

# Monthly WRAP Fund Report

Prepared August 11, 2016

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# Paterson & Associates - Monthly WRAP Fund Report

July 2016

|                         |                                                    |                                                              |           |        |       |        | Correlations |         |        |          | Returns |         |        |        |        |      |
|-------------------------|----------------------------------------------------|--------------------------------------------------------------|-----------|--------|-------|--------|--------------|---------|--------|----------|---------|---------|--------|--------|--------|------|
|                         |                                                    | Average                                                      | Monthly   |        |       |        |              |         |        |          | Cdn.    |         |        |        |        |      |
| Name                    | Rating                                             | Monthly                                                      | Standard  | Sharpe | Alpha | Beta   | TSX          | S&P 500 | MSCI   | Universe |         | 3 Month | 1 Year | 3 Year | 5 Year | MER  |
|                         |                                                    | Return                                                       | Deviation | Ratio  |       |        |              |         | EAFE   | Bond     |         |         |        |        |        |      |
| Conservative Portfolios |                                                    | Typical Asset Mix: 70% - 90% Fixed Income / 10% - 30% Equity |           |        |       |        |              |         |        |          |         |         |        |        |        |      |
| 1                       | TD Advantage Balanced Income Portfolio             | B                                                            | 0.48%     | 1.08%  | 0.37  | 0.08%  | 0.91         | 0.5619  | 0.7420 | 0.7700   | 0.5871  | 4.1%    | 2.4%   | 6.2%   | 5.8%   | 1.97 |
| 2                       | Empire Life Emblem Conservative Portfolio          | B                                                            | 0.44%     | 1.04%  | 0.36  | 0.08%  | 0.86         | 0.5793  | 0.7990 | 0.7740   | 0.5975  | 3.7%    | 1.0%   | 5.9%   |        | 2.05 |
| 3                       | Fidelity Income Portfolio                          | B                                                            | 0.52%     | 4.00%  | 0.35  | 0.09%  | 1.00         | 0.4876  | 0.7499 | 0.7819   | 0.5702  | 4.9%    | 2.2%   | 7.8%   | 6.3%   | 2.35 |
| 4                       | RBC Select Very Conservative Portfolio             | C                                                            | 0.40%     | 0.88%  | 0.38  | 0.08%  | 0.75         | 0.5307  | 0.7415 | 0.7494   | 0.6297  | 3.8%    | 3.2%   | 5.7%   | 4.9%   | 1.69 |
| 5                       | Meritas Income & Growth Portfolio                  | C                                                            | 0.41%     | 0.95%  | 0.35  | 0.07%  | 0.79         | 0.5894  | 0.7838 | 0.7870   | 0.5432  | 3.4%    | 2.7%   | 6.0%   | 4.9%   | 2.08 |
| 6                       | TD Mgd Income Portfolio                            | C                                                            | 0.44%     | 1.07%  | 0.35  | 0.08%  | 0.85         | 0.5536  | 0.8138 | 0.8354   | 0.5279  | 3.5%    | 1.6%   | 6.0%   | 5.3%   | 1.93 |
| 7                       | CIBC Managed Income Plus Portfolio                 | C                                                            | 0.43%     | 1.05%  | 0.34  | 0.08%  | 0.81         | 0.5404  | 0.8210 | 0.8417   | 0.5117  | 3.3%    | 1.2%   | 5.5%   | 5.2%   | 2.19 |
| 8                       | SEI Conservative Monthly Income Class S            | C                                                            | 0.41%     | 0.98%  | 0.34  | 0.04%  | 0.86         | 0.6211  | 0.7076 | 0.7513   | 0.5728  | 3.9%    | 2.3%   | 5.8%   | 4.9%   | 1.72 |
| 9                       | Desjardins Chorus II Balanced Income Fund          | C                                                            | 0.48%     | 1.21%  | 0.34  | 0.03%  | 1.05         | 0.6073  | 0.7197 | 0.8188   | 0.6243  | 4.3%    | 1.5%   | 6.0%   |        | 1.82 |
| 10                      | Marquis Balanced Income Portfolio                  | C                                                            | 0.47%     | 1.19%  | 0.33  | 0.09%  | 0.89         | 0.6585  | 0.7161 | 0.7306   | 0.3729  | 4.2%    | 3.2%   | 6.5%   | 5.7%   | 2.39 |
| 11                      | Meritage Moderate Portfolio                        | C                                                            | 0.44%     | 1.16%  | 0.32  | 0.06%  | 0.90         | 0.7042  | 0.7590 | 0.8422   | 0.3658  | 4.1%    | 2.7%   | 6.2%   | 5.3%   | 2.20 |
| 12                      | DynamicEdge Defensive Portfolio                    | C                                                            | 0.31%     | 0.83%  | 0.29  | 0.01%  | 0.69         | 0.5156  | 0.7190 | 0.7401   | 0.6512  | 2.3%    | 0.0%   | 4.1%   |        | 1.97 |
| 13                      | Desjardins Chorus II Balanced Income Corp. Class   | C                                                            | 0.41%     | 1.23%  | 0.28  | -0.03% | 1.03         | 0.6717  | 0.7259 | 0.8125   | 0.5350  | 4.2%    | 1.1%   | 5.1%   |        | 1.85 |
| 14                      | CI Portfolio Series Income Fund Class A            | D                                                            | 0.52%     | 1.09%  | 0.41  | -0.01% | 0.86         | 0.4374  | 0.7809 | 0.8088   | 0.5645  | 5.0%    | 2.9%   | 6.7%   | 6.4%   | 2.01 |
| 15                      | Renaissance Optimal Income Portfolio               | D                                                            | 0.49%     | 1.23%  | 0.34  | 0.02%  | 1.10         | 0.6331  | 0.5996 | 0.7121   | 0.5775  | 4.5%    | 3.1%   | 6.7%   | 6.0%   | 1.98 |
| 16                      | Fidelity Global Income Portfolio                   | D                                                            | 0.58%     | 1.52%  | 0.34  | -0.13% | 1.15         | 0.4144  | 0.7612 | 0.7930   | 0.5274  | 5.5%    | 2.2%   | 8.8%   | 7.1%   | 2.35 |
| 17                      | SEI Income 20/80 Class S                           | D                                                            | 0.37%     | 0.89%  | 0.34  | 0.02%  | 0.81         | 0.4847  | 0.6360 | 0.6734   | 0.7315  | 3.1%    | 1.8%   | 5.1%   | 4.5%   | 1.43 |
