# Insights & Strategies

PRIVATE CLIENT SOLUTIONS

June 8, 2016

## Inside this Issue



# Mixed Signals

Watching the directional movement of assets can provide indications about the state of the market and the economy. For example, industrial metals are generally a barometer for global economic demand. As global GDP rises, countries around the world consume more commodities to construct homes, buildings, roads and bridges. Rising equity prices can also be an indicator of improving economic conditions, as investors bid up equities in anticipation of future corporate profits. Meanwhile, other assets like bonds and gold are bid up as investors seek safe havens during times of turmoil or in anticipation of tougher economic conditions. We saw this dynamic at work leading up to the last financial crisis, as bond prices started to outperform equities four months ahead of the equity market sell-off, and during the crisis, gold acted as a safe haven. Observing the dynamic between assets, and even within asset groups, can offer investors clues about future price action, as we often see one asset gain in value at the expense of another. Over the last few months, we have seen both risk-on and risk-off behaviour in the market; however, to gain an understanding of which group is winning, we can visually compare two assets to examine their relative strength. While comparing different assets can be fraught with complications (one can simply plot any asset versus another to draw a conclusion that fits their paradigm), there are some natural connections. Plotting stocks versus bonds, equities versus gold, or cyclical equities versus defensive equities, can provide insight into what investors think about the state of the economy.

**Performance Since Fed December Rate Hike**

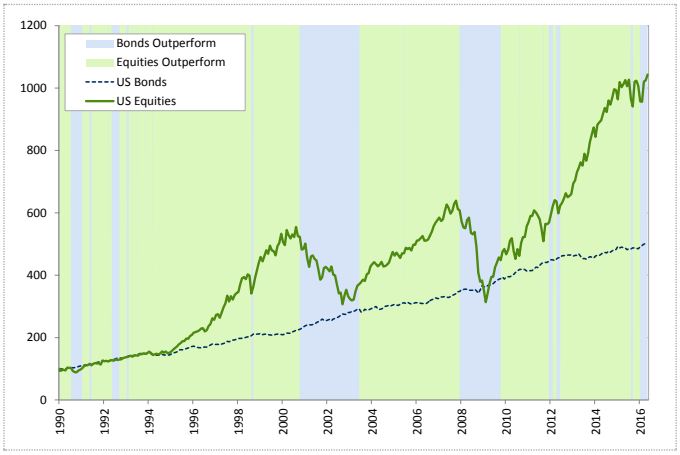
| Risk-On | | Risk-Off | |
|---|---|---|---|
| CRB Commodity Index | +5.6% | Gold | +14.6% |
| MSCI Emerging Markets | +1.7% | US LT Govt. Bonds | +8.0% |
| $CAD | +5.5% | $JPY | +11.1% |

Source: Bloomberg, Raymond James Ltd. As at May 31, 2016.

Since the Federal Reserve's (Fed) rate increase in December 2015, the first in nearly a decade, markets have been flashing mixed signals about the state of the economy. On one hand, assets that are normally associated with investors' willingness to accept risk are rising in anticipation of an improving economy (why else would the Fed be confident enough to raise rates?); while on the other, risk-off assets have also gained in price (perhaps the Fed was too early in hiking rates?). Clearly there are two dominate forces in the market attempting to decipher whether the next leg for US equities is to break to new highs or to revisit old lows. We believe the two opposing forces that exist in today's market can be explained by central bank intervention and the continued lackluster growth in the global economy. Those market participants in the risk-on camp are keenly aware of the age-old advice "don't fight the Fed", as continued easy monetary policy suggests investors should be risk tolerant, while those in the risk-off camp are questioning central bank intervention and wondering what can be done to re-ignite growth in the global economy. In this month's issue, we discuss risk on/off markets and provide guidance on how to invest in both "worlds".

## Risk On/Off Indicators

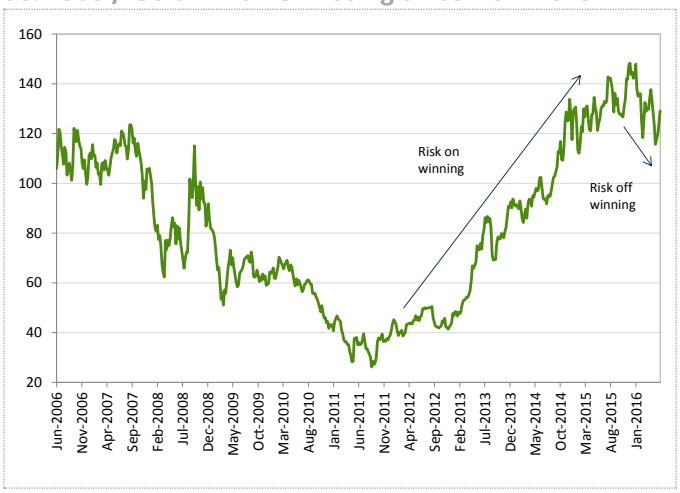
### US Stocks vs Bonds




Source: Bloomberg, Raymond James Ltd.
Equities and bonds outperformance using 1-year rolling total return .
US Bond Index = Barclays US Agg Total Return Value.
US Equities Index = S&P 500 TR

Within a properly diversified portfolio, investors hold both equities and bonds, and numerous studies have shown that asset allocation is perhaps the most important decision regarding long-term returns. In the chart above, we can see that bonds have historically retained their value during periods of equity market volatility, which helps to smooth overall returns.

