

SPIVA® Canada Scorecard

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Experience the active vs. passive debate on a global scale.

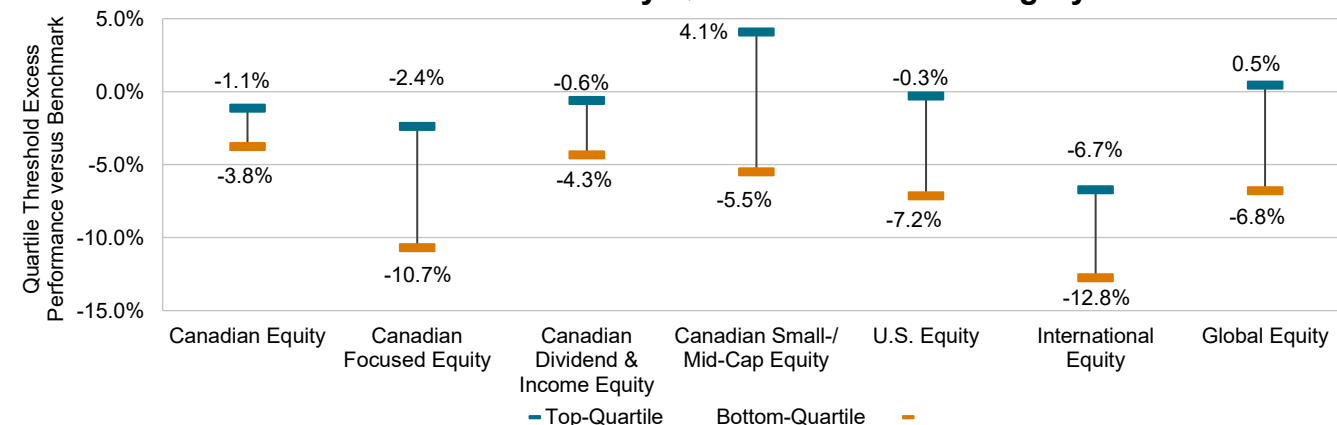
Since the first publication of the S&P Indices Versus Active (SPIVA) U.S. Scorecard in 2002, S&P Dow Jones Indices has been the de facto scorekeeper of the ongoing active versus passive debate.

The SPIVA Canada Scorecard measures the performance of Canadian actively managed funds against appropriate benchmarks over various time horizons, covering large-, mid- and small-cap segments, as well as international and global equity funds.

Mid-Year 2026 Highlights

In H1 2026, a high fund ranking versus peers was no guarantee of success, as the top-quartile threshold still trailed the benchmark in five out of seven categories (see Exhibit 1 and Report 5). While margins of top-quartile excess returns were mostly negative, the underperformance of funds at the bottom-quartile threshold was even greater, with funds trailing benchmarks by an average of 7.3% across categories and as much as 10.7% and 12.8% in Canadian Focused Equity and International Equity, respectively.

Exhibit 1: H1 2026 Excess Performance by Quartile and Fund Category



Source: S&P Dow Jones Indices LLC, Funddata. Data as of June 30, 2026. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

