

MUTUAL FUND FOCUS LIST



October 2019

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The Focus List

Name	Returns at September 30, 2019					Correlations						
	3 Mth	1 Yr	3 Yr	5 Yr	Sharpe Ratio	Alpha	Beta	TSX	S&P 500	MSCI EAFE	FTSE/TMX Cdn Bond Universe	MER
Fixed Income - Core												
1 Franklin Bissett Core Plus Bond Fund	1.2%	8.1%	2.5%	3.2%	0.18	-0.02%	0.89	0.230	0.414	0.479	0.938	1.38%
2 Leith Wheeler Corporate Advantage Sr. F	0.4%	3.5%	2.5%	3.6%	0.24	0.12%	0.39	0.454	0.564	0.641	0.633	0.79%
3 Lysander-Canso Sht Trm & Fltng Rate	0.5%	1.4%	1.3%	1.6%	0.22	0.09%	0.25	0.289	0.448	0.547	0.412	1.34%
4 Invesco 1-5 Yr Laddered Corp Bond	-0.2%	3.9%	1.0%	1.5%	0.10	-0.04%	1.01	0.126	0.350	0.453	0.848	0.99%
Fixed Income - Specialty												
1 IA Clarington Floating Rate Income	0.7%	4.7%	3.3%	3.3%	0.33	0.24%	0.11	0.680	0.332	0.396	0.025	1.85%
2 Manulife Strategic Income Fund	1.9%	5.8%	1.9%	3.7%	0.21	0.08%	0.68	0.132	0.443	0.507	0.695	2.00%
3 PIMCO Monthly Income Fund	-0.5%	5.4%	2.9%	2.8%	0.18	0.22%	0.05	0.415	0.174	0.310	0.067	1.38%
4 NinePoint Diversified Bond Fund - NEW	1.2%	3.5%	2.9%	3.1%	0.24	0.06%	0.57	0.293	0.408	0.591	0.592	1.98%
5 RBC Global Corporate Bond	1.5%	8.4%	2.3%	3.1%	0.20	0.07%	0.58	0.360	0.300	0.408	0.722	1.76%
Canadian Equity - Core												
1 CI Cambridge Cdn Equity	1.0%	1.1%	4.2%	5.6%	0.18	0.15%	0.73	0.805	0.758	0.629	0.086	2.44%
2 Fidelity Canadian Large Cap Fund	1.8%	8.4%	2.9%	4.7%	0.21	0.26%	0.29	0.480	0.657	0.583	0.496	2.52%
3 Mackenzie Canadian Growth (NEW)	-1.4%	5.2%	10.3%	12.0%	0.33	0.67%	0.69	0.644	0.854	0.746	0.347	2.46%
4 Manulife Dividend Income Fund	0.1%	8.0%	8.6%	9.2%	0.31	0.42%	0.72	0.850	0.631	0.528	0.243	2.28%
5 RBC North American Value Fund	2.6%	1.9%	6.5%	6.1%	0.19	0.15%	0.81	0.873	0.784	0.671	0.059	1.93%

Returns at September 30, 2019										Correlations			
Name		3 Mth	1 Yr	3 Yr	5 Yr	Sharpe Ratio	Alpha	Beta	TSX	S&P 500	MSCI EAFE	FTSE/TMX Cdn Bond Universe	MER
Canadian Small Mid Cap Equity													
1	CI Cambridge Pure Canadian Equity	-2.3%	-8.5%	-0.1%	1.5%	0.03	-0.06%	0.81	0.802	0.477	0.462	-0.017	2.43%
2	IA Clarington Canadian Small Cap	-0.6%	-5.0%	1.6%	1.8%	0.04	0.00%	0.68	0.766	0.270	0.220	-0.273	2.92%
3	Sentry Small Cap Income Fund	1.7%	-3.4%	3.9%	4.8%	0.13	0.23%	0.72	0.833	0.719	0.626	-0.008	2.43%
US Equity - Core													
1	Capital Group U.S. Equity Fund	0.7%	-4.9%			0.21	-0.29%	0.82	0.591	0.911	0.767	0.210	1.96%
2	Manulife U.S. Equity Fund	4.3%	14.5%	14.2%	14.9%	0.37	0.15%	0.89	0.399	0.957	0.736	0.399	2.46%
3	RBC O'Shaughnessy U.S. Value Fund	0.0%	-4.9%	9.5%	5.0%	0.10	-0.41%	0.76	0.745	0.592	0.457	-0.235	1.55%
4	TD U.S. Blue Chip	-0.8%	3.1%	16.4%	15.9%	0.30	-0.07%	1.16	0.391	0.921	0.840	0.377	2.38%
5	Invesco U.S. Companies Fund	2.0%	8.1%	14.5%	12.3%	0.25	-0.28%	1.10	0.492	0.959	0.785	0.326	2.59%
US Small Mid-Cap Equity													
1	Fidelity Small Cap America	-2.1%	4.0%	7.8%	11.0%	0.26	0.38%	0.55	0.336	0.848	0.665	0.416	2.47%
2	TD U.S. Mid - Cap Growth Fund	0.1%	8.2%	13.7%	15.5%	0.33	0.59%	0.69	0.447	0.939	0.755	0.373	2.54%
3	Invesco U.S. Small Companies Class	-3.2%	-6.0%	6.0%	6.2%	0.14	-0.12%	0.70	0.519	0.811	0.617	0.220	2.94%
Global / International Equity - Core													
1	EdgePoint Global Portfolio	3.5%	2.5%	12.0%	12.8%	0.29	0.27%	0.83	0.634	0.785	0.658	0.075	2.13%
2	Guardian Fundamental Global Equity	1.3%	7.0%	15.8%	N/A	0.35	0.35%	0.80	0.460	0.891	0.810	0.348	1.89%
3	IA Clarington Global Equity	-2.1%	-7.2%	4.8%	6.0%	0.16	-0.27%	0.83	0.634	0.868	0.804	0.169	2.52%
4	Manulife World Investment	-2.1%	1.4%	4.9%	7.9%	0.19	0.13%	0.86	0.390	0.775	0.903	0.582	2.56%
5	Invesco International Companies Fund	0.5%	0.8%	3.4%	7.9%	0.17	0.11%	0.92	0.630	0.749	0.819	0.427	2.70%

