

MUTUAL FUND FOCUS LIST



August 2020

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The Focus List

Name	Returns at June 30, 2020					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	6.9%	6.0%	4.1%	3.4%	0.16	-0.08%	1.05	0.590	0.472	0.523	0.916	1.28%
2 Leith Wheeler Corporate Advantage Sr. F	8.0%	1.9%	2.3%	2.7%	0.10	-0.04%	0.75	0.802	0.578	0.705	0.604	0.79%
3 Lysander-Canso Sht Trm & Fltng Rate	5.6%	2.7%	1.5%	1.6%	0.07	0.04%	0.50	0.763	0.510	0.638	0.461	1.34%
4 Invesco 1-5 Yr Laddered Corp Bond	5.4%	3.1%	2.2%	1.6%	0.07	-0.09%	1.27	0.660	0.474	0.585	0.755	1.00%
5 PH&N Total Return Bond Fund	6.6%	8.1%	4.7%	3.7%	0.19	0.01%	0.80	0.369	0.352	0.314	0.987	1.05%

Fixed Income - Specialty

1 IA Clarington Floating Rate Income	3.6%	-5.7%	0.2%	1.1%	0.02	-0.14%	0.66	0.789	0.432	0.670	0.258	1.85%
2 Manulife Strategic Income Fund	5.0%	3.8%	2.4%	2.8%	0.16	0.04%	0.56	0.672	0.523	0.639	0.655	1.89%
3 PIMCO Monthly Income Fund	5.7%	-1.4%	1.8%	2.3%	0.08	0.05%	0.41	0.736	0.415	0.654	0.350	1.38%
4 NinePoint Diversified Bond Fund	3.6%	3.8%	2.6%	2.8%	0.20	0.09%	0.39	0.520	0.375	0.517	0.569	1.98%
5 RBC Global Corporate Bond	8.5%	3.6%	3.0%	3.2%	0.13	-0.03%	0.89	0.744	0.463	0.620	0.685	1.76%

Canadian Equity - Core

1 CI Cambridge Cdn Equity	13.5%	-4.7%	0.6%	3.2%	0.07	-0.04%	0.82	0.912	0.822	0.787	0.304	2.44%
2 Fidelity Canadian Large Cap Fund	12.8%	3.6%	3.0%	3.9%	0.11	0.13%	0.51	0.798	0.727	0.692	0.565	2.52%
3 Mackenzie Canadian Growth	13.5%	-0.1%	6.4%	8.2%	0.19	0.40%	0.73	0.829	0.887	0.809	0.437	2.46%
4 Manulife Dividend Income Fund	17.8%	2.5%	7.1%	8.4%	0.20	0.38%	0.79	0.938	0.749	0.739	0.462	2.28%
5 RBC North American Value Fund	12.0%	-4.0%	1.5%	3.6%	0.08	-0.01%	0.85	0.949	0.838	0.830	0.298	1.93%

Returns at June 30, 2020									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	24.6%	13.8%	-5.4%	-1.8%	-0.02	-0.29%	0.91	0.914	0.662	0.709	0.326	2.43%
2 Fidelity Special Situations	36.7%	17.5%	13.8%	12.1%	0.19	0.85%	0.84	0.802	0.736	0.649	0.432	2.24%
3 IA Clarington Canadian Small Cap	18.3%	-13.5%	-3.9%	-0.5%	0.00	-0.18%	0.86	0.906	0.568	0.655	0.272	2.92%
4 Sentry Small Cap Income Fund	20.3%	-5.7%	-1.3%	1.8%	0.04	0.00%	0.84	0.942	0.776	0.789	0.302	2.42%
US Equity - Core												
1 Capital Group U.S. Equity Fund	14.6%	7.8%			0.16	-0.28%	0.86	0.740	0.934	0.774	0.251	1.96%
2 Manulife U.S. Equity Fund	11.8%	9.4%	12.6%	11.7%	0.27	0.07%	0.86	0.611	0.960	0.749	0.402	2.46%
3 RBC O'Shaughnessy U.S. Value Fund	16.6%	-16.3%	-1.6%	0.8%	0.03	-0.92%	1.07	0.841	0.728	0.713	0.028	1.55%
4 TD U.S. Blue Chip	22.5%	21.7%	18.8%	16.0%	0.28	0.17%	1.10	0.572	0.922	0.774	0.400	2.38%
5 Invesco U.S. Companies Fund	16.6%	11.0%	13.3%	10.4%	0.20	-0.22%	1.07	0.671	0.961	0.796	0.336	2.59%
US Small Mid-Cap Equity												
1 Fidelity Small Cap America	9.3%	-13.6%	1.8%	2.7%	0.06	-0.08%	0.59	0.731	0.843	0.798	0.412	2.47%
2 TD U.S. Mid - Cap Growth Fund	23.5%	5.6%	11.2%	10.8%	0.20	0.48%	0.76	0.749	0.941	0.808	0.424	2.54%
3 Invesco U.S. Small Companies Class	20.6%	-12.2%	-1.9%	2.0%	0.04	-0.26%	0.90	0.837	0.806	0.756	0.327	2.94%
Global / International Equity - Core												
1 Canoe Global Equity Fund	10.5%	7.7%	10.9%	10.5%	0.24	0.16%	0.90	0.599	0.935	0.801	0.445	2.39%
2 EdgePoint Global Portfolio	13.7%	-9.9%	1.7%	4.9%	0.10	-0.32%	1.00	0.831	0.820	0.812	0.228	2.13%
3 Guardian Fundamental Global Equity	12.3%	12.2%	14.0%	N/A	0.33	0.49%	0.80	0.554	0.902	0.746	0.384	1.89%
4 IA Clarington Global Equity	8.7%	-8.0%	-0.5%	2.6%	0.06	-0.44%	0.88	0.754	0.889	0.822	0.126	2.45%
5 Manulife World Investment	9.8%	2.3%	4.1%	5.7%	0.14	0.18%	0.79	0.534	0.790	0.852	0.422	2.58%
6 Invesco International Companies Fund	17.3%	10.6%	4.4%	5.7%	0.12	0.14%	0.96	0.717	0.802	0.802	0.372	2.67%

