

RBC Dominion Securities Inc.

# Understanding the Value: The Harris-Lowe Group Approach to Discretionary Investment Management



**Wealth Management**  
Dominion Securities

# Discretionary Investing

## What is 'Discretionary Investing'?

### What it means to you:

This is an arrangement whereby you have given your chosen Portfolio Manager (Paul Harris-Lowe), the ability to make investment decisions without having to get your consent every time. Your Portfolio Manager **must operate** within the agreed upon parameters that are aligned to your stated investment objectives.

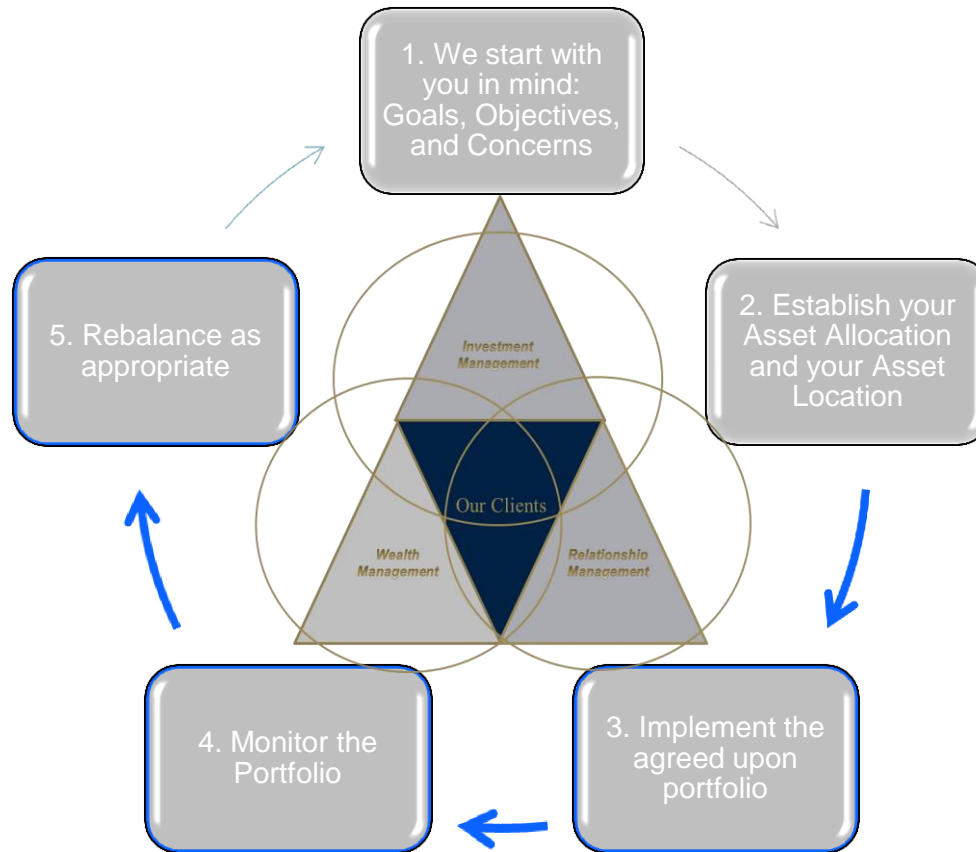
### What it means to us:

#### Our Beliefs:

1. ***Managing money on your behalf is a privilege*** and our clients reserve the right to determine how much, if any at all, of their assets will be managed by the Harris-Lowe Group. Our role is to provide you with the best advice and make available the best solutions we can.
2. Folks' most at ease as they approach, enter, and enjoy retirement understand how the uncertainties of life can affect them and introduce solutions to mitigate those risks. Our role is to help you address and plan for life's uncertainties.
3. A ***disciplined investment approach applied consistently*** will increase the likelihood your portfolio will perform in line or better than recognized benchmarks. **Our Promise To You:** Although we cannot guarantee returns or performance by choosing the Private Investment Management Program the Harris-Lowe Group ***will stay true to the investment strategy you have selected*** and you will benefit from our ability to execute your chosen strategy in a more timely manner.

