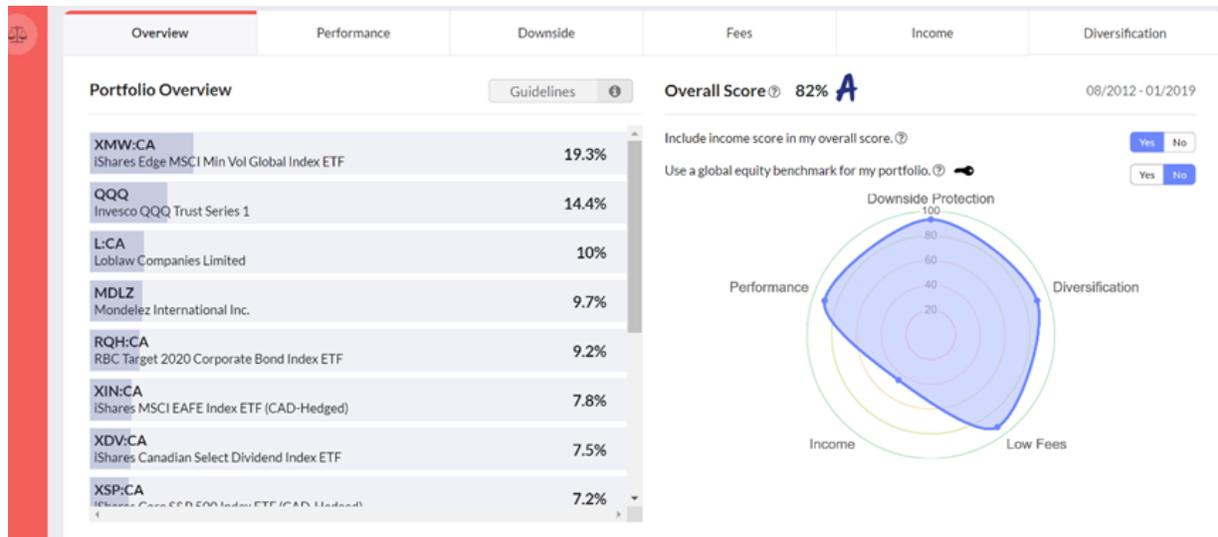




## Wealthscope: Knowledge Base

### Wealthscope Portfolio Scorecard

Our proprietary scorecard will give your portfolio an overall letter and percentage grade, as well as a grade on each of **5** important portfolio dimensions: **risk-adjusted performance, downside protection, diversification, fees, and income.**



**Wealthscope** scores a portfolio in each dimension based on how well the portfolio has performed during the specific time period in question. This period is dictated by how far your securities go back in history. If your securities are relatively new, Wealthscope will still perform most of the analysis, but it will be more limited in scope, and the scorecard must be interpreted with caution. Your portfolio is analyzed against a benchmark, which is selected automatically depending on which one of the eleven asset allocations your portfolio is closest to (100% equity, 90% equity 10% fixed income .... to 10% equity 90% fixed income, 100% fixed income). The default equity benchmark is the TSX Composite, but you can choose a global equity benchmark instead (at the top right of the Overview page). Additionally, for some of the Canadian ETFs with short history, we use the index returns (minus the MER) prior to inception in the portfolio analysis.

**Performance** – an evaluation of past performance based on risk-adjusted returns as well as annualized returns relative to a benchmark, which is a portfolio that has a similar asset allocation to stocks and bonds as yours. A higher score is more desirable.

**Downside Protection** – an evaluation of the portfolio’s ability to limit losses when there is a stock market downturn. Downside capture, maximum drawdown, and downside risk relative to the benchmark portfolio are used for this score. A higher score is more desirable.

**Diversification** – an evaluation of your portfolio’s ability to diversify risk, scored in terms of the portfolio’s average pairwise correlation and the following 4 dimensions, across: regional stock markets, macroeconomic factors, global business sectors, and asset classes. A higher score means that your portfolio’s risk exposures are more spread out. A higher score is more desirable.

**Fees** – an evaluation based on your portfolio’s weighted average management expense ratio (MER). MER is a fee charged by ETFs and mutual funds. Depending on the series (e.g., A), it may include a trailing commission that compensates your advisor. You will not typically see the MER on your statements as performance is reported net of the MER. Note that any additional advisory or trading fees you may incur are not included in this score. Also note that when a MER is unavailable for a given ETF or mutual fund, it will be replaced by the category average; this will be indicated in a message to the right of the MER value. Assuming a maximum MER of 3%, a higher score indicates lower fees, and is thus more desirable.

**Income** – if you are looking for income such as dividends or other distributions from your investments, Wealthscope provides an income score. It is the weighted average yield of your portfolio, and the maximum is set at 5%, meaning that a portfolio that has a yield of at least 5% will receive a score of 100%. A higher score represents a higher portfolio yield.

