

# Canada Persistence Scorecard

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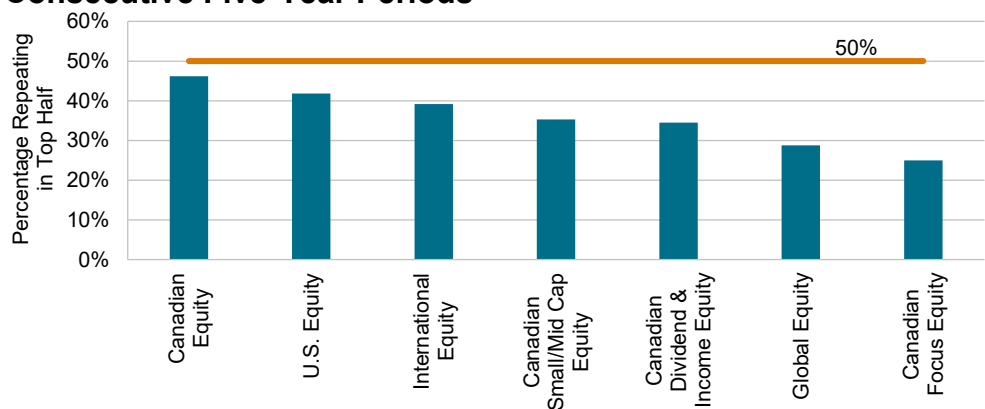
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## Summary

Can investment results be attributed to skill or luck? Genuine skill is more likely to persist, while luck is random and fleeting. Thus, one measure of skill is the consistency of a fund's performance relative to its peers. The Persistence Scorecard measures that consistency and shows that, **regardless of asset class or style focus, active management outperformance tends to be relatively short lived**, with few funds consistently outranking their peers.

Among the 169 funds in seven categories that placed in the top quartile for the 12-month period ending December 2021, only one managed to remain in the top quartile for each of the next four years (see Report 2). We also found that in all seven fund categories, the percentage of Canada-domiciled actively managed equity funds staying in the top half over two consecutive five-year periods fell below what would be expected from a random distribution (see Exhibit 1 and Report 6).

### Exhibit 1: Percentage of Funds Repeating in Top Half over Two Consecutive Five-Year Periods



Source: S&P Dow Jones Indices LLC, Fundata Canada Inc. Data as of Dec. 31, 2025. Chart is provided for illustrative purposes. Past performance is no guarantee of future results.

# Report Highlights

In 2025 there were continued challenges for Canadian active funds, with 93.4% of Canadian Equity funds underperforming the [S&P/TSX Composite Index](#).<sup>1</sup> In addition, sustaining top-tier performance proved to be a significant challenge, as observed from the following statistics on how Canadian funds performed relative to their peers.

- In five out of seven fund categories, more managers remained in the top quartile for three consecutive years than the expected rate of 6.25% based on random chance (see Report 1). Equity funds focused outside of Canada fared best. Among top-quartile funds from the U.S Equity, International Equity and Global Equity categories at the end of 2023, managers remained in the top quartile over two successive years at rates of 22.9%, 22.2% and 17.2%, respectively. In contrast, zero funds in the Canadian Equity and Canadian Small-/Mid-Cap Equity categories achieved the same outcome.
- Over a five-year period, from the set of all Canadian-domiciled active funds that ranked in the top quartile in their respective categories at the end of December 2020, only one fund, in the Global Equity category, managed to maintain that position over the subsequent four years (see Report 2).
- In all seven categories (Canadian Equity, Canadian Small-/Mid-Cap Equity, Canadian Focused Equity, Canadian Dividend & Income Equity, U.S. Equity, Global Equity and International Equity), one-fourth of funds or fewer remained in the top quartile for two consecutive five-year periods, failing to exceed the 25.0% that would be expected under a random distribution (see Report 5).
- Over two consecutive five-year periods, 10.0% of all the top-half active equity funds across categories were merged or liquidated. Meanwhile, among the bottom half of all categories, 25.3% of funds were subsequently merged or closed (see Report 6).

