

SPIVA[®] Canada Scorecard

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

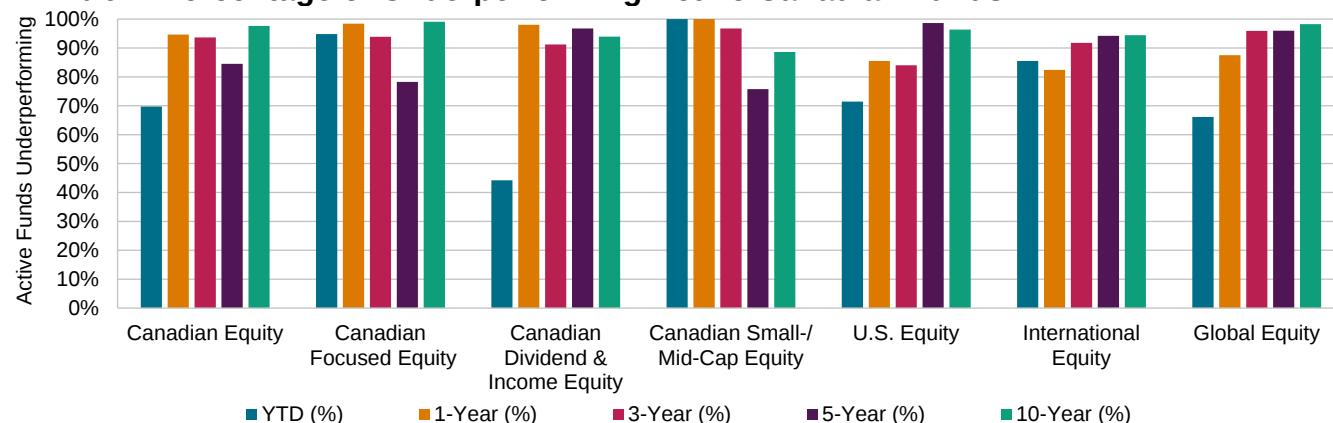
Since the first publication of the S&P Indices Versus Active (SPIVA) U.S. Scorecard in 2002, S&P Dow Jones Indices has been the de facto scorekeeper of the ongoing active versus passive debate.

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

Mid-Year 2025 Highlights

In the first half of 2025, few of Canada's active funds could overcome global benchmark performances. Across categories, an average of over 71.2% of active funds underperformed their benchmarks, including Canadian Equity funds at 69.7%, Canadian Focused Equity funds at 94.8% and U.S. Equity funds at 71.4% (see Exhibit 1 and Report 1). Canadian Dividend & Income Equity funds posted the lowest full-year underperformance, with 44.2% lagging the benchmark. Underperformance rates generally increased with time.

Exhibit 1: Percentage of Underperforming Active Canadian Funds



Source: S&P Dow Jones Indices LLC, Funddata. Data as of June 30, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