| 18                      | Desjardins Chorus II Conservative Fund             | D                                                            | 0.41%     | 1.04%  | 0.33  | 0.01%  | 0.94         | 0.5595  | 0.6750 | 0.7692   | 0.7074  | 3.7%    | 1.6%   | 5.2%   |        | 1.74 |
| 19                      | Meritage Moderate Income Portfolio                 | D                                                            | 0.40%     | 1.01%  | 0.32  | 0.03%  | 0.86         | 0.6626  | 0.6564 | 0.7272   | 0.4919  | 4.1%    | 3.4%   | 5.5%   | 4.8%   | 2.18 |
| 20                      | DynamicEdge Conservative Class Portfolio           | D                                                            | 0.43%     | 1.12%  | 0.32  | -0.11% | 0.86         | 0.5432  | 0.8149 | 0.8180   | 0.5201  | 3.2%    | -0.3%  | 5.6%   |        | 2.05 |
| 21                      | Meritage Conservative Portfolio                    | D                                                            | 0.35%     | 0.93%  | 0.30  | 0.01%  | 0.79         | 0.5673  | 0.6868 | 0.7513   | 0.5793  | 3.9%    | 2.5%   | 5.0%   | 4.2%   | 2.19 |
| 22                      | Meritage Conservative Income Portfolio             | D                                                            | 0.30%     | 0.83%  | 0.28  | -0.02% | 0.74         | 0.4949  | 0.5131 | 0.5632   | 0.7088  | 3.6%    | 3.5%   | 4.3%   | 3.6%   | 2.09 |
| 23                      | Quadrus Moderate Folio                             | D                                                            | 0.35%     | 1.16%  | 0.24  | -0.05% | 0.95         | 0.7508  | 0.7527 | 0.8320   | 0.3821  | 3.5%    | 0.9%   | 5.0%   | 4.3%   | 2.64 |
| 24                      | SEI Income 30/70 Class P                           | D                                                            | 0.34%     | 1.12%  | 0.24  | -0.04% | 0.89         | 0.6088  | 0.6842 | 0.7430   | 0.4777  | 3.9%    | 1.8%   | 5.7%   | 4.1%   | 2.19 |
| 25                      | Desjardins Chorus II Conservative Corp. Class      | D                                                            | 0.33%     | 1.05%  | 0.24  | -0.06% | 0.91         | 0.6389  | 0.6857 | 0.7665   | 0.6016  | 3.6%    | 1.1%   | 4.1%   |        | 1.77 |
| 26                      | SEI Income 20/80 Class P                           | D                                                            | 0.29%     | 0.93%  | 0.24  | -0.05% | 0.79         | 0.5031  | 0.6190 | 0.6704   | 0.6393  | 3.0%    | 1.3%   | 4.7%   | 3.5%   | 1.85 |
| 27                      | BMO Matchmaker Strategic Security Portfolio        | F                                                            | 0.47%     | 1.03%  | 0.39  | -0.05% | 0.85         | 0.3220  | 0.7238 | 0.6720   | 0.7368  | 3.7%    | 2.4%   | 6.5%   | 5.7%   | 2.25 |
| 28                      | TD Mgd Index Income Portfolio                      | F                                                            | 0.49%     | 1.13%  | 0.37  | -0.09% | 0.94         | 0.4706  | 0.7314 | 0.7579   | 0.6893  | 4.2%    | 2.2%   | 7.0%   | 6.0%   | 1.48 |
| 29                      | Sun Life Granite Conservative Portfolio Series A   | F                                                            | 0.47%     | 1.13%  | 0.35  | -0.12% | 0.95         | 0.4880  | 0.8013 | 0.8240   | 0.6479  | 4.0%    | 1.8%   | 6.3%   |        | 0.00 |
| 30                      | BMO SelectClass Security Portfolio                 | F                                                            | 0.39%     | 1.05%  | 0.31  | -0.13% | 0.85         | 0.4337  | 0.7174 | 0.7151   | 0.6811  | 3.3%    | 0.9%   | 5.3%   | 4.7%   | 2.33 |
| 31                      | BMO FundSelect Security Portfolio                  | F                                                            | 0.35%     | 0.94%  | 0.30  | -0.12% | 0.77         | 0.4464  | 0.7574 | 0.7448   | 0.6589  | 3.5%    | 1.1%   | 5.0%   | 4.2%   | 2.41 |
| 32                      | AGF Elements Yield Portfolio                       | F                                                            | 0.41%     | 1.18%  | 0.29  | -0.14% | 0.89         | 0.4774  | 0.6856 | 0.7167   | 0.5960  | 4.9%    | 2.8%   | 6.5%   | 5.0%   | 2.00 |
| 33                      | Quadrus Conservative Folio                         | F                                                            | 0.31%     | 0.94%  | 0.25  | -0.06% | 0.86         | 0.5845  | 0.6547 | 0.7180   | 0.6542  | 3.3%    | 1.5%   | 4.4%   | 3.7%   | 2.47 |
| 34                      | Counsel Conservative Portfolio                     | F                                                            | 0.41%     | 1.37%  | 0.25  | -0.18% | 0.96         | 0.6415  | 0.7983 | 0.8626   | 0.3722  | 3.2%    | 0.8%   | 5.5%   | 4.9%   | 2.79 |
| 35                      | SEI Income 100 Class P                             | F                                                            | 0.23%     | 0.80%  | 0.20  | -0.07% | 0.74         | 0.0042  | 0.2387 | 0.2280   | 0.9742  | 2.4%    | 1.9%   | 3.1%   | 2.8%   | 1.89 |
| 36                      | SEI Income 100 Class S                             | F                                                            | 0.23%     | 0.81%  | 0.20  | -0.16% | 0.96         | 0.1244  | 0.2854 | 0.3008   | 0.9809  | 2.5%    | 2.4%   | 3.6%   |        | 1.40 |
| 37                      | Invesco Intactive Diversified Income Portfolio     | F                                                            | 0.31%     | 1.20%  | 0.20  | -0.21% | 0.84         | 0.6791  | 0.5627 | 0.6821   | 0.5801  | 4.2%    | 1.6%   | 4.3%   | 3.7%   | 1.99 |
| 38                      | Franklin Quotential Diversified Income Portfolio T | F                                                            | 0.31%     | 1.24%  | 0.19  | -0.25% | 0.90         | 0.4747  | 0.6546 | 0.7369   | 0.5657  | 3.8%    | -0.2%  | 3.3%   | 3.7%   | 1.98 |
| 39                      | Counsel Managed Yield Portfolio                    | F                                                            | 0.24%     | 1.11%  | 0.16  | -0.18% | 1.00         | 0.6352  | 0.4315 | 0.5991   | 0.5852  | 3.1%    | 2.5%   | 3.5%   | 2.9%   | 2.64 |
| 40                      | Renaissance Optimal Conservative Income Portfolio  | TBD                                                          | 0.44%     | 1.07%  | 0.35  | -0.02% | 1.09         | 0.4754  | 0.6538 | 0.7223   | 0.8815  | 3.7%    | 3.0%   |        |        | 1.62 |

