TD Wealth

Lloyd Rutledge Wealth Management

What does a perfect day in your retirement look like?

Together, we will create a plan for you and your family to help make your dreams a reality.

At Lloyd Rutledge Wealth Management, we're always thinking ahead. In fact, we begin where you want to end up — taking the time to understand what your perfect day in retirement really looks like.

With your goals as our guide, we apply our disciplined approach to create an overall wealth strategy that will meet your goals of income and wealth accumulation.

With 70 years of collective experience, we know the importance of building enduring relationships founded on trust, care and confidentiality.

As a client, you can expect transparent communication, honest advice, utmost discretion and sound investment decisions, every step of the way.

Discipline that delivers

"Our goal is to help protect your capital in the long term and deliver risk-adjusted, tax-advantaged returns."

We believe in cultivating enduring relationships built on a foundation of trust, care and confidentiality.

Working closely with you and your family, we will get to know your needs and goals so we are well-positioned to recommend the most appropriate investment strategies for you.

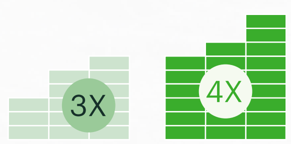
Our disciplined investment approach is rooted in advanced modern portfolio management theory, and our forward-looking investment strategies are carefully constructed for suitable diversification and asset allocation.

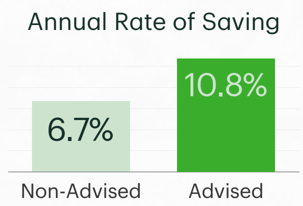
We are fully committed to act in your best interests, and highly value privacy, transparency and honest communication in every aspect of our relationship.

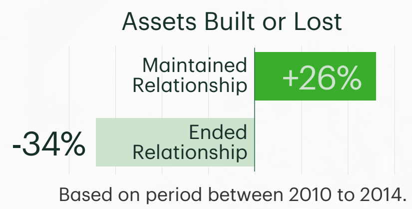
The value of objective, goals-based advice

We keep you on track and in control

In our decades helping high-net-worth families reach their goals of income and wealth accumulation, we've seen first-hand the difference that steadfast financial guidance can make to an investor's success.







Building Wealth

Investors who were supported by an advisor were shown to have three times the net worth and four times the investable assets of those who didn't work with an advisor.

Fostering Saving

Saving continues to be one of the cornerstones in investing success. Advised Canadians have been shown to have a greater savings rate than non-advised Canadians. Advisors help investors stay on track by helping investors to save and invest on a regular basis.

Achieving Goals

Professional advice can help investors to stick to their financial plan, even through volatile markets. Removing the emotion from investing can play an important role in helping investors stay focused on achieving longer-term goals.

Source: "Value of Financial Advice," Investment Funds Institute of Canada, 2012; "The Gamma Factor and the Value of Financial Advice," CIRANO, 2016

Canadians who work with an advisor have been shown to be more successful at building wealth and achieving their goals.*

Source: "Value of Financial Advice," Investment Funds Institute of Canada, 2012

We help you see through your financial blindspots

As an advisory practice qualified to offer professional portfolio management, one of our key roles is removing the emotion from investing. In doing so, we can help you avoid costly errors, and achieve your goals more efficiently.

Human emotion can be one of an investor's worst enemies. Some studies have shown that psychological factors can be attributed to between 45 to 55 percent of an average investor's underperformance.*

Source: Barclays, Cycle of investor emotions, 2016.