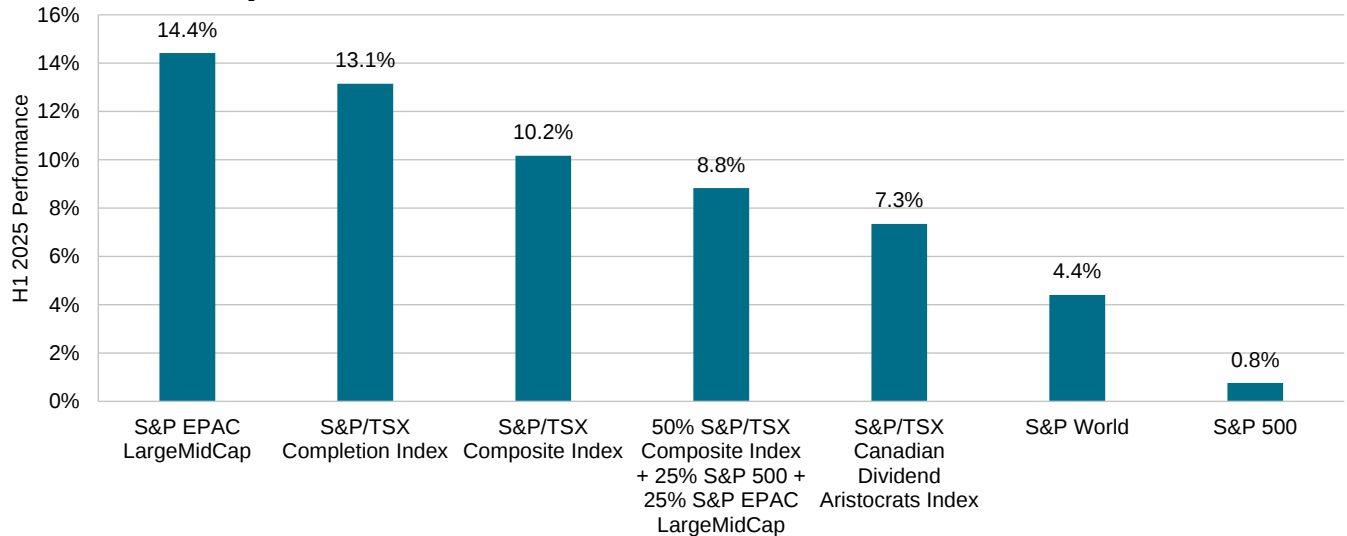
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- **Canadian Equity Funds:** The [S&P/TSX Composite Index](#) climbed 10.2% in H1 2025, while Canadian Equity funds gained 9.2% and 9.1% on equal- and asset-weighted bases, respectively. Underperformance rates hit 69.7% over the six-month period, climbing to 94.7%, 93.7%, 84.5% and 97.6% 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](#) increased 8.8% in H1 2025, outperforming 94.8% of Canadian Focused Equity funds. Underperformance rates were 98.4%, 93.8%, 78.3% and 99.1% over the 1-, 3-, 5- and 10-year horizons, respectively.
- **Canadian Dividend & Income Equity Funds:** The [S&P/TSX Canadian Dividend Aristocrats® Index](#) rose 7.3% during H1 2025, while Canadian Dividend & Income Equity funds gained 7.7% and 7.2% on equal- and asset-weighted bases, respectively. Underperformance rates hit 44.2% over the six-month period and reached 98.0%, 91.2%, 96.8% and 93.9% over the 1-, 3-, 5- and 10-year horizons, respectively.
- **Canadian Small-/Mid-Cap Equity Funds:** The [S&P/TSX Completion Index](#) increased 13.1% in H1 2025, and a full 100.0% of Canadian Small-/Mid-Cap Equity funds underperformed the index. Funds in this category gained 7.1% and 8.5% on equal- and asset-weighted bases, respectively, over the six-month period.
- **U.S. Equity Funds:** The S&P 500 increased 0.8% in H1 2025, and 71.4% of U.S. Equity funds underperformed the index. Few funds in the U.S. Equity category outperformed over the long term, with 85.5%, 84.0%, 98.6% and 96.4% underperforming over 1-, 3-, 5- and 10-year horizons, respectively.
- **International Equity Funds:** 85.5% of International Equity funds trailed the S&P EPAC LargeMidCap in H1 2025, and 82.4%, 91.8%, 94.2% and 94.4% underperformed over the 1-, 3-, 5- and 10-year periods, respectively.
- **Global Equity Funds:** The [S&P World Index](#) increased 4.4% in H1 2025 and Global Equity funds gained 3.6% and 3.0% on equal- and asset-weighted bases, respectively. Over the six-month period, 66.1% of funds in the category trailed the benchmark. Over the 1-, 3-, 5- and 10-year periods, 87.5%, 95.9%, 96.0% and 98.3% of funds underperformed, respectively.
- **Fund Survivorship:** Liquidation rates for all categories were in the single digits for the six-month period ending June 30, 2025. Over the 10-year period, 45.9% of Canadian Equity funds merged or liquidated, and an average of 38.7% of funds disappeared across all categories (see Report 2).

Market Context

Following strong performance across global markets in 2024, all indices in the SPIVA Canada Scorecard maintained positive momentum through H1 2025. The S&P/TSX Composite Index was up 10.2% for the first half of the year, far surpassing the S&P 500, which rose only 0.8% in Canadian dollars. Smaller-cap Canadian companies and stocks outside of Canada fared even better, with the S&P/TSX Completion Index and the S&P EPAC LargeMidCap increasing 13.1% and 14.4%, respectively (see Exhibit 2).