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July 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  |
| 41 Empire Life Emblem Diversified Income Portfolio | TBD    | 0.39%                        | 1.07%                            | 0.29            | -0.05% | 1.01 | 0.3910       | 0.8141  | 0.7927       | 0.8770                   | 3.4%    | 1.9%   |        |        | 1.90 |
| Category Average                                   |        | 0.40%                        | 1.14%                            | 0.30            | -0.04% | 0.89 | 0.5261       | 0.6872  | 0.7302       | 0.6117                   | 3.7%    | 1.9%   | 5.5%   | 4.8%   | 2.00 |

## Balanced Portfolios

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

|    |                                                    |   |       |       |      |        |      |        |        |        |        |      |       |       |       |      |
|----|----------------------------------------------------|---|-------|-------|------|--------|------|--------|--------|--------|--------|------|-------|-------|-------|------|
| 1  | Empire Life Emblem Balanced Portfolio              | A | 0.52% | 1.25% | 0.36 | 0.29%  | 0.52 | 0.6758 | 0.8227 | 0.8134 | 0.4451 | 3.9% | 1.1%  | 6.9%  |       | 2.25 |
| 2  | Empire Life Emblem Moderate Growth Portfolio       | A | 0.61% | 1.50% | 0.36 | 0.38%  | 0.49 | 0.7319 | 0.8166 | 0.8110 | 0.2940 | 4.5% | 1.5%  | 7.9%  |       | 2.35 |
| 3  | Meritas Growth & Income Portfolio                  | A | 0.58% | 1.52% | 0.34 | 0.27%  | 0.67 | 0.7182 | 0.8306 | 0.8632 | 0.2009 | 4.2% | 2.8%  | 8.5%  | 7.1%  | 2.44 |
| 4  | Meritage Growth Income Portfolio                   | A | 0.55% | 1.46% | 0.33 | 0.22%  | 0.71 | 0.7954 | 0.7241 | 0.8015 | 0.1730 | 4.6% | 3.4%  | 7.0%  | 6.6%  | 2.41 |
| 5  | Meritage Balanced Income Portfolio                 | A | 0.45% | 1.20% | 0.32 | 0.19%  | 0.57 | 0.7370 | 0.7018 | 0.7743 | 0.3404 | 4.0% | 3.3%  | 6.0%  | 5.5%  | 2.37 |
| 6  | Mawer Balanced Fund Class A                        | B | 0.91% | 1.61% | 0.52 | 0.18%  | 0.80 | 0.6036 | 0.8956 | 0.8710 | 0.2452 | 5.2% | 3.9%  | 12.0% | 11.3% | 0.94 |
| 7  | SEI Balanced Monthly Income - P Class              | B | 0.53% | 1.64% | 0.28 | 0.16%  | 0.80 | 0.7755 | 0.7767 | 0.8433 | 0.2660 | 5.3% | 1.6%  | 7.9%  | 6.4%  | 2.57 |
| 8  | Meritage Balanced Portfolio                        | B | 0.47% | 1.54% | 0.26 | 0.13%  | 0.75 | 0.7886 | 0.7514 | 0.8448 | 0.2098 | 4.6% | 1.9%  | 6.7%  | 5.6%  | 2.41 |
| 9  | SEI Balanced 50/50 Class P                         | B | 0.45% | 1.48% | 0.26 | 0.14%  | 0.70 | 0.7242 | 0.8001 | 0.8598 | 0.3455 | 4.3% | -0.1% | 6.4%  | 5.4%  | 2.59 |
| 10 | Meritage Growth Portfolio                          | B | 0.53% | 1.92% | 0.24 | 0.11%  | 0.93 | 0.8162 | 0.7492 | 0.8478 | 0.0733 | 5.0% | 1.3%  | 7.4%  | 6.3%  | 2.43 |
| 11 | SEI Income 40/60 Class S                           | C | 0.47% | 1.26% | 0.32 | 0.04%  | 1.01 | 0.6675 | 0.7963 | 0.8446 | 0.4335 | 4.0% | 0.9%  | 6.6%  | 5.7%  | 1.63 |
| 12 | Counsel Income Managed Portfolio                   | C | 0.32% | 1.39% | 0.18 | 0.02%  | 0.67 | 0.7474 | 0.6829 | 0.7436 | 0.3373 | 3.6% | 2.5%  | 6.3%  | 3.8%  | 2.90 |
| 13 | CC&L Diversified Income Portfolio                  | D | 0.62% | 1.28% | 0.43 | 0.08%  | 0.60 | 0.5979 | 0.8035 | 0.7794 | 0.3827 | 4.2% | 1.6%  | 8.0%  | 7.6%  | 2.11 |
| 14 | BMO Matchmaker Strategic Balanced Portfolio        | D | 0.58% | 1.37% | 0.37 | -0.02% | 0.66 | 0.6874 | 0.8527 | 0.8229 | 0.3225 | 4.4% | 1.6%  | 7.9%  | 7.1%  | 0.00 |
| 15 | TD Mgd Index Income & Moderate Growth Portfolio    | D | 0.57% | 1.37% | 0.37 | -0.06% | 0.69 | 0.6027 | 0.8185 | 0.8646 | 0.4892 | 4.7% | 1.7%  | 8.0%  | 7.0%  | 1.53 |
| 16 | TD Advantage Balanced Portfolio                    | D | 0.54% | 1.32% | 0.35 | -0.04% | 0.64 | 0.6913 | 0.8007 | 0.8433 | 0.3700 | 4.4% | 1.8%  | 7.1%  | 6.5%  | 2.07 |