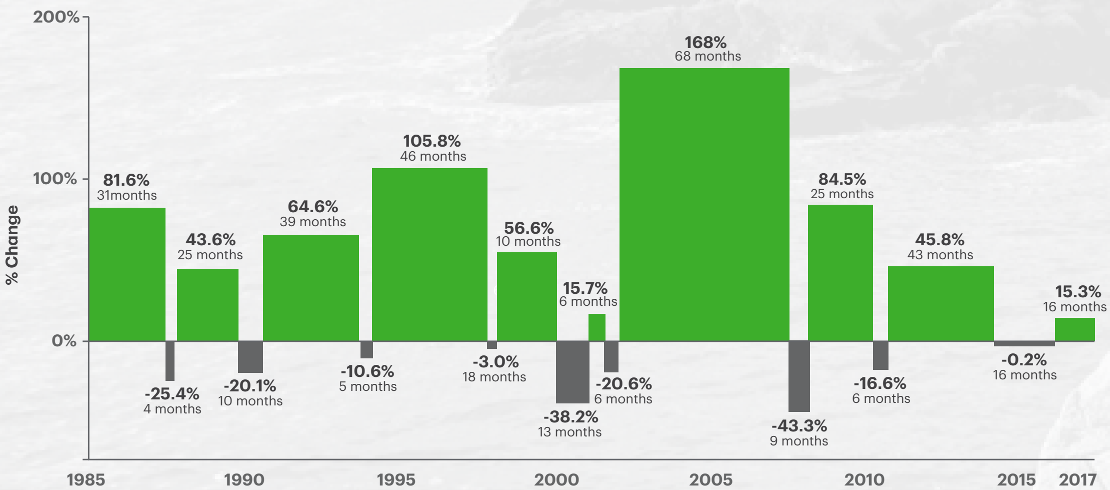
It's important to us that you understand your investments and our process. Please refer to our glossary appended to this document for a detailed explanation of key investment terms.

Staying the course

As history of the markets has demonstrated, during previous bear markets, Canadian equities eventually recovered and resumed their upward trend.

That's why it's important to remain focused on your long-term investment objectives and consider staying invested to allow your portfolio the opportunity to participate in any upward market moves. As you can see in the chart below, investors who attempt to time the market or sell during bear markets, may miss out on significant returns during prolonged recovery periods and bull markets.

Canadian bull-bear market cycles January 1985 – December 2017[1]

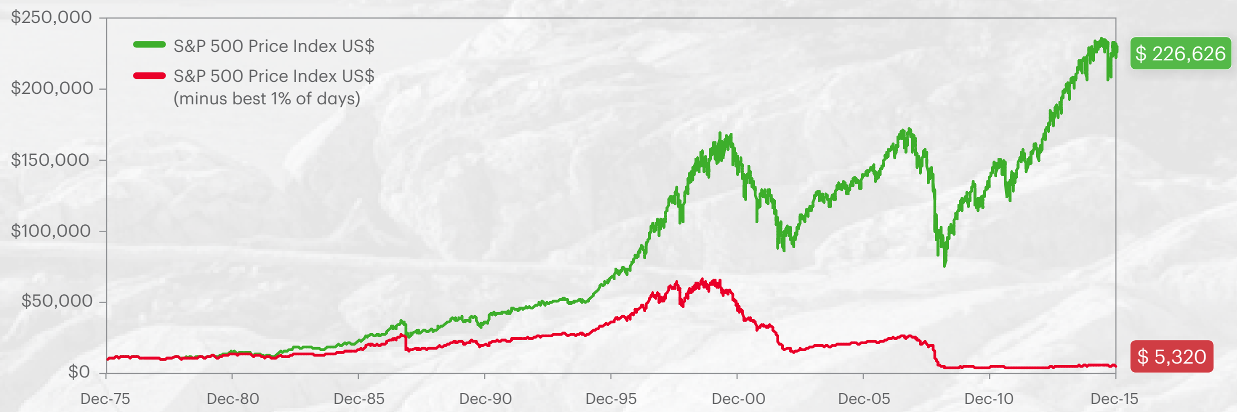


Source: TD Asset Management Inc. and Morningstar® Direct. Market returns are based on S&P/TSX Composite Total Return Index. The index returns are shown for comparative purposes only. Indexes are unmanaged and their returns do not include any sales charges or fees as such costs would lower performance. It is not possible to invest directly in an index.

[1]The terms bull market and bear market describe upward and downward market trends, respectively. In the illustration above, we classify a price movement of 20% or more (up or down), over any given period as a bull or bear market respectively. In the illustration above, we classify a price movement of 10% or more (up or down), over any given period as a market correction. The information contained in this sales tool has been provided by TD Asset Management Inc("TDAM") and is for information purposes only. The information has been drawn from sources believed to be reliable. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any fund. The information does not provide financial, legal, tax or investment advice. Particular investment or trading strategies should be evaluated relative to each individual's objectives and risk tolerance.