<sup>1</sup> For more information, please see the [SPIVA® Canada Year-End 2025 Scorecard](#).

# About the Persistence Scorecard

The phrase “past performance is no guarantee of future results” (or some variation thereof) can be found in the fine print of most mutual fund literature. Yet many investors and advisors consider past performance and related metrics to be important factors in fund selection. So, does past performance really matter?

To answer this question, the annual S&P Persistence Scorecard tracks the degree to which historical relative performance is predictive of future relative performance. This scorecard highlights performance persistence over three and five consecutive 12-month periods and two non-overlapping three- and five-year periods.

As in our widely followed SPIVA Scorecards, Fundata Canada serves as our underlying data source. For a more detailed description of the Persistence Scorecard’s allocation of funds to appropriate categories, and how funds are screened and selected for inclusion, please see the corresponding [SPIVA Canada Year-End 2025 Scorecard](#).<sup>2</sup>

Key features of the S&P Persistence Scorecard include:

- **Historical rankings without survivorship bias:** For anyone making an investment decision, all funds available at the time of that decision are part of the initial opportunity set. Ignoring funds that liquidate or merge during a period of study biases measurements of persistence. Using the Fundata database, the S&P Persistence Scorecard ranks all funds available at each point in time and tracks the top-quartile and top-half performers over time.
- **Clean universe:** The mutual fund universe used in these reports comprises actively managed domestic Canadian equity funds. Index funds, sector funds and index-based dynamic (bull or bear) funds are excluded from the sample. To avoid double counting of multiple share classes, only the share class with the highest previous period return of each fund is used.
- **Transition matrices:** Transition matrices show the movements between quartiles and halves over non-overlapping three- and five-year periods. They also track the percentage of funds that have merged or liquidated. In addition, we monitor movements across capitalization levels. This helps us measure, for example, the conversion of some large-cap funds to mid- and small-cap funds.<sup>3</sup>
- **Tracking reports of top performers:** The tracking reports show the percentage of funds that remain in the top-quartile or top-half rankings over consecutive three- and five-year periods.

<sup>2</sup> The latest and historical SPIVA Scorecards for each region can be found at [www.spglobal.com/spdji/en/research-insights/spiva](http://www.spglobal.com/spdji/en/research-insights/spiva).

<sup>3</sup> Starting with the Persistence Year-End 2020 Scorecard, the style change calculation includes funds that changed fund categories at any point between the relevant start and end dates. Previously, this calculation was only checked if the fund category remained identical at the endpoints.

# Reports

## Report 1a: Performance Persistence of Canadian Equity Funds over Three Consecutive 12-Month Periods

Fund Category	Fund Count at Start (December 2023)	Percentage Remaining in Top Quartile	
		December 2024	December 2025
<b>Top Quartile</b>			
Canadian Equity	19	21.05	0.00
Canadian Focused Equity	13	69.23	7.69
Canadian Dividend & Income Equity	14	35.71	14.29
Canadian Small-/Mid-Cap Equity	8	25.00	0.00
Global Equity	64	48.44	17.19
International Equity	18	27.78	22.22
U.S. Equity	35	51.43	22.86
Fund Category	Fund Count at Start (December 2023)	Percentage Remaining in Top Half	
		December 2024	December 2025
<b>Top Half</b>			
Canadian Equity	36	63.89	30.56
Canadian Focused Equity	28	75.00	46.43
Canadian Dividend & Income Equity	27	70.37	40.74
Canadian Small-/Mid-Cap Equity	16	43.75	25.00
Global Equity	129	55.81	32.56
International Equity	36	41.67	33.33
U.S. Equity	70	72.86	45.71

Source: S&P Dow Jones Indices LLC, Fundata Canada Inc. Data as of Dec. 31, 2025. Table is provided for illustrative purposes. Past performance is no guarantee of future results.

