



Asset Allocation Report

Stuart and Kate Blake

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Disclaimer

This assessment is hypothetical in nature and is intended to help you in making decisions on your financial future based on information that you have provided and reviewed.

IMPORTANT: *The projections or other information generated by NaviPlan® regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.*

Criteria, Assumptions, Methodology, and Limitations of Assessment

The assumptions used in this assessment are based on information provided and reviewed by you. Those assumptions must be reconsidered on a frequent basis to ensure the results are adjusted accordingly. The smallest of changes in assumptions can have a dramatic impact on the outcome of this assessment. Any inaccurate representation by you of any facts or assumptions used in this assessment invalidates the results.

We have made no attempt to review your property and liability insurance policies (auto and homeowners, for example). We strongly recommend that in conjunction with this assessment, you consult with your property and liability agent to review your current coverage to ensure it continues to be appropriate. In doing so, you may wish to review the dollar amount of your coverage, the deductibles, the liability coverage (including an umbrella policy), and the premium amounts.

This assessment does not constitute advice in the areas of legal, accounting or tax. It is your responsibility to consult with the appropriate professionals in those areas either independently or in conjunction with this assessment process.

Results May Vary With Each Use and Over Time

The results presented in this assessment are not predictions of actual results. Actual results may vary to a material degree due to external factors beyond the scope and control of this assessment. Historical data is used to produce future assumptions used in the assessment, such as rates of return. Past performance is not a guarantee or predictor of future performance.

The results are based on your representation of risk and include information current as of January 1, 2009. You are responsible for confirming that the answers you provided to determine your individual risk tolerance used in this assessment are accurately represented. The proposed asset allocation presented in this assessment is based on your answers to a risk tolerance questionnaire and may represent a more aggressive and therefore more risky investment strategy than your current allocation mix. Actual return rates and performance may vary to a significant degree from that represented in this assessment.

Investments Considered

This assessment does not consider the selection of individual securities; the assessment provides model portfolios. The results contained herein do not constitute an actual offer to buy, sell or recommend a particular investment or product. All investments are inherently risky. The asset classes and return rates used in the assessment are broad in nature. The illustrations are not indicative of the future performance of actual investments, which will fluctuate over time and may lose value.

There are risks associated with investing, including the risk of losing a portion or all of your initial investment.

Fees and charges were not taken into account and will impact results.

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Client Information

Family Information

Client	
Name	Stuart Blake
Date of Birth	Jan 1 1964
Gender	Male
Address	123 Orchid Street Toronto, Ontario M1A 2B3 Canada
Citizenship	Canada
Name	Kate Blake
Date of Birth	Feb 4 1966
Gender	Female
Address	123 Orchid Street Toronto, Ontario M1A 2B3 Canada
Citizenship	Canada

Dependants	
Name	Emily Blake
Date of Birth	Feb 11 1998
Gender	Female
Address	123 Orchid Street Toronto, Ontario M1A 2B3 Canada
Dependant of	Stuart and Kate

Professional Advisors

Type	Name	Business Phone #	Cell Phone #
Financial Advisor	Janet Lerner		

Asset Allocation Overview

What is Asset Allocation?

Asset allocation is the process of matching your risk tolerances and financial objectives to your investment portfolio. Selecting different asset types (commonly known as asset classes) may reduce the risk of your overall investment portfolio.

The three most common asset types (classes) are as follows:

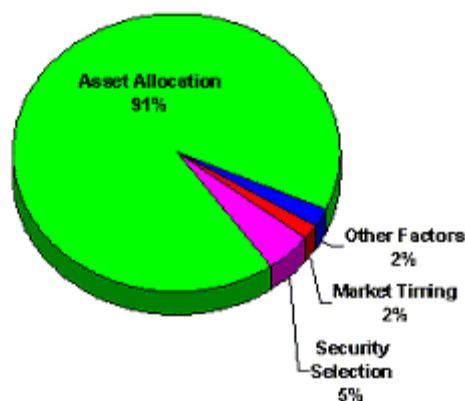
- Cash or short-term investments (savings accounts, money market accounts, etc.)
- Fixed Income investments (GICs, bonds, etc.)
- Equities (Canadian and foreign stock, etc.)

