

# Monthly Socially Responsible Investment Fund Ranking Report

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# Paterson & Associates - Monthly SRI Fund Ranking Report

July 2017

							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						
Fixed Income Funds																
1	NEI Global Total Return Bond	A	0.26%	0.84%	0.24	0.14%	0.51	0.2873	0.5417	0.5953	0.6296	1.4%	1.1%	2.4%		2.13
2	PH&N Community Values Bond	F	0.22%	1.08%	0.15	-0.02%	0.99	0.1277	0.3687	0.4667	0.9981	-2.3%	-3.0%	2.8%	2.6%	0.60
3	NEI Canadian Bond Fund Series A	F	0.11%	1.06%	0.04	-0.13%	0.96	0.1153	0.3689	0.4823	0.9949	-2.2%	-3.3%	1.6%	1.2%	1.62
4	Meritas Canadian Bond Fund	F	0.07%	1.00%	0.00	-0.15%	0.90	0.1103	0.3560	0.4419	0.9837	-2.6%	-4.4%	1.0%	0.8%	1.79
Benchmark (DEX Universe Bond Index)		0.23%	1.09%	0.15			0.0952	0.3573	0.4556	1.0000		-2.2%	-2.7%	2.9%	2.8%	
Category Average		0.17%	1.00%	0.11			0.1601	0.4088	0.4966	0.9016		-1.4%	-2.4%	1.9%	1.6%	1.54
Balanced Funds																
1	Meritas Growth Portfolio	A	0.74%	1.64%	0.41	0.35%	0.75	0.5867	0.8835	0.8443	0.3999	-4.0%	3.9%	6.0%	9.0%	2.49
2	Meritas Growth & Income Portfolio	A	0.60%	1.41%	0.38	0.25%	0.68	0.5922	0.8582	0.8456	0.4980	-3.7%	2.5%	5.0%	7.3%	2.41
3	IA Clarington Inhance Monthly Inc SRI Pt.	B	0.57%	1.45%	0.35	0.16%	0.70	0.8163	0.5512	0.5773	0.2619	-1.7%	6.0%	3.7%	6.9%	2.31
4	Meritas Balanced Portfolio	B	0.46%	1.19%	0.33	0.16%	0.59	0.5769	0.8380	0.8332	0.6044	-3.5%	1.0%	3.8%	5.6%	2.40
5	IA Clarington Inhance Growth SRI Pt.	B	0.60%	1.64%	0.33	0.19%	0.70	0.6807	0.7862	0.8413	0.4699	-2.4%	4.7%	3.8%	7.3%	2.47
6	NEI Ethical Select Growth Portfolio Series A	B	0.66%	1.84%	0.33	0.25%	0.70	0.6079	0.8492	0.8873	0.4176	-3.6%	3.7%	4.3%	8.1%	2.54
7	NEI Ethical Select Balanced Portfolio Series A	B	0.54%	1.50%	0.32	0.16%	0.73	0.5928	0.8422	0.8907	0.5144	-2.6%	2.5%	3.7%	6.5%	2.44
8	IA Clarington Inhance Balanced SRI Pt.	B	0.51%	1.42%	0.31	0.11%	0.76	0.6589	0.7730	0.8369	0.5645	-2.3%	3.1%	3.4%	6.1%	2.42
9	Meritas Income & Growth Portfolio	C	0.36%	1.00%	0.29	0.06%	0.83	0.5094	0.7848	0.8007	0.7454	-3.2%	-0.1%	3.1%	4.3%	2.05
10	IA Clarington Inhance Conservative SRI Pt.	C	0.38%	1.17%	0.27	0.02%	1.01	0.5977	0.7229	0.8012	0.7169	-2.3%	1.1%	2.7%	4.5%	2.38
11	Desjardins SocieTerra Balanced Portfolio	C	0.42%	1.35%	0.27	0.08%	0.67	0.5516	0.7605	0.8800	0.6928	-3.3%	0.7%	2.7%	5.1%	2.28
12	NEI Ethical Select Conservative Portfolio Series A	C	0.36%	1.21%	0.25	0.01%	0.97	0.5311	0.8014	0.8580	0.6917	-2.5%	0.3%	2.8%	4.3%	2.15
13	RBC Jantzi Balanced	D	0.52%	1.84%	0.25	-0.17%	0.65	0.5129	0.7188	0.7501	0.3798	-2.3%	2.1%	1.9%	6.2%	2.13
14	NEI Ethical Select Income Portfolio	D	0.28%	1.09%	0.20	-0.05%	0.91	0.4127	0.6879	0.7915	0.8111	-2.1%	0.4%	3.1%	3.3%	1.79
15	Meritas Strategic Income	D	0.05%	0.49%	-0.03	-0.05%	0.28	0.5538	0.3935	0.4766	0.3650	-1.4%	0.5%	0.5%	0.6%	2.10
16	Desjardins SocieTerra Maximum Growth Portfolio	F	0.73%	1.91%	0.35	-0.11%	0.79	0.6268	0.8407	0.8923	0.4179	-3.9%	4.5%	4.2%	8.9%	2.62
17	Desjardins SocieTerra Growth Portfolio	F	0.54%	1.56%	0.31	-0.15%	0.77	0.5833	0.8075	0.9102	0.5759	-3.5%	2.4%	3.4%	6.6%	2.40
18	Desjardins SocieTerra Conservative Portfolio	F	0.30%	1.17%	0.20	-0.07%	1.02	0.4372	0.6774	0.8030	0.8463	-3.0%	-1.1%	2.2%	3.6%	2.15
19	Meritas Income Portfolio	F	0.22%	0.88%	0.18	-0.06%	0.78	0.4114	0.6524	0.7204	0.8869	-2.9%	-1.4%	1.9%	2.7%	2.12
20	NEI Ethical Balanced Fund Series A	F	0.11%	1.30%	0.04	-0.21%	0.61	0.6033	0.5750	0.5248	0.4160	-2.6%	-2.2%	-0.7%	1.2%	2.32
Benchmark (40% DEX / 60% TSX)		0.78%	1.44%	0.50			0.9458	0.3807	0.4917	0.4195		0.0%	0.0%	0.8%	5.0%	
Category Average		0.45%	1.35%	0.27			0.5722	0.7402	0.7883	0.5638		-2.8%	1.7%	3.1%	5.4%	2.30
Canadian Equity																
1	Meritas Monthly Dividend and Income	B	0.73%	2.11%	0.31	0.19%	0.77	0.8143	0.4313	0.3934	-0.0448	-4.6%	5.3%	2.1%	8.8%	2.45
2	NEI Ethical Canadian Equity Fund Series A	B	0.72%	2.10%	0.31	0.18%	0.77	0.8139	0.3891	0.4050	0.0000	-4.4%	4.3%	1.6%	8.7%	2.53

