

# Patience, discipline & time rewards investors

A review of the last six major market corrections

TULETT, MATTHEWS  
& ASSOCIATES

PORTFOLIO MANAGEMENT  
FINANCIAL PLANNING  
TAX SERVICES

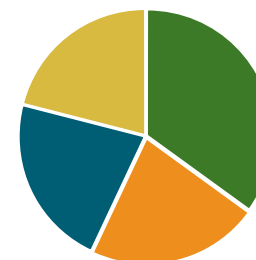
## MODERATE GROWTH PORTFOLIO

INITIAL PORTFOLIO VALUE ("IPV")

\$1,000,000

### ASSET ALLOCATION

|                      |      |             |
|----------------------|------|-------------|
| Fixed Income         | 35%  | \$350,000   |
| CAD Equity           | 22%  | \$220,000   |
| US Equity            | 22%  | \$220,000   |
| International Equity | 21%  | \$210,000   |
|                      | 100% | \$1,000,000 |



## ASSET CLASSES AND PORTFOLIO PERFORMANCE IN BEAR MARKET PERIODS

|                                      | Oil crisis<br>Nov 1 '73 - Sep 30 '74 | Black Monday<br>Sep 1 '87 - Nov 30 '87 | Savings & Loan crisis<br>Jan 1 '90 - Sep 30 '90 | Russian financial crisis<br>Aug 1 '98 - Aug 31 '98 | Dot-com bust & 9/11<br>Sep 1 '00 - Mar 31 '03 | Housing & credit crisis<br>Jun 1 '07 - Feb 28 '09 |
|--------------------------------------|--------------------------------------|--|---|--|---|---|
| Canadian One-Month T-Bills           | 6.88%                                | 2.03%                                  | 10.18%  | 0.36%  | 9.48%   | 5.25%   |
| FTSE TMX Canada Long-Term Bond Index | -9.83%                               | 3.16%                                  | -4.35%  | -2.37%   | 19.21%  | 5.19%   |
| S&P/TSX Composite Index              | -34.96%                              | -24.87%                                | -18.23%   | -20.11%  | -41.09%                                       | -39.15%   |
| S&P 500 Index                        | -39.77%                              | -30.07%                                | -11.37%   | -11.25%  | -42.10%                                       | -40.53%   |
| MSCI EAFE Index (net div.)           | -39.50%                              | -15.18%                                | -30.97%   | -9.11%   | -44.03%                                       | -45.22%   |
| <b>MODERATE GROWTH</b>               | <b>-25.78%</b>                       | <b>-14.74%</b>                         | <b>-11.53%</b>                                  | <b>-8.96%</b>                                      | <b>-26.38%</b>                                | <b>-27.52%</b>                                    |

## APPROXIMATE PERIODS LENGTH

|  |    |    |    |   |    |    |
|--|----|----|----|---|----|----|
| Number of months from IPV to bottom        | 11 | 3  | 9  | 1 | 31 | 21 |
| Number of months from bottom to IPV        | 9  | 11 | 4  | 2 | 21 | 22 |
| Number of months from IPV to bottom to IPV | 20 | 14 | 13 | 3 | 52 | 43 |

## MODERATE GROWTH PORTFOLIO VALUATIONS

|                                       |             |             |             |             |             |             |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Portfolio value at market bottom      | \$742,198   | \$852,575   | \$884,661   | \$910,399   | \$736,161   | \$724,816   |
| Loss during bear market               | (\$257,802) | (\$147,426) | (\$115,339) | (\$89,601)  | (\$263,839) | (\$275,184) |
| Portfolio value in 5 years from IPV   | \$1,417,130 | \$1,310,450 | \$1,499,740 | \$1,050,630 | \$1,001,630 | \$966,110   |
| Gain                                  | \$417,130   | \$310,450   | \$499,740   | \$50,630    | \$1,630     | (\$33,890)  |
| Portfolio value in 10 years from IPV* | \$2,858,970 | \$2,576,130 | \$3,092,980 | \$1,471,730 | \$1,090,600 | \$1,417,230 |
| Gain                                  | \$1,858,970 | \$1,576,130 | \$2,092,980 | \$471,730   | \$90,600    | \$417,230   |

\* Regarding the Housing & credit crisis, the portfolio value is based on a period from IPV to the 30th of April 2015 (7 years and 11 months).