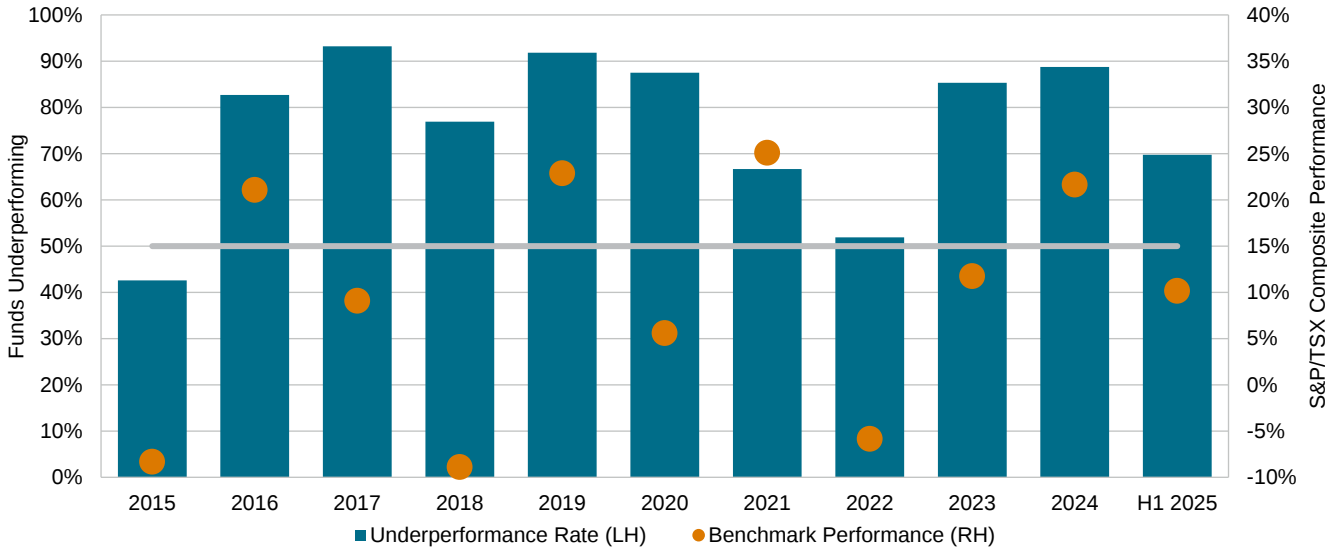
Exhibit 2: All Major Canada and International Benchmarks Were Positive



Source: S&P Dow Jones Indices LLC. Data as of June 30, 2025. Index performance based on total return in CAD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

In the category of Canadian Equity funds, a minority managed to beat the benchmark over periods of one year or more, and results over the first six months of 2025 extended this trend. As shown in Exhibit 3, over the past 10 years, an average of more than 76.7% of Canadian Equity active funds failed to surpass the benchmark, a result largely unaffected by market direction. Although H1 2025’s 69.7% underperformance rate fell slightly below the average, it continued a streak of majority underperformance, including two out of three years when the benchmark performance was negative.

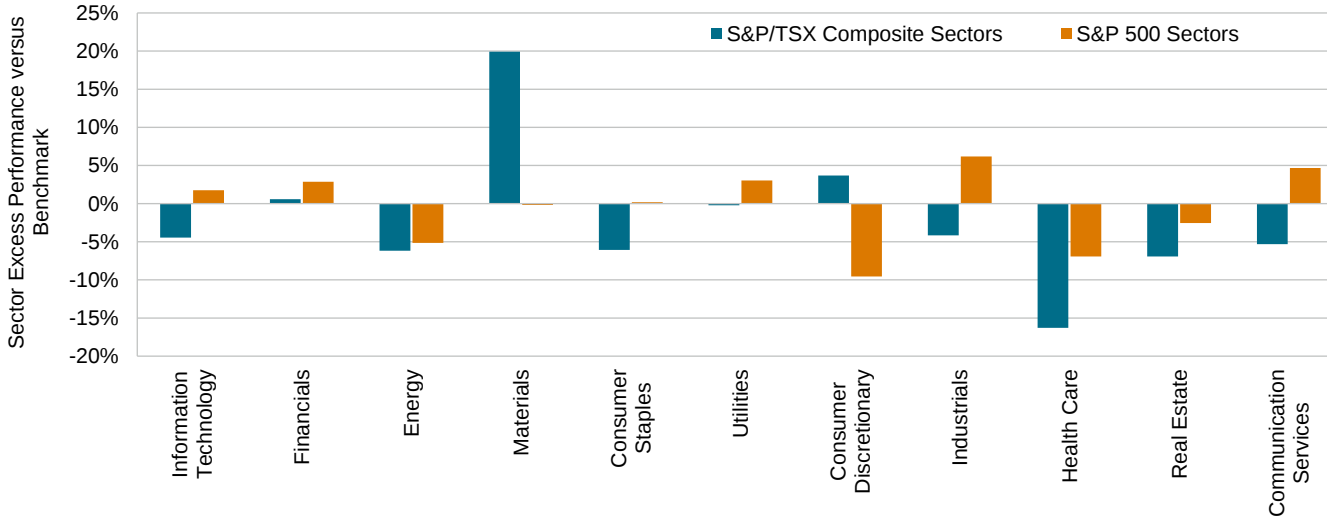
Exhibit 3: Canadian Equity Underperformance Rates and Benchmark Performance



