

Index Versus Active Funds Scorecard For Canadian Funds

Standard & Poor's Indices Versus Active Funds Scorecard for Q4 2008

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

□ **Domestic Equities:** For the fourth quarter of 2008, 53.2% of Canadian Equity active funds were able to outperform the S&P/TSX Composite Index. Similarly, active funds in the Canadian Small/Mid Cap Equity category fared as well with 53.7% beating the S&P/TSX Completion Index. In contrast, for the Canadian Focused Equity category only 25.3% of active funds outpaced the blended index (comprised of 50% S&P/TSX Composite + 25% S&P 500 + 25% S&P EPAC LargeMidCap).

□ Over the past twelve months, actively managed Canadian Equity, Canadian Small/Mid Cap Equity and Canadian Focused Equity equal weighted returns are lower than their benchmarks: the S&P/TSX Composite Index, the S&P/TSX Completion Index and blended S&P/TSX Composite Index respectively. Returns of the aforementioned indices exceeded active manager's equal weighted returns in these categories by 1.4%, 4.2% and 2.7% respectively.

□ Over longer periods, we continue to observe indices outperforming the majority of domestic active funds. In three-year and five-year periods, only 21.0% and 11.2%, respectively, of actively managed Canadian Equity funds have outperformed the S&P/TSX Composite Index. In three-year period, only 40.0% of active funds in the Canadian Dividend & Income Equity category beat the S&P/TSX Dividend Aristocrats Index. In the five-year period, only 3.2% beat this index.

□ **Foreign Equities:** In Q4 2008, only 21.3% of active managers in the International Equity category, 25.2% in the Global Equity category, and 36.7% in the U.S. Equity category have outpaced S&P EPAC LargeMidCap, S&P Developed LargeMidCap and S&P 500 indices respectively.

Introduction

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

Equal weighted returns are a measure of average manager performance. Asset weighted returns are a measure of the performance of the average invested dollar.

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

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

Quarterly SPIVA reports can be found online at www.spiva.standardandpoors.com.

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

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

Canadian Equity Funds

In the past five years, Report 1 shows, only 11.2% of actively managed funds in the Canadian Equity category¹ have outperformed the S&P/TSX Composite Index. We see a similar result for the three-year period, with only 21.0% of active managers exceeding the index return. For the five-year period, Reports 3 and 4 show that the average returns of active funds in this category, on both an equal- and asset-weighted basis, have been inferior to those of the S&P/TSX Composite Index. Also, for the three year horizon, average returns in this category have lagged the Composite. For the one-year horizon results were mixed, with the S&P/TSX Composite outperforming active Canadian Equity fund equal-weighted returns while asset-weighted returns marginally exceed the S&P/TSX Composite return.

The Canadian Equity category is one where a majority of active fund managers were able to beat the index in Q4 2008.

Canadian Small/Mid Cap Equity Funds

The Canadian Small/Mid Cap Equity category encompasses both the small-cap and mid cap categories. Report 1 indicates that in the past twelve months only 32.8% of actively managed Canadian Small/Mid Cap funds have outperformed the S&P/TSX Completion Index². Reports 3 and 4 show the S&P/TSX Completion Index has exceeded active manager returns on both an equal-weighted and asset-weighted basis in the past twelve months.

In the last 12 months, less than a third of active managers in the U.S. Equity category beat the S&P 500.

Canadian Income Trust Equity Funds

This category includes a limited number of funds; hence we do not include it in Report 1. Reports 3 and 4 indicate that in the five-year period, equal and asset-weighted average returns for this category underperformed the S&P/TSX Income Trust Index. In contrast, for the three-year period, equal and asset-weighted returns for this category outperformed the S&P/TSX Income Trust Index. Results for active funds in the Canadian Income Trust Equity category in the past 12 months show the S&P/TSX Income Trust Index marginally exceeding active funds on an asset-weighted basis while underperforming on an equal-weighted basis.