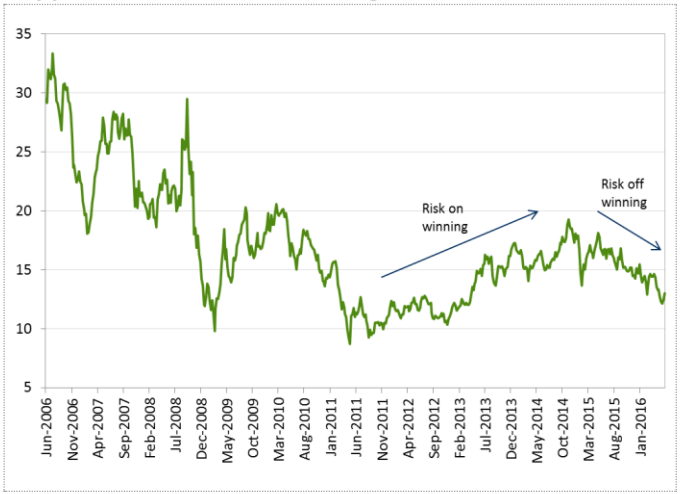
### S&P 500 / Gold – Risk-On Losing Since Nov. 2015




Source: Bloomberg, Raymond James Ltd.

Historically, gold has been a store of value. There is a finite among of bullion in the world, and unlike fiat currencies, there is no printing press that can create more of the metal. While simplistic, this is at the root of investors' appetite for bullion – an alternative to paper currencies that is intimately linked to their fears about the capacity of central banks to retain the value of their currency. As central banks around the world experiment with negative interest rates (the amount of sovereign debt trading with sub-zero yields rose to a record $10.4 tln in May), and concerns grow about the strength of the global economy, the fear is that central banks will increasingly turn to unconventional monetary policy to achieve their objectives. Surprisingly, bullion prices found a bottom in December right as the Fed raised rates. Typically, a rising rate environment is a clear negative for bullion prices; however, there appears to be a segment of investors who believe the Fed may have to reverse course.

### Copper / Gold – Risk-On Losing Since October 2014



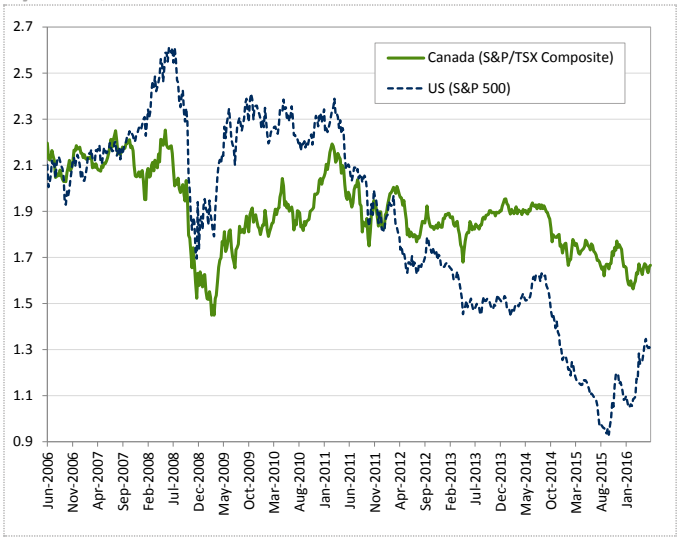

Source: Bloomberg, Raymond James Ltd.

If gold is a measure of risk-off, copper can be seen as a measure of risk-on. The commodity, affectionately known as "Doctor Copper", shows a strong tendency to gain in price in anticipation of improving global economic demand. Given the commodity's widespread application in homes, industrial applications, electronics and power generation/ transmission, demand for copper is often viewed as a reliable leading indicator of economic health. Another risk-on asset is equities; when the economy is growing, corporations are generating positive sales and profit. Investors anticipate higher corporate profits and begin to accumulate equities. Stocks therefore are forward looking and discount the outlook for corporate profits three to six months out, making the asset class a good measure of near-term economic conditions.

Combining these assets, we can gauge market sentiment and help to determine how to position one's portfolio. Plotting copper versus gold and the S&P 500 versus gold would suggest the risk-off camp is currently winning as we saw

peaks in the ratios in October 2014 and November 2015, respectively.

Cyclical / Defensive




Source: Bloomberg, Raymond James Ltd.

