

# Model Portfolios

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# Paterson & Associates—Model Portfolio Report

## Portfolio Review

July 2016

| Funds                           | <u>Conservative</u> |           | <u>Moderate Balanced</u> |           | <u>Balanced</u> |           | <u>Balanced Growth</u> |           | <u>Growth</u> |           |
|---------------------------------|---------------------|-----------|--------------------------|-----------|-----------------|-----------|------------------------|-----------|---------------|-----------|
|                                 | Strategic           | Benchmark | Strategic                | Benchmark | Strategic       | Benchmark | Strategic              | Benchmark | Strategic     | Benchmark |
| PH&N Short Term Bond & Mortgage | 45%                 |           |                          |           |                 |           |                        |           |               |           |
| Dynamic Advantage Bond Fund     | 10%                 |           | 35%                      |           | 25%             |           | 10%                    |           |               |           |
| RBC Global Corporate Bond       | 10%                 |           | 10%                      |           | 10%             |           | 10%                    |           |               |           |
| Manulife Strategic Income       |                     |           |                          |           |                 |           |                        |           |               |           |
| Fidelity Canadian Large Cap     | 10%                 |           | 25%                      |           | 25%             |           | 25%                    |           | 25%           |           |
| Sentry Small Mid Cap Income     | 10%                 |           | 10%                      |           | 10%             |           | 10%                    |           | 10%           |           |
| TD U.S. Blue Chip Equity        |                     |           |                          |           | 10%             |           | 15%                    |           | 25%           |           |
| Fidelity Small Cap America      |                     |           |                          |           |                 |           | 10%                    |           | 10%           |           |
| CI Black Creek Global Leaders   |                     |           |                          |           |                 |           |                        |           | 10%           |           |
| Mac Ivy Foreign Equity          | 15%                 |           | 20%                      |           | 20%             |           | 20%                    |           | 20%           |           |

| Performance  |       |       |       |       |        |        |        |        |        |        |
|--------------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|
| 1 Month      | 1.41% | 1.61% | 1.90% | 2.63% | 2.55%  | 3.01%  | 3.20%  | 3.71%  | 4.50%  | 4.41%  |
| 3 Month      | 2.92% | 3.26% | 3.59% | 5.20% | 4.54%  | 5.35%  | 5.68%  | 6.07%  | 6.88%  | 6.58%  |
| Year to Date | 3.07% | 2.78% | 3.85% | 4.02% | 2.97%  | 3.95%  | 2.22%  | 3.47%  | 0.97%  | 3.61%  |
| 1 Year       | 2.51% | 2.08% | 3.01% | 3.04% | 2.78%  | 2.42%  | 2.62%  | 1.85%  | 2.18%  | 1.19%  |
| 3 Year       | 5.86% | 6.62% | 7.46% | 9.91% | 9.24%  | 10.33% | 11.89% | 12.14% | 14.79% | 13.39% |
| 5 Year       | 6.41% | 6.01% | 8.63% | 8.98% | 10.30% | 9.30%  | 13.21% | 11.13% | 15.86% | 12.20% |
| 10 Year      | 5.91% | 5.01% | 7.20% | 6.22% | 7.77%  | 6.15%  | 8.83%  | 6.41%  | 9.59%  | 6.43%  |

| Risk Metrics (Rolling 60 month) |        |        |         |         |         |         |         |         |         |         |
|---------------------------------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|
| Annualized Return               | 6.41%  | 6.01%  | 8.63%   | 8.98%   | 10.30%  | 9.30%   | 13.21%  | 11.13%  | 15.86%  | 12.20%  |
| Annualized Standard Deviation   | 2.80%  | 3.21%  | 4.06%   | 4.99%   | 5.13%   | 5.71%   | 6.58%   | 7.27%   | 8.80%   | 8.87%   |
| Sharpe Ratio                    | 1.98   | 1.61   | 1.91    | 1.63    | 1.84    | 1.48    | 1.88    | 1.41    | 1.70    | 1.28    |
| Biggest Drawdown                | -9.46% | -9.84% | -19.23% | -18.98% | -21.66% | -23.78% | -26.21% | -32.90% | -32.44% | -40.96% |

| Fund Asset Mix  |     |     |     |     |     |     |     |     |     |     |
|-----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Fixed Income    | 65% | 70% | 45% | 50% | 35% | 40% | 20% | 20% | 0%  | 0%  |
| Canadian Equity | 20% | 10% | 35% | 15% | 35% | 20% | 35% | 25% | 35% | 35% |
| U.S. Equity     | 0%  | 10% | 0%  | 20% | 10% | 20% | 25% | 30% | 35% | 35% |
| Global Equity   | 15% | 10% | 20% | 15% | 20% | 20% | 20% | 25% | 30% | 30% |

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## Glossary and Disclosures

July 2016

Return data provided by Fundata, MSCI and PC Bond.

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.

Maximum Drawdown represents the largest peak to trough loss the portfolio has experienced in the past ten years.

Historic returns are calculated using the monthly return data in our database. Portfolio returns assume monthly rebalancing.

The portfolios were initially created in December 2008. Returns prior to that are based on pro-forma results using the asset mixes determined at December 2008. The portfolios underwent a dramatic rebalancing in January 2014. Results prior to January 2014 reflect the previous asset mixes of the portfolios. Results after January 2014 reflect the revised asset mixes. For information on the portfolios prior to January 2014, please contact us. .

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

### About Us:

D.A Paterson and Associates Inc. is an independent consulting firm specializing in Asset Allocation and Mutual Fund Research.

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