Source: S&P Dow Jones Indices LLC, Funddata. Data as of June 30, 2025. 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, performance of sectors varied widely within each market, offering active managers opportunities to potentially outperform via astute and well-timed sector tilts, or to underperform through misplaced sector bets. Exhibit 4 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 2025. In Canada, the 19.9% outperformance of the Materials sector and the 16.3% underperformance of the Health Care sector eclipsed the less-pronounced relative performances of all other sectors in Canada, as well as in the U.S., where the leading sector (Industrials) outperformed the benchmark by 6.2%.

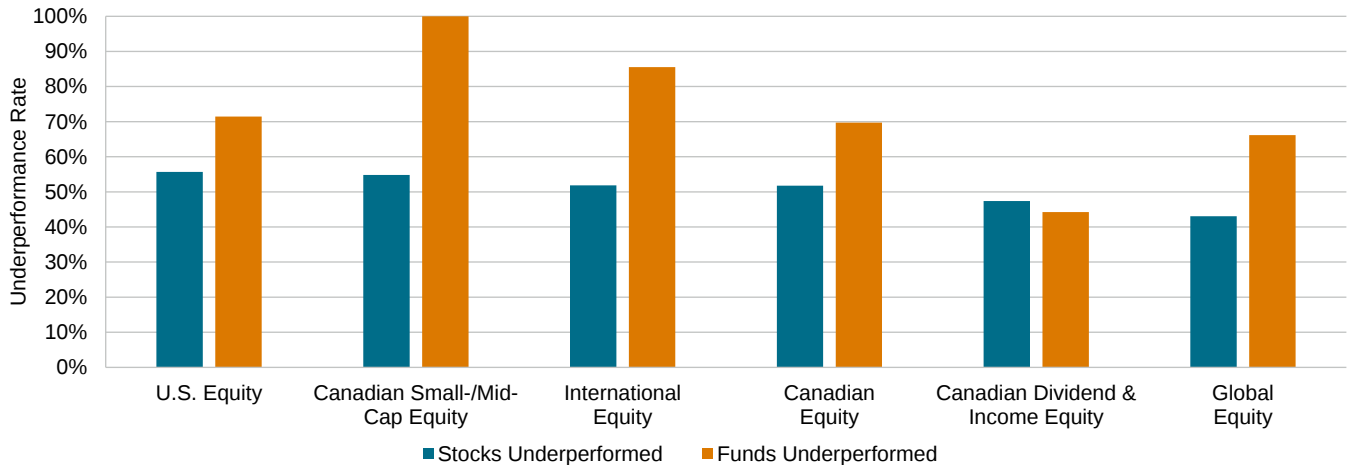
Exhibit 4: Sector Leadership Varied across Geographies



Source: S&P Dow Jones Indices LLC. Data as of June 30, 2025. Index performance based on total return in CAD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

While benchmarks across all SPIVA Canada fund categories increased in the first half of 2025, contributions among individual stocks were more balanced than in some previous years, as exhibited by moderately positive skew in the cross section of constituent returns shown in Exhibit 5. In all but two categories, slightly more than half of constituents trailed their benchmark’s total performance. The proportion of stocks with lower performance than benchmarks ranged from 55.7% in the S&P 500 up to 43.0% in the S&P World. More noteworthy than the proportions of underperforming stocks was the observation that active funds usually trailed their benchmarks at even higher rates, suggesting that in the aggregate, active stock selection was less successful than randomly picking stocks in most categories. The sole exception was the Canadian Dividend & Income Equity category, where 47.4% of stocks trailed the benchmark, but slightly fewer active funds (44.2%) underperformed.