From this perspective, market participants appear to be taking risk off the table. Perhaps drilling down into equity sectors can offer further clues into how the markets are perceiving risk. To examine this, we look to the traditional risk-on risk-off sectors. Cyclical sectors – energy, materials, industrials, technology financials and consumer discretionary – show a tendency to outperform during periods of improving economic conditions; while defensive sectors – health care, consumer staples, utilities and telecommunications – perform best during periods of weakening economic growth. By plotting the two types against each other, we can determine which group is winning at the expense of the other. Since 2011, the overall trend has favoured defensives, but more recently, cyclicals have bounced back thanks to energy (higher oil prices) and material stocks (higher gold prices).

The art of portfolio management is to recognize and understand the risks. We can thus balance the risks through proper asset allocation and appropriate diversification within asset classes. As risks abate, one can adapt by taking proceeds from risk-off assets to add to risk-on assets. In this balancing act, we can hold both risk-on and risk-off assets; the question becomes which one do we overweight at the expense of the other? As we highlighted in our 2016 Market Outlook, there are a number of risks in the market. That view has not changed, and while we believe equities can continue to climb the "wall of worry", there are signals that we should be layering off risk. In the following article, we discuss how this can be achieved within the equity and fixed income sleeve of a portfolio.

## The Barbell Strategy

There are always investors who will take the opposite side of a trade; that's what makes a market. Concerns about the lack of global growth have played major roles in the recent rise in market uncertainty and contributed to a largely range bound S&P 500 Index (S&P 500) over the last 15 months. Given there are always two sides to a trade, we look for companies that we believe may outperform their peers within both cyclical and defensive sectors.

- **Risk-On**

Cyclical sectors are those that are highly correlated to the state of the economy. Depending on the stage of the business cycle, certain cyclical stocks will perform better than others. For instance, early cyclicals are those that perform well coming out of a recession; at that time, interest rates are low, unemployment rates start to decline and consumer spending picks up. Companies selling consumer goods would do well in the early signs of improving economic activity. If the economy is doing well and consumers have extra income to spend on luxuries, then sales for consumer discretionary companies will rise. As for late cyclicals, these tend to be capital-intensive companies that perform best at the peak of economic activity and when activity has been strong for a relatively long period as investments from other sectors begin to increase; at this point the economy may be overheating, driving central banks to tighten monetary policy. As GDP growth expectations start to rise, sectors such as industrials, energy, and materials begin to perform well, as these are sectors closely tied to the growth in GDP and the business

Cyclicals - Growth Screen

| Ticker | Name | Sector | Net Sales - 5 Yr CAGR | Diluted EPS - 5 Yr CAGR | Debt-to-Capital | Interest-Coverage |
|---|---|---|---|---|---|---|
| PEY | PEYTO EXPLORATION & DEV CORP | Energy | 16.28% | 7.03% | 39.2 | 7.4 |
| PPL | PEMBINA PIPELINE CORP | Energy | 35.76% | 4.10% | 30.9 | 6.1 |
| SLW | SILVER WHEATON CORP | Materials | 6.45% | -18.74% | 26.1 | 16.0 |

Source: Bloomberg, Raymond James Ltd. As at June 6, 2016.

cycle. However, given the rise in global growth concerns, cyclical sectors have not been performing as well as their non-cyclical counterparts.

- **Searching for Growth**

Given the rise in global economic uncertainty, we looked for companies in the S&P/TSX Composite that exhibited the strongest growth prospects. Within cyclicals, we advise clients to look for growth-oriented names which continue to invest in their asset base and, of course, those with a solid balance sheet. To screen, we focused on five-year revenue and diluted EPS compounded annual growth, and long term (next 3-5 years) EPS growth being greater than that of the S&P/TSX (currently at 5.9%). Given the lack of top line growth post-financial crisis and the rise of companies cutting costs to boost bottom lines, we only screened for companies with top line growth greater than bottom line growth. This means companies in our list are in fact growing either through acquisition or organic measures. Additionally, we looked at capex/depreciation ratios; a ratio greater than 1 shows that businesses are investing highly in long-term assets and expect future growth. And finally, we looked at company debt-to-capital and interest coverage ratios to ensure solid balance sheets for each name. We list the stocks that met these criteria on the previous page.

- **Risk-Off**

Non-cyclicals are those companies that provide the basic necessities like food, household items and electricity, and as such are not as dependent on the overall economic cycle. As investors' appetite for bond-proxy equities has driven up valuations in defensive names, every sector now trades at a premium to its long-term (LT) average forward price-to-earnings. We screened for companies within these sectors that are trading at more attractive valuations. In order to find attractively priced companies, we used a traditional value screen using factors that we have back-tested and found command a strong factor premium (i.e. predictive power). The factors in the screen include: earnings yield (E/P) along with forward E/P for the next two years, cash flow yield (CF/P), EBITDA-to-EV, price-to-sales (P/S), log(Sales/EV) and book value yield (B/P).

