



2007 Retail Investment Fund Category Definitions

**FINAL CATEGORY DEFINITIONS
JUNE 2007**

Notes on Classification Methodology

Quantitative Screening

CIFSC calculates all holdings figures and other portfolio statistics used for categorization purposes on a time-weighted average basis over a 36-month period, with an emphasis on the most recent 12 months of data. The most recent 12-month period receives a 50% weight, the next most recent 12 months receive 30%, and the oldest 12 months account for the remaining 20%.

Classification of Holdings

The CIFSC tracks investment funds on a comprehensive security-by-security holdings basis. For purposes of the category assignment, security types will be grouped into four broad asset classes: Cash, Fixed Income, Equity, and Other as follows:

Cash	Cash and Short-Term Notes
Fixed Income	Mortgage-Backed Securities
	Bonds (bonds with a term to maturity of less than one year are considered cash)
	Convertible Bonds
	Asset-Backed Securities
Equity	Common Equities
	Income Trusts
	Convertible Preferreds
	Preferreds
Other	Futures
	Options
	Other Derivatives
	Rights
	Warrants
	Bullion
	Commodities
	Real Estate
	Investment Funds
	Other Assets and Liabilities

** Preferreds are a hybrid security. In certain circumstances CIFSC may treat preferreds as fixed income exposure on an exception basis.*

Definition of Fund Assets

Throughout this document, all references to 'Total Assets' or 'Total Net Assets' refer to a fund's Total Assets less all "Other" investments as outlined above. However, funds with more than 10% exposure to "Other" securities may receive manual categorization at the discretion of the CIFSC.

In many cases, the category definitions described below refer to a fund's 'Non-Cash Assets.' For CIFSC category assignment purposes, 'Non-Cash Assets' refer to a fund's total assets less its "Other" assets and "Cash and Cash Equivalent" investments. Unless otherwise stated, any reference to a fund's percentage of Equity or Fixed Income will be calculated as percentage of its Non-Cash Assets as described above.

Regional Classifications

For regionally based categories, equity securities will be assigned based on the location of the issuer, and fixed income securities will be assigned based on the currency of the security (e.g. – Canadian dollar-denominated bonds = Canadian Fixed Income). While the committee has not set any specific requirements relating to the diversification within a given region, funds that invest in a single country or defined region may be excluded from any of the regionally based equity categories and placed in the miscellaneous category at the discretion of the committee.

Developed and Emerging Markets

Countries are considered Developed or Emerging Markets when they meet the definition set forth by MSCI Barra. Funds that invest a large portion of their total assets in countries that are not defined as Developed or Emerging Markets will be manually reviewed.

The breakdown of Developed and Emerging Markets countries is as follows:

Developed Markets		Emerging Markets	
Australia	Netherlands	Argentina	Malaysia
Austria	New Zealand	Brazil	Mexico
Belgium	Norway	Chile	Morocco
Canada	Portugal	China	Pakistan
Denmark	Singapore	Colombia	Peru
Finland	Spain	Czech Republic	Philippines
France	Sweden	Egypt	Poland
Germany	Switzerland	Hungary	Russia
Greece	United Kingdom	India	South Africa
Hong Kong	United States	Indonesia	Taiwan
Ireland		Israel	Thailand
Italy		Jordan	Turkey
Japan		Korea	

Sector Classifications

Sector-based equity funds will be identified using the fund's Industry Sector Classification (ISC) score applied against its GICS sector breakdown. Funds with an ISC score greater than 65 will be assigned to the appropriate sector-based category if one exists or to the Miscellaneous category if the fund does not qualify for inclusion in any of the sector-based categories described below.

GICS sub-industries that qualify for inclusion in the sector-based categories are as follows:

Precious Metals Equity	Health Care Equity
15104030 Gold	35101010 Health Care Equipment
15104040 Precious Metals & Minerals	35101020 Health Care Supplies
Natural Resources Equity	35102010 Health Care Distributors
10101010 Oil & Gas Drilling	35102015 Health Care Services
10101020 Oil & Gas Equipment & Services	35102020 Health Care Facilities
10102010 Integrated Oil & Gas	35102030 Managed Health Care
10102020 Oil & Gas Exploration & Production	35103010 Health Care Technology
10102030 Oil & Gas Refining & Marketing	35201010 Biotechnology
10102040 Oil & Gas Storage & Transportation	35202010 Pharmaceuticals
10102050 Coal & Consumable Fuels	35203010 Life Sciences Tools & Services
15104010 Aluminum	Science & Technology Equity
15104020 Diversified Metals & Mining	35101010 Health Care Equipment
15104030 Gold	35101020 Health Care Supplies
15104040 Precious Metals & Minerals	35102010 Health Care Distributors
15104050 Steel	35102015 Health Care Services
15105010 Forest Products	35102020 Health Care Facilities
15105020 Paper Products	35102030 Managed Health Care
Financial Services Equity	35103010 Health Care Technology
40101010 Diversified Banks	35201010 Biotechnology
40101015 Regional Banks	35202010 Pharmaceuticals
40102010 Thrifts & Mortgage Finance	35203010 Life Sciences Tools & Services
40201020 Other Diversified Financial Services	45101010 Internet Software & Services
40201030 Multi-Sector Holdings	45102010 IT Consulting & Other Services
40201040 Specialized Finance	45102020 Data Processing & Outsourced Services
40202010 Consumer Finance	45103010 Application Software
40203010 Asset Management & Custody Banks	45103020 Systems Software
40203020 Investment Banking & Brokerage	45103030 Home Entertainment Software
40203030 Diversified Capital Markets	45201020 Communications Equipment
40301010 Insurance Brokers	45202010 Computer Hardware
40301020 Life & Health Insurance	45202020 Computer Storage & Peripherals
40301030 Multi-line Insurance	45203010 Electronic Equipment Manufacturers
40301040 Property & Casualty Insurance	45203020 Electronic Manufacturing Services
40301050 Reinsurance	45203030 Technology Distributors
Real Estate Equity	45204010 Office Electronics
40402010 Diversified REIT's	45301010 Semiconductor Equipment
40402020 Industrial REIT's	45301020 Semiconductors
40402030 Mortgage REIT's	50101010 Alternative Carriers
40402040 Office REIT's	50101020 Integrated Telecommunication Services
40402050 Residential REIT's	50102010 Wireless Telecommunication Services
40402060 Retail REIT's	
40402070 Specialized REIT's	
40403010 Real Estate Management & Development	

Market Capitalization Threshold

For certain geographic regions we have created small/mid cap equity categories. 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. For 2007, the following benchmarks will be used:

- Canadian Small/Mid Cap Equity: S&P/TSX Completion Index
- Canadian Focused Small/Mid Cap Equity: 70% S&P/TSX Completion Index and 30% Russell Mid Cap Index
- US Small/Mid Cap Equity: Russell Mid Cap Index
- Global Small/Mid Cap Equity: MSCI Global Mid Cap Index

Below is an approximation of the current market cap thresholds for each index. Each quarter the thresholds will be published and posted on the CIFSC website.

S&P/TSX Completion Index	\$4.5 billion
70/30 Blend (TSX Completion and Russell Mid Cap)	\$5.5 billion
Russell Mid Cap Index	\$8 billion
MSCI Global Mid Cap Index	\$6 billion

Review Process

The quantitative screening will be run on a quarterly basis. At the CIFSC's discretion, funds that straddle or cross category boundaries may not automatically be re-classified. The CIFSC will review the fund's stated mandate, its historical investment behaviour, historical risk/return behaviour, and the manager's stated intent in order to determine the most appropriate category.

Money Market Funds

Funds in the Money Market group must invest at least 95% of their total net assets in cash or cash equivalent securities and otherwise comply with the legal definition of Money Market funds as outlined in National Instrument 81-102.

Canadian Money Market

Funds assigned to the Canadian Money Market category must be designated as Money Market funds in accordance with National Instrument 81-102 and maintain a minimum weighting of 95% in Canadian dollar-denominated investments.

U.S. Money Market

Funds assigned to the U.S. Money Market category must be designated as Money Market funds in accordance with National Instrument 81-102 and maintain a minimum weighting of 95% in U.S. dollar-denominated investments.

Fixed Income Funds

All funds in the Fixed Income group must invest at least 95% of their Non-Cash Assets in fixed-income securities.