		Returns at September 30, 2019							Correlations				
Name		3 Mth	1 Yr	3 Yr	5 Yr	Sharpe Ratio	Alpha	Beta	TSX	S&P 500	MSCI EAFE	FTSE/TMX Cdn Bond Universe	MER
Global Small Mid Cap Equity													
			-										
1	Brandes Global Small Cap	-2.5%	12.4%	-4.6%	3.0%	0.07	-0.45%	0.80	0.526	0.748	0.814	0.164	2.69%
2	Fidelity NorthStar Fund	-0.8%	-4.9%	-0.9%	3.6%	0.11	-0.16%	0.52	0.139	0.738	0.716	0.505	2.53%
3	Invesco Global Endeavour	-1.0%	-3.1%	4.3%	7.4%	0.19	-0.12%	0.83	0.452	0.845	0.821	0.376	2.55%
Specialty / Sector Funds													
1	BMO Asian Growth & Income Fund	-3.1%	3.0%	1.1%	3.4%	0.09	-0.21%	0.69	0.355	0.681	0.786	0.576	2.61%
2	Brandes Emerging Markets	-2.8%	4.4%	3.8%	2.3%	0.05	-0.22%	0.84	0.530	0.291	0.523	0.144	2.70%
3	Invesco Emerging Markets Fund	2.8%	7.6%	3.8%	6.5%	0.13	0.05%	0.98	0.569	0.579	0.687	0.327	2.77%
4	Dynamic Power Global Growth Class	-7.5%	-8.5%	8.6%	10.8%	0.17	-0.17%	1.24	0.351	0.656	0.658	0.418	1.97%
Balanced / Income Funds													
1	CI Signature High Income Fund	2.2%	8.6%	4.5%	3.8%	0.15	-0.01%	0.81	0.739	0.747	0.701	0.421	1.59%
2	EdgePoint Global Growth & Income Portfolio	2.4%	2.6%	9.0%	9.7%	0.31	0.23%	0.71	0.627	0.789	0.672	0.090	2.03%
3	Fidelity Canadian Balanced Fund	0.9%	6.0%	4.1%	4.7%	0.18	0.06%	0.84	0.639	0.761	0.715	0.614	2.27%
4	Manulife Monthly High Income Fund	0.8%	3.6%	5.1%	5.5%	0.24	0.19%	0.63	0.743	0.746	0.585	0.316	2.02%
6	TD Monthly Income Fund	2.6%	5.5%	5.1%	4.6%	0.19	0.05%	0.81	0.931	0.577	0.522	0.076	1.47%
Passive Options													
	TD Canadian Bond Index Fund	1.0%	8.8%	1.8%	3.1%	0.16	-0.06%	0.98	0.052	0.319	0.370	0.990	0.83%
	RBC Canadian Index Fund	2.4%	6.1%	6.5%	4.5%	0.13	-0.06%	0.97	1.000	0.492	0.497	0.062	0.66%
	TD U.S. Index Fund	2.6%	6.0%	12.8%	13.6%	0.32	-0.06%	0.99	0.486	0.998	0.803	0.325	0.55%
	TD International Index Fund	-0.1%	0.3%	5.8%	5.8%	0.14	-0.11%	0.99	0.476	0.799	0.993	0.394	1.00%

Benchmark Returns at September 30, 2019

Benchmark	3 mth	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Fixed Income					
FTSE TMX 90 Day T-Bill Index	0.41%	1.66%	1.06%	0.88%	0.84%
FTSE TMX Short Term Bond Index	0.27%	4.35%	1.47%	1.89%	2.39%
FTSE TMX Canadian Bond Universe	1.20%	9.70%	2.66%	3.90%	4.38%
Canadian Equity					
S&P/TSX 60 Capped Index	2.69%	8.39%	8.44%	6.14%	6.21%
S&P/TSX Composite	2.48%	7.06%	7.36%	5.31%	6.97%
S&P/TSX Completion Index TR	1.72%	2.93%	4.12%	2.84%	6.97%
S&P/TSX Small Cap Index TR	-1.22%	-6.62%	-1.84%	0.10%	3.73%
U.S. Equity					
S&P 500 C\$	2.91%	6.65%	13.73%	14.79%	15.71%
Russell 2000 C\$	-1.24%	-6.79%	8.58%	11.86%	13.57%
Global & Specialty Equity					
MSCI EAFE C\$	0.18%	1.47%	7.35%	7.29%	7.70%
MSCI World C\$	1.86%	4.78%	11.18%	11.45%	12.02%
MSCI World Small / Mid Cap Index C\$	0.87%	-0.15%	8.78%	10.96%	12.37%
MSCI Europe C\$	-0.58%	2.21%	7.57%	6.49%	7.49%
S&P/TSX Capped REIT Index	8.59%	19.83%	13.30%	10.44%	12.21%
MSCI Emerging Markets C\$	-2.96%	0.63%	6.71%	6.19%	5.94%
MSCI Pacific C\$	1.54%	0.39%	7.17%	8.97%	8.10%
MSCI Pacific ex Japan C\$	-4.05%	5.51%	7.59%	7.87%	8.14%
MSCI ACWI C\$	1.29%	4.30%	10.65%	10.87%	11.25%
MSCI All China C\$	-2.36%	4.20%	4.31%	8.41%	6.98%
Data Sources:					
Fundata					
FTSE / TMX					
Bank of Canada					
MSCI					

Returns as of September 30, 2019

List Changes

Additions

NONE

Deletions

NONE

Funds of Note

NinePoint Diversified Bond Fund (NPP 018 – Front End Units, NPP 318 – Low Load Units)

Managed by a team headed by veteran manager Mark Wisniewski, this is an actively managed diversified North American-focused bond fund with a flexible mandate allowing the manager to invest across the capital structure. The fund takes an absolute return approach and aims for a 4% to 6% return, net of fees over a rolling three-year period, regardless of interest rates. It is managed using a disciplined investment process blends top-down macro views, thematic tactical trades, and bottom-up security selection. Management has a range of tools at their disposal including the ability to alter interest-rate sensitivity, currency exposure, security mix, and credit quality to either capture potential upside or to reduce or manage risk.

