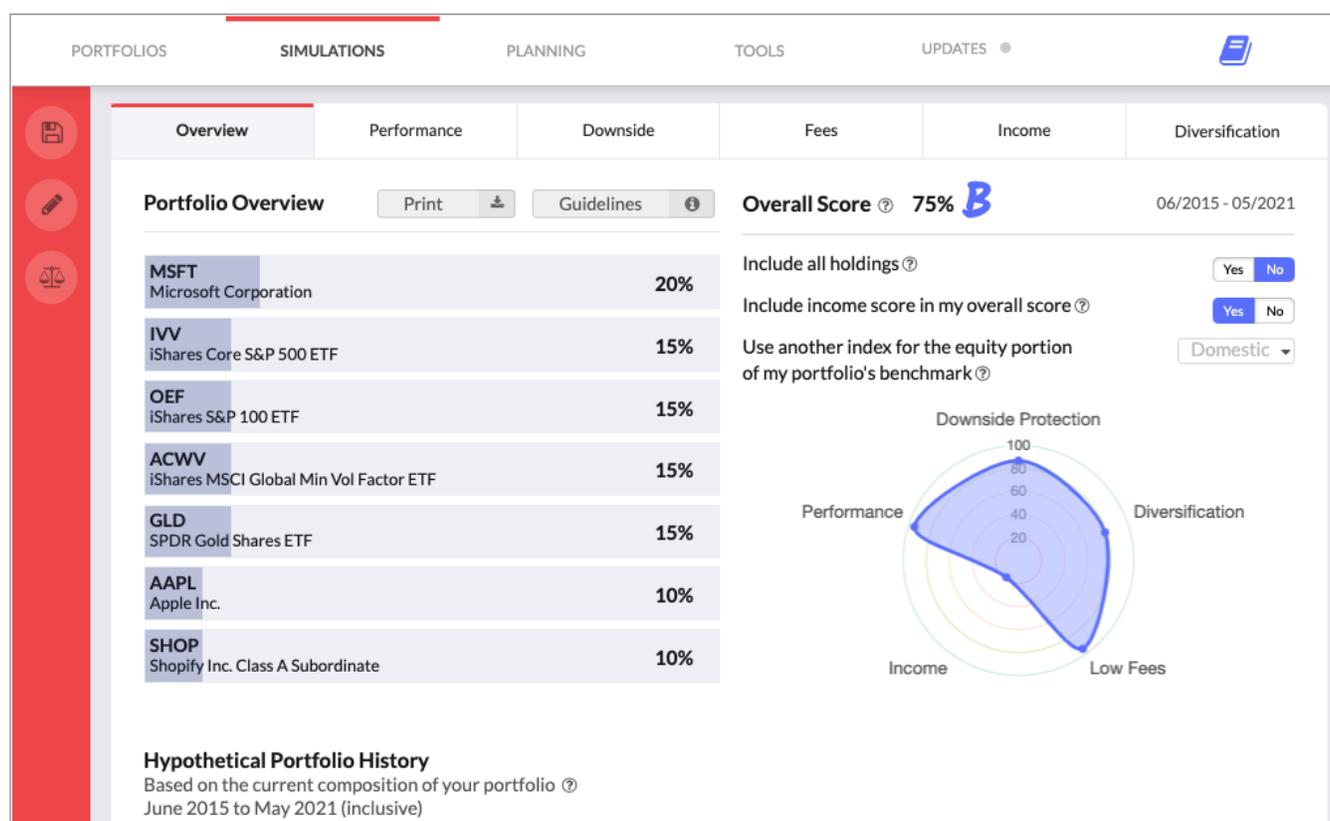




Wealthscope: Knowledge Base

Wealthscope Portfolio Scorecard

Your portfolio will be given an overall letter and percentage grade, as well as graded on **6** important portfolio dimensions: **risk-adjusted performance, downside protection, diversification, fees, income, and ESG.**



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, they may be filtered out (See "Guidelines" at the top left of Portfolio Overview for more information). You can toggle "Yes" for "Include all holdings" at the top right of the Portfolio Overview if you would

like to include all holdings in the analysis, regardless of returns history. In this case, the analysis may be more limited in scope, and the scorecard must be interpreted with caution. Your portfolio is analyzed against a benchmark for Performance and Downside Protection, 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 or custom equity benchmark instead (see the dropdown 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. 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.