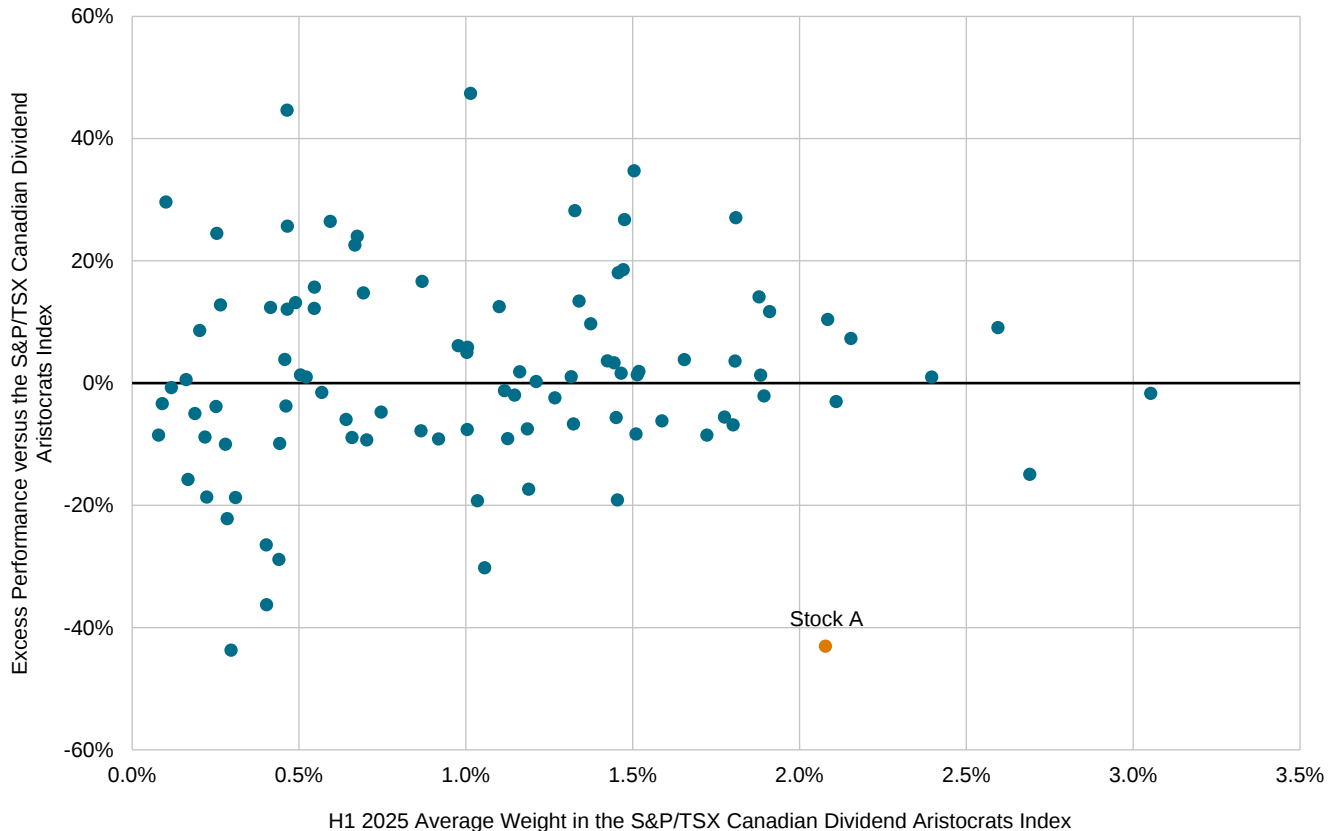
Exhibit 5: Most Funds Fared Worse than Random



Source: S&P Dow Jones Indices LLC. Data as of June 30, 2025. Index performance based on total return in CAD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

