



# 2016 Capital Gains Distribution Estimates

December 12, 2016

James Gauthier, CFA / (416)350-3369

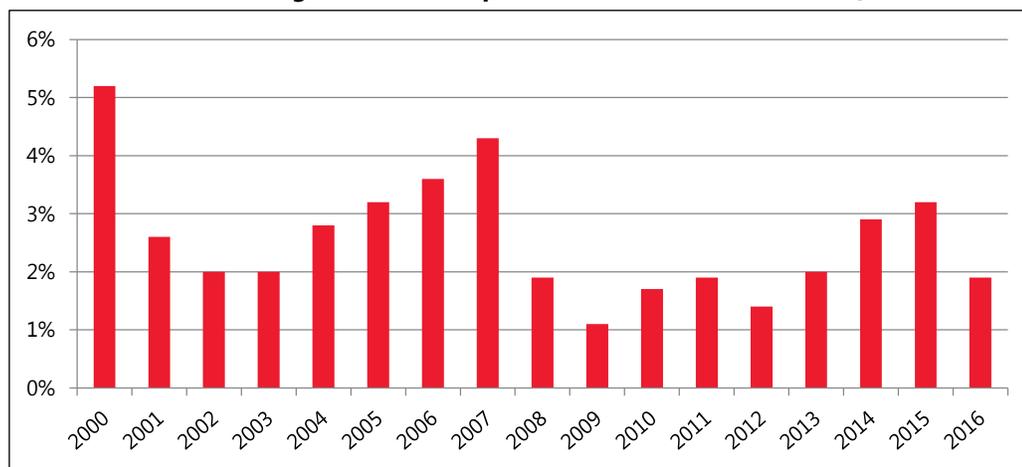
[j.gauthier@scotiabank.com](mailto:j.gauthier@scotiabank.com)

Capital gains distribution season is just around the corner and the magnitude of the average payout has declined on a year-over-year basis and the number of funds targeting a big payout has declined as well. We checked with 22 fund complexes and the average expected payout for those funds projected to make a distribution is 1.9% versus 3.2% last year. We also identified 77 funds that expect to pay a capital gains distribution in excess of 3%. A year ago, that number stood at 191. All told, we identified close to 400 funds that are expected to post a capital gains distribution.

We've been tracking expected capital gains distributions for 17 years, and 2015's average distribution figure comes in slightly above the long term average of 2.6%.

Distributions are driven by three things: asset appreciation, crystallization of gains and an absence of tax loss carry forwards. An abundance of tax losses were generated in the 2008/2009 period as stock markets plummeted and investors headed for the exits. The fact that capital gains distributions on average were so low in 2009 is indicative of the challenges faced by markets during that period. Portfolio managers clearly don't have the capital losses to burn through like they did during the years immediately following the financial crisis, so we expect the correlation between the level of distributions and the level of the markets to be quite high as we move forward.

**Chart 1: Historical Average Estimated Capital Gains Distributions as % of NAV**



Source: ScotiaWealth, Company Reports

Please be advised that this material is not to be distributed to residents of the European Union

**Table I: Funds With Expected Capital Gains Distributions in Excess of 5% of NAV**

Fund	Dist/NAV	Fund	Dist/NAV
Sprott Timber	27.7%	BMO USD Monthly Income	6.5%
Manulife U.S. Dividend Income Fund	18.9%	CI Black Creek Glo Leaders	6.2%
TD Cdn Corp Bond Plus	18.3%	CI Pfl Series Max Growth	6.1%
Dynamic Blue Chip Eq	15.7%	TD Target Return Conservative Pfl	6.0%
Dynamic Blue Chip Bal	10.9%	Mackenzie Ivy Canadian Balanced	5.6%
TD US Risk Mgd Eq	10.2%	Fidelity Clearpath 2030 Pfl	5.5%
Sprott Glo Agg	9.1%	Sprott Glo Infra	5.4%
Bluebay EM Corporate Bond Fund (\$US)	8.9%	Fidelity Clearpath 2025 Pfl	5.4%
Scotia Cdn Blue Chip	7.9%	CI Signature Global Bond	5.4%
Harmony Glo Fixed Inc Pool Embed.	7.7%	Scotia Global Dividend	5.4%
RBC Japanese Equity Fund	7.0%	IA Clarington US Div Gr	5.3%
Manulife Unhedg. U.S. Mo High Income	6.8%	Fidelity Clearpath 2035 Pfl	5.2%
Scotia Global Balanced	6.8%	NB Global Bond	5.0%
Fidelity Special Situations	6.7%	Fidelity Clearpath 2045 Pfl	5.0%
CI Global Sm Cap	6.6%	Scotia US Dvd	5.0%

Source: ScotiaWealth, Company Reports

### Does It Make Sense To Dump a Fund in Order to Avoid a Capital Gains Distribution?

Fund companies release expected distribution information in order to allow advisors and investors to take appropriate tax planning action. It is sometimes a good strategy to temporarily switch out of, or defer the purchase of a fund that is expected to pay a large distribution. Each situation must be carefully analyzed to determine whether such a move would be beneficial. A primary consideration should be the gain/loss position of the investor him/herself. Suppose an investor owns fund XYZ, which is expected to pay a distribution, in his non-registered account. Also assume that the fund is in a loss position. In this example, it would make sense for the investor to dump the position, unless he expects a massive short term upswing in the value of the fund.

