

February 1st, 2024

RE: Category Change Announcement

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.

On November 1st, 2023, the committee submitted a proposal to create new US Dividend & Income Equity and Global Dividend & Income Equity categories. [\[see proposal here\]](#). After a 30-day comment period the committee voted for the changes. The results follow. Approved changes have been implemented effective March 31st, 2024, and the initial list of funds that have been reclassified under the new category can be found in the Appendix.

1. New categories: US Dividend & Income Equity and Global Dividend & Income Equity

Canadian investors remain highly focused on dividend-oriented strategies and asset managers have answered that demand with increased products with dividend-oriented objectives. In the last decade, almost 25% of all Canadian equity or Canadian equity biased strategies launches have been classified by CIFSC in the Canadian Dividend & Income Equity category. At the same time, Canadian investors have been decreasing the home bias in their portfolios, adding to internationally oriented products.

The rising interest and need for both income and non-domestic investments presents an opportunity for CIFSC to carveout funds with these characteristics from the two largest equity categories on our platform: US and Global Equity. Having categories with clearly defined income objectives will better serve investors by creating a comparable peer group that is rated and ranked against each other.

Category Definition: US Dividend & Income Equity

Funds in the US 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 the US. 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 1.15x above the 3-year weighted average yield of the S&P 500 Index. The fund's average capitalization must exceed the US small/mid cap threshold.

Reference Benchmark Definition: S&P 500 Index - The index widely regarded as the best single gauge of large-cap U.S. equities. According to our Annual Survey of Assets, an estimated USD 15.6 trillion is indexed or benchmarked to the index, with indexed assets comprising approximately USD

7.1 trillion of this total (as of Dec. 31, 2021). The index includes 500 leading companies and covers approximately 80% of available market capitalization.

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

Category Definition: Global Dividend & Income Equity

Funds in the Global Dividend & Income Equity category must have a stated mandate to invest primarily in income-generating securities and must invest more than 10% and less than 90% of their equity holdings in Canada or the U.S. 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 1.15x above the 3-year weighted average yield of the MSCI World Index. The fund's average capitalization must exceed the Global small/mid cap threshold.

Reference Benchmark Definition: MSCI World Index - The index captures large and mid-cap representation across 23 Developed Markets (DM) countries*. With 1,512 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

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

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

APPENDIX A

The following is a final list of funds that would potentially move to the **US Dividend & Income Equity** category. Funds that will be affected by the change will be notified and given the opportunity to dispute if necessary.

Fund Name	Current Category
BMO Covered Call U.S. High Dividend ETF Fund	U.S. Equity
BMO U.S. Dividend Fund	U.S. Equity
BMO U.S. Dollar Dividend Fund	U.S. Equity
BMO US Dividend ETF	U.S. Equity
BMO US Dividend Hedged to CAD ETF	U.S. Equity
BMO US High Dividend Covered Call ETF	U.S. Equity
BMO US High Dividend Covered Call Hedged to CAD ETF	U.S. Equity
Bristol Gate Concentrated US Equity ETF	U.S. Equity
CAN U.S. Dividend	U.S. Equity
Canada Life US Dividend Fund	U.S. Equity
CI U.S. Dividend Fund	U.S. Equity
CI U.S. Dividend Registered Fund	U.S. Equity
CI U.S. Dividend US\$ Fund	U.S. Equity
CI U.S. Equity Private Trust	U.S. Equity