## Report 2: Performance Persistence of Domestic Equity Funds over Five Consecutive 12-Month Periods

Fund Category	Fund Count at Start (December 2021)	Percentage Remaining in Top Quartile			
		December 2022	December 2023	December 2024	December 2025
<b>Top Quartile</b>					
Canadian Equity	18	55.56	16.67	5.56	0.00
Canadian Focused Equity	16	25.00	0.00	0.00	0.00
Canadian Dividend & Income Equity	14	35.71	14.29	14.29	0.00
Canadian Small-/Mid-Cap Equity	8	25.00	0.00	0.00	0.00
Global Equity	61	26.23	3.28	1.64	1.64
International Equity	16	6.25	0.00	0.00	0.00
U.S. Equity	36	19.44	0.00	0.00	0.00
Fund Category	Fund Count at Start (December 2021)	Percentage Remaining in Top Half			
		December 2022	December 2023	December 2024	December 2025
<b>Top Half</b>					
Canadian Equity	34	64.71	32.35	17.65	5.88
Canadian Focused Equity	32	56.25	28.13	12.50	9.38
Canadian Dividend & Income Equity	28	60.71	25.00	21.43	17.86
Canadian Small-/Mid-Cap Equity	16	43.75	31.25	18.75	12.50
Global Equity	122	50.00	25.41	16.39	11.48
International Equity	34	50.00	29.41	23.53	20.59
U.S. Equity	70	54.29	17.14	14.29	12.86

Source: S&P Dow Jones Indices LLC, Fundata Canada Inc. Data as of Dec. 31, 2025. Table is provided for illustrative purposes. Past performance is no guarantee of future results.

### Report 3: Three-Year Transition Matrix – Performance over Two Non-Overlapping Three-Year Periods (Based on Quartiles)

Quartile	Fund Count at Start (December 2019-2022)	Three-Year Percentages at End (December 2022-2025)					
		1st Quartile (%)	2nd Quartile (%)	3rd Quartile (%)	4th Quartile (%)	Merged/Liquidated (%)	Style Changed (%)
<b>Canadian Equity Funds</b>							
1st Quartile	17	29.41	17.65	17.65	23.53	11.76	0.00
2nd Quartile	16	12.50	31.25	31.25	12.50	12.50	0.00
3rd Quartile	16	25.00	12.50	31.25	18.75	12.50	0.00
4th Quartile	17	17.65	23.53	5.88	23.53	23.53	5.88
<b>Canadian Focused Equity Funds</b>							
1st Quartile	16	12.50	12.50	43.75	25.00	0.00	6.25
2nd Quartile	15	26.67	20.00	6.67	26.67	6.67	13.33
3rd Quartile	15	6.67	13.33	13.33	20.00	20.00	26.67
4th Quartile	16	31.25	37.50	25.00	6.25	0.00	0.00
<b>Canadian Dividend &amp; Income Equity Funds</b>							
1st Quartile	13	30.77	30.77	23.08	7.69	7.69	0.00
2nd Quartile	13	15.38	7.69	15.38	46.15	7.69	7.69
3rd Quartile	13	7.69	30.77	23.08	30.77	7.69	0.00
4th Quartile	13	23.08	15.38	23.08	0.00	30.77	7.69
<b>Canadian Small-/Mid-Cap Equity Funds</b>							
1st Quartile	8	50.00	12.50	37.50	0.00	0.00	0.00
2nd Quartile	8	12.50	25.00	37.50	12.50	12.50	0.00
3rd Quartile	8	0.00	25.00	12.50	37.50	25.00	0.00
4th Quartile	8	12.50	25.00	0.00	37.50	12.50	12.50
<b>Global Equity Funds</b>							
1st Quartile	55	30.91	12.73	7.27	29.09	3.64	16.36
2nd Quartile	55	14.55	21.82	14.55	23.64	10.91	14.55
3rd Quartile	55	16.36	20.00	20.00	14.55	14.55	14.55
4th Quartile	56	19.64	21.43	17.86	14.29	21.43	5.36
<b>International Equity Funds</b>							
1st Quartile	16	18.75	31.25	25.00	18.75	6.25	0.00
2nd Quartile	16	25.00	12.50	25.00	25.00	12.50	0.00
3rd Quartile	16	37.50	25.00	25.00	12.50	0.00	0.00
4th Quartile	17	11.76	23.53	17.65	35.29	11.76	0.00
<b>U.S. Equity Funds</b>							
1st Quartile	33	21.21	18.18	15.15	24.24	6.06	15.15
2nd Quartile	32	12.50	15.63	25.00	18.75	0.00	28.13
3rd Quartile	33	21.21	21.21	12.12	9.09	24.24	12.12
4th Quartile	33	33.33	21.21	9.09	15.15	21.21	0.00