Each of these three asset classes can be further subdivided. For example, equities may be broken down by size (small, medium or large capitalized companies), different sectors of the economy (technology, financial services, etc.) or be divided geographically (US, Europe, Asia, etc.).

The decision of how to allocate your investments depends on a number of factors including your investment objectives, time horizon, attitudes toward acceptable risk, desired return and tax bracket.

The basic premise of asset allocation is that by diversifying your investments over a number of different assets and asset classes, you can reduce the risk of the entire portfolio while maintaining your desired long-term return rate expectations. Over the long term, an appropriate asset allocation (what to buy) is more important than when to buy. Generally, a decline in one asset class can be offset by an increase in another. Your choice of individual investments can also reduce the risk of your portfolio. For example, if you choose a number of stocks across different industries, your technology stock may be declining while your financial services stock may be rising. This strategy can be less risky overall than investing all of your stocks in a single company or sector of the economy.

Studies have shown selection of a portfolio's asset allocation can be responsible for over 90% of a portfolio's performance with market timing, security selection, and other factors contributing the remaining portion.



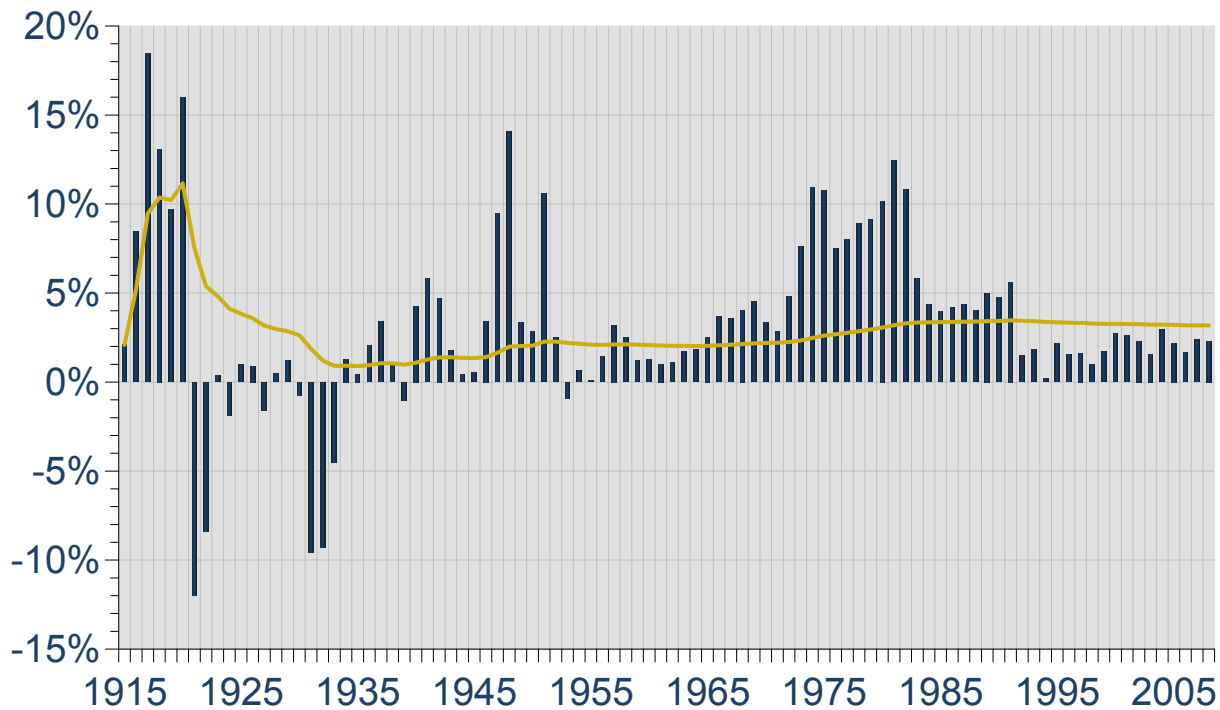
Source: Brinson, Hood and Beebower, "Determinants of Portfolio Performance," Financial Analyst Journal, May-June 1991.

Higher risk and higher return?