Returns at June 30, 2020									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 Fidelity NorthStar Fund	18.2%	7.2%	0.9%	2.1%	0.05	-0.16%	0.57	0.622	0.820	0.748	0.479	2.53%
2 Invesco Global Endeavour	17.1%	-5.0%	0.7%	2.5%	0.05	-0.30%	0.91	0.781	0.855	0.858	0.378	2.57%
Specialty / Sector Funds												
1 BMO Asian Growth & Income Fund	10.6%	-1.9%	0.8%	1.8%	0.04	-0.15%	0.70	0.595	0.732	0.799	0.541	2.62%
2 Invesco Emerging Markets Fund	17.3%	14.1%	4.6%	6.7%	0.13	0.14%	1.00	0.618	0.621	0.705	0.324	2.79%
3 Dynamic Power Global Growth Class	43.7%	40.3%	19.5%	15.4%	0.21	0.41%	1.19	0.507	0.650	0.589	0.479	1.97%
Balanced / Income Funds												
1 CI Signature High Income Fund	10.8%	-5.0%	0.9%	1.6%	0.03	-0.26%	1.09	0.901	0.744	0.814	0.520	1.59%
2 EdgePoint Global Growth & Income Portfolio	10.6%	-7.4%	1.5%	4.0%	0.10	-0.26%	0.90	0.848	0.806	0.830	0.251	2.03%
3 Fidelity Canadian Balanced Fund	12.7%	3.1%	4.6%	3.5%	0.10	-0.04%	0.90	0.878	0.774	0.774	0.659	2.27%
4 iA Clarington Global Allocation	12.0%	8.6%	8.7%	7.7%	0.22	0.00%	0.94	0.716	0.936	0.848	0.416	2.44%
5 Mackenzie Canadian Growth Balanced	11.3%	2.2%	5.6%	6.4%	0.19	0.20%	0.87	0.831	0.871	0.797	0.550	2.29%
6 Manulife Monthly High Income Fund	10.8%	1.2%	4.0%	4.3%	0.13	0.09%	0.70	0.896	0.806	0.751	0.471	2.01%
7 TD Monthly Income Fund	7.8%	-5.6%	0.5%	2.9%	0.07	-0.08%	0.85	0.959	0.691	0.768	0.368	1.47%
Passive Options												
1 TD Canadian Bond Index Fund	5.4%	6.9%	4.4%	3.3%	0.17	-0.06%	0.97	0.342	0.332	0.308	0.991	0.83%
2 RBC Canadian Index Fund	16.7%	-2.7%	3.1%	3.7%	0.08	-0.05%	0.98	1.000	0.691	0.733	0.360	0.66%
3 TD U.S. Index Fund	16.8%	12.0%	12.0%	11.9%	0.25	-0.06%	1.01	0.695	0.998	0.812	0.365	0.54%
4 TD International Index Fund	11.7%	-1.9%	1.6%	2.9%	0.06	-0.11%	1.00	0.660	0.843	0.971	0.321	0.95%

Investments highlighted in red are being removed from the Focus List. Those highlighted in green are new additions to the Focus List

Benchmark Returns at June 30, 2020

Benchmark	<u>3 mth</u>	<u>1 Yr.</u>	<u>3 Yr.</u>	<u>5 Yr.</u>	<u>10 Yr.</u>
Fixed Income					
FTSE TMX 90 Day T-Bill Index	0.08%	1.31%	1.26%	0.94%	0.91%
FTSE TMX Short Term Bond Index	2.15%	4.45%	2.95%	2.11%	2.55%
FTSE TMX Canadian Bond Universe	5.87%	7.90%	5.29%	4.19%	4.63%
Canadian Equity					
S&P/TSX 60 Capped Index	14.99%	-1.38%	4.84%	5.23%	6.07%
S&P/TSX Composite	16.97%	-2.17%	3.91%	4.45%	6.35%
S&P/TSX Completion Index TR	25.47%	-5.10%	0.86%	2.02%	5.32%
S&P/TSX Small Cap Index TR	38.52%	-10.07%	-4.51%	-0.16%	1.51%
U.S. Equity					
S&P 500 C\$	15.79%	11.95%	12.55%	12.81%	16.92%
Russell 2000 C\$	20.48%	-2.77%	3.68%	6.15%	13.31%
Global & Specialty Equity					
MSCI EAFE C\$	10.55%	-0.79%	2.96%	4.37%	8.91%
MSCI World C\$	14.83%	7.67%	9.05%	9.42%	13.37%
MSCI World Small / Mid Cap Index C\$	18.75%	0.72%	4.89%	6.93%	12.66%
MSCI Europe C\$	11.01%	-2.45%	2.25%	3.89%	8.98%
S&P/TSX Capped REIT Index	7.27%	-15.14%	2.92%	4.32%	8.14%
MSCI Emerging Markets C\$	13.53%	0.95%	3.95%	5.08%	6.26%
MSCI Pacific C\$	9.69%	1.95%	4.29%	5.37%	8.92%
MSCI Pacific ex Japan C\$	15.48%	-9.04%	2.60%	4.64%	8.46%
MSCI ACWI C\$	14.69%	6.88%	8.45%	8.94%	12.53%