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Name	Rating	Average Monthly Return	Monthly Standard Deviation	Sharpe Ratio	Alpha	Beta	Correlations				Returns				
							TSX	S&P 500	MSCI EAFE	Cdn. Universe Bond	3 Month	1 Year	3 Year	5 Year	MER
3 IA Clarington Inhance Canadian Equity SRI Pt.	C	0.71%	2.22%	0.29	0.08%	0.90	0.8997	0.4088	0.4810	0.1009	-1.7%	7.3%	2.2%	8.5%	2.52
4 Investors Summa SRI Fund Series C	C	0.67%	2.10%	0.29	0.13%	0.77	0.8194	0.6368	0.5608	0.0295	-4.7%	5.3%	2.3%	8.1%	2.95
5 Desjardins SocieTerra Environment Fund A Class	C	0.67%	2.58%	0.23	0.09%	0.83	0.7199	0.6755	0.7318	0.2388	-4.4%	8.3%	1.5%	7.9%	2.56
6 RBC Jantzi Canadian Equity	D	0.68%	2.27%	0.27	0.00%	0.98	0.9694	0.3254	0.4076	0.0370	-2.5%	6.7%	1.6%	8.2%	2.00
7 Meritas Jantzi Social Index Fund	D	0.63%	2.31%	0.24	-0.04%	0.95	0.9218	0.3559	0.4430	0.0024	-2.4%	7.5%	1.4%	7.4%	2.15
<b>Benchmark (S&amp;P/TSX Composite)</b>		<b>0.71%</b>	<b>2.20%</b>	<b>0.29</b>			<b>1.0000</b>	<b>0.3070</b>	<b>0.4052</b>	<b>0.0952</b>	<b>-2.1%</b>	<b>6.8%</b>	<b>2.6%</b>	<b>8.6%</b>	
<b>Category Average</b>		<b>0.69%</b>	<b>2.24%</b>	<b>0.28</b>			<b>0.8512</b>	<b>0.4604</b>	<b>0.4889</b>	<b>0.0520</b>	<b>-3.5%</b>	<b>6.4%</b>	<b>1.8%</b>	<b>8.2%</b>	<b>2.45</b>

