



Seasonal Advantage Portfolio – Fact Sheet



Objective:

To provide exposure to seasonal trends occurring in the equity and fixed income markets by using a combination of seasonal, technical, and fundamental analysis to tactically allocate positions.

Methodology

The concept of seasonal investing has been well telegraphed over time due to the apparent average price tendencies that have historically been derived in various market segments. But what fails to be communicated is that these average trends tend to be driven by underlying fundamental influences that push and pull on prices throughout the year. The *Seasonal Advantage Portfolio* is the first strategy of its kind to break down the fundamental factors into a seasonal perspective, gauging the relative performance of what is actually occurring in the economy compared to what normally occurs. From there, the sectors and segments of the market that are best positioned to benefit from these seasonal trends are isolated and a technical screen is conducted to analyze the universe for the best momentum, relative performance, and absolute trend.

North America	Europe	Balanced	Long/Short
Asia	Global	Equity	Fixed Income
Relative	Absolute - Low Risk	Active < 90 Days	Active > 90 Days
Absolute - Medium Risk	Absolute - High Risk	Passive < 90 Days	Passive > 90 Days

Applying a three pronged approach combining seasonal, fundamental, and technical analysis allows the portfolio to attempt to mitigate the downfalls of “probability investing” associated with a strict seasonal investing approach that often relies heavily on dates and the apparent repetition of price patterns over time.

General Investment Strategy

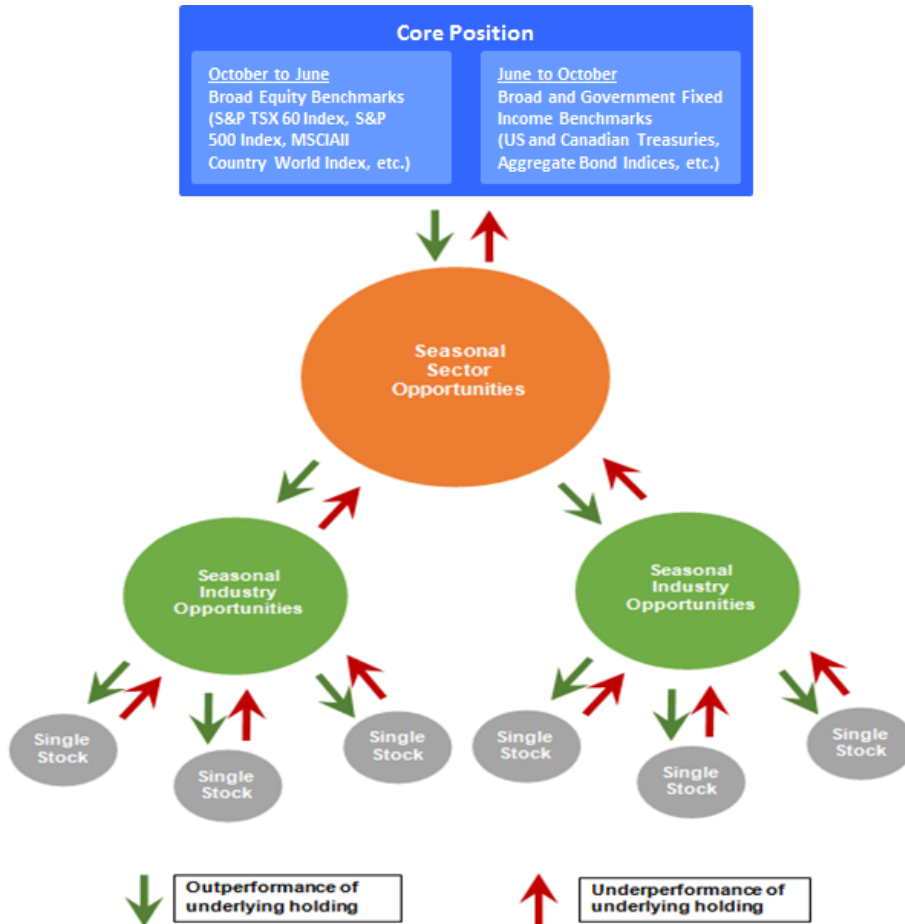
The portfolio aims to be fully invested in the equity market during the favourable period for stocks and invested in defensive assets (fixed income, high yielding equities, and gold equities) during the period of volatility for the equity market. A core position in either the equity or fixed income market is rotated into sector and subsector opportunities during periods of seasonal strength. The portfolio is highly correlated with the equity market between October to May and less correlated between May to October when defensive assets tend to be favoured. Portfolio beta versus relevant equity benchmarks will typically be greater than 1 during the favourable period for equities (October – May) and less than 1 during the unfavourable period (May – October).

Breakdown of Target Portfolio

- The portfolio will invest in stocks that are included in the S&P 1500 Index and TSX Composite, as well as all marketable North American listed Exchange Traded Funds (including fixed income and international oriented ETFs)
- The portfolio aims to be fully invested in equity positions throughout the year, rather than just the October through to May period, however, should favoured equity sectors lag the bond market between May and October, allocations would revert to fixed income ETFs during this “off-season” for broad market equities.
- Average period of investment for sectors is approximately 3 months. Range for period of investment is from three weeks (e.g. summer rally period) to seven months (e.g. Industrial and Consumer Discretionary sectors)
- Maximum weights in the portfolio are as follows:
 - Core (market) positions: Unlimited (e.g. S&P 500 Index, Dow Jones Industrial Average, TSX Composite, etc.)
 - Sector Allocations: 25% (Max. allocation to any given sector)
 - Individual equities: 5% (Max. allocation to any given stock/non-ETF)



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Advantages of the Seasonal Advantage Portfolio

- Unique Strategy
- Strong Team
- Transparent Investment Approach
- Diversification
- Low Cost Active Management

Risks

- Market Risk
- Liquidity Risk
- Equity Risk

Who Should Invest?

This portfolio is appropriate for investors with previous active equity management experience and/or a moderate level of risk tolerance and return objectives.

The Seasonal Advantage Portfolio