

July 16th, 2021

RE: Category Change Proposal; issue for comment

The CIFSC continuously monitors and analyses the categorization of funds, the current category definitions and structures, as well as any new and developing trends in the investment funds industry. The purpose of the review is to ensure the logical, consistent categorization of investment funds and to maximize the similarity of investment strategies and risk-return profiles within each category. Categories should have a sufficient number of funds to allow for meaningful comparisons and rankings within the category.

As a result of the most recent review the committee is publishing, for a 30 day comment period, the following proposals. After the 30 day comment period the committee will review the comments and determine, by private vote, whether or not to proceed with the changes. To submit comments please use the 'Contact' link on the home page or click [here](#).

1. Proposed new category: Multi-Sector High Yield Fixed Income

The intent of this category is to capture fixed income funds that strategically invest across various fixed income sectors. The high yield label was added to the category name because most funds that will fit in this category hold more than 40% high yield (the current high yield threshold) and the committee thought it was an important point of clarification for investors and advisors.

Proposed Category Definition:

Funds in the Multi-Sector High Yield Fixed Income category diversify their assets across several fixed income sectors, including but not limited to high yield, investment grade, emerging markets, corporate, and government bonds. Inclusion in this category may be based on i) a written fixed income allocation policy meeting the above definition (i.e. in a fund's prospectus or written investment policy); ii) a portfolio manager's or sub-adviser's stated or known approach to managing portfolios; or iii) the fund's historical fixed income allocation tendencies. Funds in this category currently have, or are permitted to have, an average credit quality below investment grade (Lower than BBB or equivalent) or in excess of 40% of the portfolio's holdings are invested in high yield fixed income securities.

A list of funds that would potentially qualify for the new category can be found in **APPENDIX A**.

2. Proposed new category: Alternative Private Equity

Private equity funds are currently categorized as Alternative – Other or Miscellaneous Income and Real Property. Private equity funds present a unique risk/return profile that does not fit within the existing categories and the committee has identified enough funds using this strategy to warrant a new category.

Proposed Category Definition:

Funds in the Alternative Private Equity category have portfolio holdings comprised primarily of equity holdings that are not listed on a public exchange. This can include private equity holdings that are global in nature or are concentrated on a specific region or sector. Funds in this category may also aim to gain exposure to private equity through investment in other private equity funds or through derivatives.

A list of funds that would potentially qualify for the new category can be found in **APPENDIX B**.

3. Proposed new category: Alternative Private Debt

Private debt funds are currently categorized as Alternative – Other or Miscellaneous Income and Real Property. Private debt funds present a unique risk/return profile that does not fit within the existing categories and the committee has identified enough funds using this strategy to warrant a new category.

Proposed Category Definition:

Funds in the Alternative Private Debt category have portfolio holdings comprised primarily of private credit investments. This can include private debt holdings that are global in nature or are concentrated on a specific region or sector. Funds in this category may also aim to gain exposure to private debt through investment in other private debt funds or through derivatives.

A list of funds that would potentially qualify for the new category can be found in **APPENDIX C**.

4. Proposed change to the wording in the definitions document.

The proposed change to the wording in the definitions document is meant to clarify references to “Total Assets”, “Other” assets, and how Commodities are treated in the CIFSC calculations. For the purposes of the Equity, Fixed Income and Balanced fund categories the CIFSC currently treats Commodities as Other, therefore the change to the wording will not change the current CIFSC calculations.

Current Wording:

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.

Proposed Wording:

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.

Regarding the Balanced category definitions, ‘Total Assets’ refers to the Equity, Fixed Income and Cash components of the fund. Therefore, ‘Commodities’ are considered ‘Other’ and are removed from the calculation for the Balanced categories. Similarly, ‘Commodities’ are considered ‘Other’ in the calculations for the Equity and Fixed Income categories.

APPENDIX A

The following is a preliminary list of funds that would potentially move to the **Multi-Sector High Yield Fixed Income** category if the CIFSC formally votes to implement the category. This is a preliminary list put together by the CIFSC and will change if the category is implemented. Funds that will be affected by the change will be notified and given the opportunity to dispute if necessary.