Doing so would allow the investor to crystallize a loss, and more importantly, the investor would avoid the capital gains payout. The investor may choose to move back into the same fund ultimately, but in order to avoid a superficial loss (i.e., a loss that cannot be used against capital gains), no new purchases of the fund in question may be made 30 days prior to or 30 days after the sale. If the plan is to buy the fund back, the key risk is that the price of the fund could be higher when the time to repurchase comes. If an investor had a significant gain in a fund that is expected to pay a distribution, it may not make sense to temporarily get out of the fund, even if the payout is expected to be large. (See Appendix for an illustration).

### Should a Fund Expected to Pay a Big Distribution be Purchased Before the Payout?

If the expected distribution is big enough (let's use 5% as a rule of thumb), it may be wise to wait until the payout takes place before moving in. Some fund companies pro-rate the distribution, depending on how long the fund has been held, for the benefit of newer investors, but this is not the norm. Nothing is worse than holding a fund for only a brief period of time but then getting hit with a tax bill that is the result of gains that you did not even benefit from.

**Appendix: Summary of Expected Capital Gains Distributions for 2016 by Company**

<b>Fund Series A for all unless indicated</b>	<b>Est Cap Gain Payout</b>	<b>NAV, Dec. 6</b>	<b>Dist'n/NAV</b>	<b>Fund Series A for all unless indicated</b>	<b>Est Cap Gain Payout</b>	<b>NAV, Dec. 6</b>	<b>Dist'n/NAV</b>
<b>AGF</b>				CI G5/20 2039 Q1	0.05	10.47	0.4%
AGF Cdn AA	0.21	25.42	0.8%	CI G5/20 2039 Q2	0.03	10.36	0.3%
AGF Elements Bal Pfl	0.13	12.03	1.1%	CI G5/20 2039 Q3	0.03	10.49	0.3%
AGF Elements Cons Pfl	0.03	11.70	0.3%	CI G5/20 2040 Q4	0.01	10.21	0.1%
AGF Elements Gr Pfl	0.19	12.66	1.5%	CI Global Sm Cap	2.66	40.07	6.6%
AGF Global Bond	0.00	11.33	0.0%	CI Harbour G&I	0.61	20.67	3.0%
Harmony Cdn Eq Pool Embedded	0.03	19.34	0.2%	CI Inv Grade Bond	0.05	10.40	0.4%
Harmony Glo Fixed Inc Pool Embed.	0.79	10.22	7.7%	CI Marrett HY Bond	0.10	9.31	1.1%
<b>BMO (Advisor)</b>				CI Marrett Short Duration	0.04	9.67	0.5%
BMO Asset Allocation Fund	0.09	29.19	0.3%	CI Marrett Strat Yield	0.04	9.46	0.4%
BMO Balanced ETF Portfolio	0.29	11.79	2.5%	CI Pfl Ser Bal	0.98	30.20	3.3%
BMO Canadian Small Cap Equity Fund	0.98	26.38	3.7%	CI Pfl Ser Cons	0.45	16.33	2.8%
BMO Conservative ETF Portfolio	0.13	11.17	1.1%	CI Pfl Ser Income	0.21	11.75	1.7%
BMO Core Bond Fund	0.16	10.23	1.5%	CI Pfl Series Max Growth	1.06	17.46	6.1%
BMO Core Plus Bond Fund	0.16	10.25	1.6%	CI Portfolio Series Bal Gr	0.70	17.02	4.1%
BMO Covered Call Canadian Banks ETF Fund	0.01	11.38	0.1%	CI Portfolio Series Cons Bal	0.54	16.30	3.3%
BMO Covered Call Europe High Dividend ETF Fund	0.38	10.21	3.7%	CI Portfolio Series Growth	0.83	17.11	4.8%
BMO Covered Call U.S. High Dividend ETF Fund	0.32	10.54	3.0%	CI Sig Corp Bond	0.02	10.09	0.2%
BMO Emerging Markets Fund	0.59	21.04	2.8%	CI Sig Diversified Yield II	0.04	9.89	0.4%
BMO Enterprise Fund	0.66	21.77	3.0%	CI Sig High Income	0.05	13.79	0.4%
BMO Equity Growth ETF Portfolio	0.44	12.70	3.4%	CI Signature Cdn Bond	0.05	5.81	0.8%
BMO European Fund	0.98	22.59	4.4%	CI Signature Dividend	0.24	14.28	1.7%
BMO Fixed Income ETF Portfolio	0.00	10.15	0.0%	CI Signature Global Bond	0.23	4.30	5.4%
