

Connected Wealth Canadian Dividend

11 March 2021

RICHARDSON

Wealth

**CONNECTED
WEALTH**

Objective

Sustainable dividends balanced with moderate capital appreciation are the dual objectives of the Connected Canadian Dividend portfolio. This portfolio has a dividend focus and invests exclusively in Canadian listed companies.

Investment philosophy

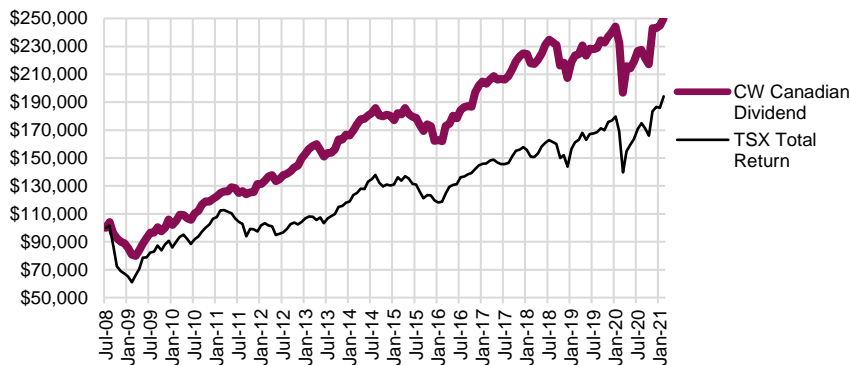
Dividend focused investing has become a core strategy for many Canadian investor's portfolios driven by the need for income, lower volatility and growth of capital. We believe there are secular trends that will keep this strategy delivering for investors, but it must be done right.

Dividend Health - Not all dividends are the same. Some companies, given their business operations are better positioned to pay dividends than others. Canadian Dividend places a strong emphasis on the quality and sustainability of dividends in the stock selection process.

Dividend Growth – Connected Wealth Canadian Dividend focuses on dividend sustainability and a company's ability to increase dividends over time. Avoiding chasing the highest yielding companies.

Risk Management

As dividend paying companies tend to be concentrated in select industries, 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 using our deterioration monitor.



Characteristics

Asset class	Equity
Geographic	Canada
Focus	Dividend & dividend growth
Objective	Actively managed to provide income with some capital appreciation potential
Approx. # of holdings	20-28
Estimated annual trades	16-24
Benchmark	TSX Total Return
Benchmark 2	Dow Jones Select Canadian Dividend

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

Alexander Tjiang
Analyst

Performance & Risk

Objective: Sustainable dividends with some capital appreciation

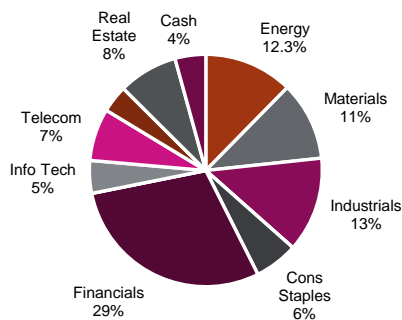
Benchmark: S&P/TSX Composite Total Return

Available: SMA platform

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2008	Cdn Dividend								4.2	-7.8	-3.8	-2.7	-1.0	-10.9
	TSX TR								1.5	-14.4	-16.7	-4.7	-2.6	-32.9
2009	Cdn Dividend	-4.1	-5.5	-1.0	4.8	6.0	4.3	4.2	-0.1	4.1	-2.9	2.4	6.1	19.0
	TSX TR	-3.0	-6.3	7.8	7.3	11.5	0.3	4.2	0.9	5.1	-4.0	5.2	2.9	35.1
2010	Cdn Dividend	-3.8	2.8	4.2	-0.1	-2.0	-1.2	4.2	1.8	4.0	1.9	-0.1	1.6	13.9
	TSX TR	-5.3	5.0	3.8	1.7	-3.5	-3.7	4.0	1.9	4.1	2.7	2.4	4.1	17.6
2011	Cdn Dividend	1.3	2.2	0.8	-0.1	2.5	-0.5	-2.8	1.2	-1.7	1.0	0.2	4.6	8.8
	TSX TR	1.0	4.4	0.1	-1.0	-0.9	-3.3	-2.5	-1.2	-8.7	5.6	-0.2	-1.7	-8.7
2012	Cdn Dividend	-0.1	1.8	2.5	0.6	-3.2	1.1	2.2	0.7	1.4	2.0	0.9	3.6	12.7
	TSX TR	4.4	1.7	-1.6	-0.6	-6.1	1.1	0.8	2.6	3.4	1.1	-1.3	1.9	7.2
2013	Cdn Dividend	2.2	2.2	1.3	0.9	-2.6	-3.1	1.7	0.1	1.5	4.7	-0.2	2.3	11.5
	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	Cdn Dividend	-0.4	2.2	2.6	2.1	0.2	1.3	1.0	2.0	-2.8	-0.4	0.7	-0.4	8.0
	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	Cdn Dividend	-1.8	2.8	-0.4	2.5	-2.3	-1.0	-0.5	-2.9	-2.5	2.8	-0.7	-6.1	-10.1
	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	Cdn Dividend	0.5	-0.6	6.8	0.8	3.3	-1.0	3.2	1.2	0.7	-0.3	5.6	2.5	24.5
	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	Cdn Dividend	1.4	-0.7	1.4	1.2	-1.2	0.3	-0.2	1.3	2.4	2.5	1.7	0.9	11.3
	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	Cdn Dividend	-0.1	-3.0	-0.2	1.4	2.1	2.8	1.6	-0.8	-0.9	-6.3	1.0	-5.1	-7.8
	TSX TR	-1.4	-3.0	-0.2	1.8	3.1	1.7	1.1	-1.0	-0.9	-6.3	1.4	-5.4	-8.9
2019	Cdn Dividend	5.4	2.3	0.3	2.9	-3.1	2.3	-0.3	0.4	2.4	-0.7	1.8	1.5	15.9
	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	Cdn Dividend	1.6	-4.8	-15.4	9.6	-0.7	2.4	3.5	0.3	-2.7	-1.8	11.9	0.0	1.2
	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	Cdn Dividend	0.7	2.1											
	TSX TR	-0.3	4.4											

