

# Monthly WRAP Fund Report

Prepared June 14, 2016

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# Paterson & Associates - Monthly WRAP Fund Report

May 2016

|                         |                                                    |                                                              |                                  |                 |       |        | Correlations |         |              |                          | Returns |        |        |        |      |      |
|-------------------------|----------------------------------------------------|--------------------------------------------------------------|----------------------------------|-----------------|-------|--------|--------------|---------|--------------|--------------------------|---------|--------|--------|--------|------|------|
| Name                    | Rating                                             | Average<br>Monthly<br>Return                                 | Monthly<br>Standard<br>Deviation | Sharpe<br>Ratio | Alpha | Beta   | TSX          | S&P 500 | MSCI<br>EAFE | Cdn.<br>Universe<br>Bond | 3 Month | 1 Year | 3 Year | 5 Year | MER  |      |
| Conservative Portfolios |                                                    | Typical Asset Mix: 70% - 90% Fixed Income / 10% - 30% Equity |                                  |                 |       |        |              |         |              |                          |         |        |        |        |      |      |
| 1                       | TD Advantage Balanced Income Portfolio             | B                                                            | 0.43%                            | 1.08%           | 0.33  | 0.08%  | 0.93         | 0.5596  | 0.7394       | 0.7791                   | 0.5767  | 2.7%   | 1.0%   | 5.1%   | 5.2% | 1.97 |
| 2                       | Empire Life Emblem Conservative Portfolio          | B                                                            | 0.42%                            | 1.04%           | 0.33  | 0.09%  | 0.87         | 0.5642  | 0.8033       | 0.7820                   | 0.6089  | 2.6%   | -0.4%  | 5.0%   |      | 2.05 |
| 3                       | Fidelity Income Portfolio                          | B                                                            | 0.46%                            | 4.00%           | 0.30  | 0.08%  | 1.01         | 0.4884  | 0.7506       | 0.7864                   | 0.5578  | 2.9%   | 1.1%   | 6.6%   | 5.6% | 2.34 |
| 4                       | TD Mgd Income Portfolio                            | B                                                            | 0.40%                            | 1.07%           | 0.30  | 0.07%  | 0.86         | 0.5560  | 0.8153       | 0.8473                   | 0.5106  | 2.5%   | 0.6%   | 5.2%   | 4.8% | 1.93 |
| 5                       | RBC Select Very Conservative Portfolio             | C                                                            | 0.36%                            | 0.87%           | 0.33  | 0.07%  | 0.75         | 0.5274  | 0.7460       | 0.7598                   | 0.6143  | 3.3%   | 1.5%   | 4.7%   | 4.3% | 1.69 |
| 6                       | Desjardins Chorus II Balanced Income Fund          | C                                                            | 0.45%                            | 1.22%           | 0.31  | 0.05%  | 1.07         | 0.5955  | 0.7240       | 0.8338                   | 0.6321  | 3.5%   | -0.8%  | 4.8%   |      | 1.82 |
| 7                       | Meritas Income & Growth Portfolio                  | C                                                            | 0.36%                            | 0.95%           | 0.30  | 0.06%  | 0.80         | 0.5957  | 0.7914       | 0.7968                   | 0.5162  | 3.0%   | 2.1%   | 5.1%   | 4.3% | 2.08 |
| 8                       | CIBC Managed Income Plus Portfolio                 | C                                                            | 0.38%                            | 1.05%           | 0.30  | 0.07%  | 0.82         | 0.5450  | 0.8207       | 0.8428                   | 0.5003  | 3.3%   | 0.1%   | 4.8%   | 4.6% | 2.19 |
| 9                       | Renaissance Optimal Income Portfolio               | C                                                            | 0.42%                            | 1.23%           | 0.29  | 0.01%  | 1.09         | 0.6341  | 0.6132       | 0.7256                   | 0.5477  | 4.5%   | 0.4%   | 5.0%   | 5.1% | 1.98 |
| 10                      | SEI Conservative Monthly Income Class S            | C                                                            | 0.35%                            | 0.99%           | 0.28  | 0.02%  | 0.87         | 0.6218  | 0.7180       | 0.7692                   | 0.5512  | 3.4%   | -0.1%  | 4.6%   | 4.2% | 1.72 |
| 11                      | Marquis Balanced Income Portfolio                  | C                                                            | 0.40%                            | 1.20%           | 0.28  | 0.07%  | 0.89         | 0.6616  | 0.7268       | 0.7432                   | 0.3466  | 4.9%   | 0.7%   | 5.4%   | 4.9% | 2.39 |
| 12                      | Meritage Moderate Portfolio                        | C                                                            | 0.38%                            | 1.15%           | 0.27  | 0.04%  | 0.91         | 0.7007  | 0.7556       | 0.8432                   | 0.3614  | 3.9%   | 1.1%   | 5.1%   | 4.6% | 2.19 |
| 13                      | DynamicEdge Defensive Portfolio                    | C                                                            | 0.29%                            | 0.84%           | 0.27  | 0.03%  | 0.71         | 0.5049  | 0.7200       | 0.7485                   | 0.6634  | 2.4%   | -0.7%  | 3.4%   |      | 1.97 |
| 14                      | Desjardins Chorus II Balanced Income Corp. Class   | C                                                            | 0.38%                            | 1.22%           | 0.25  | -0.02% | 1.04         | 0.6597  | 0.7267       | 0.8204                   | 0.5464  | 4.6%   | -1.7%  | 3.9%   |      | 1.85 |
| 15                      | CI Portfolio Series Income Fund Class A            | D                                                            | 0.46%                            | 1.09%           | 0.35  | -0.04% | 0.86         | 0.4427  | 0.7895       | 0.8172                   | 0.5414  | 2.8%   | 1.1%   | 5.6%   | 5.6% | 2.01 |
| 16                      | DynamicEdge Conservative Class Portfolio           | D                                                            | 0.41%                            | 1.13%           | 0.30  | -0.10% | 0.88         | 0.5322  | 0.8146       | 0.8237                   | 0.5349  | 3.1%   | -0.8%  | 4.9%   |      | 2.05 |
| 17                      | SEI Income 20/80 Class S                           | D                                                            | 0.34%                            | 0.90%           | 0.30  | 0.03%  | 0.82         | 0.4743  | 0.6238       | 0.6720                   | 0.7303  | 2.9%   | 0.4%   | 4.1%   | 4.1% | 1.43 |
| 18                      | Desjardins Chorus II Conservative Fund             | D                                                            | 0.38%                            | 1.04%           | 0.30  | 0.02%  | 0.95         | 0.5480  | 0.6829       | 0.7893                   | 0.7122  | 2.9%   | -0.5%  | 4.0%   |      | 1.74 |