BMO Fossil Fuel Free Fund	0.01	10.55	0.1%	CI Signature Global Dividend	0.02	14.91	0.1%
BMO Global Small Cap Fund	0.17	14.71	1.1%	CI Signature Global I&G	0.03	8.98	0.3%
BMO Growth and Income Fund	0.09	9.59	0.9%	CI Signature HY Bond	0.04	8.96	0.4%
BMO Growth ETF Portfolio	0.32	12.18	2.6%	CI Signature I&G	0.02	4.70	0.4%
BMO Income ETF Portfolio	0.13	10.98	1.2%	CI Signature Select Cdn	0.06	24.70	0.2%
BMO International Value Fund	0.00	14.96	0.0%	CI Synergy Tact AA	0.02	9.48	0.2%
BMO LifeStage Plus 2022 Fund	0.14	15.76	0.9%	<b>Dynamic</b>			
BMO LifeStage Plus 2025 Fund	0.12	10.74	1.1%	Dynamic Blue Chip Bal	1.64	15.12	10.9%
BMO LifeStage Plus 2026 Fund	0.79	18.61	4.2%	Dynamic Blue Chip Eq	2.93	18.63	15.7%
BMO LifeStage Plus 2030 Fund	0.06	9.80	0.6%	Dynamic Fin Services	0.22	19.32	1.1%
BMO Retirement Balanced Portfolio	0.10	10.27	0.9%	Dynamic Global All Terrain	0.06	10.17	0.6%
BMO Retirement Conservative Portfolio	0.09	10.19	0.9%	Dynamic Global Eq	0.10	12.76	0.8%
BMO Retirement Income Portfolio	0.07	10.11	0.7%	Dynamic Global Infra	0.50	16.85	3.0%
BMO SelectTrust Balanced Portfolio	0.15	10.68	1.4%	Dynamic Global RE	0.49	30.22	1.6%
BMO SelectTrust Conservative Portfolio	0.13	11.33	1.2%	Dynamic Power Bal	0.13	9.98	1.4%
BMO SelectTrust Equity Growth Portfolio	0.12	12.85	1.0%	Dynamic Power Sm Cap	0.56	17.60	3.2%
BMO SelectTrust Fixed Income Portfolio	0.02	10.08	0.2%	Dynamic RE & Infra Income	0.73	15.73	4.6%
BMO SelectTrust Growth Portfolio	0.08	12.24	0.7%	Dynamic Small Biz	0.05	13.29	0.4%
BMO SelectTrust Income Portfolio	0.14	10.93	1.3%	Dynamic US Div Adv	0.34	12.53	2.7%
BMO Tactical Global Growth ETF Fund	0.08	10.71	0.7%	Dynamic Val Fd of Canada	0.21	39.71	0.5%
BMO U.S. Dollar Dividend Fund	0.29	15.99	1.8%	DynamicEdge Growth	0.17	14.82	1.2%
BMO U.S. Dollar Monthly Income Fund	0.85	13.10	6.5%	Marquis Bal Gr	0.03	17.88	0.2%
BMO U.S. Equity Fund	0.10	15.71	0.6%	Marquis Bal Income	0.14	5.20	2.8%
BMO Women in Leadership Fund	0.04	11.55	0.4%	Marquis Balanced	0.10	8.86	1.2%
BMO World Bond Fund	0.32	10.81	3.0%	Marquis Growth	0.18	9.79	1.8%
<b>Bridgehouse</b>				Marquis Inst'l Cdn Eq Pfl	0.03	5.15	0.6%
Brandes Global Opportunities	0.37	16.23	2.3%	<b>EdgePoint</b>			
Greystone Global Equity	0.01	10.58	0.1%	EdgePoint Cdn G&I Pfl	0.09	20.82	0.4%
<b>Capital Group</b>				EdgePoint Global G&I Pfl	0.59	22.96	2.6%
Capital Group EM Total Opportunities	0.01	10.96	0.1%	EdgePoint Global Portfolio	0.78	29.25	2.7%
Capital Group Global Equity	0.06	27.60	0.2%	<b>Fidelity (Fido doesn't separate cap gains and income)</b>			
<b>CI</b>				Fidelity Balanced Pfl	0.05	11.58	0.4%
CI Black Creek Glo Bal	0.08	14.04	0.5%	Fidelity Cdn Balanaced Fund	1.07	23.56	4.6%
CI Black Creek Glo Leaders	0.80	13.02	6.2%	Fidelity Cdn Bond	0.02	14.36	0.1%
CI Cambridge Cdn Dividend	0.21	22.76	0.9%	Fidelity Cdn Growth Co	2.46	51.64	4.8%
CI Cambridge Cdn Growth Cos	0.17	13.42	1.3%	Fidelity Cdn Large Cap	0.59	41.62	1.4%
CI Cambridge Glo High Income	0.06	12.32	0.5%	Fidelity Cdn Opps	0.24	20.44	1.2%
CI Cambridge Global Dvd	0.43	12.82	3.4%	Fidelity China	0.08	26.99	0.3%
CI Cambridge Income	0.07	11.29	0.7%	Fidelity Clearpath 2005 Pfl	0.50	13.25	3.7%
CI Cambridge US Dividend	0.48	17.66	2.7%	Fidelity Clearpath 2010 Pfl	0.38	13.63	2.8%
CI Cambridge US Dividend Reg	0.37	11.93	3.1%	Fidelity Clearpath 2015 Pfl	0.58	14.41	4.0%
CI Cdn Investment	0.59	30.31	2.0%	Fidelity Clearpath 2020 Pfl	0.66	15.03	4.4%

