

Introducing Richardson Wealth Managed Portfolios

RICHARDSON
Wealth

**MANAGED
PORTFOLIOS**

In today's world, you have virtually an unlimited number of choices as to how your wealth is to be managed. Whether you own individual stocks and bonds, separately managed accounts, funds, ETFs, private pools, alternatives and hedge funds - the sheer volume of choices and combinations are endless. Richardson Wealth Managed Portfolios are customized solutions that can help you navigate an investment landscape that simply has too many products. The portfolios are founded on best practices learned over decades of practical experience, incorporating a modern approach to investment management, anchored by the tenets of diversification, transparency and cost efficiency.

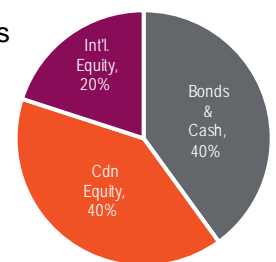
Asset Allocation

Asset allocation is the cornerstone of managing a portfolio that is appropriate to your long term goals and objectives. Managed Portfolio baseline allocations are founded on an institutional approach to asset allocation incorporating over sixty years of historical market data. However we believe asset allocations should not be static and should incorporate, to a degree, the current market environment. Using our proprietary Market Cycle framework, we dynamically tilt portfolio allocations as a function of market valuations, fundamentals, interest rates and economic data.

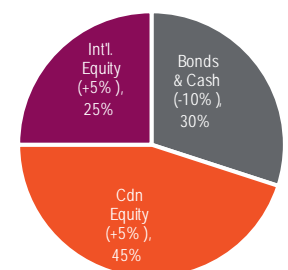
As an example, the top chart is a baseline allocation for a portfolio that includes 40% Canadian equity, 20% International equity and 40% bonds. Based on the market cycle, early in a bull market we tend to overweight equities as depicted in the 2nd chart. Yet late in a bull market, when the risk of a bear is higher, we reduce equity weights and hold more bonds as shown in the 3rd chart.

We believe asset allocation should not be static, but rather adjust to a degree as a function of the market cycle. This dynamic asset allocation approach is used across all Richardson Wealth Managed Portfolios

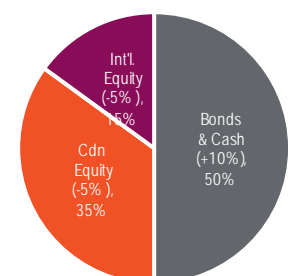
Baseline Allocation



Early in a Bull Market Cycle



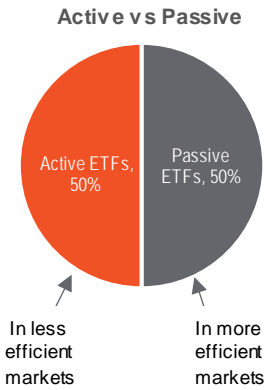
Late in a Bull Market Cycle



Active Plus Passive

Exchange Traded Funds (ETFs) have really changed the investment landscape and increased the availability of investment strategies. In their purest form, ETFs offer a very low cost solution for market exposure to a given index. Our research indicates that passive ETF investing is best in more efficient markets while active strategies have an edge in less efficient markets. As a result, the Richardson Wealth Managed Portfolios use a combination of actively managed funds and passively managed ETFs. As an example, the U.S. equity market is one of the most efficient in the world and active funds have a hard time beating the benchmark. In this market we tend to be much more passive, using mainly ETFs. Yet in less efficient markets, such as the TSX or preferred shares, we lean more towards using skilled active managers.

We believe this offers the best of both worlds. Active in higher risk or less efficient markets to gain an advantage and more passive in efficient markets to lower costs.



Manager & ETF Selection

Our investment product selection process for fund managers is based on the belief that performance can only be as good as the decision-making process. Our manager search and selection process is predicated on the understanding that rigorous due diligence performed by an experienced team, can identify investment managers with reliable skill. While past performance is useful, this is only one of many inputs we use in our analysis. Our dedicated team of analysts looks at both qualitative and quantitative factors for any product under consideration.