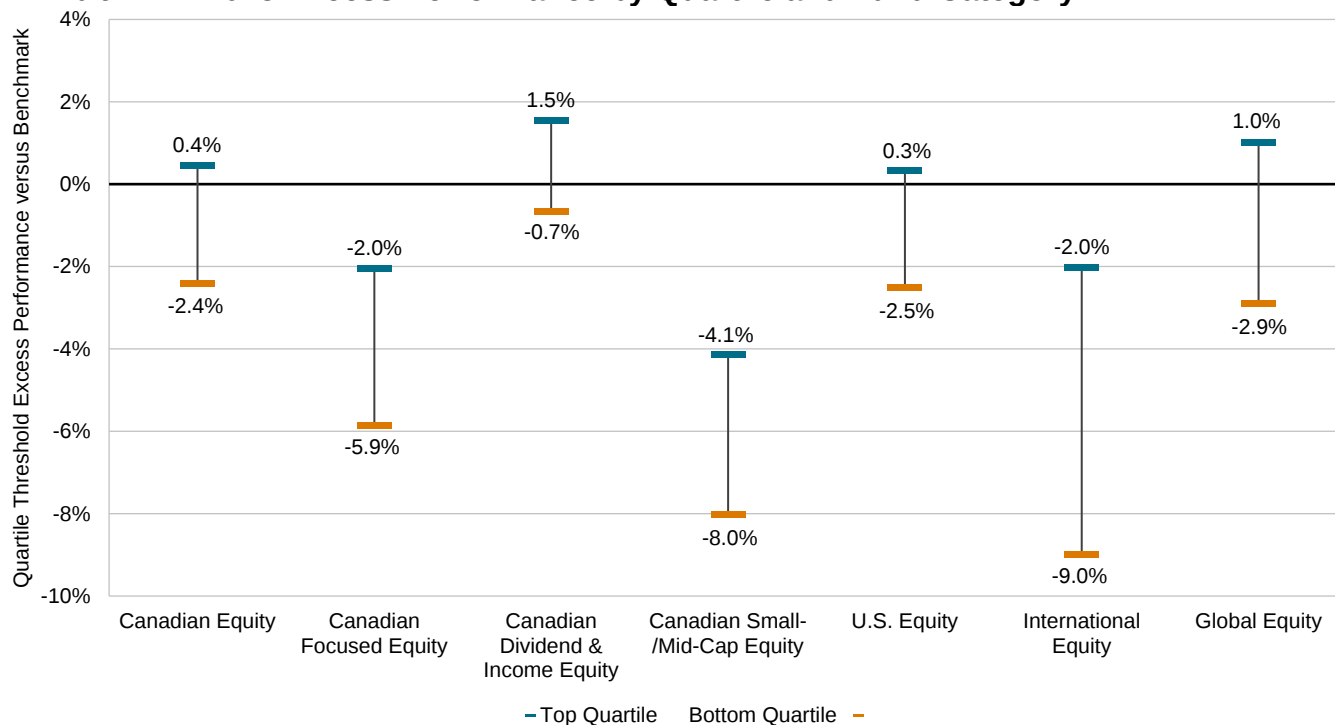
The underperformance rate of active funds in the Canadian Dividend & Income Equity category during H1 2025 was lower than all others and merits closer examination. As shown previously, slightly more than half of stocks in the S&P/TSX Canadian Dividend Aristocrats Index surpassed the benchmark’s six-month performance, suggesting one or more large constituents dragged on the index’s eventual 7.3% gain. As shown in Exhibit 6, one particularly impactful constituent (“Stock A”) started 2025 as the largest weight in the index but eventually declined by more than 35% and was removed following a monthly dividend review. Analysis of holdings among Canadian Dividend & Income Equity funds ranked in the top quartile during H1 2025 revealed that most did not hold Stock A, and this omission was commonly one of the largest contributors to those funds’ outperformance relative to the index.

Exhibit 6: S&P/TSX Canadian Dividend Aristocrats Index Constituent Weights and Excess Performance



Source: S&P Dow Jones Indices LLC. Data as of June 30, 2025. Index and stock performance based on total return in CAD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

SPIVA Scorecards highlight not only the challenges active managers must tackle over various horizons, but also the daunting task faced by those seeking outperforming funds. Exhibit 7 illustrates the headwinds facing fund selectors in H1 2025, as the threshold for achieving top-quartile ranking was still below benchmark performance in three out of seven fund categories (Canadian Focused Equity, Canadian Small-/Mid-Cap and International Equity). This highlights that even achievement of top-quartile ranking did not necessarily equate with outperformance. While margins of top-quartile outperformance were slim at best, the punishment for selecting a bottom-quartile fund was typically more severe, with the lowest-quartile funds underperforming their benchmarks by at least 2.4% in six out of seven categories and as much as 8.0% and 9.0% in the Canadian Small/Mid Cap Equity and International Equity categories, respectively.

Exhibit 7: H1 2025 Excess Performance by Quartile and Fund Category

Source: S&P Dow Jones Indices LLC. Data as of June 30, 2025. Index performance based on total return in CAD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Similar to others around the world, Canada's equity markets were not immune to April's tariff-driven tumult, but they also participated in the recovery that followed to finish the first half of 2025 in positive territory. Heightened volatility and dispersion presented fund managers with a challenging road to navigate in the pursuit of alpha but also offered opportunities for success to the relative few skilled or lucky enough to partake in them. Those able to outperform their benchmarks in H1 2025 may have achieved a relatively rare feat, but only time will tell if such success can be maintained for the remainder of the year.

