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# SPIVA<sup>®</sup> Canada Scorecard

## SUMMARY

- The SPIVA Canada Scorecard reports on the performance of actively managed Canadian mutual funds versus that of their benchmarks, corrected for survivorship bias. It also shows equal- and asset-weighted peer averages.
- The index versus active debate has been a contentious subject for decades, and there are strong opinions on both sides. The SPIVA Scorecards are the de facto scorekeepers of this debate, reporting performance over 1-, 3-, 5-, and now 10-year periods.
- All observation periods and categories resulted in inferior fund performance relative to the benchmark. In other words, less than the majority of managers outperformed their respective benchmarks, regardless of their mandate or performance period.
- **Domestic Equities:** Despite the first quarter losses seen in major indices across North America, the Canadian equity market delivered double-digit returns during the 12-month period ending Dec. 31, 2016. During the same period, the [S&P/TSX Composite](#) and the [S&P/TSX 60](#) posted returns of 21.08% and 21.36%, respectively.
- The strong market run caused the majority of active managers investing in domestic equity to underperform their respective benchmarks, with just under one-fifth of Canadian equity funds (17.31%) outperforming the S&P/TSX Composite over the one-year period.
- Within the Canadian Dividend & Income Equity category, 19.44% of funds outperformed their respective benchmark over the 12-month period ending Dec. 31, 2016. Over the 10-year period, zero funds were able to outpace the [S&P/TSX Canadian Dividend Aristocrats<sup>®</sup>](#).
- The one-year data also showed unfavorable results for actively managed funds in the Canadian Small-/Mid-Cap Equity category. Managers were not able to keep pace with the 20.50% return of the [S&P/TSX Completion Index](#), which resulted in a mere 19.44% of managers outperforming.

- Over the same period, Canadian Focused Equity managers came the closest of all categories to a favorable result. These managers led the way, with 48.28% outperforming the blended index, which allocates 50% of its weight to the [S&P/TSX Composite](#), 25% of its weight to the [S&P 500®](#), and 25% of its weight to the S&P EPAC LargeMidCap. This marks the largest reversal in any group's outperformance from the mid-year 2016 scorecard.
- Over the longer term, such as the five-year investment horizon, the results are unequivocal across all domestic equity categories. The data show the losing pattern repeating across all categories, as the majority of active managers underperformed their respective benchmarks. The addition of a 10-year period shows further struggles for active managers, with less than one-quarter of funds outperforming.
- **Foreign Equities:** U.S. Equity managers saw a significant increase in their relative performance over the one-year period compared with the mid-year 2016 scorecard. Despite this increase, only 28.40% were able to provide alpha over the S&P 500 (CAD). Similar numbers were tallied by International Equity and Global Equity managers, with 23.81% and 24.14% outperforming, respectively.
- Over the five-year period, only 9.62% of active international equity funds and 3.60% of active global equity funds were able to beat their respective benchmarks.
- It should be noted that not a single manager investing in the U.S. Equity fund category was able to deliver higher returns than the benchmark, the [S&P 500](#), over the five-year horizon. Similarly, only 1.72% and 2.25% were able to outpace the index over the 10-year and 3-year period, respectively. This illuminates the continued struggle for managers in this category.

## 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 in their respective categories. Although many such reports are available, the SPIVA Canada Scorecard is unique in that it offers the following characteristics.

- **Survivorship Bias Correction:** Many funds might be liquidated or merged during a period of study. However, for a market participant 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 Canadian dollar.

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### Canadian Equity Funds

The Canadian Equity category<sup>1</sup> performed the best over the five-year period, with 30.00% of actively managed funds outperforming the [S&P/TSX Composite](#) (see Report 1). Results for the 10-year period and the shorter periods were all under one-fifth.

For the 1-, 3-, and 10-year periods, the average returns of active Canadian equity funds in this category were lower than those of the S&P/TSX Composite on both an equal- and asset-weighted basis (see Reports 3 and 4). Only for five-year asset-weighted returns did Canadian Equity funds outpace the index. In addition, asset-weighted returns for all periods were higher than their equal-weighted

<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.com](http://www.cifsc.com).

counterparts. This 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 fewer assets.