We employ a disciplined approach that emphasizes quality and patience to serve you over the long term.

Trying to time the markets may cause an investor to miss out on long-term growth. Here's a look at the impact of missing the best one percent of days over 30 years while investing $10,000 in the S&P/TSX Composite Price Index.



Source: TD Asset Management Inc. and Bloomberg Finance L.P.

For illustration purposes only. The index returns are shown for comparative purposes only. Indexes are unmanaged and their returns do not include any sales charges or fees as such costs would lower performance. It is not possible to invest directly in an index. The graph is used only to illustrate the effects of the compound growth rate and does not reflect future values of any fund or returns on investment of any fund.

A few days can make a big difference:

A considerable portion of long-term gains can be attributed to a relatively small number of good days. In this example missing the best one percent of days reduced the end value of an investor's portfolio by over $55,000.

The best days typically come after some of the worst:

Many of the best days in this example occurred soon after the bad days. An investor who sells their investment on a bad day may miss out on the good days that follow, thus potentially reducing long-term portfolio value.

Results-driven investment philosophy

Cornerstones of our investment philosophy

Sound Investments

High-quality investment products are the foundation of our portfolio construction. We have access to:

- Proprietary and third-party investment products, including mutual funds and exchange traded funds (ETFs)
- North American equities, including stocks, preferred shares and income trusts
- Fixed income and money market instruments, including treasury-bills, guaranteed investment certificates, government bonds and corporate bonds
- Alternative investment products, options and derivatives

Through extensive analysis and diligence, we choose the appropriate asset mix that we believe will best meet your objectives. Rebalancing and asset allocation adjustments are made as required according to market changes or changes in your life.

Our disciplined investment process is structured to meet your specific investment goals, not an external benchmark.

Risk-adjusted return strategies

Managing risk is one of our most important jobs. We employ a range of strategies to ensure your portfolio is optimally balanced according to your risk profile.

- **Asset allocation:** Your asset allocation (including asset class, geography sector and duration) is based on your Investment Policy Statement (IPS) and goals-based planning.
- **Diversification:** Diversification is an important tool we use to reduce market volatility and the risk of over concentration of assets.
- **Hedge Strategies:** We use a variety of hedge strategies, including the use of derivatives, covered call option strategies, risk reduction strategies and currency hedges.

Tax efficiency

In consultation with your related tax professionals, we utilize corporate class mutual funds, eligible Canadian dividends, capital gains, RSPs, RRIFs, RDSPs, RESPs and TFSAs to help reduce taxes. When advised, we will incorporate trusts and corporate investment vehicles for more complex tax needs.

We blend modern portfolio theory and alternative investment strategies to help create low-volatility, income-producing portfolios composed of well-chosen and diversified investments that meet our extensive criteria and analysis.

Collaboration that Yields Success

We supplement our core investment values with alternative strategies that have the objective of minimizing downside risk and enhancing yield. This portfolio construction looks beyond traditional asset classes and integrates hedging positions that may reduce risk and volatility. We believe that our forward-looking management model provides an edge in today's ever-changing world of investing.

A team with complementary strengths to serve your needs over the long term

Barry Lloyd, B.Ed

Investment Advisor

With almost 40 years of investment experience, Barry brings a wealth of knowledge and experience to the team. He is particularly adept at generating income in almost all market conditions and creating long-term, achievable wealth planning strategies. In addition, you may look to Barry specifically to advise on fixed and dividend income investing; macroeconomics and asset allocation; and interest rate environment.

David Rutledge, CIM®

Investment Advisor and Portfolio Manager

David's diverse background, extensive investment education and innovative approach to portfolio management helps you stay on track to achieving your goals and in control of your finances. His deep focus on equity research and market analysis, as well as fundamentals and technical analysis, enables him to provide discretionary portfolio management that keeps pace both with your life and with changing market conditions.