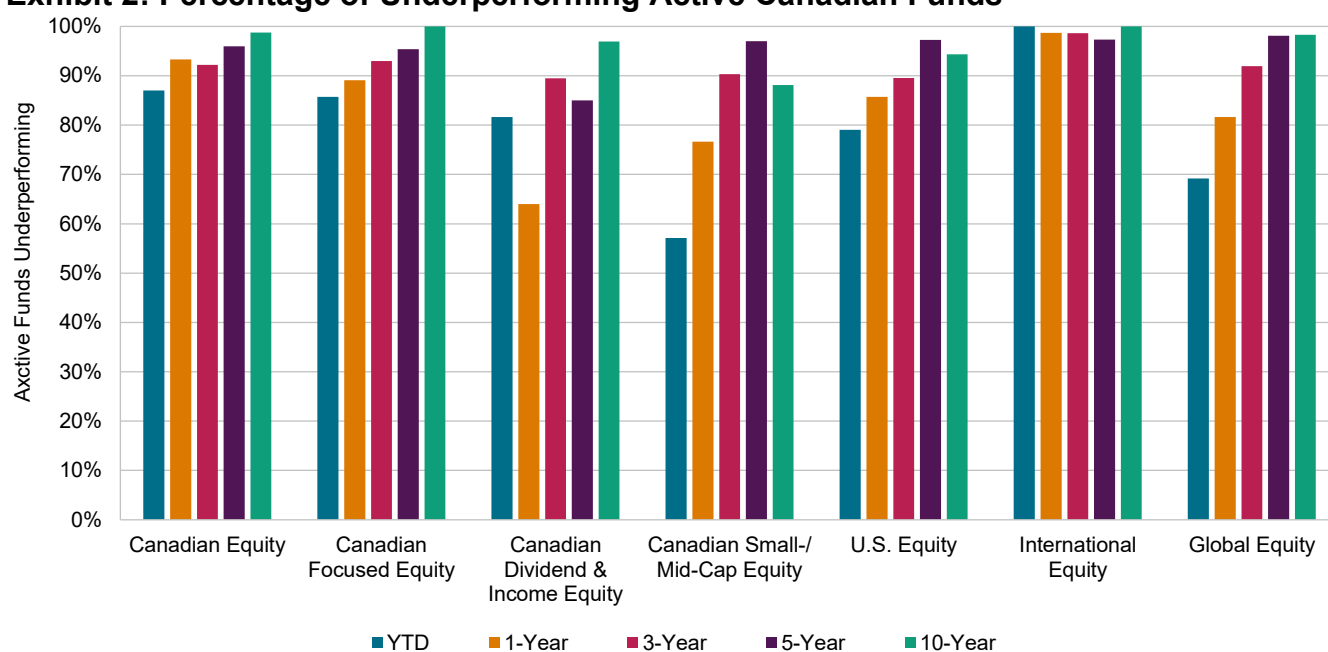
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- **Canadian Equity Funds:** The [S&P/TSX Composite Index](#) increased 11.2% in H1 2026, while Canadian Equity funds returned 8.8% on both an equal- and asset-weighted basis. Underperformance rates hit 87.0% over the six-month period, rising to 93.3%, 92.2%, 96.0% and 98.8% over the 1-, 3-, 5- and 10-year horizons, respectively.
- **Canadian Focused Equity Funds:** The blended benchmark of 50% S&P/TSX Composite Index + 25% [S&P 500®](#) + 25% [S&P EPAC LargeMidCap](#) climbed 14.4% in H1 2026, outperforming 85.7% of Canadian Focused Equity funds. Underperformance rates were 89.1%, 93.0%, 95.4% and 100.0% over the 1-, 3-, 5- and 10-year horizons, respectively.
- **Canadian Dividend & Income Equity Funds:** The [S&P/TSX Canadian Dividend Aristocrats® Index](#) rose 14.9% during H1 2026, while Canadian Dividend & Income Equity funds gained 11.9% and 13.3% on equal- and asset-weighted bases, respectively. Underperformance rates hit 81.6% over the six-month period and reached 64.0%, 89.5%, 85.0% and 96.9% over the 1-, 3-, 5- and 10-year horizons, respectively.
- **Canadian Small-/Mid-Cap Equity Funds:** The [S&P/TSX Completion Index](#) gained 9.6% in H1 2026, while 57.1% of Canadian Small-/Mid-Cap Equity funds underperformed the index. Funds in this category gained 8.5% and 8.3% on equal- and asset-weighted bases, respectively, over the six-month period.
- **U.S. Equity Funds:** The S&P 500 increased 14.1% in H1 2026, and 79.0% of U.S. Equity funds underperformed the index. Few funds in the U.S. Equity category beat the benchmark over the long term, with 85.7%, 89.5%, 97.3% and 94.3% underperforming over 1-, 3-, 5- and 10-year horizons, respectively.
- **International Equity Funds:** 100.0% of International Equity funds underperformed the S&P EPAC LargeMidCap in H1 2026, and 98.7%, 98.7%, 97.3% and 100.0% trailed the benchmark over the 1-, 3-, 5- and 10-year periods, respectively.
- **Global Equity Funds:** The [S&P World Index](#) gained 13.2% in H1 2026 and Global Equity funds returned 10.9% and 14.9% on equal- and asset-weighted bases, respectively. During the six-month period, 69.2% of funds in the category trailed the benchmark. Over the 1-, 3-, 5- and 10-year periods, 81.6%, 91.9%, 98.1% and 98.3% of funds underperformed, respectively.
- **Fund Survivorship:** Merger or liquidation rates for active funds in all categories were in the single digits for the first half of 2026. However, over the 10-year period, 43.9% of Canadian Equity funds failed to survive and 37.5% of funds disappeared across all categories (see Report 2).

Market Context

In the first half of 2026, few of Canada's active funds surpassed the performance of benchmarks. Across categories, an average of 80.0% of active funds underperformed their benchmarks, including Canadian Equity funds at 87.0%, Canadian Focused Equity funds at 85.7% and U.S. Equity funds at 79.0% (see Exhibit 2 and Report 1). Canada Small-/Mid-Cap Equity funds posted the lowest half-year underperformance, with 57.1% lagging the benchmark. Underperformance rates generally increased with time. At the other end of the spectrum, 100.0% of International Equity funds lagged the benchmark in H1.

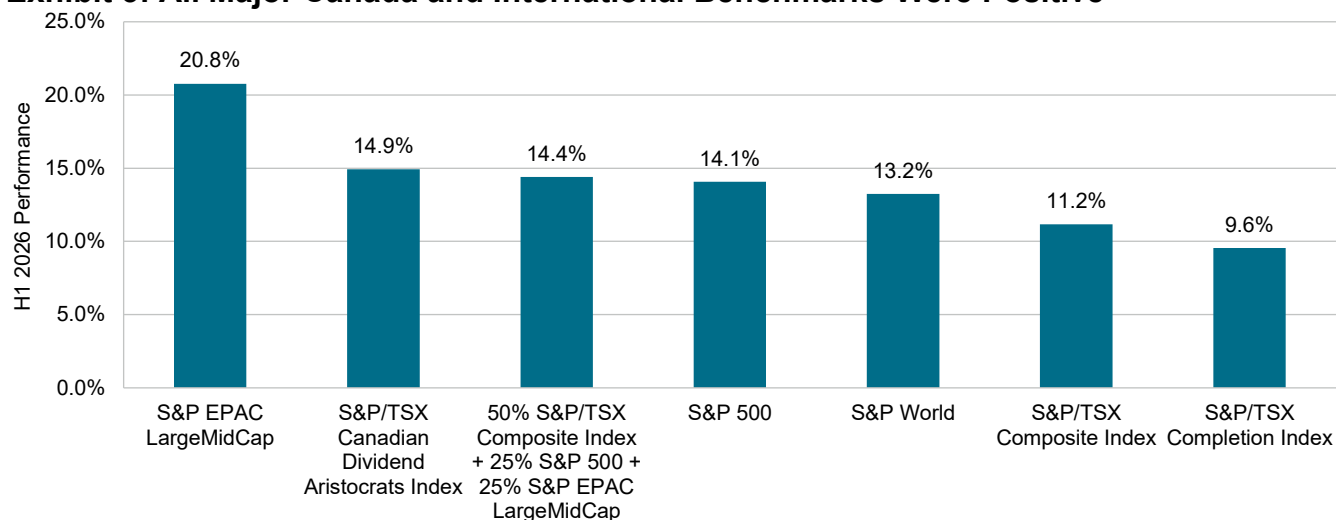
Exhibit 2: Percentage of Underperforming Active Canadian Funds