Data Sources:

Fundata

FTSE / TMX

Bank of Canada

MSCI

Returns as of June 30, 2020

List Changes

Additions

PH&N Total Return Bond Fund (RBF 6340 – Front End Units, RBF 4340 – Low Load Units) – With interest rates now at or near record lows and expected to remain there for some time, investors looking for ways to generate returns may have to look outside of your basic government and corporate bond issues. It is that ability to invest in non-core bond fixed income products that makes this an attractive fund.

It is managed by a very deep and well-resourced fixed income team at the RBC owned PH&N Investment Management. The majority of the portfolio will look very much like the highly regarded PH&N Bond Fund, which invests in a diversified portfolio of investment grade corporate and government bonds. Where this fund differs is in its ability to invest up to 20% in non-core and high yield bonds to allow for a higher return potential.

The managers are very active and tactical in the management of the portfolio, with portfolio turnover levels that have averaged 138% over the past five years, as reported in the fund's MRFP. The managers will also use periods of market volatility to tactically shift the portfolio. For example, back in March after corporate bonds had sold off, the managers stepped in to take positions in very attractively priced credits. The managers also added some high yield exposure to benefit from the rally spurred by central bank announcements they would be purchasing corporate bonds and ETFs for the first time.

Performance, particularly in the short term has been strong, with a year-to-date gain of 8.1%, which outpaced both the index and the peer group. Longer term performance numbers are also strong, with a three- and five-year return of 4.7% and 3.7% respectively. In both cases, this beat the category average, but trailed the benchmark.

The Fund's volatility has been below both the index and peer group, resulting in very competitive risk adjusted returns. It is competitively priced with an MER of 1.05% for the advisor sold units. For those looking for high quality core fixed income exposure, this is certainly a fund worthy of consideration.

Fidelity Special Situations Fund (FID 1298 – Front End Units, FID 1098 – Low Load Units) – Managed by March Schmehl since it's April 2007, this fund has a unique and opportunistic mandate that looks for companies of any size that are or are expected to undergo some positive changes in their underlying fundamentals. These opportunities may come in a wide range of investments including high growth companies with underappreciated potential, or significantly undervalued companies that may be in a position to benefit from improvements in company or industry fundamentals. They may also look at restructuring and merger opportunities, where the outcome has the potential to unlock significant value for shareholders.

It is a Canadian focused small and mid-cap equity fund, meaning it can invest up to 49% of the Fund outside of Canada. The manager has certainly taken advantage of this, and at the end of April, 44% of the fund was invested in U.S. equities.

The investment process is very much a bottom up approach where each opportunity is evaluated, considering the economic and market conditions, the industry, and financial position. They also review total growth potential, earnings and quality of management. The portfolio is diversified, holding 65 names, with the top ten making up more than 40% of the Fund. Not surprisingly, it is overweight technology, communications, healthcare, and consumer names. The top ten includes such highflyers as Shopify, Zoom, and Amazon.

It is an approach that has worked well, with return numbers that have left the benchmark and the overwhelming majority of its peer group in the dust. For the five years ending June 30, the Fund has gained an annualized 12.1% and nearly 15% annualized over the past five years. Since 2010, the Fund has delivered above average returns in each calendar year except 2018, when it posted third quartile performance. Part of this above average return is certainly due to the growth bias of the fund, which has benefitted from a market environment that has rewarded growth over all other styles. Another factor driving returns has been its U.S. equity exposure, which has outperformed Canadian equities. Another benefit of the U.S. holdings is the strengthening U.S. dollar has provided a further tailwind to the Fund as the currency has remained unhedged. While these factors have certainly helped, Mr. Schmehl's stock selection approach has been the biggest driver of the excess returns.

While returns have been above average, so too has been the volatility, with a standard deviation that is well above the category average. However, even with the higher volatility, the risk adjusted returns have blown away the peers, and it has delivered better returns in both up and down markets.

This is a great fund, and like the name suggests, is more of a specialty fund, rather than a core holding. Given the risk profile, this is better suited for those investors who are looking to enhance returns and are comfortable with a higher risk investment. I certainly don't think the historic returns are sustainable on a go-forward basis, but the combination of the flexible mandate and active, well-established manager make this an interesting fund to consider for those looking to add a little torque to their portfolios.

Canoe Global Equity Fund (GOC 1081 – Front End Units, GOC 1082 – Low Load Units) – This global equity fund is managed by a management team headed up by Nadim Rizk, who has been successfully using the same investment process since 2006.

The managers look for best-of-breed companies with strong growth potential that are trading at reasonable valuations. They like well-managed companies with sustainable competitive advantages operating in industries with high barriers to entry.

