


# The Randomness of Returns

Highest Return



Lowest Return

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	21.73	33.85	37.72	40.72	37.81	31.70	36.18	25.07	2.58	34.77	23.47	24.11	35.72	9.82	2.56	63.86
	17.75	33.32	34.71	39.18	28.62	24.88	28.45	20.37	2.39	31.32	22.49	22.47	30.13	4.27	-21.94	42.73
	14.31	27.10	28.35	32.22	26.15	24.17	12.24	19.35	-3.79	30.15	17.49	19.56	26.10	1.96	-22.85	35.05
	8.88	15.21	23.56	24.87	21.65	22.53	7.41	4.36	-5.03	28.96	15.28	10.97	26.08	1.41	-24.88	27.47
	7.46	14.54	22.18	17.17	18.16	19.52	5.17	4.12	-12.45	26.74	14.47	10.95	22.11	-5.25	-25.55	25.12
	4.95	10.07	21.30	14.99	4.78	16.86	0.78	1.63	-16.02	19.07	11.49	10.69	21.66	-7.92	-30.67	15.97
	4.01	9.20	18.98	11.92	4.60	13.94	0.65	-6.40	-16.72	13.57	10.97	9.79	17.25	-9.70	-31.53	13.85
	3.90	8.25	9.39	6.22	-0.03	4.59	-5.54	-11.56	-16.75	11.60	8.42	4.16	16.58	-10.09	-33.00	10.98
	3.45	8.20	6.56	5.89	-1.59	2.35	-7.68	-12.57	-17.33	7.46	7.80	3.05	15.76	-15.63	-33.27	9.26
	-0.16	6.93	4.61	2.85	-5.66	0.39	-8.82	-13.45	-20.43	5.46	2.80	2.57	15.58	-17.11	-35.17	3.45
	-5.19	-1.74	3.30	-10.82	-11.05	-8.30	-10.80	-16.55	-22.85	2.86	2.25	2.29	3.93	-29.73	-47.33	0.36

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Canadian Fixed Income</b>	4.95	6.93	4.61	2.85	4.60	4.59	5.17	4.36	2.39	2.86	2.25	2.57	3.93	4.27	2.56	0.36
<b>Canadian Large Cap</b>	-0.16	14.54	28.35	14.99	-1.59	31.70	7.41	-12.57	-12.45	26.74	14.47	24.11	17.25	9.82	-33.00	35.05
<b>Canadian Value</b>	3.45	15.21	34.71	11.92	-5.66	2.35	28.45	4.12	-17.33	28.96	17.49	22.47	15.76	1.96	-33.27	42.73
<b>Canadian Small Cap</b>	-5.19	10.07	21.30	17.17	-0.03	24.17	0.78	20.37	-5.03	34.77	7.80	9.79	21.66	1.41	-47.33	63.86
<b>US Large Cap</b>	7.46	33.85	23.56	39.18	37.81	13.94	-5.54	-6.40	-22.85	5.46	2.80	2.29	15.58	-10.09	-22.85	9.26
<b>US Value</b>	4.01	33.32	22.18	40.72	21.65	0.39	12.24	1.63	-16.02	7.46	8.42	4.16	22.11	-15.63	-21.94	3.45
<b>US Small Cap</b>	3.90	27.10	18.98	32.22	4.78	24.88	-7.68	25.07	-20.43	30.15	10.97	3.05	16.58	-17.11	-24.88	27.47
<b>US Real Estate</b>	8.88	9.20	37.72	24.87	-11.05	-8.30	36.18	19.35	2.58	11.60	23.47	10.97	35.72	-29.73	-25.55	10.98
<b>International Large Cap</b>	14.31	8.20	6.56	6.22	28.62	19.52	-10.80	-16.55	-16.75	13.57	11.49	10.69	26.10	-5.25	-30.67	13.85
<b>International Value</b>	17.75	8.25	9.39	5.89	26.15	16.86	0.65	-13.45	-16.72	19.07	15.28	10.95	30.13	-9.70	-31.53	15.97
<b>International Small Cap</b>	21.73	-1.74	3.30	-10.82	18.16	22.53	-8.82	-11.56	-3.79	31.32	22.49	19.56	26.08	-7.92	-35.17	25.12

In Canadian dollars. Charts are for illustrative purposes only.

Canadian Fixed Income is Canadian One-Month Treasury Bills. Canadian Large Cap is the S&P/TSX Composite Index. Canadian Value is the MSCI Canada Value Index (net dividends), and Canadian Small Cap is the MSCI Canada Small Cap Index (price-only). US Large Cap is the S&P 500 Index. US Value is Russell 3000 Value Index. US Small Cap is CRSP 6-10 Index. US Real Estate is the Dow Jones Wilshire REIT Index. International Large Cap is the MSCI EAFE Index (net dividends), and International Value is the MSCI EAFE Value Index (net dividends). International Small Cap is compiled by Dimensional from StyleResearch securities data; includes securities of MSCI EAFE countries in the 10%-1% of ME range; market-capitalization weighted; each country capped at 50%; value defined as the top 30% of book-to-market; rebalanced semiannually. Canadian T-bills provided by PC-Bond a business unit of TSX Inc.; copyright © TSX Inc., all rights reserved. MSCI data copyright MSCI 2010, all rights reserved. The S&P data provided by Standard & Poor's Index Services Group. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results.

