

MUTUAL FUND FOCUS LIST



July 2019

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The Focus List

Name	Returns at June 30, 2019					Correlations						
	3 Mth	1 Yr	3 Yr	5 Yr	Sharpe Ratio	Alpha	Beta	TSX	S&P 500	MSCI EAFE	FTSE/TMX Cdn Bond Universe	MER
Fixed Income - Core												
1 Franklin Bissett Core Plus Bond Fund	2.4%	5.9%	2.8%	3.1%	0.18	-0.03%	0.88	0.269	0.442	0.519	0.936	1.43%
2 Leith Wheeler Corporate Advantage Sr. F	1.3%	3.2%	3.0%	3.6%	0.25	0.11%	0.42	0.471	0.557	0.642	0.676	0.53%
3 Lysander-Canso Sht Trm & Fltng Rate	0.3%	1.2%	1.4%	1.5%	0.22	0.08%	0.28	0.293	0.449	0.549	0.464	1.34%
4 Invesco 1-5 Yr Laddered Corp Bond	1.3%	4.0%	1.2%	1.5%	0.12	-0.03%	1.01	0.165	0.370	0.496	0.848	0.99%
Fixed Income - Specialty												
1 IA Clarington Floating Rate Income	1.0%	5.0%	3.8%	3.3%	0.33	0.23%	0.12	0.671	0.325	0.398	0.046	1.85%
2 Manulife Strategic Income Fund	1.6%	4.3%	1.7%	3.6%	0.21	0.09%	0.66	0.129	0.462	0.537	0.672	2.00%
3 PIMCO Monthly Income Fund	2.1%	6.2%	4.1%	2.9%	0.20	0.21%	0.10	0.444	0.170	0.296	0.138	1.38%
4 NinePoint Diversified Bond Fund - NEW	1.3%	2.5%	3.3%	2.6%	0.19	0.03%	0.55	0.351	0.432	0.651	0.563	1.98%
5 RBC Global Corporate Bond	2.8%	6.9%	2.5%	2.8%	0.17	0.04%	0.59	0.403	0.322	0.441	0.716	1.75%
Canadian Equity - Core												
1 CI Cambridge Cdn Equity	1.4%	3.5%	6.3%	5.4%	0.17	0.16%	0.73	0.810	0.749	0.621	0.122	2.44%
2 Fidelity Canadian Large Cap Fund	0.6%	3.9%	3.3%	4.6%	0.20	0.27%	0.29	0.497	0.662	0.611	0.470	2.52%
3 Mackenzie Canadian Growth (NEW)	6.1%	6.8%	13.1%	13.0%	0.35	0.77%	0.70	0.669	0.853	0.743	0.368	2.46%
4 Manulife Dividend Income Fund	4.2%	12.2%	10.7%	10.2%	0.34	0.54%	0.72	0.859	0.639	0.530	0.251	2.28%
5 RBC North American Value Fund	1.3%	0.3%	7.4%	5.7%	0.17	0.16%	0.79	0.870	0.783	0.660	0.108	1.93%

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	3 Mth	1 Yr	3 Yr	5 Yr	Sharpe Ratio	Alpha	Beta	TSX	S&P 500	MSCI EAFE	FTSE/TMX Cdn Bond Universe	MER	
Canadian Small Mid Cap Equity													
1	CI Cambridge Pure Canadian Equity	0.4%	-5.6%	3.5%	1.7%	0.04	0.03%	0.80	0.820	0.468	0.451	0.041	2.43%
2	IA Clarington Canadian Small Cap	1.4%	-3.4%	3.4%	1.5%	0.03	0.03%	0.68	0.797	0.258	0.203	-0.185	2.92%
3	Sentry Small Cap Income Fund	-0.1%	-1.7%	6.3%	4.3%	0.11	0.25%	0.73	0.832	0.706	0.604	0.052	2.43%
US Equity - Core													
1	Capital Group U.S. Equity Fund	-2.5%	-4.1%			0.23	-0.26%	0.82	0.575	0.911	0.757	0.233	2.01%
2	Manulife U.S. Equity Fund	3.3%	14.5%	14.2%	14.6%	0.36	0.08%	0.89	0.390	0.959	0.743	0.399	2.46%
3	RBC O'Shaughnessy U.S. Value Fund	3.8%	-0.4%	11.6%	5.4%	0.11	-0.41%	0.75	0.753	0.596	0.441	-0.172	1.55%
4	TD U.S. Blue Chip	1.5%	8.2%	20.0%	17.5%	0.33	-0.01%	1.15	0.398	0.925	0.851	0.391	2.38%
5	Invesco U.S. Companies Fund	1.9%	10.0%	15.3%	13.3%	0.27	-0.26%	1.11	0.484	0.959	0.777	0.349	2.76%
US Small Mid-Cap Equity													
1	Fidelity Small Cap America	0.7%	10.8%	9.3%	12.4%	0.29	0.50%	0.56	0.347	0.852	0.652	0.439	2.47%
2	TD U.S. Mid - Cap Growth Fund	4.7%	14.1%	15.6%	16.0%	0.34	0.64%	0.69	0.460	0.937	0.757	0.398	2.55%
3	Invesco U.S. Small Companies Class	-1.0%	0.4%	10.1%	7.5%	0.16	0.01%	0.68	0.525	0.817	0.608	0.277	2.94%
Global / International Equity - Core													
1	EdgePoint Global Portfolio	2.5%	2.4%	14.2%	12.6%	0.29	0.24%	0.84	0.612	0.789	0.648	0.098	2.13%
2	Guardian Fundamental Global Equity	2.6%	8.5%	17.0%	N/A	0.36	0.32%	0.86	0.472	0.903	0.839	0.342	1.89%
3	IA Clarington Global Equity	-2.1%	-4.7%	7.1%	6.6%	0.18	-0.23%	0.82	0.654	0.892	0.802	0.248	2.52%
4	Manulife World Investment	2.3%	1.4%	7.2%	7.8%	0.19	0.14%	0.86	0.397	0.771	0.901	0.619	2.56%
5	Invesco International Companies Fund	-3.5%	-3.4%	6.0%	8.1%	0.17	0.15%	0.93	0.639	0.746	0.822	0.445	2.70%

