

The Managed Portfolio Account

Actively managing investment portfolios of enduring quality to serve your family's needs and aspirations.

Investment Philosophy

We construct investment portfolios that incorporate high quality securities which are significantly differentiated from most Canadians' securities portfolios.

We believe in active management - which doesn't mean frequent trading. Active Share is a measure of how a portfolio differs from its benchmark: the higher the active share, the more different the portfolio. Our active share is 80%. High Active Share funds tend to outperform their benchmark. At most times, investors are better off avoiding trying to match the performance of the Canadian stock market via an exchange traded fund or typical mutual fund. Our market's outsized weighting in natural resources brings with it increased volatility and sometimes protracted periods of underperformance relative to other countries' indices. We currently have relatively limited exposure to the natural resource sector. At the beginning of March just 3 of our top 15 equity investments were Canadian.

Among our international holdings, a considerable distinctiveness is readily apparent. Beyond the names of securities we select for client portfolios, the holding periods can also set us apart. Consider that currently the median cost across my clientele of our Apple shares is less than \$12. That took some time, but it's been well worth the wait.

Please see page 2 of this factsheet for a list of our top holdings. In many cases, these are longstanding investments and they have benefited our clients greatly. After considering the list and taking note of our long term performance record, if you imagine we would be an improvement on your current investment management, please give us a call.

Investment Process

BMO Nesbitt Burns is acclaimed for its investment research and while it serves as an important part of our investment selection process, we also review the research from U.S. based research providers such as JP Morgan, Morningstar, Value Line and Bloomberg. Other daily reading includes the Financial Times of London, The Wall Street Journal and the New York Times, all which serve to enhance our understanding of industry dynamics and macro developments. We confer with in house U.S. and Canadian fundamental equity specialists and market technicians. Underlying our security selection and portfolio maintenance is critical thinking and constant reevaluation, regarding both individual securities and sector weightings. Initial stock positions typically range from 3-5% of an overall client portfolio.

The Team

Mark Lalonde, CFA – Portfolio Manager

Mark has been investing professionally since 1984 when he joined a major full-service brokerage firm as an investment advisor. He obtained the CFA designation from the Association for Investment Management and Research in 1993. He joined BMO Nesbitt Burns in 1999, was licensed as a Portfolio Manager in 2002 and named a Vice-President in 2003.

Lori Harris – Administrative Assistant

Lori has worked at our firm for over 38 years. She focuses on the administrative details of our clients' accounts.

Samir Zehlawi, F. Pl., B.B.A. – Director, Wealth Planning

Samir has over 12 years of professional experience in Financial Planning and Financial services. He holds a Bachelor of Business Administration from both HEC and Saint-Joseph University in Lebanon. He develops detailed financial plans and strategies for our high net worth clients.

Daniel Khayat, B.A. – Associate Investment Advisor

Daniel is a graduate of the University of Western Ontario's Honours Economics program and is a CFA designation candidate. He aids our team in business development, equity research and client liaison.



 Let's connect

Mark Lalonde, CFA
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Portfolio Manager

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"I am very fortunate. I work at the intersection of the financial markets, technological advancements, science, politics and the global economy. It is always changing and fascinating. Still, none of it is more interesting than my clients' lives and aspirations, to which I dedicate my efforts."

Large Capitalization Equity Portfolio

Style

Large Cap Growth;
Average Number of holdings: 20-25

Benchmark

60% S&P 500, 30% S&P/TSX Composite,
10% FTSE Developed ex North America

Sharpe Ratio: 1.41

This measures how an investor is compensated for taking on risk compared to a risk free rate of return. Higher ratios are better for investors.

Typical Sharpe ratios fall between 0.2 and 0.5.²

Active Share: 80%³

Factors contributing to active share:
Underweighting in Natural Resources
Underweighting in U.S. Financials

Portfolio – Regional Allocation

U.S. Equity	71.99%
Canadian Equity	19.21%
International	2.50%
Cash	6.30%

Information Technology	27.29%
Industrials	6.96%
Consumer Staples	7.15%
Consumer Discretionary	7.08%
Financials	13.94%
Health Care	5.85%
Real Estate	1.56%
Communication Services	18.85%
Utilities	0.75%
Materials	4.27%
Cash	6.30%

Representative Holdings

March 1, 2021

Microsoft
Apple
Amazon.com
The Walt Disney Company
Verizon
Berkshire Hathaway Inc.
Alphabet
CAE Inc.
Toronto Dominion Bank
Applied Materials Inc.
MSG Sports
The Coca-Cola Company
Canadian National Railway Company
Qualcomm
Costco

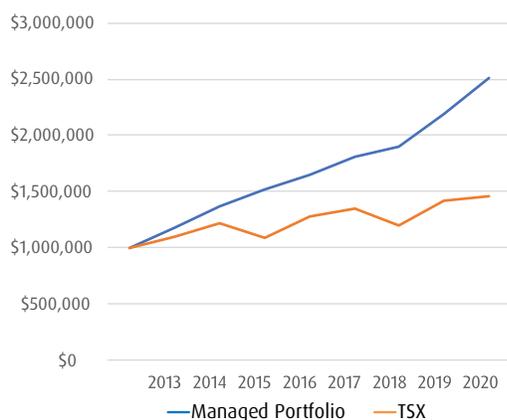
Minimum client relationship of \$1,000,000

Median Growth Account Returns⁴; 2020: 14.17% YTD, 2019: 15.90%, 2018: 3.80%, 2017: 9.62%, 2016: 7.15%, 2015: 11.01%, 2014: 16.14%, 2013: 18.69%

1. ActiveShare.info 2. All definitions are from CFA Institute 3. All statistics are from Bloomberg 4. Rates of return are total returns, net of all fees and are based upon the median account of the investor type subset of "growth investor" enrolled in The Managed Portfolio Account and managed by Mark Lalonde, CFA

The charts below show that the Managed Portfolio has outperformed the Canadian stock market over time, which is understandable given our overweighting in U.S. equities, but more notably, the Managed Portfolio has delivered impressive results with less volatility relative to the U.S. stock market.

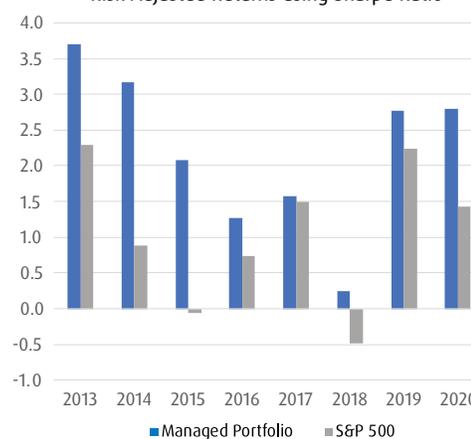
Managed Portfolio vs TSX Performance on Hypothetical \$1M



Source:

<https://www.forecast-chart.com/historical-tsx-composite.html>,
<https://www.macrotrends.net/2526/sp-500-historical-annual-returns>

Managed Portfolio vs S&P 500 Risk Adjusted Returns using Sharpe Ratio



Notes:

- Sharpe Ratio calculated using 12-Month US T-Bill Rate from Bloomberg LLC
- Sharpe Ratio Formula = (Portfolio Returns - Risk Free Returns) / Standard Deviation of Portfolio Returns