| 19                      | Fidelity Global Income Portfolio                   | D                                                            | 0.52%                            | 1.52%           | 0.29  | -0.15% | 1.15         | 0.4170  | 0.7602       | 0.7942                   | 0.5179  | 2.6%   | 1.9%   | 7.6%   | 6.3% | 2.34 |
| 20                      | Meritage Moderate Income Portfolio                 | D                                                            | 0.34%                            | 1.01%           | 0.27  | 0.02%  | 0.85         | 0.6602  | 0.6640       | 0.7399                   | 0.4743  | 4.2%   | 1.1%   | 4.1%   | 4.1% | 2.17 |
| 21                      | Meritage Conservative Portfolio                    | D                                                            | 0.31%                            | 0.93%           | 0.26  | 0.01%  | 0.79         | 0.5504  | 0.6745       | 0.7553                   | 0.5792  | 2.9%   | 0.9%   | 3.7%   | 3.7% | 2.19 |
| 22                      | Desjardins Chorus II Conservative Corp. Class      | D                                                            | 0.30%                            | 1.05%           | 0.21  | -0.05% | 0.92         | 0.6262  | 0.6893       | 0.7782                   | 0.6097  | 4.0%   | -1.7%  | 2.9%   |      | 1.77 |
| 23                      | SEI Income 20/80 Class P                           | D                                                            | 0.26%                            | 0.94%           | 0.20  | -0.04% | 0.80         | 0.4903  | 0.6057       | 0.6693                   | 0.6399  | 2.8%   | -0.1%  | 3.6%   | 3.1% | 1.85 |
| 24                      | Quadrus Moderate Folio                             | D                                                            | 0.30%                            | 1.16%           | 0.20  | -0.06% | 0.96         | 0.7511  | 0.7546       | 0.8372                   | 0.3678  | 4.0%   | -0.7%  | 4.1%   | 3.6% | 2.64 |
| 25                      | SEI Income 30/70 Class P                           | D                                                            | 0.29%                            | 1.12%           | 0.19  | -0.05% | 0.89         | 0.6058  | 0.6878       | 0.7559                   | 0.4635  | 3.4%   | -0.4%  | 4.5%   | 3.4% | 2.19 |
| 26                      | BMO Matchmaker Strategic Security Portfolio        | F                                                            | 0.42%                            | 1.02%           | 0.34  | -0.07% | 0.85         | 0.3226  | 0.7250       | 0.6745                   | 0.7246  | 2.3%   | 1.5%   | 5.4%   | 5.1% | 2.25 |
| 27                      | TD Mgd Index Income Portfolio                      | F                                                            | 0.45%                            | 1.12%           | 0.34  | -0.09% | 0.93         | 0.4642  | 0.7244       | 0.7617                   | 0.6840  | 2.9%   | 0.8%   | 5.8%   | 5.5% | 1.48 |
| 28                      | Sun Life Managed Conservative Portfolio            | F                                                            | 0.43%                            | 1.14%           | 0.32  | -0.13% | 0.97         | 0.4724  | 0.8111       | 0.8438                   | 0.6531  | 2.5%   | 0.1%   | 5.1%   |      | 0.00 |
| 29                      | BMO SelectClass Security Portfolio                 | F                                                            | 0.35%                            | 1.04%           | 0.26  | -0.14% | 0.84         | 0.4304  | 0.7127       | 0.7144                   | 0.6766  | 3.1%   | -0.8%  | 4.1%   | 4.2% | 2.33 |
| 30                      | AGF Elements Yield Portfolio                       | F                                                            | 0.37%                            | 1.17%           | 0.25  | -0.15% | 0.88         | 0.4658  | 0.6765       | 0.7186                   | 0.5939  | 2.5%   | 1.6%   | 5.0%   | 4.4% | 2.02 |
| 31                      | BMO FundSelect Security Portfolio                  | F                                                            | 0.30%                            | 0.94%           | 0.24  | -0.15% | 0.76         | 0.4486  | 0.7630       | 0.7505                   | 0.6412  | 2.7%   | -0.1%  | 3.9%   | 3.6% | 2.41 |
| 32                      | Meritage Conservative Income Portfolio             | F                                                            | 0.26%                            | 0.82%           | 0.23  | -0.02% | 0.74         | 0.4819  | 0.5122       | 0.5758                   | 0.7021  | 3.2%   | 1.3%   | 2.9%   | 3.2% | 2.09 |
| 33                      | Quadrus Conservative Folio                         | F                                                            | 0.27%                            | 0.93%           | 0.21  | -0.06% | 0.86         | 0.5728  | 0.6458       | 0.7218                   | 0.6511  | 3.4%   | -0.3%  | 3.3%   | 3.3% | 2.47 |
| 34                      | Counsel Conservative Portfolio                     | F                                                            | 0.36%                            | 1.38%           | 0.21  | -0.20% | 0.97         | 0.6415  | 0.7935       | 0.8678                   | 0.3662  | 2.8%   | -0.1%  | 4.6%   | 4.3% | 2.79 |
| 35                      | SEI Income 100 Class P                             | F                                                            | 0.22%                            | 0.81%           | 0.19  | -0.07% | 0.74         | -0.0203 | 0.2145       | 0.2279                   | 0.9744  | 1.7%   | 0.4%   | 2.0%   | 2.7% | 1.89 |
| 36                      | SEI Income 100 Class S                             | F                                                            | 0.21%                            | 0.81%           | 0.17  | -0.17% | 0.91         | 0.1163  | 0.3088       | 0.3379                   | 0.9805  | 1.8%   | 0.9%   | 2.5%   |      | 1.40 |
| 37                      | Franklin Quotential Diversified Income Portfolio T | F                                                            | 0.27%                            | 1.24%           | 0.16  | -0.26% | 0.90         | 0.4613  | 0.6381       | 0.7333                   | 0.5697  | 2.7%   | -2.0%  | 2.2%   | 3.2% | 1.98 |
| 38                      | Invesco Intactive Diversified Income Portfolio     | F                                                            | 0.25%                            | 1.19%           | 0.15  | -0.24% | 0.84         | 0.6650  | 0.5584       | 0.6904                   | 0.5755  | 3.7%   | -2.4%  | 2.6%   | 3.0% | 2.00 |
| 39                      | Counsel Managed Yield Portfolio                    | F                                                            | 0.20%                            | 1.12%           | 0.11  | -0.19% | 1.01         | 0.6367  | 0.4487       | 0.6308                   | 0.5689  | 3.7%   | 0.1%   | 2.0%   | 2.3% | 2.64 |
| 40                      | Renaissance Optimal Conservative Income Portfolio  | TBD                                                          | 0.40%                            | 1.08%           | 0.30  | -0.03% | 1.12         | 0.4544  | 0.6635       | 0.7445                   | 0.8975  | 3.1%   | 1.2%   |        |      | 1.62 |

