

## Objective

Capital appreciation is the primary objective of the Connected Wealth Canadian portfolio which invests in Canadian listed companies.

## Investment philosophy

The Canadian market is not well diversified. There is a shrinking handful of global leading companies as many have been acquired by foreign companies. Banks and Telecom companies make up a disproportionately large part of our market, partially due to the restrictions blocking foreign investment or takeovers. The market has a very high weighting in global cyclicals that are more sensitive to global economic growth than anything that goes on domestically. With the market poorly diversified, this creates opportunities to add value in the portfolio management process by being active, trading opportunistically and being significantly different than the index.

Our investment approach incorporates a continual analysis of the macro environment, both domestically and globally. We look for opportunities and themes that provide investment opportunities with a reasonable level of risk adjusted returns.

At the company level we are very price sensitive investors focusing on valuations, fundamentals plus examining the balance sheet and their ability to generate free cash flow for the foreseeable future. Once we have determined a name for inclusion in the portfolio we decide on a near-term entry level coupling our fundamental research with technical analysis. Then we decide how to best incorporate the stock into the portfolio and how it fits from an overall sector mix and where we are going to draw the funds from for the investment.

The process doesn't stop there; we constantly monitor the holding, following developments in the corporate strategy, listening to quarterly calls and when possible meeting with management.

## Risk Management

Maintaining a broad diversification is a crucial component of our risk management. At the company level, we continuously monitor both fundamentals and technicals using our deterioration monitor.

## Characteristics

Asset class	Equity
Geographic	Canada
Focus	Total return
Objective	Actively managed to provide capital appreciation
Approx. # of holdings	25-30
Estimated annual trades	22-30
Benchmark	TSX Total Return

## The Manager

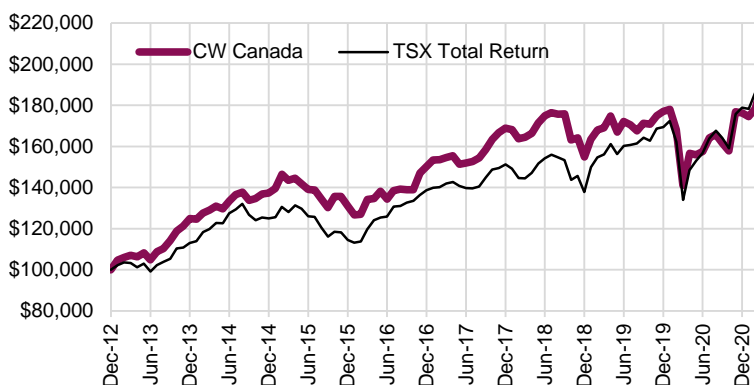
Connected Wealth, a service of Richardson Wealth, manages ~\$1 billion in assets across a number of North American equity, bond and ETF strategies.

**Craig Basinger**  
Portfolio Manager

**Chris Kerlow**  
Portfolio Manager

**Derek Benedet**  
Portfolio Manager

**Brett Gustafson**  
Portfolio Analyst



**Performance & Risk**

**Objective:** Capital Preservation  
**Available:** SMA Platform

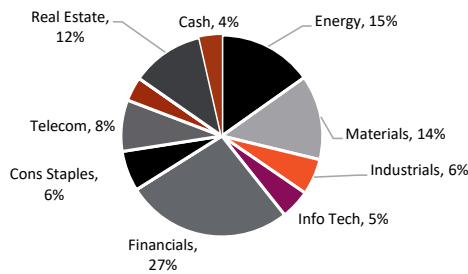
**Benchmark:** S&P/TSX Composite Total Return Index

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2013	CW Canada	4.7	1.3	1.0	-0.7	1.8	-3.2	3.8	1.3	3.6	4.2	1.9	3.0	24.8
	TSX TR	2.3	1.3	-0.2	-2.1	1.8	-3.8	3.2	1.5	1.4	4.7	0.5	2.0	13.0
2014	CW Canada	-0.2	2.4	1.2	1.5	-1.0	3.0	2.3	0.9	-2.9	0.7	1.6	0.4	10.0
	TSX TR	0.8	3.9	1.2	2.4	-0.2	4.1	1.4	2.1	-4.0	-2.1	1.1	-0.4	10.6
2015	CW Canada	1.5	5.0	-2.1	0.8	-2.0	-1.9	-0.1	-3.3	-3.1	4.2	0.0	-3.3	-4.5
	TSX TR	0.5	4.0	-1.9	2.4	-1.2	-2.8	-0.3	-4.0	-3.7	2.0	-0.2	-3.1	-8.3
2016	CW Canada	-3.4	0.2	5.6	0.3	2.6	-2.8	3.1	0.5	0.0	0.1	5.8	2.2	14.6
	TSX TR	-1.2	0.5	5.3	3.7	1.0	0.3	3.9	0.3	1.2	0.6	2.2	1.7	21.1
2017	CW Canada	2.1	0.1	0.7	0.5	-2.6	0.4	0.5	1.2	2.6	3.1	2.0	1.4	12.4
	TSX TR	0.8	0.2	1.3	0.4	-1.3	-0.8	-0.1	0.7	3.1	2.7	0.5	1.2	9.1
2018	CW Canada	-0.5	-2.6	0.5	1.2	3.0	2.0	0.9	-0.5	0.1	-7.2	0.7	-5.7	-8.4
	TSX TR	-1.4	-3.0	-0.2	1.8	3.1	1.7	1.1	-0.8	-0.9	-6.3	1.4	-5.4	-8.9
2019	CW Canada	5.5	2.8	0.6	3.4	-4.5	3.1	-1.0	-1.7	2.2	-0.3	2.5	1.2	14.4
	TSX TR	8.7	3.1	1.0	3.2	-3.1	2.5	0.3	0.4	1.7	-0.9	3.6	0.5	22.9
2020	CW Canada	0.6	-5.6	-16.1	11.1	-0.5	1.1	4.2	1.0	-2.6	-2.3	12.0	-0.3	-0.5
	TSX TR	1.7	-5.9	-17.4	10.8	3.0	2.5	4.5	2.3	-2.1	-3.1	10.6	1.7	5.6
2021	CW Canada	-1.0	2.2	7.2										
	TSX TR	-0.3	4.4	3.9										

