal Weighted Fund Returns: Q3 2009

<b>Fund Category or Index</b>	<b>Last Quarter</b>	<b>Year To Date</b>	<b>One Year</b>	<b>Three Year (Annualized)</b>	<b>Five Year (Annualized)</b>
Canadian Equity	10.03	27.09	-0.03	-0.25	5.32
S&P/TSX Composite Index Total Return	10.61	30.04	0.51	1.85	8.34
S&P/TSX Capped Composite Index Total Return	10.61	30.04	0.51	1.85	8.34
Cdn Small/Mid Cap Equity	16.25	36.81	3.92	n/a	n/a
S&P/TSX Canadian Completion Total Return	18.40	35.51	4.72	-1.33	5.94
Cdn Income Trust Equity	11.85	24.42	-1.53	-1.19	6.69
S&P/TSX Income Trust Index Total Return	14.61	31.23	-6.22	-0.80	7.86
Cdn Dividend & Income Equity	8.61	21.47	-1.54	-1.28	5.10
S&P/TSX Canadian Dividend Aristocrats Index Total Return	14.90	43.45	11.84	2.25	10.62
U.S. Equity	6.50	6.43	-8.06	-9.30	-4.60
S&P 500 Total Return Index C\$	6.32	4.75	-6.53	-6.84	-2.29
International Equity	10.39	14.34	2.61	-6.21	0.97
S&P EPAC LargeMidCap Index Total Return C\$	11.01	12.99	4.97	-4.27	3.25
Global Equity	8.77	12.59	-1.27	-5.82	-0.14
S&P Developed LargeMidCap Index Total Return C\$	9.15	9.48	-0.71	-4.94	0.84
Cdn Focused Equity	10.06	25.38	0.68	-1.77	4.82
50% S&P/TSX Composite Index Total Return + 25% S&P 500 Index C\$ + 25 % S&P EPAC LargeMidCap Index Total Return C\$	9.64	19.46	-0.14	-1.85	4.41

Source: Standard & Poor's, Funddata. All data ending September 30, 2009. CIFSC categorizations.

Note: There has been no deduction of fund expenses from index returns.

<b>Report 4: Asset Weighted Fund Returns: Q3 2009</b>					
<b>Fund Category or Index</b>	<b>Last Quarter</b>	<b>Year To Date</b>	<b>One Year</b>	<b>Three Year (Annualized)</b>	<b>Five Year (Annualized)</b>
Canadian Equity	10.16	26.08	1.35	0.40	6.38
S&P/TSX Composite Index Total Return	10.61	30.04	0.51	1.85	8.34
S&P/TSX Capped Composite Index Total Return	10.61	30.04	0.51	1.85	8.34
Cdn Small/Mid Cap Equity	16.90	37.59	7.06	n/a	n/a
S&P/TSX Canadian Completion Total Return	18.40	35.51	4.72	-1.33	5.94
Cdn Income Trust Equity	11.88	23.29	-2.92	-2.09	5.51
S&P/TSX Income trust Index Total Return	14.61	31.23	-6.22	-0.80	7.86
Cdn Dividend & Income Equity	9.18	23.55	-1.05	-1.08	5.23
S&P/TSX Canadian Dividend Aristocrats Index Total Return	14.90	43.45	11.84	2.25	10.62
U.S. Equity	6.36	6.12	-8.49	-9.56	-4.40
S&P 500 Total Return Index C\$	6.32	4.75	-6.53	-6.84	-2.29
International Equity	10.90	13.63	1.52	-6.89	0.75
S&P EPAC LargeMidCap Index Total Return C\$	11.01	12.99	4.97	-4.27	3.25
Global Equity	8.51	10.24	-2.29	-6.93	-0.78
S&P Developed LargeMidCap Index Total Return C\$	9.15	9.48	-0.71	-4.94	0.84
Cdn Focused Equity	10.13	26.24	0.26	-1.77	4.56
50% S&P/TSX Composite Index Total Return + 25% S&P 500 Index C\$ + 25% S&P EPAC LargeMidCap Index Total Return C\$	9.64	19.46	-0.14	-1.85	4.41

Source: Standard & Poor's, Funddata. All data ending September 30, 2009. CIFSC categorizations.