Your overall comfort level with investments should be the major factor in choosing appropriate investments. It is important to consider that generally, the higher the expected return on an investment, the higher the risk. If your financial objective is many years away (retirement, for example) your investments may withstand the ups and downs of the market. If your goal is only a few years away (such as the purchase of a new car), your investment may decline during the period you wish to redeem the investments. Generally, as your financial goal approaches, you should reduce the risk of your investments intended to fund the particular objective.

Why should you consider inflation?

When planning for an accumulation goal, (retirement, education, or a major purchase) consider the effect of inflation on the eventual cost of the item. If inflation is not considered, savings may fall short of your goal. For example, an item that costs \$1,000 today will cost \$1,344 in 10 years, assuming a 3% inflation rate. The graph below shows actual inflation rates for the past 94 years and the average annual rate of inflation from 1915 to 2008 is 3.18%.



Inflation History data obtained from the Bank of Canada. Inflation rates are based on the Consumer Price Index.

Account Summary

The table below provides a list of the holdings for each account in the current portfolio.

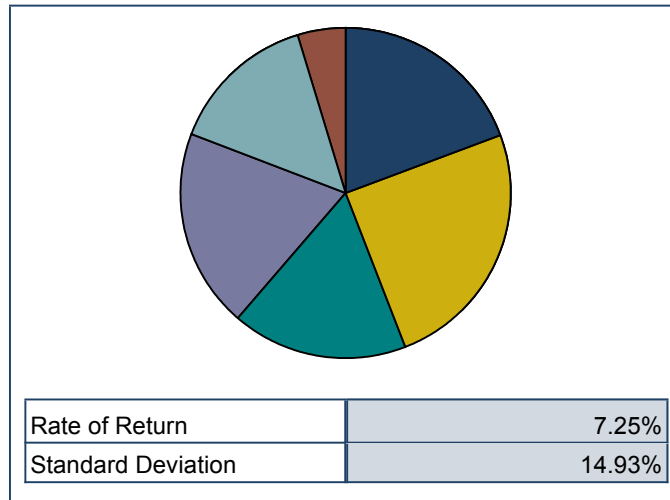
Description	Value	% of Account	% of Portfolio
Joint Non-Registered			
Balanced Growth Fund	\$25,000	38.5%	5.2%
International Equity Fund	\$15,000	23.1%	3.1%
Blue Chip Equity Fund	\$25,000	38.5%	5.2%
Account Total	\$65,000		13.4%
Non-Registered			
Balanced Growth Fund	\$55,000	73.3%	11.4%
Balanced Income Fund	\$20,000	26.7%	4.1%
Account Total	\$75,000		15.5%
Stuart's RRSP			
Small Cap Equity Fund	\$48,000	48.0%	9.9%
Balanced Income Fund	\$52,000	52.0%	10.7%
Account Total	\$100,000		20.7%
Kate's RRSP			
Balanced Growth Fund	\$100,000	82.0%	20.7%
Balanced Income Fund	\$22,000	18.0%	4.5%
Account Total	\$122,000		25.2%
Stuart's TFSA			
Growth Plus Fund	\$2,000	100.0%	0.4%
Account Total	\$2,000		0.4%
Kate's TFSA			
Growth Plus Fund	\$2,000	100.0%	0.4%
Account Total	\$2,000		0.4%
Defined Contribution - Stuart			
Blue Chip Equity	\$52,000	52.0%	10.7%
Balanced Growth Fund	\$20,000	20.0%	4.1%
Balanced Income Fund	\$28,000	28.0%	5.8%
Account Total	\$100,000		20.7%
Stuart's LIRA			
Income Advantage Fund	\$10,000	100.0%	2.1%
Account Total	\$10,000		2.1%
Emily's RESP			
Balanced Index Fund	\$8,000	100.0%	1.7%
Account Total	\$8,000		1.7%
Portfolio Total	\$484,000		100.0%

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Current Asset Mix

This pie graph illustrates your current asset allocation mix. The table below provides a breakdown of the percentages and dollar values for each asset class in the current portfolio.

Current Asset Mix



Asset Class	Current Asset Mix	
	(%)	(\$)
Large Cap Equity	19.3	93,250
Small Cap Equity	24.8	120,150
International Equity	17.2	83,300
High-yield Bonds	19.5	94,400
Intermediate Bonds	14.5	69,950
Cash	4.7	22,950
Total	100.0	484,000

Current Portfolio Breakdown

The table below provides a breakdown of the percentages and dollar values for each asset class in the current portfolio.