### Canadian Small-/Mid-Cap Equity Funds

During the 12-month period studied, 19.44% of actively managed equity funds in the Canadian Small-/Mid-Cap Equity category outperformed the [S&P/TSX Completion](#)<sup>2</sup> (see Report 1). That figure increased to 33.33% over the three-year horizon and to 43.90% over the five-year horizon before dropping off to 24.56% over the 10-year period. Performance was mixed with regard to weighted returns. Underperformance appears to have been centralized in recent months, as both asset- and equal-weighted returns did outpace the index for both the 5- and 10-year periods (see Reports 3 and 4).

### Canadian Dividend & Income Equity Funds

The mandate of constituents of the Canadian Dividend & Income Equity fund 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-dividend policy of consistently increasing dividends every year for at least five years. As dividends and income themes continued to dominate the investment landscape, only 19.44% of Canadian active income funds outperformed the S&P/TSX Canadian Dividend Aristocrats over the 12-month period studied. Over the three- and five-year periods, the figures were a bit higher, with 28.57% and 25.00% of funds outperforming the benchmark, respectively. However, no funds were able to outperform the S&P/TSX Canadian Dividend Aristocrats over the 10-year horizon. The fund category's asset-weighted returns were lower than the benchmark's over all time horizons but the five-year period.

### U.S. Equity Funds

The U.S. Equity fund category offers Canadian market participants insight into the U.S. equity market with returns expressed in Canadian dollars. In addition to equity risk, these funds carry currency risk. None of the funds in this category outperformed the [S&P 500](#) (in Canadian dollar terms) over the five-year period, which is the same finding as the mid-year 2016 scorecard. Meanwhile, only 2.25% and 1.72% of funds beat the index over the three- and five-year periods, respectively (see Report 1). A bright spot for the category is the 28.40% that outperformed the benchmark over the 12-month period, which is almost five times the number that accomplished the feat at mid-year 2016. The S&P 500 outperformed active funds in both the asset- and equal-weighted categories in all time periods examined. This accentuates the struggles that managers in this category have faced.

### 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. For active funds in this category, we see a strict inverse relationship with the measurement period. About one-quarter (23.81%) outperformed the S&P EPAC LargeMidCap<sup>3</sup> (in Canadian dollars) over the one-year horizon (see Report 1). This number almost halved over the three-year period, at 12.50%, and dropped to

<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.

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

9.62% over the five-year measurement period. 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, at times by a sizable amount.

## Global Equity Funds

The Global Equity fund category can include securities domiciled anywhere across the globe. In addition to equity risk, these funds carry currency risk. Over the one- and three-year periods, 24.14% and 3.97% of the funds, respectively, outperformed the benchmark, the [S&P Developed LargeMidCap](#), (see Report 1). When viewed over the five-year period, the performances were also low, with only 3.60% 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 respective 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 that allocates 50% of its weight to the [S&P/TSX Composite](#), 25% of its weight to the [S&P 500](#), and 25% of its weight to the S&P EPAC LargeMidCap, saw its returns lag 48.28% of active funds in this category over the 12-month period (see Report 1). This was the most promising result for active managers in the year-end 2016 scorecard. However, the longer periods are among the worst of the scorecard for active funds, with 6.76% and 5.43% lagging the blended index over a three- and five-year period, respectively. The blended index had higher equal- and asset-weighted returns than 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 at the beginning of a five-year period, and 20 have dropped out or merged at the end of the period (leaving 80), this implies 80% survivorship.

In our study of Canadian funds, we see that survivorship correlates inversely with measurement horizons. Survivorship in the five-year period was 52.50% (Canadian Equity), 64.42% (U.S. Equity), 71.15% (International Equity), and 71.94% (Global Equity). The corresponding survivorship figures in the three-year time frame were higher, at 69.35%, 79.78%, 77.08%, and 82.54%, respectively. In other words, a sizable percentage of funds in these four categories were merged or liquidated over the past five years.

The Canadian Dividend & Income Equity category had the highest survivorship rate over the 10-year period, at 69.05%, while the others were near or below a coin flip. Measured over a five-year period, survivorship rates varied greatly, but Global Equity managers started the period with the most funds and had the highest percentage of funds survive.