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| Name                                               | Rating | Average<br>Monthly<br>Return | Monthly<br>Standard<br>Deviation | Sharpe<br>Ratio | Alpha  | Beta | Correlations |         |              |                          | Returns |        |        |        |      |
|----------------------------------------------------|--------|------------------------------|----------------------------------|-----------------|--------|------|--------------|---------|--------------|--------------------------|---------|--------|--------|--------|------|
|                                                    |        |                              |                                  |                 |        |      | TSX          | S&P 500 | MSCI<br>EAFE | Cdn.<br>Universe<br>Bond | 3 Month | 1 Year | 3 Year | 5 Year | MER  |
| 41 Empire Life Emblem Diversified Income Portfolio | TBD    | 0.34%                        | 1.09%                            | 0.24            | -0.06% | 1.04 | 0.3643       | 0.8308  | 0.8241       | 0.8913                   | 2.3%    | 0.5%   |        |        | 1.90 |
| Category Average                                   |        | 0.35%                        | 1.14%                            | 0.26            | -0.04% | 0.90 | 0.5193       | 0.6884  | 0.7397       | 0.6062                   | 3.1%    | 0.2%   | 4.3%   | 4.2%   | 2.00 |

## Balanced Portfolios

Typical Asset Mix: 40% - 60% Fixed Income / 40% - 60% Equity

|    |                                                    |   |       |       |      |        |      |        |        |        |        |      |       |       |       |      |
|----|----------------------------------------------------|---|-------|-------|------|--------|------|--------|--------|--------|--------|------|-------|-------|-------|------|
| 1  | Empire Life Emblem Moderate Growth Portfolio       | A | 0.58% | 1.48% | 0.35 | 0.42%  | 0.47 | 0.7239 | 0.8136 | 0.8046 | 0.3144 | 4.3% | 0.2%  | 7.2%  |       | 2.35 |
| 2  | Empire Life Emblem Balanced Portfolio              | A | 0.50% | 1.25% | 0.34 | 0.32%  | 0.51 | 0.6643 | 0.8220 | 0.8137 | 0.4619 | 3.3% | -0.1% | 6.1%  |       | 2.25 |
| 3  | Meritas Growth & Income Portfolio                  | A | 0.50% | 1.55% | 0.28 | 0.25%  | 0.69 | 0.7296 | 0.8379 | 0.8599 | 0.1718 | 4.5% | 3.1%  | 7.7%  | 6.0%  | 2.44 |
| 4  | Meritage Balanced Income Portfolio                 | A | 0.39% | 1.20% | 0.26 | 0.19%  | 0.57 | 0.7390 | 0.7075 | 0.7777 | 0.3242 | 4.9% | 1.2%  | 4.9%  | 4.7%  | 2.37 |
| 5  | Mawer Balanced Fund Class A                        | B | 0.84% | 1.63% | 0.47 | 0.17%  | 0.81 | 0.6176 | 0.8978 | 0.8724 | 0.2276 | 4.3% | 3.9%  | 11.7% | 10.4% | 0.94 |
| 6  | Meritage Growth Income Portfolio                   | B | 0.46% | 1.46% | 0.27 | 0.21%  | 0.71 | 0.8007 | 0.7344 | 0.8026 | 0.1484 | 5.6% | 1.2%  | 6.0%  | 5.5%  | 2.40 |
| 7  | Meritage Balanced Portfolio                        | B | 0.40% | 1.53% | 0.21 | 0.14%  | 0.74 | 0.7880 | 0.7503 | 0.8450 | 0.2036 | 4.8% | -0.2% | 5.5%  | 4.7%  | 2.41 |
| 8  | SEI Balanced Monthly Income - P Class              | B | 0.43% | 1.66% | 0.21 | 0.14%  | 0.81 | 0.7806 | 0.7917 | 0.8584 | 0.2329 | 4.8% | -1.0% | 6.6%  | 5.1%  | 2.57 |
| 9  | SEI Balanced 50/50 Class P                         | B | 0.38% | 1.49% | 0.21 | 0.13%  | 0.70 | 0.7275 | 0.8018 | 0.8610 | 0.3330 | 4.5% | -2.0% | 5.3%  | 4.5%  | 2.59 |
| 10 | Meritage Growth Portfolio                          | B | 0.44% | 1.90% | 0.19 | 0.12%  | 0.92 | 0.8201 | 0.7502 | 0.8458 | 0.0660 | 5.8% | -0.7% | 6.4%  | 5.2%  | 2.42 |
| 11 | SEI Income 40/60 Class S                           | C | 0.41% | 1.26% | 0.27 | 0.02%  | 1.03 | 0.6693 | 0.7946 | 0.8446 | 0.4256 | 3.9% | -0.5% | 5.6%  | 5.0%  | 1.63 |
| 12 | Counsel Income Managed Portfolio                   | C | 0.22% | 1.41% | 0.10 | -0.02% | 0.68 | 0.7534 | 0.7062 | 0.7564 | 0.2883 | 4.5% | -0.2% | 5.1%  | 2.5%  | 2.90 |
| 13 | CC&L Diversified Income Portfolio                  | D | 0.56% | 1.31% | 0.37 | 0.05%  | 0.61 | 0.6111 | 0.8087 | 0.7790 | 0.3615 | 4.5% | 0.3%  | 7.0%  | 6.8%  | 2.11 |