Continued...

<b>Fund Series A for all unless indicated</b>	<b>Est Cap Gain Payout</b>	<b>NAV, Dec. 6</b>	<b>Dist'n/NAV</b>	<b>Fund Series A for all unless indicated</b>	<b>Est Cap Gain Payout</b>	<b>NAV, Dec. 6</b>	<b>Dist'n/NAV</b>
Fidelity Clearpath 2025 Pfl	0.86	15.91	5.4%	<b>Mackenzie</b>			
Fidelity Clearpath 2030 Pfl	0.89	16.20	5.5%	Mackenzie Canadian All Cap Balanced Fund	0.10	14.72	0.7%
Fidelity Clearpath 2035 Pfl	0.88	16.84	5.2%	Mackenzie Canadian Growth Balanced Fund	0.09	10.31	0.8%
Fidelity Clearpath 2040 Pfl	0.82	16.81	4.9%	Mackenzie Canadian Large Cap Balanced Fund	0.31	14.10	2.2%
Fidelity Clearpath 2045 Pfl	0.85	17.09	5.0%	Mackenzie Canadian Large Cap Dividend & Gr	0.02	18.64	0.1%
Fidelity Clearpath Income	0.45	13.27	3.4%	Mackenzie Canadian Large Cap Dividend Fund	0.12	22.49	0.5%
Fidelity Conservative Income	0.05	10.20	0.5%	Mackenzie Canadian Large Cap Growth Fund	0.75	27.25	2.7%
Fidelity Conservative Income Priv Pool (B)	0.04	10.48	0.4%	Mackenzie Diversified Alternatives Fund	0.02	10.35	0.2%
Fidelity Dividend	0.32	17.39	1.8%	Mackenzie Global Small Cap Growth Fund	0.07	6.55	1.1%
Fidelity Dividend Plus	0.41	17.61	2.3%	Mackenzie Global Tac Investment Grade Bond	0.02	9.94	0.2%
Fidelity Europe	0.36	31.10	1.1%	Mackenzie Income Fund	0.02	2.03	1.1%
Fidelity Event Driven Opps	0.67	13.71	4.9%	Mackenzie Ivy Canadian Balanced Fund	1.52	27.34	5.6%
Fidelity Floating Rate High Income	0.06	12.42	0.5%	Mackenzie Ivy Canadian Fund	1.61	36.78	4.4%
Fidelity Frontier Emerging Mkts	0.23	15.94	1.5%	Mackenzie Ivy Global Balanced Fund	0.02	9.61	0.3%
Fidelity Glo Balanced Pfl	0.04	14.17	0.3%	Mackenzie Monthly Income Balanced Portfolio	0.01	10.52	0.1%
Fidelity Global AA	0.12	24.50	0.5%	Mackenzie Monthly Income Conservative Portfolio	0.02	10.24	0.2%
Fidelity Global Bond	0.03	11.38	0.3%	Mackenzie Strategic Bond Fund	0.10	10.29	1.0%
Fidelity Global Bond Curr Neu	0.04	11.01	0.3%	Mackenzie US Dividend Fund	0.52	13.36	3.9%
Fidelity Global Concentrated Eq	0.24	13.18	1.8%	Mackenzie US Dividend Registered Fund	0.48	13.15	3.6%
Fidelity Global Cons Industries	0.19	35.71	0.5%	Symmetry Conservative Income Portfolio	0.09	10.78	0.9%
Fidelity Global Gr Pfl	0.05	13.21	0.4%	Symmetry Conservative Portfolio	0.18	13.79	1.3%
Fidelity Global Income Pfl	0.08	12.32	0.6%	Symmetry Fixed Income Portfolio	0.08	10.78	0.7%
Fidelity Global Mo Income	0.05	12.26	0.4%	<b>Manulife (Advisor CI)</b>			
Fidelity Global Monthly Income Curr Neu	0.05	10.25	0.5%	Manulife Asia Total Return Bond Fund	0.10	11.32	0.9%
Fidelity Global RE	0.12	13.28	0.9%	Manulife Bond Fund	0.01	6.11	0.2%
Fidelity Global Telecom	0.07	7.22	1.0%	Manulife Canadian Balanced Fund	0.02	15.17	0.2%
Fidelity Gr Pfl	0.05	12.41	0.4%	Manulife Canadian Bond Fund	0.02	11.09	0.2%
Fidelity Greater Canada	0.48	12.14	4.0%	Manulife Canadian Bond Plus Fund	0.07	10.46	0.7%
Fidelity Income Pfl	0.08	11.36	0.7%	Manulife Canadian Dividend Growth Fund	0.42	54.62	0.8%
Fidelity Mo Income	0.19	16.78	1.2%	Manulife Canadian Focused Fund	0.16	7.95	2.0%
Fidelity Northstar Bal Currency Neutral	0.03	10.81	0.3%	Manulife Canadian Monthly Income Fund	0.40	12.82	3.1%
Fidelity Northstar Balanced	0.04	12.03	0.3%	Manulife Canadian Opportunities Balanced Fund	0.15	10.62	1.4%