**We will also seek to make available financial solutions provided by the RBC Financial Group and their partners.**

# The HLG Approach – Unique Portfolio Management



The 'highlighted' steps is where The Harris-Lowe Group implements **our process** to 'Discretionary Investing'.

Our active management of truly custom portfolios is where we provide you our unique value.

# Picking a Stock for the Models

## Understanding the HLG Process



### Step 1: Developing the Models

- We apply a unique process of selecting and maintaining the Global Securities that will make up your portfolio
- This process now has a history of over 10 years
- The focus on the equity side is to find a combination of good growth potential coupled with solid predictable income streams
- The fixed income strategy is to use a diversified approach due to the current interest rate environment
- *The end goal is to provide you superior returns with less volatility than the market*

Over 200 securities are 'hand picked' to begin analyzing their potential to be in the models.

These securities are identified by scouring over vast amounts of research being provided by RBC and 3<sup>rd</sup> party providers.

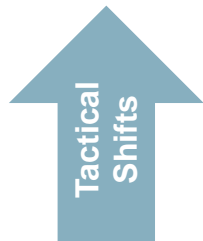
The stocks are then vetted by the HLG process. This process ranks each stock to provide the top picks that will be implemented into the models.

### The Differentiator

- Every identified stock's financial statements are exhaustively scrutinized by our Portfolio Manager.
- The numbers in those statements go through a series of 'tests' that are guided by the rules of the models built by our Portfolio Manager (Paul Harris-Lowe).
- Based on the results of the stocks on how they fared against the rules of the test determines their ranking and whether or not they will be 'short-listed' and implemented into the portfolio.
- Based on our Portfolio Manager's vast experience and knowledge of **technical analysis (reading the charts)**, he will then determine the most opportune time to buy these stocks

# Monitoring the Models

Monthly	Quarterly	Annually
<p>Each individual security in the portfolios are scrutinized. Two parameters are focused on:</p> <ul style="list-style-type: none"> <li>- <b>Fundamental Analysis</b> -strength of the stock based on it's underlying economic data</li> <li>- <b>Technical Analysis</b> - perceived strength or weakness of the stock relative to it's history and the current market trends</li> </ul> <p>Based on this analysis, the portfolios are updated</p>	<p>Every quarter, the HLG team will touch base with you to ensure you:</p> <ul style="list-style-type: none"> <li>- Understand the changes/no changes made in the portfolios</li> <li>- Provide an overview of the past quarter</li> <li>- Provide an outlook for the next quarter</li> <li>- Be available to you to answer any questions that you may have</li> </ul>	<p>At the end of March, all of the models are evaluated to determine:</p> <ul style="list-style-type: none"> <li>- What positions will be maintained</li> <li>- What positions will be replaced</li> </ul> <p>This is done through a rigorous process of analyzing over 200 Global Companies' year end financial statements</p> <p>The data is implemented into the unique parameters of the model to determine it's status</p>



Allows us to defend against market downturns and take advantage of opportunities



Provides you with the assurance that the portfolio is being actively managed and maintains your knowledge of decisions being made



Evaluation of all holdings in the models based on the updated research. Models are re-aligned accordingly

# Portfolio Implementation and Risk Monitoring Group

Further Scrutiny to Help Build Your Wealth

**All portfolios are monitored by our Portfolio Implementation and Risk Monitoring Group to ensure that every client's investment objectives are pursued diligently (RBC DS Internal Control Measures):**

- Daily trade monitoring and periodic reviews of all clients' discretionary portfolios against the signed IPS
- A strict admission and monitoring process for Portfolio Managers
- Documented portfolio management guidelines
- Systems to support risk monitoring: asset allocation, concentration/diversification, credit quality, asset class/instrument constraints
- Detailed quarterly portfolio reviews with Portfolio Managers

# Summary – Reasons to Invest

- Access to an experienced, accredited Portfolio Manager who personally builds and manages your portfolio
- A **disciplined and unique** approach to investing that is customized to your specific needs
- Diligent, controlled risk management and oversight
- Technical monitoring and alerts maintain your investment constraints
- Customized, consolidated reporting based on your needs
- Competitive pricing