

August 9,
2021

Connected Wealth Core Income

Characteristics

Asset class	Equity
Geographic	Canada & Max 35% US
Focus	Dividend & Dividend Growth
Objective	Actively managed to provide income with some capital appreciation
Approx. # of holdings	25-30
Estimated annual trades	22-30
Benchmark Benchmark 2	TSX Total Return 80% DJ Select Canadian Div/ 20% Dow Jones Select Div

The Manager

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

Craig Basinger
Portfolio Manager



Chris Kerlow
Portfolio Manager



Derek Benedet
Portfolio Manager



Brett Gustafson
Portfolio Analyst



RICHARDSON

Wealth

CONNECTED
WEALTH

Objective

Sustainable dividends balanced with moderate capital appreciation are the dual objectives of the Connected Wealth Core Income portfolio. This portfolio has a dividend focus and invests primarily in Canadian listed companies plus up to 35% in U.S. listed companies.

Investment philosophy

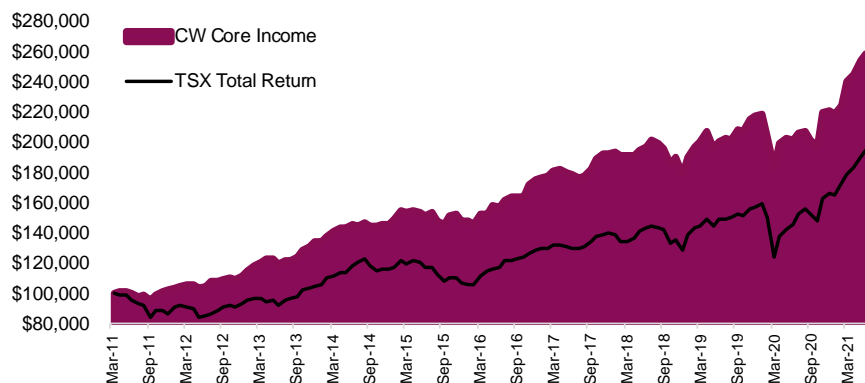
Dividend focused investing has become a core strategy for many Canadian investor's portfolios driven by the need for income, lower volatility, and growth of capital. We believe there are secular trends that will keep this strategy delivering for investors, but it must be done right.

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

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

Adding Quality U.S. Dividend Payers – Canada has some great dividend paying companies but these are concentrated in a handful of industries that poses significant portfolio risk. Core Income mitigates this risk and enhances diversification by incorporating some quality US dividend companies in industries that are lacking in the Canadian marketplace.

Performance

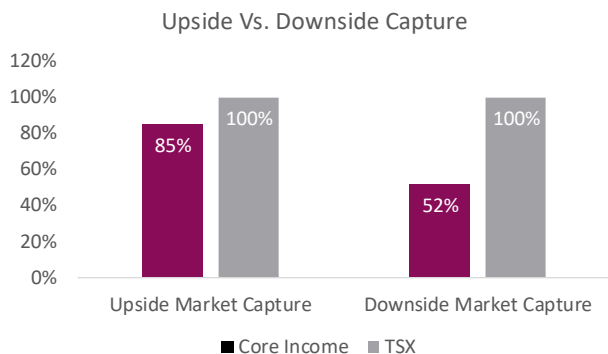


	1-month	3-months	6-months	1-year	YTD	3-year	5-year	7-year	Inception*
CW Core Income	0.4%	6.1%	18.8%	26.2%	17.5%	8.9%	10.0%	8.8%	9.7%
Benchmark	0.8%	6.9%	18.6%	29.1%	18.2%	10.7%	10.1%	7.3%	6.7%
Relative	-0.4%	-0.8%	0.2%	-2.9%	-0.7%	-1.8%	-0.1%	1.5%	2.9%

	2012	2013	2014	2015	2016	2017	2018	2019	2020
CW Core Income	8.0%	21.2%	8.3%	1.6%	18.6%	10.1%	-7.1%	21.1%	1.9%
Benchmark	7.2%	13.0%	10.6%	-8.3%	21.1%	9.1%	-8.9%	22.9%	5.6%
Relative	0.8%	8.3%	-2.3%	9.9%	-2.5%	1.0%	1.8%	-1.7%	-3.7%

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.