| 14 | Desjardins Chorus II Growth Fund                   | D | 0.57% | 1.55% | 0.32 | -0.05% | 0.74 | 0.6652 | 0.7656 | 0.8816 | 0.4745 | 4.7% | -1.7% | 5.8%  |       | 2.01 |
| 15 | Desjardins Chorus II Balanced Growth Fund          | D | 0.52% | 1.38% | 0.32 | -0.03% | 0.66 | 0.6370 | 0.7447 | 0.8584 | 0.5530 | 4.2% | -1.2% | 5.3%  |       | 1.88 |
| 16 | BMO Matchmaker Strategic Balanced Portfolio        | D | 0.51% | 1.36% | 0.32 | -0.04% | 0.66 | 0.6943 | 0.8593 | 0.8215 | 0.3034 | 4.0% | 0.3%  | 6.9%  | 6.1%  | 0.00 |
| 17 | TD Mgd Index Income & Moderate Growth Portfolio    | D | 0.51% | 1.37% | 0.32 | -0.07% | 0.69 | 0.6055 | 0.8193 | 0.8685 | 0.4756 | 3.8% | 0.3%  | 6.9%  | 6.2%  | 1.53 |
| 18 | TD Advantage Balanced Portfolio                    | D | 0.48% | 1.32% | 0.31 | -0.06% | 0.64 | 0.6946 | 0.8034 | 0.8494 | 0.3536 | 3.4% | 0.6%  | 6.0%  | 5.8%  | 2.07 |
| 19 | Desjardins Chorus II Growth Corporate Class        | D | 0.52% | 1.58% | 0.29 | -0.08% | 0.72 | 0.7276 | 0.7456 | 0.8546 | 0.3872 | 5.8% | -2.4% | 5.1%  |       | 2.07 |
| 20 | Desjardins Chorus II Balanced Growth Corp. Class   | D | 0.46% | 1.37% | 0.28 | -0.07% | 0.63 | 0.6951 | 0.7366 | 0.8443 | 0.4801 | 5.0% | -1.8% | 4.5%  |       | 1.92 |
| 21 | Counsel Managed High Yield Portfolio               | D | 0.43% | 1.42% | 0.26 | -0.08% | 0.62 | 0.5334 | 0.5962 | 0.7647 | 0.7546 | 3.7% | 1.6%  | 4.6%  |       | 2.76 |
| 22 | SEI Income 40/60 Class P                           | D | 0.35% | 1.26% | 0.22 | -0.04% | 1.03 | 0.6691 | 0.7941 | 0.8444 | 0.4264 | 3.7% | -1.3% | 4.8%  | 4.2%  | 2.40 |
| 23 | Invesco Intactive Balanced Income Portfolio Ser A  | D | 0.25% | 1.36% | 0.13 | -0.21% | 0.55 | 0.7345 | 0.5802 | 0.7133 | 0.4750 | 4.2% | -3.2% | 2.5%  | 2.9%  | 2.16 |
| 24 | Sun Life Managed Balanced Portfolio                | F | 0.67% | 1.74% | 0.35 | -0.08% | 0.89 | 0.5512 | 0.8770 | 0.9092 | 0.4625 | 4.4% | -0.3% | 8.0%  |       | 0.00 |
| 25 | TD Mgd Income & Moderate Growth Portfolio          | F | 0.48% | 1.41% | 0.29 | -0.12% | 0.71 | 0.6358 | 0.8562 | 0.8931 | 0.3503 | 3.3% | 0.5%  | 6.6%  | 5.8%  | 2.13 |
| 26 | TD Mgd Index Balanced Growth Portfolio             | F | 0.54% | 1.66% | 0.28 | -0.16% | 0.84 | 0.6723 | 0.8516 | 0.9081 | 0.3279 | 4.5% | 0.1%  | 7.7%  | 6.6%  | 1.58 |
| 27 | TD Advantage Balanced Growth Portfolio             | F | 0.52% | 1.64% | 0.27 | -0.13% | 0.78 | 0.7515 | 0.8207 | 0.8680 | 0.1981 | 4.2% | 0.1%  | 7.0%  | 6.3%  | 2.21 |
| 28 | Fidelity Balanced Portfolio                        | F | 0.52% | 1.68% | 0.27 | -0.16% | 0.82 | 0.6612 | 0.8166 | 0.8616 | 0.3199 | 4.1% | 0.4%  | 8.1%  | 6.3%  | 2.43 |
| 29 | CI Portfolio Series Conservative Fund Class A      | F | 0.44% | 1.37% | 0.27 | -0.14% | 0.69 | 0.6399 | 0.8669 | 0.8824 | 0.3031 | 3.3% | -1.2% | 5.7%  | 5.3%  | 2.33 |
| 30 | CI Portfolio Series Conservative Balanced Fnd CI A | F | 0.48% | 1.56% | 0.26 | -0.16% | 0.77 | 0.6991 | 0.8729 | 0.8842 | 0.1942 | 3.9% | -1.8% | 6.3%  | 5.8%  | 2.46 |
| 31 | TD Mgd Balanced Growth Portfolio                   | F | 0.54% | 1.81% | 0.26 | -0.21% | 0.90 | 0.7011 | 0.8582 | 0.9058 | 0.2112 | 4.2% | 0.1%  | 7.9%  | 6.5%  | 2.27 |
| 32 | BMO SelectClass Balanced Portfolio                 | F | 0.46% | 1.63% | 0.24 | -0.21% | 0.80 | 0.6538 | 0.8377 | 0.8512 | 0.3308 | 4.4% | -1.9% | 6.0%  | 5.5%  | 2.50 |
| 33 | BMO FundSelect Balanced Portfolio                  | F | 0.43% | 1.52% | 0.24 | -0.21% | 0.76 | 0.6288 | 0.8852 | 0.8666 | 0.3062 | 4.3% | -1.7% | 6.0%  | 5.1%  | 2.57 |
| 34 | AGF Elements Conservative Portfolio                | F | 0.40% | 1.40% | 0.23 | -0.19% | 0.70 | 0.5162 | 0.8510 | 0.8357 | 0.4503 | 3.2% | 0.4%  | 6.0%  | 4.8%  | 2.35 |
| 35 | SEI Balanced 60/40-S                               | F | 0.47% | 1.71% | 0.23 | -0.22% | 0.82 | 0.7572 | 0.8200 | 0.8763 | 0.2286 | 5.1% | -1.3% | 7.1%  | 5.6%  | 1.79 |
| 36 | AGF Elements Balanced Portfolio                    | F | 0.45% | 1.80% | 0.21 | -0.30% | 0.90 | 0.6553 | 0.8706 | 0.8853 | 0.2568 | 4.7% | -0.9% | 7.1%  | 5.3%  | 2.33 |