The fund has an all-cap, go-anywhere mandate that relies on basic screens focusing on quality, valuation, and growth measures to help identify potential investment candidates. Managers conduct a detailed fundamental analysis focusing on both company and industry factors that help them determine their estimate of a company's intrinsic value, screening further for companies with a potential minimum return of at least 50% over the next three years.

The investment process is benchmark-agnostic, and country and sector weights are a byproduct of the managers' stock selection process. The result is a concentrated, yet diversified portfolio. At the end of May, it held 20 equity positions, with the top-ten making up two thirds of the fund's assets. From a sector perspective, the fund is overweight financial services, consumer defensives, and healthcare. It has no exposure to real estate, utilities, or energy.

The managers typically take a long-term view when analyzing a stock, so it is expected that portfolio turnover will be modest. For the past five years, turnover has averaged roughly 20%, which corresponds to an approximate holding period of about five years.

Performance has been excellent with a 5-year average annual compounded rate of return of 8.9%, placing it firmly in the top quartile. It has however trailed the MSCI World Index, which has gained an annualized 9.4% over the same period.

The fund's volatility has been running roughly in line with the index and peer group, which translates into stronger risk adjusted returns. It has also delivered performance in up markets that equal or beat the index, while outperforming nicely in down markets, protecting capital for investors.

The Fund's growth focus has certainly helped boost shorter term returns. Another caveat is that the recent strong absolute performance is not likely sustainable, particularly if the market leadership moves more into cyclical names. However, the manager has a disciplined investment style and has done a solid job protecting capital in falling markets, making this a good pick for investors looking for a more "growthy" option for the global equity portion of an otherwise well diversified portfolio.

iA Clarington Loomis Global Allocation Fund (CCM 2470 – Front End Units, CCM 2472 – Low Load Units) – With a strong management team and a disciplined investment process, this has been one of the best performing global equity balanced funds over the past one, three, and five years. Boston based Loomis Sayles and Company took over the management duties of the fund in February 2015.

The investment process used is very nimble and opportunistic with the ability to invest anywhere in the world. The Managers are patient and take a long-term horizon of seven to 10 years when evaluating a potential investment opportunity. However, they tend to use periods of market volatility opportunistically as a way to improve the portfolio. The asset mix is the byproduct of the bottom up investment process and dependent on the available opportunity set. Historically, the equity weight of the fund has ranged between 35% and 60% of the portfolio.

The equity sleeve is managed by a team headed by Eileen Riley and Lee Rosenbaum, using a fundamentally driven, bottom-up, benchmark-agnostic approach that looks for what the managers believe are high quality companies, the ability to grow the intrinsic value, and are trading at a compelling valuation. They also look to be able to fully understand and quantify the risks of any potential investment candidate. The equity portfolio tends to be high conviction, typically holding fewer than 50 names. The portfolio currently has a definitive growth bias to it, trading at valuation levels well above those of the peer group and index. This growth bias is also evident from the sector mix, which is overweight technology, healthcare, and consumer discretionary names. It has little or no exposure to the more defensive parts of the market such as real

estate, utilities and energy. The top ten holds many growth names including Amazon, Alibaba, and Facebook. Geographically, the focus has been primarily in North America, which at the end of June comprised two-thirds of the equity portfolio, with the U.S. being the dominant country.

On the fixed-income side, managers Daniel Fuss and David Rolley have the ability to invest across the entire fixed-income spectrum. The investment process used is a blend of top-down macro analysis and bottom-up security selection. The top-down analysis helps the team find the most attractive opportunities anywhere across the quality curve. It has tended to focus more in the AA to BB range, looking for credits that are attractively priced and that can add potential return.

Historic returns have been strong, with the equity growth bias helping drive much of the higher returns of late. But even with the growth bias, the Fund has done a solid job at keeping volatility in check, with a standard deviation that has typically been below the peer group, and in line with the benchmark. The Fund has historically outperformed in both rising and falling markets,

With its recent performance validating the fund's, deep management bench strength, and disciplined investment process, the fund is a solid global balanced offering.

Mackenzie Canadian Growth Balanced Fund (MFC 724 -Front End Units, MFC 3197 – Low Load Units) – Despite the massive market meltdown in February and March resulting from the COVID-19 pandemic, this growth-focused balanced offering has had a decent first half, gaining 0.6%, outpacing both the benchmark and peer group. Further, it has posted top-quartile performance for the past three calendar years and except for 2016, has been a top quartile performer in every year since 2012.

The fund is run like a fund of funds, with the top asset mix being determined by Mackenzie's Multi-Asset Strategies Team, headed by Nelson Arruda. Mr. Arruda took over from Alain Bergeron, who moved to iA Financial Group. There's a bit of flexibility in the mandate, with equity exposure expected to range between 60% and 90%.

The equity sleeve looks very much like the Mackenzie Canadian Growth Fund, which is also on the Mutual Fund Focus List. Veteran bond manager Steve Locke leads the fixed-income team. His a "core plus" approach uses not only Canadian investment-grade issuers but also high-yield bonds, floating-rate loans, and other fixed-income instruments, using a blend of top-down macro analysis and bottom-up credit analysis.

At the end of April, the fund had 31% in fixed income, 34% Canadian equity, 28% in U.S. equity, 2% in international equity, and the balance in cash. The bond portfolio was split roughly between corporate and government bonds. Credit quality was high, with only a small exposure to high-yield debt.