Name	Returns at June 30, 2019					Correlations						
	3 Mth	1 Yr	3 Yr	5 Yr	Sharpe Ratio	Alpha	Beta	TSX	S&P 500	MSCI EAFE	FTSE/TMX Cdn Bond Universe	MER
Global Small Mid Cap Equity												
1 Brandes Global Small Cap	-4.2%	-14.0%	-1.0%	3.2%	0.08	-0.40%	0.78	0.544	0.757	0.813	0.241	2.69%
2 Fidelity NorthStar Fund	-4.0%	-6.2%	0.3%	4.3%	0.14	-0.08%	0.51	0.142	0.738	0.709	0.534	2.52%
3 Invesco Global Endeavour	0.2%	-1.5%	7.6%	8.2%	0.21	-0.03%	0.81	0.467	0.845	0.823	0.432	2.58%
Specialty / Sector Funds												
1 BMO Asian Growth & Income Fund	-0.2%	5.8%	3.6%	4.5%	0.12	-0.12%	0.69	0.373	0.663	0.771	0.631	2.61%
2 Brandes Emerging Markets	1.8%	3.8%	7.7%	2.6%	0.06	-0.26%	0.85	0.563	0.280	0.504	0.220	2.70%
3 Invesco Emerging Markets Fund	-3.7%	-4.4%	5.7%	5.9%	0.12	-0.08%	0.99	0.582	0.571	0.680	0.366	2.77%
4 Dynamic Power Global Growth Class	2.3%	-4.1%	15.6%	13.9%	0.22	0.01%	1.26	0.381	0.677	0.691	0.428	4.03%
Balanced / Income Funds												
1 CI Signature High Income Fund	2.2%	7.2%	5.3%	3.4%	0.13	-0.01%	0.80	0.748	0.743	0.698	0.448	1.59%
2 EdgePoint Global Growth & Income Portfolio	1.2%	2.3%	10.6%	9.5%	0.31	0.21%	0.71	0.609	0.792	0.663	0.115	2.03%
3 Fidelity Canadian Balanced Fund	3.1%	4.9%	4.9%	4.9%	0.19	0.10%	0.83	0.665	0.771	0.736	0.614	2.27%
4 Manulife Monthly High Income Fund	2.0%	5.5%	5.5%	6.2%	0.27	0.27%	0.62	0.737	0.747	0.577	0.326	2.02%
6 TD Monthly Income Fund	1.9%	3.3%	5.6%	4.3%	0.17	0.05%	0.80	0.937	0.570	0.506	0.135	1.48%
Passive Options												
TD Canadian Bond Index Fund	2.2%	6.5%	1.8%	3.0%	0.17	-0.06%	0.98	0.094	0.343	0.403	0.990	0.83%
RBC Canadian Index Fund	2.4%	2.7%	7.5%	3.8%	0.11	-0.06%	0.97	1.000	0.482	0.488	0.103	0.66%
TD U.S. Index Fund	2.0%	9.1%	13.7%	14.3%	0.33	-0.06%	0.99	0.475	0.998	0.797	0.351	0.55%
TD International Index Fund	1.3%	-0.1%	8.4%	5.5%	0.13	-0.11%	0.99	0.468	0.795	0.994	0.423	1.00%

Benchmark Returns at June 30, 2019

Benchmark	3 mth	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Fixed Income					
FTSE TMX 90 Day T-Bill Index	0.42%	1.60%	0.96%	0.85%	0.80%
FTSE TMX Short Term Bond Index	0.91%	4.08%	1.53%	1.91%	2.53%
FTSE TMX Canadian Bond Universe	2.51%	7.36%	2.66%	3.87%	4.53%
Canadian Equity					
S&P/TSX 60 Capped Index	2.98%	4.86%	9.51%	5.67%	6.75%
S&P/TSX Composite	2.58%	3.87%	8.39%	4.67%	7.79%
S&P/TSX Completion Index TR	1.24%	0.85%	5.06%	1.78%	8.61%
S&P/TSX Small Cap Index TR	-0.26%	-8.12%	0.15%	-1.61%	5.94%
U.S. Equity					
S&P 500 C\$	2.15%	9.74%	14.69%	15.49%	16.14%
Russell 2000 C\$	-0.02%	-3.90%	12.53%	11.52%	14.80%
Global & Specialty Equity					
MSCI EAFE C\$	1.82%	0.98%	9.87%	7.01%	8.70%
MSCI World C\$	2.04%	6.28%	12.62%	11.66%	12.68%
MSCI World Small / Mid Cap Index C\$	1.01%	-0.39%	11.14%	10.64%	13.56%
MSCI Europe C\$	2.75%	1.92%	10.01%	6.11%	8.91%
S&P/TSX Capped REIT Index	-1.54%	14.26%	8.89%	8.43%	13.61%
MSCI Emerging Markets C\$	-1.35%	0.98%	11.29%	7.14%	7.44%
MSCI Pacific C\$	0.35%	-0.50%	9.89%	8.91%	8.40%
MSCI Pacific ex Japan C\$	3.02%	7.53%	12.30%	8.50%	10.36%
MSCI ACWI C\$	1.66%	5.67%	12.45%	11.17%	12.05%
MSCI All China C\$	-4.54%	0.17%	8.37%	11.10%	7.10%

Data Sources:

Fundata

FTSE / TMX

Bank of Canada

MSCI

Returns as of June 30, 2019

List Changes

Additions

NONE

Deletions

NONE

Funds of Note

Invesco 1 – 5 Year Laddered Corporate Bond (AIM 53203 – Front End Units, AIM 53207 – Fee Based Units)

Heading into the second quarter, the consensus was that the next moves from global central banks was going to be a hike in interest rates. That changed about two-thirds of the way into the quarter as the friction caused by the trade wars started to have a real impact on the economic numbers, and with no end in sight, created real uncertainty about the future. This caused a complete 180 and the consensus shifted that the next move was going to be a cut by central banks, with the only real debate being how big of a cut. In this environment, we saw yields move lower. In Canada, the yield on the benchmark five year Government of Canada Bond fell from 1.52% to 1.39%, after peaking in mid-April at 1.66%.

This created a strong environment for fixed income, and this fund was one of the best performers in the Canadian Short-Term Fixed Income category. For the quarter, it gained 1.3%, outperforming the 0.9% rise of the FTSE/TMX Short-Term Bond Index. This outperformance was largely due to the fund's overweight exposure to corporate bonds, which outperformed government issues in the quarter.

The portfolio uses a passive approach and is designed to replicate the performance of the FTSE TMX Canada Investment Grade 1 – 5 Year Laddered Corporate Bond Index. It invests in only investment grade corporate bonds, and only those rated BBB or better can be considered for inclusion in the index.

As the fund's name suggests, the portfolio uses a laddered approach. It is divided into five equally weighted buckets with maturities from one to five years. Each of these buckets receives an equal 20% weight in the portfolio, and each holds 10 bonds.

Beyond the credit quality requirements, bonds must meet certain liquidity and issue size thresholds before they can be included in the index. Within each of the term buckets, the ten largest, most liquid issues make it into the fund.

Every June, the portfolio is re-run. When this happens, bonds that were in the one year term bucket are removed from the fund, while bonds in each of the other term buckets will roll down to the next bucket. For example, a bond that was in the three year bucket prior to June, will automatically roll into the two year bucket.