Performance over the long-term has been decent, with an annualized return of 2.9% over the past three years, and 3.1% over the past five years ending September 30. The three-year number is well above average, while the five year is in line with the average. However, when we factor in the risk level of the fund relative to other global bond funds, the risk adjusted numbers are excellent. For example, according to Morningstar, the annualized five-year standard deviation of the fund was 2.7% compared to 4.9% for the global fixed income category. This results in a Sharpe Ratio that is significantly higher, 0.84 for the fund versus 0.54 for the category. Further, the fund has negative down capture ratio, meaning that it has historically been positive when the broader global bond market is negative. This makes it an excellent diversifier when used in a portfolio.

In a recent commentary, the manager noted that with the deterioration in economic data, they are expecting that markets are likely to remain volatile. In this environment, they have positioned the portfolio somewhat defensively, with a higher exposure to higher quality corporate bonds, and a lower duration with their corporate bonds.

At the end of September, the fund held 28% in government bonds, 61% in investment grade corporate bonds, and a very modest 7% in high yield issues. Approximately 86% of the portfolio is invested in North America, with the balance roughly split between France and Germany. They have moved the overall portfolio curation out to 6.5 years from 5.4 years in June. This may result in gains if rates move lower.

Despite the modest absolute return numbers, the defensive positioning of the portfolio, combined with the experienced management team and active investment process, this remains one of my top bond fund picks.

Sentry Small/Mid Cap Income Fund (CIG 50221 – Front End Units, CIG 53221 – Low Load Units)

In September, it was announced that long-serving manager Michael Simpson had left Sentry. No reasons for his departure were provided. While Mr. Simpson had been a named manager on the Fund, most of the day to day management duties were the responsibility of Aubrey Hearn, who remains as lead manager on the Fund. Mr. Hearn is being joined by Jack Hall, who is co-manager on the fund. Mr. Hall has been with Sentry since 2012.

Capital Group U.S. Equity Fund (CIF 847 – Front End Units, CIF 827 – Fee Based Units)

Last time around, I noted some concern around the recent performance of this Capital Group offering. With a gain of 0.67%, it again trailed the S&P 500, which gained 2.9% in Canadian dollar terms. It also trailed the category average of 1.9%, resulting in another fourth quartile return in the quarter.

There were a few reasons for the underperformance. The first was its significant overweight in energy, which lost nearly 10% in the quarter. Facebook, one of its largest holdings lost 6.5% while the index gained nearly 3%. The fund also missed out on potential gains by not having any exposure to AT&T, which rallied sharply in the quarter. An overweight to materials stocks was another detractor with the sector losing 7%. A final reason for the underperformance was the cash balance which averaged 7.5%. Any cash balance can be a headwind in a rising market.

Earlier in the summer, it was announced that some additional portfolio managers were being added to the portfolio. As a result, it is expected the number of holdings will triple, moving from approximately 60 to about 180. This move is expected to increase the diversification of the fund and provide a more balanced sector mix. Given this change, I will monitor the fund for another quarter, but I am at the point where I need to see an improvement in the risk reward metrics soon.

Manulife U.S. Equity Fund (MMF 4504 – Front End Units, MMF 4704 – Low Load Units)

Mawer Investments, the management team at the helm of this offering, continues to be one of the better managers around, consistently delivering above average returns on both an absolute and risk adjusted basis.

Over the quarter, the fund gained 4.2%, bringing the year-to-date number up to 19.5%, outperforming both the category and index. The fund's financial, technology and consumer names were the biggest contributors to the outperformance, while materials and healthcare muted gains. Alphabet, Verisk Analytics, and Procter & Gamble helped boost returns.

Looking ahead, the managers remain defensive. There is a lot of “noise” affecting the markets including the ongoing trade war, central banks, elevated debt levels, Brexit, and slowing economic growth. The managers continue to focus on high quality companies with strong recurring revenue streams. They believe these companies are well positioned to benefit from the low interest rate environment and are likely to hold up better if we see a meaningful slowdown in the economic environment.

Fidelity NorthStar Fund (FID 253 – Front End Units, FID 853 – Low Load Units)

Managed by the team of Joel Tillinghast and Dan Dupont, this value focused global all-cap offering has certainly struggled so far this year. Year-to-date the fund is down 1.4% to the end of September, while the MSCI World Small Cap Index is up more than 13% in Canadian dollar terms. The main reason for this underperformance is the fund's value focus. Value stocks have dramatically trailed growth stocks of late. While we did see a quick rotation from growth into value in September, the trend has not sustained, and growth names are again outperforming. That won't always be the case, and when we do see a sharp uptick in volatility this fund will be expected to outperform. The Fund tends to do a solid job of protecting investor capital in down markets, participating in roughly 60% of the market downside over the past five years.

Unfortunately, with the value focus, the upside participation of the fund has significantly trailed its peers. To help address this, it was announced on October 24 that Kyle Weaver would be added to the fund as a manager, rounding out the team of Tillinghast and Dupont, starting November 1. Mr. Weaver has not yet run any mandates for Canadian investors but has been active in some U.S. offerings. Under the new structure, Joel Tillinghast will manage half the fund with the balance split evenly between Dan Dupont and Kyle Weaver.

Mr. Weaver uses a more growth focused approach which would be expected to be rather complimentary to the current management team. The U.S. exposure in the fund is likely to increase, as this is the area where Kyle has extensive experience.

I will be watching this change closely to see if it results in any further erosion in the risk reward profile of the fund.

Invesco Emerging Markets Fund (AIM 2143 – Front End Units, AIM 2145 – Low Load Units)

With macro headlines dominating investor sentiment, emerging market equities fell by nearly 3% in the third quarter. In this environment, the Invesco Emerging Markets Fund rose by 2.8% for the Series A units. Helping drive this outperformance was the fund's overweight in China. While this may seem counterintuitive given the uncertainty created by the ongoing trade war with the U.S., the fund's China holdings are more domestic and consumption focused businesses, which tend to be less effected.

The manager's have been finding more opportunities in small and mid-cap stocks in the past few months. According to a recent commentary published by the managers, the reason is small and mid-cap names have largely been overlooked by investors, as most of the fund flows have been going into large cap focused ETFs.

