

Capital Appreciation Model Portfolio Disclosures

- **What is a Model Portfolio?**
 - It is a hypothetical portfolio with a particular objective (Capital Appreciation, in this case) managed and maintained by Ceera Investments
 - The holdings in this portfolio tend to mirror the holdings of our clients with a similar objective. As a result, we expect the performance of this Model Portfolio to mirror the performance of a typical client's portfolio, especially over longer periods of time – in other words, the Model Portfolio serves as a proxy for the investments (with a similar objective) picked by Ceera Investments
- **Why use a Model Portfolio?**
 - An advantage of using a Model Portfolio as a proxy for our investment performance (with a similar objective) is that it shows how a client would have been expected to perform had the client been with Ceera Investments since the inception of the Model Portfolio. We do expect that, over the long term, the performance of the Model Portfolio is more likely than not to be similar to that of a client portfolio subject to several conditions, some of which have been discussed above.
- **Limitations of using a Model Portfolio to represent performance**
 - Although a Model Portfolio can serve as a handy proxy to study the performance of our investments, it is not an actual portfolio with actual assets. The actual performance of our clients with similar objectives to the Model can have different performance figures depending on several factors, including some of the following:
 - The inception date of a client's portfolio that can determine whether an investment that looked attractive prior to the inception date continues to be so. For example, we may have purchased an attractive investment into the Model Portfolio and several of our clients with a similar objective at the time of purchase, but if this investment sees a significant upward price change after purchase but prior to the inception date of a client's portfolio, then we are unlikely to purchase the same investment into this new client's portfolio unless we continue to find the investment compelling enough. Such situations typically arise during conditions of rising asset prices.
 - Several client-specific restrictions, likes and dislikes, client requested holdings that are not part of the Model, and tax considerations (that can prevent sales of existing legacy holdings that are different from the Model) can lead to performance figures that diverge from the Model Portfolio's performance figures
 - Availability of funds/cash for investments in a client portfolio when the opportunities arise in the marketplace
 - The actual size of a client portfolio that can determine the suitability and levels of some investment selections in such a portfolio relative to the Model
- **Important Points To Note**
 - Performance figures shown above are net of transaction-related fees and expenses, and any mutual-fund or investment fund fees and expenses, but exclude the impact of Ceera Investments' investment advisory fees.
 - Representative Example: An example that shows the effect an investment advisory fee, compounded over a period of years, could have on the total value of a client's portfolio is as follows. A 1.00% (100 basis points) investment management fee deducted from a portfolio quarterly (0.25%/Qtr) would result in the following cumulative compounded reduction in the portfolio time-weighted rate or return: After 1 year (-1.0037563% on a cumulative basis); After 2 years (-2.0175878% on a cumulative basis); After 3 years (-3.0415957% on a cumulative basis); After 4 years (-4.07588% on a cumulative basis); After 5 years (-5.1205503% on a cumulative basis); After 6 years (-6.1757044% on a cumulative basis); After 7 years (-7.2414497% on a cumulative basis); After 8 years (-8.3178925% on a cumulative basis); After 9 years (-9.4051401% on a cumulative basis); and After 10 years (-10.503301% on a cumulative basis).
 - All performance-related data represents past performance and is no guarantee of future results. Investment results are subject to several risks (including market and economic conditions) and the possibility of investment-related losses are real
 - Any dividends and interests paid out by holdings within the Model Portfolio goes into the portfolio as cash and is appropriately invested by Ceera Investments per the Model's objectives