Wealthscope’s portfolio scorecards are objective and are based on an empirical evaluation of each portfolio dimension. They provide a useful tool for analyzing and comparing portfolios within the same risk category or asset allocation in order to identify opportunities for further research. They should not be considered recommendations to buy or sell individual securities or portfolios. Finally, the usual disclaimer applies – past performance is not necessarily indicative of future performance.

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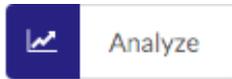
There are four integrated segments for you: **ACCOUNTS**, **PORTFOLIOS**, and **PLANNING**.

## **ACCOUNTS**

See a consolidated view of your investments, and importantly, have them analyzed. The securities currently supported are Canadian and US stocks, Canadian and US ETFs, and Canadian mutual funds; values are updated daily. USD accounts are converted to CAD prior to the analysis.

1. **My Accounts** will be where you see tabs of your individual brokerage accounts.
2. If you would like to add your investments held at another institution for analysis, you can manually input your account information by clicking ‘Enter Your Accounts’ on the **My Accounts** page.
3. ‘Overview’ in **My Accounts** is an aggregation of key account information across all brokerage accounts

4. To see your **Wealthscope portfolio scorecard** for your investments - click on an individual account or on 'Overview', and then click on the 'Analyze' button in the top right corner. Alternatively, you can select a *specific* group of accounts to be analyzed on the **My Accounts** page. Simply toggle 'Group accounts for analysis' at the top.



5. Compare your portfolio with a **Wealthscope model portfolio** in the same risk category (All-In, Adventurous, Classic, Cautious, and Playing-It-Safe) or with a portfolio you have saved in the **PORTFOLIOS** segment on Wealthscope previously. This function can be found on the red panel of the portfolio scorecard on the left-hand-side. The "Compare" button looks like this:



## PORTFOLIOS

3 different portfolio builders are offered:

- **SmartRisk Portfolio Builder:** Machine learning is leveraged to generate model portfolios for tactical asset allocation, using 32 asset classes. You can use it to optimize specific risk exposures, including human capital.
  - **ETF Portfolio Builder:** Pick your own asset mix from different asset classes. You can see the ETFs that track each asset class by clicking the "Execute" button on the red panel of the portfolio scorecard.
  - **Custom Portfolio Builder:** Test your own portfolio ideas by selecting any Canadian and US stocks, ETFs, and Canadian mutual funds by inputting their tickers and corresponding weights.
1. Select 'Create new' under **PORTFOLIOS** to see the portfolio builders. Once built, all portfolios will automatically receive a **Wealthscope portfolio scorecard**.
    - You can save/edit these portfolios using the buttons on the left-hand-side panel of the portfolio scorecard. Once saved, you can use them for benchmarking against your actual investments or against other portfolios, or for use in 'Target Saving' feature in **PLANNING**.

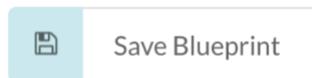


2. Select 'View model' under **PORTFOLIOS** to view 5 portfolios created for your use on our platform in varying risk categories. Click on a portfolio to see its scorecard. These are low cost, well-diversified, and downside-risk-optimized portfolios for your use on Wealthscope. You can apply them in the **PLANNING** segment, and use them to compare to your own portfolios.

## PLANNING

These are crafted tools for the accumulation phase of retirement planning, such as calculating target wealth at retirement and monthly target savings. As well, the target saving tool is multi-purpose and can be used for general goal-based planning, such as saving for your children's education.

1. If you would like to create a comprehensive **Retirement blueprint**, especially if you do not know how much you should spend annually after you retire: select 'Retirement Blueprint' under **PLANNING**.
  - a. Fill in your Personal Details so annual spending needs net of expected retirement income can be calculated.
  - b. Calculate your 'Target Wealth' at retirement – the platform presents three different 'target wealth' options corresponding to different likelihood of success. Select one to continue.
  - c. Calculate your 'Target Saving' on a monthly basis. You can choose a **Wealthscope model portfolio** or one that you have created and saved previously in **PORTFOLIOS** for this purpose.
  - d. View the **Retirement blueprint** – an aggregation of the information from steps **a.** to **c.** above.
    - Save your blueprint at the bottom of the screen.



2. Select 'Target Saving' under the **PLANNING** dropdown to calculate required monthly savings for any financial goal - not just retirement planning.
3. If you already know how much you want to spend per year after you retire, select 'Target Wealth' under the **PLANNING** dropdown. Target Wealth determines the accumulated savings needed by your desired retirement age. You will see three different figures at varying likelihood of success.
4. Select 'Revisit Blueprint' under the **PLANNING** dropdown to view a previously saved Retirement Blueprint. You can edit previously inputted information.

**More...**



Hover for more information on *Beside certain text*  
a particular subject

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Security has been excluded in the analysis because it has insufficient history

*To the right of a portfolio holding in the scorecard*

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### **Need help?**

This guide only serves as an introduction. Additional information is available in the FAQ segment on the application.