Looking ahead, the managers note that global growth is slowing but don't see a recession as imminent. This combined with continued uncertainty is likely to result in higher levels of market volatility going forward. Further, they believe that given the uptick in volatility, broad diversification is recommended.

While the macro headwinds can create havoc in the investment markets, the investment managers use a fundamentally driven, bottom up investment process to try to find high quality, well managed companies with sustainable competitive advantages that can do well in most environments. The portfolio is unconstrained and can invest in companies of any size. At the end of September, half of the fund is invested in small and mid-cap names.

Given the investment team and disciplined investment process, this remains my top pick for emerging markets.

Fixed Income Core

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
Franklin Bissett Core Plus Bond Fund	Top Down Macro Fundamental Security section	Thomas O'Gorman Darcy Briggs	1.43%	\$2,063.5	High current income and some long-term capital appreciation by investing primarily in Canadian federal and provincial government, and corporate bonds, debentures and short-term notes.
Leith Wheeler Corporate Advantage	Top Down Macro Fundamental Security section	Jim Gilliland Catherine Heath Dhruv Mallick	0.79%	\$157.3	The Fund will invest in Canadian fixed income securities including corporate bonds, preferred shares, high-yield debt, loans, convertible debt and guaranteed mortgages. It may also invest in foreign securities. The Fund will invest in broad range of companies and is not restricted by capitalization or industry sector, although portfolio diversification is a consideration in the selection of securities The Fund intends to keep its portfolio fully invested to the greatest extent possible.
Lysander-Canso Sht Trm & Fltng Rate	Fundamental Credit Analysis	John Carswell	1.32%	\$116.6	The Fund's objective is to provide total returns consisting principally of interest income and floating rate debt securities of Canadian and foreign issuers.
Invesco 1-5 Year Laddered Corp Bond	Rules Based	Invesco Management Team	0.99%	\$288.6	Invesco 1-5 Year Laddered Corporate Bond Index ETF Fund seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the FTSE Canada Investment Grade 1-5 Year Laddered Corporate Bond Index, or any successor thereto (the "Index").

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
Frkln Bissett Core Plus Bond	1.2	8.1	2.5	3.2	3.6	-0.6	2.9	3.3	0.6	7.3	-1.4	98%	86%	74%	66%	3.77%
Quartile	1	3	1	2	2	4	1	1	4	2	2					
Leith Wheeler Corp. Advantage	0.4	3.5	2.2	2.8	-	-0.9	3.0	4.4	1.6			39%	40%	5%	-3%	2.41%
Quartile	4	4	3	3	-	4	1	1	3							
Lys. Cnso Sht Trm Fltng Rate	0.5	1.4	1.3	1.6	-	0.3	0.9	2.8	1.4	2.2	-	20%	26%	-20%	-27%	0.87%
Quartile	1	4	2	2	-	4	1	1	2	3	-					
PShrs 1-5 Yr Lad. Corp Bond	-0.2	3.9	1.0	1.5	-	0.8	-0.2	1.3	1.8	2.8	1.4	77%	67%	60%	47%	1.61%
Quartile	4	2	3	3	-	3	3	2	2	1	1					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest

Upside and downside capture ratios are run against the FTSE TMX Canadian Universe Bond Index, except for PowerShares 1-5 Year Laddered Corporate Bond Fund, which is against the FTSE TMX Canadian Short Term Bond Index

Fixed Income Specialty

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
IA Clarington Floating Rate Income Fund	Bottom up Credit	Jeff Sujitno Amar Dhanoya	1.85%	\$1,194.6	Seeks to provide unitholders with a stream of current monthly income by investing primarily in senior floating rate loans, other floating rate securities and debt obligations of North American and global corporate issuers, both investment & non-investment grade.
Manulife Strategic Income	Tactical	Dan Janis Thomas Goggins	2.00%	\$9,148.5	Seeks to generate income while keeping an emphasis on capital preservation. The Fund invests in a diverse portfolio of government and corporate debt from developed and emerging markets. It also invests in U.S. government and agency securities and high yield bonds.
PIMCO Monthly Income Fund	Tactical	Alfred Murata Daniel Ivascyn	1.40%	\$22,097.6	Seeks to maximize current income consistent with preservation of capital and prudent investment management. Long-term capital appreciation is a secondary objective. It invests primarily in a diversified portfolio of non-Canadian dollar Fixed Income Instruments of varying maturities.
NinePoint Diversified Bond Fund	Tactical	Mark Wisniewski Chris Cockeram Etienne Bordeleau	1.98%	\$432.4	The Fund's investment objectives are to maximize the total return of the Fund and to provide income by investing primarily in debt and debt-like securities of corporate and government issuers from around the world.
RBC Global Corporate Bond	Credit Analysis	Frank Gambino Marty Balch Soo Boo Cheah	1.58%	\$9,092.5	To provide a high level of interest income with the potential for modest capital growth by investing primarily in global corporate bonds.

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
IA Clarington Floating Rate Inc	0.7	4.7	3.3	3.3	-	0.4	2.4	6.5	0.9	3.9	-	14%	10%	-27%	-28%	2.14%
Quartile	3	1	3	2	-	2	2	3	2	2						
Manulife Strategic Income	1.9	5.8	1.9	3.7	5.0	-2.5	2.6	3.1	5.5	8.1	4.5	15%	29%	-1%	5%	3.89%
Quartile	2	3	2	2	1	4	4	4	1	1	2					
PIMCO Monthly Income Fund	-0.5	5.4	3.9	4.1	-	0.0	6.4	7.1	2.4	5.3	6.3	16%	12%	-21%	-28%	2.34%
Quartile	4	3	1	1	-	3	1	1	3	4	1					
NinePoint Diversified Bond	1.2	3.5	2.9	3.1	-	-0.7	4.3	5.1	1.8	3.3	2.9	20%	18%	-6%	-7%	2.70%
Quartile	3	4	1	3	-	3	3	4	2	3	3					
RBC Global Corporate Bond	2.3	9.7	2.1	3.3	3.5	1.1	3.6	5.1	-0.6	6.7	-0.6	40%	35%	26%	19%	3.32%
Quartile	1	1	2	2	2	2	1	1	4	3	3					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios run against the most appropriate benchmark