## Come Together Now

As for the strategy, we currently recommend that investors implement a barbell approach when building a portfolio, which includes exposure to cyclical names, in order to benefit from any positive economic upturn, and non-cyclicals, to provide some defensiveness in case markets remain weak. Within cyclicals, we advise that clients look for growth-oriented names, and in defensive sectors, those companies that offer better relative value.

***Jason Castelli, CFA***
***VP, Portfolio Manager***

***Larbi Moumni,***
***Equity Specialist***

**Non-Cyclicals - Value Screen**

| Ticker | Name | Sector | Discount to Sector P/S | Discount to 5-Year Avg P/S | Debt-to-Capital | Interest-Coverage |
|---|---|---|---|---|---|---|
| WN | WESTON (GEORGE) LTD | Cons. Staples | -53% | 9% | 47.5 | 3.4 |
| BCE | BCE INC | Telecom | 9% | 31% | 53.9 | 4.9 |
| RCI/B | ROGERS COMMUNICATIONS INC-B | Telecom | -12% | 5% | 75.5 | 3.3 |
| T | TELUS CORP | Telecom | -10% | 1% | 61.3 | 4.2 |
| ACO/X | ATCO LTD -CLASS I | Utilities | -26% | 13% | 53.9 | 2.1 |
| CPX | CAPITAL POWER CORP | Utilities | -6% | 30% | 36.8 | 2.5 |
| FTS | FORTIS INC | Utilities | 6% | 9% | 54.1 | 2.5 |
| SPB | SUPERIOR PLUS CORP | Utilities | -71% | 42% | 54.3 | 2.3 |
| TA | TRANSALTA CORP | Utilities | -48% | -35% | 50.6 | 0.6 |

Source: Bloomberg, Raymond James Ltd. As at June 6, 2016

## Let's Talk Provies

Bonds are often considered a risk-off trade. However, some bonds may insulate one's portfolio better than others in times of stress. Provincial bonds (Provies) may be a worthy alternative for those looking for more safety versus corporate bonds, but don't want to sacrifice as much yield. Provincially issued bonds offer higher yields than Government of Canada bonds, carrying a guarantee from the issuing province for an unlimited amount. They are priced at a spread over the Gov't of Canada bond of equivalent maturity and this yield pick-up, or spread, can widen or tighten at any time based on a variety of factors. In this article, we will look at some of the key factors incorporated into the spread that provincial bonds carry and help to explain what may cause the spread to move.

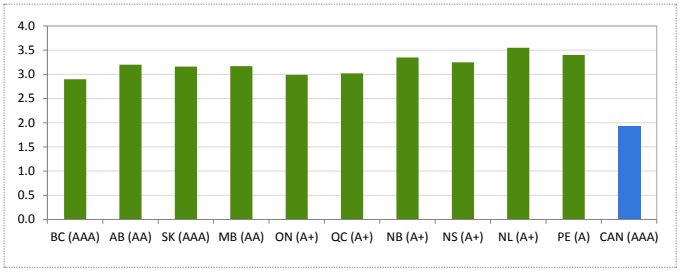
### What's in the Spread?

**Credit Rating:** These are assigned to the provinces by Canada's three ratings agencies: S&P, Moody's and DBRS. Though the ratings agencies work hard to capture the full fiscal situation of a province, due diligence takes time. This is why the market often prices any ratings changes into the spread prior to the actual upgrade or downgrade by the ratings agency. Generally, the lower the rating, the higher yield investors will demand and the more it will cost the province to borrow. Take Alberta for example. The province has had its credit rating downgraded twice in the past six months by S&P from AAA to AA. These downgrades reflect the worsening fiscal situation of Alberta, causing the spreads to widen as investors demand a higher yield due to the higher risk. The next time Alberta goes to the market to issue debt, it will be more expensive for the province to do so.

**Liquidity:** The liquidity premium appears to be a very important factor in the province's spread. The largest provinces (in terms of debt outstanding), such as Ontario, have lower borrowing costs than smaller provinces, like New Brunswick, even though both provinces carry the same credit rating. The more debt that a province has issued, the more bonds are available in the market, improving the liquidity for buyers and sellers. Investors will accept lower yields for this liquidity.

**Implicit Guarantee:** Even though each province's fiscal situation varies a great deal from one another, their yields don't reflect it. The reason for this is the implicit guarantee that the federal government will step in during a time of provincial crisis, providing a "safety net". Issuing large amounts of debt is less of a problem assuming the federal government will step in to help, as it did during the Great Depression. Will the federal government step in the next time a province needs help? The market seems to think so, but it's really just an implicit guarantee rather something written in stone. Either way, this has eased investors' fears and helped reduce the borrowing costs for the provinces. If the federal government came out and said otherwise, we would see the cost of provincial borrowing dramatically increase.

