

## Market Volatility and Performance Insights

Historical and Potential Returns	Income	Conserv	Balanced	Growth	Max G
Potential Short-Term "Extreme Downside" Return	-14.1%	-15.6%	-16.5%	-17.7%	-18.6%
Historical Long-term Compound Average Annual Total Return	4.7%	5.2%	5.5%	5.9%	6.2%
Potential Short-Term "Extreme Upside" Return	18.0%	20.8%	22.0%	23.6%	31.0%

The **average** gross annual long-term (multiple years) compound return for a typical well-diversified global Balanced portfolio was about +5.5%/yr. Yet, short-term (1-3 yrs) returns from such a portfolio **ranged** from about -16.5% to +22.0%. Short-term volatility presents important opportunities to improve our portfolio performance - but this takes conviction, tenacity, patience and discipline, and a strong willingness to buck short-term trends and go against crowd behavior when appropriate. Thankfully, we possess these qualities in abundance!

### Profitability of recommendations since 2008

Total Number of Trades	144
Average # Trades / Year	28
Average Holding Period (Days)	1846
Average Holding Period (Years)	5.1
% Profitable Trades	86.8%
Avg Gross Total Return Per Trade	57.5%
Avg Annualized Gross TR Per Trade	11.4%



What, me worry?

These figures are unaudited and represent the performance of individual trades only. Past performance may not be repeated.

### Esch C/D Net of Fees Performance to Feb 28, 2022

Period	Performance per Period (%)
	MWR - Net
3 Months	14.27
6 Months	14.61
1 Year	21.93
3 Years	10.05
5 Years	7.93
10 Years	8.53
Since Inception (1997/02/01)	7.87

25 years

### Esch C/D Net of Fees Calendar Year Performance

Period	Performance per Period (%)
	MWR - Net
2022	13.52
2021	8.19
2020	1.70
2019	11.25
2018	(4.32)
2017	9.58
2016	18.70
2015	9.09
2014	13.04
2013	(1.47)

Our interests are aligned - we're in this together. I personally use the same investments that I recommend for you and your family.

And, I'm not afraid to show you the performance of my own family's financial portfolio over the years (left). I don't know of any other financial advisor who is willing to share their own information this freely.

(data: Croesus+ for Portfolio Managers).

Past performance may not be repeated.



Wealth Professional Awards 2016, 2017, 2018, 2019, 2020 Nominee/Finalist  
David Esch, "Outstanding Global Financial Advisor of the Year"

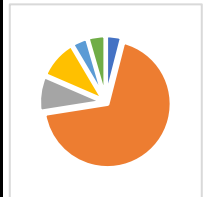
## myWealth-Managed Asset Mix and Risk Profiles

Asset Class	Minimum/ Maximum	Benchmark	Recommended Weighting
-------------	---------------------	-----------	--------------------------

### Income Portfolio

**Investor Profile:** You want to preserve your capital or establish a source of periodic income to finance ongoing expenses. You do not find the stock market very attractive because of its volatility, but you are not against the idea of investing a small part of your portfolio in stocks, mainly to counteract the effects of inflation. Your tolerance for risk is low.

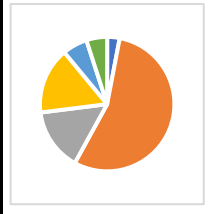
Asset Class	Minimum/ Maximum	Benchmark	Recommended Weighting	Current Model
Cash equivalents	0% to 20%	5.0%	5.0%	4.0%
Fixed income (duration: 6.75 years) <sup>1</sup>	60% to 100%	70.0%	67.5%	68.5%
Canadian equities		8.0%	9.0%	9.0%
U.S. equities	0% to 30%	8.0%	10.0%	10.0%
Foreign equities		4.0%	3.5%	4.0%
Alternative investments <sup>2</sup>	0% to 20%	5.0%	5.0%	4.5%



### Conservative Portfolio

**Investor Profile:** On the whole, you want your portfolio invested in fixed-income securities. Although you can tolerate limited volatility to ensure that your assets will grow, you prefer having a portfolio consisting mainly of fixed-income investments for reasons of stability. Your tolerance for risk is low.

Asset Class	Minimum/ Maximum	Benchmark	Recommended Weighting	Current Model
Cash equivalents	0% to 20%	5.0%	5.0%	3.0%
Fixed income (duration: 6.75 years) <sup>1</sup>	45% to 80%	55.0%	53.0%	55.0%
Canadian equities		14.0%	15.0%	15.0%
U.S. equities	20% to 45%	14.0%	16.0%	16.0%
Foreign equities		7.0%	6.0%	6.0%
Alternative investments <sup>2</sup>	0% to 20%	5.0%	5.0%	5.0%



### Balanced Portfolio

**Investor Profile:** You give equal importance to achieving growth in your investments and receiving income. You can tolerate moderate changes in market value to ensure growth, but you prefer having a mix of fixed-income investments and equities for reasons of stability.