## Canadian Small / Mid Cap Equity

1 NEI Ethical Special Equity Fund Series A	A	0.90%	2.34%	0.36	0.54%	0.62	0.6804	0.2010	0.2021	-0.2777	-2.6%	5.9%	1.3%	11.0%	2.76
2 AGF Global Sustainable Growth Equity Fund Series	F	0.89%	3.26%	0.25	-0.54%	0.99	0.3951	0.7764	0.7582	0.3217	-4.4%	5.7%	6.6%	10.6%	2.63
<b>Benchmark (S&amp;P/TSX Composite)</b>		<b>0.71%</b>	<b>2.20%</b>	<b>0.29</b>			<b>1.0000</b>	<b>0.3070</b>	<b>0.4052</b>	<b>0.0952</b>	<b>-2.1%</b>	<b>6.8%</b>	<b>2.6%</b>	<b>8.6%</b>	
<b>Category Average</b>		<b>0.89%</b>	<b>2.80%</b>	<b>0.31</b>			<b>0.5377</b>	<b>0.4887</b>	<b>0.4802</b>	<b>0.0220</b>	<b>-3.5%</b>	<b>5.8%</b>	<b>4.0%</b>	<b>10.8%</b>	<b>2.70</b>

## U.S. Equity

1 Meritas U.S. Equity Fund	F	1.17%	2.59%	0.43	-0.13%	0.84	0.2079	0.9640	0.6836	0.3620	-6.8%	2.8%	11.4%	14.5%	2.59
2 NEI Ethical American Multi-Strategy Fund Series A	F	1.15%	3.08%	0.35	-0.31%	0.94	0.4542	0.9078	0.7368	0.2827	-6.6%	-0.6%	6.8%	14.0%	2.26
<b>Benchmark (S&amp;P 500 C\$)</b>		<b>1.57%</b>	<b>2.88%</b>	<b>0.52</b>			<b>0.3070</b>	<b>1.0000</b>	<b>0.7327</b>	<b>0.3573</b>	<b>-4.8%</b>	<b>11.2%</b>	<b>16.0%</b>	<b>19.9%</b>	
<b>Category Average</b>		<b>1.16%</b>	<b>2.83%</b>	<b>0.39</b>			<b>0.3311</b>	<b>0.9359</b>	<b>0.7102</b>	<b>0.3224</b>	<b>-6.7%</b>	<b>1.1%</b>	<b>9.1%</b>	<b>14.3%</b>	<b>2.43</b>

## Global / International Equity

1 Meritas Maximum Growth Portfolio	D	0.93%	2.02%	0.43	0.02%	0.68	0.5431	0.8989	0.8465	0.3401	-4.4%	5.3%	7.8%	11.5%	2.58
2 RBC Jantzi Global Equity	D	1.16%	2.83%	0.39	-0.11%	0.95	0.3560	0.9333	0.8348	0.3566	-3.1%	6.8%	9.4%	14.3%	2.17
3 Meritas International Equity Fund	D	0.98%	2.96%	0.31	0.06%	0.81	0.2921	0.7325	0.9104	0.4612	-1.7%	6.3%	9.3%	11.8%	2.97
4 NEI Ethical Global Equity Fund Series A	F	1.14%	2.88%	0.37	-0.13%	0.95	0.4766	0.8648	0.8714	0.3699	-3.7%	11.7%	9.5%	14.1%	2.37
5 IA Clarington Inhance Global Equity SRI Pt.	F	1.03%	3.01%	0.32	-0.33%	1.01	0.3859	0.8837	0.8908	0.4083	-3.3%	9.6%	8.0%	12.5%	2.63
6 NEI Ethical Global Dividend Fund Series A	F	0.86%	2.86%	0.28	-0.34%	0.89	0.4681	0.7362	0.8930	0.4698	-6.0%	3.0%	5.1%	10.3%	2.40
7 NEI Ethical International Equity Fund Series A	F	0.89%	3.27%	0.25	-0.18%	0.94	0.3449	0.7510	0.9537	0.4970	-2.5%	6.3%	6.2%	10.5%	2.30
8 NEI Environmental Leaders Fund	TBD	1.02%	3.14%	0.30	-0.37%	1.04	0.3497	0.8439	0.8411	0.5038	-4.1%	10.4%			2.48
<b>Benchmark (MSCI World Index C\$)</b>		<b>1.38%</b>	<b>3.27%</b>	<b>0.40</b>			<b>0.4039</b>	<b>0.9360</b>	<b>0.9208</b>	<b>0.4301</b>	<b>-3.8%</b>	<b>12.0%</b>	<b>12.3%</b>	<b>17.4%</b>	
<b>Category Average</b>		<b>1.00%</b>	<b>2.87%</b>	<b>0.33</b>			<b>0.4020</b>	<b>0.8305</b>	<b>0.8802</b>	<b>0.4258</b>	<b>-3.6%</b>	<b>7.4%</b>	<b>7.9%</b>	<b>12.2%</b>	<b>2.49</b>

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# Paterson & Associates—Monthly SRI Fund Ranking Report

## Methodology & Ratings Definitions

July 2017

### 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.

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## Disclaimer

July 2017

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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