**Yield on 30-Yr Provies**

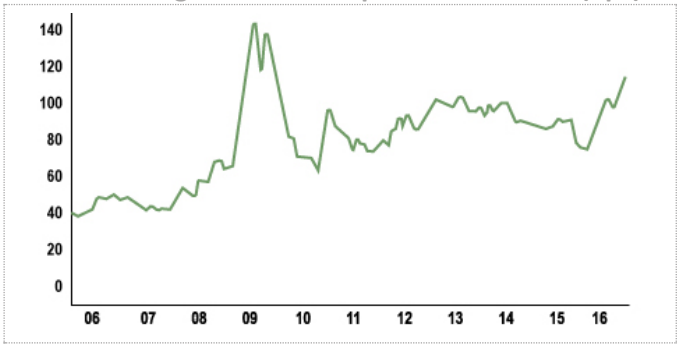



Source: Bloomberg, Raymond James Ltd.
BC = British Columbia, AB = Alberta , SK = Saskatchewan, MB = Manitoba, ON = Ontario, QC = Quebec, NB = New Brunswick, NS = Nova Scotia, NL = Newfoundland, PE = Prince Edward Island, CAN = Canada.

### Moving Out?

Over the past 10 years, the average spread of provincials over Canadas has been widening, reflecting the worsening fiscal situation of all provinces, and the large amounts of debt they have issued. 2015 was the first time in Canadian history that the total amount of provincial debt exceeded that of the federal government. These spreads are now at the widest level they have been since the financial crisis in 2008/09 and a great deal wider than they were ten years ago (see chart below). With almost all of the provinces running large deficits now, they will be issuing an ever increasing amount of debt to help fund the imbalance. Although not a crystal ball, the spread of provincial bonds can tell us a lot about what might be in the future.

**Provincial Long Bond Index: Spreads vs Canada (bps)**




Source: Bloomberg, Raymond James Ltd.

***Rob Dinning***
***Fixed Income***

## A Portfolio For All Seasons

Timing the market can be a very difficult game with many investors feeling like they are constantly chasing their tail. One day we are risk-on, the next we are risk-off, and since the post-2008 intervention of central banks in capital markets, it seems like we are flip flopping more now than ever. So the question becomes, how can investors better prepare themselves for this type of environment?

Rather than switching in and out of risk-on and risk-off equity mandates, and incurring high transaction costs involved with the turnover, consider a barbell approach. This investment strategy includes the combination of some risky equity mandates, such as a growth mandate (high beta) that performs well on the upside, complemented by a more conservative mandate (low beta) that does well protecting the downside. This will help smooth returns, lower volatility, and also avoid high turnover and the associated costs of constantly chasing the "next best thing".

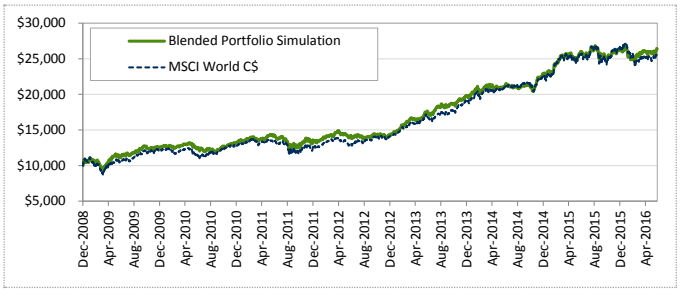
### Identifying Aggressive vs. Conservative Funds

- Without the aid of return data, the first thing to look at is the **number of holdings**. More concentrated portfolios (sub-40 stocks), tend to increase volatility as each individual name has a larger impact on the return performance. However, this does not dig deep enough as a conservative, high-quality manager may also hold a concentrated portfolio.
- **Upside capture and downside capture** are great metrics that show you whether a particular strategy has historically outperformed (gained more or lost less than) a broad market benchmark during periods of market strength and weakness. For example, an upside capture ratio over 100 shows a fund has generally outperformed the market during periods of positive returns for the benchmark (aggressive). A downside capture ratio of less than 100 shows the fund has lost less than the market during periods of negative returns for the benchmark (conservative).
- Lastly, look at the **beta** of the fund. Beta is a measure of volatility, or systematic risk of a portfolio in comparison to the market as a whole. A higher beta indicates larger participation on the upside and larger participation on the downside (aggressive). Whereas, lower beta suggests outperformance on the downside and underperformance on the upside (conservative).

### The Proof is in the Pudding

To demonstrate the benefits of a barbell strategy, we have produced a simple back test of a 50/50 blended portfolio that includes a subtly more aggressive global equity mandate in **Edgepoint Global Portfolio** (historically has done well on the upside), which is complemented by a conservative focused mandate in **Mackenzie Ivy Foreign Equity** (historically has done well on the downside). As you can see below, the blended portfolio simulation has outperformed the MSCI World C$ Index. To boot, it has done so with 90% of volatility as measured by standard deviation (5 year std dev- 9.0% vs 9.9%), offers a 0.9 beta (5 year), and has produced an impressive down capture ratio of only 72% (5 year). This is not to say that investors should buy only these two mutual funds; but rather to show the benefits of 'barbelling' aggressive and conservative mandates.