Fidelity Special Situations	1.67	25.01	6.7%	Manulife Canadian Stock Fund	0.55	16.32	3.4%
Fidelity Strat Income Curr Neu	0.02	10.07	0.2%	Manulife Conservative Income Fund	0.15	13.12	1.2%
Fidelity Strategic Income	0.02	10.63	0.2%	Manulife Diversified Income Portfolio	0.10	7.98	1.3%
Fidelity Tactical High Inc Currency Neu	0.28	10.34	2.7%	Manulife Diversified Investment Fund	0.39	15.42	2.5%
Fidelity Tactical High Income	0.52	11.79	4.4%	Manulife Diversified Strategies Fund	0.04	10.20	0.4%
Fidelity Tactical Strategies	0.10	12.25	0.9%	Manulife Dividend Income Fund	0.34	16.73	2.0%
Fidelity US Dividend	0.30	18.59	1.6%	Manulife Global Dividend Fund	0.08	11.69	0.7%
Fidelity US Dividend Curr Neutral	0.56	14.84	3.8%	Manulife Global Real Estate Unconstrained Fund	0.27	16.44	1.6%
Fidelity US Dividend Registered	0.77	16.48	4.7%	Manulife Global Small Cap Balanced Fund	0.68	16.88	4.0%
Fidelity US Mo Income	0.18	19.47	0.9%	Manulife Global Small Cap Fund	1.07	25.58	4.2%
Fidelity US Monthly Inc Curr Neu	0.20	18.94	1.0%	Manulife Global Strategic Balanced Yield Fund	0.23	11.20	2.0%
<b>FTI</b>				Manulife Global Tactical Credit Fund	0.22	10.57	2.1%
Franklin Bissett Cdn Bal	0.34	31.87	1.1%	Manulife International Value Equity Fund	0.06	13.56	0.5%
Franklin Bissett Corp Bond Fund	0.02	9.75	0.2%	Manulife Leaders Balanced Growth Portfolio	0.02	11.70	0.2%
Franklin Bissett Mo Inc and Gr	0.04	10.18	0.4%	Manulife Leaders Balanced Income Portfolio	0.02	10.81	0.2%
Franklin Global Gr	0.13	14.42	0.9%	Manulife Leaders Opportunities Portfolio	0.11	11.68	1.0%
Franklin Quotential Bal Gr Pfl	0.03	7.98	0.4%	Manulife Portrait Aggressive Portfolio	0.49	14.51	3.4%
Franklin Quotential Bal Inc Pfl	0.07	7.16	1.0%	Manulife Portrait Conservative Portfolio	0.06	12.49	0.5%
<b>IA Clarington</b>				Manulife Portrait Dividend G&I Pfl	0.37	11.51	3.2%
Forstrong Global Strat Income	0.01	9.89	0.1%	Manulife Portrait Growth Portfolio	0.39	13.82	2.8%
Forstrong Global Strategist Bal	0.01	9.72	0.1%	Manulife Portrait Moderate Portfolio	0.30	12.34	2.5%
IA Clarington Bal Pfl	0.01	10.48	0.1%	Manulife Simplicity Balanced Portfolio	0.03	14.84	0.2%
IA Clarington Bond	0.09	12.81	0.7%	Manulife Simplicity Conservative Portfolio	0.05	10.91	0.5%
IA Clarington Cdn Sm Cap	1.91	58.85	3.2%	Manulife Simplicity Global Balanced Portfolio	0.06	12.94	0.5%
IA Clarington Con Pfl	0.03	10.28	0.3%	Manulife Simplicity Growth Portfolio	0.09	15.49	0.6%
IA Clarington Gr Pfl	0.01	10.57	0.1%	Manulife Simplicity Moderate Portfolio	0.05	11.56	0.4%
IA Clarington Max Gr Pfl	0.02	10.71	0.2%	Manulife Strategic Balanced Yield Fund	0.19	14.10	1.4%
IA Clarington Mo Income Bal	0.01	10.49	0.1%	Manulife Strategic Dividend Bundle	0.16	10.42	1.6%
IA Clarington Moderate Pfl	0.02	10.71	0.2%	Manulife Strategic Income Fund	0.06	12.77	0.5%
IA Clarington US Div Gr	0.49	9.28	5.3%	Manulife Tax-Managed Growth Fund	0.34	20.35	1.7%
IA Clarington Yield Opps	0.04	10.27	0.4%	Manulife U.S. All Cap Equity Fund	0.68	23.12	2.9%
<b>Invesco</b>				Manulife U.S. Dividend Income Fund	3.00	15.90	18.9%
Invesco Global Bond	0.18	10.03	1.8%	Manulife U.S. Dividend Income Registered	0.43	12.50	3.4%
Powershares Tactical Bond Fund	0.05	9.97	0.5%	Manulife U.S. Monthly High Income Fund	0.24	10.80	2.2%
				Manulife Unhedged U.S. Monthly High Inc	1.27	18.54	6.8%