An interesting feature of the fund that results from this laddered approach is you will see the duration jump after each rebalancing. This occurs because new, longer dated bonds are added to the portfolio while the shortest dated bonds roll off. Over the year, the duration gradually falls, only to have the cycle repeat.

While not as exciting as some other short-term offerings available, I like it for a few reasons. It is fully transparent, helping you better understand what you are investing in. With its focus on corporate bonds, the portfolio yield will often be higher than other, more diversified short term funds. This is because investors typically demand a higher return to hold corporate bonds. As a result, it is expected to outperform in most market environments. One caveat is that if there is a sharp equity market selloff or a flight to safety that happens, this fund will likely lag as investors tend to favour government issues in such situations. It is also reasonably priced, with an MER of 0.99% for the full freight dealer sold units, and 0.39% for the fee based units. It's also available as an ETF for those who wish to "do it yourself".

IA Clarington Floating Rate Income Fund (CCM 9940 – Front End Units, CCM 9944 – Fee Based Units)

In a rising interest rate environment, floating rate bonds and leveraged loans tend to be popular with investors. Unlike traditional bonds that pay a set coupon, these floating rate investments pay a coupon that is linked to an underlying interest rate like LIBOR. As the reference interest rate rises, so too will the coupon payment on a floating rate bond. Coupon payments are adjusted regularly resulting in virtually no interest rate risk. Another attractive feature these instruments tend to be unrated or below investment grade in credit quality. Because of this, they offer coupon payments that are higher than what is available through traditional corporate bonds.

In the very low interest rate environment we have been experiencing, these types of funds have garnered a significant amount of investor interest. Prior to the financial crisis in 2008, there were only two floating rate funds widely available. Today, that number is more than 15, with this fund from IA Clarington being the largest at more than \$1.2 billion in assets.

It is managed by a team headed by Jeff Sujitno that uses a very conservative credit analysis investment process that looks to find issues from high quality companies they believe have the ability to continue to deliver strong free cash flow, sustain or grow revenues, and keep their balance sheets fundamentally sound. The portfolio is well-diversified, holding between 100 and 125 loans. These loans are primarily issued in U.S. dollars, so all currency exposure is fully hedged.

Unlike some of the peers who are more active in their approach, the team is quite content holding what they believe to be higher quality issues and collecting a reasonable level of coupon income. Because of this patient approach, volatility of the fund has been well below the peer group over the past three and five year periods. Another byproduct of this patient approach is absolute performance has been middle of

the pack. However, when you combine the average return with the below average volatility you get a fund that has delivered a risk adjusted return that leads the category.

While some of the other funds in the category have done an excellent job at delivering outsized absolute returns, I'm not sure those are sustainable going forward. While there are many positives to floating rate instruments, there are also many risks that are often overlooked. Investors will often only look at an investment's volatility level when assessing its risk. This can be misleading. For example, many believe that floating rate instruments, with their low level of volatility are a great short term parking spot for their cash like money market or short term bonds. This is an incorrect assumption. Remember, these instruments are often unrated or below investment grade, meaning they carry a significant amount of credit risk. Looking back to the financial crisis, the **BMO Floating Rate Income Fund** fell by nearly 50% in 2008 and the **Invesco Floating Rate Income Fund** was now nearly 30%. Yes, both funds bounced back sharply in 2009, recovering a substantial portion of their losses, but this potential volatility make these types of funds unsuitable parking spots for cash. This is particularly true as we are very late cycle, and there is much uncertainty in the markets.

Adding to the risk is the estimate that 80% of leveraged loan debt is "covenant lite". This means many of the investor protections built into earlier issues are no longer included. That increases the risk for investors and will make it more difficult to fully recover capital in the event of a default. With economic growth starting to show, it is expected we may see default rates increase.

In the event default rates move higher, I believe the conservative, credit focused investment style of this fund will help to better protect capital compared to some of the more aggressive peers. As a result, this remains my top pick in the Floating Rate Fixed Income category.

Mackenzie Canadian Growth Fund (MFC 650 – Front End Units, MFC 090 – Fee Based Units)

Back in March, I added this fund to the Mutual Fund Focus List and with a category leading second quarter return of 6.1%, it did not disappoint. Managed by the team of Dina DeGeer and David Arpin, it is a concentrated portfolio of well-managed, niche companies with sustainable competitive advantages, a history of strong free cash flow generation, and growth rates that exceed both the economy and their peers. Unlike some other growth focused managers, valuation is considered in the security selection process. To make sure they don't overpay, the team builds out a valuation model based on a company's free cash flow to provide them with an idea of what the company is truly worth. Only those companies trading at a meaningful discount to what they believe a company is worth are added to the portfolio.

Not surprisingly, the portfolio has a growth tilt to it with an overweight to technology, industrials, healthcare, and consumer names. As result, valuation levels are well above the broader market. With interest rates likely to remain flat or move lower, it is expected that growth focused investments will continue to benefit compare with more value focused names, which is a positive for this fund.

While I don't expect the recent outperformance to continue indefinitely, the skilled management team and their disciplined investment process should allow the fund to continue to perform better than average in the near to medium term.

Given its growth tilt and current valuation levels, I would suggest being very active in taking profits in this fund. If you experience a reasonable level of growth, take some profits and bring the allocation back to a level that is in line with your investment objectives and risk tolerance. This will help to increase your overall returns over the long-term and help preserve capital in the event of a meaningful selloff in the markets.

Capital Group U.S. Equity Fund (CIF 847 – Front End Units, CIF 827 – Fee Based Units)

The Capital Group U.S. Equity Canada Fund is modelled after the firm's oldest portfolio, the Investment Company of America, a fund that was launched in 1933, and boasts a strong track record of performance. Like all Capital Group funds, it is managed using a multi-manager approach, divided into different sleeves that are managed independently by managers of different backgrounds and styles. There is also a portion of the fund that is made up of the top picks from the firm's analyst teams. The result is a portfolio that tends to be style agnostic.

Overseeing the portfolio is the firm's Portfolio Coordinating Group, who monitor it in real time. They are responsible for setting the manager mix, based on their outlook for the environment. While there is this top down overview, the security selection is very much bottom up, resulting in a sector mix is much different than its index. The portfolio has a growth tilt to it, with an overweight to technology and healthcare. Despite this growth tilt, valuation levels are roughly in line with the broader market. It holds 70 names, with the top ten making up just over a third of the fund.

The managers take a longer-term outlook to investing, which is reflected by their very modest 23% average annual portfolio turnover. Capital Group is well known for its high level of manager co-investment in the funds. Nearly all of the firm's managers had more than \$1 million invested in their mandates, aligning their interests with their investors.

Costs are very reasonable, with an MER of 2.05%, which is well below the category average.

