

Connected Wealth U.S. Dividend

10 February 2021

RICHARDSON

Wealth

CONNECTED WEALTH

Objective

Income generation from sustainable dividends and moderate capital appreciation are the dual objectives of the Connected Wealth US Dividend Portfolio. This portfolio invests in U.S. listed companies that pay attractive dividends and/or have the potential to grow their dividends over time.

Investment philosophy

Dividends are a significant contributor to long term equity returns and dividend paying companies have historically experienced lower volatility compared to the broad market. We believe the U.S. market offers a wide variety of quality dividend paying companies however these are clustered together in some industries. To be successful in managing this U.S. dividend focused portfolio we believe the following criteria are key:

Dividend Health - not all dividends are the same. Some companies, given their business operations are better positioned to pay dividends than others. U.S. Dividend places a strong emphasis on the quality and sustainability of dividends in the stock selection process. This approach places great emphasis on both the level and changes to payout ratios, free cash flow generation, leverage and earnings stability.

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

Risk Management

MA's 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 technical using our deterioration monitor.

Characteristics

Asset class	Equity
Geographic	US
Focus	Dividend & Dividend Growth
Objective	Actively managed to provide income with some capital appreciation potential
Approx. # of holdings	25-30
Estimated annual trades	16-24
Benchmark	S&P 500 Total Return
Benchmark 2	Dow Jones Select Dividend

The Manager

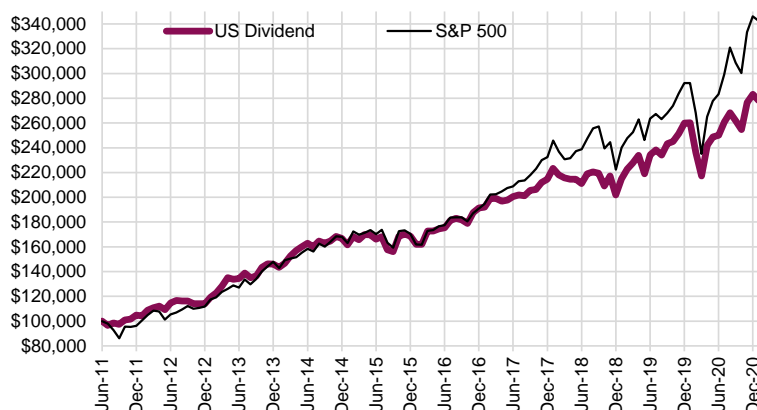
Connected Wealth, a service of Richardson Wealth, manages ~\$1 billion in assets across a number of North American equity, bond and ETF strategies.