Asset Class	Holding	Type	% of Asset Class	% of Portfolio	Asset Value
Large Cap Equity	Balanced Growth Fund	Non-Reg.	6.7%	1.3%	\$6,250
	Balanced Growth Fund	Non-Reg.	14.7%	2.8%	\$13,750
	Balanced Income Fund	Non-Reg.	1.1%	0.2%	\$1,000
	Blue Chip Equity Fund	Non-Reg.	9.4%	1.8%	\$8,750
	International Equity Fund	Non-Reg.	1.6%	0.3%	\$1,500
	Balanced Growth Fund	RRSP	26.8%	5.2%	\$25,000
	Balanced Growth Fund	RPP - money purchase	5.4%	1.0%	\$5,000
	Balanced Income Fund	RRSP	2.8%	0.5%	\$2,600
	Balanced Income Fund	RRSP	1.2%	0.2%	\$1,100
	Balanced Income Fund	RPP - money purchase	1.5%	0.3%	\$1,400
	Balanced Index Fund	RESP	1.7%	0.3%	\$1,600
	Blue Chip Equity	RPP - money purchase	19.5%	3.8%	\$18,200
	Growth Plus Fund	TFSA	0.4%	0.1%	\$400
	Growth Plus Fund	TFSA	0.4%	0.1%	\$400
	Income Advantage Fund	LIRA/Locked-in RRSP	1.6%	0.3%	\$1,500
	Small Cap Equity Fund	RRSP	5.1%	1.0%	\$4,800
Total Large Cap Equity				19.3%	\$93,250
Small Cap Equity	Balanced Growth Fund	Non-Reg.	5.2%	1.3%	\$6,250
	Balanced Growth Fund	Non-Reg.	11.4%	2.8%	\$13,750
	Balanced Income Fund	Non-Reg.	0.8%	0.2%	\$1,000
	Blue Chip Equity Fund	Non-Reg.	6.2%	1.5%	\$7,500
	International Equity Fund	Non-Reg.	1.9%	0.5%	\$2,250
	Balanced Growth Fund	RRSP	20.8%	5.2%	\$25,000
	Balanced Growth Fund	RPP - money purchase	4.2%	1.0%	\$5,000
	Balanced Income Fund	RRSP	2.2%	0.5%	\$2,600
	Balanced Income Fund	RRSP	0.9%	0.2%	\$1,100
	Balanced Income Fund	RPP - money purchase	1.2%	0.3%	\$1,400
	Balanced Index Fund	RESP	1.3%	0.3%	\$1,600
	Blue Chip Equity	RPP - money purchase	13.0%	3.2%	\$15,600
	Growth Plus Fund	TFSA	0.4%	0.1%	\$500
	Growth Plus Fund	TFSA	0.4%	0.1%	\$500
	Income Advantage Fund	LIRA/Locked-in RRSP	2.1%	0.5%	\$2,500
	Small Cap Equity Fund	RRSP	28.0%	6.9%	\$33,600
Total Small Cap Equity				24.8%	\$120,150
International Equity	Balanced Growth Fund	Non-Reg.	6.0%	1.0%	\$5,000
	Balanced Growth Fund	Non-Reg.	13.2%	2.3%	\$11,000
	Balanced Income Fund	Non-Reg.	2.4%	0.4%	\$2,000