**Notes:** The Moderate Growth Portfolio model is composed of 65% equities and 35% fixed-income securities. Fixed-income securities are represented by the Canadian One-Month T-Bills and the FTSE TMX Canada Long-Term Bond Indexes. Canadian equities are represented by the S&P/TSX Composite Index; US equities are represented by the S&P 500 Index; international developed equities are represented by the MSCI EAFE Index (net dividends). This is for illustrative purposes only. It is not intended to project future rates of return.

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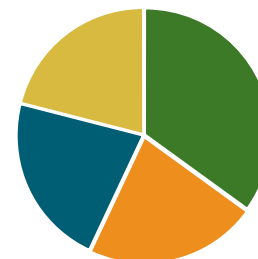
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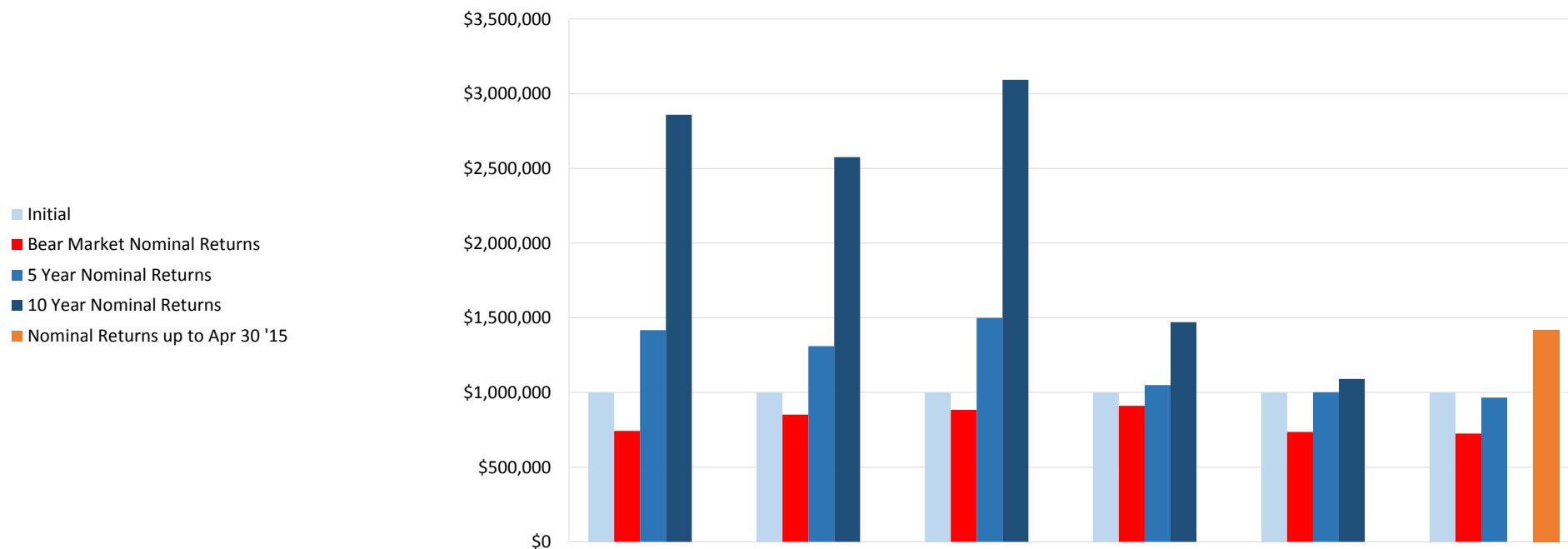
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