**Growth of Simulated Blended Portfolio**




*Source: Morningstar, Raymond James Ltd. Back test assumes semi-annual rebalancing from the inception date both MFs could be purchased in combination.

- **Edgepoint Global Equity**

Edgepoint is a Toronto-based independent, employee-owned investment firm. The fund is managed by former Trimark managers Geoff MacDonald and Tye Bousada who employ an investment philosophy that focuses on high quality businesses trading at a reasonable price. The team runs a fairly concentrated portfolio with 35-40 names and makes full use of the full market-cap spectrum with the ability to invest anywhere they find opportunities.

- **Mackenzie Ivy Foreign Equity**

Lead PM, Paul Musson and his team at Ivy utilize a bottom-up approach, leaving sector, country, market-cap and asset class exposure as residual effects of security selection. If there is a lack of opportunity in the equity space, Musson & Co have the flexibility of holding cash and fixed income. They employ a low-turnover approach focusing on high-quality, large-cap companies that trade at reasonable valuations. The result of this conservative investment approach is a lower beta portfolio and strong downside protection.

***Andrew Clee***
***Mutual Fund/ETF Specialist & Portfolio Manager***

## A View on FX Risk

Finding opportunity in the currency market requires an investor to take a view on risk. The global currencies market relies not only on monetary policy and economic data, but also uses current events to give direction. Recently, we have noticed a shift from the 'Quantitative Easing trade' where investors strategized based on the central bank's intervention in the market back to a more normalized, fundamentally-driven view of the 'risk on/off' trade (circa pre-2008).

### 'Risk On/Off Trade ' vs. 'Quantitative Easing Trade'

The classic risk-on, risk-off trade divides everything market relevant into two camps. This can be done at the asset class level (equities vs. bonds), and even within currencies. If it looks like risk will be offered, sentiment shifts to 'risk-off' trading, and if the market is delivered news that is interpreted as risk positive, the market shifts to 'risk-on'. From a currency perspective, in a risk-off environment, safe-haven currencies like the Japanese Yen and Swiss franc are bid and appreciate, while risk currencies (primarily emerging market currencies) are offered and depreciate (the opposite is true when the market is risk-on). In a world driven by fundamentals, a risk on/off trading environment uses market information and reacts the way you would expect it to. For example, positive employment data equates to a positive for the respective economy, and thus a positive for the currency. However, the QE trade ('09-'16) resulted in a breakdown of this mechanism, as fundamentals were generally ignored and the focus was on the central bank's next steps. Data that would normally have been viewed as positive signalled that accommodative policy, or "free money", was therefore coming to an end. As the Fed attempted to normalize monetary policy, the market's reaction to central bank activity became highly uncertain, and is now looking for more clarity on the strength of the economic recovery.

### A View on the Fed in a Risk On/Off Trading Theme

Moving into June, event risk is thick for the markets. Therefore, we have filtered our focus down to four current market themes:

- The Fed and its next move
- Brexit, the chance that the UK could exit the European Union
- The US Presidential Election, which could be one for the history books, and
- Oil's recovery and price stability / normalization.

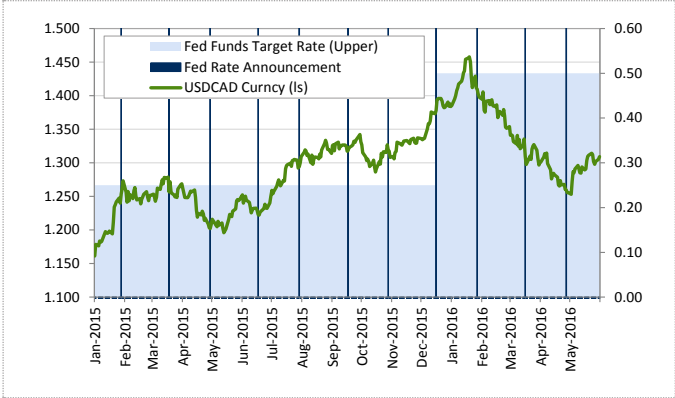
We choose the Fed to explore in more detail.

We may be sick of the Fed, but their power to move markets is undeniable. This spring has felt a little bit like last year, where market participants were pricing in a June Fed hike and supporting USD along the way. A year later, we have had only one hike (in Dec 2015), high market turbulence and a USD sell off that saw the USD Dollar Index (DXY) revisit a January 2015 low on May 3rd. The Fed may be setting up for a July hike, with several Fed members in favour of a hike (including Yellen herself), and the markets appear to be prepared. But if the Fed decides to hold off in July, the question then becomes when? With US elections approaching quickly and uncertainties globally, if a July hike is not achieved, a no-hike 2016 could become a reality.

### Our View on USDCAD

We see this June's Fed rate decision as a major factor in USDCAD direction from here, with the risks for USD looking heavier to the downside. A decision to lift rates will push CAD (and all currencies) lower versus the USD on the basis that the US economy is healthy and improving (keeping in mind that some of the Greenback's strength has already been priced in over the last month). However, a decision to leave rates as is would indicate to the market that the health of the US economy is not as strong as we have been led to believe. That could translate to a USD selloff immediately, with USDCAD back below 1.25, but given the USD reserve currency status, the currency should find support.