CI WisdomTree U.S. Quality Dividend Growth Index ETF	U.S. Equity
CI WisdomTree U.S. Quality Dividend Growth Variably Hedged Index ETF	U.S. Equity
CIBC Qx U.S. Low Volatility Dividend ETF	U.S. Equity
Dynamic U.S. Equity Income Fund	U.S. Equity
Fidelity U.S. Dividend Currency Neutral Fund	U.S. Equity
Fidelity U.S. Dividend for Rising Rates Currency Neutral ETF	U.S. Equity
Fidelity U.S. Dividend for Rising Rates Currency Neutral ETF Fund	U.S. Equity
Fidelity U.S. Dividend for Rising Rates ETF	U.S. Equity
Fidelity U.S. Dividend for Rising Rates ETF Fund	U.S. Equity
Fidelity U.S. Dividend Fund	U.S. Equity
Fidelity U.S. Dividend Private Pool	U.S. Equity
Fidelity U.S. Dividend Registered Fund	U.S. Equity
Fidelity U.S. Dividend Systematic Currency Hedged Fund	U.S. Equity
Fidelity U.S. High Dividend ETF	U.S. Equity
Fidelity U.S. High Dividend Currency Neutral ETF	U.S. Equity
Fidelity U.S. High Dividend Currency Neutral ETF Fund	U.S. Equity
Fidelity U.S. High Dividend ETF Fund	U.S. Equity
First Trust Morningstar Dividend Leaders ETF (CAD-Hedged)	U.S. Equity
First Trust Value Line Dividend Index ETF (CAD-Hedged)	U.S. Equity
Franklin U.S. Rising Dividends Fund	U.S. Equity
Great West Life U.S. Dividend	U.S. Equity
Guardian U.S. Equity Select Fund	U.S. Equity
IA Clarington U.S. Dividend Growth Fund	U.S. Equity
Invesco S&P US Dividend Aristocrats ESG Index ETF	U.S. Equity
iShares Core MSCI US Quality Dividend Index ETF (CAD-Hedged)	U.S. Equity
iShares Core MSCI US Quality Dividend Index ETF	U.S. Equity
iShares U.S. High Dividend Equity Index ETF	U.S. Equity
iShares U.S. High Dividend Equity Index ETF (CAD-Hedged)	U.S. Equity
iShares US Dividend Growers Index ETF (CAD-Hedged)	U.S. Equity

Leith Wheeler U.S. Dividend Fund	U.S. Equity
London Life U.S. Dividend	U.S. Equity
Mackenzie US Dividend Fund	U.S. Equity
Manulife Smart U.S. Dividend ETF	U.S. Equity
Middlefield U.S. Equity Dividend Class	U.S. Equity
Middlefield U.S. Equity Dividend ETF	U.S. Equity
NEI U.S. Dividend Fund	U.S. Equity
Phillips, Hager & North U.S. Dividend Income Fund	U.S. Equity
Purpose US Dividend Fund	U.S. Equity
RBC Quant U.S. Dividend Leaders (CAD Hedged) ETF	U.S. Equity
RBC Quant U.S. Dividend Leaders ETF	U.S. Equity
RBC U.S. Dividend Covered Call ETF	U.S. Equity
RBC U.S. Dividend Currency Neutral Fund	U.S. Equity
RBC U.S. Dividend Fund	U.S. Equity
Renaissance U.S. Equity Income Fund	U.S. Equity
TD U.S. Shareholder Yield Fund	U.S. Equity
Vanguard U.S. Dividend Appreciation Index ETF	U.S. Equity
Vanguard U.S. Dividend Appreciation Index ETF (CAD-Hedged)	U.S. Equity

APPENDIX B

The following is a final list of funds that would potentially move to the **Global Dividend & Income Equity** category. Funds that will be affected by the change will be notified and given the opportunity to dispute if necessary.

Fund Name	Current Category
AGF Global Dividend Class	Global Equity
AGF Global Dividend Fund	Global Equity
AGF Global Dividend Strategic Equity Fund	Global Equity
AlphaDelta Global Dividend Income Class	Global Equity
Beneva Global Dividend (TDAM)	Global Equity
Beneva TD Global Dividend Equity GIF	Global Equity
Beutel Goodman Global Dividend Fund	Global Equity
BMO Global Dividend Fund	Global Equity
BMO Global Dividend Opportunities Fund	Global Equity
BMO Global High Dividend Covered Call ETF	Global Equity
Brompton Global Dividend Growth ETF	Global Equity