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	69.74	94.67	93.67	84.51	97.65
Canadian Focused Equity	50% S&P/TSX Composite Index + 25% S&P 500 (CAD) + 25% S&P EPAC LargeMidCap (CAD)	94.83	98.39	93.85	78.26	99.07
Canadian Dividend & Income Equity	S&P/TSX Canadian Dividend Aristocrats Index	44.23	98.04	91.23	96.77	93.94
Canadian Small-/Mid-Cap Equity	S&P/TSX Completion Index	100.00	100.00	96.77	75.76	88.64
U.S. Equity	S&P 500 (CAD)	71.43	85.48	84.03	98.64	96.35
International Equity	S&P EPAC LargeMidCap (CAD)	85.53	82.43	91.78	94.20	94.44
Global Equity	S&P World (CAD)	66.14	87.50	95.93	96.00	98.26

Source: S&P Dow Jones Indices LLC, Funddata. Data for periods ending June 30, 2025. 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	82.28	80.28	94.23
Canadian Focused Equity	50% S&P/TSX Composite Index + 25% S&P 500 (CAD) + 25% S&P EPAC LargeMidCap (CAD)	96.92	91.30	96.36
Canadian Dividend & Income Equity	S&P/TSX Canadian Dividend Aristocrats Index	85.96	96.77	65.38
Canadian Small-/Mid-Cap Equity	S&P/TSX Completion Index	96.77	66.67	90.00
U.S. Equity	S&P 500 (CAD)	92.36	97.96	100.00
International Equity	S&P EPAC LargeMidCap (CAD)	90.41	92.75	91.84
Global Equity	S&P World (CAD)	98.89	96.00	100.00

Source: S&P Dow Jones Indices LLC, Funddata. Data for periods ending June 30, 2025. 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	76	98.68
Canadian Focused Equity	58	100.00
Canadian Dividend & Income Equity	52	98.08
Canadian Small-/Mid-Cap Equity	30	96.67
U.S. Equity	119	96.64
International Equity	76	98.68
Global Equity	254	98.03
All Categories	665	98.05
1-Year		
Canadian Equity	75	98.67
Canadian Focused Equity	62	100.00
Canadian Dividend & Income Equity	51	98.04
Canadian Small-/Mid-Cap Equity	30	96.67
U.S. Equity	124	91.94
International Equity	74	98.65
Global Equity	248	97.98
All Categories	664	97.14
3-Year		
Canadian Equity	79	86.08
Canadian Focused Equity	65	90.77
Canadian Dividend & Income Equity	57	87.72
Canadian Small-/Mid-Cap Equity	31	90.32
U.S. Equity	144	84.72
International Equity	73	91.78
Global Equity	270	88.89
All Categories	719	88.18

Source: S&P Dow Jones Indices LLC, Fundata. Data for periods ending June 30, 2025. 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	71	80.28
Canadian Focused Equity	69	81.16
Canadian Dividend & Income Equity	62	83.87
Canadian Small-/Mid-Cap Equity	33	87.88
U.S. Equity	147	79.59
International Equity	69	85.51
Global Equity	250	83.60
All Categories	701	82.60
10-Year		
Canadian Equity	85	54.12
Canadian Focused Equity	107	43.93
Canadian Dividend & Income Equity	66	69.70
Canadian Small-/Mid-Cap Equity	44	63.64
U.S. Equity	137	64.96
International Equity	72	58.33
Global Equity	230	67.83
All Categories	741	61.27

Source: S&P Dow Jones Indices LLC, Funddata. Data for periods ending June 30, 2025. 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	10.17	26.37	16.09	15.02	9.61
Canadian Equity	9.16	21.91	13.18	13.03	7.29
50% S&P/TSX Composite Index + 25% S&P 500 (CAD) + 25% S&P EPAC LargeMidCap (CAD)	8.82	21.46	18.29	14.65	10.57
Canadian Focused Equity	4.87	15.97	13.83	12.86	7.52
S&P/TSX Canadian Dividend Aristocrats Index	7.35	25.74	13.23	15.85	8.81
Canadian Dividend & Income Equity	7.69	19.53	10.58	12.56	7.13
S&P/TSX Completion Index	13.14	26.63	18.64	15.47	8.54
Canadian Small-/Mid-Cap Equity	7.08	16.50	12.54	12.92	6.54