Canadian Short Term Fixed Income

Funds in the Canadian Short Term Fixed Income category must invest at least 90% of their fixed income holdings in fixed-income securities denominated in Canadian dollars with an average duration of less than 3.5 years. In addition, these funds must invest primarily in investment-grade fixed-income securities, such that the average credit quality of the portfolio as a whole is investment grade (BBB or equivalent rating or higher) and not more than 25% of the portfolio's holdings are invested in high yield fixed income securities. For purposes of the category definition, up to 30% of a Fund's assets may be held in Foreign Fixed Income products which will be treated as Canadian content provided that the currency exposure on those holdings is hedged into Canadian Dollars.

Canadian Fixed Income

Funds in the Canadian Fixed Income category must invest at least 90% of their fixed income holdings in Canadian dollars with an average duration greater than 3.5 years and less than 9.0 years. In addition, these funds must invest primarily in investment-grade fixed-income securities, such that the average credit quality of the portfolio as a whole is investment grade (BBB or equivalent rating or higher) and not more than 25% of the portfolio's holdings are invested in high yield fixed income securities. For purposes of the category definition, up to 30% of a Fund's assets may be held in Foreign Fixed Income products which will be treated as Canadian content provided that the currency exposure on those holdings is hedged into Canadian Dollars.

Canadian Long Term Fixed Income

Funds in the Canadian Long Term Fixed Income category must invest at least 90% of their fixed income holdings in fixed-income securities denominated in Canadian dollars with an average duration greater than 9.0 years. In addition, these funds must invest primarily in investment-grade fixed-income securities, such that the average credit quality of the portfolio as a whole is investment grade (BBB or equivalent rating or higher) and not more than 25% of the portfolio's holdings are invested in high yield fixed income securities. For purposes of the category definition, up to 30% of a Fund's assets may be held in Foreign Fixed Income products which will be treated as Canadian content provided that the currency exposure on those holdings is hedged into Canadian Dollars.

Canadian Inflation Protected Fixed Income

Funds in the Canadian Inflation Protected Fixed Income category must invest at least 90% of their fixed income holdings in inflation protected fixed-income securities denominated in Canadian dollars. In addition, these funds must invest primarily in investment-grade fixed-income securities, such that the average credit quality of the portfolio as a whole is investment grade (BBB or equivalent rating or higher) and not more than 25% of the portfolio's holdings are invested in high yield fixed income securities. For purposes of the category definition, up to 30% of a Fund's assets may be held in Foreign Fixed Income products which will be treated as Canadian content provided that the currency exposure on those holdings is hedged into Canadian Dollars.

Global Fixed Income

Funds in the Global Fixed Income category must invest less than 90% of their fixed income holdings in Canadian dollar issues. In addition, these funds must invest primarily in investment-grade fixed income securities (BBB or equivalent rating or higher) and not more than 25% of the portfolio's holdings are invested in non-investment grade securities.

High Yield Fixed Income

Funds in the High Yield Fixed Income category must invest primarily in fixed-income securities with a non-investment-grade credit rating, such that their average credit quality is below investment grade (Lower than BBB or equivalent) or in excess of 25% of the portfolio's holdings are invested in high yield fixed income securities.

Balanced Funds

Funds in the Balanced Funds group must invest between 5% and 90% of their non-cash assets invested in Equity Securities and between 10% and 95% of their non-cash assets in fixed-income securities.

Canadian Equity Balanced

Funds in the Canadian Equity Balanced category must invest at least 70% of total assets in a combination of equity securities domiciled in Canada and Canadian dollar-denominated fixed income securities. In addition, they must invest greater than 60% but less than 90% of their total assets in equity securities.

Canadian Neutral Balanced

Funds in the Canadian Neutral Balanced category must invest at least 70% of total assets in a combination of equity securities domiciled in Canada and Canadian dollar-denominated fixed income securities. In addition, they must invest greater than or equal to 40% but less than or equal to 60% of their total assets in equity securities.

Canadian Fixed Income Balanced

Funds in the Canadian Fixed Income Balanced category must invest at least 70% of total assets in a combination of equity securities domiciled in Canada and Canadian dollar-denominated fixed income securities. In addition, they must invest greater than 5% but less than 40% of their total assets in equity securities.

Global Equity Balanced

Funds in the Global Equity Balanced category must invest less than 70% of total assets in a combination of equity securities domiciled in Canada and Canadian dollar-denominated fixed income securities. In addition, they must invest greater than 60% but less than 90% of their total assets in equity securities.