Continued...

Fund Series A for all unless indicated	Est Cap Gain Payout	NAV, Dec. 6	Dist'n/NAV	Fund Series A for all unless indicated	Est Cap Gain Payout	NAV, Dec. 6	Dist'n/NAV
<b>National Bank</b>				Russell LP Bal Gr B	0.04	6.08	0.7%
NB Global Bond	0.46	9.13	5.0%	Russell LP Bal Income B	0.03	5.94	0.5%
NB SmartBeta Cdn Eq	0.09	11.01	0.8%	Russell Multi Asset Fixed Income B	0.01	9.78	0.1%
<b>PIMCO</b>				Russell Multi Asset Growth & Income	0.09	12.41	0.7%
PIMCO Inv Grade Credit	0.10	10.42	1.0%	Russell Real Assets	0.06	10.10	0.6%
<b>RBC (Note that PH&amp;N Funds are Series A, RBC funds are Advisor Series)</b>				Russell US Eq Pool CAD Hedged	0.65	32.51	2.0%
Bluebay EM Corporate Bond Fund (\$US)	0.77	8.64	8.9%	<b>Sentry</b>			
BlueBay Global Convertible Bond Fund (Canada)	0.26	11.83	2.2%	Sentry All Cap Income	0.08	4.81	1.6%
PH&N Balanced Fund	0.13	19.64	0.6%	Sentry Alternative Asset Income	0.02	9.19	0.2%
PH&N Bond Fund	0.08	10.50	0.8%	Sentry Canadian Income	0.82	20.10	4.1%
PH&N Community Values Balanced Fund	0.09	15.33	0.6%	Sentry Cons Bal Income	0.38	12.11	3.1%
PH&N Community Values Bond Fund	0.09	11.05	0.8%	Sentry Cons Monthly Income	0.07	9.96	0.8%
PH&N Community Values Global Equity Fund	0.30	13.38	2.2%	Sentry Global Mid Cap Income	0.23	9.20	2.5%
PH&N Currency-Hedged U.S. Equity Fund	0.16	10.14	1.5%	Sentry Global REIT	0.26	10.93	2.4%
PH&N High Yield Bond Fund	0.14	12.26	1.1%	Sentry G&I	0.38	9.85	3.8%
PH&N Total Return Bond Fund	0.09	11.55	0.7%	Sentry Small/MidCap Income	0.46	22.45	2.0%
PH&N U.S. Dividend Income Fund	0.11	14.22	0.8%	<b>Scotia</b>			
PH&N U.S. Multi-Style All-Cap Equity Fund	0.36	16.70	2.1%	Scotia Bal Opps	0.04	19.54	0.2%
RBC \$U.S. High Yield Bond Fund (\$US)	0.20	9.71	2.0%	Scotia Bond	0.03	10.37	0.3%
RBC \$U.S. IGC Corporate Bond Fund (\$US)	0.24	9.72	2.5%	Scotia Cdn Balanced	1.18	24.60	4.8%
RBC Bond Fund	0.03	6.80	0.5%	Scotia Cdn Blue Chip	2.38	30.02	7.9%
RBC Emerging Markets Bond Fund	0.12	11.81	1.0%	Scotia Cdn Dividend	1.70	57.27	3.0%
RBC Emerging Markets Bond Fund (\$US)	0.09	8.89	1.0%	Scotia Dividend Balanced	0.28	12.09	2.3%
RBC Emerging Markets Bond (CAD Hedged)	0.12	9.54	1.2%	Scotia Global Balanced	1.01	14.81	6.8%
RBC Emerging Markets Multi-Strategy Equity	0.02	9.44	0.2%	Scotia Global Dividend	0.90	16.74	5.4%
RBC Emerging Markets Small-Cap Equity Fund	0.15	12.50	1.2%	Scotia Global Opportunities	0.06	11.68	0.5%
RBC European Equity Fund	0.23	20.59	1.1%	Scotia INNOVA Income	0.04	13.11	0.3%
RBC Global Bond Fund	0.24	11.38	2.1%	Scotia INNOVA Max Growth	0.01	18.49	0.0%
RBC Global Dividend Growth Fund	0.08	12.68	0.7%	Scotia Sel Growth	0.75	18.22	4.1%
RBC Global Dividend Growth Fund (\$US)	0.06	9.54	0.7%	Scotia Sel Income	0.13	10.72	1.2%
RBC Global Equity Focus Fund	0.14	13.02	1.0%	Scotia Selected Bal Gr	0.69	15.63	4.4%
RBC Global Equity Focus Fund (\$US)	0.10	9.80	1.1%	Scotia Selected Bal Income	0.35	13.50	2.6%
RBC Global Growth & Income Fund	0.12	10.42	1.1%	Scotia Selected Max Gr	0.53	19.60	2.7%
RBC Global Growth & Income Fund (\$US)	0.09	9.99	0.9%	Scotia US Dvd	0.77	15.48	5.0%
RBC International Equity Fund	0.19	17.69	1.1%	<b>Sprott</b>			
RBC International Equity Fund (\$US)	0.15	13.32	1.1%	Sprott Glo Infra	0.58	10.72	5.4%
RBC Japanese Equity Fund	0.82	11.77	7.0%	Sprott Timber	4.68	16.87	27.7%
RBC North American Value Fund	0.37	23.42	1.6%	Sprott Glo Agg	1.19	13.09	9.1%