Despite the very solid long-term history of the U.S. based version of the fund, it has struggled recently. In second quarter, performance lagged as a result of a poor showing from holdings in the consumer staples and healthcare sector. An overweight to energy, which trailed in Q2 was also a headwind.

To be honest, I was a little surprised at the poor showing in the second quarter but am watching to ensure a turnaround occurs with the fund. Given the well-staffed management team, the disciplined investment process, the alignment of manager interests with investors, and the long-term track record of the firm and the fund, I remain confident performance will normalize.

Looking ahead, with its emphasis on risk management, I expect it will deliver index like or better returns with volatility levels that are slightly better than the broader market over the long-term.

Fixed Income Core

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
Franklin Bissett Core Plus Bond Fund	Top Down Macro Fundamental Security section	Thomas O’Gorman Darcy Briggs	1.43%	\$1,927.6	High current income and some long-term capital appreciation by investing primarily in Canadian federal and provincial government, and corporate bonds, debentures and short-term notes.
Leith Wheeler Corporate Advantage	Top Down Macro Fundamental Security section	Jim Gilliland Catherine Heath Dhruv Mallick	0.79%	\$160.8	The Fund will invest in Canadian fixed income securities including corporate bonds, preferred shares, high-yield debt, loans, convertible debt and guaranteed mortgages. It may also invest in foreign securities. The Fund will invest in broad range of companies and is not restricted by capitalization or industry sector, although portfolio diversification is a consideration in the selection of securities The Fund intends to keep its portfolio fully invested to the greatest extent possible.
Lysander-Canso Sht Trm & Fltng Rate	Fundamental Credit Analysis	John Carswell	1.32%	\$135.9	The Fund’s objective is to provide total returns consisting principally of interest income and floating rate debt securities of Canadian and foreign issuers.
Invesco 1-5 Year Laddered Corp Bond	Rules Based	Invesco Management Team	0.99%	\$293.1	Invesco 1-5 Year Laddered Corporate Bond Index ETF Fund seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the FTSE Canada Investment Grade 1-5 Year Laddered Corporate Bond Index, or any successor thereto (the “Index”).

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		Risk	
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr		
Frkln Bissett Core Plus Bond	2.4	5.9	2.8	3.1	3.8	-0.6	2.9	3.3	0.6	7.3	-1.4	107%	86%	75%	67%	3.70%	
	Quartile	2	3	1	2	2	4	1	1	4	2	2					
Leith Wheeler Corp.Advantage	1.3	3.2	2.7	2.9	-	-0.9	3.0	4.4	1.6			53%	45%	8%	2%	2.42%	
	Quartile	4	4	3	3	-	4	1	1	3							
Lys. Cnso Sht Trm Fltng Rate	0.4	1.2	1.4	1.5	-	0.3	0.9	2.8	1.4	2.2	-	23%	29%	-27%	-23%	0.86%	
	Quartile	4	4	2	2	-	4	1	1	2	3	-					
PShrs 1-5 Yr Lad. Corp Bond	1.3	4.0	1.2	1.5	-	0.8	-0.2	1.3	1.8	2.8	1.4	83%	68%	54%	45%	1.57%	
	Quartile	1	1	3	2	-	3	3	2	2	1	1					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios are run against the FTSE TMX Canadian Universe Bond Index, except for PowerShares 1-5 Year Laddered Corporate Bond Fund, which is against the FTSE TMX Canadian Short Term Bond Index

Fixed Income Specialty

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
IA Clarington Floating Rate Income Fund	Bottom up Credit	Jeff Sujitno Amar Dhanoya	1.85%	\$1,225.9	Seeks to provide unitholders with a stream of current monthly income by investing primarily in senior floating rate loans, other floating rate securities and debt obligations of North American and global corporate issuers, both investment & non-investment grade.
Manulife Strategic Income	Tactical	Dan Janis Thomas Goggins	2.00%	\$8,680.6	Seeks to generate income while keeping an emphasis on capital preservation. The Fund invests in a diverse portfolio of government and corporate debt from developed and emerging markets. It also invests in U.S. government and agency securities and high yield bonds.
PIMCO Monthly Income Fund	Tactical	Alfred Murata Daniel Ivascyn	1.40%	\$20,898.8	Seeks to maximize current income consistent with preservation of capital and prudent investment management. Long-term capital appreciation is a secondary objective. It invests primarily in a diversified portfolio of non-Canadian dollar Fixed Income Instruments of varying maturities.
NinePoint Diversified Bond Fund	Tactical	Mark Wisniewski Chris Cockeram Etienne Bordeleau	1.98%	\$400.1	The Fund's investment objectives are to maximize the total return of the Fund and to provide income by investing primarily in debt and debt-like securities of corporate and government issuers from around the world.
RBC Global Corporate Bond	Credit Analysis	Frank Gambino Marty Balch Soo Boo Cheah	1.58%	\$8,675.0	To provide a high level of interest income with the potential for modest capital growth by investing primarily in global corporate bonds.

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
IA Clarington Floating Rate Inc	1.0	5.0	3.8	3.3	-	0.4	2.4	6.5	0.9	3.9	-	17%	9%	-27%	-29%	2.13%
Quartile	2	1	3	2	-	2	2	3	2	2						
Manulife Strategic Income	1.6	4.3	1.7	3.6	5.2	-2.5	2.6	3.1	5.5	8.1	4.5	13%	29%	-3%	4%	3.82%
Quartile	2	3	3	2	1	4	4	4	1	1	2					
PIMCO Monthly Income Fund	2.1	6.2	5.1	4.2	-	0.0	6.4	7.1	2.4	5.3	6.3	30%	14%	-21%	-28%	2.31%
Quartile	2	2	1	1	-	3	1	1	3	4	1					
NinePoint Diversified Bond	1.3	2.5	3.3	2.6	-	-0.7	4.3	5.1	1.8	3.3	2.9	22%	14%	-9%	-9%	2.67%
Quartile	3	4	1	3	-	3	3	4	2	3	3					
RBC Global Corporate Bond	2.4	6.0	1.5	3.1	3.5	1.1	3.6	5.1	-0.6	6.7	-0.6	33%	33%	24%	18%	3.16%
Quartile	1	2	3	3	2	2	1	1	4	3	3					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios run against the most appropriate benchmark

Canadian Equity Core

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
CI Cambridge Canadian Equity	Large Cap Blend	Brandon Snow	2.44%	\$4,677.3	Seeks to achieve long-term capital growth by investing, directly or indirectly, primarily in equity securities of Canadian companies. Indirect investments may include convertible securities, derivatives, equity-related securities and securities of other mutual funds.
Fidelity Canadian Large Cap	Large Cap Value	Daniel Dupont	2.31%	\$4,265.7	The fund aims to achieve long-term capital growth. It invests primarily in equity securities of Canadian companies and tends to focus on large companies.
Mackenzie Canadian Growth	Large Cap Growth	Dina DeGeer David Arpin	2.46%	\$3,125.5	The Fund invests mainly in Canadian equity securities issued by Canadian corporations to achieve long-term capital growth and provide a reasonable rate of return.
Manulife Dividend Income Fund	Large Cap Blend	Alan Wicks Conrad Dabiet Jonathan Popper	2.28%	\$4,713.5	Seeks to provide a combination of income and long-term capital appreciation. It invests in a diversified portfolio of mainly Canadian dividend paying equity securities. It may also invest in REITs.
RBC North American Value	Large Cap Blend	Stu Kedwell Doug Raymond David Tron	1.88%	\$3,160.7	To provide long-term capital growth by investing primarily in equity securities of Canadian and/or U.S. companies priced below their true value and offering long-term opportunities for growth.

