



Retail Investment Fund Category Definitions

**May 31, 2006
(as amended to August 1, 2006)**

All classification decisions are based on median values calculated from observations of fund holdings data over a period of three years.

All asset-weighting tests are applied to the market value of non-cash assets, unless otherwise stated.

“Equity” and “Fixed Income” refer respectively to equity and fixed income investments and their equivalents, e.g. through derivatives positions. It is a requirement for all categories, other than Money Market and Specialty/Miscellaneous, that more than 50% of fund assets are invested (i.e. fund holdings are more than 50% non-cash assets).

For equity tests, geographic location is based on location of issuer. For fixed income tests, geographic location is based on the currency denomination of the security (i.e. Canadian fixed income = Canadian dollar-denominated fixed income).

It is a requirement for all region-based equity categories (Asian, Emerging Markets, European, Global, International, North American) that more than one country must be represented in the fund at all times. Single country equity funds, other than Canadian and U.S., are classified as Specialty/Miscellaneous.

The following countries are considered to be developed markets:

Asia/Pacific Rim - Australia, New Zealand, Hong Kong, Japan, Singapore;

Europe - Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom;

North America - Canada, United States.

All other countries are considered emerging markets.

There must be a minimum of twelve qualifying funds to constitute a category; in cases where fewer than twelve funds meet a category definition, the funds are classified as Specialty/Miscellaneous.

Alternative Strategies

Funds that 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.

Asia ex-Japan Equity

The fund must have a minimum 90% weight in equities. In addition the fund must have a minimum weight of 85% in equities of companies that are located in developed or emerging countries within the Asia/Pacific Rim, with no more than 5% weight in Japan.

Asia/Pacific Rim Equity

The fund must have a minimum 90% weight in equities. In addition, the fund must have a minimum weight of 85% in equities of companies that are located in developed or emerging countries within the Asia/Pacific Rim.

Canadian Balanced

The fund must have a minimum 90% weight in a combination of fixed income and equity securities. In addition, the fund must have a minimum weight of 70% in a combination of Canadian fixed income and Canadian equities. The weight of fixed income must be greater than 35% and less than 65%.

Canadian Balanced - Equity Focus

The fund must have a minimum 90% weight in a combination of fixed income and equity securities. In addition, the fund must have a minimum weight of 70% in a combination of Canadian fixed income and Canadian equities. The weight of fixed income must be no more than 35%.

Canadian Balanced - Fixed Income Focus

The fund must have a minimum 90% weight in a combination of fixed income and equity securities. In addition, the fund must have a minimum weight of 70% in a combination of Canadian fixed income and Canadian equities. The weight of fixed income must be no less than 65%.

Canadian Bond

The fund must have a minimum 90% weight in fixed income securities. In addition, the fund must have a minimum weight of 70% in Canadian fixed income securities. At least 75% of fixed income holdings must be investment grade.

Canadian Equity

The fund must have a minimum 90% weight in equities. In addition, the fund must have a weight of at least 70% and less than 95% in Canadian equities. The fund's average capitalization must exceed the small-cap threshold.

Canadian Dividend and Equity Income

The fund must have a minimum 90% weight in equities. In addition, the fund must have a minimum weight of 70% in Canadian equities. At least 75% of the non-cash assets of the portfolio must be income-producing equities, or the fund must have made distributions in at least 3 of the last 4 quarters. The fund's average capitalization must exceed the small-cap threshold.

Canadian Equity (Pure)

The fund must have a minimum 90% weight in equities. In addition, the fund must have a minimum weight of 95% in Canadian equities. The fund's average capitalization must exceed the small-cap threshold.

Canadian Focus Equity

The fund must have a minimum 90% weight in equities. The weight of Canadian equity holdings must be at least 50% and less than 70%. The fund's average capitalization must exceed the small-cap threshold. The fund does not qualify for inclusion in the North American Equity category.

Canadian Income Balanced

The fund must have a minimum 90% weight in a combination of fixed income and equity securities. In addition, the fund must have a minimum weight of 70% in a combination of Canadian fixed income and Canadian equity. The fund must have made distributions in 10 of the past 12 months.

Canadian Income Trust

The fund must have a minimum 75% weight in Canadian income trusts.

Canadian Money Market

The fund must be designated as a Money Market fund in accordance with applicable market regulations (for example, National Instrument 81-102). In addition, the fund must have a minimum weight of 95% in Canadian securities.

Canadian Short-Term Bond and Mortgage

The fund must have a minimum 90% weight in fixed income securities. In addition, the fund must have a minimum weight of 70% in Canadian fixed income securities. At least 75% of fixed income holdings must be investment grade. A minimum weight of 50% is required in a combination of mortgages and mortgage-backed securities and/or the fund must have an average term to maturity no greater than 3 years.

Canadian Small Cap Equity

The fund must have a minimum 90% weight in equities. In addition, the fund must have a minimum weight of 70% in Canadian equities. The weighted average capitalization of equity holdings in the fund must be less than or equal to the small cap threshold (*currently C\$ 2.5 billion- reference threshold to be reviewed annually*).

