

March 30th, 2023

RE: Category Change Announcement

The CIFSC continually 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.

On May 16th, 2022, the committee submitted a proposal to create a new Multi-Sector Fixed Income category. [[see proposal here](#)]. After a 30-day comment period the committee voted for implementing the changes. The results follow. The changes are effective March 31st, 2023 and will be reflected in the release of March 2023 month-end data. The initial list of funds that have been reclassified as Multi-Sector Fixed Income may be found in the Appendix.

1. New category: Multi-Sector Fixed Income

Proposed Category Definition:

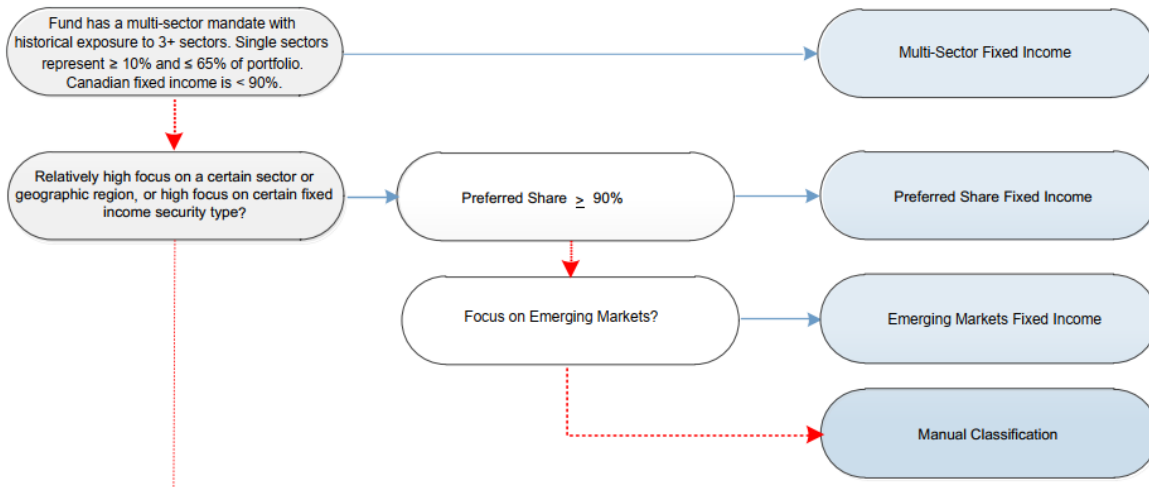
Funds in the Multi-Sector Fixed Income category have an investment mandate stating that they strategically or tactically diversify their assets across several fixed income sectors including, but not limited to, government, municipal/provincial, corporate (including preferred shares), securitized (including asset-backed securities, collateralized loans, mortgage-backed securities, etc.), and high yield debt. Geographic exposure can span both developed and emerging markets. Canadian Fixed Income should be less than 90% to qualify. 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) that is explicit in defining a multi-sector mandate; 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. Namely, funds in this category should have no more than 65% of their holdings in a single fixed income sector and should demonstrate that they span at least three fixed income sectors over time, defined as a weighted average exposure of at least 10%.

The CIFSC notes that funds in this category have, or are permitted to have, an average credit quality below investment grade (Lower than BBB or equivalent) and can hold in excess of 40% of the portfolio in high yield fixed income securities for prolonged periods of time, which would otherwise qualify the fund for the High Yield Fixed Income category.

An update to the CIFSC flow chart is included in **APPENDIX B**, outlining how the committee will test for qualification into the category.

APPENDIX A

FIXED INCOME TESTS



APPENDIX B

Fund Name	Old category	New category
AGF Total Return Bond Fund	Global Fixed Income	Multi-Sector Fixed Income
AGFIQ Global Multi-Sector Bond ETF	Global Fixed Income	Multi-Sector Fixed Income
Barometer Tactical Fixed Income Pool	Global Fixed Income	Multi-Sector Fixed Income
BMO Global Strategic Bond Fund	High Yield Fixed Income	Multi-Sector Fixed Income
BMO Sustainable Global Multi-Sector Bond Fund	Global Fixed Income	Multi-Sector Fixed Income
BMO Tactical Global Bond ETF Fund	Global Fixed Income	Multi-Sector Fixed Income
CAN Global Multi-Sector Fixed Income	Global Fixed Income	Multi-Sector Fixed Income
Canada Life Pathways Global Multi Sector Bond Fund	Global Fixed Income	Multi-Sector Fixed Income
Canada Life Unconstrained Fixed Income Fund	High Yield Fixed Income	Multi-Sector Fixed Income
Capital Group Multi-Sector Income	High Yield Fixed Income	Multi-Sector Fixed Income
CI Global Unconstrained Bond Private Pool	Global Fixed Income	Multi-Sector Fixed Income
CIBC Flexible Yield ETF C\$ Hgd (CFLX)	High Yield Fixed Income	Multi-Sector Fixed Income
Desjardins Global Tactical Bond Fund	High Yield Fixed Income	Multi-Sector Fixed Income
Desjardins SocieTerra Global Bond Fund	Global Corporate Fixed Income	Multi-Sector Fixed Income
Dynamic Active Credit Strategies Private Pool	High Yield Fixed Income	Multi-Sector Fixed Income
Equitable Life Mackenzie Unconstrained Fixed Income Fund	High Yield Fixed Income	Multi-Sector Fixed Income
Evolve Active Global Fixed Income Fund ETF (EARN)	Global Corporate Fixed Income	Multi-Sector Fixed Income