Note: There has been no deduction of fund expenses from index returns.

<b>Report A1: Funds Excluded from Sample Due to Missing Asset Data: Q3 2009</b>						
<i>Equal Weighted Returns</i>						
<b>Category</b>	<b>In Sample?</b>	<b>Last Quarter</b>	<b>Year To Date</b>	<b>One Year</b>	<b>Three Year (Annualized)</b>	<b>Five Year (Annualized)</b>
Canadian Equity	Included	10.03	27.09	-0.03	-0.25	5.32
	Excluded	11.03	31.73	-1.96	-2.04	4.18
Cdn Small/Mid Cap Equity	Included	16.25	36.81	3.92	n/a	n/a
	Excluded	16.90	39.48	3.77	n/a	n/a
Cdn Income Trust Equity	Included	11.85	24.42	-1.53	-1.19	6.69
	Excluded	10.31	22.70	-4.64	-2.74	4.49
Cdn Dividend & Income Equity	Included	8.61	21.47	-1.54	-1.28	5.10
	Excluded	9.26	21.77	0.89	-0.95	3.72
U.S. Equity	Included	6.50	6.43	-8.06	-9.30	-4.60
	Excluded	8.43	10.90	-6.74	-8.06	-3.17
International Equity	Included	10.39	14.34	2.61	-6.21	0.97
	Excluded	9.36	12.70	-0.20	-7.62	0.75
Global Equity	Included	8.77	12.59	-1.27	-5.82	-0.14
	Excluded	7.96	14.09	-0.39	-4.59	0.54
Cdn Focused Equity	Included	10.06	25.38	0.68	-1.77	4.82
	Excluded	9.59	21.51	-1.68	-1.39	4.93

Source: Standard & Poor's, Funddata. All data ending September 30, 2009 CIFSC categorizations.

Note: There has been no deduction of fund expenses from index returns.

<b>Report A1 (continued): Count of Funds at Beginning of Period</b>						
<b>Category</b>	<b>In Sample?</b>	<b>Last Quarter</b>	<b>Year To Date</b>	<b>One Year</b>	<b>Three Years</b>	<b>Five Years</b>
Canadian Equity	Included	50	54	54	66	101
	Excluded	16	17	20	21	0
Cdn Small/Mid Cap Equity	Included	44	50	50	n/a	n/a
	Excluded	12	13	13	n/a	n/a
Cdn Income Trust Equity	Included	14	14	15	15	9
	Excluded	2	2	5	11	11
Cdn Dividend & Income Equity	Included	28	28	28	32	33
	Excluded	8	7	7	5	0
U.S. Equity	Included	72	75	76	89	155
	Excluded	17	20	21	21	2
International Equity	Included	42	43	43	46	60
	Excluded	11	13	14	10	2
Global Equity	Included	102	110	110	120	220
	Excluded	33	31	32	36	0
Cdn Focused Equity	Included	75	80	80	82	75
	Excluded	14	17	17	14	2

## Glossary

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### **S&P 500 Index**

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 Index**

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 Index**

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

### **S&P EPAC LargeMidCap Index**

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

### **S&P Developed LargeMidCap Index**

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

### **S&P/TSX Completion Index**

This is a modular component of the S&P/TSX Composite Index. This index is composed of constituents of the S&P/TSX Composite Index not in the S&P/TSX 60 Index.

### **S&P/TSX Composite Index**

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, Global Industry Classification Standard, and income trust inclusion versus non-inclusion.

### **S&P/TSX Income Trust Index**

This is a modular component of the S&P/TSX Composite Index. The index contains all of the income trust constituents from the S&P/TSX Composite Index and is not capped. It, in turn, is parent to the S&P/TSX Energy Trust Index and the S&P/TSX REIT Index.

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

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