RBC O'Shaughnessy All-Canadian Equity	0.31	14.21	2.2%	<b>Sun Life (Series A)</b>			
RBC O'Shaughnessy U.S. Growth Fund II	0.25	10.09	2.5%	Sun Life Dynamic American Value Fund	0.39	10.16	3.9%
RBC QUBE Low Volatility Canadian Equity	0.35	13.45	2.6%	Sun Life Granite Balanced Portfolio	0.03	12.37	0.3%
RBC QUBE Low Volatility Global Equity Fund	0.22	16.99	1.3%	Sun Life Granite Balanced Growth Portfolio	0.11	13.06	0.9%
RBC QUBE Low Volatility Global Equity (\$US)	0.17	12.79	1.3%	Sun Life Granite Conservative Portfolio	0.05	11.32	0.5%
RBC QUBE Low Vol U.S. Equity Curr Neu	0.03	10.21	0.3%	Sun Life Granite Growth Portfolio	0.14	13.07	1.0%
RBC QUBE Low Volatility U.S. Equity Fund	0.39	19.97	1.9%	Sun Life Granite Moderate Portfolio	0.07	12.43	0.6%
RBC QUBE Low Volatility U.S. Equity Fund (\$US)	0.29	15.03	2.0%	Sun Life MFS Canadian Equity Value Fund	0.07	21.00	0.4%
RBC Select Aggressive Growth Portfolio	0.01	10.89	0.1%	Sun Life MFS Global Growth Fund	0.09	15.34	0.6%
RBC Select Aggressive Growth Portfolio (\$US)	0.01	8.20	0.1%	Sun Life MFS International Growth Fund	0.11	13.34	0.8%
RBC Select Balanced Portfolio	0.07	25.93	0.3%	Sun Life MFS Low Volatility Global Equity	0.06	10.28	0.6%
RBC Select Balanced Portfolio (\$US)	0.05	19.52	0.3%	Sun Life Sentry Value Fund	0.38	13.95	2.7%
RBC Select Choices Conservative Portfolio	0.09	12.85	0.7%	<b>TD</b>			
RBC Select Conservative Portfolio	0.20	21.19	0.9%	Epoch Int'l Eq	0.09	11.04	0.8%
RBC Select Conservative Portfolio (\$US)	0.15	15.95	1.0%	TD Adv Agg Growth Pfl	0.02	14.08	0.1%
RBC Select Growth Portfolio	0.06	27.62	0.2%	TD Advantage Bal Growth Pfl	0.08	13.50	0.6%
RBC Select Growth Portfolio (\$US)	0.04	20.79	0.2%	TD Advantage Bal Income Pfl	0.07	12.39	0.5%
RBC Select Very Conservative Portfolio	0.12	12.43	0.9%	TD Advantage Bal Pfl	0.07	12.96	0.6%
RBC Select Very Conservative Portfolio (\$US)	0.09	9.35	0.9%	TD Advantage Gr Pfl	0.01	14.02	0.1%
RBC Strategic Income Bond Fund	0.15	10.51	1.4%	TD Bal Growth	0.16	13.62	1.2%
RBC U.S. Dividend Currency Neutral Fund	0.02	10.64	0.1%	TD Bal Income	0.48	13.97	3.4%
RBC U.S. Dividend Fund	0.15	24.86	0.6%	TD Cdn Bond	0.00	12.23	0.0%
RBC U.S. Dividend Fund (\$US)	0.11	18.71	0.6%	TD Cdn Core Plus Bond	0.00	11.87	0.0%
RBC U.S. Mid-Cap Growth Equity Fund	0.63	28.44	2.2%	TD Cdn Corp Bond Plus	2.33	12.68	18.3%
RBC U.S. Monthly Income Fund	0.22	13.38	1.6%	TD Cdn Low Vol	0.23	10.16	2.3%
RBC U.S. Monthly Income Fund (US\$)	0.17	10.07	1.7%	TD Cdn Small Cap Eq	0.10	14.62	0.7%
RBC U.S. Small-Cap Value Equity	0.11	12.78	0.9%	TD Global Low Vol	0.16	17.57	0.9%
<b>Russell</b>				TD Global Risk Mgd Eq	0.03	10.21	0.3%
Russell Cons Income B	0.06	10.49	0.6%	TD Resource	0.24	15.00	1.6%
Russell Diversified Mo Income B5	0.13	83.94	0.2%	TD Retirement Bal Pfl	0.05	16.83	0.3%
Russell Fixed Income Pool	0.21	12.65	1.7%	TD Retirement Cons Pfl	0.03	16.18	0.2%
Russell Focused US Eq Pool	0.29	19.98	1.5%	TD ST Bond	0.00	10.25	0.0%
Russell Global High Income Bond Pool	0.21	9.89	2.1%	TD Target Ret Bal	0.47	14.54	3.2%
Russell Global Infra Pool	0.19	9.70	2.0%	TD Target Return Conservative Pfl	0.86	14.31	6.0%
Russell Global RE Pool	0.45	11.85	3.8%	TD US Low Volatility	0.46	17.92	2.6%
Russell Income Essentials B	0.09	15.08	0.6%	TD US Midcap Growth	0.05	25.60	0.2%
Russell LP Bal B	0.07	14.72	0.5%	TD US Risk Mgd Eq	1.09	10.62	10.2%