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
CI Cambridge Cdn Equity	1.4	3.5	6.3	5.4	10.4	-7.1	4.0	16.0	0.6	14.2	27.2	83%	83%	93%	68%	8.24%
Quartile	3	2	3	2	1	2	4	1	2	1	1					
Fidelity Canadian Large Cap	0.7	4.1	3.5	4.9	11.2	-0.2	-0.1	10.2	3.6	10.6	36.6	44%	52%	47%	29%	5.37%
Quartile	4	2	4	2	1	1	4	3	1	2	1					
Mackenzie Canadian Growth	6.1	6.8	13.1	12.9	10.7							101%	105%	550%	30%	9.69%
Quartile	1	1	1	1	1											
Manulife Dividend Income	4.3	12.2	10.7	10.2	-	-4.6	12.8	15.7	-1.1	5.1	9.5	89%	94%	54%	41%	7.69%
Quartile	1	1	1	1	-	1	1	3	1	4	4					
RBC North American Value	1.3	0.4	7.5	5.7	9.6	-8.9	11.2	12.7	-0.3	7.6	23.1	90%	87%	93%	70%	8.37%
Quartile	3	3	2	2	1	3	1	3	4	3	2					

Note: Risk is the annualized three or five-year standard deviation
Upside and downside capture ratios are run against the S&P/TSX Composite Total Return Index, except for RBC North American Value, which is calculated against the MSCI North America GR CAD

Canadian Small Mid-Cap Equity

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
CI Cambridge Pure Canadian Equity	Small Cap Growth	Greg Dean Stephen Groff	2.43%	\$301.4	This fund invests primarily in equity securities of Canadian companies. The fund may invest up to 10% of its assets in foreign market investments.
IA Clarington Canadian Small Cap	Small Cap Value	Joe Jugovic Ian Cooke	2.92%	\$905.7	The Fund's objective is to maximize long-term growth of capital by investing primarily in equity securities of small capitalization Canadian companies. Substantially similar funds are also available as NEI Ethical Special Equity and CI Can-Am Small Cap .
Sentry Small Mid Cap Income Fund	Mid Cap Blend	Aubrey Hearn Michael Simpson	2.43%	\$1,424.3	The Fund's investment objective is to provide consistent monthly income and capital appreciation by investing in equity securities of small and medium capitalization companies and trusts, as well as preferred securities and convertible debentures and, to a lesser extent, in other interest-bearing securities, such as bonds, bills or bankers' acceptances.

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
CI Cambridge Pure Cdn Equity	0.4	-5.6	3.5	1.8	-	-12.9	-0.4	21.9	-5.8	14.7	47.3	83%	85%	91%	83%	9.98%
Quartile	3	3	2	2	-	2	4	2	3	1	1					
IA Clarington Cdn Small Cap	1.4	-3.4	3.4	1.5	10.3	-12.3	1.9	22.3	-6.8	5.9	37.3	79%	70%	86%	69%	8.76%
Quartile	2	2	2	2	2	1	3	2	3	2	1					
Sentry Small Mid Cap Income	-0.1	-1.7	6.3	4.4	14.2	-10.4	8.4	14.6	-0.2	12.7	36.4	89%	81%	71%	59%	9.69%
Quartile	4	2	3	2	1	2	3	3	3	1	1					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios are run against the S&P/TSX Completion Index

U.S. Equity Core

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
Capital Group U.S. Equity Fund	Large Cap Blend	Christopher Buchbinder Barry Crosthwaite Mark Hickey	2.01%	\$140.8	Seeks long-term growth of capital and income through investments primarily in common stocks of U.S. issuers. The Fund focuses on investments in medium to larger capitalization companies. The Fund may invest up to 15% of its assets at the time of purchase, in securities of issuers domiciled outside the United States.
Manulife U.S. Equity Fund	Large Cap Blend	Grayson Witcher	2.46%	\$636.6	Mirrors the respected Mawer U.S. Equity Fund . It seeks long-term capital growth. The Fund seeks to provide above-average long-term rates of return by investing in common shares of U.S. companies.
RBC O'Shaughnessy U.S. Value	Large Cap Value	Jim O'Shaughnessy Patrick O'Shaughnessy	1.49%	\$1,291.1	Seeks to provide long-term total return by investing primarily in equity securities of U.S. companies. Uses systematic rigorous and disciplined approach to stock selection based on characteristics associated with above-average returns over long periods of time.
TD U.S. Blue Chip	Large Cap Growth	Larry Puglia	2.38%	\$4,689.5	Seeks to achieve long-term capital growth by investing in large and medium-sized blue chip companies located in the United States which are well established in their respective industries with the potential for above average growth.
Invesco U.S. Companies	Large Cap Growth	Jim Young	2.59%	\$700.2	The Fund seeks to provide strong capital growth over the long term. The Fund invests primarily in equities of American companies.

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
Capital Group U.S. Equity	-2.5	-4.1	7.4	9.0	-	-2.3	8.0	15.5	7.9	-	-	73%	74%	101%	91%	10.46%
Quartile	4	4	4	4	-	3	2	1	4							
Manulife U.S. Equity	3.3	14.5	14.2	14.6	13.8	8.7	11.9	4.5	17.9	19.3	40.5	95%	96%	91%	93%	10.80%
Quartile	2	1	1	1	2	1	3	3	2	2	2					
RBC O'Shaughnessy US Val	3.9	-0.3	11.7	5.5	13.6	-13.3	21.5	12.6	-8.9	10.7	47.5	79%	55%	74%	78%	14.61%
Quartile	1	4	3	4	2	4	1	1	4	4	1					
TD U.S. Blue Chip	1.5	8.2	20.0	17.5	16.5	9.1	25.5	-4.7	30.8	16.8	47.6	112%	115%	79%	112%	14.49%
Quartile	3	2	1	1	1	1	1	4	1	3	1					
Invesco U.S. Companies	1.9	10.0	15.3	13.3	14.3	-0.4	21.8	-1.9	15.4	25.7	40.8	110%	106%	114%	127%	13.43%
Quartile	3	1	1	2	2	2	1	3	2	1	2					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios are run against the S&P 500 C\$ Total Return Index

