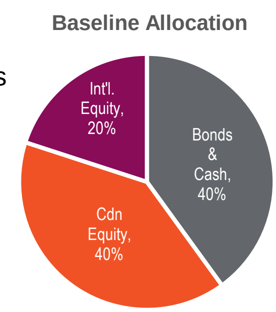
Introducing Richardson GMP Managed Portfolios

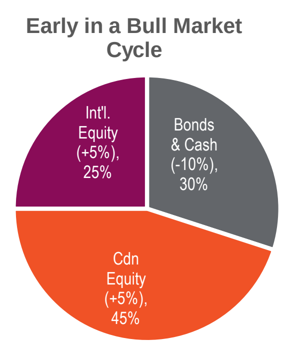
RICHARDSONGMP
MANAGED PORTFOLIOS

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 GMP 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.

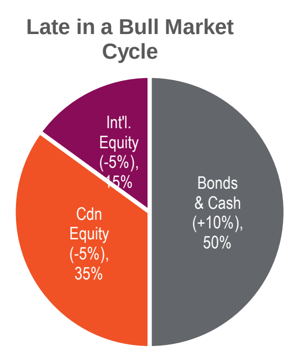
Asset Allocation



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.

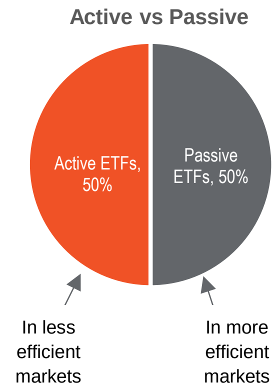


As an example, the top chart is a baseline allocation for a portfolio that includes 40% Canadian equity, 20% International equity and 40% bonds. Based on the market cycle, early in a bull market we tend to overweight equities as depicted in the 2nd chart. Yet late in a bull market, when the risk of a 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 GMP Managed Portfolios

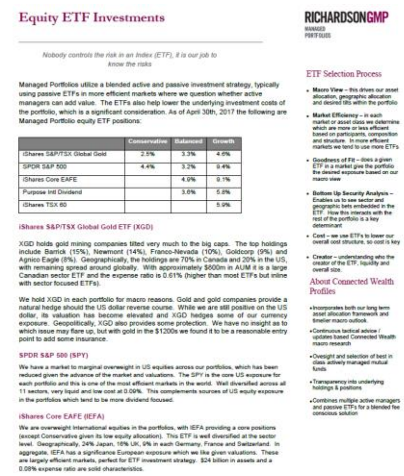
Active Plus Passive



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 GMP 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

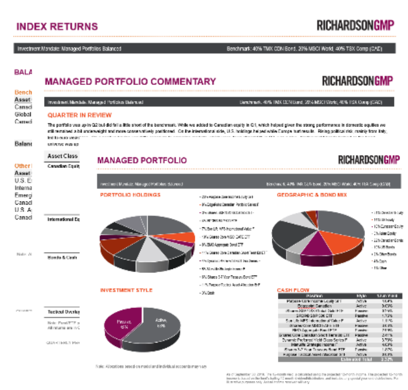


Our investment product selection process for fund managers is based on the belief that performance can only be as good as the decision-making process. Our manager search and selection process is predicated on the understanding that rigorous due diligence performed by an experienced team, can identify 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 GMP 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.

The Managed Portfolio Team

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An Nguyen, CFA
Vice President

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Portfolio Manager

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Portfolio Manager

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