Source: S&P Dow Jones Indices LLC, Funddata Canada Inc. Data as of Dec. 31, 2025. Table is provided for illustrative purposes. Past performance is no guarantee of future results.

## Report 4: Three-Year Transition Matrix – Performance over Two Non-Overlapping Three-Year Periods (Based on Halves)

Half	Fund Count at Start (December 2019-2022)	Three-Year Percentage at End (December 2022-2025)			
		Top Half (%)	Bottom Half (%)	Merged/Liquidated (%)	Style Changed (%)
<b>Canadian Equity Funds</b>					
Top Half	33	45.45	42.42	12.12	0.00
Bottom Half	33	39.39	39.39	18.18	3.03
<b>Canadian Focused Equity Funds</b>					
Top Half	31	35.48	51.61	3.23	9.68
Bottom Half	31	45.16	32.26	9.68	12.90
<b>Canadian Dividend &amp; Income Equity Funds</b>					
Top Half	26	42.31	46.15	7.69	3.85
Bottom Half	26	38.46	38.46	19.23	3.85
<b>Canadian Small-/Mid-Cap Equity Funds</b>					
Top Half	16	50.00	43.75	6.25	0.00
Bottom Half	16	31.25	43.75	18.75	6.25
<b>Global Equity Funds</b>					
Top Half	110	40.00	37.27	7.27	15.45
Bottom Half	111	38.74	33.33	18.02	9.91
<b>International Equity Funds</b>					
Top Half	32	43.75	46.88	9.38	0.00
Bottom Half	33	48.48	45.45	6.06	0.00
<b>U.S. Equity Funds</b>					
Top Half	65	33.85	41.54	3.08	21.54
Bottom Half	66	48.48	22.73	22.73	6.06

Source: S&P Dow Jones Indices LLC, Fundata Canada Inc. Data as of Dec. 31, 2025. Table is provided for illustrative purposes. Past performance is no guarantee of future results.