**Fed Rate Announcements and the Loonie**



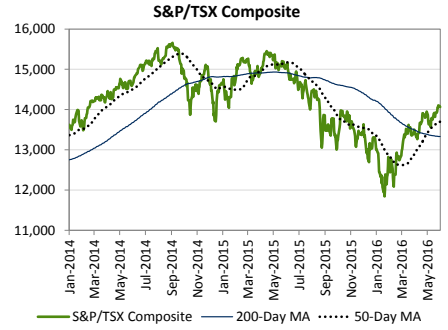

Source: Bloomberg, Raymond James Ltd.

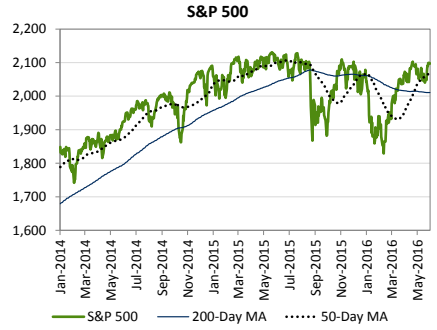
We feel there is more downside risk for USD than upside from current levels. We will look to start layering off USD longs at 1.3150, with the plan to average up on an appreciating USD in the event of a rate hike. If the Fed disappoints, then at least you have sold out at a level much better than the not so long ago low of 1.2461 hit on May 3rd.

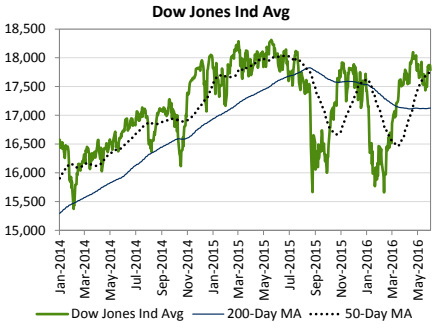
***Jeff Fitzgerald***
***Foreign Exchange***