Canadian Equity Core

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
CI Cambridge Canadian Equity	Large Cap Blend	Brandon Snow	2.44%	\$4,683.1	Seeks to achieve long-term capital growth by investing, directly or indirectly, primarily in equity securities of Canadian companies. Indirect investments may include convertible securities, derivatives, equity-related securities and securities of other mutual funds.
Fidelity Canadian Large Cap	Large Cap Value	Daniel Dupont	2.30%	\$4,280.0	The fund aims to achieve long-term capital growth. It invests primarily in equity securities of Canadian companies and tends to focus on large companies.
Mackenzie Canadian Growth	Large Cap Growth	Dina DeGeer David Arpin	2.46%	\$3,130.8	The Fund invests mainly in Canadian equity securities issued by Canadian corporations to achieve long-term capital growth and provide a reasonable rate of return.
Manulife Dividend Income Fund	Large Cap Blend	Alan Wicks Conrad Dabiet Jonathan Popper	2.28%	\$4,994.5	Seeks to provide a combination of income and long-term capital appreciation. It invests in a diversified portfolio of mainly Canadian dividend paying equity securities. It may also invest in REITs.
RBC North American Value	Large Cap Blend	Stu Kedwell Doug Raymond David Tron	1.88%	\$3,086.3	To provide long-term capital growth by investing primarily in equity securities of Canadian and/or U.S. companies priced below their true value and offering long-term opportunities for growth.

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
CI Cambridge Cdn Equity	1.0	1.1	4.2	5.6	9.5	-7.1	4.0	16.0	0.6	14.2	27.2	77%	83%	93%	69%	8.09%
Quartile	3	3	3	2	1	2	4	1	2	1	1					
Fidelity Canadian Large Cap	1.8	8.7	3.1	4.9	10.3	-0.2	-0.1	10.2	3.6	10.6	36.6	45%	53%	47%	30%	5.38%
Quartile	2	1	4	2	1	1	4	3	1	2	1					
Mackenzie Canadian Growth	-1.4	5.2	10.3	12.0	10.4							92%	98%	50%	28%	9.56%
Quartile	4	2	1	1	1											
Manulife Dividend Income	0.1	8.0	8.6	9.2	-	-4.6	12.8	15.7	-1.1	5.1	9.5	83%	90%	54%	43%	7.61%
Quartile	4	1	1	1	-	1	1	3	1	4	4					
RBC North American Value	2.6	2.0	6.6	6.1	8.8	-8.9	11.2	12.7	-0.3	7.6	23.1	92%	89%	93%	73%	8.32%
Quartile	2	3	2	2	1	3	1	3	4	3	2					

Note: Risk is the annualized three or five-year standard deviation

Upside and downside capture ratios are run against the S&P/TSX Composite Total Return Index, except for RBC North American Value, which is calculated against the MSCI North America GR CAD

Canadian Small Mid-Cap Equity

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
CI Cambridge Pure Canadian Equity	Small Cap Growth	Greg Dean Stephen Groff	2.43%	\$279.3	This fund invests primarily in equity securities of Canadian companies. The fund may invest up to 10% of its assets in foreign market investments.
IA Clarington Canadian Small Cap	Small Cap Value	Joe Jugovic Ian Cooke	2.92%	\$871.9	The Fund's objective is to maximize long-term growth of capital by investing primarily in equity securities of small capitalization Canadian companies. Substantially similar funds are also available as NEI Ethical Special Equity and CI Can-Am Small Cap .
Sentry Small Mid Cap Income Fund	Mid Cap Blend	Aubrey Hearn Jack Hall	2.43%	\$1,328.3	The Fund's investment objective is to provide consistent monthly income and capital appreciation by investing in equity securities of small and medium capitalization companies and trusts, as well as preferred securities and convertible debentures and, to a lesser extent, in other interest-bearing securities, such as bonds, bills or bankers' acceptances.

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
CI Cambridge Pure Cdn Equity	-2.3	-8.5	-0.1	1.5	-	-12.9	-0.4	21.9	-5.8	14.7	47.3	72%	79%	105%	86%	9.86%
Quartile	4	4	3	2	-	2	4	2	3	1	1					
IA Clarington Cdn Small Cap	-0.6	-5.0	1.6	1.8	8.8	-12.3	1.9	22.3	-6.8	5.9	37.3	81%	68%	100%	69%	8.74%
Quartile	3	3	2	2	2	1	3	2	3	2	1					
Sentry Small Mid Cap Income	1.7	-3.4	3.9	4.9	12.9	-10.4	8.4	14.6	-0.2	12.7	36.4	86%	79%	82%	57%	9.42%
Quartile	2	2	2	2	1	2	3	3	3	1	1					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios are run against the S&P/TSX Completion Index

U.S. Equity Core

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
Capital Group U.S. Equity Fund	Large Cap Blend	Christopher Buchbinder Barry Crosthwaite Mark Hickey	2.01%	\$131.9	Seeks long-term growth of capital and income through investments primarily in common stocks of U.S. issuers. The Fund focuses on investments in medium to larger capitalization companies. The Fund may invest up to 15% of its assets at the time of purchase, in securities of issuers domiciled outside the United States.
Manulife U.S. Equity Fund	Large Cap Blend	Grayson Witcher	2.46%	\$667.1	Mirrors the respected Mawer U.S. Equity Fund . It seeks long-term capital growth The Fund seeks to provide above-average long-term rates of return by investing in common shares of U.S. companies.
RBC O'Shaughnessy U.S. Value	Large Cap Value	Jim O'Shaughnessy Patrick O'Shaughnessy	1.49%	\$1,218.3	Seeks to provide long-term total return by investing primarily in equity securities of U.S. companies. Uses systematic rigorous and disciplined approach to stock selection based on characteristics associated with above-average returns over long periods of time.
TD U.S. Blue Chip	Large Cap Growth	Larry Puglia	2.38%	\$4,998.7	Seeks to achieve long-term capital growth by investing p in large and medium-sized blue chip companies located in the United States which are well established in their respective industries with the potential for above average growth.
Invesco U.S. Companies	Large Cap Growth	Jim Young	2.59%	\$687.5	The Fund seeks to provide strong capital growth over the long term. The Fund invests primarily in equities of American companies.