Exchange Traded Funds selection is based on the provider, liquidity, costs and most importantly how the ETF is invested. Understanding the underlying holdings of an ETF is critical not just in isolation but also how it fits into the overall portfolio. We conduct direct bottom up analysis of all ETFs, understanding the composition and exposures, before an ETF is included in the portfolios.

Manager and ETF due diligence reports are available on all investments held in the managed portfolios.

Transparency & Reporting

It is your money and you should know what you own and why. As transparency is one of our core beliefs, we provide detailed quarterly reporting that incorporates how you are allocated, performance what has been working, what hasn't, and why you own each investment and how it fits into your portfolio. We will also share trade rationales when changes are made in the portfolio. All this is provided so you understand how your money is being invested for you.

The Richardson Wealth Managed Portfolios follow a disciplined and strategic process rooted in diversification, transparency, and cost efficiency. Our asset allocation framework, research, product selection, and reporting all serve to reinforce these principles, making this an investment solution that you can feel confident owning.

Equity ETF Investments

Nobody controls the risk in an index (ETFs), it is our job to reduce the costs.

Managed Portfolios use a blended active and passive investment strategy. (actively) using passive ETFs in more efficient markets where we question whether active managers can add value. The ETFs also help lower the underlying investment costs of the portfolio, which is a significant consideration. As of March 31, 2022 the following are Managed Portfolio equity ETF positions:

ETF Name	Concentration	Weighted	Yield
Shares Core MSCI EAFE ETP	2.5%	3.3%	4.0%
SPDR S&P 500	4.6%	3.2%	0.6%
Shares Core S&P 500 Capital Composite ETP		4.5%	0.5%
Shares S&P 500 Short-Term ETP		3.0%	0.5%
Shares S&P 500 ETP			0.5%

Shares S&P 500 Short-Term ETP (DSDG)

XSDG holds only reverse convertibles that pay month to the bear side. The top holdings include: Enbridge (15%), Newmont (14%), Franco-Nevada (10%), Odebrecht (9%), and Archer-Daniels-Midland (8%). Geographically, the holdings are 70% in Canada and 30% in the US, with remaining spread around globally. YIELD: approximately \$0.08 in ALM is a large Canadian stock. ETP and the expense ratio is 0.6% (higher than most ETPs but still well below sector focused ETPs).

We hold XSDG in each portfolio for macro reasons. Gold and gold companies provide a natural hedge against the US dollar revenue stream. While we are still positive on the US dollar, its valuation has become elevated and XSDG hedges some of our currency exposure. Geographically, XSDG also provides some protection. We have no insight as to which issuer may flare up, but with gold in the \$1200s we found it to be a reasonable entry point for gold sector exposure.

SPDR S&P 500 ETP (SPY)

We have a market marginal overweight in US equities across our portfolio, which has been recognized given the advance of the market and valuations. The SPY is the core US exposure for each portfolio and this is one of the most efficient markets in the world. We diversified across all 11 sectors, very liquid and low cost at 0.05%. This component sources US equity exposure in the portfolio which tends to be more diversified.

Shares Core EAFE ETP (IEFA)

We are overweight international equities in the portfolio, with IEFA providing a core portfolio (market) exposure given its low equity allocation. This ETP is well diversified at the sector level. Geographically, 24% Japan, 16% UK, 1% in each Germany, France and Switzerland. In aggregate, IEFA has high European exposure which fits our global rationale. These are highly efficient markets, perfect for ETP investment strategy. \$24 billion in assets and a 0.20% expense ratio are solid characteristics.

Managed Portfolio Commentary

Managed Portfolios Attribution

Portfolio Holdings: Pie charts showing allocations for Portfolio Holdings, Geographic & Bond mix, Investment style, Broad exposures, and Sector exposures.

Geographic & Bond mix: Includes charts for US, International, and Bond allocations.

Investment style: Includes charts for Market, Value, Growth, and other styles.

Broad exposures: Includes charts for various market segments.

Sector exposures: Includes charts for various industry sectors.

The Managed Portfolio Team

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Portfolio Manager

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