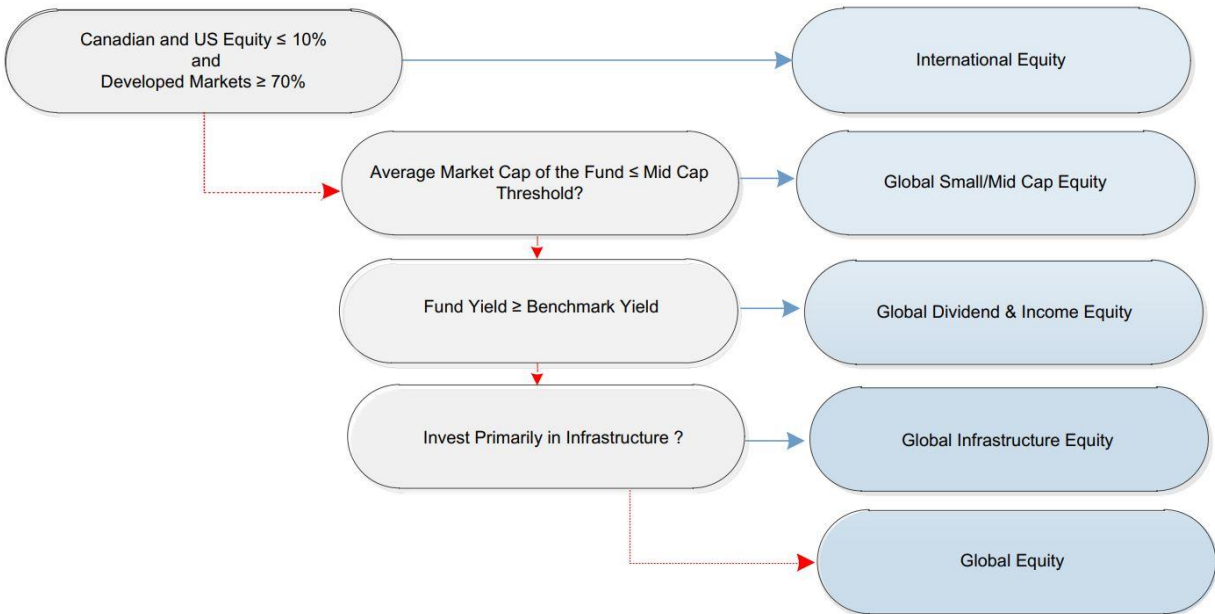
CAN Global Dividend	Global Equity
Canada Life Global Dividend Fund	Global Equity
CI Global Dividend Corporate Class	Global Equity
CI Global Dividend Fund	Global Equity
CI Global Dividend Opportunities Corporate Class	Global Equity
CI Global Dividend Opportunities Fund	Global Equity
CI Global Quality Dividend Managed Corporate Class	Global Equity
CI Global Quality Dividend Managed Fund	Global Equity
Counsel Global Dividend	Global Equity
Desjardins Global Dividend Fund	Global Equity
Desjardins SocieTerra Global Dividend Fund	Global Equity
Dynamic Active Global Equity Income ETF	Global Equity
Dynamic Global Equity Income Fund	Global Equity
Empire Global Dividend Growth Fund	Global Equity
FÉRIQUE World Dividend Equity Fund	Global Equity
Fidelity Global Dividend Class	Global Equity
Fidelity Global Dividend Fund	Global Equity
Fidelity Global Dividend Investment Trust	Global Equity
Fidelity Tactical Global Dividend ETF Fund	Global Equity
Franklin Global Dividend Quality Index ETF	Global Equity
Great West Life Global Dividend	Global Equity
Guardian i3 Global Dividend Growth Fund	Global Equity
Horizons Active Global Dividend ETF	Global Equity
IA Clarington Global Dividend Fund	Global Equity
Invesco Global Dividend Class	Global Equity
Invesco Global Dividend ESG ETF Fund	Global Equity
iShares Core MSCI Global Quality Dividend Index ETF	Global Equity
iShares Core MSCI Global Quality Dividend Index ETF (CAD-Hedged)	Global Equity
iShares Global Monthly Dividend Index ETF (CAD-Hedged)	Global Equity
Lazard Defensive Global Dividend Fund	Global Equity
London Life Global Dividend	Global Equity
Mackenzie Global Dividend Fund	Global Equity
Mackenzie Global Sustainable Dividend Index ETF	Global Equity
Mackenzie USD Global Dividend Fund	Global Equity
Manulife Global Dividend Class	Global Equity
Manulife Global Dividend Fund	Global Equity
Manulife Global Dividend Growth Fund	Global Equity

