

IFIC INDUSTRY OVERVIEW

December 2017



Data for the report was comprised of data from the following companies who report to IFIC:

| | |
|---|---|
| AGF Investments Inc. | Manulife Mutual Funds |
| ATB Investment Management Inc. | MD Management Limited |
| BlackRock Asset Management Canada Ltd. | OceanRock Investments |
| BMO Financial Group | National Bank Investments Inc. |
| Bridgehouse Asset Managers ⁶ | NGAM Canada L.P. |
| Bullion Management Group Inc. | Norrep Funds |
| Caldwell Investment Management Ltd. | Northwest & Ethical Investments L.P. |
| Canoe Financial | PIMCO Canada Corp. ⁵ |
| Capital International Asset Management (Canada) Inc. ⁴ | RBC Global Asset Management |
| CIBC Asset Management | Russell Investment Group |
| Counsel Portfolio Services Inc. | Scotia Global Asset Management ² |
| Educators Financial Group Inc. | Sentry Investments |
| Fidelity Investments Canada ULC | Standard Life Mutual Funds Ltd. |
| Fiera Capital | Stone & Co. Limited |
| Fonds Desjardins | Sun Life Global Investments (Canada) |
| Franklin Templeton | Tangerine Investment Funds |
| Foresters Financial Investment Management | TD Asset Management |
| Gestion Férique | Tradex Management Inc. |
| HSBC Global Asset Management (Canada) Limited | |
| IA Clarington Investments | |
| Investors Group Inc. | |
| Mackenzie Financial Corporation | |

and from the following companies providing data to, or estimated by, Strategic Insight¹:

| | | |
|----------------------------------|-----------------------------|------------------------------------|
| A.P.M. | Front Street Capital | REA |
| Acker Finley | frontierAlt Fund Management | Redwood |
| Aston Hill Asset Management | Galileo Funds | Ridgewood Capital Asset Management |
| Barreau du Quebec | Gatehouse Capital | ROI Fund |
| Beutel Goodman | GBC | SEI Investments Canada |
| BluMont Capital | Goodwood | Sprott |
| Brigata | Highstreet | Steadyhand |
| Capital International | I.A. Michael | |
| CC&L Managed Portfolios | Integra Capital | |
| Chou Associates | Invesco Canada | Universal Savings Fund Mgmt. |
| CI Investments | JovFunds | Value Partners |
| Cormel | Leith Wheeler | Vertex One Asset Management |
| Creststreet Asset Management | Lincluden | Webb Asset Management |
| Dimensional Fund Advisors Canada | Middlefield | |
| EdgePoint | Montrusco Bolton | |
| Excel Funds Management Inc. | PenderFund Capital Mgmt. | |
| First Asset | Smart Investments | |
| FMOQ | Prosperata | |
| Friedberg | QE Funds | |
| | Quebec Professionals | |

¹ Strategic Insight provides the aggregated totals used in this file. Data is compiled from IFIC and other sources to comprehensively reflect the size and activity of the Canadian Retail Mutual Fund Industry.

² Scotia Asset Management has changed its name to Scotia Global Asset Management and now encompasses all Dynamic Mutual Funds. (Aug 2012)

³ Sun Life Global Investments began reporting in July 2017

⁴ Capital International Asset Management (Canada) Inc. began reporting in February 2014

⁵ PIMCO Canada Corp. began providing data to IFIC as of March 2015

⁶ Brandes Investment Partners has changed its name to Bridgehouse Asset Managers as of March 2015

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Highlights

Overall Results for December 2017

- » Industry net sales for December 2017 were \$1.4 billion and year-to-date net sales were \$44.2 billion.
- » Long-term funds' net sales were \$1.1 billion and year-to-date net sales were \$44.4 billion.
- » Money Market funds' net sales were \$340 million and year-to-date net redemptions were \$188 million.

Results by Broad Asset Class for December 2017

- Balanced funds' net sales in December 2017 totalled \$1.2 billion compared to net sales of \$1.3 billion last month. Year-to-date net sales for balanced funds totalled \$24.7 billion compared to net sales of \$27.5 billion for the same period last year.
- Bond funds' net redemption in December 2017 totalled \$0.4 billion compared to net redemption of \$0.6 billion last month. Year-to-date net sales for bond funds totalled \$10.1 billion compared to net sales of \$9.3 billion for the same period last year.
- Equity funds' net sales in December 2017 totalled \$86 million compared to net sales of \$750 million last month. Year-to-date net sales for equity funds totalled \$7.0 billion compared to net redemption of \$6.0 billion for the same period last year.