Fund Name	Current CIFSC Category
BMO Global Multi-Sector Bond ETF	Global Fixed Income
BMO Global Multi-Sector Bond Fund	Global Fixed Income
BMO Global Strategic Bond ETF	High Yield Fixed Income
BMO Global Strategic Bond Fund	High Yield Fixed Income
Canada Life Unconstrained Fixed Income Fund	High Yield Fixed Income
CI Global Unconstrained Bond Private Pool	Global Fixed Income
CIBC Flexible Yield ETF C\$ Hgd (CFLX)	High Yield Fixed Income
Desjardins Floating Rate Income Fund	High Yield Fixed Income
Desjardins Global Tactical Bond Fund	High Yield Fixed Income
Desjardins SocieTerra Global Bond Fund	Global Corporate Fixed Income
Dynamic Active Credit Strategies Private Pool	High Yield Fixed Income
Evolve Active Global Fixed Income Fund ETF (EARN)	Global Corporate Fixed Income
FDP Global Fixed Income Portfolio	High Yield Fixed Income
Fidelity Multi-Sector Bond Currency Neutral Fund	Global Fixed Income
Fidelity Multi-Sector Bond Fund	Global Fixed Income
Fidelity Strategic Income Currency Neutral Fund	High Yield Fixed Income
Fidelity Strategic Income Fund	High Yield Fixed Income
First Trust Tactical Bond Index ETF	Global Fixed Income
Invesco Active Multi-Sector Credit	Global Corporate Fixed Income
iShares Short Term Strategic Fixed Income ETF	Canadian Short Term Fixed Income
Mackenzie Unconstrained Bond ETF (MUB)	High Yield Fixed Income
Mackenzie Unconstrained Fixed Income Fund	High Yield Fixed Income
Manulife Corporate Bond Fund	High Yield Fixed Income
Manulife Corporate Fixed Income Private Trust	Global Corporate Fixed Income
Manulife Global Fixed Income Private Trust	Global Fixed Income
Manulife Strategic Income Fund	Global Fixed Income
MD Strategic Yield Fund	Global Fixed Income
Meritage Diversified Fixed Income Portfolio	Global Fixed Income
NBI Non-Traditional Fixed Income Private	High Yield Fixed Income
NBI Unconstrained Fixed Income ETF	Global Fixed Income
NBI Unconstrained Fixed Income Fund	Global Fixed Income
PIMCO Monthly Income (Canada) ETF	Global Fixed Income
PIMCO Monthly Income Fund (Canada)	Global Fixed Income
Purpose Total Return Bond ETF (PBD)	High Yield Fixed Income
Purpose Total Return Bond Fund	High Yield Fixed Income

RBC \$U.S. Strategic Income Bond Fund	High Yield Fixed Income
RBC BlueBay Global Diversified Income (CAD Hedged)	Global Corporate Fixed Income
RBC Strategic Income Bond Fund	High Yield Fixed Income
Renaissance Flexible Yield Fund	High Yield Fixed Income
Renaissance Multi-Sector Fixed Inc Pv Pl Prem	High Yield Fixed Income
Russell Investments Global Credit Pool	High Yield Fixed Income
TD Active Global Income ETF (TGFI)	High Yield Fixed Income
TD Global Income Fund	Global Fixed Income

APPENDIX B

The following is a preliminary list of funds that would potentially move to the **Alternative Private Equity** category if the CIFSC formally votes to implement the category. This is a preliminary list put together by the CIFSC and will change if the category is implemented. Funds that will be affected by the change will be notified and given the opportunity to dispute if necessary.

Fund Name	Current Category
360 Degree US Realty Income Fund	Miscellaneous - Income and Real Property
Alitis Private REIT	Miscellaneous - Income and Real Property
Brookfield Real Asset Hybrid Access Tst (Canada)	Miscellaneous - Income and Real Property
Brookfield Real Assets Hybrid Fd (Cda) LP	Miscellaneous - Income and Real Property
Centurion Apartment REIT	Miscellaneous - Income and Real Property
Dynamic Real Estate & Infrastructure Income Fund	Alternative Other
Emergence Fund	Alternative Other
Equiton Residential Income Fund	Miscellaneous - Income and Real Property
Fiera Global Private Equity Fund	Alternative Other
Forsyth Private Real Estate Portfolio	Miscellaneous - Income and Real Property
Franklin Global Real Assets Fund	Alternative Other
Kensington Private Equity Fund	Alternative Other
MD Platinum Global Private Equity Pool	Alternative Other
NBT Real Assets Pooled Fund	Miscellaneous - Income and Real Property
Portland Global Sustainable Evergreen LP	Alternative Other
RISE Properties Trust	Miscellaneous - Income and Real Property
TD Greystone Real Asset PFT	Miscellaneous - Income and Real Property
Timbercreek Four Quad Global Rea Est Ptnrs LP	Miscellaneous - Income and Real Property
Yorkville Long Term Healthcare Fund	Miscellaneous - Income and Real Property
Yorkville Private Equity LP	Alternative Other