Asset Class	Minimum/ Maximum	Benchmark	Recommended Weighting	Current Model
Cash equivalents	0% to 20%	5.0%	5.0%	3.0%
Fixed income (duration: 6.75 years) <sup>1</sup>	30% to 65%	40.0%	37.5%	39.0%
Canadian equities		18.0%	19.0%	19.0%
U.S. equities	30% to 65%	18.0%	20.5%	21.0%
Foreign equities		9.0%	8.0%	8.0%
Alternative investments <sup>2</sup>	0% to 25%	10.0%	10.0%	10.0%



### Growth Portfolio

**Investor Profile:** Your main goal is capital growth. Although you can tolerate greater volatility in order to increase the value of your assets, you are not prepared to invest your entire portfolio in stocks. Your tolerance for risk is high.

Asset Class	Minimum/ Maximum	Benchmark	Recommended Weighting	Current Model
Cash equivalents	0% to 25%	5.0%	5.0%	3.0%
Fixed income (duration: 6.75 years) <sup>1</sup>	20% to 45%	30.0%	28.0%	28.5%
Canadian equities		22.0%	23.0%	22.0%
U.S. equities	40% to 75%	22.0%	24.0%	24.0%
Foreign equities		11.0%	10.0%	10.5%
Alternative investments <sup>2</sup>	0% to 25%	10.0%	10.0%	12.0%



### Maximum Growth Portfolio

**Investor Profile:** You want to maximize the eventual return on your capital by investing all or most of your portfolio in the stock market. In doing so, you accept higher volatility of your investment returns in the hope that these returns will ultimately be higher. Your tolerance for risk is high.

Asset Class	Minimum/ Maximum	Benchmark	Recommended Weighting	Current Model
Cash equivalents	0% to 30%	5.0%	5.0%	4.0%
Fixed income (duration: 6.75 years) <sup>1</sup>	0% to 30%	15.0%	13.5%	16.0%
Canadian equities		26.0%	27.0%	27.0%
U.S. equities	55% to 100%	26.0%	28.0%	28.5%
Foreign equities		13.0%	11.5%	11.5%
Alternative investments <sup>2</sup>	0% to 30%	15.0%	15.0%	13.0%