U.S. Small Mid-Cap Equity

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
Fidelity Small Cap America	Mid Cap Blend	Steve MacMillan	2.27%	\$2,833.2	The fund aims to achieve long-term capital growth. It invests primarily in equity securities of U.S. small capitalization companies.
TD U.S. Mid Cap Growth Fund	Mid Cap Growth	Brian Berghuis John Wakeman	2.56%	\$2,112.5	The fundamental investment objective is to seek to achieve long-term capital growth by investing primarily in equity securities of medium sized issuers in the United States.
Invesco U.S. Small Companies	Small Cap Blend	Rob Mikalachki Virginia Au Jason Whiting	3.06%	\$171.9	The Fund seeks to provide strong capital growth over the long term. The Fund invests mainly in common shares of a diversified group of U.S. companies with small market capitalizations

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
Fidelity Small Cap America	0.7	11.1	9.5	12.7	17.4	5.3	6.3	-1.4	24.3	17.5	54.2	56%	74%	42%	53%	11.40%
Quartile	3	1	2	1	1	1	3	4	1	1	1					
TD U.S. Mid Cap Growth Fund	4.7	14.1	15.6	16.0	16.8	3.9	15.7	1.1	25.9	21.5	43.8	81%	90%	51%	61%	12.80%
Quartile	1	1	1	1	1	1	3	4	1	1	2					
Invesco U.S. Small Companies	-1.1	0.4	10.1	7.5	13.8	-6.9	7.1	14.6	2.5	16.3	33.4	75%	68%	72%	70%	12.49%
Quartile	4	2	2	3	2	2	1	2	4	1	4					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios are run against the Russell 2000 C\$ Total Return Index

Global / International Equity Core

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
EdgePoint Global Portfolio	Large Cap Blend	Tye Bousada Geoff MacDonald Ted Chisholm	2.12%	\$11,311.2	The Fund's objective is to provide long-term capital appreciation by investing primarily in global equity securities.
Guardian Fundamental Global Equity	Large Cap Blend	Michael Boyd Giles Warren	1.89%	\$327.6	The primary objective of the Fund is to achieve long-term capital appreciation through investment in a portfolio of high quality equity or equity-related securities of issuers throughout the world.
IA Clarington Global Equity Fund	Large Cap Value	Joe Jugovic	2.42%	\$306.5	The fund seeks to provide a combination of income and long-term capital growth through investment in a portfolio consisting primarily of equity securities of businesses located around the world.
Manulife World Investment	Large Cap Blend	David Ragan Peter Lampert	2.56%	\$1,960.3	The Fund seeks to provide long-term growth and capital gains to provide diversification of risk by investing primarily in equities of companies located outside of Canada and the United States.
Invesco International Companies Fund	Large Cap Growth	Jeff Feng Matt Pedan	2.70%	\$483.4	The Fund seeks to provide strong capital growth over the long term. The Fund invests primarily in securities of issuers located outside of Canada and the United States.

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		5 yr. Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
EdgePoint Global	1.5	1.3	13.8	12.4	13.3	-3.4	16.7	13.4	12.7	18.7	44.5	107%	101%	101%	91%	11.76%
Quartile	3	4	1	1	1	2	1	1	2	1	1					
Gdn Fndmntl Glb Eq	2.6	8.5	16.7	-	-	8.9	22.6	2.6	-	-	-	118%	N/A	95%	N/A	10.26%
Quartile	2	1	1	-	-	1	1	3								
IA Clarington Glb Eqty	-2.1	-4.7	7.2	-	-	-5.0	12.5	8.3	8.8	8.2	21.1	83%	N/A	116%	N/A	10.07%
Quartile	4	4	4	-	-	3	3	1	3	3	3					
Manulife World Inv.	2.3	1.4	7.2	7.8	9.7	-5.2	21.0	-4.0	19.4	7.3	21.6	92%	96%	111%	88%	11.00%
Quartile	2	2	3	1	1	2	1	3	2	1	4					
Invesco Int'l Comps.	-3.5	-3.4	6.0	8.1	9.6	-14.3	20.5	2.2	17.3	12.2	27.6	101%	104%	143%	99%	13.05%
Quartile	4	4	4	1	1	4	1	1	2	1	2					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest

Upside and downside capture ratios are run against the MSCI World Gross Index C\$ for Global Equity funds & MSCI EAFE Gross Index C\$ for International Equity funds

Global / International Small / Mid-Cap Equity

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
Brandes Global Small Cap	Small Cap Value	Brandes Management Team	2.69%	\$221.8	The investment objective is to achieve long-term capital appreciation by investing primarily in equity securities of Canadian and non-Canadian issuers with small equity market capitalizations at the time of purchase. The Fund is not subject to any specific geographic diversification requirements
Fidelity NorthStar Fund	Mid Cap Value	Joel Tillinghast Daniel Dupont	2.32%	\$5,616.1	The Fund aims to achieve long-term capital growth. The Fund invests primarily in a mix of equity securities and fixed income securities from around the world.
Invesco Global Endeavour	Large Cap Blend	Jeff Hyrich Erin Greenfield	2.55%	\$1,679.5	The Fund seeks to generate long-term capital growth by investing primarily in mid-cap equity securities from anywhere in the world.

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		5 yr. Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
Brandes Global Small Cap	-4.2	-14.0	-1.0	3.2	11.5	-14.1	1.7	14.2	22.2	8.1	34.8	41%	63%	98%	93%	10.57%
Quartile	4	4	4	4	2	4	4	1	1	3	3					
Fidelity NorthStar Fund	-4.0	-6.0	0.5	4.6	9.5	-5.1	4.1	-2.0	24.9	13.5	46.0	32%	48%	64%	52%	7.91%
Quartile	4	3	4	3	3	1	4	4	1	1	1					
Invesco Global Endeavour	0.2	-1.5	7.6	8.2	12.6	-7.2	15.4	1.3	18.8	11.0	31.9	77%	83%	97%	92%	10.31%
Quartile	4	4	3	2	1	3	2	3	1	2	2					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios are run against the MSCI World Small/Mid Cap C\$ Gross Index

Specialty / Sector Funds

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
BMO Asian Growth & Income	Large Cap Blend	Robert Horrocks Kenneth Lowe	2.61%	\$643.1	Seeks to provide income and capital appreciation by investing in a diversified portfolio comprised of convertible and higher yielding equity securities of Asian companies. The fund's emphasis is the Asian Tiger countries (Asia excluding Japan). The portfolio allows investors to participate in the potential of Asia with less volatility than a pure equity fund. Currency exposure is fully hedged
Brandes Emerging Markets Value	Large Cap Value	Brandes Management Team	2.70%	\$296.7	The fundamental investment objective of the Fund is to achieve long-term capital appreciation by investing primarily in the equity securities of companies located or active mainly in emerging markets. The Fund is not subject to any specific geographic diversification requirements. Regions in which the Fund may invest include Asia, Latin America, Europe and Africa.
Invesco Emerging Markets Fund	Large Cap Blend	Jeff Feng Matt Peden Ingrid Baker	3.25%	\$296.7	The Funds seeks to achieve capital growth over the long term by investing primarily in equity securities of companies located or active in emerging markets.
Dynamic Power Global Growth	Large Cap High Growth	Noah Blackstein	2.49%	\$1,464.0	Dynamic Power Global Growth Class seeks to provide long-term capital growth through investment in a broadly diversified portfolio consisting primarily of equity securities of businesses based outside of Canada.