APPENDIX C

The following is a preliminary list of funds that would potentially move to the **Alternative Private Debt** category if the CIFSC formally votes to implement the category. This is a preliminary list put together by the CIFSC and will change if the category is implemented. Funds that will be affected by the change will be notified and given the opportunity to dispute if necessary.

Fund Name	Current Category
ACM Commercial Mortgage Fund	Miscellaneous - Income and Real Property
Addenda Commercial Mortgages	Miscellaneous - Income and Real Property
AIP Convertible Private Debt Fund LP	Alternative Other
Bloom Burton Healthcare Lending Trust	Alternative Other
Bloom Burton Healthcare Structured Lending Fd LP	Alternative Other
Bloom Burton Healthcare Structured Lending II LP	Alternative Other
Bridgeport Alternative Income Fund	Alternative Other
Bridgeport Alternative Income LP	Alternative Credit Focused
Bridging Income Fund LP	Alternative Other
Bridging Indigenous Impact Fund	Alternative Other
Bridging Mid-Market Debt Fund L.P.	Alternative Other
Bridging Mid-Market Debt RSP Fund	Alternative Other
Capstone Private High Income Pool	Alternative Other
Celernus Mortgage and Income Trust Fund	Miscellaneous - Income and Real Property
Celernus Pivot Private Credit Fund	Alternative Other
Centurion Financial Trust	Alternative Other
Centurion Real Estate Opportunities Trust	Miscellaneous - Income and Real Property
Cortland Credit Strategies L.P.	Alternative Other
Cortland Credit Strategies RRSP Fund	Alternative Other
Davinci Capital Alternative Income Fund	Alternative Other
DFS Multi-Manager Private Credit	Miscellaneous - Income and Real Property
FMIC	Miscellaneous - Income and Real Property
IP Diversified Alternative Income Fund	Alternative Other
KiWi Private Credit Fund LP	Alternative Other
MarshallZehr Mortgage Opportunities Fund LP	Miscellaneous - Income and Real Property
Morrison Laurier Mortgage Corp Series	Miscellaneous - Income and Real Property
Next Edge Private Debt Fund	Alternative Other
Next Edge RCM Private Yield Fund	Alternative Other
Ninepoint Alternative Income Fund	Alternative Other
Ninepoint Canadian Senior Debt Fund	Alternative Other
Ninepoint Monroe U.S Private Debt Fund	Alternative Other
Ninepoint Monroe U.S Private Debt Fund	Alternative Other
Ninepoint Monroe U.S. Private Debt Fd	Alternative Other

Ninepoint TEC Private Credit Fund	Alternative Other
Ninepoint Trade Finance Fund	Alternative Other
Northern Coast Strat Fd 8.0% A Non-Conv Sec Bonds	Miscellaneous - Income and Real Property
Northfront Alternative Asset Fund	Alternative Other
Northfront Income Fund	Global Fixed Income
Portland Private Income Fund	Alternative Other
Purpose Specialty Lending Trust	Alternative Other
Qwest Productivity Media Income Trust	Alternative Other
RiverRock Mortgage Investment Corporation	Miscellaneous - Income and Real Property
Rockridge Private Debt & Real Estate Pool	Alternative Other
Romspen Mortgage Investment Fund	Miscellaneous - Income and Real Property
RT Funds Real Estate Income Fund	Miscellaneous - Income and Real Property
Sterling Mortgage Income Fund	Alternative Other
TD Emerald Private/Public Debt PFT Prvt Altve	Alternative Other
Trez Capital Prime Trust	Canadian Short Term Fixed Income
Trez Capital Yield Trust	Global Fixed Income
VPC Specialty Finance Fund	Alternative Other
VPC Specialty Lending Fund	Alternative Other
Westboro Mortgage Investment Corporation	Miscellaneous - Income and Real Property
YTM Capital Mortgage Income Fund	Canadian Short Term Fixed Income

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