INVESTMENT	RISK	YIELD	Income	Conservative	Balanced	Growth	Max Growth
<b>Canadian Cash and Money Market</b>			4.0%	3.0%	3.0%	3.0%	4.0%
<a href="#">NBI Altamira Cash Perf F</a> or CASH balance	ultra low	0.40%	4.0%	3.0%	3.0%	3.0%	4.0%
<b>Total Canadian Cash and Money Market</b>			4.0%	3.0%	3.0%	3.0%	4.0%
<b>Total Cash / Money Market</b>			4.0%	3.0%	3.0%	3.0%	4.0%
<b>Canadian Fixed Income</b>			19.0%	19.0%	14.0%	10.0%	6.0%
<a href="#">ISHARES 1-5 YR LADDERED GOV BD IDX ETF</a>	very low	1.94%	19.0%	19.0%	14.0%	10.0%	6.0%
<b>Total Canadian Fixed Income</b>			19.0%	19.0%	14.0%	10.0%	6.0%
<b>International Fixed Income</b>			49.5%	36.0%	25.0%	18.5%	10.0%
<a href="#">HORIZONS ACTIVE FLT RATE SENIOR LOAN ETF</a>	low	1.36%	11.0%	6.0%	5.0%	3.5%	2.0%
<a href="#">INVESCO EMERGING MARKETS SOVEREIGN DEB</a>	medium	5.39%	11.0%	9.5%	6.5%	4.0%	2.5%
<a href="#">ISHARES S&amp;P/TSX NORTH AMERN PFD STK ETF</a>	low	4.62%	7.5%	5.5%	4.5%	4.0%	2.5%
<a href="#">NBI Non-traditional Fixed Income Private Pool</a>	low	4.00%	20.0%	15.0%	9.0%	7.0%	3.0%
<b>Total International Fixed Income</b>			49.5%	36.0%	25.0%	18.5%	10.0%
<b>Total Fixed Income</b>			68.5%	55.0%	39.0%	28.5%	16.0%
<b>Canadian Equities</b>			9.0%	15.0%	19.0%	22.0%	27.0%
<a href="#">HORIZONS INOVESTOR CANADIAN EQUITY INDEX</a>	low / med	1.56%	9.0%	15.0%	19.0%	22.0%	27.0%
<b>Total Canadian Equities</b>			9.0%	15.0%	19.0%	22.0%	27.0%
<b>US Equities</b>			10.0%	16.0%	21.0%	24.0%	28.5%
<a href="#">NBI US Hg Cv Eq Priv Pf F</a>	medium	1.86%	5.0%	9.0%	11.0%	13.0%	13.0%
<a href="#">ISHARES MSCI USA MIN VOLATILITY FACTOR</a>	medium	1.40%	3.0%	4.0%	6.0%	7.0%	9.0%
<a href="#">INVESCO QQQ TRUST, SERIES 1</a>	med / high	0.52%	2.0%	3.0%	4.0%	4.0%	6.5%
<b>Total US Equities</b>			10.0%	16.0%	21.0%	24.0%	28.5%
<b>International Equities</b>			4.0%	6.0%	8.0%	10.5%	11.5%
<a href="#">NBI Int'l Hg Cv Eq Pv Pf F</a>	medium	1.83%	4.0%	6.0%	8.0%	10.5%	11.5%
<b>Total International Equities</b>			4.0%	6.0%	8.0%	10.5%	11.5%
<b>Total Equities</b>			23.0%	37.0%	48.0%	56.5%	67.0%
<b>Alternative Investments</b>			4.5%	5.0%	10.0%	12.0%	13.0%
<a href="#">ISHARES GOLD BULLION ETF</a>	high	0.00%	2.0%	2.0%	5.0%	6.0%	6.0%
<a href="#">Mac Dvsf Alt F</a>	low / med	4.54%	2.5%	3.0%	5.0%	6.0%	7.0%
<b>Total Alternative Investments</b>			4.5%	5.0%	10.0%	12.0%	13.0%
<b>Total Alternative Investments</b>			4.5%	5.0%	10.0%	12.0%	13.0%
<b>Total Portfolio</b>			100.0%	100.0%	100.0%	100.0%	100.0%
<b>Total Annual Interest and Dividend Yield</b>			2.7%	2.4%	2.2%	1.8%	1.6%
<b>Compare =&gt; Average Cdn Investor Annual Interest and Dividend Yield</b>			1.9%	1.7%	1.6%	1.3%	1.1%
<b>Portfolio Sensitivity to Equity Volatility (market beta = 100%)</b>			26%	27%	29%	29%	33%
<b>Overall Portfolio Risk Score (1-10)</b>			1.4	1.9	2.8	3.5	3.7
<b>Compare =&gt; Average Canadian Investor Risk Score (1-10)</b>			2.2	2.7	3.9	4.9	5.2



## David Esch

### Portfolio Manager and Wealth Advisor

CFA, CIM, FCSI, BComm (Finance/Statistics)

[david.esch@nbc.ca](mailto:david.esch@nbc.ca) / 403.531.8435



## Barbara Thorson

### Senior Wealth Associate

[barbara.thorson@nbc.ca](mailto:barbara.thorson@nbc.ca) / 403.410.5182

© NATIONAL BANK FINANCIAL. All rights reserved. National Bank Financial - Wealth Management (NBFWM) is a division of National Bank Financial Inc. and a trademark owned by National Bank of Canada (NBC) that is used under license by NBF. NBF is a member of the Investment Industry Regulatory Organization of Canada (IIROC) and the Canadian Investor Protection Fund (CIPF), and is a wholly owned subsidiary of NBC, a public company listed on the Toronto Stock Exchange (TSX: NA). Information contained in this report was obtained from sources which we believe to be reliable. However, this information is not guaranteed by NBFWM, and may be incomplete. This report was prepared to make it easier to manage your portfolio. We must underline the fact that NBFWM's liability shall be limited to the accuracy of the information contained in your Investment Portfolio Statement. Information in your Investment Portfolio Statement will always take precedence over the information contained in this report. The information herein may not represent the views of NBF or our research department. In expressing these opinions, I bring my best judgment and professional experience from the perspective of someone who surveys a broad range of investments. These investments are not necessarily suitable for all clients. Therefore, prior to investing, ensure that you understand your unique Investor Profile, the main risk factors, costs, and other important considerations. The information contained herein is based on our analysis and interpretation of information and/or historical data from various sources including third party commentary – sources we believe to be reliable, but which are not guaranteed by us and may be incomplete. The opinions expressed are for general information only – they do not constitute a recommendation, solicitation or offer to buy or sell securities. Unit values and returns for securities fluctuate, as such past performance may not be repeated, and forecasts may not be fulfilled. Mutual fund investors must read the prospectus prior to investing. Note that National Bank Financial is not a tax advisor and clients should seek professional advice on tax-related matters.