Source: S&P Dow Jones Indices LLC. Data as of June 30, 2026. Index performance based on total return in CAD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Continuing where they left off in 2025 and riding a wave of global equity growth, all indices in the SPIVA Canada Scorecard maintained positive momentum through H1 2026. The S&P/TSX Composite Index was up 11.2% for the first half of the year, slightly trailing the S&P 500, which rose 14.1% in Canadian dollars. Dividend-focused equities and stocks outside of Canada fared even better, with the S&P/TSX Canadian Dividend Aristocrats Index and the S&P EPAC LargeMidCap increasing 14.9% and 20.8%, respectively (see Exhibit 3 and Report 3).

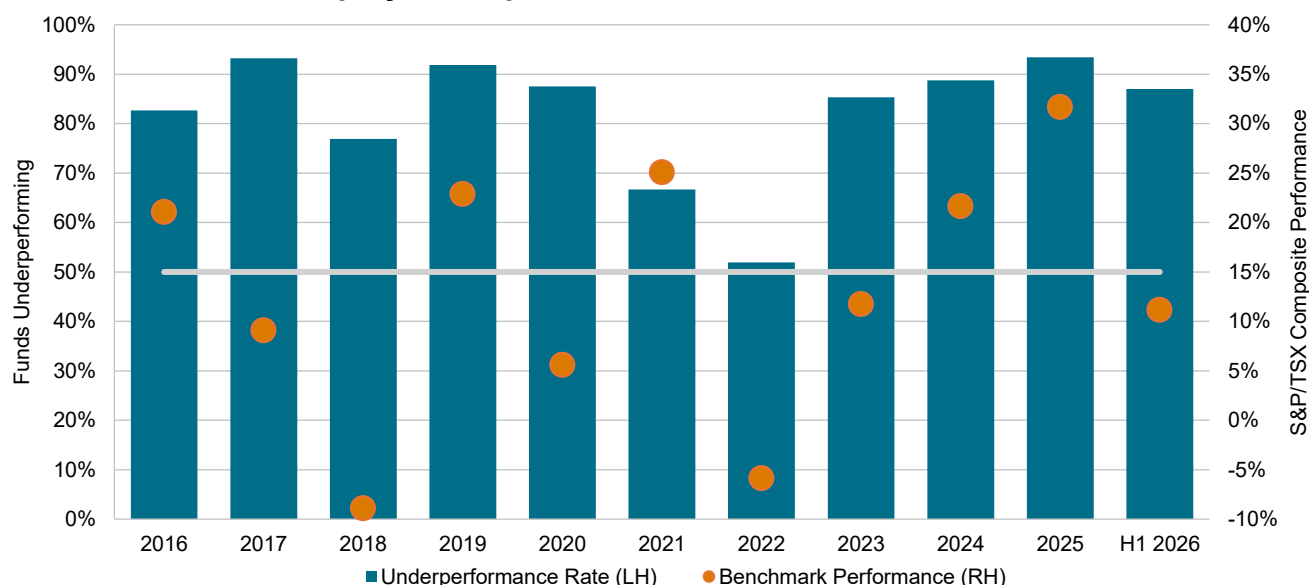
Exhibit 3: All Major Canada and International Benchmarks Were Positive



Source: S&P Dow Jones Indices LLC. Data as of June 30, 2026. Index performance based on total return in CAD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

In the Canadian Equity category, a minority of funds managed to beat the benchmark in the first six months of 2026 as well as over periods of one year or more. Majority underperformance has been a relatively persistent phenomenon, as shown in Exhibit 4. Over each of the past 10 calendar years, an average of 81.8% of Canadian Equity active funds failed to surpass the S&P/TSX Composite, including two years when the benchmark performance was negative. The 87.0% underperformance rate in the first half of 2026 was well above the 10-calendar-year average, painting a picture of challenges active funds faced during H1. Only time will tell if a greater proportion of funds can overcome these headwinds in H2.

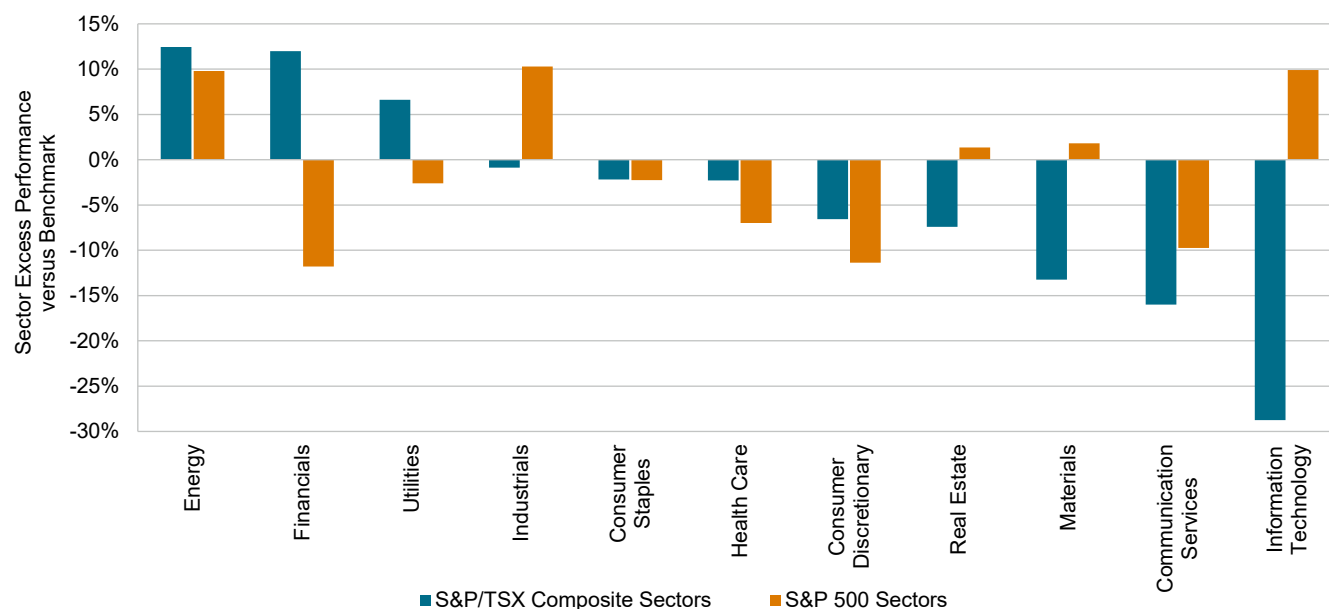
Exhibit 4: Canadian Equity Underperformance Rates and Benchmark Performance