## 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 non-equity funds are excluded
- All pooled funds, segregated funds, or other specialized categories that do not qualify as retail mutual funds are excluded
- Multiple occurrences of the same fund's portfolio reporting in two or more currencies are also excluded, 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 filter.

- S&P Dow Jones Indices chooses funds that are actively managed, excluding index funds.

### Fund Categories

S&P Dow Jones Indices chooses funds that have, at any point in the previous 120 months, been classified in at least one of the following seven Canadian Investment Funds Standards Committee (CIFSC)<sup>4</sup> categories.

- Canadian Equity
- Canadian Small-/Mid-Cap 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 market participants.

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

The CIFSC governs the 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 Index](#).

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 has been excluded from this report.

## Benchmarks

The S&P/TSX Canadian Indices were subject to a number of additional changes in 2007. Following a consultation process with the indexing community, the [S&P/TSX SmallCap Index](#)'s methodology was adjusted to create a more appropriate Canadian benchmark of small-cap equities. The S&P/TSX SmallCap Index is now separate from the S&P/TSX Composite Index Series. 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](#). In 2011, the methodology for the [S&P/TSX Canadian 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 Exhibit 1. All 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 they do not include front- or back-end loads or other commissions that market participants might pay.

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

<b>Exhibit 1: Fund Categories and Their Benchmarks</b>	
<b>FUND CATEGORY</b>	<b>COMPARISON BENCHMARK</b>
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 (CAD)
International Equity	S&P EPAC LargeMidCap (CAD)
Global Equity	S&P Developed LargeMidCap (CAD)
Canadian Focused Equity	50% S&P/TSX Composite + 25% S&P 500 (CAD) + 25% S&P EPAC LargeMidCap

Source: S&P Dow Jones Indices LLC. Table is provided for illustrative purposes. Benchmarks shown are total return 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 market participants started redeploying funds outside of Canada to gain international equity exposure. 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 glossary at the end of this report, or visit our website at [www.spindices.com](http://www.spindices.com).

<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 during which 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 benchmarks over 1-, 3-, 5-, and 10-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: Percentage of Funds Outperforming the Index					
FUND CATEGORY	COMPARISON INDEX	ONE-YEAR (%)	THREE-YEAR (%)	FIVE-YEAR (%)	TEN-YEAR (%)
Canadian Equity	S&P/TSX Composite	17.31	19.35	30.00	8.89
	S&P/TSX Capped Composite	17.31	19.35	30.00	8.89
Canadian Small/Mid Cap Equity	S&P/TSX Completion	19.44	33.33	43.90	24.56
Canadian Dividend & Income Equity	S&P/TSX Canadian Dividend Aristocrats	19.44	28.57	25.00	0.00
U.S. Equity	S&P 500 (CAD)	28.40	2.25	0.00	1.72
International Equity	S&P EPAC LargeMidCap (CAD)	23.81	12.50	9.62	-
Global Equity	S&P Developed LargeMidCap (CAD)	24.14	3.97	3.60	-
Canadian Focused Equity	50% S&P/TSX Composite + 25% S&P 500 (CAD) + 25% S&P/Citigroup EPAC PMI	48.28	6.76	5.43	-

Source: S&P Dow Jones Indices LLC, Funddata. Data as of Dec. 31, 2016. CIFSC categorizations are used. Financial information provided by Fundata Canada Inc. Table is provided for illustrative purposes. 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-, five-, and ten-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		
FUND CATEGORY	NO. OF FUNDS AT START	SURVIVORSHIP (%)
<b>ONE-YEAR</b>		
Canadian Equity	52	86.54
Canadian Small/Mid Cap Equity	36	80.56
Canadian Dividend & Income Equity	36	94.44
U.S. Equity	81	90.12
International Equity	42	88.10
Global Equity	116	89.66
Canadian Focused Equity	58	96.55
<b>THREE-YEAR</b>		
Canadian Equity	62	69.35
Canadian Small/Mid Cap Equity	39	74.36
Canadian Dividend & Income Equity	42	80.95
U.S. Equity	89	79.78
International Equity	48	77.08
Global Equity	126	82.54
Canadian Focused Equity	74	75.68
<b>FIVE-YEAR</b>		
Canadian Equity	80	52.50
Canadian Small/Mid Cap Equity	41	70.73
Canadian Dividend & Income Equity	60	56.67
U.S. Equity	104	64.42
International Equity	52	71.15
Global Equity	139	71.94
Canadian Focused Equity	92	57.61
<b>TEN-YEAR</b>		
Canadian Equity	90	42.22
Canadian Small/Mid Cap Equity	57	49.12
Canadian Dividend & Income Equity	42	69.05
U.S. Equity	116	50.86
International Equity	-	-
Global Equity	-	-
Canadian Focused Equity	-	-