Canadian Dividend & Income Equity Funds

These funds' mandate is to invest primarily in income-generating securities. Our comparable index is the S&P/TSX Canadian Dividend Aristocrats Index, which includes constituents that have followed a managed-dividends policy of consistently increasing dividends every year for at least seven years. When comparing fund returns in this category, 89.7% of active funds fared better than the index in the one-year period. In the three- and five-year periods, only 40.0% and 3.2% of active funds respectively, outperformed the S&P/TSX Canadian Dividend Aristocrats.

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

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

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

U.S. Equity Funds

U.S. equity funds offer Canadian investors exposure to the U.S. equity market with Canadian dollar returns. In addition to equity risk, these funds carry currency risk. Report 1 shows that just 8.75% of funds in this category outperformed the S&P 500 Index (in Canadian dollar terms) in the past five years, while 14.0% and 26.1% beat the index in the three- and one-year period, respectively. Equal and asset-weighted average returns for the funds in this category were worse than the benchmark in all periods.

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. Report 1 shows that only 18.0% of funds in this category outperformed the S&P EPAC LargeMidCap Index³ (in Canadian dollars) in the last twelve months, with 17.8% and 10.4%, respectively, beating the index in the three- and five-year periods. Equal and asset-weighted average returns for the benchmark surpassed the active funds over all periods.

Global Equity Funds

Global equity funds can invest in securities domiciled anywhere across the globe. In addition to equity risk, these funds carry currency risk. Report 1 indicates that in the five and three-year periods, only 10.2% and 14.5% respectively, of active funds outstripped the benchmark performance. Also, in the last twelve months only 21.4% of active funds in this category were able to beat the S&P Developed LargeMidCap Index⁴. Equal and asset-weighted average returns for the benchmark surpassed the active fund managers over all periods.

Canadian Focused Equity Funds

These funds have a large Canadian equity allocation but also include investments in equities outside Canada. Report 1 shows that the blended index of 50% S&P/TSX Composite + 25% S&P 500 + 25% S&P EPAC LargeMidCap outpaced more than 34.6% of active managers in the last twelve months. In the three and five-year periods 26.2% and 42.9% of active funds respectively, were able to outperform the blended index. Reports 3 and 4 indicate that the blended index outperformed equal and asset weighted returns of active managers over all periods.

Survivorship

A key advantage of the SPIVA report is its correction for survivorship bias, which can skew results as funds merge or liquidate. For example, if there are 100 funds in the beginning of a five-year period and at the end of the period 20 have dropped out or merged leaving 80 left, then this would imply 80% survivorship.

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

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

Report 2 indicates that survivorship in the five-year period was 44.9%, 42.5%, 62.1%, and 43.3% for Canadian Equity, U.S. Equity, International Equity, and Global Equity funds, respectively. The corresponding survivorship figures in the three-year timeframe were 75.0%, 76.3%, 86.7% and 80.2%. In other words, a significant percentage of the funds in these four categories have been merged or liquidated in the past five years. The Canadian Dividend & Income Equity category has survivorship figures of 83.3% and 74.2% in the three- and five-year periods, respectively. The Canadian Income Trust Equity category has substantially fewer funds and survivorship of 83.3% and 80.0% for the three and five-year periods. The Canadian Focused Equity category also has higher survivorship rates of 93.8% for the three-year period and 97.1% for the five-year period.

Appendix 1: SPIVA Methodology

Data

Standard & Poor's obtains a custom feed of monthly return data from Fundata Canada for all equity mutual funds that have information in their database. The feed includes data on funds that have merged or liquidated. Fundata applies the following filters to the file we receive:

- All non-equity funds are excluded
- All pooled funds, segregated funds or other specialized categories that do not qualify as retail mutual funds are excluded
- Multiple occurrences of the same funds' portfolio reporting in two or more currencies are also excluded – we simply take the Canadian dollar version
- Only a single share class is included

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

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

We then limit our subset using the following filters:

- We choose funds that are actively managed, excluding index funds.
- We remove from the sample funds that do not have information on assets under management for any month within the previous five years. These funds are relatively few, and we compare their equal weighted returns to those of the funds with assets reported in Report A1 to illustrate the impact of their exclusion. We remove these funds because our report on asset-weighted returns cannot be computed without fund asset information, and we wish to use a consistent data set across the four main reports on active-versus-index performance included in SPIVA Canada.