Craig Basinger
Portfolio Manager

Chris Kerlow
Portfolio Manager

Derek Benedet
Portfolio Manager

Alexander Tjiang
Analyst



Performance & Risk

Objective: Sustainable dividends with moderate capital appreciation

Benchmark: S&P 500 Total Return

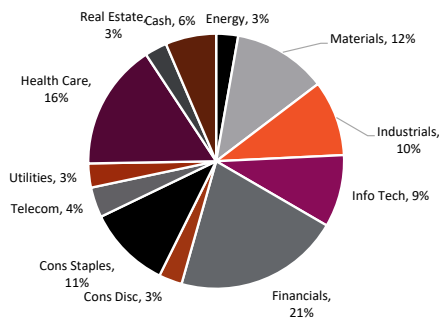
Available: SMA platform

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2011	US Dividend							-3.5	1.8	-1.2	3.5	0.6	3.1	4.2
	S&P 500							-2.0	-5.4	-7.0	10.9	-0.2	1.0	-3.7
2012	US Dividend	-0.8	4.4	1.6	1.3	-2.8	4.9	1.7	-0.5	-0.1	-2.0	-0.1	0.0	7.7
	S&P 500	4.5	4.3	3.3	-0.6	-6.0	4.1	1.4	2.3	2.6	-1.8	0.6	0.9	16.0
2013	US Dividend	4.5	2.8	4.2	5.2	-1.1	0.5	3.1	-2.7	0.8	5.0	1.9	-0.2	26.3
	S&P 500	5.2	1.4	3.8	1.9	2.3	-1.3	5.1	-2.9	3.1	4.6	3.0	2.5	32.4
2014	US Dividend	-1.9	2.4	3.9	2.8	1.9	1.9	-1.7	2.8	-0.9	1.2	2.2	-0.9	14.5
	S&P 500	-3.5	4.6	0.8	0.7	2.3	2.1	-1.4	4.0	-1.4	2.4	2.7	-0.3	13.7
2015	US Dividend	-3.1	4.0	-1.4	2.6	-0.1	-2.1	1.2	-6.2	-1.1	7.9	1.1	-1.0	1.0
	S&P 500	-3.0	5.7	-1.6	1.0	1.3	-1.9	2.1	-6.0	-2.5	8.4	0.3	-1.6	1.4
2016	US Dividend	-3.8	0.0	6.6	0.0	1.1	0.5	3.3	1.1	-0.6	-1.6	4.9	2.0	13.6
	S&P 500	-5.0	-0.1	6.8	0.4	1.8	0.5	3.5	0.1	0.0	-1.8	3.7	2.0	12.0
2017	US Dividend	0.4	3.6	0.1	-1.1	0.4	1.5	0.6	0.4	2.2	0.2	2.8	1.3	12.2
	S&P 500	1.9	4.0	0.1	1.0	1.4	0.6	2.1	0.3	2.1	2.3	3.1	1.1	21.8
2018	US Dividend	4.0	-2.3	-1.1	-0.5	0.0	-1.6	3.7	0.6	-0.5	-4.7	3.9	-7.1	-6.0
	S&P 500	5.7	-3.7	-2.5	0.4	2.4	0.9	3.7	3.3	0.6	-6.8	2.0	-9.0	-4.4
2019	US Dividend	6.5	3.7	2.2	2.7	-6.4	7.0	1.6	-1.7	4.0	0.7	2.6	3.4	28.8
	S&P 500	8.0	3.2	1.9	4.0	-6.4	7.0	1.4	-1.6	1.9	2.2	3.6	3.0	31.5
2020	US Dividend	0.1	-9.3	-8.0	11.6	2.8	0.5	4.3	2.9	-2.5	-2.7	8.6	2.4	8.9
	S&P 500	0.0	-8.2	-12.4	12.8	4.8	2.0	5.6	7.2	-3.8	-2.7	10.9	3.8	18.4
2021	US Dividend	-1.8												
	S&P 500	-1.0												

	CW	S&P 500	Relative	Statistic	Description	CW	S&P 500
	U.S. Dividend	S&P 500				U.S. Dividend	S&P 500
1 month	-1.8%	-1.0%	-0.8%	Sharpe Ratio	Performance relative to risk (higher is better)	1.00	1.00
3 months	9.2%	14.0%	-4.9%	Max Drawdown	Largest decline from peak to trough (less is better)	-17%	-20%
6 months	6.6%	14.5%	-7.9%	Up Market Capture	% of upside market participation (higher is better)	76%	100%
1-year	6.9%	17.2%	-10.4%	Down Market Capture	% of downside market participation (lower is better)	70%	100%
YTD	-1.8%	-1.0%	-0.8%	Standard Deviation	Volatility (lower is better)	11.3%	13.8%
3-year	7.6%	11.7%	-4.1%	Downside Deviation	Volatility of down months (lower is better)	7.7%	10.1%
5-year	11.4%	16.2%	-4.8%	Beta	Volatility relative to the S&P 500	0.72	1.00
Inception	9.9%	13.3%	-3.4%				