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		5 yr. Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
BMO Asian Growth & Inc.	-0.3	5.8	3.6	4.5	6.8	-4.9	11.5	-2.9	10.2	6.7	9.3	57%	63%	84%	71%	9.89%
Quartile	1	1	4	4	3	1	4	2	4	3	4					
Brandes Emerging Mkts Value	1.8	3.8	7.7	2.6	6.4	-9.4	16.6	20.4	-6.9	-1.2	13.3	82%	77%	92%	100%	13.36%
Quartile	1	1	3	4	1	3	4	1	4	4	1					
Invesco Emerging Markets	-3.7	-4.4	5.7	5.9	-	-18.4	26.5	7.0	7.7	7.3	10.8	97%	101%	138%	112%	14.24%
Quartile	4	4	4	2	-	4	3	2	1	2	1					
Dynamic Power Global Growth	2.3	-4.1	15.6	13.9	14.8	-16.0	51.4	-12.0	24.5	9.1	40.6	115%	132%	100%	139%	18.57%
Quartile	2	4	1	1	1	4	1	4	1	2	1					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios are run against the most appropriate market index

Balanced / Income Funds

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
CI Signature High Income Fund	Tactical	Geoff Marshall Eric Bushell	1.59%	\$6,612.8	This fund's objective is to generate a high level of income and long-term capital growth. It invests primarily in high-yielding equity securities and Canadian corporate bonds.
EdgePoint Global Growth & Income Portfolio	Tactical	Tye Bousada Geoff MacDonald Ted Chisholm	2.01%	\$10,169.5	Seeks to provide a combination of long-term capital appreciation and income generation by investing primarily in global equity & fixed-income securities.
Fidelity Canadian Balanced Fund	Strategic	Geoff Stein David Wolf	2.06%	\$6,500.5	Seeks to achieve high total investment return. The fund uses a balanced approach. It invests primarily in a mix of Canadian equity securities, investment grade bonds, high yield securities and money market instruments.
Manulife Monthly High Income Fund	Strategic	Alan Wicks Conrad Dabiet Jonathan Popper	2.02%	\$9,348.6	Steady flow of monthly income and capital growth The Fund invests primarily in Canadian fixed income and large-cap Canadian equity securities. The Fund may also invest in securities of royalty trusts and real estate investment trusts ("REITs").
TD Monthly Income Fund	Tactical	Doug Warwick Gregory Kocik Michael Lough	1.46%	\$8,035.0	The fundamental investment objective is to seek to provide monthly income with capital appreciation as a secondary objective, by investing primarily in income-producing securities.

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		5 yr. Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
CI Signature High Income	2.2	7.2	5.3	3.4	8.0	-3.9	3.1	6.5	-1.0	8.6	8.6	71%	54%	78%	77%	5.76%
Quartile	1	1	3	4	1	3	4	2	4	2	4					
EdgePoint Gbl Grth & Income	1.2	2.3	10.5	9.5	11.1	-1.2	12.1	11.5	9.0	13.9	32.4	99%	93%	82%	75%	8.00%
Quartile	3	3	1	1	1	1	1	1	1	1	1					
Fidelity Canadian Balanced	3.1	4.8	5.0	5.1	7.2	-3.5	4.9	5.5	3.5	11.1	12.7	103%	107%	101%	86%	6.15%
Quartile	1	2	3	1	1	2	3	4	1	1	1					
Manulife Mthly High Income	2.0	5.5	5.5	6.2	8.1	-5.7	10.6	10.6	5.8	16.5	15.9	109%	112%	103%	73%	5.69%
Quartile	2	1	2	1	1	4	1	3	2	1	1					
TD Monthly Income Fund	1.9	3.3	5.6	4.3	7.2	-6.9	6.7	14.9	-3.8	9.9	8.9	121%	115%	125%	117%	6.03%
Quartile	2	3	2	2	1	4	2	1	4	1	4					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios are run against the respective balanced benchmarks.

Passive Options

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
TD Canadian Bond Index Fund	Cap Weighted Passive	Michelle Hegeman	0.83%	\$893.2	Seeks to maximize total return through both interest income and capital appreciation by tracking the performance of the FTSE TMX Canada Universe Bond Index. The Universe Index is comprised of Canadian investment-grade bonds which mature in more than one year.
RBC Canadian Index Fund	Cap Weighted Passive	RBC Global Asset Management	0.66%	\$797.4	To invest in equity securities in substantially the same proportion as its benchmark index, either directly or indirectly through investment in other mutual funds.
TD U.S. Index Fund	Cap Weighted Passive	Dino Vevaina Wilcox Chan	0.55%	\$1,361.0	The fundamental investment objective is to provide long-term growth of capital by primarily purchasing U.S. equity securities to track the performance of the S&P 500 Total Return Index. The S&P 500 Index is comprised of 500 widely-held U.S. issuers
TD International Index Fund	Cap Weighted Passive	Dino Vevaina Wilcox Chan	1.00%	\$756.4	The fundamental investment objective is to track the MSCI Europe, Australasia and Far East Index. The MSCI EAFE Index is a broadly diversified index consisting of equity securities of companies domiciled in developed markets outside the U.S. and Canada.