Top Line Metrics

| | Net Assets | | | | Net Sales | | | | | | |
|--|-------------------------------|----------|-------------------|----------|-------------------------------|----------------|----------------|-----------------|-----------------|-----------------|---------------------------|
| | Dec 2017 | Nov 2017 | Beginning of Year | Dec 2016 | Dec 2017 | Nov 2017 | Dec 2016 | YTD | YTD 2016 | Last 12 Months | 12 Months ending Dec 2016 |
| | Stand-Alone vs. Fund-of-Funds | | | | Stand-Alone vs. Fund-of-Funds | | | | | | |
| | Stand-Alone Funds | | | | -822.8 | -724.9 | -118.9 | 14,957.3 | -5,428.3 | 14,957.3 | -5,428.3 |
| | Fund-of-Funds | | | | 2,248.2 | 2,451.5 | 1,930.8 | 29,218.7 | 35,499.6 | 29,218.7 | 35,499.6 |
| | Broad Asset Classes | | | | Broad Asset Classes | | | | | | |
| | Equity Funds | | | | 85.9 | 749.8 | -543.3 | 6,955.0 | -6,039.4 | 6,955.0 | -6,039.4 |
| | Balanced Funds | | | | 1,168.4 | 1,315.4 | 1,698.1 | 24,724.4 | 27,481.9 | 24,724.4 | 27,481.9 |
| | Bond Funds | | | | -363.7 | -609.0 | 644.9 | 10,103.0 | 9,314.2 | 10,103.0 | 9,314.2 |
| | Specialty Funds | | | | 191.4 | 197.7 | -122.4 | 2,581.8 | -36.7 | 2,581.8 | -36.7 |
| | Long-Term Funds Total | | | | 1,085.2 | 1,647.9 | 1,672.0 | 44,364.2 | 30,719.9 | 44,364.2 | 30,719.9 |
| | Short-Term Funds | | | | 340.3 | 78.7 | 139.9 | -188.2 | -648.6 | -188.2 | -648.6 |
| | Total Industry | | | | 1,425.4 | 1,726.6 | 1,811.9 | 44,176.1 | 30,071.3 | 44,176.1 | 30,071.3 |

Total mutual fund assets under management (AUM) for December 2017 were \$1,477 billion, compared to \$1,484 billion in the previous month; a decrease of \$ 6.7 billion, or 0.4%. Since December 2016, total mutual fund assets have increased by \$138.3 billion or 10.3%.

Total net sales for December were \$1.4 billion, and were down compared to net sales of \$1.6 billion for the previous month, and were lower compared to net sales of \$1.8 billion last December.

Long-term fund net sales totalled \$1.1 billion in December, and over the last 12 months ending December 2017 totalled \$44.4 billion.

Money Market fund net sales in December were \$340 million. Over the last 12 months, Money Market fund net redemptions totalled \$188 million.

Balanced funds' net sales in December 2017 totalled \$1.2 billion compared to net sales of \$1.3 billion last month. Bond funds' net redemption in December 2017 totalled \$0.4 billion compared to net redemptions of \$0.6 billion last month.

Equity funds' net sales in December 2017 totalled \$86 million compared to net sales of \$750 million last month.

Glossary of Terms

Asset Class

Refers to a broadly defined set of assets, grouped together by similar characteristics within CIFSC categories. An example of an asset class is Domestic Equity, which comprises the CIFSC categories of Canadian Equity, Canadian Focused and Canadian Small Cap (including others).

CIFSC Categories

Refers to a one or more of the investment fund categories established and maintained by the Canadian Investment Funds Standards Committee based on established criteria as defined from time to time. Definitions for each of the CIFSC Categories, and a list of funds included within each category, can be viewed at www.cifsc.org.

Long-term funds

All funds excluding money market funds

Short-term funds

Money Market funds

Net sales

Shown in this report do not include reinvested distributions and are calculated as:

x = gross sales – redemptions + transfers in – transfers out.

% Change

The total percentage change over the period specified. For example, the year-over-year (% change) is the answer to the following equation:

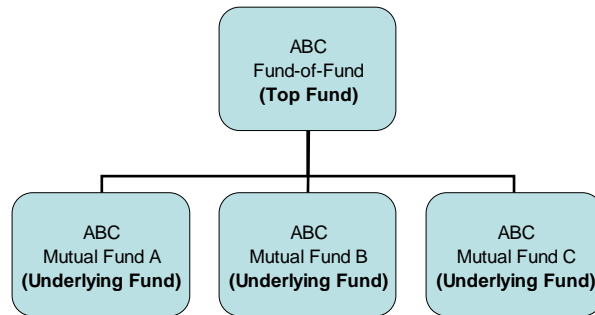
x = 100 x [(Current Assets/ Assets previous year same month) – 1]

Cumulative (as used in Long-Term Funds Overview)

The total net sales or market effect amount over the period specified.

Fund-of-Fund (Fund Wrap)

A mutual fund product or program that is set up to purchase other mutual funds rather than invest directly in underlying securities. It is usually marketed as a 'total solution' product. Both the fund selection and the asset allocation decisions are often made by the fund manager however these decisions can be made by the investor depending on the level of customization available in the program. The investor may own the underlying funds directly or may only own the 'top' fund.



Proprietary Fund-of-Fund

Fund-of-funds that are only invested in underlying mutual funds offered by the same fund company as the top fund. Example, an ABC fund-of-fund invested in ABC underlying funds only.

3rd Party Fund-of-Fund

Fund-of-funds that invest in underlying mutual funds offered by a different fund company than the top fund. Example, an ABC fund-of-fund invested in XYZ underlying funds.

Proprietary & 3rd Party Fund-of-Fund (Mixed Fund-of-Fund)

Fund-of-funds that invest in underlying mutual funds offered by both the same company as the top fund and also by fund companies that are different from the top fund. Example, an ABC fund-of-fund invested in ABC underlying funds and XYZ underlying funds.

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