Fund	Annualized Returns (%)						Calendar Year Returns (%)						Upside		Downside		Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr		
Capital Group U.S. Equity	0.7	-4.9	5.5	8.1	-	-2.3	8.0	15.5	7.9	-	-	69%	73%	102%	92%	10.40%	
Quartile	4	4	4	4	-	3	2	1	4								
Manulife U.S. Equity	4.3	14.5	14.2	14.9	13.8	8.7	11.9	4.5	17.9	19.3	40.5	96%	97%	83%	89%	10.75%	
Quartile	1	1	1	1	2	1	3	3	2	2	2						
RBC O'Shaughnessy US Val	0.0	-4.8	9.6	5.0	11.7	-13.3	21.5	12.6	-8.9	10.7	47.5	81%	58%	91%	87%	14.79%	
Quartile	4	4	3	4	3	4	1	1	4	4	1						
TD U.S. Blue Chip	-0.8	3.1	16.5	15.9	16.0	9.1	25.5	-4.7	30.8	16.8	47.6	103%	111%	80%	113%	14.59%	
Quartile	4	3	1	1	1	1	1	4	1	3	1						
Invesco U.S. Companies	2.0	8.1	14.5	12.3	14.0	-0.4	21.8	-1.9	15.4	25.7	40.8	111%	104%	114%	127%	13.35%	
Quartile	3	1	1	2	1	2	1	3	2	1	2						

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios are run against the S&P 500 C\$ Total Return Index

U.S. Small Mid-Cap Equity

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
Fidelity Small Cap America	Mid Cap Blend	Steve MacMillan	2.27%	\$2,825.3	The fund aims to achieve long-term capital growth. It invests primarily in equity securities of U.S. small capitalization companies.
TD U.S. Mid Cap Growth Fund	Mid Cap Growth	Brian Berghuis John Wakeman	2.56%	\$2,164.2	The fundamental investment objective is to seek to achieve long-term capital growth by investing primarily in equity securities of medium sized issuers in the United States.
Invesco U.S. Small Companies	Small Cap Blend	Rob Mikalachki Virginia Au Jason Whiting	2.94%	\$159.8	The Fund seeks to provide strong capital growth over the long term. The Fund invests mainly in common shares of a diversified group of U.S. companies with small market capitalizations

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
Fidelity Small Cap America	-2.1	4.2	8.0	11.2	15.6	5.3	6.3	-1.4	24.3	17.5	54.2	57%	70%	41%	55%	11.28%
Quartile	3	1	2	2	1	1	3	4	1	1	1					
TD U.S. Mid Cap Growth Fund	0.1	8.2	13.7	15.5	15.7	3.9	15.7	1.1	25.9	21.5	43.8	83%	89%	49%	62%	12.74%
Quartile	2	1	1	1	1	1	3	4	1	1	2					
Invesco U.S. Small Companies	-3.2	-6.0	6.0	6.2	11.4	-6.9	7.1	14.6	2.5	16.3	33.4	74%	67%	76%	78%	12.65%
Quartile	4	3	3	4	3	2	1	2	4	1	4					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios are run against the Russell 2000 C\$ Total Return Index

Global / International Equity Core

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
EdgePoint Global Portfolio	Large Cap Blend	Tye Bousada Geoff MacDonald Ted Chisholm	2.12%	\$10,993.0	The Fund's objective is to provide long-term capital appreciation by investing primarily in global equity securities.
Guardian Fundamental Global Equity	Large Cap Blend	Michael Boyd Giles Warren	1.89%	\$360.2	The primary objective of the Fund is to achieve long-term capital appreciation through investment in a portfolio of high quality equity or equity-related securities of issuers throughout the world.
IA Clarington Global Equity Fund	Large Cap Value	Joe Jugovic	2.42%	\$292.7	The fund seeks to provide a combination of income and long-term capital growth through investment in a portfolio consisting primarily of equity securities of businesses located around the world.
Manulife World Investment	Large Cap Blend	David Ragan Peter Lampert	2.56%	\$1,903.5	The Fund seeks to provide long-term growth and capital gains to provide diversification of risk by investing primarily in equities of companies located outside of Canada and the United States.
Invesco International Companies Fund	Large Cap Growth	Jeff Feng Matt Pedan	2.70%	\$488.9	The Fund seeks to provide strong capital growth over the long term. The Fund invests primarily in securities of issuers located outside of Canada and the United States.

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		5 yr. Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
EdgePoint Global	0.5	-1.5	10.5	12.0	12.3	-3.4	16.7	13.4	12.7	18.7	44.5	105%	104%	107%	98%	11.90%
Quartile	3	4	1	1	1	2	1	1	2	1	1					
Gdn Fndmntl Glb Eq	1.3	7.0	15.8	-	-	8.9	22.6	2.6	-	-	-	120%	N/A	85%	N/A	10.05
Quartile	2	1	1	-	-	1	1	3								
IA Clarrngton Glb Eqty	-2.1	-7.2	4.9	6.1	-	-5.0	12.5	8.3	8.8	8.2	21.1	84%	77%	125%	99%	10.03%
Quartile	4	4	4	4	-	3	3	1	3	3	3					
Manulife World Inv.	-2.1	1.4	4.9	7.9	8.1	-5.2	21.0	-4.0	19.4	7.3	21.6	96%	96%	116%	91%	11.02%
Quartile	4	2	3	1	1	2	1	3	2	1	4					
Invesco Int'l Comps.	0.5	0.8	3.5	7.9	8.5	-14.3	20.5	2.2	17.3	12.2	27.6	95%	100%	129%	97%	12.97%
Quartile	2	2	4	1	1	4	1	1	2	1	2					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest

Upside and downside capture ratios are run against the MSCI World Gross Index C\$ for Global Equity funds & MSCI EAFE Gross Index C\$ for International Equity funds

Global / International Small / Mid-Cap Equity

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
Brandes Global Small Cap	Small Cap Value	Brandes Management Team	2.69%	\$230.7	The investment objective is to achieve long-term capital appreciation by investing primarily in equity securities of Canadian and non-Canadian issuers with small equity market capitalizations at the time of purchase. The Fund is not subject to any specific geographic diversification requirements
Fidelity NorthStar Fund	Mid Cap Value	Joel Tillinghast Daniel Dupont Kyle Weaver	2.32%	\$5,061.4	The Fund aims to achieve long-term capital growth. The Fund invests primarily in a mix of equity securities and fixed income securities from around the world.
Invesco Global Endeavour	Large Cap Blend	Jeff Hyrich Erin Greenfield	2.55%	\$1,572.1	The Fund seeks to generate long-term capital growth by investing primarily in mid-cap equity securities from anywhere in the world.