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| Name                                                 | Rating | Average<br>Monthly<br>Return | Monthly<br>Standard<br>Deviation | Sharpe<br>Ratio | Alpha  | Beta | Correlations |         |              |                          | Returns |        |        |        |      |
|------------------------------------------------------|--------|------------------------------|----------------------------------|-----------------|--------|------|--------------|---------|--------------|--------------------------|---------|--------|--------|--------|------|
|                                                      |        |                              |                                  |                 |        |      | TSX          | S&P 500 | MSCI<br>EAFE | Cdn.<br>Universe<br>Bond | 3 Month | 1 Year | 3 Year | 5 Year | MER  |
| 37 Counsel Balanced Portfolio                        | F      | 0.46%                        | 1.87%                            | 0.21            | -0.28% | 0.89 | 0.7057       | 0.8047  | 0.8841       | 0.1978                   | 3.3%    | -0.6%  | 6.1%   | 5.4%   | 2.86 |
| 38 Marquis Balanced Portfolio                        | F      | 0.39%                        | 1.61%                            | 0.20            | -0.23% | 0.74 | 0.7409       | 0.8028  | 0.8570       | 0.1252                   | 3.8%    | -3.2%  | 5.5%   | 4.7%   | 2.55 |
| 39 Franklin Quotential Balanced Income Portfolio A   | F      | 0.37%                        | 1.54%                            | 0.20            | -0.25% | 0.74 | 0.6705       | 0.7864  | 0.8843       | 0.3197                   | 3.7%    | -2.9%  | 5.6%   | 4.4%   | 2.12 |
| 40 Manulife Simplicity Balanced Fund                 | F      | 0.42%                        | 1.83%                            | 0.19            | -0.30% | 0.87 | 0.7528       | 0.8158  | 0.8808       | 0.1693                   | 5.0%    | -1.1%  | 6.8%   | 5.0%   | 2.54 |
| 41 DynamicEdge Balanced Portfolio                    | F      | 0.38%                        | 1.64%                            | 0.19            | -0.26% | 0.77 | 0.6601       | 0.8144  | 0.8480       | 0.1924                   | 3.8%    | -2.3%  | 6.1%   | 4.5%   | 2.20 |
| 42 DynamicEdge Balanced Class Portfolio              | F      | 0.37%                        | 1.64%                            | 0.18            | -0.27% | 0.77 | 0.6671       | 0.8105  | 0.8448       | 0.1929                   | 3.7%    | -2.4%  | 6.0%   | 4.4%   | 2.24 |
| 43 Marquis Balanced Growth Portfolio                 | F      | 0.44%                        | 2.01%                            | 0.18            | -0.32% | 0.91 | 0.7484       | 0.8048  | 0.8578       | 0.0554                   | 4.4%    | -3.9%  | 6.6%   | 5.2%   | 2.55 |
| 44 SEI Balanced 60/40 Fund Class - P                 | F      | 0.39%                        | 1.73%                            | 0.18            | -0.30% | 0.82 | 0.7606       | 0.8155  | 0.8761       | 0.2112                   | 4.9%    | -2.1%  | 6.3%   | 4.6%   | 2.55 |
| 45 Franklin Quotential Balanced Growth Portfolio A   | F      | 0.42%                        | 1.92%                            | 0.18            | -0.31% | 0.77 | 0.7296       | 0.8040  | 0.9032       | 0.1663                   | 4.4%    | -4.1%  | 6.7%   | 4.9%   | 2.30 |
| 46 DynamicEdge Balanced Growth Portfolio             | F      | 0.43%                        | 2.04%                            | 0.18            | -0.36% | 0.94 | 0.6747       | 0.8207  | 0.8478       | 0.1219                   | 4.4%    | -2.5%  | 7.4%   | 5.1%   | 2.33 |
| 47 DynamicEdge Balanced Growth Class Portfolio       | F      | 0.43%                        | 2.03%                            | 0.18            | -0.36% | 0.94 | 0.6715       | 0.8235  | 0.8463       | 0.1231                   | 4.4%    | -2.7%  | 7.4%   | 5.0%   | 2.37 |
| 48 Quadrus Balanced Folio                            | F      | 0.33%                        | 1.64%                            | 0.16            | -0.29% | 0.74 | 0.8345       | 0.7638  | 0.8559       | 0.1508                   | 5.2%    | -2.1%  | 5.1%   | 3.9%   | 2.71 |
| 49 Invesco Intactive Balanced Growth Portfolio Ser A | F      | 0.26%                        | 1.71%                            | 0.11            | -0.31% | 0.67 | 0.8509       | 0.6104  | 0.7504       | 0.2288                   | 5.4%    | -4.8%  | 2.7%   | 2.9%   | 2.29 |
| 50 Counsel Managed Portfolio                         | F      | 0.11%                        | 1.78%                            | 0.02            | -0.49% | 0.72 | 0.7940       | 0.6899  | 0.7658       | 0.1226                   | 5.4%    | -2.2%  | 4.1%   | 1.1%   | 2.96 |
| 51 Renaissance Optimal Growth & Income Portfolio     | TBD    | 0.61%                        | 1.53%                            | 0.35            | -0.08% | 0.82 | 0.6443       | 0.7863  | 0.8208       | 0.6791                   | 5.4%    | 2.2%   |        |        | 2.09 |
| Category Average                                     |        | 0.45%                        | 1.58%                            | 0.24            | -0.10% | 0.76 | 0.6963       | 0.7941  | 0.8465       | 0.2988                   | 4.4%    | -0.9%  | 6.2%   | 5.1%   | 2.19 |

