

wdsinvest.com



SELECT THE RIGHT
PORTFOLIO MANAGER
FOR YOU AND YOUR SAVINGS



WATSON DI PRIMIO STEEL

INVESTMENT MANAGEMENT

Knowledge. Discipline. Integrity.

A client's relationship with WDS:

It starts with being fully informed.

People trust what they know and understand. That's why your relationship with WDS begins with open and honest communication.

We understand that finding the right portfolio manager to trust with your savings is an important decision. You deserve and are entitled to be fully informed about every consideration, every step of the way.

WDS has developed an effective tool to help you gauge and evaluate discretionary portfolio management services. We call it *The Five Ps of Portfolio Management*:

People • Process • Philosophy Performance • Payment for Services

With clear criteria and relevant information to consider, we think you'll find that choosing the right portfolio manager for you and your investments is easier than you think.

WDS is committed to helping our private clients reach their most important financial goals. We deliver personalized investment management services that enhance wealth, provide clarity and instill confidence.

People

Quality service, exceptional client relationships

Our services

WDS portfolio managers take pride in knowing our clients well, and their financial needs and investment requirements even better.

With the complexity and size of their portfolios, our clients need tailor-made solutions to help them reach their goals. We offer a full complement of account types to suit more involved investment planning: individual (registered and non-registered), corporate and trust.

Being well-informed is as important to your investment success as it is to your peace of mind. Portfolio managers at WDS advise and educate you about the entire investment management process. You'll know and fully understand how our wealth management strategies are working for you.

Process

Comprehensive, customized approaches

Knowing our clients as investors

Understanding our clients' underlying needs and goals is central to helping them successfully manage their wealth.

WDS's process builds a structured portfolio that matches your specific requirements for long-term returns and income, while respecting your individual tolerance for risk.

1 Complete a Client Financial Profile

We start by collecting some basic data, such as your age, marital status, employment income and net worth. We ask about *hidden assets* too, like employer-sponsored pension plans that may significantly enhance your financial capacity.

2 Build a Client Risk Profile

We then talk openly with you about *investment risk*, which is more than just price volatility.

We ask you to complete a risk-tolerance questionnaire that clarifies and focuses your personal risk preferences. This will help us be sure that the asset allocation in your portfolio reflects the kind and amount of investment risk that's right for you, and you alone.

3 Consider any unique constraints or circumstances

The final characteristics of the assessment are your time horizon; income requirements; liquidity needs; tax issues; and legal, estate or unique circumstances.

All these things help us better understand your personal requirements and the amount of flexibility your portfolio needs to have.

Process (continued)

Comprehensive, customized approaches

Investment Policy Statement

Based on the information you've given us and other relevant factors, a customized Investment Policy Statement is created for you, and updated when necessary. The statement outlines how your investment program will be implemented and reflects the portfolio most suited to your client profile and its target asset allocations.

Rebalancing and fair allocations

Investing follows a complex, dynamic cycle.

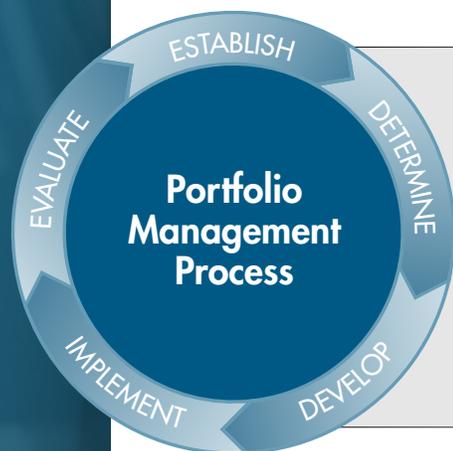
We actively monitor, reassess and rebalance clients' portfolios to optimize their asset allocations and financial returns.

WDS professionals must first assess whether a particular security is suited to an individual client's account. The *WDS Fairness Policy* ensures that eligible investment opportunities are shared equally among all our clients.

We also manage your portfolio to maximize tax-efficiency. Wherever possible, we'll lower your tax bill without compromising your investment objectives.

Portfolio Management Process

Responsible portfolio management relies on ever-evolving information, such as shifting market conditions and changes in a client's personal circumstances.



1. **Establish** a solid client relationship
2. **Determine** Client Profile
3. **Develop** Investment Policy Statement
4. **Implement**, monitor and rebalance
5. **Evaluate** and report

The ultimate test of an investor's risk tolerance is the ability to avoid selling his or her assets in the face of a serious market decline.

Philosophy

Experienced advisers, time-proven strategies

Knowledge. Discipline. Integrity.

Solid investment strategies begin with a firm grasp of what drives the pricing of securities. WDS portfolio managers work hard to collect, analyze, interpret and apply a wide variety of financial information for our clients. We make investment decisions only after independent, bottom-up research and complete, thoughtful analysis.

Knowledge: higher standards for education, experience and ethics

Proper diversification is one of the most important strategies WDS uses to manage risk and deliver successful results to our clients.