Fund	Annualized Returns (%)					Calendar Year Returns (%)					Upside		Downside		5 yr. Risk	
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
Brandes Global Small Cap	-2.5	-12.4	-4.6	3.0	8.5	-14.1	1.7	14.2	22.2	8.1	34.8	32%	64%	107%	98%	10.86%
Quartile	3	4	4	4	2	4	4	1	1	3	3					
Fidelity NorthStar Fund	-0.8	-4.7	-0.7	3.8	8.2	-5.1	4.1	-2.0	24.9	13.5	46.0	31%	47%	64%	58%	7.92%
Quartile	2	2	4	3	3	1	4	4	1	1	1					
Invesco Global Endeavour	-1.0	-3.1	4.3	7.5	10.9	-7.2	15.4	1.3	18.8	11.0	31.9	72%	82%	105%	96%	10.42%
Quartile	4	4	4	3	1	3	2	3	1	2	2					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios are run against the MSCI World Small/Mid Cap C\$ Gross Index

Specialty / Sector Funds

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
BMO Asian Growth & Income	Large Cap Blend	Robert Horrocks Kenneth Lowe	2.61%	\$602.8	Seeks to provide income and capital appreciation by investing in a diversified portfolio comprised of convertible and higher yielding equity securities of Asian companies. The fund's emphasis is the Asian Tiger countries (Asia excluding Japan). The portfolio allows investors to participate in the potential of Asia with less volatility than a pure equity fund. Currency exposure is fully hedged
Brandes Emerging Markets Value	Large Cap Value	Brandes Management Team	2.70%	\$284.1	The fundamental investment objective of the Fund is to achieve long-term capital appreciation by investing primarily in the equity securities of companies located or active mainly in emerging markets. The Fund is not subject to any specific geographic diversification requirements. Regions in which the Fund may invest include Asia, Latin America, Europe and Africa.
Invesco Emerging Markets Fund	Large Cap Blend	Jeff Feng Matt Peden Ingrid Baker	2.77%	\$305.6	The Funds seeks to achieve capital growth over the long term by investing primarily in equity securities of companies located or active in emerging markets.
Dynamic Power Global Growth	Large Cap High Growth	Noah Blackstein	1.97%	\$1,295.3	Dynamic Power Global Growth Class seeks to provide long-term capital growth through investment in a broadly diversified portfolio consisting primarily of equity securities of businesses based outside of Canada.

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		5 yr. Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
BMO Asian Growth & Inc.	-3.1	3.0	1.1	3.4	5.8	-4.9	11.5	-2.9	10.2	6.7	9.3	59%	62%	86%	74%	9.85%
Quartile	4	2	4	4	3	1	4	2	4	3	4					
Brandes Emerging Mkts Value	-2.8	4.5	3.8	2.3	4.0	-9.4	16.6	20.4	-6.9	-1.2	13.3	83%	78%	96%	99%	13.20%
Quartile	2	1	3	4	3	3	4	1	4	4	1					
Invesco Emerging Markets	2.8	7.6	3.8	6.5	-	-18.4	26.5	7.0	7.7	7.3	10.8	101%	104%	123%	106%	14.10%
Quartile	1	1	3	1	-	4	3	2	1	2	1					
Dynamic Power Global Growth	-7.5	-8.5	8.7	10.8	13.3	-16.0	51.4	-12.0	24.5	9.1	40.6	93%	119%	102%	140%	19.06%
Quartile	4	4	2	1	1	4	1	4	1	2	1					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios are run against the most appropriate market index

Balanced / Income Funds

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
CI Signature High Income Fund	Tactical	Geoff Marshall Eric Bushell	1.59%	\$6,599.2	This fund's objective is to generate a high level of income and long-term capital growth. It invests primarily in high-yielding equity securities and Canadian corporate bonds.
EdgePoint Global Growth & Income Portfolio	Tactical	Tye Bousada Geoff MacDonald Ted Chisholm	2.01%	\$10,111.3	Seeks to provide a combination of long-term capital appreciation and income generation by investing primarily in global equity & fixed-income securities.
Fidelity Canadian Balanced Fund	Strategic	Geoff Stein David Wolf	2.06%	\$6,477.1	Seeks to achieve high total investment return. The fund uses a balanced approach. It invests primarily in a mix of Canadian equity securities, investment grade bonds, high yield securities and money market instruments.
Manulife Monthly High Income Fund	Strategic	Alan Wicks Conrad Dabiet Jonathan Popper	2.02%	\$9,351.4	Steady flow of monthly income and capital growth The Fund invests primarily in Canadian fixed income and large-cap Canadian equity securities. The Fund may also invest in securities of royalty trusts and real estate investment trusts ("REITs").
TD Monthly Income Fund	Tactical	Doug Warwick Gregory Kocik Michael Lough	1.46%	\$8,122.3	The fundamental investment objective is to seek to provide monthly income with capital appreciation as a secondary objective, by investing primarily in income-producing securities.

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		5 yr.
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	Risk
CI Signature High Income	2.3	8.6	4.5	3.8	7.2	-3.9	3.1	6.5	-1.0	8.6	8.6	69%	56%	78%	77%	5.68%
Quartile	1	1	3	4	1	3	4	2	4	2	4					
EdgePoint Gbl Grth & Income	0.4	0.6	8.2	9.3	10.1	-1.2	12.1	11.5	9.0	13.9	32.4	96%	95%	92%	83%	8.09%
Quartile	3	4	1	1	1	1	1	1	1	1	1					
Fidelity Canadian Balanced	0.9	6.1	4.2	4.9	6.6	-3.5	4.9	5.5	3.5	11.1	12.7	99%	104%	101%	89%	6.14%
Quartile	4	2	3	2	1	2	3	4	1	1	1					
Manulife Mthly High Income	0.8	3.6	5.1	5.5	7.4	-5.7	10.6	10.6	5.8	16.5	15.9	110%	106%	103%	82%	5.60%
Quartile	4	4	2	1	1	4	1	3	2	1	1					
TD Monthly Income Fund	2.6	5.5	5.1	4.6	6.5	-6.9	6.7	14.9	-3.8	9.9	8.9	120%	116%	125%	120%	5.95%
Quartile	1	3	2	2	1	4	2	1	4	1	4					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios are run against the respective balanced benchmarks.