With its slight growth tilt, the equity portfolio was overweight industrials, healthcare, and consumer staples. It was underweight energy, financials, and utilities. The top ten equity names include Quebecor, Intact Financial, and Accenture.

Longer-term performance has been excellent, with a 5-year average annual compounded rate of return of 6.4% to June 30, handily outpacing the benchmark and peer group. As impressive as the outperformance in absolute terms has been, the Managers have done a great job keeping volatility in check, with a standard deviation that has been below the peer group, although higher than the benchmark. The result in a very strong risk adjusted return profile. The fund has historically outperformed in down markets with a down capture ratio of below 100, indicating

Over the long-term, the fund has the potential to deliver above-average returns, but also with above-average levels of volatility, given the growth tilt of the equity sleeve. So only those with an above-average risk tolerance will want to consider this fund. More conservative investors may want to look elsewhere.

Deletions

IA Clarington Global Equity (CCM 3071 – Front End Units, CCM 3073 – Low Load Units) – The Fund is managed using a very disciplined, bottom up value focused process that looks for high quality, invested management that has delivered strong growth in equity, earnings, sales and cash flows. The company must be generating a level of free cash flow that will allow it to increase dividends over time, and the balance sheet cannot be over levered. Finally, it must be trading at a level of valuation that is well below current market levels, while providing return on equity that is above average. The portfolio is somewhat concentrated, holding more than 40 names, with the top ten making up about a third of the portfolio.

The Fund has a value focus which helps to explain some of its underperformance. However, it has consistently trailed funds that follow a similar value focused approach. It has higher cyclical exposure than its peers and has failed to participate as strongly to the upside. It has also been hit harder than the benchmark in a falling market.

Given the continued underperformance, I am removing the Fund from the Focus List immediately. It is being replaced by the Canoe Global Equity Fund.

CI Signature High Income Fund (CIG 686 – Front End Units, CIG 1786 – Low Load Units) – With nearly \$6 billion of retail assets in the mandate, the CI Signature High Income Fund is one of the largest balanced funds in the country. It is managed by a well-resourced investment team, headed by the highly regarded Eric Bushell, who in my opinion, is one of the best in the business. At the end of June, the Fund held about 3% in cash, 10% in preferred shares and other investments, 51% in equities, and 36% in bonds. The equity sleeve is invested in companies of all sizes but tends to focus more on the large cap space. It also has a bit of a value tilt to it, with valuation levels below the index and peer group. The bond sleeve is invested in corporate bonds, all of which were investment grade at the end of June.

Unfortunately, in recent years, the fund's once stellar performance has become more inconsistent and I believe there are stronger global balanced funds available. As a result, I am removing the fund from the Focus List and replacing it with the iA Clarington Loomis Global Allocation Fund.

TD Monthly Income Fund (TDB 679 – Front End Units, TDB 681 – Low Load Units) – This Canadian neutral balanced fund has been managed by the team of Doug Warwick and Greg Kocik since 1998, and at the end of June had more than \$7.0 billion of assets. Like most balanced funds, it invests in a mix of stocks and bonds and holds 8% in cash, 50% in equities, 30% in bonds and about 6% in preferred shares. The equity sleeve looks a lot like you'd expect with a healthy dose of banks, pipelines and utilities, and healthy underweights to technology, healthcare and consumer names. The stock selection process is bottom up and has a bit of a value bent to it. The fixed income sleeve is well diversified across the quality spectrum. The majority of the bonds are higher quality investment grade and also holds a healthy exposure to lower rated high yield issues and non-rated bank loans to enhance yield. Historically, this had been a somewhat lower risk balanced fund, but in the past couple of years, volatility has been moving higher. The Fund struggled in December 2018 and so far, year to date. It is now more volatile than both the peer group and the index and has done a poor job in both rising and falling markets.

I am removing this fund from the Focus List immediately.

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	1.28%	\$2,173.7	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%	\$130.5	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	1.31%	\$78.7	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	1.00%	\$256.8	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”).
PH&N Total Return Bond Fund	Top Down Macro Fundamental Security Selection	PH&N Management Team	1.05%	\$10,411.8	To provide stability of capital and maximum total return by investing primarily in a well-diversified portfolio of Canadian fixed income securities and derivatives based on the value of fixed income instruments.