FDP Global Fixed Income Portfolio	High Yield Fixed Income	Multi-Sector Fixed Income
Fidelity Multi-Sector Bond Currency Neutral Fund	Global Fixed Income	Multi-Sector Fixed Income
Fidelity Multi-Sector Bond Fund	Global Fixed Income	Multi-Sector Fixed Income
Fidelity Multi-Sector Bond Hedged Multi-Asset Base Fund	Global Fixed Income	Multi-Sector Fixed Income
Fidelity Strategic Income Currency Neutral Fund	High Yield Fixed Income	Multi-Sector Fixed Income
Fidelity Strategic Income Fund	High Yield Fixed Income	Multi-Sector Fixed Income
Horizons Active Global Fixed Income ETF	Global Fixed Income	Multi-Sector Fixed Income
iA Global Multisector Bond (Loomis Sayles)	Global Fixed Income	Multi-Sector Fixed Income
Invesco Active Multi-Sector Credit	Global Corporate Fixed Income	Multi-Sector Fixed Income
iShares Conservative Short Term Strategic Fixed Income ETF	Global Fixed Income	Multi-Sector Fixed Income
iShares Conservative Strategic Fixed Income ETF	Global Fixed Income	Multi-Sector Fixed Income
Mackenzie Unconstrained Bond ETF (MUB)	High Yield Fixed Income	Multi-Sector Fixed Income
Mackenzie Unconstrained Fixed Income Fund	High Yield Fixed Income	Multi-Sector Fixed Income
Mackenzie USD Unconstrained Fixed Income Fund	Global Fixed Income	Multi-Sector Fixed Income
Manulife Corporate Fixed Income Private Trust	Global Corporate Fixed Income	Multi-Sector Fixed Income
Manulife Global Fixed Income Private Trust	Global Fixed Income	Multi-Sector Fixed Income
Manulife RetirementPlus Strategic Income	Global Fixed Income	Multi-Sector Fixed Income
Manulife Strat Investment Grade Global Bond GIF Select	Global Fixed Income	Multi-Sector Fixed Income
Manulife Strategic Income Fund	Global Fixed Income	Multi-Sector Fixed Income
Manulife Strategic Investment Grade Global Bond Fund	Global Fixed Income	Multi-Sector Fixed Income
MD Strategic Yield Fund	Global Fixed Income	Multi-Sector Fixed Income
Meritage Diversified Fixed Income Portfolio	Global Fixed Income	Multi-Sector Fixed Income
NBI Global Tactical Bond Fund	Global Fixed Income	Multi-Sector Fixed Income
NBI Non-Traditional Fixed Income Private	High Yield Fixed Income	Multi-Sector Fixed Income
NBI Unconstrained Fixed Income ETF	Global Fixed Income	Multi-Sector Fixed Income
NBI Unconstrained Fixed Income Fund	Global Fixed Income	Multi-Sector Fixed Income
NEI Global Total Return Bond Fund	Global Fixed Income	Multi-Sector Fixed Income
PIMCO ESG Income Fund (Canada)	Global Fixed Income	Multi-Sector Fixed Income
PIMCO Flexible Global Bond Fund (Canada)	Global Fixed Income	Multi-Sector Fixed Income
PIMCO Monthly Income Fund (Canada)	Global Fixed Income	Multi-Sector Fixed Income
PIMCO Unconstrained Bond Fund	Global Fixed Income	Multi-Sector Fixed Income
Purpose Global Bond Fund	Global Fixed Income	Multi-Sector Fixed Income
RBC \$U.S. Strategic Income Bond Fund	High Yield Fixed Income	Multi-Sector Fixed Income
RBC Strategic Income Bond Fund	High Yield Fixed Income	Multi-Sector Fixed Income
Renaissance Flexible Yield Fund	High Yield Fixed Income	Multi-Sector Fixed Income
Renaissance Multi-Sector Fixed Inc Pv Pl Prem	High Yield Fixed Income	Multi-Sector Fixed Income
Russell Inv Fixed Income Plus Pool	Global Fixed Income	Multi-Sector Fixed Income

Russell Investments Global Credit Pool	High Yield Fixed Income	Multi-Sector Fixed Income
Russell Investments Global Unconstrained Bond Pool	Global Fixed Income	Multi-Sector Fixed Income
Sun Life Tactical Fixed Income ETF Portfolio	Global Fixed Income	Multi-Sector Fixed Income
TD Active Global Income ETF (TGFI)	High Yield Fixed Income	Multi-Sector Fixed Income
TD Global Income Fund	Global Fixed Income	Multi-Sector Fixed Income
TD Global Unconstrained Bond Fund	Global Fixed Income	Multi-Sector Fixed Income

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