## Growth Portfolios

Typical Asset Mix: 10% - 30% Fixed Income / 70% - 90% Equity

|                                                |   |       |       |      |        |      |        |        |        |        |      |       |       |      |      |
|------------------------------------------------|---|-------|-------|------|--------|------|--------|--------|--------|--------|------|-------|-------|------|------|
| 1 Empire Life Emblem Growth Portfolio          | A | 0.66% | 1.77% | 0.33 | 0.46%  | 0.59 | 0.7783 | 0.7599 | 0.7719 | 0.1954 | 5.4% | 0.7%  | 8.2%  |      | 2.40 |
| 2 Meritas Growth Portfolio                     | A | 0.60% | 1.84% | 0.29 | 0.33%  | 0.78 | 0.7166 | 0.8665 | 0.8712 | 0.0796 | 5.1% | 3.5%  | 9.2%  | 7.3% | 2.51 |
| 3 Meritage Equity Income Portfolio             | B | 0.45% | 1.77% | 0.21 | 0.21%  | 0.69 | 0.8252 | 0.7001 | 0.7908 | 0.0512 | 6.6% | 0.3%  | 6.2%  | 5.3% | 2.71 |
| 4 Sun Life Managed Growth Portfolio            | C | 0.80% | 1.99% | 0.37 | -0.05% | 1.47 | 0.5901 | 0.8748 | 0.9170 | 0.3907 | 4.9% | -0.5% | 9.6%  |      | 0.00 |
| 5 Sun Life Managed Balanced Growth Portfolio   | D | 0.74% | 1.81% | 0.37 | 0.02%  | 0.76 | 0.5752 | 0.8762 | 0.9139 | 0.4261 | 4.4% | -0.3% | 8.7%  |      | 0.00 |
| 6 Sun Life Managed Moderate Portfolio          | D | 0.59% | 1.44% | 0.36 | -0.03% | 0.74 | 0.5411 | 0.8596 | 0.8974 | 0.5148 | 3.4% | 0.0%  | 6.8%  |      | 0.00 |
| 7 Desjardins Chorus II High Growth Fund        | D | 0.65% | 1.85% | 0.31 | -0.03% | 0.72 | 0.6884 | 0.7842 | 0.8984 | 0.3724 | 5.6% | -2.4% | 6.5%  |      | 2.22 |
| 8 Desjardins Chorus II High Growth Corp. Class | D | 0.59% | 1.85% | 0.28 | -0.06% | 0.69 | 0.7450 | 0.7542 | 0.8683 | 0.2994 | 6.6% | -3.0% | 5.8%  |      | 2.25 |
| 9 BMO Matchmaker Strategic Growth Portfolio    | D | 0.61% | 1.93% | 0.28 | -0.10% | 0.74 | 0.7660 | 0.8263 | 0.8215 | 0.1262 | 5.2% | -0.6% | 8.6%  | 7.3% | 0.00 |
| 10 TD Advantage Growth Portfolio               | D | 0.56% | 2.03% | 0.24 | -0.19% | 0.79 | 0.7908 | 0.8109 | 0.8632 | 0.0694 | 5.0% | -0.4% | 8.0%  | 6.7% | 2.28 |
| 11 Counsel Growth Portfolio                    | D | 0.54% | 2.39% | 0.19 | -0.22% | 1.30 | 0.7358 | 0.7957 | 0.8779 | 0.0864 | 3.9% | -1.2% | 7.5%  | 6.3% | 2.98 |
| 12 DynamicEdge Growth Portfolio                | D | 0.48% | 2.44% | 0.17 | -0.29% | 1.32 | 0.6682 | 0.8280 | 0.8446 | 0.0794 | 5.0% | -2.9% | 8.8%  | 5.5% | 2.42 |
| 13 DynamicEdge Growth Class Portfolio          | D | 0.48% | 2.43% | 0.17 | -0.29% | 1.32 | 0.6677 | 0.8273 | 0.8462 | 0.0799 | 5.0% | -3.1% | 8.7%  | 5.5% | 2.44 |
| 14 Fidelity Growth Portfolio                   | F | 0.66% | 1.99% | 0.30 | -0.10% | 0.81 | 0.7044 | 0.8498 | 0.8836 | 0.1826 | 5.6% | -0.3% | 9.7%  | 8.0% | 2.46 |
| 15 Fidelity Global Growth Portfolio            | F | 0.74% | 2.37% | 0.28 | -0.19% | 0.98 | 0.6053 | 0.8803 | 0.8939 | 0.1989 | 5.3% | 0.0%  | 10.7% | 8.9% | 2.48 |
| 16 Fidelity Global Balanced Portfolio          | F | 0.59% | 1.96% | 0.26 | -0.16% | 0.80 | 0.5421 | 0.8309 | 0.8673 | 0.3477 | 3.8% | 1.0%  | 9.0%  | 7.1% | 2.44 |
| 17 BMO SelectClass Growth Portfolio            | F | 0.63% | 2.17% | 0.26 | -0.21% | 0.89 | 0.6675 | 0.8604 | 0.8692 | 0.2371 | 4.8% | -2.2% | 9.2%  | 7.5% | 2.61 |
| 18 CI Portfolio Series Balanced Fund Class A   | F | 0.50% | 1.79% | 0.24 | -0.19% | 0.73 | 0.7184 | 0.8687 | 0.8803 | 0.1206 | 4.4% | -2.5% | 6.6%  | 6.0% | 2.43 |
| 19 TD Mgd Index Aggressive Growth Portfolio    | F | 0.58% | 2.20% | 0.23 | -0.27% | 0.90 | 0.7464 | 0.8417 | 0.9143 | 0.1471 | 5.7% | -0.7% | 9.2%  | 6.9% | 1.63 |
| 20 TD Mgd Aggressive Growth Portfolio          | F | 0.60% | 2.28% | 0.23 | -0.28% | 0.93 | 0.7360 | 0.8492 | 0.9040 | 0.0900 | 5.0% | -0.1% | 9.3%  | 7.1% | 2.36 |
| 21 BMO FundSelect Growth Portfolio             | F | 0.56% | 2.16% | 0.22 | -0.27% | 0.88 | 0.7221 | 0.8639 | 0.8850 | 0.1130 | 5.3% | -2.6% | 8.1%  | 6.6% | 2.67 |

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# Paterson & Associates - Monthly WRAP Fund Report