Fund	Annualized Returns (%)					Calendar Year Returns (%)						Upside		Downside		Risk
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2019	2018	2017	2016	2015	2014	3Yr	5Yr	3Yr	5Yr	
Frkln Bissett Core Plus Bond	6.9	6.0	4.1	3.4	3.7	7.2	-0.6	2.9	3.3	0.6	7.3	92%	89%	109%	97%	4.67%
Quartile	2	4	3	3	3	1	4	1	1	4	2					
Leith Wheeler Corp.Advantage	8.0	1.9	2.0	2.5	-	5.9	-0.9	3.0	4.4	1.6		59%	67%	77%	76%	4.95%
Quartile	2	4	4	4	-	3	4	1	1	3						
Lys. Cnso Sht Trm Fltng Rate	5.6	2.7	1.5	1.6	-	2.6	0.3	0.9	2.8	1.4	2.2	30%	41%	-45%	-34%	2.65%
Quartile	1	3	4	3	-	3	4	1	1	2	3					
PShrs 1-5 Yr Lad. Corp Bond	5.4	3.1	2.2	1.6	2.3	3.5	0.8	-0.2	1.3	1.8	2.8	88%	92%	118%	118%	2.68%
Quartile	1	3	3	3	2	2	3	3	2	2	1					
PH&N Total Return Bond	6.6	8.1	4.7	3.7	-	5.8	0.5	1.7	1.8	2.6	8.0	91%	91%	95%	94%	4.07%
Quartile	2	1	2	2	-	3	3	3	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 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%	\$1,043.4	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 Kisoo Park	1.89%	\$9,923.2	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	1.41%	\$22,621.6	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	1.99%	\$535.3	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%	\$9,233.3	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	2019	2018	2017	2016	2015	2014	3Yr	5Yr	3Yr	5Yr	
IA Clarington Floating Rate Inc	3.6	-5.7	0.2	1.1	-	6.1	0.4	2.4	6.5	0.9	3.9	17%	11%	23%	4%	4.97%
Quartile	3	3	3	4	-	3	2	2	3	2	2					
Manulife Strategic Income	5.0	3.8	2.4	2.8	4.7	7.4	-2.5	2.6	3.1	5.5	8.1	1%	10%	-32%	-18%	3.49%
Quartile	2	3	3	3	1	2	4	4	4	1	1					
PIMCO Monthly Income Fund	5.7	-1.4	1.8	3.3	-	6.6	0.0	6.4	7.1	2.4	5.3	-16%	-1%	-55%	-42%	4.53%
Quartile	2	4	3	2	-	2	3	1	1	3	4					
NinePoint Diversified Bond	3.6	3.8	2.6	2.8	-	3.2	-0.7	4.3	5.1	1.8	3.3	10%	11%	-18%	-16%	2.59%
Quartile	3	3	3	3	-	3	3	3	4	2	3					
RBC Global Corporate Bond	2.3	5.5	4.0	3.6	3.5	5.5	1.1	3.6	5.1	-0.6	6.7	35%	32%	6%	9%	3.24%
Quartile	3	2	2	2	3	2	2	1	1	4	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%	\$3,924.9	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%	\$4,088.0	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%	\$3,399.5	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%	\$5,475.9	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	1.89%	\$2,779.5	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	2019	2018	2017	2016	2015	2014	3Yr	5Yr	3Yr	5Yr	
CI Cambridge Cdn Equity	13.5	-4.7	0.6	3.2	9.1	18.5	-7.1	4.0	16.0	0.6	14.2	75%	83%	90%	86%	11.9%
Quartile	2	3	3	2	1	3	2	4	1	2	1					
Fidelity Canadian Large Cap	12.8	3.9	3.2	4.1	10.3	9.7	-0.2	-0.1	10.2	3.6	10.6	52%	54%	46%	42%	8.40%
Quartile	3	1	2	2	1	4	1	4	3	1	2					
Mackenzie Canadian Growth	13.5	-0.2	6.4	8.2	10.4	21.6	-2.6	14.2	9.2	13.8	22.4	82%	90%	64%	59%	11.6%
Quartile	2	2	1	1	1	1	1	1	4	1	1					
Manulife Dividend Income	17.8	2.5	7.1	8.4	-	22.5	-4.6	12.8	15.7	-1.1	5.1	92%	93%	72%	61%	11.1%
Quartile	1	1	1	1	-	1	1	1	3	1	4					
RBC North American Value	12.0	-4.0	1.6	3.7	8.0	19.3	-8.9	11.2	12.7	-0.3	7.6	82%	86%	92%	88%	11.9%
Quartile	3	3	3	2	1	2	3	1	3	4	3					