Fund Categories

We choose funds that have, at any point in the previous 60 months, been classified in at least one of the following eight CIFSC⁵ categories:

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

⁵ Refer to www.cifsc.com for additional information regarding this organization and their categories.

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

The Canadian Investment Funds Standards Committee (CIFSC) governs categorization of Canadian mutual funds. In August 2007, the CIFSC's fund categorization structure changed, posing some challenges for our reports. For example, the Canadian Equity (Pure) category was eliminated; the funds in that category were folded into the revised definition of Canadian Equity, which now encompasses funds primarily invested in Canadian securities. Also, the Canadian SmallCap Equity category was expanded to the Canadian Small/Mid Cap Equity category. "For each small/mid cap equity category there is a market capitalization threshold that determines whether a fund has a small enough market cap to meet that category. The threshold is determined by comparing the geometric mean market cap of a fund to that same measure for an appropriate benchmark index."⁶ In this case, the benchmark index CIFSC uses for the Canadian Small/Mid Cap Equity category is the S&P/TSX Completion Index.

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

The Canadian SmallCap Equity category restructuring presented additional challenges. The backfilling of classifications results in SmallCap funds being reclassified historically as Small/Mid Equity, and these same funds being benchmarked to the S&P/TSX Completion Index rather than the S&P/TSX SmallCap Index. As a result, we have decided to only show data for the Small/Mid Cap category for the past year.

In addition, as a result of the elimination of the SmallCap Equity category, we can no longer compare small caps with the S&P/TSX SmallCap Index. If this category is reinstated, we will add it to our reports.

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

Benchmarks

The S&P/TSX Indices were also subject to a number of changes in 2007. Following a consultation process with the index community, the S&P/TSX SmallCap Index's methodology was adjusted to create a more appropriate Canadian benchmark of small capitalization equities. The S&P/TSX SmallCap Index is now a separate index from the S&P/TSX Composite index family. In addition, the S&P/TSX MidCap Index was renamed the S&P/TSX Completion Index and its methodology was revised. It includes the constituents of the S&P/TSX Composite Index which are not in the S&P/TSX 60 Index.

The benchmarks we choose are shown in the table. All the index returns are total returns (i.e., include dividend reinvestment) in Canadian dollars. **There has been no deduction of index returns to account for fund investment expenses.** Active fund returns are after expenses, but do not include front or back-end loads or other commissions that investors might pay.

⁶ Canadian Investment Funds Standards Committee – 2007 Retail Investment Fund Category Definitions.

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

Previously we included a report (Report A2) that compared Canadian Equity Funds with a blended index of the S&P/TSX Composite Index (70%) and the S&P 500 Index (30%). As a result of foreign investor limit removal, Canadian investors (particularly institutional) are redeploying funds outside of Canada to gain international equity exposure.

Report A2 has been removed but we have now included the Canadian Focused Equity category. Funds in the Canadian Focused Equity category include non-Canadian equity exposure. We compare this category to a monthly returning series consisting of the S&P/TSX Composite Index (50%), the S&P 500 Index (25%), and the S&P EPAC LargeMidCap Index (25%).

For additional information on any of the benchmark indices, please see the one-page glossary at the end of this report, or visit our website at www.standardandpoors.com.

Reports

Report 1: Percent of Active Funds Outperforming Index

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

⁷ The main reports show a comparison with the S&P/TSX Capped Composite, since mutual funds are restricted from holding more than 10% of their portfolio in a single stock. A capped index better represents an active manager's opportunity set in periods where the history includes a concentration problem. In practical terms, both benchmarks would be equivalent where the history under consideration does not have a greater than 10% single-stock concentration in the S&P/TSX Composite Index.

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

Most reports that purport to show the percent of active funds outperforming index work with the funds in a category at the end of the period, and then compare their historical returns to the benchmark. SPIVA corrects for this survivorship bias by starting with the funds at the beginning of the period.