We provide market exposure by country, as well as by covering different sectors of the economy. The value of assets that clients have invested in any single security is also limited strategically.

Discipline: stringent processes to manage and invest client assets

WDS carefully invests in quality securities that may be out of favour and trading at either low relative or absolute valuations. With stocks, we use a consistent, disciplined and patient evaluation process that compares the market price of public companies to their long-term intrinsic value.

Our value-oriented approach avoids excessive exposure to any sectors, stocks or markets that may do permanent harm to your portfolio. Over time, this disciplined and patient approach has proven to yield superior results.

Integrity: clear understanding of clients' needs, which always come first

WDS puts your interests first. We are pleased to work with your tax, legal and other professional advisers when it's to your advantage to do so.

Your personal information and account details are kept strictly confidential and will never be disclosed to third parties without your prior written approval.

A copy of our *Privacy Policy* is available on our website.

Investors need to be confident in the resources and reputation of the firm they deal with. They want to understand, in advance, the strategies their portfolio managers will use and the practices he or she believes in.

Performance

Being good at what matters

Achieve, measure and communicate

How well an investment portfolio performs is a function of three things: participation in the overall market movement; the tactical asset allocation policy of the manager; and variation in specific timing, security selection and fee levels.

WDS portfolio managers routinely meet with our clients, informing them of changes that can impact their portfolios. Twice a year, we provide a clear, consolidated picture of how your investments performed. Your actual rate of return is shown in both dollars and percentage-of-return.

Your custodian, TD Waterhouse Institutional Services, issues statutory income-tax slips and trading summaries for tax purposes. WDS supplies your annual realized capital gain (loss) reports. We also maintain detailed tax-cost records for our clients' individual securities. A tax receipt for any eligible, tax-deductible management fees is issued after year-end.

Information sharing: a guide to the big picture

Twice a year, we produce *WDS Investment Perspectives*, a publication of information, reflections and views about the economic environment and investment climate.

WDS also helps interpret the larger global financial picture for you. We offer our clients articles, reports and current advice about today's investment issues.

WDS portfolio managers have outstanding financial experience and qualifications. We are accredited professionals with such designations as Chartered Financial Analyst (CFA), Chartered Accountant (CA) and Canadian Investment Manager (CIM).



Advancing Standards™

WDS is a member of the Portfolio Management Association of Canada (PMAC), which advocates in the interest of investors for the highest standards of unbiased portfolio management.

We annually reaffirm our commitment to the founding function and principles of professional portfolio management.

Payment for Services

Managing costs, delivering value

How we operate

WDS portfolio managers receive their compensation from fees that are collected automatically from client accounts each month. This ensures that every WDS client receives the same objective, transparent and professional level of service.

The fee amounts (plus applicable taxes) are based on a percentage of your account's value. Clients can review these charges on the account statements provided by TD Waterhouse Institutional Services, where all direct costs relating to account operation are disclosed.

Aggregate Value of Family Assets	Fee Rate
up to \$1.0 million	1.35%
\$1.0 million to \$2.5 million	1.20%
\$2.5 million to \$4.0 million	1.00%
exceeding \$4.0 million	0.75%

Portfolio management fees for non-registered accounts are generally tax-deductible.

Custody and brokerage fees

WDS engages TD Waterhouse Institutional Services (TDWIS) to provide custody, trading, clearing and account administration for our client accounts.

TDWIS charges \$25* per electronic trade (excluding bulk trades) for the first 1,000 shares. Trades in excess of 1,000 shares are charged \$.03 per share. This includes all buy/sell orders of Canadian and U.S. securities.

Through TD Waterhouse WebBroker, you may securely view up-to-date account information anytime and anywhere.

**Please note: Brokerage fees may be subject to change.*

Sponsored fund management expense ratio

WDS sometimes uses pooled investment products, like exchange-traded funds, which have embedded management fees and operating costs deducted by the fund sponsor. The management expense ratio usually ranges from 0.25 per cent to 0.75 per cent, depending on the fund's asset class.

Conflicts of interest

WDS is an independent firm to avoid any situations where a potential conflict could develop. Our firm provides unbiased portfolio management services and does not perform any type of brokerage function. Nor do we manufacture any proprietary investment products for sale or use in clients' portfolios.

About WDS

Independent, progressive and committed to our clients

Founded in 2002, WDS is a privately owned and completely independent portfolio management firm. Our firm is registered as an adviser with the Ontario Securities Commission in the category of Portfolio Manager, permitting us to offer discretionary portfolio management services.

WDS is required by law to meet prescribed financial reporting, capital and insurance requirements.

Take the Next Step

1. **Call 613 725 1800** to book your discovery meeting with a WDS portfolio manager.
2. **Email riskprofile@wdsinvest.com** to complete a risk-tolerance questionnaire with WDS.
3. **Email subscribe@wdsinvest.com** to receive our next *WDS Investment Perspectives* newsletter.

Contact Us

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