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		5 yr. Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
TD Canadian Bond Index	2.3	6.5	1.8	3.0	3.7	0.5	1.7	0.8	2.8	7.9	-2.0	108%	101%	97%	94%	3.87%
Quartile	3	3	3	2	3	3	3	4	1	1	2					
RBC Canadian Index	2.4	2.7	7.5	3.8	7.0	-9.3	8.2	20.1	-9.0	9.8	12.2	94%	95%	101%	100%	8.95%
Quartile	2	2	2	2	3	2	2	2	3	2	4					
TD U.S. Index	4.1	9.5	13.2	9.8	13.7	-5.2	20.8	7.3	20.5	22.9	40.0	97%	99%	96%	101%	11.11%
Quartile	3	2	2	1	1	1	2	2	1	1	2					
TD International Index	1.3	-0.1	8.4	5.6	7.1	-7.1	16.1	-3.1	18.3	2.0	28.6	95%	97%	103%	108%	11.47%
Quartile	2	3	2	3	3	2	3	2	2	2	2					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios are run against the most appropriate benchmark for the fund type

Model Portfolio Asset Mixes

To assist in the portfolio construction process, we have created a series of model portfolios. The asset mixes were created using our proprietary Portfolio Optimization Model which strives to create an asset mix which delivers the highest level of expected return for each level of expected risk. Our strategic asset mixes for each investor type are outlined below:

Fund	Conservative	Moderate Balanced	Balanced	Balanced Growth	Growth
Fixed Income (Total)	65% to 100%	45% to 70%	35% to 50%	20% to 40%	0% to 20%
Short Term Fixed Income	45%	-	-	-	-
Traditional Fixed Income	10%	35%	25%	10%	-
Specialty Fixed Income	10%	10%	10%	10%	-
Canadian Equity	0% to 20%	0% to 40%	0% to 50%	0% to 50%	0% to 50%
Canadian Large Cap	10%	25%	25%	25%	25%
Canadian Small/Mid Cap	10%	10%	10%	10%	10%
U.S. Equity	0% to 20%	0% to 40%	0% to 50%	0% to 50%	0% to 50%
U.S. Large Cap	-	-	10%	15%	25%
U.S. Small/Mid Cap	-	-	-	10%	10%
International / Global Equity	0% to 20%	0% to 40%	0% to 50%	0% to 50%	0% to 50%
Large Cap	15%	20%	20%	20%	30%
Small Cap	-	-	-	-	-
Specialty / Sector	0% to 20%	0% to 20%	0% to 20%	0% to 20%	0% to 20%
Healthcare	-	-	-	-	-
Real Estate	-	-	-	-	-
Resources	-	-	-	-	-
Emerging Markets	-	-	-	-	-
Science & Technology	-	-	-	-	-
Aggressive / Tactical	-	-	-	-	-

The bolded sections represent the high-level asset class and what we believe an acceptable range for each would be for each investor type. The various sub categories highlight the current allocations for our model portfolios.

Methodology

Fund Ratings which are highlighted in Green indicate an upgraded rating from the previous month. Fund Ratings highlighted in Red indicate a downgraded rating from the previous month. Only funds with greater than 36 months of data are eligible to receive a rating.

The period under review is the most recent 60-month period, or the inception date of the fund, whichever is shorter.

To determine our rankings, fund returns are scored on six key risk reward metrics. The scores are totaled, and a rating assigned based on the results.

Fund Score	Rating
More than 80%	A
65% to 80%	B
55% to 65%	C
40% to 55%	D
Below 40%	F

The metrics are:

Alpha – This is the excess return that a manager has been able to generate. The higher the Alpha, the higher the score.

Sharpe Ratio – This is a measure of risk adjusted performance. It measures how much return an investment has delivered for each unit of risk assumed. The higher the Sharpe Ratio, the more return the investment has delivered for each unit of risk.

Standard Deviation – this is a measure of volatility or risk. It measures the fluctuation that an investment has exhibited. The higher the standard deviation, the more fluctuation the fund has shown, so the lower the score it receives in the ratings model

Information Ratio – is a measure of how consistently a manager has outperformed its benchmark. It is basically the Sharpe Ratio of the monthly excess returns. Like with the Sharpe Ratio, the higher the better.

Batting Average – this is another measure of how consistently the fund has outperformed. While the information ratio will factor in the level of outperformance, batting average is a measure of how frequently. It's like the win/loss percentage in baseball. A batting average of 500 means it has outperformed as often as it has underperformed. The model favours funds that win more than they lose. The higher the batting average, the better the score.

R-Squared – This is a statistical measure that shows how much of the return of an investment are the result of the benchmark. The higher the R-Square, the more the fund behaves like the benchmark. And as we know, if you want to beat the benchmark, you can't be the benchmark. The model favours those funds that have a lower R-Squared.

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Information is from sources believed to be reliable. Every effort is made to ensure its accuracy; however, we cannot be responsible for inaccuracies or omissions in any of the data.

Information used in this analysis is historic in nature. Past performance is no guarantee of future performance.

Monthly Standard Deviation is the historical standard deviation for the most recent 60 months, or since inception of the fund, whichever is lower.

Sharpe Ratio is a measure of risk adjusted returns. The higher the ratio, the better the manager has been at delivering more return for less risk.

Alpha represents the excess return which the manager has been able to deliver over and above the applicable benchmark.

Beta represents the volatility of the fund relative to its applicable benchmark. A beta of one means that there is a level of volatility equal that of the benchmark. A beta more than one indicates that the volatility is greater than the benchmark, while a beta of less than one indicates that volatility is less than the benchmark.

Correlation measures the similarity in return patterns between the fund and a benchmark. The correlation will range between -1 and +1. A correlation close to +1 indicates that the fund and the index have very similar return patterns. A correlation close to -1 indicates that the returns are almost opposite, while a correlation close to zero indicates no relationship.

Historic returns are calculated using the monthly return data in our database. Slight variations in return results will be attributable to decimal rounding and number truncation.

This is not a solicitation from Paterson & Associates to sell mutual funds or any financial product. For additional information, please contact your advisor or refer to the important information found in the mutual fund prospectus. - All Information is for Broker Use Only

About Us

Dave Paterson is the Director of Research, Investment Funds for D.A. Paterson & Associates Inc. Paterson & Associates is an independent consulting firm specializing in providing research and due diligence on a wide range of different investment products including mutual funds, ETFs, hedge funds and other exempt market products to financial advisors, individual investors and investment dealers.

Dave has worked in the mutual fund industry since 1994. Prior to starting his own firm in 2002, he worked for a variety of respected mutual fund companies and money managers including the Mackenzie Financial, Guardian Group of Funds, the Bank of Montreal and Jones Heward. In these roles, Dave has had the opportunity to work with some of the most respected money managers in the country.

Using this knowledge, Dave has developed a unique analytical approach which focuses on identifying the funds which have consistently delivered strong, risk adjusted returns on both an absolute and relative basis.

In 2011, Dave took over the publication and editor duties of Gordon Pape's Mutual Fund and ETF Update and Top Funds Report, the most widely read mutual fund newsletters in the country. He is also regularly quoted in the Financial Post, Globe and Mail and the FundLibrary.com and has appeared on BNN.

Dave was awarded the Chartered Financial Analyst (CFA) designation in September of 2000 and holds a Bachelor of Commerce (Finance) from the University of Windsor.