Source: S&P Dow Jones Indices LLC, Funddata. Data as of June 30, 2026. Index performance based on total return in CAD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

In both the Canadian Equity and U.S. Equity categories, sector performance varied significantly, providing active funds with opportunities to outperform through sector tilts, or to underperform through unfavorable sector bets. Exhibit 5 illustrates the excess performance of sector indices relative to their benchmarks in Canada (S&P/TSX Composite Index) and the U.S. (S&P 500) over the first half of 2026. In Canada, the 12.5% outperformance of the Energy sector and the 28.7% underperformance of the Information Technology sector marked the extremes. Among all 11 GICS® sectors, only three (Energy, Financials and Utilities) outperformed the broad benchmark. Within the S&P 500, however, five sectors outperformed, and the range of excess performance was narrower. Industrials outperformed by 10.3% and Financials trailed by 11.8%. In this environment, U.S. equity funds underperformed at a slightly lower rate than Canadian Equity funds but still ended H1 with more than three out of four failing to beat the S&P 500.

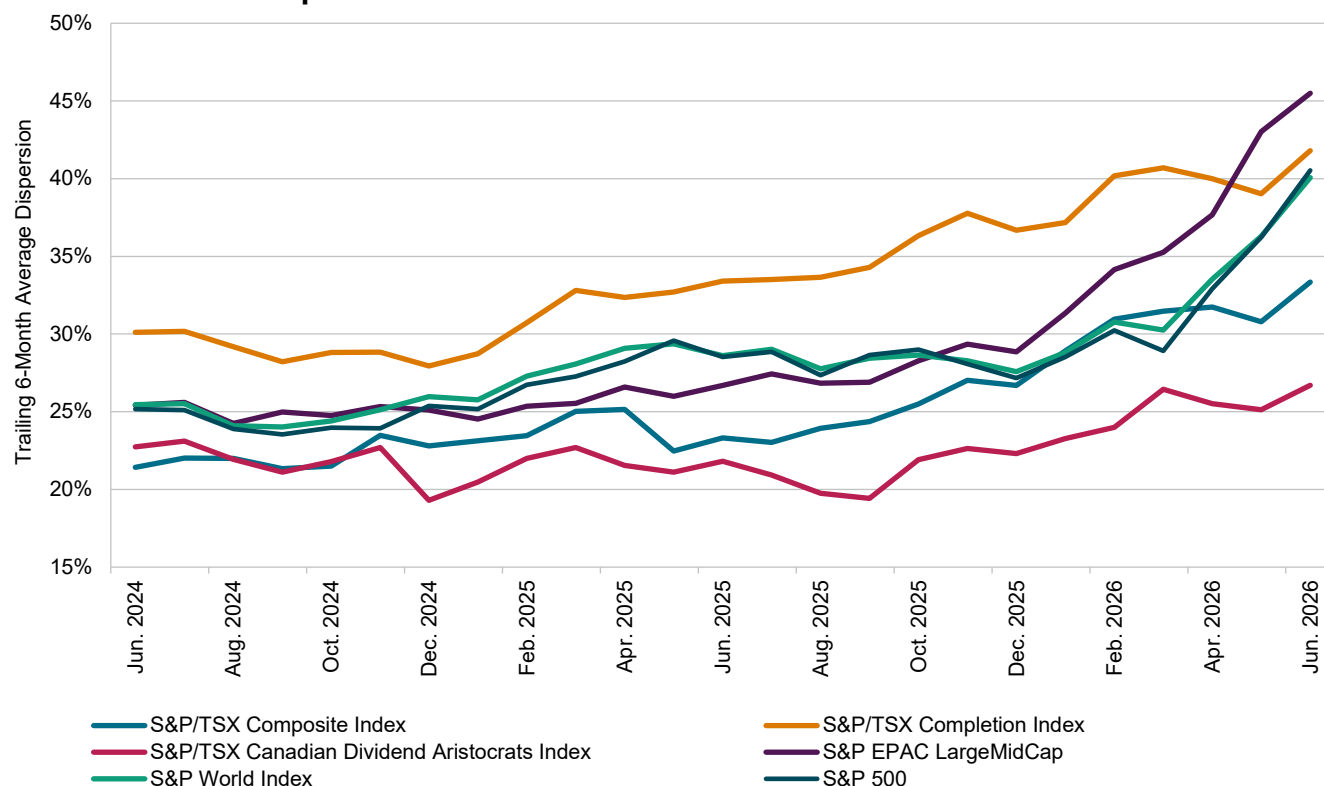
Exhibit 5: Canadian and U.S. Sector Performance Diverged