	<u>Canadian Dividend</u>	<u>TSX</u>	<u>Relative</u>	<u>Statistic</u>	<u>Description</u>	<u>Canadian Dividend</u>	<u>TSX Composite</u>
1 month	2.1%	4.4%	-2.3%	Sharpe Ratio	Performance relative to risk (higher is better)	0.63	0.32
3 months	2.8%	5.8%	-3.0%	Max Drawdown	Largest decline from peak to trough (less is better)	-23.3%	-39.9%
6 months	9.9%	11.0%	-1.1%	Up Market Capture	% of upside market participation (higher is better)	76%	100%
1-year	7.5%	14.7%	-7.3%	Down Market Capture	% of downside market participation (lower is better)	54%	100%
YTD	2.8%	4.0%	-1.2%	Standard Deviation	Volatility (lower is better)	10.7%	14.0%
3-year	4.7%	8.7%	-4.1%	Downside Deviation	Volatility of down months (lower is better)	8.8%	12.8%
5-year	9.0%	10.3%	-1.3%	Beta	Volatility relative to the TSX Comp	0.63	1.00
10-year	7.2%	5.6%	1.6%				
Inception	7.6%	5.5%	2.2%				

Composition



Holdings

	<u>Name</u>	<u>Industry</u>	<u>Weight</u>	<u>Yield</u>
Global	TC ENERGY CORP	Energy	3.0%	6.0%
Cyclical	PEMBINA PIPELINE CORP	Energy	2.2%	6.8%
	ENBRIDGE INC	Energy	3.9%	7.3%
	SUNCOR ENERGY INC	Energy	3.3%	3.0%
	FRANCO-NEVADA CORP	Materials	3.8%	1.0%
	YAMANA GOLD INC	Materials	2.3%	2.5%
	BARRICK GOLD CORP	Materials	1.9%	1.8%
	INTERTAPE POLYMER GROUP INC	Materials	3.0%	3.2%
N. American	AECON GROUP INC	Industrials	3.3%	3.5%
Cyclical	TFI INTERNATIONAL INC	Industrials	6.7%	1.3%
	TRANSCONTINENTAL INC-CL A	Industrials	3.2%	3.9%
	OPEN TEXT CORP	Info Tech	4.6%	1.8%
Interest Sensitive	ROYAL BANK OF CANADA	Financials	5.6%	3.8%
	BANK OF NOVA SCOTIA	Financials	8.1%	4.6%
	BANK OF MONTREAL	Financials	4.9%	3.9%
	MANULIFE FINANCIAL CORP	Financials	4.5%	4.1%
	SUN LIFE FINANCIAL INC	Financials	2.9%	3.4%
	CI FINANCIAL CORP	Financials	3.2%	4.1%
	ALLIED PROPERTIES REAL ESTAT	Real Estate	3.7%	4.1%
DREAM INDUSTRIAL REAL ESTATE	Real Estate	4.6%	5.3%	
Defensive	ROGERS COMMUNICATIONS INC-B	Telecom	2.9%	3.3%
	TELUS CORP	Telecom	4.4%	4.6%
	ALGONQUIN POWER & UTILITIES	Utilities	3.8%	4.1%
	WESTON (GEORGE) LTD	Cons Staples	3.2%	2.2%
	MAPLE LEAF FOODS INC	Cons Staples	2.8%	2.8%

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