Every member of our team has a distinct role and brings unique experience, knowledge and skills to your wealth solution.

Jennifer A. Lloyd, PFP

Assistant Investment Advisor

Jennifer is our client relationship manager and lead administrator. She has over 20 years of experience in the financial industry, and can answer any questions about the administration of your account. She also has significant experience helping clients manage their personal and financial needs, particularly financial planning and cash management. Jennifer is known for delivering excellent client service and demonstrates her personal commitment to exceeding client expectations.

Lina Ge, B.Econ., MSc

Client Service Associate

Lina provides high quality, efficient administrative support. She helps to maintain an exceptional experience for our clients and supports the business goals of our team. She keeps our business running smoothly through back office follow-up and support. Lina speaks fluent Mandarin and Cantonese.

Brenda Jang

Branch Administrator

Brenda is the smiling face you'll see at reception. Brenda's goal is to promote and maintain an exceptional client experience, oversee branch operations and support our team's day-to-day operations.

Our process, your pathway

Our clearly defined and disciplined process

Deep Discovery

Through the process of discovery, we are able to establish your investment and wealth goals as well as determine your tolerance for risk and market fluctuation.

Wealth and Estate Strategies

We create a personalized wealth strategy that works for you.

- At the outset, we work with you to complete your Client Investor Profile (CIP) and develop your Investment Policy Statement (IPS), which become the basis for our discretionary management of your portfolio.
- We then create a customize portfolio designed to meet your investment goals. Integral to this process is our collaboration with your existing professional advisors, such as lawyers and accountants, to coordinate your investment and tax plans.
- When deemed appropriate, we will engage TD specialists for Estate Planning, Insurance Strategies and Business Succession Planning. Furthermore, introductions to TD specialists are available for Private Banking, Private Trust and Commercial Banking.

Implementation & Monitoring

Creating your wealth strategy is an important first step. The implementation and monitoring are equally as important.

- Our discretionary management of your portfolio requires consistent portfolio monitoring and rebalancing. In addition, we will incorporate the appropriate changes in your portfolio strategy as you advise us of material changes in your life.
- We require an annual review meeting in person to ensure that your portfolio is on track to achieving your goals.
- Additional meetings will be scheduled as required.

Our goal is to give you confidence in your portfolio management and financial security, allowing you to pursue your retirement dreams.

Integrated solutions

We strive to ensure your complete wealth needs are being looked after. We will liaise with your existing trusted advisors or introduce you to our team of TD specialists as required to help connect the various pieces of your financial life into a comprehensive, achievable wealth strategy.

We can also guide you to additional internal and external related professionals, where necessary, to support your overall wealth plan.

Your investments are critical to reaching your long-term goals, but they're only one part of your wealth equation.

Clarity you can count on

What to Expect in the First Year

First 90 days

- Deep Discovery (CIP/IPS)
- Confirmation of risk profile, return expectations and goals
- Identification of needs and possible areas of concern
- Identify solutions related to investment strategy, tax planning and estate considerations
- Introductions to legal and accounting
- Consolidation of outside assets, including account openings and transfers
- Portfolio implementation

Mid-year review

- Performance reporting
- Cash flow and income analysis
- Strategy fine tuning
- Portfolio adjustments

Year-end review

- In person annual review meeting
- Detailed performance and cash flow analysis
- Preparation of tax reporting information
- Rediscovery
- Material changes
- Upcoming expenses
- Rebalancing
- Confirm plans for next year
- Vacations/travel
- RSP, RESP, RDSP, TFSA, corporate and trust contributions and withdrawals
- RRIF minimum withdrawals
- Evaluate first year goals and expectations

Ongoing reporting, monitoring, client education, research and review

Working directly with a portfolio manager offers distinct benefits to you and your family.

- **Professional qualifications:**
  We have one of the highest level of education and experience in the investment industry.
- **Personalized management:**
  We are qualified to offer discretionary management based on your IPS, eliminating daily transactional communications and allowing us to be nimble and agile in our decisions.
- **Transparent fees:**
  We pride ourselves on providing truly independent advice. Our fee-based solutions keep our interest in line with yours, and also provide potential tax deductions for non-registered accounts.