Source: S&P Dow Jones Indices LLC. Data as of June 30, 2026. Index performance based on total return in CAD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

As Canadian and international indices climbed in H1, most stocks trailed their respective benchmarks and the degree of performance differentiation among stocks widened, creating the potential for more extreme positive and negative outcomes among active funds. Commodity shocks, trade policy uncertainty, interest rate sensitivity and company-specific earnings developments were among the forces widening the spread between winners and losers, as measured by rising dispersion levels across the Canadian and international indices shown in Exhibit 6. Although higher dispersion levels generally suggest an environment with greater opportunities for stock selection and greater relative rewards for astute picks, they can also indicate greater magnitude of downside penalties for active funds holding the most extreme underperformers.

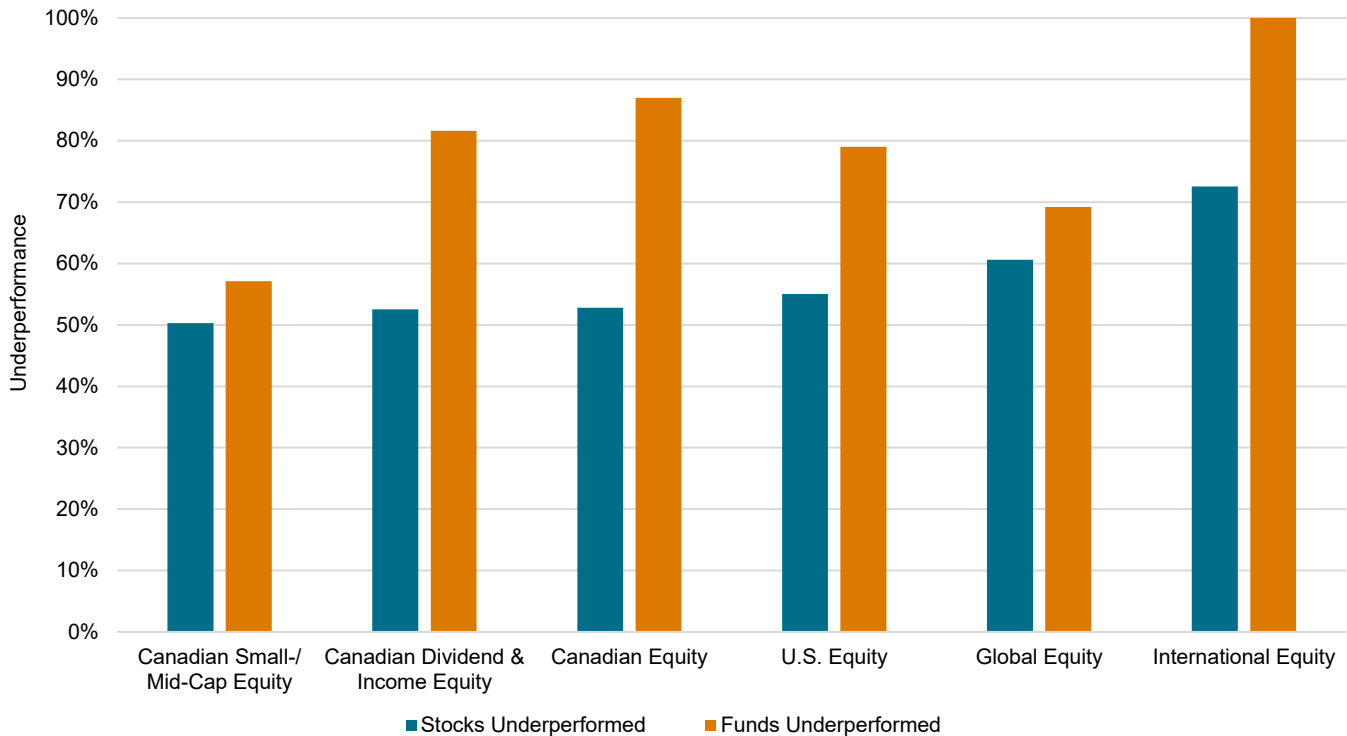
Exhibit 6: Stock Dispersion Rose across Canadian and International Indices



Source: S&P Dow Jones Indices LLC. Data as of June 30, 2026. Index performance based on total return in CAD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Benchmarks across all SPIVA Canada fund categories made significant gains during the first half of 2026, most in the double digits, yet the number of stocks making the largest contributions was relatively small, as reflected by the moderately positive skew in the cross section of constituent returns shown in Exhibit 7. In all six categories displayed, more than half the constituents trailed their benchmark's total performance. The proportion of stocks with lower performance than benchmarks ranged from 50.3% in the S&P/TSX Completion Index to 72.6% in the S&P EPAC LargeMidCap. Against this backdrop, the proportion of active funds underperforming their benchmarks across all six categories was even higher, ranging from 57.1% to 100.0%.

Exhibit 7: Most Stocks and Funds Trailed Benchmarks



Source: S&P Dow Jones Indices LLC. Data as of June 30, 2026. Index performance based on total return in CAD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

SPIVA Scorecards directly explore the fate of active funds over various time horizons, but by implication, they can also shed light on the challenging performance landscape facing fund selectors. At the fund level, shifting macroeconomic forces, changing local market conditions and upward-trending benchmarks created an environment where most of Canada’s active funds struggled to outperform in the first half of 2026 and over longer periods. Dispersion across individual securities created opportunities for positive outcomes through security selection, but the landscape contained more underperforming than outperforming stocks, adding to the challenges for active funds. Those able to exceed benchmarks in H1 constituted a relatively small cohort, and whether such success reflects enduring skill or favorable circumstances, as well as the likelihood of fund investors identifying outperformers in advance, are questions perhaps best answered over a longer time horizon.