Source: S&P Dow Jones Indices LLC, Funddata. Data for periods ending June 30, 2025. 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)	0.76	14.84	21.97	16.68	14.66
U.S. Equity	-0.22	10.67	16.97	12.14	9.90
S&P EPAC LargeMidCap (CAD)	14.42	17.99	18.55	11.47	7.95
International Equity	8.53	11.30	13.84	7.97	5.30
S&P World (CAD)	4.40	16.77	21.27	15.07	12.20
Global Equity	3.58	12.03	14.78	9.98	7.51

Source: S&P Dow Jones Indices LLC, Funddata. Data for periods ending June 30, 2025. 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	10.17	26.37	16.09	15.02	9.61
Canadian Equity	9.13	22.08	13.71	14.02	7.85
50% S&P/TSX Composite Index + 25% S&P 500 (CAD) + 25% S&P EPAC LargeMidCap (CAD)	8.82	21.46	18.29	14.65	10.57
Canadian Focused Equity	5.13	15.85	13.01	12.63	7.36
S&P/TSX Canadian Dividend Aristocrats Index	7.35	25.74	13.23	15.85	8.81
Canadian Dividend & Income Equity	7.16	20.05	11.11	13.07	8.04
S&P/TSX Completion Index	13.14	26.63	18.64	15.47	8.54
Canadian Small-/Mid-Cap Equity	8.46	18.48	13.20	13.12	6.39
S&P 500 (CAD)	0.76	14.84	21.97	16.68	14.66
U.S. Equity	-0.60	11.36	18.67	11.76	10.46
S&P EPAC LargeMidCap (CAD)	14.42	17.99	18.55	11.47	7.95
International Equity	9.93	12.20	14.46	8.01	5.84
S&P World (CAD)	4.40	16.77	21.27	15.07	12.20
Global Equity	3.01	11.67	14.42	9.46	7.39

Source: S&P Dow Jones Indices LLC, Funddata. Data for periods ending June 30, 2025. 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	7.74	8.92	10.61
Canadian Focused Equity	2.96	5.29	6.78
Canadian Dividend & Income Equity	6.68	7.64	8.89
Canadian Small-/Mid-Cap Equity	5.13	7.81	9.00
U.S. Equity	-1.76	-0.37	1.09
International Equity	5.42	8.89	12.40
Global Equity	1.49	3.42	5.42
1-Year			
Canadian Equity	19.95	22.21	23.76
Canadian Focused Equity	14.40	16.33	18.93
Canadian Dividend & Income Equity	17.80	19.84	21.17
Canadian Small-/Mid-Cap Equity	14.26	16.71	18.89
U.S. Equity	7.77	10.04	13.15
International Equity	7.47	12.31	16.40
Global Equity	7.94	11.78	14.22
3-Year			
Canadian Equity	11.80	13.37	14.57
Canadian Focused Equity	11.40	13.30	15.93
Canadian Dividend & Income Equity	9.61	10.87	11.60
Canadian Small-/Mid-Cap Equity	10.57	12.11	14.71
U.S. Equity	13.05	16.61	20.07
International Equity	11.78	13.91	15.88
Global Equity	12.43	14.27	16.03

Source: S&P Dow Jones Indices LLC, Funddata. Data for periods ending June 30, 2025. 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	11.95	13.15	14.43
Canadian Focused Equity	11.44	13.04	14.73
Canadian Dividend & Income Equity	11.68	12.52	13.95
Canadian Small-/Mid-Cap Equity	10.06	11.96	15.74
U.S. Equity	10.62	12.41	14.06
International Equity	6.17	8.02	9.77
Global Equity	8.36	9.99	11.35
10-Year			
Canadian Equity	6.85	7.44	8.48
Canadian Focused Equity	6.86	7.93	9.02
Canadian Dividend & Income Equity	6.60	7.47	8.19
Canadian Small-/Mid-Cap Equity	4.21	6.84	7.94
U.S. Equity	8.86	10.14	11.38
International Equity	4.82	5.83	6.42
Global Equity	6.47	7.59	8.69

Source: S&P Dow Jones Indices LLC, Funddata. Data for periods ending June 30, 2025. 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 Outperformed by 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 have survived and beat the index. We then report the percentage of funds that did not survive and beat the index.

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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