Canadian Tactical Asset Allocation

The fund must have a minimum 90% weight in a combination of fixed income and equity securities. In addition, the fund must have a minimum weight of 70% in a combination of Canadian fixed income and Canadian equities. The investment mandate of the fund must explicitly state that the fund employs a tactical asset allocation strategy as distinct from a strategic asset allocation strategy.

Emerging Markets Equity

The fund must have a minimum 90% weight in equities. In addition, the fund must have a minimum weight of 85% in equities of companies that are located in emerging market countries. The fund does not qualify for inclusion in the Asia ex-Japan Equity or Asia/Pacific Rim Equity categories.

European Equity

The fund must have a minimum 90% weight in equities. In addition, the fund must have a minimum weight of 85% in equities of companies that are located in developed countries within Europe.

Financial Services

The fund must have a minimum 90% weight in equities. In addition, the fund must have a minimum weight of 85% in equities of companies whose primary business is related to the financial services or wealth management. There are no geographic restrictions.

Foreign Bond

The fund must have a minimum 90% weight in fixed income securities. In addition, the fund must have a weight of more than 30% in fixed income securities that are denominated in a foreign currency.

Global Balanced

The fund must have a minimum 90% weight in a combination of fixed income and equity securities. In addition, the fund must have a weight of more than 30% in securities issued by companies located in countries other than Canada. The weight of fixed income must be greater than 35%.

Global Balanced - Equity Focus

The fund must have a minimum 90% weight in a combination of fixed income and equity securities. In addition, the fund must have a minimum weight of 30% in securities issued by companies located in countries other than Canada. The weight of fixed income must be no more than 35%.

Global Equity

The fund must have a minimum 90% weight in equities. In addition, the fund's weight in Canada and the U.S. must be greater than 5% and less than 85%. The fund does not qualify for inclusion in any of the more focused foreign equity categories.

Healthcare

The fund must have a minimum 90% weight in equities. In addition, the fund must have a minimum weight of 85% in equities of companies whose primary business is related to health care. There are no geographic restrictions.

High Yield Bond

The fund must have a minimum 90% weight in fixed income securities. In addition, the fund must have a weight of more than 25% in securities that are below investment grade; or, the fund mandate must specifically refer to significant investment in high yield securities. There are no geographic restrictions.

International Equity

The fund must have a minimum 90% weight in equities. In addition, the fund must have a minimum weight of 85% in equities of companies that are located in developed countries other than Canada and the United States, and a weight of no more than 5% within Canada and the United States. The fund does not qualify for inclusion in any of the more focused foreign equity categories.

Japanese Equity

The fund must have a minimum 90% weight in equities. In addition, the fund must have a minimum weight of 85% in equities of companies that are located in Japan.

Labour-Sponsored Venture Capital

The fund must be designated as a Labour-Sponsored Venture Capital fund in accordance with applicable market regulations.

Natural Resources

The fund must have a minimum 90% weight in equities. In addition, the fund must have a minimum weight of 85% in equities of companies whose primary business is related to the exploration, extraction or production of natural resources. There are no geographic restrictions.

North American Equity

The fund must have a minimum 90% weight in equities. In addition, the fund must have a minimum weight of 85% in equities of companies that are located in a combination of Canada and the U.S. The weight of Canadian equity holdings must be less than 70%; the weight of U.S. equity holdings must be less than 85%.

Precious Metals

The fund must have a minimum 90% weight in equities. In addition, the fund must have a minimum weight of 85% in equities of companies whose primary business is related to the exploration, extraction or production of precious metals. There are no geographic restrictions.

Real Estate

The fund must have a minimum 90% in equities. In addition, the fund must have a minimum weight of 85% in equities of companies whose primary business is related to or directly invested in commercial and residential real estate. There are no geographic restrictions.

Science and Technology

The fund must have a minimum 90% weight in equities. In addition, the fund must have a minimum weight of 85% in equities of companies whose primary business is related to science or technology. There are no geographic restrictions.

Specialty/Miscellaneous

Funds that do not qualify for inclusion in any other category or those funds that lack a sufficient number of peers to warrant a new category. This is considered a residual category.

U.S. Equity

The fund must have a minimum 90% weight in equities. In addition, the fund must have a minimum weight of 85% in U.S. equities. The fund's average capitalization must exceed the mid-cap threshold.

U.S. Money Market

The fund must be designated as a Money Market fund in accordance with applicable market regulations (for example, National Instrument 81-102). In addition, the fund must have a minimum weight of 95% in U.S. dollar-denominated securities.

U.S. Small and Mid Cap Equity

The fund must have a minimum 90% weight in equities. In addition, the fund must have a minimum weight of 85% in U.S. equities. The weighted average capitalization of equity holdings in the fund must be less than or equal to the U.S. mid-cap threshold (*currently U.S. \$ 10 billion- reference threshold to be reviewed annually*).