A Unique Scorecard for the Active Versus Passive Debate

Since its first publication in the U.S. over 20 years ago, the SPIVA Scorecard has served as the de facto scorekeeper of the active versus passive debate. For two decades, we have heard passionate arguments from believers in both camps when headline numbers have deviated from their beliefs.

Beyond the SPIVA Scorecard's widely cited headline numbers is a rich data set that addresses issues related to measurement techniques, universe composition and fund survivorship that are far less frequently discussed but are often much more fascinating. These data sets are rooted in the following fundamental principles of the SPIVA Scorecard, with which regular readers will be familiar.

- **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 other commonly available comparison reports, SPIVA Scorecards account for the entire opportunity set—not just the survivors—thereby eliminating survivorship bias.
- **Apples-to-Apples Comparison:** Fund returns are often compared with a popular benchmark regardless of their investment category. The SPIVA Canada Scorecard makes 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 means the returns of a CAD 10 billion fund affect the average in the same manner as the returns of a CAD 10 million fund. An accurate representation of how market participants fared in a particular period can be ascertained by calculating weighted average returns, where each fund's return is weighted by net assets. SPIVA Scorecards show both equal- and asset-weighted averages.
- **Data Cleaning:** SPIVA Scorecards avoid double-counting multiple share classes in all count-based calculations by using only the share class with greater assets. Index, leveraged and inverse funds, along with other index-linked products, are excluded because this is meant to be a scorecard for active managers.

Reports

Report 1a: Percentage of Funds Underperforming Their Benchmarks (Based on Absolute Return)

Fund Category	Comparison Index	YTD (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)
Canadian Equity	S&P/TSX Composite Index	87.01	93.33	92.21	95.95	98.78
Canadian Focused Equity	50% S&P/TSX Composite Index + 25% S&P 500 (CAD) + 25% S&P EPAC LargeMidCap (CAD)	85.71	89.09	92.98	95.38	100.00
Canadian Dividend & Income Equity	S&P/TSX Canadian Dividend Aristocrats Index	81.63	64.00	89.47	85.00	96.92
Canadian Small-/Mid-Cap Equity	S&P/TSX Completion Index	57.14	76.67	90.32	96.97	88.10
U.S. Equity	S&P 500 (CAD)	79.03	85.71	89.51	97.28	94.33
International Equity	S&P EPAC LargeMidCap (CAD)	100.00	98.67	98.65	97.30	100.00
Global Equity	S&P World (CAD)	69.20	81.63	91.91	98.09	98.30

Source: S&P Dow Jones Indices LLC, Funddata. Data for periods ending June 30, 2026. Outperformance is based on equal-weighted fund counts. Index performance based on total return. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Report 1b: Percentage of Funds Underperforming Their Benchmarks (Based on Risk-Adjusted Return)

Fund Category	Comparison Index	3-Year (%)	5-Year (%)	10-Year (%)
Canadian Equity	S&P/TSX Composite Index	93.51	86.49	96.08
Canadian Focused Equity	50% S&P/TSX Composite Index + 25% S&P 500 (CAD) + 25% S&P EPAC LargeMidCap (CAD)	96.49	93.85	98.08
Canadian Dividend & Income Equity	S&P/TSX Canadian Dividend Aristocrats Index	85.96	86.67	53.85
Canadian Small-/Mid-Cap Equity	S&P/TSX Completion Index	96.77	87.88	93.75
U.S. Equity	S&P 500 (CAD)	95.80	95.92	100.00
International Equity	S&P EPAC LargeMidCap (CAD)	89.19	95.95	100.00
Global Equity	S&P World (CAD)	95.59	96.95	99.42

Source: S&P Dow Jones Indices LLC, Funddata. Data for periods ending June 30, 2026. Outperformance is based on equal-weighted fund counts. Index performance based on total return. Risk-adjusted return is computed as the annualized average monthly return divided by the annualized standard deviation of the monthly return for the measured periods. Results shown for all time horizons over which the comparison index total return was positive. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Report 2: Survivorship of Funds

Fund Category	Number of Funds at Start	Survivorship (%)
YTD		
Canadian Equity	77	97.40
Canadian Focused Equity	56	94.64
Canadian Dividend & Income Equity	49	100.00
Canadian Small-/Mid-Cap Equity	28	96.43
U.S. Equity	124	97.58
International Equity	82	95.12
Global Equity	250	98.00
All Categories	666	97.30
1-Year		
Canadian Equity	75	96.00
Canadian Focused Equity	55	94.55
Canadian Dividend & Income Equity	50	96.00
Canadian Small-/Mid-Cap Equity	30	90.00
U.S. Equity	119	97.48
International Equity	75	94.67
Global Equity	245	96.73
All Categories	649	95.99
3-Year		
Canadian Equity	77	89.61
Canadian Focused Equity	57	92.98
Canadian Dividend & Income Equity	57	84.21
Canadian Small-/Mid-Cap Equity	31	87.10
U.S. Equity	143	87.41
International Equity	74	87.84
Global Equity	272	89.71
All Categories	711	88.75

Source: S&P Dow Jones Indices LLC, Fundata. Data for periods ending June 30, 2026. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Report 2: Survivorship of Funds (cont.)

