

# Itô's Lemon – Medium Risk Portfolio

## Quarterly Report

June 1<sup>st</sup>, 2019

### Portfolio Snapshot

#### Portfolio Value

June 1<sup>st</sup>, 2019:

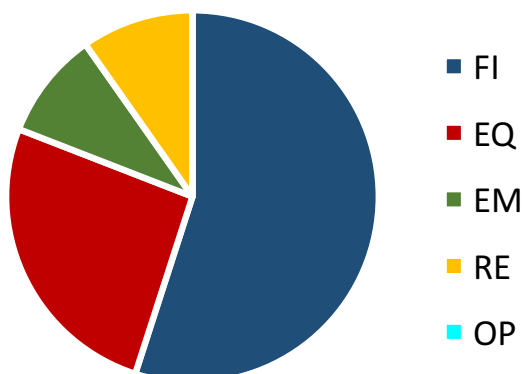
**\$ 399,323.72 (USD)**

**\$ 539,737.92 (CAD)**

#### Portfolio Composition

|                                |       |
|--------------------------------|-------|
| Fixed Income (FI)              | 55.0% |
| U.S. Equities (EQ)             | 25.9% |
| Emerging Markets Equities (EM) | 9.4%  |
| Real Estate (RE)               | 9.8%  |
| Options (OP)                   | —     |

#### Weight by Asset Class



#### Portfolio Holdings

|    |                                |       |
|----|--------------------------------|-------|
| FI | ISHARES TIPS BOND ETF          | 10.8% |
|    | ISHARES CORE U.S. AGGREGATE    | 10.8% |
|    | ISHARES 7-10 YEAR TREASURY BO  | 10.8% |
|    | ISHARES 20+ YEAR TREASURY BO   | 10.8% |
|    | ISHARES 1-3 YEAR TREASURY BO   | 10.8% |
|    | ISHARES IBOXX INVESTMENT GRADE | 10.8% |
| EQ | UTILITIES SELECT SECTOR SPDR   | 1.1%  |
|    | INDUSTRIAL SELECT SECT SPDR    | 1.1%  |
|    | ISHARES MSCI EUROZONE ETF      | 1.1%  |
|    | MATERIALS SELECT SECTOR SPDR   | 1.1%  |
|    | ISHARES GLOBAL TECH ETF        | 1.1%  |
|    | ISHARES US TELECOMMUNICATION   | 1.1%  |
|    | ISHARES EUROPE ETF             | 1.1%  |
|    | SPDR S&P 500 ETF TRUST         | 1.1%  |
|    | ISHARES MSCI EAFE ETF          | 1.1%  |
|    | FINANCIAL SELECT SECTOR SPDR   | 1.1%  |
|    | TECHNOLOGY SELECT SECT SPDR    | 1.1%  |
|    | HEALTH CARE SELECT SECTOR      | 1.1%  |
|    | CONSUMER STAPLES SPDR          | 1.1%  |
|    | ENERGY SELECT SECTOR SPDR      | 1.1%  |
|    | ISHARES MSCI JAPAN ETF         | 1.1%  |
| EM | ISHARES MSCI BRAZIL ETF        | 3.1%  |
|    | ISHARES MSCI CHINA INDEX ETF   | 3.1%  |
|    | ISHARES LATIN AMERICA 40 ETF   | 3.1%  |
| RE | ISHARES US REAL ESTATE ETF     | 3.3%  |
|    | SPDR DOW JONES REIT ETF        | 3.3%  |
|    | ISHARES COHEN & STEERS REIT    | 3.3%  |
| OP | OPTIONS                        | —     |

