August 11, 2021

Connected Wealth Tactical ETF

RICHARDSON Wealth

CONNECTED WEALTH

Characteristics

Asset class	Tactical Balanced
Geographic	North American
Focus	Equity & Bond ETF's
Objective	Risk Reducing Side Care Strategy
Approx. # of holdings	3-8
Estimated annual trades	High Turnover
Benchmark Benchmark 2	40% TSX/20% S&P 500/ 40% FTSE Dex

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

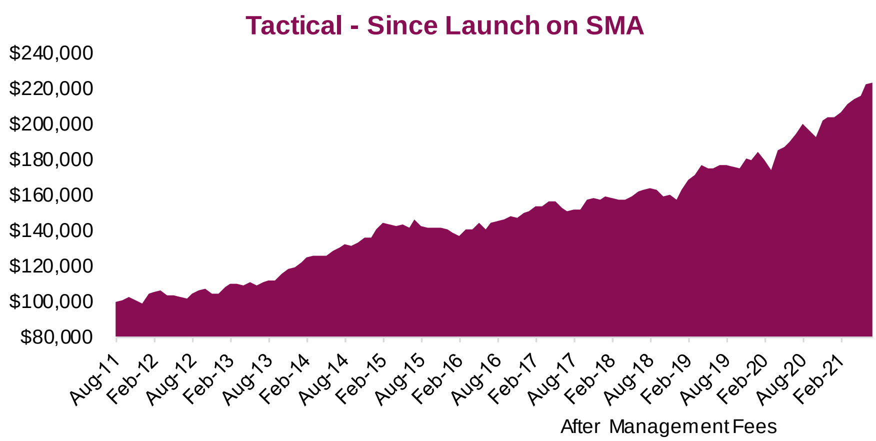
Objective

Provide long term capital appreciation with lower volatility and correlation to the overall equity market.

Investment philosophy

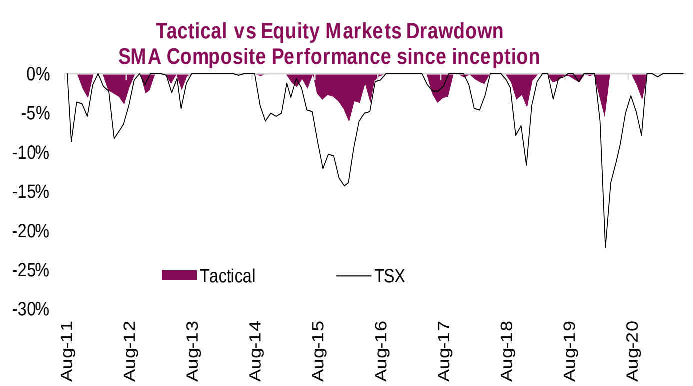
Market swings have become larger, more pronounced, and faster over the past decade increasing the need for a tactical component for investment portfolios. Connected Wealth Tactical was designed as a side-car strategy to provide this tactical shift to the asset mix. Tactical utilizes a technical/quantitative approach to increase equity exposure in up-trending markets and increase bond exposure in down-trending equity markets. The portfolio can oscillate between 100% equity and 100% bonds while its average mix has been approximately 60% equity and 40% bonds.

Performance



	1-month	3-months	6-months	1-year	YTD	3-year	5-year	Inception
Tactical ETF	0.6%	4.5%	9.7%	15.4%	9.6%	11.5%	9.4%	8.7%
Benchmark	1.3%	5.2%	9.9%	15.3%	9.1%	9.7%	8.5%	8.4%
+/-	-0.7%	-0.7%	-0.2%	0.2%	0.5%	1.7%	0.9%	0.3%

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Tactical ETF	6.1%	14.4%	14.2%	3.7%	6.8%	5.5%	-0.2%	14.7%	14.0%
Benchmark	6.5%	12.2%	12.6%	1.6%	10.7%	7.4%	-2.2%	16.9%	9.4%
+/-	-0.3%	2.2%	1.6%	2.1%	-3.9%	-1.8%	2.0%	-2.2%	4.5%

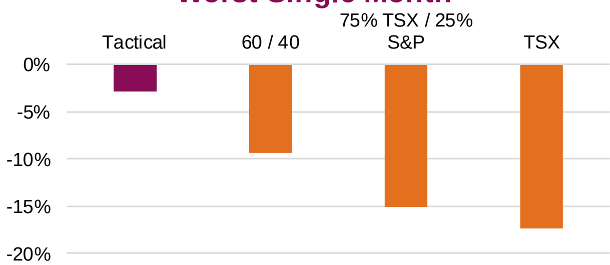


Source: Richardson Wealth & Bloomberg

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.

Worst Single Month



SMA Gross of fees

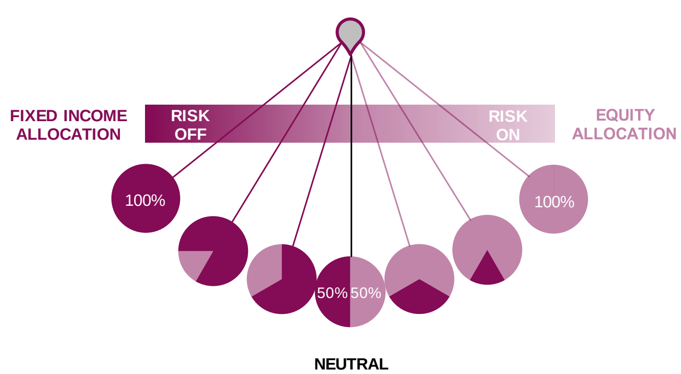
	Tactical	Benchmark
Sharpe Ratio	1.28	1.07
Max Drawdown	-5.3%	-12.6%
Standard Deviation	6.0%	6.9%
Downside Deviation	2.9%	6.2%
Beta	0.70	1.00
Up Market Capture	92%	100%
Down Market Capture	73%	100%

Composition

Positions

Model Driven Positions	Focus	Weight
HORIZONS S&P/TSX 60 INDEX ET	Cdn Equity	41.1%
ISHARES CORE CAN UNIV BOND	Cdn Bond	0.0%
ISHARES CORE CANADIAN SHORT	Cdn Bond	23.8%
SPDR S&P 500 ETF TRUST	US Equity	18.0%
VANGUARD TOTAL STOCK MKT ETF	US Equity	5.4%
VANGUARD SHORT-TERM BOND ETF	US Bond	0.0%
INVESCO QQQ TRUST SERIES 1	US Tech	9.9%
VANGUARD SHORT-TERM BOND ETF	US Bond	0.0%

How it works



55% Canadian Bonds	↔	Canadian Equity
35% US Bonds	↔	US Equity
10%	Manager Discretion	

Portfolio Management Fee Breakdown Example – Estimated based on 75 Trades

Base Rate: 0.25% plus $10/Trade

Dollars Invested	Management Fee (Including Trades)	Dollar Value
$250,000	0.55%	$1,375
$500,000	0.40%	$2,000
$750,000	0.35%	$2,625
$1,000,000	0.325%	$3,250

Source: Richardson Wealth & Bloomberg

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