## Report 5: Five-Year Transition Matrix – Performance over Two Non-Overlapping Five-Year Periods (Based on Quartile)

Quartile	Fund Count at Start (December 2015-2020)	Five-Year Percentages at End (December 2020-2025)					
		1st Quartile (%)	2nd Quartile (%)	3rd Quartile (%)	4th Quartile (%)	Merged/Liquidated (%)	Style Changed (%)
<b>Canadian Equity Funds</b>							
1st Quartile	13	15.38	30.77	30.77	15.38	0.00	7.69
2nd Quartile	13	23.08	23.08	23.08	23.08	7.69	0.00
3rd Quartile	13	23.08	15.38	7.69	30.77	15.38	7.69
4th Quartile	14	14.29	7.14	21.43	7.14	50.00	0.00
<b>Canadian Focused Equity Funds</b>							
1st Quartile	16	6.25	6.25	12.50	50.00	6.25	18.75
2nd Quartile	16	18.75	18.75	18.75	25.00	12.50	6.25
3rd Quartile	16	6.25	37.50	25.00	0.00	25.00	6.25
4th Quartile	16	31.25	6.25	18.75	0.00	31.25	12.50
<b>Canadian Dividend &amp; Income Equity Funds</b>							
1st Quartile	15	20.00	13.33	6.67	26.67	13.33	20.00
2nd Quartile	14	14.29	21.43	28.57	14.29	14.29	7.14
3rd Quartile	14	7.14	28.57	21.43	0.00	21.43	21.43
4th Quartile	15	40.00	13.33	13.33	6.67	26.67	0.00
<b>Canadian Small-/Mid-Cap Equity Funds</b>							
1st Quartile	9	11.11	11.11	22.22	22.22	33.33	0.00
2nd Quartile	8	37.50	12.50	12.50	25.00	12.50	0.00
3rd Quartile	8	12.50	25.00	37.50	25.00	0.00	0.00
4th Quartile	9	11.11	22.22	11.11	22.22	11.11	22.22
<b>Global Equity Funds</b>							
1st Quartile	44	6.82	13.64	15.91	50.00	11.36	2.27
2nd Quartile	43	11.63	25.58	27.91	11.63	9.30	13.95
3rd Quartile	44	20.45	20.45	6.82	11.36	25.00	15.91
4th Quartile	44	13.64	6.82	18.18	2.27	27.27	31.82
<b>International Equity Funds</b>							
1st Quartile	12	16.67	8.33	25.00	50.00	0.00	0.00
2nd Quartile	11	18.18	36.36	36.36	9.09	0.00	0.00
3rd Quartile	12	16.67	25.00	8.33	25.00	16.67	8.33
4th Quartile	12	33.33	16.67	16.67	8.33	25.00	0.00
<b>U.S. Equity Funds</b>							
1st Quartile	28	25.00	17.86	17.86	25.00	7.14	7.14
2nd Quartile	27	25.93	14.81	25.93	11.11	14.81	7.41
3rd Quartile	28	21.43	14.29	10.71	14.29	21.43	17.86
4th Quartile	28	0.00	14.29	14.29	10.71	32.14	28.57

Source: S&P Dow Jones Indices LLC, Funddata Canada Inc. Data as of Dec. 31, 2025. Table is provided for illustrative purposes. Past performance is no guarantee of future results.

## Report 6: Five-Year Transition Matrix – Performance over Two Non-Overlapping Five-Year Periods (Based on Halves)

Half	Fund Count at Start (December 2015-2020)	Five-Year Percentage at End (December 2020-2025)			
		Top Half (%)	Bottom Half (%)	Merged/Liquidated (%)	Style Changed (%)
<b>Canadian Equity Funds</b>					
Top Half	26	46.15	46.15	3.85	3.85
Bottom Half	27	29.63	33.33	33.33	3.70
<b>Canadian Focused Equity Funds</b>					
Top Half	32	25.00	53.13	9.38	12.50
Bottom Half	32	40.63	21.88	28.13	9.38
<b>Canadian Dividend &amp; Income Equity Funds</b>					
Top Half	29	34.48	37.93	13.79	13.79
Bottom Half	29	44.83	20.69	24.14	10.34
<b>Canadian Small-/Mid-Cap Equity Funds</b>					
Top Half	17	35.29	41.18	23.53	0.00
Bottom Half	17	35.29	47.06	5.88	11.76
<b>Global Equity Funds</b>					
Top Half	87	28.74	52.87	10.34	8.05
Bottom Half	88	30.68	19.32	26.14	23.86
<b>International Equity Funds</b>					
Top Half	23	39.13	60.87	0.00	0.00
Bottom Half	24	45.83	29.17	20.83	4.17
<b>U.S. Equity Funds</b>					
Top Half	55	41.82	40.00	10.91	7.27
Bottom Half	56	25.00	25.00	26.79	23.21

Source: S&P Dow Jones Indices LLC, Fundata Canada Inc. Data as of Dec. 31, 2025. Table is provided for illustrative purposes. Past performance is no guarantee of future results.

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