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	Blue Chip Equity Fund	Non-Reg.	4.5%	0.8%	\$3,750
	International Equity Fund	Non-Reg.	13.5%	2.3%	\$11,250
	Balanced Growth Fund	RRSP	24.0%	4.1%	\$20,000
	Balanced Growth Fund	RPP - money purchase	4.8%	0.8%	\$4,000
	Balanced Income Fund	RRSP	6.2%	1.1%	\$5,200
	Balanced Income Fund	RRSP	2.6%	0.5%	\$2,200
	Balanced Income Fund	RPP - money purchase	3.4%	0.6%	\$2,800
	Balanced Index Fund	RESP	1.9%	0.3%	\$1,600
	Blue Chip Equity	RPP - money purchase	9.4%	1.6%	\$7,800
	Growth Plus Fund	TFSA	0.2%	0.0%	\$200
	Growth Plus Fund	TFSA	0.2%	0.0%	\$200
	Income Advantage Fund	LIRA/Locked-in RRSP	1.8%	0.3%	\$1,500
	Small Cap Equity Fund	RRSP	5.8%	1.0%	\$4,800
Total International Equity				17.2%	\$83,300
High-yield Bonds	Balanced Growth Fund	Non-Reg.	4.0%	0.8%	\$3,750
	Balanced Growth Fund	Non-Reg.	8.7%	1.7%	\$8,250
	Balanced Income Fund	Non-Reg.	8.5%	1.7%	\$8,000
	Blue Chip Equity Fund	Non-Reg.	2.6%	0.5%	\$2,500
	Balanced Growth Fund	RRSP	15.9%	3.1%	\$15,000
	Balanced Growth Fund	RPP - money purchase	3.2%	0.6%	\$3,000
	Balanced Income Fund	RRSP	22.0%	4.3%	\$20,800
	Balanced Income Fund	RRSP	9.3%	1.8%	\$8,800
	Balanced Income Fund	RPP - money purchase	11.9%	2.3%	\$11,200
	Balanced Index Fund	RESP	1.7%	0.3%	\$1,600
	Blue Chip Equity	RPP - money purchase	5.5%	1.1%	\$5,200
	Growth Plus Fund	TFSA	0.7%	0.1%	\$700
	Growth Plus Fund	TFSA	0.7%	0.1%	\$700
	Income Advantage Fund	LIRA/Locked-in RRSP	2.6%	0.5%	\$2,500
	Small Cap Equity Fund	RRSP	2.5%	0.5%	\$2,400
Total High-yield Bonds				19.5%	\$94,400
Intermediate Bonds	Balanced Growth Fund	Non-Reg.	3.6%	0.5%	\$2,500
	Balanced Growth Fund	Non-Reg.	7.9%	1.1%	\$5,500
	Balanced Income Fund	Non-Reg.	10.0%	1.4%	\$7,000
	Blue Chip Equity Fund	Non-Reg.	1.8%	0.3%	\$1,250
	Balanced Growth Fund	RRSP	14.3%	2.1%	\$10,000
	Balanced Growth Fund	RPP - money purchase	2.9%	0.4%	\$2,000
	Balanced Income Fund	RRSP	26.0%	3.8%	\$18,200
	Balanced Income Fund	RRSP	11.0%	1.6%	\$7,700
	Balanced Income Fund	RPP - money purchase	14.0%	2.0%	\$9,800
	Balanced Index Fund	RESP	1.7%	0.2%	\$1,200
	Blue Chip Equity	RPP - money purchase	3.7%	0.5%	\$2,600
	Growth Plus Fund	TFSA	0.1%	0.0%	\$100
	Growth Plus Fund	TFSA	0.1%	0.0%	\$100

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	Income Advantage Fund	LIRA/Locked-in RRSP	2.9%	0.4%	\$2,000
Total Intermediate Bonds				14.5%	\$69,950
Cash	Balanced Growth Fund	Non-Reg.	5.4%	0.3%	\$1,250
	Balanced Growth Fund	Non-Reg.	12.0%	0.6%	\$2,750
	Balanced Income Fund	Non-Reg.	4.4%	0.2%	\$1,000
	Blue Chip Equity Fund	Non-Reg.	5.4%	0.3%	\$1,250
	Balanced Growth Fund	RRSP	21.8%	1.0%	\$5,000
	Balanced Growth Fund	RPP - money purchase	4.4%	0.2%	\$1,000
	Balanced Income Fund	RRSP	11.3%	0.5%	\$2,600
	Balanced Income Fund	RRSP	4.8%	0.2%	\$1,100
	Balanced Income Fund	RPP - money purchase	6.1%	0.3%	\$1,400
	Balanced Index Fund	RESP	1.7%	0.1%	\$400
	Blue Chip Equity	RPP - money purchase	11.3%	0.5%	\$2,600
	Growth Plus Fund	TFSA	0.4%	0.0%	\$100
	Growth Plus Fund	TFSA	0.4%	0.0%	\$100
	Small Cap Equity Fund	RRSP	10.5%	0.5%	\$2,400
Total Cash				4.7%	\$22,950
Total Portfolio				100.0%	\$484,000