| 17 | Desjardins Chorus II Balanced Growth Fund          | D | 0.55% | 1.38% | 0.34 | -0.06% | 0.66 | 0.6486 | 0.7443 | 0.8492 | 0.5413 | 4.6% | 1.2%  | 6.5%  |       | 1.88 |
| 18 | Desjardins Chorus II Growth Fund                   | D | 0.60% | 1.55% | 0.34 | -0.08% | 0.74 | 0.6759 | 0.7673 | 0.8756 | 0.4603 | 5.0% | 0.8%  | 7.0%  |       | 2.01 |
| 19 | Desjardins Chorus II Balanced Growth Corp. Class   | D | 0.49% | 1.38% | 0.30 | -0.09% | 0.64 | 0.7054 | 0.7387 | 0.8397 | 0.4662 | 4.4% | 1.0%  | 5.7%  |       | 1.92 |
| 20 | Counsel Managed High Yield Portfolio               | D | 0.49% | 1.42% | 0.30 | -0.06% | 0.61 | 0.5431 | 0.5792 | 0.7245 | 0.7553 | 4.3% | 4.4%  | 6.5%  |       | 2.76 |
| 21 | SEI Income 40/60 Class P                           | D | 0.41% | 1.26% | 0.27 | -0.02% | 1.01 | 0.6674 | 0.7960 | 0.8444 | 0.4341 | 3.8% | 0.2%  | 5.8%  | 4.9%  | 2.40 |
| 22 | Invesco Intactive Balanced Income Portfolio Ser A  | D | 0.31% | 1.37% | 0.18 | -0.19% | 0.55 | 0.7460 | 0.5830 | 0.7060 | 0.4811 | 4.3% | 1.1%  | 4.3%  | 3.7%  | 2.16 |
| 23 | Sun Life Granite Balanced Portfolio A (CAD)        | F | 0.70% | 1.63% | 0.38 | -0.06% | 0.83 | 0.5760 | 0.8683 | 0.8994 | 0.4463 | 5.6% | 1.6%  | 9.0%  |       | 0.00 |
| 24 | TD Mgd Index Balanced Growth Portfolio             | F | 0.63% | 1.66% | 0.34 | -0.14% | 0.84 | 0.6658 | 0.8475 | 0.9065 | 0.3463 | 5.3% | 1.4%  | 8.8%  | 7.7%  | 1.58 |
| 25 | TD Mgd Income & Moderate Growth Portfolio          | F | 0.54% | 1.40% | 0.34 | -0.11% | 0.71 | 0.6297 | 0.8534 | 0.8877 | 0.3700 | 4.3% | 1.3%  | 7.3%  | 6.6%  | 2.13 |
| 26 | Fidelity Balanced Portfolio                        | F | 0.62% | 1.66% | 0.33 | -0.12% | 0.81 | 0.6534 | 0.8098 | 0.8594 | 0.3435 | 5.7% | 1.7%  | 9.1%  | 7.5%  | 2.44 |
| 27 | CI Portfolio Series Conservative Fund Class A      | F | 0.52% | 1.38% | 0.32 | -0.11% | 0.69 | 0.6344 | 0.8599 | 0.8779 | 0.3264 | 5.3% | 0.6%  | 6.8%  | 6.3%  | 2.32 |
| 28 | TD Advantage Balanced Growth Portfolio             | F | 0.60% | 1.63% | 0.32 | -0.11% | 0.78 | 0.7454 | 0.8176 | 0.8652 | 0.2135 | 4.7% | 1.1%  | 7.9%  | 7.2%  | 2.21 |
| 29 | CI Portfolio Series Conservative Balanced Fnd CI A | F | 0.57% | 1.56% | 0.32 | -0.13% | 0.77 | 0.6927 | 0.8665 | 0.8817 | 0.2173 | 5.5% | 0.2%  | 7.3%  | 6.9%  | 2.46 |
| 30 | TD Mgd Balanced Growth Portfolio                   | F | 0.62% | 1.81% | 0.30 | -0.20% | 0.90 | 0.6953 | 0.8566 | 0.9029 | 0.2263 | 5.2% | 1.1%  | 8.6%  | 7.5%  | 2.27 |
| 31 | Desjardins Chorus II Growth Corporate Class        | F | 0.55% | 1.58% | 0.30 | -0.11% | 0.73 | 0.7361 | 0.7499 | 0.8539 | 0.3708 | 4.8% | 0.5%  | 6.2%  |       | 2.07 |
| 32 | SEI Balanced 60/40-S                               | F | 0.56% | 1.71% | 0.29 | -0.19% | 0.82 | 0.7512 | 0.8165 | 0.8766 | 0.2431 | 4.8% | 0.4%  | 8.0%  | 6.7%  | 1.79 |
| 33 | BMO FundSelect Balanced Portfolio                  | F | 0.51% | 1.53% | 0.28 | -0.20% | 0.77 | 0.6200 | 0.8810 | 0.8692 | 0.3183 | 4.5% | -0.9% | 6.8%  | 6.1%  | 2.57 |
| 34 | BMO SelectClass Balanced Portfolio                 | F | 0.53% | 1.65% | 0.28 | -0.21% | 0.81 | 0.6495 | 0.8363 | 0.8528 | 0.3382 | 4.1% | -0.8% | 7.1%  | 6.4%  | 2.50 |
| 35 | AGF Elements Conservative Portfolio                | F | 0.46% | 1.41% | 0.28 | -0.19% | 0.71 | 0.5157 | 0.8528 | 0.8337 | 0.4595 | 5.3% | 1.0%  | 7.2%  | 5.6%  | 2.36 |
| 36 | AGF Elements Balanced Portfolio                    | F | 0.53% | 1.80% | 0.26 | -0.29% | 0.90 | 0.6488 | 0.8679 | 0.8844 | 0.2735 | 5.6% | 0.0%  | 8.2%  | 6.4%  | 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      | 0.53%                        | 1.86%                            | 0.25            | -0.28% | 0.88 | 0.7009       | 0.8062  | 0.8804       | 0.2044                   | 3.6%    | 0.2%   | 7.0%   | 6.3%   | 2.86 |
| 38 Manulife Simplicity Balanced Fund                 | F      | 0.51%                        | 1.82%                            | 0.24            | -0.28% | 0.86 | 0.7482       | 0.8137  | 0.8790       | 0.1818                   | 4.9%    | 0.0%   | 7.8%   | 6.1%   | 2.54 |