Passive Options

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
TD Canadian Bond Index Fund	Cap Weighted Passive	Michelle Hegeman	0.83%	\$915.3	Seeks to maximize total return through both interest income and capital appreciation by tracking the performance of the FTSE TMX Canada Universe Bond Index. The Universe Index is comprised of Canadian investment-grade bonds which mature in more than one year.
RBC Canadian Index Fund	Cap Weighted Passive	RBC Global Asset Management	0.66%	\$792.3	To invest in equity securities in substantially the same proportion as its benchmark index, either directly or indirectly through investment in other mutual funds.
TD U.S. Index Fund	Cap Weighted Passive	Dino Vevaina Wilcox Chan	0.55%	\$1,373.0	The fundamental investment objective is to provide long-term growth of capital by primarily purchasing U.S. equity securities to track the performance of the S&P 500 Total Return Index. The S&P 500 Index is comprised of 500 widely-held U.S. issuers
TD International Index Fund	Cap Weighted Passive	Dino Vevaina Wilcox Chan	1.00%	\$757.8	The fundamental investment objective is to track the MSCI Europe, Australasia and Far East Index. The MSCI EAFE Index is a broadly diversified index consisting of equity securities of companies domiciled in developed markets outside the U.S. and Canada.

Fund	Annualized Returns (%)						Calendar Year Returns (%)					Upside		Downside		5 yr. Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2018	2017	2016	2015	2014	2013	3Yr	5Yr	3Yr	5Yr	
TD Canadian Bond Index	1.0	8.8	1.8	3.1	3.5	0.5	1.7	0.8	2.8	7.9	-2.0	103%	100%	95%	92%	3.92%
Quartile	2	2	3	2	2	3	3	4	1	1	2					
RBC Canadian Index	2.4	6.1	6.5	4.5	6.2	-9.3	8.2	20.1	-9.0	9.8	12.2	96%	96%	101%	100%	8.70%
Quartile	3	2	2	3	3	2	2	2	3	2	4					
TD U.S. Index	1.5	3.3	12.4	9.9	12.3	-5.2	20.8	7.3	20.5	22.9	40.0	97%	96%	98%	98%	11.09%
Quartile	2	2	2	1	1	1	2	2	1	1	2					
TD International Index	-0.2	0.3	5.8	5.8	6.1	-7.1	16.1	-3.1	18.3	2.0	28.6	94%	97%	104%	109%	11.52%
Quartile	3	3	3	3	3	2	3	2	2	2	2					

Note: Risk is the annualized three or five-year standard deviation, whichever is longest
Upside and downside capture ratios are run against the most appropriate benchmark for the fund type

Model Portfolio Asset Mixes

To assist in the portfolio construction process, we have created a series of model portfolios. The asset mixes were created using our Portfolio Optimization Model which strives to create an asset mix which delivers the highest level of expected return for each level of expected risk. Our strategic asset mixes for each investor type are outlined below:

Fund	Conservative	Moderate Balanced	Balanced	Balanced Growth	Growth
Fixed Income (Total)	65% to 100%	45% to 70%	35% to 50%	20% to 40%	0% to 20%
Short Term Fixed Income	45%	-	-	-	-
Traditional Fixed Income	10%	35%	25%	10%	-
Specialty Fixed Income	10%	10%	10%	10%	-
Canadian Equity	0% to 20%	0% to 40%	0% to 50%	0% to 50%	0% to 50%
Canadian Large Cap	10%	25%	25%	25%	25%
Canadian Small/Mid Cap	10%	10%	10%	10%	10%
U.S. Equity	0% to 20%	0% to 40%	0% to 50%	0% to 50%	0% to 50%
U.S. Large Cap	-	-	10%	15%	25%
U.S. Small/Mid Cap	-	-	-	10%	10%
International / Global Equity	0% to 20%	0% to 40%	0% to 50%	0% to 50%	0% to 50%
Large Cap	15%	20%	20%	20%	30%
Small Cap	-	-	-	-	-
Specialty / Sector	0% to 20%	0% to 20%	0% to 20%	0% to 20%	0% to 20%
Healthcare	-	-	-	-	-
Real Estate	-	-	-	-	-
Resources	-	-	-	-	-
Emerging Markets	-	-	-	-	-
Science & Technology	-	-	-	-	-
Aggressive / Tactical	-	-	-	-	-

The bolded sections represent the high-level asset class and what we believe an acceptable range for each would be for each investor type. The various subcategories highlight the current allocations for our model portfolios.

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.

Disclaimer

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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 historical standard deviation for the most recent 60 months, or since inception of the fund, whichever is lower.

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 more than 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.

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. - All Information is for Broker Use Only

About Us

Dave Paterson is the Director of Research, Investment Funds for D.A. Paterson & Associates Inc. Paterson & Associates is an independent consulting firm specializing in providing research and due diligence on a wide range of different investment products including mutual funds, ETFs, hedge funds and other exempt market products to financial advisors, individual investors and investment dealers.

Dave has worked in the mutual fund industry since 1994. Prior to starting his own firm in 2002, he worked for a variety of respected mutual fund companies and money managers including the Mackenzie Financial, Guardian Group of Funds, the Bank of Montreal and Jones Heward. In these roles, Dave has had the opportunity to work with some of the most respected money managers in the country.

Using this knowledge, Dave has developed a unique analytical approach which focuses on identifying the funds which have consistently delivered strong, risk adjusted returns on both an absolute and relative basis.

In 2011, Dave took over the publication and editor duties of Gordon Pape's Mutual Fund and ETF Update and Top Funds Report, the most widely read mutual fund newsletters in the country. He is also regularly quoted in the Financial Post, Globe and Mail and the FundLibrary.com and has appeared on BNN.

Dave was awarded the Chartered Financial Analyst (CFA) designation in September of 2000 and holds a Bachelor of Commerce (Finance) from the University of Windsor.