Source: S&P Dow Jones Indices LLC, Funddata. Data as of Dec. 31, 2016. CIFSC categorizations are used. Financial information provided by Fundata Canada Inc. Table is provided for illustrative purposes. 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 1-, 3-, 5-, and 10-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. 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 been merged or liquidated, new funds may have been formed, and some may have had their categories changed.

This report essentially shows the 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				
CATEGORY	ONE-YEAR (%)	THREE-YEAR (ANNUALIZED %)	FIVE-YEAR (ANNUALIZED %)	TEN-YEAR (ANNUALIZED %)
Canadian Equity	17.50	5.66	8.20	3.29
S&P/TSX Composite	21.08	7.06	8.25	4.72
S&P/TSX Capped Composite	21.08	7.06	8.25	4.72
Canadian Small/Mid Cap Equity	16.42	4.33	8.65	4.61
S&P/TSX Completion	20.50	4.67	6.15	4.46
Canadian Dividend & Income Equity	16.61	5.54	8.04	4.56
S&P/TSX Canadian Dividend Aristocrats	21.82	7.35	9.16	7.82
U.S. Equity	5.23	12.51	16.74	5.27
S&P 500 (CAD)	8.09	17.66	21.15	8.47
International Equity	-3.77	4.45	10.65	-
S&P EPAC LargeMidCap (CAD)	-1.69	6.91	12.96	-
Global Equity	1.39	7.67	12.62	-
S&P Developed LargeMidCap (CAD)	4.31	12.65	17.11	-
Canadian Focused Equity	11.03	5.85	9.21	-
50% S&P/TSX Composite + 25% S&P 500 (CAD) + 25% S&P/Citigroup EPAC PMI	11.91	9.78	12.71	-

Source: S&P Dow Jones Indices LLC, Fundata. Data as of Dec. 31, 2016. CIFSC categorizations are used. Financial information provided by Fundata Canada Inc. Table is provided for illustrative purposes. 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 the one-, three-, five-, and ten-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 been 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 periods studied, with the level of granularity for determining the eligible population in that category being monthly.

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

Report 4: Asset Weighted Fund Returns				
CATEGORY	ONE-YEAR (%)	THREE-YEAR (ANNUALIZED %)	FIVE-YEAR (ANNUALIZED %)	TEN-YEAR (ANNUALIZED %)
Canadian Equity	17.92	6.26	8.57	3.71
S&P/TSX Composite	21.08	7.06	8.25	4.72
S&P/TSX Capped Composite	21.08	7.06	8.25	4.72
Canadian Small/Mid Cap Equity	16.58	4.86	8.57	4.88
S&P/TSX Completion	20.50	4.67	6.15	4.46
Canadian Dividend & Income Equity	17.66	7.08	9.24	4.74
S&P/TSX Canadian Dividend Aristocrats	21.82	7.35	9.16	7.82
U.S. Equity	2.73	11.67	16.65	4.79
S&P 500 (CAD)	8.09	17.66	21.15	8.47
International Equity	-5.03	4.26	10.38	-
S&P EPAC LargeMidCap (CAD)	-1.69	6.91	12.96	-
Global Equity	1.49	7.84	12.90	-
S&P Developed LargeMidCap (CAD)	4.31	12.65	17.11	-
Canadian Focused Equity	10.93	5.74	8.83	-
50% S&P/TSX Composite + 25% S&P 500 (CAD) + 25% S&P/Citigroup EPAC PMI	11.91	9.78	12.71	-

Source: S&P Dow Jones Indices LLC, Fundata. Data as of Dec. 31, 2016. CIFSC categorizations are used. Financial information provided by Fundata Canada Inc. Table is provided for illustrative purposes. Past performance is no guarantee of future results.

## APPENDIX: 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 on SPIVA Scorecards, please [click here](#).

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