Report 2: Survivorship

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

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

Report 3: Equal Weighted Fund Returns

This report shows the equal weighted average returns of funds in a particular category for three-month, year-to-date, one-year, three year and five year time periods. For every month in the time period, we take all funds that are in existence in a category and calculate the simple average return. We then compound the returns from all months in the period. These returns are compared with those of the benchmark returns. The funds used in the averaging process in one month might not be the same as used the next, since some funds would have merged or liquidated, new funds would have been formed, and some might have had their categories changed.

This report essentially shows equal weighted performance of actively managed funds in a category over the time period, with the level of granularity for determining the eligible population in that category being monthly.

Most reports that purport to show average active fund performance work with the funds in a category at the end of the period, and then take the average of their historical returns. SPIVA presents a more accurate picture of active fund performance in a category by calculating the average performance of the active funds in existence in a category each month.

Report 4: Asset Weighted Fund Returns

This report shows the asset weighted average returns of funds in a particular category for three-month, year-to-date, one-year, three-year and five-year periods. For every month, we take all funds in a category and calculate the average return by weighing each fund's return by its month-end assets. We then compound the returns from all the months in the period. These returns are compared with those of the benchmark returns. The funds used in the averaging process in one month might not be the same as used the next, since some funds would have merged or liquidated, new funds would have been formed, and some might have had their categories changed.

This report essentially shows asset weighted performance of actively managed funds in a category over the time period, with the level of granularity for determining the eligible population in that category being monthly.

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

Report 1: Percent of Active Funds Outperforming Index: Q4 2008

Category	Comparison Index	Last Quarter	Year To Date	One Year	Three Years	Five Years
Canadian Equity	S&P/TSX Composite Index Total Return	53.23	41.94	41.94	21.05	11.22
Canadian Equity	S&P/TSX Capped Composite Index Total Return	53.23	41.94	41.94	21.05	11.22
Cdn Small/Mid Cap Equity	S&P/TSX Completion Index Total Return	53.70	32.76	32.76	n/a	n/a
Cdn Dividend & Income Equity	S&P/TSX Canadian Dividend Aristocrats Index Total Return	85.19	89.66	89.66	40.00	3.23
U.S. Equity	S&P 500 Total Return Index C\$	36.71	26.14	26.14	13.98	8.75
International Equity	S&P EPAC LargeMidCap Index Total Return C\$	21.28	18.00	18.00	17.78	10.35
Global Equity	S&P Developed LargeMidCap Index Total Return C\$	25.23	21.43	21.43	14.50	10.23
Cdn Focused Equity	50% S&P/TSX Composite Index TR + 25% S&P 500 Index TR C\$ + 25% S&P EPAC LargeMidCap Index TR C\$	25.32	34.57	34.57	26.25	42.86

Source: Standard & Poor's, Fundata. All data ending December 31, 2008. CIFSC categorizations.

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

Report 2: Survivorship: Q4 2008

Category	Period	Count at Beginning of Period	Survivorship %
Canadian Equity	Last Quarter	62	100
	Year To Date	62	98.39
	One Year	62	98.39
	Three Years	76	75.00
	Five Years	107	44.86
Cdn Small/Mid Cap Equity	Last Quarter	54	100
	Year To Date	58	93.10
	One Year	58	93.10
	Three Years	63	n/a
	Five Years	62	n/a
Cdn Dividend & Income Equity	Last Quarter	27	100
	Year To Date	29	93.10
	One Year	29	93.10
	Three Years	30	83.33
	Five Years	31	74.19
Cdn Income Trust Equity	Last Quarter	14	92.86
	Year To Date	14	92.86
	One Year	14	92.86
	Three Years	12	83.33
	Five Years	10	80.00
U.S. Equity	Last Quarter	79	98.73
	Year To Date	88	88.64
	One Year	88	88.64
	Three Years	93	76.34
	Five Years	160	42.50
International Equity	Last Quarter	47	100
	Year To Date	50	94.00
	One Year	50	94.00
	Three Years	45	86.67
	Five Years	58	62.07
Global Equity	Last Quarter	111	100
	Year To Date	112	97.32
	One Year	112	97.32
	Three Years	131	80.15
	Five Years	215	43.26
Cdn Focused Equity	Last Quarter	79	100
	Year To Date	81	97.53
	One Year	81	97.53
	Three Years	80	93.75
	Five Years	70	97.14