Fund Category	Number of Funds at Start	Survivorship (%)
5-Year		
Canadian Equity	74	77.03
Canadian Focused Equity	65	80.00
Canadian Dividend & Income Equity	60	81.67
Canadian Small-/Mid-Cap Equity	33	78.79
U.S. Equity	147	78.23
International Equity	74	86.49
Global Equity	262	82.44
All Categories	715	80.98
10-Year		
Canadian Equity	82	56.10
Canadian Focused Equity	101	42.57
Canadian Dividend & Income Equity	65	70.77
Canadian Small-/Mid-Cap Equity	42	64.29
U.S. Equity	141	67.38
International Equity	75	60.00
Global Equity	235	68.51
All Categories	741	62.48

Source: S&P Dow Jones Indices LLC, Funddata. Data for periods ending June 30, 2026. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Report 3: Average Fund Performance (Equal-Weighted)

Index/Fund Category	YTD (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)
S&P/TSX Composite Index	11.17	32.87	23.48	14.85	12.79
Canadian Equity	8.75	21.25	17.40	11.02	9.42
50% S&P/TSX Composite Index + 25% S&P 500 (CAD) + 25% S&P EPAC LargeMidCap (CAD)	14.40	32.42	23.51	15.15	13.65
Canadian Focused Equity	8.92	20.62	16.40	10.99	10.12
S&P/TSX Canadian Dividend Aristocrats Index	14.94	27.54	20.47	13.00	11.30
Canadian Dividend & Income Equity	11.91	24.21	16.83	11.00	9.30
S&P/TSX Completion Index	9.56	37.95	26.60	15.92	12.04
Canadian Small-/Mid-Cap Equity	8.51	25.29	18.09	9.64	9.01

Source: S&P Dow Jones Indices LLC, Funddata. Data for periods ending June 30, 2026. Returns for periods greater than one year are annualized. Index performance based on total return. Funds are equal weighted, but indices are not. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Report 3: Average Fund Performance (Equal-Weighted) (cont.)

Index/Fund Category	YTD (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)
S&P 500 (CAD)	14.07	27.19	23.45	16.53	16.53
U.S. Equity	10.89	19.89	18.07	10.87	11.78
S&P EPAC LargeMidCap (CAD)	20.77	35.82	22.92	13.78	11.96
International Equity	10.22	15.69	12.74	6.90	7.62
S&P World (CAD)	13.24	26.17	22.61	15.00	14.64
Global Equity	10.88	18.87	16.04	8.76	9.52

Source: S&P Dow Jones Indices LLC, Funddata. Data for periods ending June 30, 2026. Returns for periods greater than one year are annualized. Index performance based on total return. Funds are equal weighted, but indices are not. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Report 4: Average Fund Performance (Asset-Weighted)

Index/Fund Category	YTD (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)
S&P/TSX Composite Index	11.17	32.87	23.48	14.85	12.79
Canadian Equity	8.75	22.22	17.88	11.47	9.99
50% S&P/TSX Composite Index + 25% S&P 500 (CAD) + 25% S&P EPAC LargeMidCap (CAD)	14.40	32.42	23.51	15.15	13.65
Canadian Focused Equity	8.21	18.15	15.35	10.21	9.59
S&P/TSX Canadian Dividend Aristocrats Index	14.94	27.54	20.47	13.00	11.30
Canadian Dividend & Income Equity	13.32	26.08	18.16	11.97	10.35
S&P/TSX Completion Index	9.56	37.95	26.60	15.92	12.04
Canadian Small-/Mid-Cap Equity	8.28	23.18	17.84	9.61	8.78
S&P 500 (CAD)	14.07	27.19	23.45	16.53	16.53
U.S. Equity	12.20	21.73	19.72	11.48	12.56
S&P EPAC LargeMidCap (CAD)	20.77	35.82	22.92	13.78	11.96
International Equity	12.52	18.89	14.51	7.68	8.44
S&P World (CAD)	13.24	26.17	22.61	15.00	14.64
Global Equity	14.92	24.27	17.54	9.63	9.19

Source: S&P Dow Jones Indices LLC, Funddata. Data for periods ending June 30, 2026. Returns for periods greater than one year are annualized. Index performance based on total return. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Report 5: Quartile Breakpoints of Fund Performance

Fund Category	Third Quartile (%)	Second Quartile (%)	First Quartile (%)
YTD			
Canadian Equity	7.41	8.96	10.03
Canadian Focused Equity	3.71	9.32	12.02
Canadian Dividend & Income Equity	10.61	11.90	14.32
Canadian Small-/Mid-Cap Equity	4.06	7.18	13.65
U.S. Equity	6.92	10.87	13.77
International Equity	8.01	10.36	14.04
Global Equity	6.44	11.03	13.70
1-Year			
Canadian Equity	16.47	21.34	26.74
Canadian Focused Equity	11.92	20.78	26.57
Canadian Dividend & Income Equity	20.33	24.79	29.42
Canadian Small-/Mid-Cap Equity	15.52	24.69	40.17
U.S. Equity	13.29	20.42	24.48
International Equity	12.37	17.39	21.10
Global Equity	11.47	19.35	24.51
3-Year			
Canadian Equity	15.63	17.57	19.49
Canadian Focused Equity	13.35	15.89	19.44
Canadian Dividend & Income Equity	15.49	16.97	19.38
Canadian Small-/Mid-Cap Equity	13.13	18.12	23.04
U.S. Equity	14.23	18.18	20.97
International Equity	10.88	13.95	16.38
Global Equity	12.38	15.45	19.06

Source: S&P Dow Jones Indices LLC, Funddata. Data for periods ending June 30, 2026. Returns for periods greater than one year are annualized. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Report 5: Quartile Breakpoints of Fund Performance (cont.)