| 39 SEI Balanced 60/40 Fund Class - P                 | F      | 0.48%                        | 1.72%                            | 0.24            | -0.28% | 0.82 | 0.7551       | 0.8121  | 0.8760       | 0.2251                   | 4.6%    | -0.3%  | 7.2%   | 5.7%   | 2.55 |
| 40 Marquis Balanced Portfolio                        | F      | 0.45%                        | 1.62%                            | 0.24            | -0.23% | 0.75 | 0.7390       | 0.8084  | 0.8601       | 0.1243                   | 3.5%    | -1.7%  | 6.0%   | 5.4%   | 2.55 |
| 41 Franklin Quotential Balanced Income Portfolio A   | F      | 0.43%                        | 1.54%                            | 0.23            | -0.26% | 0.75 | 0.6718       | 0.7963  | 0.8879       | 0.3152                   | 3.9%    | -1.7%  | 6.5%   | 5.1%   | 2.12 |
| 42 Marquis Balanced Growth Portfolio                 | F      | 0.52%                        | 2.02%                            | 0.22            | -0.31% | 0.91 | 0.7432       | 0.8063  | 0.8591       | 0.0603                   | 4.0%    | -2.7%  | 7.0%   | 6.2%   | 2.55 |
| 43 DynamicEdge Balanced Portfolio                    | F      | 0.44%                        | 1.64%                            | 0.22            | -0.27% | 0.77 | 0.6575       | 0.8189  | 0.8461       | 0.1969                   | 4.0%    | -2.0%  | 6.7%   | 5.2%   | 2.20 |
| 44 DynamicEdge Balanced Class Portfolio              | F      | 0.43%                        | 1.64%                            | 0.22            | -0.27% | 0.77 | 0.6644       | 0.8148  | 0.8434       | 0.1971                   | 4.0%    | -2.2%  | 6.6%   | 5.1%   | 2.24 |
| 45 Franklin Quotential Balanced Growth Portfolio A   | F      | 0.49%                        | 1.93%                            | 0.22            | -0.32% | 0.78 | 0.7229       | 0.8068  | 0.9055       | 0.1667                   | 3.9%    | -3.1%  | 7.3%   | 5.8%   | 2.30 |
| 46 DynamicEdge Balanced Growth Portfolio             | F      | 0.51%                        | 2.04%                            | 0.22            | -0.35% | 0.94 | 0.6697       | 0.8225  | 0.8460       | 0.1289                   | 4.9%    | -2.7%  | 8.0%   | 6.0%   | 2.33 |
| 47 DynamicEdge Balanced Growth Class Portfolio       | F      | 0.50%                        | 2.02%                            | 0.21            | -0.35% | 0.94 | 0.6665       | 0.8249  | 0.8439       | 0.1317                   | 4.9%    | -2.7%  | 7.9%   | 6.0%   | 2.37 |
| 48 Quadrus Balanced Folio                            | F      | 0.40%                        | 1.65%                            | 0.20            | -0.28% | 0.75 | 0.8309       | 0.7638  | 0.8573       | 0.1578                   | 4.1%    | -0.5%  | 5.9%   | 4.8%   | 2.71 |
| 49 Invesco Intactive Balanced Growth Portfolio Ser A | F      | 0.34%                        | 1.71%                            | 0.16            | -0.28% | 0.68 | 0.8572       | 0.6087  | 0.7431       | 0.2390                   | 4.6%    | 0.6%   | 4.3%   | 4.0%   | 2.29 |
| 50 Counsel Managed Portfolio                         | F      | 0.21%                        | 1.75%                            | 0.08            | -0.44% | 0.70 | 0.7877       | 0.6745  | 0.7540       | 0.1461                   | 3.1%    | 0.8%   | 5.0%   | 2.3%   | 2.96 |
| 51 Renaissance Optimal Growth & Income Portfolio     | TBD    | 0.66%                        | 1.53%                            | 0.39            | -0.08% | 0.81 | 0.6630       | 0.7820  | 0.8126       | 0.6544                   | 5.6%    | 4.8%   |        |        | 2.09 |
| Category Average                                     |        | 0.52%                        | 1.58%                            | 0.29            | -0.10% | 0.76 | 0.6949       | 0.7917  | 0.8434       | 0.3076                   | 4.6%    | 0.7%   | 7.2%   | 6.1%   | 2.19 |