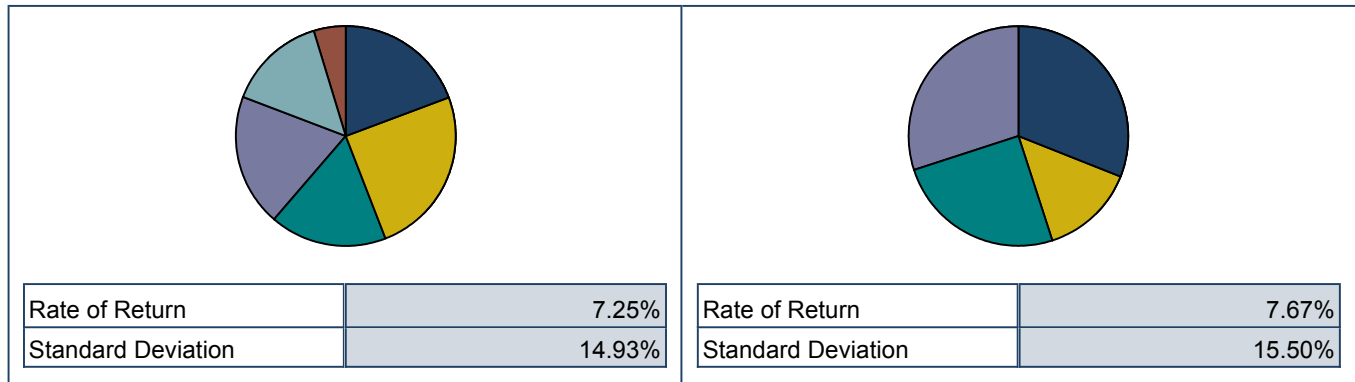
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Asset Allocation for Entire Portfolio

These pie graphs illustrate your current asset mix and suggested asset mix for your entire portfolio.

Current Asset Mix

Suggested Asset Mix
Moderate



The table below provides a breakdown of the percentages and dollar values for each asset class in the current and suggested portfolio. The *Change* column indicates the rebalancing required to reach the suggested asset mix.

Asset Class	Current Asset Mix		Change		Suggested Asset Mix	
	(%)	(\$)	(%)	(\$)	(%)	(\$)
Large Cap Equity	19.3	93,250	+11.7	+56,790	31.0	150,040
Small Cap Equity	24.8	120,150	-10.8	-52,390	14.0	67,760
International Equity	17.2	83,300	+7.8	+37,700	25.0	121,000
High-yield Bonds	19.5	94,400	+10.5	+50,800	30.0	145,200
Intermediate Bonds	14.5	69,950	-14.5	-69,950		
Cash	4.7	22,950	-4.7	-22,950		
Total	100.0	484,000	+0.0	+0	100.0	484,000