ESG - ESG ratings for stocks and funds are powered by OWL Analytics, a big data analytics firm specializing in ESG research. Note that ESG ratings are not evenly distributed. For example, very few stocks and funds have ESG ratings above 80 on a 0-100 scale currently.

Wealthscope takes this into account and rescale the ratings when grading the ESG dimension of your portfolio.

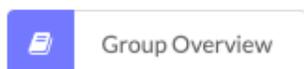
Wealthscope's portfolio scorecards are objective and are based on an empirical evaluation of each portfolio dimension. They provide a useful tool for analyzing and comparing portfolios within the same risk category or asset allocation in order to identify opportunities for further research. They should 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.

There are four integrated segments for you: PORTFOLIOS, SIMULATION, PLANNING, and TOOLS.

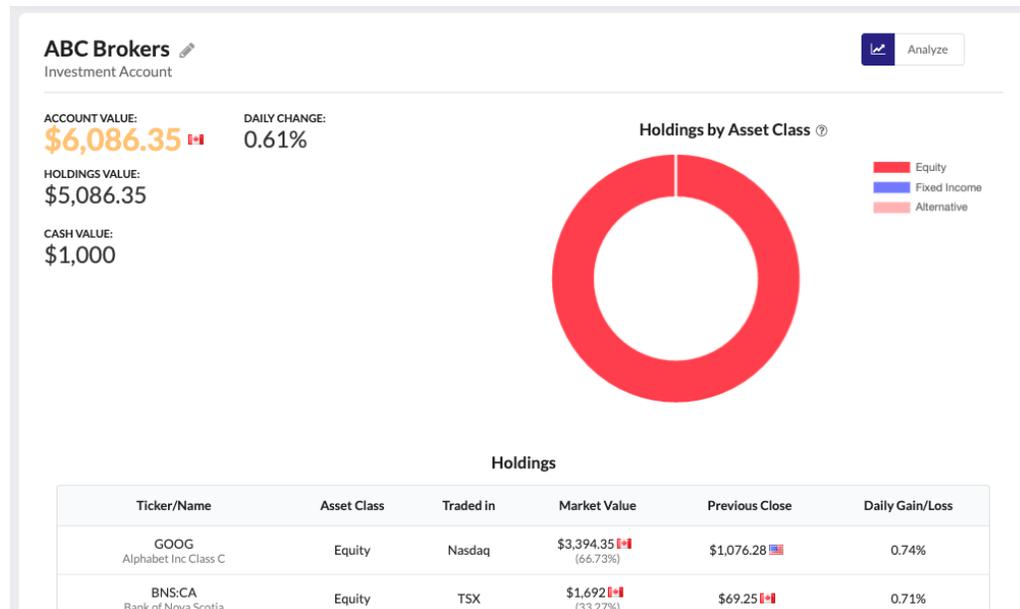
PORTFOLIOS

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

1. The landing page displays tabs of your individual Streamer portfolios (previously added on Quotestream), and an 'Overview' tab which is a *consolidation* of portfolio information across all Streamer portfolios. Toggle 'Group portfolios for analysis' to select a specific group of portfolios for analysis. Once you are done selecting portfolios, click 'Group Overview'.



2. Click on a Streamer portfolio tab to view a *portfolio dashboard* with basic portfolio information.



- To see your **Wealthscope portfolio scorecard** for your Streamer Portfolio click the 'Analyze' button in the top right corner on the portfolio dashboard view.