Sharpe
Max Drawdown
Standard Deviation
Downside Deviation
Beta

	Core Income	TSX
Sharpe	0.91	0.49
Max Drawdown	-16.0%	-22.3%
Standard Deviation	9.5%	11.7%
Downside Deviation	7.2%	10.4%
Beta	0.69	1.00

Composition

Sectors	Sectors		
	Core Income	TSX	+/-
Real Estate	9%	3.1%	6.1%
Health Care	7%	1.1%	5.4%
Cons Staples	5%	3.8%	1.3%
Cash	6%		5.9%
Comm Svs	8%	4.9%	2.7%
Industrials	13%	11.7%	1.2%
Info Tech	9%	11.7%	-2.9%
Energy	9%	12.0%	-3.1%
Cons Disc	0%	3.8%	-3.8%
Materials	8%	11.4%	-3.0%
Utilities	0%	4.6%	-4.6%
Financials	27%	31.9%	-5.3%

Country Allocation & Cyclicity	
Canada	64.0%
US	32.5%
Cyclical Yield	31.3%
Neutral	30.4%
Interest Rate Sensitives	32.5%

Equity Positions

Name	Industry	Weight	Yield
SUNCOR ENERGY	Energy	1.2%	3.5%
ENBRIDGE INC	Energy	2.8%	6.8%
PEMBINA PIPELINE	Energy	2.1%	6.3%
CAN NATURAL RES	Energy	2.8%	4.6%
FRANCO-NEVADA CO	Materials	4.1%	0.7%
YAMANA GOLD INC	Materials	1.9%	2.8%
NUTRIEN LTD	Materials	2.5%	3.0%
UNITED PARCEL-B	Industrials	4.3%	2.1%
CAN NATL RAILWAY	Industrials	3.4%	1.8%
LOCKHEED MARTIN	Industrials	2.1%	2.9%
WASTE MANAGEMENT	Industrials	3.1%	1.6%
INFINEON TEC-ADR	Info Tech	2.3%	0.6%
CISCO SYSTEMS	Info Tech	3.4%	2.7%
OPEN TEXT CORP	Info Tech	3.0%	1.7%
BANK OF NOVA SCO	Financial	5.4%	4.5%
ROYAL BANK OF CA	Financial	5.2%	3.3%
BANK OF MONTREAL	Financial	4.9%	3.4%
JPMORGAN CHASE	Financial	3.3%	2.3%
CITIGROUP INC	Financial	2.4%	2.9%
MANULIFE FIN	Financial	3.1%	4.4%
CI FINANCIAL COR	Financial	2.5%	3.1%
AMERICAN TOWER C	Real Estate	2.4%	1.8%
ALLIED PROP REIT	Real Estate	3.5%	3.8%
DREAM INDUSTRIAL	Real Estate	3.4%	4.3%
ROGERS COMMUNI-B	Telecom	4.1%	3.1%
TELUS CORP	Telecom	3.5%	4.5%
LOBLAW COS LTD	Cons Staple:	2.3%	1.7%
CLOROX CO	Cons Staple:	2.8%	2.8%
ASTRAZENECA-ADR	Health Care	1.9%	1.6%
PATTERSON COS	Health Care	2.0%	3.5%
BRISTOL-MYER SQB	Health Care	2.6%	2.9%

Portfolio Management Fee Breakdown Example – Estimated based on 25 Trades

Base Rate: 0.25% plus \$10/Trade

Dollars Invested	Management Fee (Including Trades)	Dollar Value
\$250,000	0.35%	\$875
\$500,000	0.30%	\$1,500
\$750,000	0.283%	\$2,122
\$1,000,000	0.275%	\$2,750

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