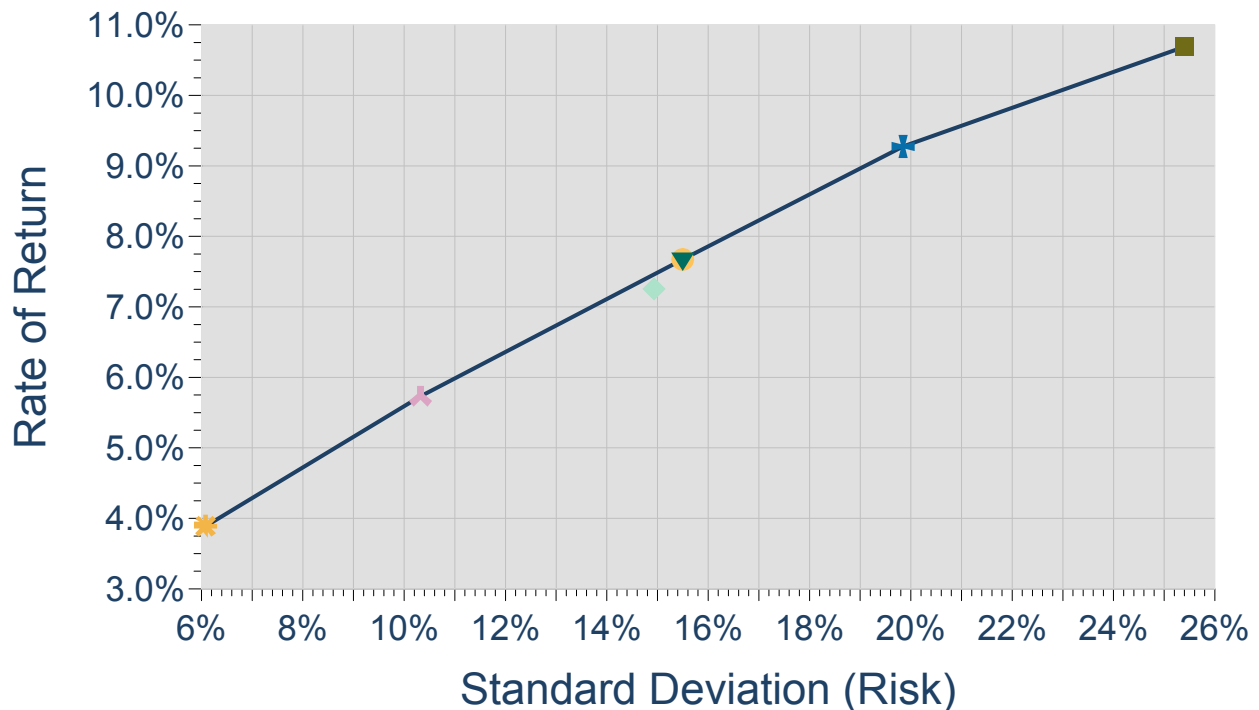
Consider the following:

- Consider the income tax implications of selling non-registered investments such as stocks that have grown significantly. You may wish to reallocate this type of asset over time.
- Direct future investment contributions to the appropriate asset allocation.
- Rebalance your portfolio on a regular basis. Some investments grow at a faster rate than others causing an imbalance in your portfolio.
- Consider the timing of each objective. For example, volatile equity (stock) investments are not usually suitable for goals that are short-term in nature (less than five years).

Efficient Frontier Analysis

The efficient frontier refers to all of the investment portfolios that provide the highest return for a given amount of risk (measured by standard deviation) and is shown in the graph below by a green line. A light blue diamond denotes your current portfolio. If the efficient frontier line is above your portfolio, you may be able to obtain a better rate of return for the level of risk you are willing to accept. The yellow circle denotes our proposed portfolio.

Alternative model portfolios are also plotted on this graph. These additional points on the graph illustrate the risk and return associated with the other portfolios. Remember, only those portfolios along the efficient frontier line provide you with the greatest return for a given level of risk.



— Efficient Frontier	★ Conservative	★ Moderate Aggressive
◆ Current Asset Mix	★ Moderate Conservative	■ Aggressive
● Suggested Asset Mix	▼ Moderate	

The table below provides the actual values for the points on the graph above.

	Return	Risk
Current Asset Mix	7.25%	14.93%
Suggested Asset Mix	7.67%	15.50%
Conservative	3.89%	6.08%
Moderate Conservative	5.73%	10.32%
Moderate	7.67%	15.50%
Moderate Aggressive	9.28%	19.85%
Aggressive	10.69%	25.40%

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Asset Allocation Considerations

Asset Reallocation

While the proposed allocation may be subject to more or less risk, it may also generate a higher or lower rate of return. The proposed allocation serves as a beginning for your discussions with your advisor.

It is important to note that reallocating to certain investments in non-registered accounts trigger tax consequences. Please review the Income Tax Summary for more information.

Future Contributions

Consider allocating future contributions to those asset classes currently under-weighted. Once your portfolio reaches your desired allocation, you can align your contributions to match the proposed allocation.