Assets	Annual Fee
$500K – $1MM	1.25%
$1MM – $2MM	1.00%
$2MM – $5MM	0.75%
$5MM – $10MM	0.60%
> $10MM	0.50%

Glossary

Asset Allocation

Asset allocation attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals and investment time frame.

Beta/Alpha

Alpha and beta are used together by investment managers to calculate, compare, and analyze returns.

Beta is a measure used to indicate the volatility of an asset or portfolio in relation to the overall market. The baseline number for beta is 1, which is an indication that the security's price moves exactly as the market moves. A beta of less than 1 means that the security will be less volatile than the market, and a beta of greater than 1 indicates that the security will be more volatile than the market.

Alpha is a measure of performance. It's often represented as a single number; this actually refers to a percentage measuring how the portfolio or fund performed compare to a benchmark index. An alpha of 1.0 means the mutual fund or investment outperformed its benchmark index by 1%; conversely and alpha of -1.0 means the mutual fund or investment underperformed its benchmark index by 1%.

Covered Call

This is a strategy whereby you would sell another investor the option to buy a stock you already own, at a set price, for a certain period. Potentially, it can be a way to boost your returns in a calm market, while maintaining a long-term investment, as many call options never get used. However, in a more volatile market, you run the risk that the stock you own will soar far above the set price, the buyer will "call," or buy, the stock from you, and you will lose out on a stock's future gains.

Currency Hedges/Currency Neutral

When the Canadian dollar fluctuates, investors who hold investments in non-Canadian assets are impacted; the appreciation or depreciation of the foreign currency has the potential to either add or detract from the investment return. Investors can choose to be exposed to these currency fluctuations (stay unhedged) or be currency hedged (or currency neutral), in which case the effects of foreign exchange movement over the life of the investment will be reduced or eliminated. As exchange rates vary over time, a number of factors, including investment horizon and overall diversification, should be considered before making a decision.

Derivatives

A derivative is a financial security with a value that is derived from an underlying asset or group of assets, including stocks, bonds, commodities, currencies, interest rates and market indexes. Its price is determined by fluctuations in the underlying asset (or the "underlying"). Depending on the type, derivatives can hold a variety of functions and applications, such as risk management (hedging), speculation, increasing exposure, and circumventing exchange rate issues.

Diversification

Diversification is a means of reducing risk. By dividing your investment between different asset classes, geographies, sectors, companies, investment types, etc., you can reduce the potential risk to your portfolio if one investment suffers a downturn. The optimal asset allocation is different for every investor, because it is determined by your specific goals, risk tolerance and investment horizon.

Duration

Duration is a measurement of a bond's interest rate risk that considers a bond's maturity, yield, coupon and call features. These many factors are calculated into one number that measures how sensitive a bond's value may be to interest rate changes. As a portfolio manager's interest rate outlook changes, the holdings in the portfolio can be adjusted to coincide with the forecast. Generally, the higher a bond's duration, the more its value will fall as interest rates rise, meaning that risk-averse investors should consider a bond strategy with a very short duration.

ETFs

ETFs, or Exchange Traded Funds, are increasingly used as a low-cost investment alternative to mutual funds. As with mutual funds, they provide access to a diversified portfolio of stocks or bonds in a single investment vehicle, but unlike mutual funds, they trade like a stock and seek to match, rather than beat, an established index.

IPS/CIP

An Investment Policy Statement (IPS) is a document drafted between a portfolio manager and a client that outlines the client's investment goals and describes the strategies the manager should use to meet these objectives, detailing asset allocation, risk tolerance, liquidity requirements, and the systematic review process.

A Client Investor Profile (CIP) is used to help an advisor create an accurate and personalized investor profile that considers investment needs, objectives, time horizon and tolerance for risk.

Mean

The mean return is the expected value, or mean, of all the likely returns of investments comprising a portfolio. It is also known as "expected return".