May 2016

| Name                                                     | Rating | Average<br>Monthly<br>Return | Monthly<br>Standard<br>Deviation | Sharpe<br>Ratio | Alpha         | Beta        | Correlations  |               |               |                          | Returns     |              |             |             |             |
|----------------------------------------------------------|--------|------------------------------|----------------------------------|-----------------|---------------|-------------|---------------|---------------|---------------|--------------------------|-------------|--------------|-------------|-------------|-------------|
|                                                          |        |                              |                                  |                 |               |             | TSX           | S&P 500       | MSCI<br>EAFE  | Cdn.<br>Universe<br>Bond | 3 Month     | 1 Year       | 3 Year      | 5 Year      | MER         |
| 22 CI Portfolio Series Balanced Growth Fund Class A      | F      | 0.53%                        | 2.04%                            | 0.22            | -0.24%        | 0.81        | 0.7551        | 0.8486        | 0.8729        | 0.0683                   | 5.1%        | -3.1%        | 7.1%        | 6.3%        | 2.45        |
| 23 CI Portfolio Series Growth Fund Class A               | F      | 0.57%                        | 2.29%                            | 0.22            | -0.27%        | 0.89        | 0.7761        | 0.8301        | 0.8561        | -0.0053                  | 5.6%        | -3.7%        | 7.7%        | 6.7%        | 2.44        |
| 24 SEI Growth 80/20 Class S                              | F      | 0.54%                        | 2.20%                            | 0.21            | -0.29%        | 0.87        | 0.7841        | 0.8268        | 0.8770        | 0.0739                   | 5.9%        | -2.1%        | 8.5%        | 6.3%        | 1.87        |
| 25 Renaissance Optimal Inflation Opportunities Portfolio | F      | 0.46%                        | 2.01%                            | 0.19            | -0.21%        | 0.79        | 0.4718        | 0.5347        | 0.7532        | 0.5647                   | 2.2%        | -4.8%        | 3.9%        |             | 2.43        |
| 26 CC&L Balanced Growth Portfolio                        | F      | 0.41%                        | 1.79%                            | 0.19            | -0.24%        | 0.78        | 0.8547        | 0.7365        | 0.8371        | 0.0860                   | 5.9%        | -1.8%        | 6.0%        | 4.9%        | 2.14        |
| 27 SEI Growth 80/20 Fund Class - P                       | F      | 0.47%                        | 2.20%                            | 0.18            | -0.35%        | 0.87        | 0.7842        | 0.8268        | 0.8772        | 0.0747                   | 5.7%        | -2.9%        | 7.7%        | 5.5%        | 2.65        |
| 28 AGF Elements Growth Portfolio                         | F      | 0.51%                        | 2.39%                            | 0.18            | -0.44%        | 0.99        | 0.6308        | 0.8807        | 0.8967        | 0.1716                   | 5.4%        | -0.4%        | 8.6%        | 5.9%        | 2.34        |
| 29 Counsel World Managed Portfolio                       | F      | 0.41%                        | 1.91%                            | 0.18            | -0.21%        | 1.07        | 0.7675        | 0.7956        | 0.8581        | 0.1277                   | 3.8%        | -2.8%        | 4.9%        | 4.9%        | 0.00        |
| 30 Marquis Growth Portfolio                              | F      | 0.50%                        | 2.41%                            | 0.18            | -0.37%        | 0.92        | 0.7432        | 0.8069        | 0.8535        | 0.0016                   | 5.0%        | -4.3%        | 8.1%        | 5.8%        | 2.50        |
| 31 SEI Growth 70/30 Class P                              | F      | 0.40%                        | 1.93%                            | 0.17            | -0.32%        | 0.76        | 0.7965        | 0.8131        | 0.8687        | 0.1261                   | 5.4%        | -2.8%        | 6.8%        | 4.7%        | 2.64        |
| 32 Franklin Quotential Growth Portfolio A                | F      | 0.47%                        | 2.38%                            | 0.17            | -0.43%        | 0.95        | 0.7322        | 0.8164        | 0.9086        | 0.0736                   | 5.0%        | -5.3%        | 7.9%        | 5.4%        | 2.40        |
| 33 Quadrus Advanced Folio                                | F      | 0.37%                        | 2.11%                            | 0.14            | -0.37%        | 0.78        | 0.8622        | 0.7543        | 0.8381        | 0.0266                   | 6.9%        | -3.7%        | 5.9%        | 4.3%        | 2.86        |
| 34 Invesco Intactive Growth Portfolio Series A           | F      | 0.26%                        | 2.13%                            | 0.09            | -0.39%        | 0.68        | 0.8924        | 0.6153        | 0.7510        | 0.0347                   | 6.6%        | -6.4%        | 2.7%        | 2.8%        | 2.35        |
| 35 Dynamic Diversified Real Asset Fund                   | F      | 0.10%                        | 3.56%                            | 0.01            | -0.30%        | 1.17        | 0.6683        | 0.0780        | 0.2692        | 0.2459                   | 12.5%       | 11.7%        | 8.4%        | 0.5%        | 2.43        |
| <b>Category Average</b>                                  |        | <b>0.53%</b>                 | <b>2.11%</b>                     | <b>0.23</b>     | <b>-0.18%</b> | <b>0.89</b> | <b>0.7157</b> | <b>0.7878</b> | <b>0.8456</b> | <b>0.1679</b>            | <b>5.3%</b> | <b>-1.4%</b> | <b>7.7%</b> | <b>5.9%</b> | <b>2.08</b> |