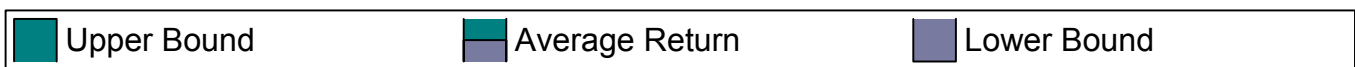
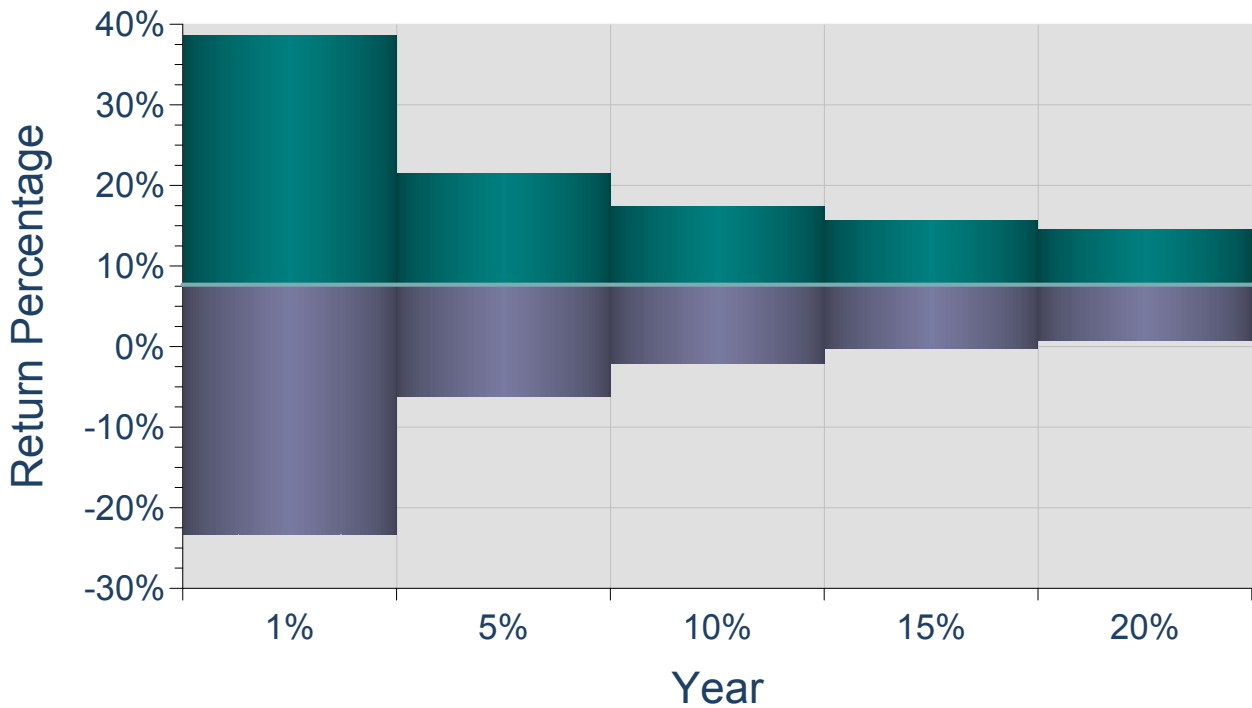
Rebalancing

Market activity may cause one asset class to become a greater percentage of the portfolio. Rebalancing ensures that your portfolio continues to reflect your desired initial asset allocation. On a regular basis, investments should be reallocated as necessary to maintain the target asset allocation. Rebalancing ensures that you do not end up overexposed in one type of investment.

Rebalancing should be done at regular intervals far enough apart to avoid adjustments based on short-term fluctuations. Reviews should be done frequently enough to keep on track, usually annually. The portfolio should be examined if the allocation deviates over five percent from the original proposed allocation.

Projected Range of Returns

The following graph illustrates the potential range of returns on investments on our proposed investment portfolio including the highest expected return, average return, and lowest expected return. This graph also includes the returns one and two standard deviations above and below the average. If the returns are normally distributed, one standard deviation above and below the average represents the range of returns 66% of the time. Two standard deviations represent the range of returns 95% of the time. The longer the time period of measurement is the narrower the range of returns is in the analysis.



The range of returns is measured to 2 standard deviations.

Conclusion

Now that you have an overview of your current asset allocation, where do you go from here? Our recommendations are as follows:

- **Review this document** and ensure you understand the information contained in the report. Be sure to ask us questions on areas that need clarification.
- **Decide on a course of action.** Together, we will evaluate the asset reallocation strategy so that it is consistent with your objectives and your financial ability.

Just as with any strategy or analysis, you must be diligent about updating the plan. Working with your advisor, you should review your current asset allocation regularly - annually at a minimum, or whenever changes in your financial situation warrant a review.