## Growth Portfolios

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

|                                                          |   |       |       |      |        |      |        |        |        |        |      |       |       |       |      |
|----------------------------------------------------------|---|-------|-------|------|--------|------|--------|--------|--------|--------|------|-------|-------|-------|------|
| 1 Meritas Growth Portfolio                               | A | 0.70% | 1.80% | 0.35 | 0.35%  | 0.76 | 0.7038 | 0.8608 | 0.8772 | 0.1080 | 4.6% | 2.8%  | 9.7%  | 8.5%  | 2.51 |
| 2 Empire Life Emblem Growth Portfolio                    | A | 0.68% | 1.79% | 0.34 | 0.40%  | 0.61 | 0.7825 | 0.7661 | 0.7824 | 0.1772 | 4.9% | 2.2%  | 8.7%  |       | 2.40 |
| 3 Meritage Equity Income Portfolio                       | A | 0.55% | 1.77% | 0.27 | 0.23%  | 0.69 | 0.8207 | 0.6890 | 0.7894 | 0.0769 | 5.0% | 3.0%  | 7.3%  | 6.6%  | 2.72 |
| 4 Sun Life Granite Growth Portfolio Series A             | C | 0.83% | 1.99% | 0.38 | -0.06% | 1.45 | 0.6033 | 0.8748 | 0.9125 | 0.3747 | 6.5% | 1.3%  | 10.7% |       | 0.00 |
| 5 Sun Life Granite Balanced Growth Port A (CAD)          | D | 0.78% | 1.79% | 0.39 | 0.00%  | 0.75 | 0.5827 | 0.8749 | 0.9034 | 0.4144 | 5.9% | 1.3%  | 9.9%  |       | 0.00 |
| 6 Sun Life Granite Moderate Portfolio Series A           | D | 0.62% | 1.44% | 0.38 | -0.06% | 0.74 | 0.5563 | 0.8556 | 0.8863 | 0.5041 | 4.9% | 1.7%  | 8.0%  |       | 0.00 |
| 7 Fidelity Growth Portfolio                              | D | 0.78% | 1.96% | 0.37 | -0.05% | 0.80 | 0.6953 | 0.8431 | 0.8857 | 0.2068 | 6.7% | 1.5%  | 10.5% | 9.6%  | 2.47 |
| 8 BMO Matchmaker Strategic Growth Portfolio              | D | 0.71% | 1.94% | 0.33 | -0.07% | 0.75 | 0.7579 | 0.8202 | 0.8247 | 0.1427 | 5.3% | 0.9%  | 9.6%  | 8.6%  | 0.00 |
| 9 Desjardins Chorus II High Growth Fund                  | D | 0.68% | 1.86% | 0.33 | -0.08% | 0.73 | 0.6977 | 0.7879 | 0.8962 | 0.3554 | 5.6% | 0.2%  | 7.6%  |       | 2.22 |
| 10 TD Advantage Growth Portfolio                         | D | 0.66% | 2.01% | 0.29 | -0.15% | 0.78 | 0.7827 | 0.8049 | 0.8625 | 0.0881 | 5.0% | 0.6%  | 8.7%  | 8.0%  | 2.28 |
| 11 Counsel Growth Portfolio                              | D | 0.62% | 2.37% | 0.23 | -0.17% | 1.29 | 0.7290 | 0.7953 | 0.8749 | 0.0932 | 3.9% | -0.5% | 8.1%  | 7.4%  | 2.98 |
| 12 Renaissance Optimal Inflation Opportunities Portfolio | D | 0.52% | 2.00% | 0.23 | -0.19% | 0.77 | 0.4772 | 0.5166 | 0.7134 | 0.5753 | 4.7% | -1.2% | 5.8%  |       | 2.43 |
| 13 Counsel World Managed Portfolio                       | D | 0.49% | 1.90% | 0.22 | -0.17% | 1.07 | 0.7645 | 0.7937 | 0.8514 | 0.1411 | 4.0% | -0.7% | 5.7%  | 5.9%  | 3.12 |
| 14 DynamicEdge Growth Portfolio                          | D | 0.58% | 2.43% | 0.21 | -0.24% | 1.32 | 0.6616 | 0.8276 | 0.8422 | 0.0900 | 5.9% | -3.3% | 9.2%  | 6.8%  | 2.42 |
| 15 DynamicEdge Growth Class Portfolio                    | D | 0.57% | 2.43% | 0.21 | -0.24% | 1.32 | 0.6617 | 0.8272 | 0.8442 | 0.0906 | 5.9% | -3.3% | 9.2%  | 6.7%  | 2.44 |
| 16 Dynamic Diversified Real Asset Fund                   | D | 0.27% | 3.62% | 0.05 | -0.30% | 1.21 | 0.6726 | 0.0629 | 0.2453 | 0.2653 | 9.7% | 32.3% | 12.7% | 2.4%  | 2.43 |
| 17 Fidelity Global Growth Portfolio                      | F | 0.86% | 2.34% | 0.34 | -0.16% | 0.98 | 0.5939 | 0.8769 | 0.8953 | 0.2166 | 7.2% | 0.3%  | 11.5% | 10.5% | 2.48 |
| 18 Fidelity Global Balanced Portfolio                    | F | 0.69% | 1.95% | 0.32 | -0.14% | 0.79 | 0.5331 | 0.8278 | 0.8666 | 0.3640 | 6.4% | 1.1%  | 10.1% | 8.4%  | 2.44 |
| 19 BMO SelectClass Growth Portfolio                      | F | 0.72% | 2.19% | 0.30 | -0.21% | 0.89 | 0.6587 | 0.8590 | 0.8724 | 0.2446 | 4.6% | -1.8% | 10.0% | 8.7%  | 2.61 |
| 20 CI Portfolio Series Balanced Fund Class A             | F | 0.60% | 1.79% | 0.30 | -0.16% | 0.73 | 0.7115 | 0.8620 | 0.8793 | 0.1457 | 5.7% | -0.5% | 7.5%  | 7.2%  | 2.43 |
| 21 Desjardins Chorus II High Growth Corp. Class          | F | 0.62% | 1.86% | 0.30 | -0.11% | 0.70 | 0.7520 | 0.7596 | 0.8693 | 0.2827 | 5.3% | 0.0%  | 6.8%  |       | 2.25 |

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# Paterson & Associates - Monthly WRAP Fund Report