Composition

Sector Breakdown



Holdings

	Name	Sector	Weight	Yield	
Global	CHEVRON CORP	Energy	2.77%	5.6%	
	AVIENT CORP	Materials	4.03%	1.9%	
	WEYERHAEUSER CO	Materials	3.34%	N/A	
	NEWMONT CORP	Materials	4.50%	2.6%	
N. American	UNITED PARCEL SERVICE-CL B	Industrials	3.16%	2.4%	
	WASTE MANAGEMENT INC	Industrials	3.32%	1.9%	
Cyclical	LOCKHEED MARTIN CORP	Industrials	3.11%	3.0%	
	INTL BUSINESS MACHINES CORP	Info Tech	1.91%	5.3%	
	INTEL CORP	Info Tech	4.01%	2.4%	
	CISCO SYSTEMS INC	Info Tech	3.25%	3.2%	
	BLACKROCK INC	Financials	4.40%	2.3%	
	METLIFE INC	Financials	2.61%	3.4%	
Interest Sensitive	JPMORGAN CHASE & CO	Financials	5.31%	2.6%	
	GOLDMAN SACHS GROUP INC	Financials	5.04%	1.6%	
	CITIGROUP INC	Financials	3.62%	3.2%	
	AMERICAN TOWER CORP	Real Estate	2.82%	2.1%	
	MCDONALD'S CORP	Cons Disc	2.94%	2.4%	
Defensive	KIMBERLY-CLARK CORP	Cons Staples	2.51%	3.4%	
	PROCTER & GAMBLE CO/THE	Cons Staples	4.13%	2.5%	
	CONAGRA BRANDS INC	Cons Staples	3.89%	3.1%	
	ASTRAZENECA PLC-SPONS ADR	Health Care	2.91%	1.8%	
	BRISTOL-MYERS SQUIBB CO	Health Care	2.50%	3.3%	
	PATTERSON COS INC	Health Care	3.28%	3.1%	
	QUEST DIAGNOSTICS INC	Health Care	4.65%	2.0%	
	MERCK & CO. INC.	Health Care	2.70%	3.5%	
	XCEL ENERGY INC	Utilities	3.05%	2.8%	
	VERIZON COMMUNICATIONS INC	Telecom	2.09%	4.5%	
	AT&T INC	Telecom	1.75%	7.3%	
		Cash		6.42%	2.6%

The research above is prepared by Richardson Wealth Limited and is current as at the date on page 1. Please note that past performance is not necessarily an indicator of future performance. The indicated rates of return are **gross** of fees and/or commissions. Individual results of client portfolios may differ from that of the representative portfolio as fees may differ, and performance of specific accounts is based on specific account investiture. The noted representative portfolio may not be appropriate for all investors.

This research has been prepared for the use of the clients of Richardson Wealth Limited and must not be copied, either in whole or in part, or distributed to any other person. If you are not the intended recipient, you must not use or disclose the information in this research in any way. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any transaction. This research is general advice and does not take account of your objectives, financial situation or needs. Before acting on this general advice you should therefore consider the appropriateness of the advice having regard to your situation. We recommend you obtain financial, legal and taxation advice before making any financial investment decision. Past performance is not a reliable indicator of future performance. There are risks involved in securities trading. The price of securities can and does fluctuate and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. This research is based on information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up to date. We accept no obligation to correct or update the information or opinions in it. Opinions expressed are subject to change without notice. No member of the Richardson Wealth Limited accepts any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research.

Richardson Wealth Limited or its associates, officers or employees may have interests in the financial products referred to in this report by acting in various roles including as investment banker, underwriter or dealer, holder of principal positions, broker, lender, director or adviser. Further, they may act as market maker or buy or sell those securities as principal or agent and, as such, may affect transactions which are not consistent with the recommendations (if any) in this research.

Richardson Wealth Limited is a member of the Canadian Investor Protection Fund and IIROC.

Richardson Wealth is a registered trademark of James Richardson & Sons, Limited used under license.