- 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 **SIMULATION** segment on Wealthscope previously. This function (the 'scale' icon) can be found on the red panel of the portfolio scorecard on the left-hand-side.

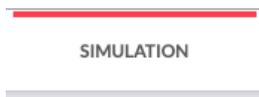
SIMULATION

3 different portfolio builders are offered:

- **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. Or you can allocate weight to cryptocurrencies: Bitcoin and/or Ethereum.
- **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. These models are perfect to use as your clients' core portfolios.

1. Select the **SIMULATION** segment to view the **SIMULATION** landing page. Three features are available: 'Create New', 'View Saved', and 'View Model'.



2. Select 'Create new' to see the portfolio builders. Once built, all portfolios will automatically receive a **Wealthscope portfolio scorecard** and you can compare them to **Wealthscope model portfolios** or your Streamer portfolios.
 - You can **save/edit** these portfolios using the buttons on the left-hand-side panel of the Wealthscope portfolio scorecard. Once saved, you can use them for benchmarking against your actual investments or against other portfolios, or for use in features in **PLANNING**. You may also compare your portfolio, as mentioned above.



3. Select 'View model' to view 5 portfolios created for your use on our platform in varying risk categories. Click on a portfolio to see its scorecard and the accompanying portfolio analytics. 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.
4. Select 'View Saved' to see portfolios you've saved from portfolio builders.

PLANNING

There are tools crafted separately for the accumulation and the decumulation phases of retirement planning, such as calculating target wealth at retirement, monthly target savings, and tax-optimized drawdown. Additionally, the target saving tool is multi-purpose and can be used for general financial planning, such as saving for children's education.

Accumulation

1. To create a comprehensive **Retirement Blueprint**:
 - I. Complete a 6-part questionnaire to calculate annual spending needs net of expected retirement income such as pension benefits.

- II. Determine your 'Target Wealth' at retirement — our platform presents three different options corresponding to three different likelihood of success. Select one to continue.
 - III. Determine your 'Target Saving' on a monthly basis. You choose a portfolio that you have created and saved previously in **SIMULATION** for this purpose. Select one to continue.
 - IV. View the **Retirement Blueprint** — an aggregation of information from steps I. to III. Save the blueprint. Once saved, you can edit and change scenarios directly from the blueprint. You can also download the blueprint as a PDF or print.
2. Select 'Target Wealth' to determine the accumulated savings needed by a desired retirement age. You will see three different figures at varying likelihood of success.
 3. Select 'Target Saving' to calculate the required monthly savings for your financial goal. It is applicable to any financial goals including children's education.

Decumulation

1. Select 'Portfolio Longevity' to see how long savings will last if one is retired, using different investment options. This is a great tool for lead generation.
2. Select 'Optimal Drawdown' to see how much a retiree can afford to spend each year with actual savings and retirement income, and from which sources, when taxes are minimized. The assumptions and how this tool works are described at the top.

More...

	Hover for more information on a particular subject	Beside certain text
	Security has been excluded in the analysis because it has insufficient history / It is unmatched / It is not supported for Portfolio Analysis	To the right or left of security
	Edit the asset allocation or positions of a portfolio from the portfolio builders	Found on the red panel when viewing a Portfolio Scorecard
	Save a portfolio from the portfolio builders	Found on the red panel when viewing a Portfolio Scorecard
	Compare an account or portfolio with previously saved portfolios	Found on the red panel when viewing a Portfolio Scorecard
	Options to execute an ETF portfolio	Found on the red panel when viewing a Portfolio Scorecard
	In a rebalancing system: when one or more weights exceed their maximum deviation, or when holdings in an account have been sold and/or added.	On a Streamer portfolio tab

	Indicate that a rebalancing system has been set up for an account	On a Steamer portfolio tab
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Grading Scheme

A	80 - 100
B	70 - 79
C	56 - 69
D	21 - 55
F	Below 21

Contact Us

If you have any questions, please contact Wealthscope at contact@wealthscope.ca.