July 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 TD Mgd Index Aggressive Growth Portfolio         | F      | 0.70%                        | 2.19%                            | 0.29            | -0.24%        | 0.90        | 0.7385        | 0.8370        | 0.9150        | 0.1644                   | 6.0%        | 0.6%        | 10.1%       | 8.4%        | 1.63        |
| 23 TD Mgd Aggressive Growth Portfolio               | F      | 0.71%                        | 2.26%                            | 0.28            | -0.25%        | 0.92        | 0.7278        | 0.8455        | 0.9030        | 0.1069                   | 5.8%        | 0.7%        | 9.8%        | 8.5%        | 2.36        |
| 24 CI Portfolio Series Balanced Growth Fund Class A | F      | 0.63%                        | 2.04%                            | 0.28            | -0.21%        | 0.81        | 0.7479        | 0.8434        | 0.8738        | 0.0881                   | 5.7%        | -1.1%       | 7.8%        | 7.6%        | 2.45        |
| 25 BMO FundSelect Growth Portfolio                  | F      | 0.65%                        | 2.18%                            | 0.27            | -0.27%        | 0.89        | 0.7136        | 0.8622        | 0.8875        | 0.1224                   | 5.6%        | -1.7%       | 8.9%        | 7.8%        | 2.67        |
| 26 SEI Growth 80/20 Class S                         | F      | 0.65%                        | 2.18%                            | 0.27            | -0.25%        | 0.87        | 0.7753        | 0.8214        | 0.8797        | 0.0904                   | 5.4%        | -0.4%       | 9.2%        | 7.8%        | 1.87        |
| 27 CI Portfolio Series Growth Fund Class A          | F      | 0.68%                        | 2.29%                            | 0.26            | -0.25%        | 0.89        | 0.7683        | 0.8257        | 0.8579        | 0.0115                   | 5.4%        | -1.7%       | 8.2%        | 8.1%        | 2.44        |
| 28 CC&L Balanced Growth Portfolio                   | F      | 0.51%                        | 1.78%                            | 0.24            | -0.20%        | 0.77        | 0.8493        | 0.7293        | 0.8384        | 0.1019                   | 4.4%        | 0.7%        | 7.0%        | 6.1%        | 2.14        |
| 29 SEI Growth 80/20 Fund Class - P                  | F      | 0.59%                        | 2.18%                            | 0.24            | -0.31%        | 0.87        | 0.7755        | 0.8214        | 0.8799        | 0.0911                   | 5.2%        | -1.2%       | 8.4%        | 7.0%        | 2.65        |
| 30 SEI Growth 70/30 Class P                         | F      | 0.51%                        | 1.92%                            | 0.23            | -0.28%        | 0.76        | 0.7900        | 0.8071        | 0.8692        | 0.1445                   | 4.8%        | -0.8%       | 7.6%        | 6.0%        | 2.64        |
| 31 AGF Elements Growth Portfolio                    | F      | 0.61%                        | 2.40%                            | 0.23            | -0.43%        | 1.00        | 0.6226        | 0.8794        | 0.8976        | 0.1842                   | 7.0%        | -1.1%       | 9.6%        | 7.2%        | 2.35        |
| 32 Marquis Growth Portfolio                         | F      | 0.60%                        | 2.42%                            | 0.22            | -0.37%        | 0.93        | 0.7369        | 0.8076        | 0.8553        | 0.0071                   | 4.6%        | -3.3%       | 8.2%        | 7.0%        | 2.50        |
| 33 Franklin Quotential Growth Portfolio A           | F      | 0.56%                        | 2.38%                            | 0.20            | -0.44%        | 0.96        | 0.7215        | 0.8162        | 0.9107        | 0.0769                   | 4.2%        | -4.7%       | 8.2%        | 6.5%        | 2.40        |
| 34 Quadrus Advanced Folio                           | F      | 0.48%                        | 2.12%                            | 0.19            | -0.34%        | 0.79        | 0.8557        | 0.7486        | 0.8402        | 0.0417                   | 4.9%        | -1.2%       | 6.6%        | 5.6%        | 2.86        |
| 35 Invesco Intactive Growth Portfolio Series A      | F      | 0.36%                        | 2.13%                            | 0.13            | -0.36%        | 0.68        | 0.8948        | 0.6112        | 0.7458        | 0.0469                   | 4.6%        | -0.2%       | 4.1%        | 4.1%        | 2.35        |
| <b>Category Average</b>                             |        | <b>0.62%</b>                 | <b>2.11%</b>                     | <b>0.27</b>     | <b>-0.17%</b> | <b>0.89</b> | <b>0.7119</b> | <b>0.7841</b> | <b>0.8437</b> | <b>0.1782</b>            | <b>5.5%</b> | <b>0.6%</b> | <b>8.6%</b> | <b>7.2%</b> | <b>2.17</b> |