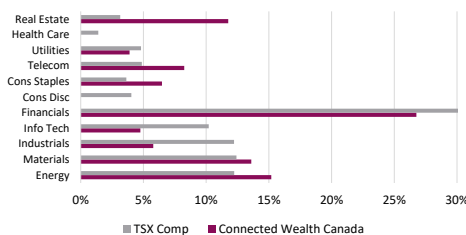
	<b>CW Canada</b>	<b>TSX</b>	<b>Relative</b>	<b>Statistic</b>	<b>Description</b>	<b>CW Canada</b>	<b>TSX Composite</b>
1-month	7.2%	3.9%	3.3%	Sharpe Ratio	Performance relative to risk (higher is better)	0.60	0.62
3-months	8.4%	8.1%	0.4%	Max Drawdown	Largest decline from peak to trough (less is better)	-21.6%	-20.8%
6-months	18.4%	17.7%	0.6%	Up Market Capture	% of upside market participation (higher is better)	94%	105%
1-year	35.5%	44.2%	-8.7%	Down Market Capture	% of downside market participation (lower is better)	89%	105%
YTD	8.4%	8.1%	0.4%	Standard Deviation	Volatility (lower is better)	12.0%	11.8%
3-year	5.1%	10.2%	-5.1%	Downside Deviation	Volatility of down months (lower is better)	10.4%	11.0%
5-year	7.3%	10.1%	-2.7%	Beta	Volatility relative to benchmark	0.94	1.00
Inception	8.2%	8.3%	-0.1%				

**Composition**

**Sector Breakdown**



**Relative Sector Weightings**



**Holdings**

	<b>Name</b>	<b>Sector</b>	<b>Weight</b>	
<b>Global</b>	BARRICK GOLD CORP	Materials	2.0%	
	FRANCO-NEVADA CORP	Materials	5.9%	
<b>Cyclical</b>	YAMANA GOLD INC	Materials	2.5%	
	INTERTAPE POLYMER GROUP INC	Materials	3.3%	
	TC ENERGY CORP	Energy	2.9%	
	ENBRIDGE INC	Energy	3.8%	
	PEMBINA PIPELINE CORP	Energy	2.1%	
	CANADIAN NATURAL RESOURCES	Energy	3.3%	
	SUNCOR ENERGY INC	Energy	3.0%	
	<b>N. American</b>	AECON GROUP INC	Industrials	2.5%
	<b>Cyclical</b>	TRANSCONTINENTAL INC-CL A	Industrials	3.2%
		OPEN TEXT CORP	Info Tech	4.8%
<b>Interest Sensitive</b>	BANK OF NOVA SCOTIA	Financials	4.9%	
	ROYAL BANK OF CANADA	Financials	5.3%	
	BANK OF MONTREAL	Financials	6.1%	
	MANULIFE FINANCIAL CORP	Financials	4.2%	
	SUN LIFE FINANCIAL INC	Financials	2.8%	
	CI FINANCIAL CORP	Financials	3.4%	
	ALLIED PROPERTIES REAL ESTAT	Real Estate	3.6%	
	H&R REAL ESTATE INV-REIT UTS	Real Estate	3.5%	
	DREAM INDUSTRIAL REAL ESTATE	Real Estate	4.7%	
	ALGONQUIN POWER & UTILITIES	Utilities	3.9%	
<b>Defensive</b>	ROGERS COMMUNICATIONS INC-B	Telecom	4.1%	
	TELUS CORP	Telecom	4.1%	
	WESTON (GEORGE) LTD	Cons Staples	3.4%	
	LOBLAW COMPANIES LTD	Cons Staples	3.0%	

Source: Richardson Wealth

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