Global Neutral Balanced

Funds in the Global Neutral Balanced category must invest less than 70% of total assets in a combination of equity securities domiciled in Canada and Canadian dollar-denominated fixed income securities. In addition, they must invest greater than or equal to 40% but less than or equal to 60% of their total assets in equity securities.

Global Fixed Income Balanced

Funds in the Global Fixed Income Balanced category must invest less than 70% of total assets in a combination of equity securities domiciled in Canada and Canadian dollar-denominated fixed income securities. In addition, they must invest greater than 5% but less than 40% of their total assets in equity securities.

Tactical Balanced

Balanced Funds with a specific mandate to employ tactical asset allocation strategies and funds that the CIFSC deems to employ tactical asset allocation strategies will be assigned to the Tactical Balanced fund category.

Target Date Funds

Funds in the Target Date fund group comply with the Balanced fund category criteria but have specific, pre-determined maturity dates and a stated mandate to adjust their target asset allocation weightings over time as they approach their maturity dates. Upon maturity, funds in the Target Date fund group will be moved out of the Target Date group and included in the appropriate Fixed Income or Balanced fund category.

2010 Target Date Portfolio

These are target-date funds that mature in 2010 or earlier.

2015 Target Date Portfolio

These are target-date funds that mature in mature in 2015 or earlier and after 2010.

2020 Target Date Portfolio

These are target-date funds that mature in 2020 or earlier and after 2015.

2020+ Target Date Portfolio

These are target-date funds that mature after 2020.

Equity Funds

Funds in the Equity fund group must invest at least 90% of their non-cash assets in equity securities.

Canadian Dividend & Income Equity

Funds in the Canadian Dividend & Income Equity category must have a stated mandate to invest primarily in income-generating securities and must invest at least 90% of their equity holdings in securities domiciled in Canada. In addition, these funds must invest at least 50% of their non-cash assets in income-generating securities such that the 3-year weighted average yield on the equity component of the fund's portfolio is at least 1.5 times the average yield of the Canadian Equity Fund benchmark, defined as the S&P/TSX Equity Index. The fund's average capitalization must exceed the Canadian small/mid cap threshold.

Canadian Equity

Funds in the Canadian Equity category must invest at least 90% of their equity holdings in securities domiciled in Canada, and their average market capitalization must be greater than the Canadian small/mid cap threshold.

Canadian Small/Mid Cap Equity

Funds in the Canadian Small/Mid Cap Equity category must invest at least 90% of their equity holdings in securities domiciled in Canada, and their average market capitalization must be lower than the Canadian small/mid cap threshold.

Canadian Focused Equity

Funds in the Canadian Focused Equity category must invest at least 50% and less than 90% of their equity holdings in securities domiciled in Canada, and their average market capitalization must be greater than the Canadian small/mid cap threshold.

Canadian Focused Small/Mid Cap Equity

Funds in the Canadian Focused Small/Mid Cap Equity category must invest at least 50% and less than 90% of their equity holdings in securities domiciled in Canada, and their average market capitalization must be lower than the Canadian small/mid cap threshold.

Canadian Income Trust Equity

Funds in the Canadian Income Trust Equity category must invest at least 90% of their equity holdings in income trust securities domiciled in Canada.

U.S. Equity

Funds in the U.S. Equity category must invest at least 90% of their equity holdings in securities domiciled in the United States, and their average market capitalization must be greater than the U.S. small/mid cap threshold.

U.S. Small/Mid Cap Equity

Funds in the U.S. Small/Mid Cap category must invest at least 90% of their equity holdings in securities domiciled in the United States such that their average market capitalization is within the U.S. small/mid cap threshold.

North American Equity

Funds in the North American Equity Category must invest at least 90% of their equity holdings in securities domiciled in Canada and/or the United States but less than 50% of their equity holdings in securities domiciled in Canada. This category excludes any fund that meets the requirements of the U.S. Equity and U.S. Small/Mid Cap Equity categories.

Asia Pacific Equity

Funds in the Asia Pacific Equity category must invest at least 90% of their equity holdings in securities domiciled in 2 or more countries in the Asia/Pacific region. This category excludes any funds that meet the requirements of the Asia Pacific ex-Japan or Japanese Equity categories.