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%	\$168.3	This fund invests primarily in equity securities of Canadian companies. The fund may invest up to 10% of its assets in foreign market investments.
Fidelity Special Situations Fund	Mid Cap Growth	Mark Schmehl	2.24%	\$2,519.5	This fund aims to achieve long-term capital growth. It invests primarily in equity securities of Canadian companies. It seeks to identify investment opportunities that are believed to represent special situations.
IA Clarington Canadian Small Cap	Small Cap Value	Joe Jugovic Ian Cooke	2.92%	\$653.0	The Fund's objective is to maximize long-term growth of capital by investing primarily in equity securities of small capitalization Canadian companies.
Sentry Small Mid Cap Income Fund	Mid Cap Blend	Aubrey Hearn Jack Hall	2.42%	\$969.4	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	2019	2018	2017	2016	2015	2014	3Yr	5Yr	3Yr	5Yr	
CI Cambridge Pure Cdn Equity	24.6	-13.8	-5.4	-1.8	-	14.8	-12.9	-0.4	21.9	-5.8	14.7	67%	55%	85%	65%	16.83%
Quartile	3	4	4	4	-	4	2	4	2	3	1					
Fidelity Special Situations	36.7	17.5	13.9	12.1	14.7	30.0	-13.4	19.7	17.0	9.2	9.7	118%	95%	62%	47%	18.48%
Quartile	1	1	1	1	1	1	3	1	2	1	2					
IA Clarington Cdn Small Cap	18.3	-13.5	-3.9	-0.5	6.6	15.3	-12.3	1.9	22.3	-6.8	5.9	61%	59%	74%	63%	16.15%
Quartile	4	4	3	3	2	4	1	3	2	3	2					
Sentry Small Mid Cap Income	20.3	-5.7	-1.3	1.8	10.2	18.3	-10.4	8.4	14.6	-0.2	12.7	61%	57%	64%	52%	15.77%
Quartile	3	3	3	3	2	3	2	3	3	3	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	1.96%	\$126.8	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%	\$817.3	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%	\$654.0	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%	\$8,349.2	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 Blend	Jim Young	2.59%	\$756.0	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	2019	2018	2017	2016	2015	2014	3Yr	5Yr	3Yr	5Yr	
Capital Group U.S. Equity	14.6	7.8	5.8	7.3	-	13.2	-2.3	8.0	15.5	7.9	-	74%	77%	95%	93%	11.95%
Quartile	3	2	3	3	-	4	3	2	1	4						
Manulife U.S. Equity	11.8	9.5	12.6	11.8	15.0	23.6	8.7	11.9	4.5	17.9	19.3	91%	90%	81%	84%	11.54%
Quartile	4	2	1	1	2	2	1	3	3	2	2					
RBC O'Shaughnessy US Val	16.6	-16.2	-1.5	0.8	9.3	24.4	-13.3	21.5	12.6	-8.9	10.7	80%	70%	156%	127%	19.00%
Quartile	2	4	4	4	4	2	4	1	1	4	4					
TD U.S. Blue Chip	22.5	21.6	18.7	16.0	18.8	21.6	9.1	25.5	-4.7	30.8	16.8	115%	115%	85%	102%	15.41%
Quartile	1	1	1	1	1	3	1	1	4	1	3					
Invesco U.S. Companies	16.6	11.0	13.3	10.4	15.5	27.1	-0.4	21.8	-1.9	15.4	25.7	108%	103%	107%	117%	14.30%
Quartile	2	1	1	2	1	1	2	1	3	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 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%	\$2,460.7	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	2.55%	\$2,436.5	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%	\$134.8	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	2019	2018	2017	2016	2015	2014	3Yr	5Yr	3Yr	5Yr	
Fidelity Small Cap America	9.3	-13.4	2.0	3.0	14.8	12.0	5.3	6.3	-1.4	24.3	17.5	53%	55%	54%	58%	12.91%
Quartile	4	4	2	3	1	4	1	3	4	1	1					
TD U.S. Mid Cap Growth Fund	23.5	5.6	11.2	10.8	16.0	24.6	3.9	15.7	1.1	25.9	21.5	92%	88%	61%	64%	15.31%
Quartile	1	1	1	1	1	1	1	3	4	1	1					
Invesco U.S. Small Companies	20.6	-12.3	-1.9	2.0	9.7	14.4	-6.9	7.1	14.6	2.5	16.3	77%	76%	98%	89%	18.11%
Quartile	2	3	4	3	4	4	2	1	2	4	1					

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
Canoe Global Equity	Large Cap Growth	Nadim Rizk Andrew Chan	2.39%	\$636.1	To achieve over the longer term the highest possible return through a portfolio of broadly diversified securities, by region and industry, invested primarily in the U.S. and international markets.
EdgePoint Global Portfolio	Large Cap Blend	Tye Bousada Geoff MacDonald Ted Chisholm	2.11%	\$9,334.4	The Fund's objective is to provide long-term capital appreciation by investing primarily in global equity securities.
Guardian Fundamental Global Equity	Large Cap Growth	Michael Boyd Giles Warren	1.91%	\$508.4	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.
Manulife World Investment	Large Cap Blend	David Ragan Peter Lampert	2.56%	\$1,945.4	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	2.67%	\$520.9	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	2019	2018	2017	2016	2015	2014	3Yr	5Yr	3Yr	5Yr	
Canoe Global Equity	10.5	7.8	10.9	10.5	14.4	24.0	3.2	20.2	-0.6	19.0	12.7	103%	99%	84%	85%	11.54%
Quartile	4	1	1	1	1	1	1	1	4	1	1					
EdgePoint Global	13.7	-12.5	0.4	4.1	11.6	13.2	-3.4	16.7	13.4	12.7	18.7	92%	91%	143%	119%	14.66%
Quartile	2	4	4	3	1	4	2	1	1	2	1					
Gdn Fndmntl Glb Eq	12.3	12.2	13.9	13.8	-	21.2	8.9	22.6	2.6	-	-	108%	107%	70%	74%	11.22%
Quartile	3	1	1	1	-	2	1	1	3							
Manulife World Inv.	9.8	2.3	4.1	5.7	9.7	13.5	-5.2	21.0	-4.0	19.4	7.3	90%	94%	79%	85%	10.56%
Quartile	3	2	2	1	1	3	2	1	3	2	1					
Invesco Int'l Comps.	17.3	10.6	4.4	5.7	10.3	26.1	-14.3	20.5	2.2	17.3	12.2	119%	110%	112%	105%	13.96%
Quartile	1	1	1	1	1	1	4	1	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 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
Fidelity NorthStar Fund	Mid Cap Blend	Joel Tillinghast Daniel Dupont Kyle Weaver	2.33%	\$4,153.5	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	All Cap Blend	Jeff Hyrich Erin Greenfield	2.57%	\$1,407.1	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.
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2019	2018	2017	2016	2015	2014	3Yr	5Yr	3Yr	5Yr	Risk
Fidelity NorthStar Fund	18.2	7.4	1.2	2.3	9.3	4.9	-5.1	4.1	-2.0	24.9	13.5	55%	52%	63%	60%	9.64%
Quartile	2	1	2	3	2	4	1	4	4	1	1					
Invesco Global Endeavour	17.1	-5.0	0.7	2.5	10.7	13.8	-7.2	15.4	1.3	18.8	11.0	82%	80%	125%	113%	13.80%
Quartile	1	4	4	4	2	4	3	2	3	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 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	2.62%	\$523.4	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
Invesco Emerging Markets Fund	Large Cap Blend	Jeff Feng Ingrid Baker	2.79%	\$368.1	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%	\$2,098.7	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.
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2019	2018	2017	2016	2015	2014	3Yr	5Yr	3Yr	5Yr	Risk
BMO Asian Growth & Inc.	10.6	-1.9	0.8	1.8	5.5	10.3	-4.9	11.5	-2.9	10.2	6.7	60%	62%	77%	76%	10.63%
Quartile	4	4	4	4	4	4	1	4	2	4	3					
Invesco Emerging Markets	17.3	14.1	4.6	6.7	-	27.7	-18.4	26.5	7.0	7.7	7.3	109%	107%	108%	100%	15.26%
Quartile	1	1	1	1	-	1	4	3	2	1	2					
Dynamic Power Global Growth	43.7	40.4	19.5	15.4	16.9	19.9	-16.0	51.4	-12.0	24.5	9.1	151%	136%	99%	110%	21.13%
Quartile	1	1	1	1	1	2	4	1	4	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 most appropriate market index