## Aggressive Growth Portfolios

Typical Asset Mix: 0% - 20% Fixed Income / 80% - 100% Equity

|                                                    |   |              |              |             |               |             |               |               |               |               |             |              |             |             |             |
|----------------------------------------------------|---|--------------|--------------|-------------|---------------|-------------|---------------|---------------|---------------|---------------|-------------|--------------|-------------|-------------|-------------|
| 1 Empire Life Emblem Aggressive Growth Portfolio   | A | 0.74%        | 2.14%        | 0.31        | 0.57%         | 0.52        | 0.7912        | 0.7414        | 0.7596        | 0.1045        | 6.2%        | 0.2%         | 9.2%        |             | 2.55        |
| 2 Quadrus Aggressive Folio                         | B | 0.42%        | 2.62%        | 0.13        | 0.16%         | 0.79        | 0.8682        | 0.7434        | 0.8233        | -0.0558       | 8.3%        | -4.8%        | 7.1%        | 4.7%        | 2.91        |
| 3 Desjardins Chorus II Maximum Growth Fund         | D | 0.72%        | 2.03%        | 0.32        | -0.04%        | 0.79        | 0.6869        | 0.7932        | 0.9049        | 0.3304        | 6.1%        | -2.6%        | 7.2%        |             | 2.28        |
| 4 Desjardins Chorus II Maximum Growth Corp. Class  | D | 0.66%        | 2.02%        | 0.29        | -0.05%        | 0.75        | 0.7448        | 0.7563        | 0.8672        | 0.2551        | 7.2%        | -3.2%        | 6.4%        |             | 2.30        |
| 5 Invesco Intactive Maximum Growth Portfolio Ser A | D | 0.35%        | 2.66%        | 0.10        | -0.42%        | 0.68        | 0.8816        | 0.6415        | 0.7537        | -0.1255       | 7.8%        | -7.5%        | 3.9%        | 3.8%        | 2.40        |
| 6 TD U.S. Equity Portfolio                         | F | 1.33%        | 3.32%        | 0.38        | -0.28%        | 1.09        | 0.3944        | 0.9683        | 0.7750        | 0.1509        | 4.5%        | 3.4%         | 18.3%       | 16.4%       | 2.40        |
| 7 TD Mgd Index Max Eqty Growth Portfolio           | F | 0.70%        | 2.61%        | 0.24        | -0.24%        | 0.83        | 0.7530        | 0.8518        | 0.9159        | 0.0743        | 6.8%        | -1.3%        | 10.7%       | 8.3%        | 1.68        |
| 8 BMO SelectClass Aggressive Growth Portfolio      | F | 0.71%        | 2.73%        | 0.23        | -0.25%        | 0.85        | 0.6864        | 0.8571        | 0.8712        | 0.1296        | 5.3%        | -2.7%        | 10.5%       | 8.4%        | 2.72        |
| 9 BMO FundSelect Aggressive Growth Portfolio       | F | 0.67%        | 2.63%        | 0.23        | -0.26%        | 0.83        | 0.7165        | 0.8687        | 0.8812        | 0.0607        | 6.1%        | -3.3%        | 10.3%       | 7.9%        | 2.83        |
| 10 TD Advantage Aggressive Growth Portfolio        | F | 0.61%        | 2.47%        | 0.22        | -0.23%        | 0.74        | 0.8070        | 0.7998        | 0.8516        | -0.0189       | 5.9%        | -0.7%        | 9.1%        | 7.2%        | 2.26        |
| 11 TD Mgd Max Equity Growth Portfolio              | F | 0.65%        | 2.72%        | 0.21        | -0.32%        | 0.86        | 0.7436        | 0.8448        | 0.8979        | 0.0239        | 5.8%        | -0.7%        | 10.4%       | 7.6%        | 2.50        |
| 12 SEI Global Growth 100 Fund Class - P            | F | 0.63%        | 2.72%        | 0.21        | -0.34%        | 0.86        | 0.7295        | 0.8520        | 0.8984        | 0.0133        | 6.4%        | -3.8%        | 9.8%        | 7.4%        | 2.75        |
| 13 CI Portfolio Series Maximum Growth Fund Class A | F | 0.61%        | 2.73%        | 0.20        | -0.31%        | 0.82        | 0.7818        | 0.8194        | 0.8403        | -0.0611       | 6.4%        | -4.4%        | 8.7%        | 7.1%        | 2.44        |
| 14 SEI Growth 100 Class S                          | F | 0.60%        | 2.72%        | 0.19        | -0.34%        | 0.83        | 0.7920        | 0.8186        | 0.8680        | -0.0203       | 6.8%        | -2.6%        | 10.1%       | 6.9%        | 1.89        |
| 15 Counsel All Equity Portfolio                    | F | 0.63%        | 2.92%        | 0.19        | -0.36%        | 0.88        | 0.7447        | 0.7869        | 0.8689        | 0.0181        | 4.5%        | -1.6%        | 9.0%        | 7.3%        | 3.09        |
| 16 Franklin Quotential Global Growth Portfolio A   | F | 0.63%        | 2.92%        | 0.19        | -0.44%        | 0.94        | 0.6448        | 0.8702        | 0.9249        | 0.0643        | 5.3%        | -7.6%        | 8.9%        | 7.2%        | 2.56        |
| 17 AGF Elements Global Portfolio                   | F | 0.57%        | 2.93%        | 0.17        | -0.50%        | 0.95        | 0.6222        | 0.8866        | 0.9091        | 0.0922        | 5.9%        | 0.1%         | 10.3%       | 6.5%        | 2.51        |
| 18 Marquis Equity Portfolio                        | F | 0.56%        | 2.99%        | 0.16        | -0.44%        | 0.89        | 0.7438        | 0.7958        | 0.8441        | -0.0521       | 5.7%        | -5.1%        | 9.4%        | 6.4%        | 2.71        |
| 19 DynamicEdge Equity Class Portfolio              | F | 0.56%        | 2.96%        | 0.16        | -0.46%        | 0.90        | 0.6648        | 0.8276        | 0.8432        | 0.0359        | 5.7%        | -3.2%        | 10.7%       | 6.3%        | 2.44        |
| 20 DynamicEdge Equity Portfolio                    | F | 0.56%        | 2.97%        | 0.16        | -0.46%        | 0.90        | 0.6600        | 0.8301        | 0.8430        | 0.0369        | 5.7%        | -3.3%        | 10.8%       | 6.3%        | 2.42        |
| 21 BMO Equity Growth ETF Portfolio Fund            | F | 0.40%        | 3.32%        | 0.10        | -0.64%        | 0.92        | 0.8045        | 0.7097        | 0.8009        | -0.0425       | 6.7%        | -5.1%        | 8.8%        | 4.3%        | 1.78        |
| <b>Category Average</b>                            |   | <b>0.63%</b> | <b>2.72%</b> | <b>0.21</b> | <b>-0.27%</b> | <b>0.84</b> | <b>0.7268</b> | <b>0.8125</b> | <b>0.8544</b> | <b>0.0483</b> | <b>6.1%</b> | <b>-2.9%</b> | <b>9.5%</b> | <b>7.2%</b> | <b>2.45</b> |

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# Paterson & Associates—Monthly WRAP Fund Report

## Methodology & Ratings Definitions

May 2016

### 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.

# Paterson & Associates—Monthly WRAP Fund Report

## Disclaimer

May 2016

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 most recent 60 month historical standard deviation of returns.

**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 in excess of 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. Past performance does not guarantee future performance.

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## About Us:

Paterson & Associates is an independent consulting firm specializing in providing research and due diligence on a number of different investment products including mutual funds, hedge funds and other exempt market products.

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