

Pooled Fund Categories v1.0

Balanced

Balanced funds invest primarily in a mix of Canadian equities, U.S. equities, international equities, Canadian bonds, mortgages, real estate, global bonds and cash & equivalents, with a maximum of 30% placed on foreign securities. Based on median values calculated from observations of fund holdings data over a period of three years, the equity component must be no less than 30% and no more than 70% of the portfolio. Fixed income and cash together must represent no less than 30% or more than 70% of the portfolio. These funds can employ a tactical or strategic asset allocation strategy.

Canadian Equity

Based on median values calculated from observations of fund holdings data over a period of three years, a minimum of 50% of the total assets and 70% of non-cash assets of the portfolio must be in Canadian equities listed on a recognized exchange. In addition, based on median values calculated from observations of fund holdings data over a period of three years, at least half the industry sectors of a recognized security classification scheme should be represented, each at least 50% of the comparable industry sector weighting within the S&P/TSX Composite Index.

Canadian Bond

Canadian bond funds are funds that invest primarily in Canadian fixed income securities. Based on median values calculated from observations of fund holdings data over a period of three years, a minimum of 85% of the market value of the portfolio must be allocated to Canadian dollar-denominated Government and/or corporate bonds, debentures and short-term notes, with the remaining 15% or less in cash & equivalents. Average term-to-maturity of portfolio including short-term investments must be greater than three years.

U.S. Equity

Based on median values calculated from observations of fund holdings data over a period of three years, a minimum of 50% of the total assets and 75% of the non-cash assets of the portfolio must be equities or equity equivalents of companies located in the United States or derivative-based exposure to the US market.

International Equity

Based on median values calculated from observations of fund holdings data over a period of three years, a minimum of 50% of the total assets and 75% of the non-cash assets of the portfolio must be equities or equity equivalents of companies located outside of Canada and the United States, or derivative-based exposure to such markets.

European Equity

Based on median values calculated from observations of fund holdings data over a period of three years, a minimum of 50% of the total assets and 75% of the non-cash assets of the portfolio must be equities or equity equivalents of European companies, or derivative-based exposure to developed European equity markets. More than one country must be represented in the portfolio at all times.

Asian Equity

Based on median values calculated from observations of fund holdings data over a period of three years, a minimum of 50% of the total assets and 75% of the non-cash assets of the portfolio must be equities or equity equivalents of companies that are located in Asia, Australia or New Zealand, or derivative-based exposure to such markets.

Global Equity

Global equity funds are funds that invest primarily in global stocks (Canada, U.S., Europe, Asia, Australia and New Zealand). Based on median values calculated from observations of fund holdings data over a period of three years, a minimum of 50% of total assets and 75% of non-cash assets must be in global equities listed on a recognized exchange, or derivative-based exposure to such markets.

Canadian Equity (Pure)

Based on median values calculated from observations of fund holdings data over a period of three years, a minimum of 50% of the total assets and 95% of non-cash assets of the portfolio must be in Canadian equities listed on a recognized exchange. In addition, based on median values calculated from observations of fund holdings data over a period of three years, at least half the industry sectors of a recognized security classification scheme should be represented, each at least 50% of the comparable industry sector weighting within the S&P/TSX Composite Index.

Canadian Small Cap Equity

Based on median values calculated from observations of fund holdings data over a period of three years, a minimum of 50% of the total assets and 75% of the non-cash assets of the portfolio must be invested in Canadian equities. In addition, the average "threshold ratio" (the weighted average market capitalization of the equity holdings in the portfolio divided by the threshold level) must be equal to one or less. At any point in time the threshold level is 0.1% of the "adjusted" total market capitalization of the S&P TSX Composite Index.

Canadian Money Market

Securities rules (NI 81-102) require that a money market pooled fund have all its assets invested in cash (or cash equivalents) and debt instruments that have a remaining term to maturity of not more than 365 days and that have an average term to maturity of not more than 90 days. At least 95% of the portfolio of these funds must be invested in assets denominated in the currency in which the net asset value per security (NAVPS) is calculated. These funds ordinarily have static unit values, and the NAVPS does not change from month to month because of distributions. The rules for money market segregated (insurance-based) funds, which are not governed by NI 81-102, are different, and allow for corporate debt instruments with a remaining term to maturity of 13 months and a remaining term to maturity of 25 months for government debt. Also, some money market segregated funds do not do distributions of income, so have NAVPS that fluctuate.

Money Market funds are funds that invest primarily in short term fixed income securities. "Short-term" is defined as an average term-to-maturity of less than a year. Instruments include government and corporate debt instruments and/or term deposits and/or guaranteed investment certificates.

Canadian Mortgage

Based on median values calculated from observations of fund holdings data over a period of three years, a minimum of 70% of the market value of the portfolio must be Canadian industrial, commercial and/or residential mortgages, including mortgage-backed securities. A minimum of 50% of the fixed income section of the fund must be in mortgages or mortgage-backed securities.

Real Estate

Based on median values calculated from observations of fund holdings data over a period of three years, a minimum of 50% of the total assets and 75% of the non-cash assets of the portfolio must be firms whose primary business is related to or directly invested in commercial and residential real estate. No geographic restrictions apply.

Emerging Markets Equity

Emerging markets equity funds are funds that invest primarily in stocks or equity equivalents of companies that are located in emerging markets countries. Any country not considered one of the "developed" countries is an emerging market. The developed markets (a shorter list) are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and the United States. All other countries are considered emerging markets. Based on median values calculated from observations of fund holdings data over a period of three years, a minimum of 85% of the total assets must be in emerging markets equities, with the remaining 15% or less in cash & equivalents.

Foreign Bond

Based on median values calculated from observations of fund holdings data over a period of three years, a minimum of 75% of the market value of the portfolio must be in debt instruments that are denominated in a foreign currency, and which have a dollar-weighted term to maturity greater than one year.

Specialty or Miscellaneous

Miscellaneous funds are those funds that do not fit into any of the other defined fund category criteria, and lack a sufficient number of peers to warrant a new category. This is considered a residual category.