Report 3: Equal Weighted Fund Returns: Q4 2008

Fund Category or Index	Last Quarter	Year To Date	One Year	Three Year (Annualized)	Five Year (Annualized)
Canadian Equity	-21.67	-34.42	-34.42	-7.08	0.87
S&P/TSX Composite Index Total Return	-22.71	-33.00	-33.00	-4.80	4.16
S&P/TSX Capped Composite Index Total Return	-22.71	-33.00	-33.00	-4.80	4.16
Cdn Small/Mid Cap Equity	-23.65	-42.98	-42.98	n/a	n/a
S&P/TSX Canadian Completion Total Return	-22.72	-38.78	-38.78	-9.69	1.90
Cdn Income Trust Equity	-20.61	-25.59	-25.59	-6.26	4.43
S&P/TSX Income Trust Index Total Return	-28.54	-26.08	-26.08	-8.52	4.92
Cdn Dividend & Income Equity	-18.80	-26.73	-26.73	-5.92	2.20
S&P/TSX Canadian Dividend Aristocrats Index Total Return	-22.04	-32.62	-32.62	-6.13	4.47
U.S. Equity	-13.40	-27.42	-27.42	-10.57	-6.22
S&P 500 Total Return Index C\$	-10.77	-23.08	-23.08	-6.98	-3.43
International Equity	-10.48	-32.62	-32.62	-8.10	-1.69
S&P EPAC LargeMidCap Index Total Return C\$	-7.10	-29.11	-29.11	-5.38	1.17
Global Equity	-12.28	-29.44	-29.44	-7.94	-2.51
S&P Developed LargeMidCap Index Total Return C\$	-9.31	-25.66	-25.66	-5.92	-0.82
Cdn Focused Equity	-19.38	-32.22	-32.22	-7.05	1.24
50% S&P/TSX Composite Index Total Return + 25% S&P 500 Index C\$ + 25 % S&P EPAC LargeMidCap Index Total Return C\$	-15.82	-29.55	-29.55	-5.49	1.52

Source: Standard & Poor's, Funddata. All data ending December 31, 2008. CIFSC categorizations.

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

Report 4: Asset Weighted Fund Returns: Q4 2008					
Fund Category or Index	Last Quarter	Year To Date	One Year	Three Year (Annualized)	Five Year (Annualized)
Canadian Equity	-20.78	-32.70	-32.70	-5.90	2.44
S&P/TSX Composite Index Total Return	-22.71	-33.00	-33.00	-4.80	4.16
S&P/TSX Capped Composite Index Total Return	-22.71	-33.00	-33.00	-4.80	4.16
Cdn Small/Mid Cap Equity	-23.56	-42.24	-42.24	n/a	n/a
S&P/TSX Canadian Completion Total Return	-22.72	-38.78	-38.78	-9.69	1.90
Cdn Income Trust Equity	-21.26	-26.15	-26.15	-7.41	3.49
S&P/TSX Income trust Index Total Return	-28.54	-26.08	-26.08	-8.52	4.92
Cdn Dividend & Income Equity	-19.80	-27.98	-27.98	-6.13	2.08
S&P/TSX Canadian Dividend Aristocrats Index Total Return	-22.04	-32.62	-32.62	-6.13	4.47
U.S. Equity	-13.40	-28.43	-28.43	-10.79	-6.02
S&P 500 Total Return Index C\$	-10.77	-23.08	-23.08	-6.98	-3.43
International Equity	-10.81	-33.59	-33.59	-8.19	-1.58
S&P EPAC LargeMidCap Index Total Return C\$	-7.10	-29.11	-29.11	-5.38	1.17
Global Equity	-11.39	-29.12	-29.12	-7.80	-2.83
S&P Developed LargeMidCap Index Total Return C\$	-9.31	-25.66	-25.66	-5.92	-0.82
Cdn Focused Equity	-20.01	-32.25	-32.25	-7.52	0.69
50% S&P/TSX Composite Index Total Return + 25% S&P 500 Index C\$ + 25% S&P EPAC LargeMidCap Index Total Return C\$	-15.82	-29.55	-29.55	-5.49	1.52

Source: Standard & Poor's, Funddata. All data ending December 31, 2008. CIFSC categorizations.