Manulife Smart Global Dividend ETF Portfolio	Global Equity
Middlefield Global Dividend Growers Class	Global Equity
Middlefield Global Energy Transition Class	Global Equity
Middlefield Innovation Dividend Class	Global Equity
Middlefield Innovation Dividend ETF	Global Equity
Middlefield Sustainable Global Dividend ETF	Global Equity
NEI Global Dividend RS Fund	Global Equity
RBC Global Dividend Growth Currency Neutral Fund	Global Equity
RBC Global Dividend Growth Fund	Global Equity
RBC QUBE Stable Dividend Global Equity Fund (CAD Hedged)	Global Equity
Scotia Global Dividend Class	Global Equity
Scotia Global Dividend Fund	Global Equity
Sun Life KBI Global Dividend Private Pool	Global Equity
TD Global Equity Income Pool	Global Equity
TD Global Shareholder Yield Fund	Global Equity
TD Q Global Dividend ETF	Global Equity
Vanguard Global Dividend Fund	Global Equity

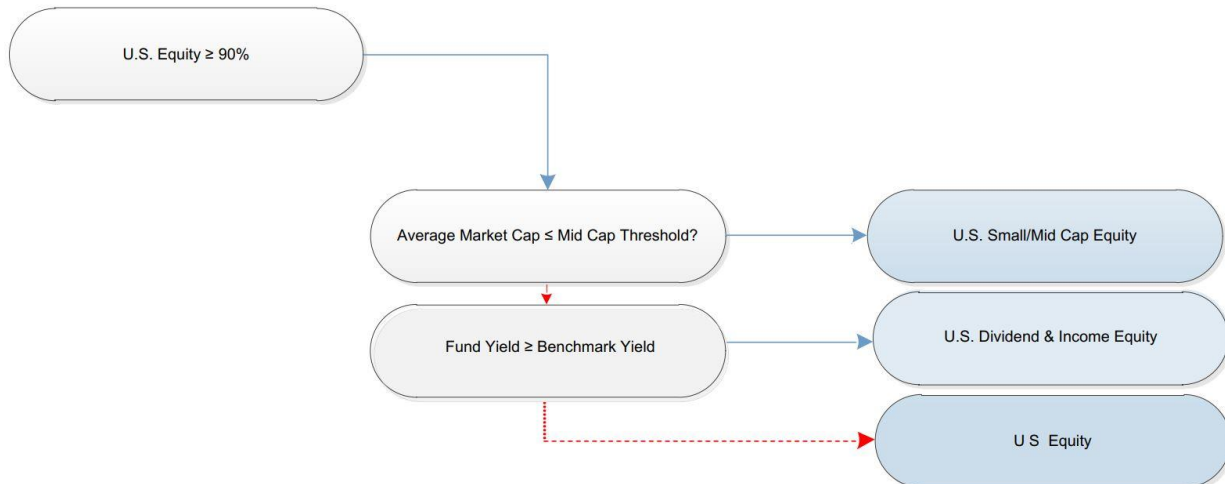
APPENDIX C

The creation of the two proposed categories above would impact the Equity Test Flow Chart and the North American Equity Test Flow Chart as per below:

Equity Test:



North American Equity Test:





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