



February 6thth, 2014

Re: Category Changes

The CIFSC has completed a review of the category schema in an effort to better and more appropriately categorize funds. On December 30th, 2013 the committee put forth five category change proposals for a 30 day comment period. Feedback was received and the committee reached a final decision by way of vote as follows. The following changes will take affect with the release of March month-end data:

1. Energy Equity

The committee proposed a new category, called Energy Equity. The definition would follow along the lines of the other sector equity categories; funds would be required to meet the definition of an equity fund and must also invest at least 90% of their equity holdings in the Energy sector.

The committee voted unanimously to create a new category.

2. Japanese Equity

The committee reviewed the Japanese Equity category. There are currently only 7 core funds in the category. This includes 5 mutual funds, 1 ETF, and 1 segregated fund. Therefore, the committee is proposing to terminate the Japanese Equity category and reclassify the funds to Miscellaneous – Geographic Equity.

The committee voted unanimously to terminate the Japanese Equity category.

3. Asia Pacific Ex-Japan Equity

The committee has reviewed the Asia Pacific Ex-Japan Equity category. There are currently only 12 core funds in the category. This includes 9 mutual funds and 3 segregated funds.

Initially, the committee considered merging these funds into the Asia Pacific Equity category however, after reviewing the data and comparing the risk return profiles of the two groups, it was decided that the funds were materially different and should not be in the same category.

Therefore, the committee proposed terminating the Asia Pacific Ex-Japan Equity category and reclassifying the funds to Miscellaneous – Geographic Equity.

The committee voted against terminating the category.

4. Health Care Equity

The committee has reviewed the Health Care Equity category. There are currently only 10 core funds in the category. This includes 6 mutual funds, 2 ETFs, and 2 segregated funds.

Therefore, the committee proposed terminating the Health Care Equity category and reclassifying the funds to Miscellaneous – Sector Equity.

The committee voted in favour of eliminating the category.

5. Category Name Changes

The committee proposed to removing the ‘Miscellaneous’ label from ‘Miscellaneous – Sector Equity’ and ‘Miscellaneous – Geographic Equity’. The category names would become ‘Sector Equity’ and ‘Geographic Equity’. The definitions would not change and both categories would still be unranked, but they would no longer appear in the ‘Specialty’ section of the CIFSC definitions document. They would both be listed under the Equity section of the document, which the committee feels is more appropriate given that these categories are made up of pure equity funds.

The committee voted unanimously in favour of the name changes.

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