# Sample Portfolios: Allocations

		Fixed	Conservative	Moderate	Normal	Aggressive	Equity
<b>FIXED INCOME</b>		100%	80%	60%	40%	20%	–
<b>One-Month T-Bills</b>	Canadian One-Month T-Bills	100%	80%	60%	40%	20%	–
<b>EQUITY</b>		–	20%	40%	60%	80%	100%
<b>CANADIAN STOCKS</b>		–	6%	12%	18%	24%	30%
<b>Canadian Large Cap</b>	S&P/TSX Composite Index	–	2%	4%	6%	8%	10%
<b>Canadian Value</b>	MSCI Canada Value Index (gross dividends)	–	2%	4%	6%	8%	10%
<b>Canadian Small Cap</b>	MSCI Canada Small Cap Index (price-only)	–	2%	4%	6%	8%	10%
<b>US STOCKS</b>		–	6%	12%	18%	24%	30%
<b>US Large Cap</b>	S&P 500 Index	–	2%	4%	6%	8%	10%
<b>US Value</b>	Russell 3000 Value Index	–	2%	4%	6%	8%	10%
<b>US Small Cap</b>	CRSP 6-10 Index	–	2%	4%	6%	8%	10%
<b>INTERNATIONAL STOCKS</b>		–	6%	12%	18%	24%	30%
<b>International Large Cap</b>	MSCI EAFE Index (net dividends)	–	2%	4%	6%	8%	10%
<b>International Value</b>	MSCI EAFE Value Index (net dividends)	–	2%	4%	6%	8%	10%
<b>International Small Cap</b>	International Small Cap Index	–	2%	4%	6%	8%	10%
<b>REAL ESTATE</b>		–	2%	4%	6%	8%	10%
<b>Real Estate</b>	Dow Jones Wilshire US Select REIT Index	–	2%	4%	6%	8%	10%

The returns and other characteristics of the allocation mixes contained in this presentation are based on model/back-tested simulations to demonstrate broad economic principles. They were achieved with the benefit of hindsight and do not represent actual investment performance. There are limitations inherent in model performance; it does not reflect trading in actual accounts and may not reflect the impact that economic and market factors may have had on an advisor's decision making if the advisor were managing actual client money. Model performance is hypothetical and is for illustrative purposes only. Model performance shown includes reinvestment of dividends and other earnings but does not reflect the deduction of investment advisory fees or other expenses. Clients' investment returns would be reduced by the advisory fees and other expenses they would incur in the management of their accounts. S&P/TSX data provided by S&P/TSX. The S&P data are provided by Standard & Poor's Index Services Group. Russell data copyright © Russell Investment Group 1995-2010, all rights reserved. CRSP data provided by the Center for Research in Security Prices, University of Chicago. MSCI data copyright MSCI 2010, all rights reserved. Dow Jones Wilshire data provided by Dow Jones Indexes.

For illustrative purposes only. The balanced strategies are not recommendations for an actual allocation.

Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. Not to be construed as investment advice.

# Model Portfolio: Historical Returns

## Annual Return (%)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Highest Return</b>	15.60	20.51	17.86	11.45	14.89	5.18	4.36	2.39	20.84	13.58	11.93	22.78	4.27	2.56	24.74
	13.83	17.21	14.83	10.48	12.82	5.17	3.81	-0.60	17.32	11.31	10.02	19.00	1.66	-4.57	19.94
	12.08	13.97	11.81	9.30	10.76	5.17	3.16	-3.62	13.75	9.05	8.12	15.22	-0.92	-11.38	15.09
	10.34	10.80	8.80	7.92	8.70	5.14	2.42	-6.68	10.15	6.78	6.25	11.44	-3.47	-17.88	10.20
	8.63	7.68	5.82	6.35	6.64	5.10	1.59	-9.77	6.51	4.51	4.40	7.68	-5.98	-24.08	5.29
<b>Lowest Return</b>	6.93	4.61	2.85	4.60	4.59	5.03	0.67	-12.89	2.86	2.25	2.57	3.93	-8.46	-29.97	0.36

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Annualized Return	Annual Standard Deviation
<b>Equity</b>	15.60	20.51	17.86	11.45	14.89	5.03	0.67	-12.89	20.84	13.58	11.93	22.78	-8.46	-29.97	24.74	7.41	15.32
<b>Aggressive</b>	13.83	17.21	14.83	10.48	12.82	5.10	1.59	-9.77	17.32	11.31	10.02	19.00	-5.98	-24.08	19.94	6.83	12.38
<b>Normal</b>	12.08	13.97	11.81	9.30	10.76	5.14	2.42	-6.68	13.75	9.05	8.12	15.22	-3.47	-17.88	15.09	6.15	9.41
<b>Moderate</b>	10.34	10.80	8.80	7.92	8.70	5.17	3.16	-3.62	10.15	6.78	6.25	11.44	-0.92	-11.38	10.20	5.39	6.41
<b>Conservative</b>	8.63	7.68	5.82	6.35	6.64	5.18	3.81	-0.60	6.51	4.51	4.40	7.68	1.66	-4.57	5.29	4.54	3.47
<b>Fixed</b>	6.93	4.61	2.85	4.60	4.59	5.17	4.36	2.39	2.86	2.25	2.57	3.93	4.27	2.56	0.36	3.61	1.58

Assumes all strategies have been rebalanced quarterly.

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