MER vs Management Expense

The management fee, as the name implies, is the amount paid to the mutual fund manager. It is expressed as a percentage of the fund's average assets for the year. The management expense ratio (MER) includes the management fee plus the fund's day-to-day operating expenses, such as record keeping, fund valuation costs, audit and legal fees, costs for sending out prospectuses and annual reports, and HST; however, the MER does not represent the total costs, such as commissions or trading costs.

P/E Ratio

The price-earnings ratio (P/E) indicates the dollar amount an investor can expect to invest in a company in order to receive one dollar of that company's earnings. This is why the P/E is sometimes referred to as the price multiple because it shows how much investors are willing to pay per dollar of earnings. If a company were currently trading at a multiple (P/E) of 20, the interpretation is that an investor is willing to pay $20 for $1 of current earnings.

Preferred Shares

Preferred shares are securities issued by corporations that pay dividends that qualify for dividend tax credits. The shares are "preferred" because the dividends must be paid preferentially before any dividends are paid on the corporation's common shares. They are attractive for investors who want to hold fixed-income securities in taxable accounts because of dividend income tax credits.

Risk/Reward Metrics

Typically, accepting a higher degree of risk or volatility results in a greater potential for higher returns. In order to determine the risk-return tradeoff of a specific mutual fund, investors analyze the investment's alpha, beta, standard deviation and Sharpe ratio.

Sharpe Ratio

The Sharpe ratio indicates how well the return of an asset compensates the investor for the risk taken. Generally, the greater the value of the Sharpe ratio, the more attractive the risk-adjusted return.

Standard Deviation

Standard deviation is one of the key fundamental risk measures that we use to shed light on the historical volatility of a given investment. The greater the standard deviation, the more volatile the security.

Upside/Downside Capture

Upside/downside capture ratio show you whether a given fund has outperformed a broad market benchmark during periods of market strength and weakness, and if so, by how much. Upside capture ratios for funds are calculated by taking the fund's monthly return during months when the benchmark had a positive return and dividing it by the benchmark return during that same month. Downside capture ratios are calculated by taking the fund's monthly return during the periods of negative benchmark performance and dividing it by the benchmark return.

VIX

The Chicago Board Options Exchange Volatility Index (VIX) is a realtime measure of expected price fluctuations in the S&P 500 Index options over the next 30 days. It is considered a reflection of investor sentiment; it is not based off historical data or statistical analysis.

We want you to have a clear picture of your portfolio, and will happily explain our rationale for our decisions and any aspect of your investments.

Family Focus

"As our client, we are not only dedicated to you, but we are committed to your family as well."

Our goal is to simplify wealth management, so our clients and their families can live life without worry.

We have extensive experience in helping our clients deal with difficult or complex family situations.

This is possible because the relationships that we build with our clients are based on a shared trust.

Goals-based Planning

"We benchmark to your goals first."

Goals-based planning extends beyond the standard investment planning process by not only tracking a portfolio's performance, but also your progress in achieving your personal goals.

Measuring success in this way gives you a measure of stability and control, and reminds us that investing goes well beyond what happens in the markets on a day-to-day basis.

Tax-Efficient Structuring

"All of our portfolios are constructed with the overriding objective of increasing your wealth by minimizing potential tax obligations."

Not only do we consider the type of account in which certain investments are held, but we also utilize tax-advantaged dividends, capital gains and tax-deferral strategies. This can have a significant impact on your overall tax liabilities. Our team, in consultation with associated professionals and TD specialists will consistently monitor the tax-efficiency of your portfolio.

Let our disciplined approach guide you to the life and legacy you want to achieve.

We're deeply committed to our clients, our industry and our profession.

We look forward to getting to know you better.

Lloyd Rutledge
Wealth Management

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We look forward to discovering what truly matters to you.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund facts and prospectus, which contain detailed investment information, before investing. Mutual funds are not guaranteed or insured, their values change frequently and past performance may not be repeated.

Commissions, management fees and expenses all may be associated with investments in exchange-traded funds (ETFs). Please read the prospectus and summary document(s) before investing. ETFs are not guaranteed, their values change frequently and past performance may not be repeated. ETF units are bought and sold at market price on a stock exchange and brokerage commissions will reduce returns. Index returns do not represent ETF returns.

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