## Aggressive Growth Portfolios

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

|                                                     |   |              |              |             |               |             |               |               |               |               |             |              |              |             |             |
|-----------------------------------------------------|---|--------------|--------------|-------------|---------------|-------------|---------------|---------------|---------------|---------------|-------------|--------------|--------------|-------------|-------------|
| 1 Empire Life Emblem Aggressive Growth Portfolio    | A | 0.76%        | 2.16%        | 0.32        | 0.50%         | 0.54        | 0.7935        | 0.7495        | 0.7721        | 0.0880        | 5.3%        | 1.7%         | 9.6%         |             | 2.55        |
| 2 Quadrus Aggressive Folio                          | B | 0.55%        | 2.64%        | 0.18        | 0.16%         | 0.80        | 0.8606        | 0.7372        | 0.8266        | -0.0402       | 5.7%        | -2.1%        | 7.7%         | 6.4%        | 2.92        |
| 3 TD U.S. Equity Portfolio                          | F | 1.46%        | 3.32%        | 0.42        | -0.32%        | 1.11        | 0.3799        | 0.9677        | 0.7800        | 0.1652        | 10.4%       | 0.6%         | 18.3%        | 18.3%       | 2.40        |
| 4 Desjardins Chorus II Maximum Growth Fund          | F | 0.74%        | 2.04%        | 0.33        | -0.10%        | 0.80        | 0.6956        | 0.7975        | 0.9039        | 0.3123        | 6.0%        | -0.1%        | 8.2%         |             | 2.28        |
| 5 Desjardins Chorus II Maximum Growth Corp. Class   | F | 0.69%        | 2.04%        | 0.30        | -0.11%        | 0.77        | 0.7510        | 0.7625        | 0.8699        | 0.2375        | 5.6%        | -0.2%        | 7.4%         |             | 2.30        |
| 6 TD Mgd Index Max Eqty Growth Portfolio            | F | 0.84%        | 2.60%        | 0.30        | -0.20%        | 0.83        | 0.7433        | 0.8457        | 0.9190        | 0.0958        | 6.8%        | -0.1%        | 11.5%        | 10.1%       | 1.68        |
| 7 BMO SelectClass Aggressive Growth Portfolio       | F | 0.83%        | 2.74%        | 0.28        | -0.25%        | 0.86        | 0.6766        | 0.8554        | 0.8742        | 0.1395        | 5.1%        | -2.9%        | 11.1%        | 9.9%        | 2.72        |
| 8 TD Advantage Aggressive Growth Portfolio          | F | 0.73%        | 2.43%        | 0.27        | -0.19%        | 0.73        | 0.7982        | 0.7924        | 0.8528        | 0.0014        | 5.4%        | 0.2%         | 9.6%         | 8.7%        | 2.26        |
| 9 BMO FundSelect Aggressive Growth Portfolio        | F | 0.78%        | 2.64%        | 0.27        | -0.27%        | 0.84        | 0.7071        | 0.8673        | 0.8843        | 0.0686        | 6.5%        | -2.6%        | 10.9%        | 9.4%        | 2.83        |
| 10 TD Mgd Max Equity Growth Portfolio               | F | 0.78%        | 2.69%        | 0.26        | -0.29%        | 0.85        | 0.7340        | 0.8398        | 0.8983        | 0.0428        | 6.2%        | -0.1%        | 10.8%        | 9.3%        | 2.50        |
| 11 SEI Global Growth 100 Fund Class - P             | F | 0.77%        | 2.70%        | 0.26        | -0.31%        | 0.86        | 0.7180        | 0.8469        | 0.9021        | 0.0305        | 5.6%        | -2.2%        | 10.1%        | 9.1%        | 2.75        |
| 12 SEI Growth 100 Class S                           | F | 0.74%        | 2.69%        | 0.25        | -0.30%        | 0.83        | 0.7819        | 0.8122        | 0.8724        | -0.0033       | 5.9%        | -1.2%        | 10.5%        | 8.7%        | 1.89        |
| 13 CI Portfolio Series Maximum Growth Fund Class A  | F | 0.74%        | 2.72%        | 0.25        | -0.29%        | 0.82        | 0.7738        | 0.8145        | 0.8427        | -0.0426       | 5.9%        | -2.6%        | 9.0%         | 8.8%        | 2.44        |
| 14 Counsel All Equity Portfolio                     | F | 0.73%        | 2.90%        | 0.23        | -0.36%        | 0.88        | 0.7360        | 0.7853        | 0.8666        | 0.0244        | 4.3%        | -1.1%        | 9.5%         | 8.6%        | 3.09        |
| 15 Franklin Quotential Global Growth Portfolio A    | F | 0.72%        | 2.94%        | 0.22        | -0.47%        | 0.95        | 0.6316        | 0.8697        | 0.9277        | 0.0665        | 4.9%        | -7.5%        | 9.1%         | 8.5%        | 2.56        |
| 16 AGF Elements Global Portfolio                    | F | 0.69%        | 2.92%        | 0.21        | -0.51%        | 0.95        | 0.6122        | 0.8856        | 0.9097        | 0.1059        | 7.8%        | -1.6%        | 11.1%        | 8.0%        | 2.45        |
| 17 DynamicEdge Equity Class Portfolio               | F | 0.68%        | 2.95%        | 0.21        | -0.45%        | 0.90        | 0.6575        | 0.8258        | 0.8412        | 0.0498        | 7.0%        | -3.8%        | 11.1%        | 7.9%        | 2.44        |
| 18 DynamicEdge Equity Portfolio                     | F | 0.68%        | 2.96%        | 0.21        | -0.45%        | 0.90        | 0.6521        | 0.8283        | 0.8406        | 0.0499        | 7.0%        | -3.9%        | 11.1%        | 7.9%        | 2.42        |
| 19 Marquis Equity Portfolio                         | F | 0.68%        | 3.00%        | 0.20        | -0.45%        | 0.90        | 0.7362        | 0.7952        | 0.8457        | -0.0446       | 5.1%        | -4.4%        | 9.3%         | 7.9%        | 2.71        |
| 20 Invesco Intactive Maximum Growth Portfolio Ser A | F | 0.47%        | 2.66%        | 0.15        | -0.38%        | 0.68        | 0.8793        | 0.6340        | 0.7516        | -0.1084       | 4.6%        | -1.1%        | 4.8%         | 5.4%        | 2.43        |
| 21 BMO Equity Growth ETF Portfolio Fund             | F | 0.53%        | 3.33%        | 0.14        | -0.64%        | 0.93        | 0.8042        | 0.7111        | 0.7995        | -0.0345       | 5.7%        | -2.8%        | 9.6%         | 5.8%        | 1.78        |
| <b>Category Average</b>                             |   | <b>0.74%</b> | <b>2.72%</b> | <b>0.25</b> | <b>-0.27%</b> | <b>0.84</b> | <b>0.7201</b> | <b>0.8106</b> | <b>0.8562</b> | <b>0.0574</b> | <b>6.0%</b> | <b>-1.8%</b> | <b>10.0%</b> | <b>8.8%</b> | <b>2.45</b> |

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# Paterson & Associates—Monthly WRAP Fund Report

## Methodology & Ratings Definitions

July 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

July 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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