Asia Pacific ex-Japan Equity

Funds in the Asia Pacific ex-Japan Equity category must invest at least 90% of their equity holdings in securities domiciled in 2 or more countries in the Asia/Pacific Rim region. Funds with more than 5% of equity holdings in Japanese equity securities are excluded from the category.

Japanese Equity

Funds in the Japanese Equity category must invest at least 90% of their equity holdings in securities domiciled in Japan.

European Equity

Funds in the European Equity category must invest at least 90% of their equity holdings in a diversified portfolio of securities domiciled in 2 or more countries in Europe.

Emerging Markets Equity

Funds in the Emerging Markets Equity category must invest at least 90% of their equity holdings in a broadly based portfolio of securities from emerging markets countries. Funds with a consistently narrow focus on a single country, group of countries or single region within the emerging markets will be excluded from the category.

Global Equity

Funds in the Global Equity category must invest in securities domiciled anywhere across the globe such that their average market capitalization is greater than the small/mid cap threshold, and invest more than 5% and less than 90% of their equity holdings in Canada or the U.S. Funds that do not meet any of the requirements of other geographic equity categories and have no formal restrictions that limit where they can invest will be assigned to this category.

Global Small/Mid Cap Equity

Funds in the Global Small/Mid Cap Equity category must invest in securities domiciled anywhere across the globe such that their average market capitalization is within the small/mid cap threshold and must invest more than 5% and less than 90% of their Equities Assets in Canada or the U.S.. Funds that do not meet any of the requirements of other geographic equity categories and have no formal restrictions that limit where they can invest will be assigned to this category.

International Equity

Funds in the International Equity category must invest at least 95% of their equity assets in countries other than Canada and the United States and at least 70% of their equity assets in developed countries. Funds that do not meet any of the requirements of the more focused geographic equity categories and that invest less than 90% of their assets in any single country or region will be assigned to the International Equity category.

Health Care Equity

Funds in the Health Care Equity category must invest at least 90% of their equity holdings in the Health Care sector according to S&P Global Industry Classification Standard (GICS®).

Financial Services Equity

Funds in the Financial Services Equity category must invest at least 90% of their equity holdings in the Financials sector according to S&P Global Industry Classification Standard (GICS®).

Precious Metals Equity

Funds in the Precious Metals Equity category must invest at least 90% of their equity holdings in the securities of companies in the Gold and Precious Metals & Minerals sub-industries according to S&P Global Industry Classification Standard (GICS®).

Natural Resources Equity

Funds in the Natural Resources Equity category must invest at least 90% of their equity holdings in the securities of companies whose primary line of business is in any combination of the following sectors or industries according to S&P Global Industry Classification Standard (GICS®): Energy, Metals & Mining, and Paper & Forest Products. This excludes any funds that meet the definition for the Precious Metals Equity category.

Science & Technology Equity

Funds in the Science & Technology Equity category must invest at least 90% of their equity holdings in the securities of companies in any combination of the following sectors according to S&P Global Industry Classification Standard (GICS®): Health Care, Information Technology, Telecommunications, and any other technology related sub-industries not categorized under these sectors. This excludes any funds that meet the definition for the Health Care category.

Real Estate Equity

Funds in the Real Estate Equity category must invest at least 90% of their equity holdings in the Real Estate industry group according to S&P Global Industry Classification Standards (GICS®).

Specialty Funds

Retail Venture Capital

Funds in the Retail Venture Capital funds include but are not limited to Labour Sponsored Investment Funds (LSIF) and other related Funds that receive special tax benefits for investing in Canadian venture capital as defined by the applicable federal and provincial statutes.

Miscellaneous

Funds in the Miscellaneous category focus on a unique strategy that does not belong to any other category. This includes, but is not limited to those funds that are concentrated in a specific geographic region or sector not identified in the other categories.

Alternative Strategies

Funds in the Alternative Strategies category employ alternative strategies such as short selling or other forms of leverage. Funds may use speculative strategies as well as hedging strategies. A fund is classified as Alternative Strategies if 1) short selling exceeds 2% in any one security or if total short positions exceed 10% of the total fund value; and/or 2) the fund's investment mandate specifically includes use of alternative strategies.