Fund Category	Third Quartile (%)	Second Quartile (%)	First Quartile (%)
5-Year			
Canadian Equity	10.45	11.40	12.58
Canadian Focused Equity	9.40	11.11	12.24
Canadian Dividend & Income Equity	10.09	11.19	12.61
Canadian Small-/Mid-Cap Equity	6.59	9.65	12.22
U.S. Equity	9.04	10.83	13.51
International Equity	4.61	7.35	9.05
Global Equity	6.60	9.00	11.15
10-Year			
Canadian Equity	8.97	9.94	10.89
Canadian Focused Equity	9.06	10.09	11.44
Canadian Dividend & Income Equity	9.07	9.59	9.99
Canadian Small-/Mid-Cap Equity	7.54	8.93	11.16
U.S. Equity	10.60	12.05	13.46
International Equity	6.83	7.93	9.06
Global Equity	8.35	9.53	10.71

Source: S&P Dow Jones Indices LLC, Funddata. Data for periods ending June 30, 2026. Returns for periods greater than one year are annualized. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Appendix A: SPIVA Methodology

Data

S&P Dow Jones Indices obtains a custom feed of monthly return data from Fundata Canada for all equity funds¹ in its database. The feed includes data on funds that have merged or liquidated. Fundata applies the following filters to the file S&P DJI 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 DJI 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 DJI then excludes index funds, limiting the data to funds that are actively managed.

¹ Includes mutual funds and ETFs.

Fund Categories

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

- Canadian Equity
- Canadian Focused Equity
- Canadian Dividend & Income Equity
- Canadian Small-/Mid-Cap Equity
- U.S. Equity
- International Equity
- Global Equity

The categories reviewed in this report represent the major areas of interest for Canadian market participants. The CIFSC governs the categorization of Canadian mutual funds.

Benchmarks

The chosen benchmarks are shown in Exhibit 8. All index returns are total returns (i.e., include dividend reinvestment) in Canadian dollars. There has been no deduction from index returns to account for fund investment expenses. It is important to note that active fund returns are after expenses, but they do not include loads and entry fees. To ensure the study is robust and fair, representative benchmarks were selected for each fund category, but not all funds adopt the benchmarks stipulated. However, a vast majority do set their performance hurdle based on either the assigned benchmarks in this report or a similar alternative.

Exhibit 8: SPIVA Categories and Their Benchmarks

SPIVA Category	Benchmark Index
Canadian Equity	S&P/TSX Composite Index
Canadian Focused Equity	50% S&P/TSX Composite Index + 25% S&P 500 (CAD) + 25% S&P EPAC LargeMidCap (CAD)
Canadian Dividend & Income Equity	S&P/TSX Canadian Dividend Aristocrats Index
Canadian Small-/Mid-Cap Equity	S&P/TSX Completion Index
U.S. Equity	S&P 500 (CAD)
International Equity	S&P EPAC LargeMidCap (CAD)
Global Equity	S&P World Index (CAD)

Source: S&P Dow Jones Indices LLC, Funddata. Table is provided for illustrative purposes.

Appendix B: Glossary

Percentage of Funds Underperforming the Index

To correct for survivorship bias, we use the opportunity set available at the beginning of the period as the denominator. We determine the count of funds that either failed to survive the measured period or survived but failed to beat the category benchmark over the period. This count is divided by the number of funds in the original opportunity set and is reported as the percentage of funds underperforming.

Survivorship (%)

The survivorship measure represents the percentage of funds in existence at the beginning of the time period that are still active at the end of the time period.

Equal-Weighted Fund Performance

Equal-weighted returns for a particular style category and time horizon are determined by compounding the simple average of the monthly returns of all active funds that were available at the start of the period.

Asset-Weighted Fund Performance

Asset-weighted returns for a particular style category are calculated similarly, except based on a weighted average return of fund returns each month, with each fund's return weighted by its total net assets. Asset-weighted returns can be a better indicator of category performances because they reflect the returns of the total money invested across the sample of funds.

Quartile Breakpoints

The p^{th} percentile for a set of data is the value that is greater than or equal to $p\%$ of the data but is less than or equal to $(100-p)\%$ of the data. In other words, it is a value that divides the data into two parts: the lower $p\%$ of the values and the upper $(100-p)\%$ of the values. The first quartile is the 75th percentile, which is the value separating the elements of a population into the lower 75% and the upper 25%. The second quartile is the 50th percentile, and the third quartile is the 25th percentile. For fund category quartiles in a particular time horizon, the data used is the return of the largest surviving share class of the fund net of fees, excluding loads.

Survivorship Bias

Many funds might liquidate or merge during a period of study. This usually occurs due to continued poor performance by the fund. Therefore, if index returns were compared to fund returns using only surviving funds, the comparison would be biased in favor of the fund category. The SPIVA reports remove this bias in three ways. The first method to remove the bias is to use the entire investment opportunity set, made up of all funds in that particular category at the outset of the period, as the denominator for outperformance calculations. The second is explicitly to show the survivorship rate in each category. The final way is to construct a peer average return series for each category based on all available funds at the outset of the period.

Fees

The fund returns used are net of fees, excluding loads.

Indices

A benchmark index provides an investment vehicle against which fund performance can be measured.

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 Composite Index

This is the headline index and the principal broad market measure for Canadian equity markets. The S&P/TSX Composite Index is the basis for numerous subindices, which break down the Canadian market by different factors, including size, liquidity and Global Industry Classification Standard (GICS®).

S&P/TSX Completion Index

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

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 EPAC LargeMidCap

This index is a float-weighted, rules-based benchmark that is designed to measure 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 [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 World Index

The S&P World Index, a subset of the S&P Global BMI, is an equity index that tracks the performance of large- and mid-cap stocks from 24 developed markets, representing approximately the top 85% of market capitalization in each country.

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