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

Report A1: Funds Excluded from Sample Due to Missing Asset Data: Q4 2008						
<i>Equal Weighted Returns</i>						
Category	In Sample?	Last Quarter	Year To Date	One Year	Three Year (Annualized)	Five Year (Annualized)
Canadian Equity	Included	-21.67	-34.42	-34.42	-7.08	0.87
	Excluded	-23.66	-36.25	-36.25	-8.44	-0.25
Cdn Small/Mid Cap Equity	Included	-23.65	-42.98	-42.98	n/a	n/a
	Excluded	-21.79	-38.52	-38.52	n/a	n/a
Cdn Income Trust Equity	Included	-20.61	-25.59	-25.59	-6.26	4.43
	Excluded	-23.34	-29.38	-29.38	-8.12	2.75
Cdn Dividend & Income Equity	Included	-18.80	-26.73	-26.73	-5.92	2.20
	Excluded	-15.60	-23.35	-23.35	-5.44	1.37
U.S. Equity	Included	-13.40	-27.42	-27.42	-10.57	-6.22
	Excluded	-17.08	-32.95	-32.95	-11.75	-6.93
International Equity	Included	-10.48	-32.62	-32.62	-8.10	-1.69
	Excluded	-10.14	-32.33	-32.33	-8.32	-1.45
Global Equity	Included	-12.28	-29.44	-29.44	-7.94	-2.51
	Excluded	-13.66	-31.56	-31.56	-8.48	-3.65
Cdn Focused Equity	Included	-19.38	-32.22	-32.22	-7.05	1.24
	Excluded	-18.23	-32.12	-32.12	-8.11	0.06

Source: Standard & Poor's, Funddata. All data ending December 31, 2008. CIFSC categorizations.

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

Report A1 (continued): Count of Funds at Beginning of Period						
Category	In Sample?	Last Quarter	Year To Date	One Year	Three Years	Five Years
Canadian Equity	Included	62	62	62	76	107
	Excluded	15	15	15	17	0
Cdn Small/Mid Cap Equity	Included	54	58	58	n/a	n/a
	Excluded	10	10	10	n/a	n/a
Cdn Income Trust Equity	Included	14	14	14	12	10
	Excluded	3	5	5	7	0
Cdn Dividend & Income Equity	Included	27	29	29	30	31
	Excluded	9	9	9	5	0
U.S. Equity	Included	79	88	88	93	160
	Excluded	13	15	15	15	0
International Equity	Included	47	50	50	45	58
	Excluded	7	7	7	6	0
Global Equity	Included	111	112	112	131	215
	Excluded	26	29	29	32	0
Cdn Focused Equity	Included	79	81	81	80	70
	Excluded	9	9	9	9	0

Glossary

S&P 500 Index

Widely regarded as the best single gauge of the U.S. equities market, this index includes a representative sample of 500 leading companies in leading industries of the U.S. economy and provides over 80% market coverage of the U.S. equities market.

S&P/TSX Canadian Dividend Aristocrats Index

This index is designed to measure the performance of Canadian securities that have followed a managed-dividends policy of consistently increasing dividends every year for at least seven years.

S&P/TSX Capped Composite Index

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

S&P EPAC LargeMidCap Index

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

S&P Developed LargeMidCap Index

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

S&P/TSX Completion Index

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

S&P/TSX Composite Index

This is the headline index and the principal broad market measure for Canadian Equity markets. The S&P/TSX Composite is the basis for numerous subindices, which break down the Canadian market by different factors including size, Global Industry Classification Standard, and income trust inclusion versus non-inclusion.

S&P/TSX Income Trust Index

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

For more information, please go to www.spiva.standardandpoors.com

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