# Charts of Interest

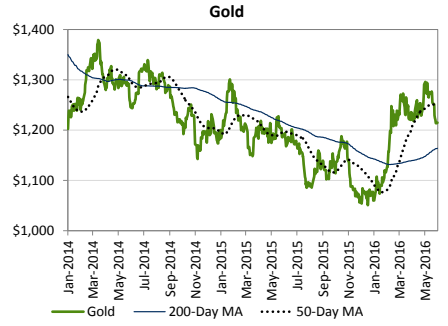
## Markets

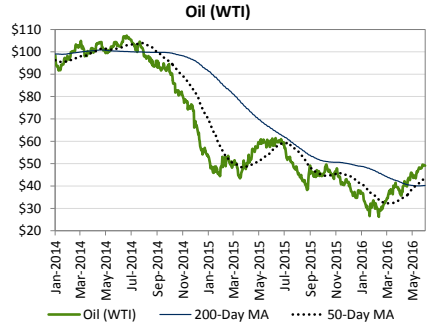


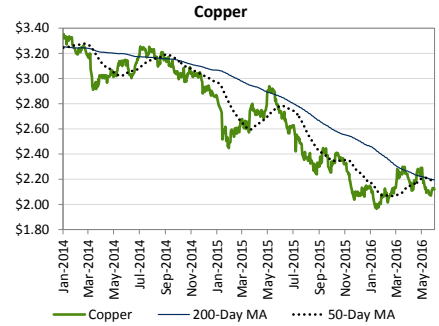



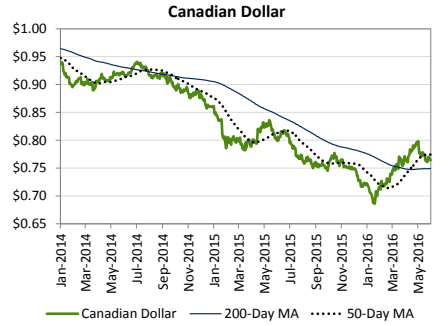

## Commodities

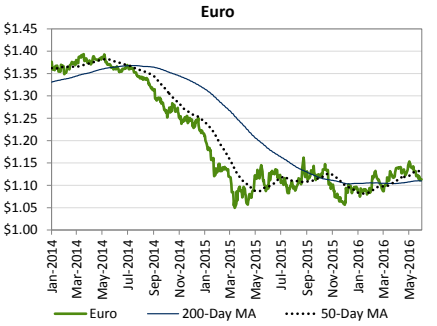


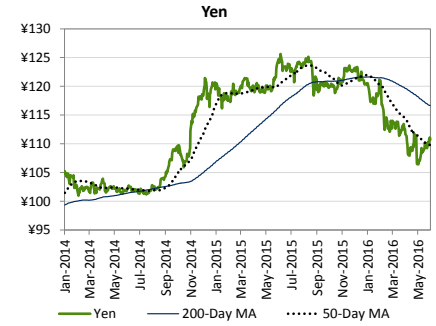




## Currencies



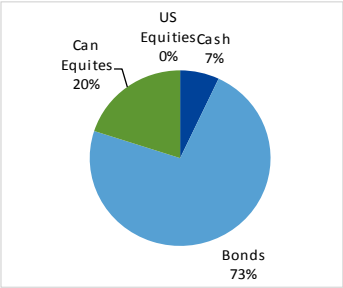
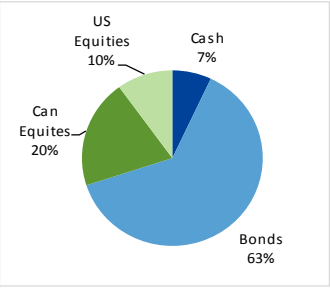
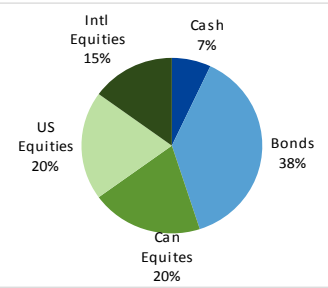
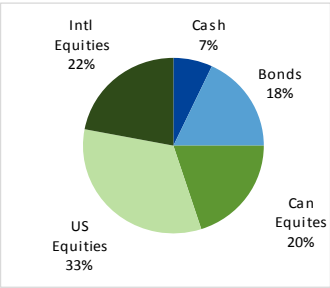
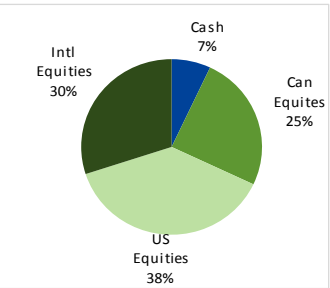




Source: Bloomberg, Raymond James Ltd. Performance as at May 31, 2016.

# Investor Profiles and Asset Class Weightings

**Recommended Asset Allocation**

| | Capital Preservation | Conservative | Moderate | Growth | Aggressive Growth |
|---|---|---|---|---|---|
| |   |   |   |   |   |
| Cash | 7% | 7% | 7% | 7% | 7% |
| Bonds | 73% | 63% | 38% | 18% | 0% |
| Can Equities | 20% | 20% | 20% | 20% | 25% |
| US Equities | 0% | 10% | 20% | 33% | 38% |
| Intl Equities | 0% | 0% | 15% | 22% | 30% |
| **Tactical Asset Mix** | | | | | |
| Bonds \| Equities | 80/20 | 70/30 | 45/55 | 35/75 | 7/93 |
| **Strategic Asset Mix** | | | | | |
| Bonds \| Equities | 80/20 | 70/30 | 50/50 | 30/70 | 10/90 |
| **Asset Ranges** | | | | | |
| Cash | 0-20 | 0-20 | 0-20 | 0-20 | 0-20 |
| Bonds | 60-100 | 50-90 | 20-70 | 10-50 | 0-30 |
| Equities | 0-30 | 10-50 | 30-75 | 50-90 | 70-100 |
| **Description** | | | | | |
| | May be appropriate for investors with long-term income distribution needs who are sensitive to short-term losses. The equity portion of this portfolio generates capital appreciation, which is appropriate for investors who are sensitive to the effects of market fluctuation but need to sustain purchasing power. This portfolio, which invests primarily in fixed-income securities, seeks to keep investors ahead of the effects of inflation with an eye toward maintaining principal stability. | May be appropriate for investors with intermediate-term time horizons who are sensitive to short-term losses yet want to participate in the long-term growth of financial markets. The portfolio, which fixed-income securities tend to make up the largest proportion of holdings, seeks to keep investors well ahead of the effects of inflation with an eye toward maintaining principal stability. The portfolio has characteristics that may deliver returns lower than that of the broader market with lower levels of risk and volatility. | May be appropriate for investors seeking a balance between capital preservation and capital growth. This portfolio, which is a split between fixed-income securities and equities, seeks to keep investors well ahead of the effects of inflation with an eye toward maintaining principal stability. With roughly half of the portfolio invested in a diversified mix of Canadian and international equities, investors should be comfortable with moderate fluctuations in the portfolios. | May be appropriate for investors with long-term time horizons who are not sensitive to short-term losses and want to participate in the long-term growth of the financial markets. This portfolio, which has a higher weighting in equities, seeks to keep investors well ahead of the effects of inflation with principal stability as a secondary consideration. | May be appropriate for investors with long-term time horizons who are not sensitive to short-term losses and want to participate in the long-term growth of the financial markets. This portfolio, which is primarily invested in equities, seeks to keep investors well ahead of the effects of inflation with little regard for maintaining principal stability. The portfolio may deliver returns comparable to those of the broader equity market with similar levels of risk and volatility. |

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