Source: ScotiaWealth, Company Reports

**Important Disclosures**

***This material does not include or constitute an investment recommendation, and is not intended to take into account the particular investment objectives, financial conditions, or needs of individual clients. Before acting on this material, you should consider whether it is suitable for your particular circumstances and talk to your investment advisor.***

The author(s) of the report own(s) securities of the following companies.

None.

The supervisors of the Portfolio Advisory Group own securities of the following companies.

None.

Scotia Capital Inc. is what is referred to as an “integrated” investment firm since we provide a broad range of corporate finance, investment banking, institutional trading and retail client services and products. As a result we recognize that we there are inherent conflicts of interest in our business since we often represent both sides to a transaction, namely the buyer and the seller. While we have policies and procedures in place to manage these conflicts, we also disclose certain conflicts to you so that you are aware of them. The following list provides conflict disclosure of certain relationships that we have, or have had within a specified period of time, with the companies that are discussed in this report.

**General Disclosures**

The ScotiaMcLeod Portfolio Advisory Group prepares this report by aggregating information obtained from various sources as a resource for ScotiaMcLeod Wealth Advisors and their clients. Information may be obtained from the Equity Research and Fixed Income Research departments of the Global Banking and Markets division of Scotiabank. Information may be also obtained from the Foreign Exchange Research and Scotia Economics departments within Scotiabank. In addition to information obtained from members of the Scotiabank group, information may be obtained from the following third party sources: Standard & Poor’s, Valueline, Morningstar CPMS and Bloomberg. The information and opinions contained in this report have been compiled or arrived at from sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness.

While the information provided is believed to be accurate and reliable, neither Scotia Capital Inc., which includes the ScotiaMcLeod Portfolio Advisory Group, nor any of its affiliates makes any representations or warranties, express or implied, as to the accuracy or completeness of such information. Neither Scotia Capital Inc. nor its affiliates accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

This report is provided to you for informational purposes only. This report is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation or particular needs of any specific person. Investors should seek advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized.

Nothing contained in this report is or should be relied upon as a promise or representation as to the future. The pro forma and estimated financial information contained in this report, if any, is based on certain assumptions and management’s analysis of information available at the time that this information was prepared, which assumptions and analysis may or may not be correct. There is no representation, warranty or other assurance that any projections contained in this report will be realized.

Opinions, estimates and projections contained in this report are our own as of the date hereof and are subject to change without notice.

Copyright 2012 Scotia GBM Inc. All rights reserved

® Registered trademark of The Bank of Nova Scotia, used by ScotiaMcLeod under license. ScotiaMcLeod is a division of Scotia Capital Inc. Scotia Capital Inc. is a member of Canadian Investor Protection Fund.