Balanced / Income Funds

Fund	Style	Managers	MER	Assets (\$ mil)	Investment Objective and Strategy
EdgePoint Global Growth & Income Portfolio	Tactical	Tye Bousada Geoff MacDonald Ted Chisholm	2.00%	\$8,250.3	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%	\$6,291.2	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.
iA Clarington Loomis Global Allocation	Bottom up tactical	Daniel Fuss Eileen Riley David Rolley	2.39%	\$2,323.1	The Fund's objective is to provide a consistent stream of income and capital appreciation by investing primarily in equity securities, fixed income investments and money market instruments from around the world.
Mackenzie Canadian Growth Balanced	Top Down Macro Bottom up security selection	Alain Bergeron Steve Locke Dina DeGeer	2.29%	\$3,606.9	Pursues long-term capital growth consistent with reasonable safety of capital and a steady flow of current income. It invests mainly in a combination of Canadian fixed-income securities, equity securities and securities convertible into equity and fixed-income securities.
Manulife Monthly High Income Fund	Strategic	Alan Wicks Conrad Dabiet Jonathan Popper	2.01%	\$8,991.2	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").

Fund	Annualized Returns (%)						Calendar Year Returns (%)					Upside		Downside		5 yr.
	3mt	1 Yr	3 Yr	5 Yr	10Yr	2019	2018	2017	2016	2015	2014	3Yr	5Yr	3Yr	5Yr	Risk
EdgePoint Gbl Grth & Income	10.6	-9.1	0.8	3.6	9.3	9.7	-1.2	12.1	11.5	9.0	13.9	83%	85%	132%	111%	10.53%
Quartile	3	4	4	3	1	4	1	1	1	1	1					
Fidelity Canadian Balanced	12.8	3.3	4.7	3.7	6.6	14.1	-3.5	4.9	5.5	3.5	11.1	111%	109%	115%	121%	8.38%
Quartile	1	1	1	2	1	2	2	3	4	1	1					
iA Clarington Gbl Allocation	12.0	8.2	8.6	7.7	7.2	20.1	-0.8	13.7	2.2	3.4	0.8	105%	102%	92%	98%	9.28%
Quartile	2	1	1	1	2	1	1	1	4	3	4					
Mac Canadian Growth Bal.	11.3	2.2	5.6	6.4	7.9	16.5	-2.1	9.8	6.7	9.4	18.3	95%	105%	92%	97%	8.70%
Quartile	2	1	1	1	1	1	1	1	4	1	1					
Manulife Mthly High Income	10.8	1.2	4.0	4.3	7.1	13.8	-5.7	10.6	10.6	5.8	16.5	109%	109%	122%	112%	7.95%
Quartile	1	2	1	1	1	2	4	1	3	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 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%	\$1,015.1	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%	\$810.0	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	0.54%	\$1,088.5	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	0.95%	\$803.5	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	2019	2018	2017	2016	2015	2014	3Yr	5Yr	3Yr	5Yr	
TD Canadian Bond Index	5.4	6.9	4.4	3.3	3.8	6.1	0.5	1.7	0.8	2.8	7.9	89%	89%	96%	97%	3.98%
Quartile	4	3	3	3	2	3	3	3	4	1	1					
RBC Canadian Index	16.7	-2.7	3.1	3.7	5.6	21.5	-9.3	8.2	20.1	-9.0	9.8	96%	96%	100%	100%	12.87%
Quartile	1	2	1	2	2	2	2	2	2	3	2					
TD U.S. Index	21.1	8.1	10.3	10.1	13.2	30.4	-5.2	20.8	7.3	20.5	22.9	97%	97%	95%	96%	12.38%
Quartile	2	1	1	1	1	2	1	2	2	1	1					
TD International Index	11.7	-1.9	1.6	2.9	7.5	14.8	-7.1	16.1	-3.1	18.3	2.0	96%	97%	105%	107%	12.07%
Quartile	2	3	3	3	2	3	2	3	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.

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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.

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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.

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