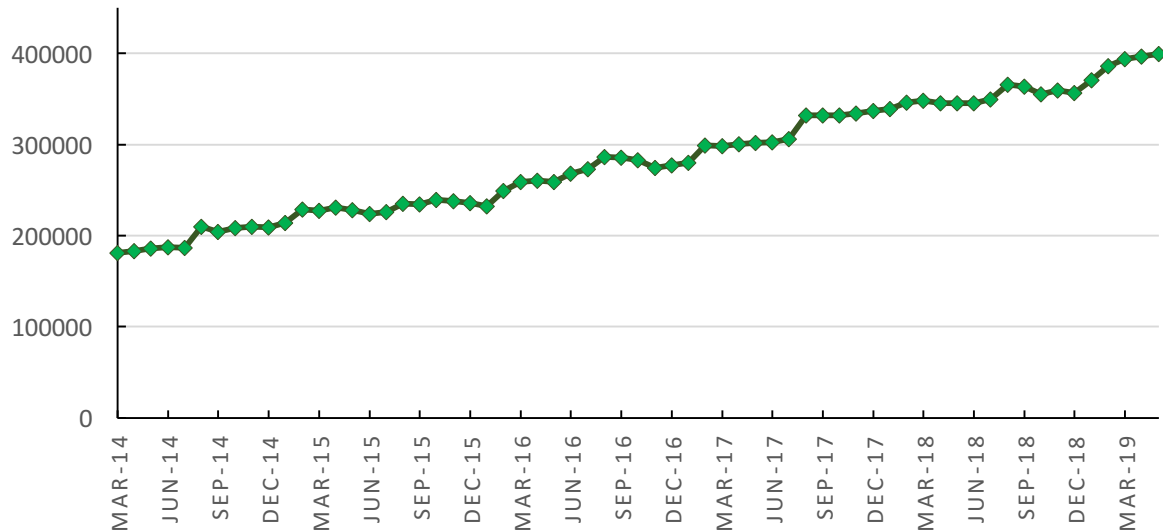
\*Due to rounding, percentages may not add up precisely to 100.0%

\*\*All figures are based on USD unless otherwise specified

## Five-Year Performance Overview

\*all values (USD) in this section are annualized and include fees

### PORTFOLIO VALUE (USD)



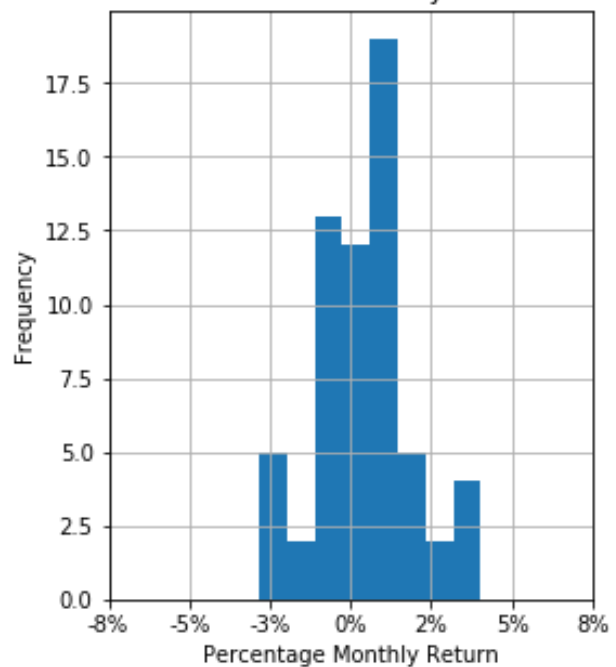
### Headline Numbers

|                       |      |
|-----------------------|------|
| Time-Weighted Return  | 4.0% |
| Money-Weighted Return | 4.1% |
| Standard Deviation    | 5.2% |
| Sharpe Ratio          | 0.78 |

### Max Drawdown

|              |          |
|--------------|----------|
| Max Drawdown | -5.8%    |
| Peak Date    | APR-2015 |
| Trough Date  | JAN-2016 |

### Distribution of Monthly Returns



### Investment Philosophy

Our portfolio uses ETFs to hold diverse positions across 4 major asset classes. We use the Risk Parity approach which makes use of empirical asset correlation to evenly distribute the risk between asset classes. Then within asset classes, we further diversify our holdings between several ETFs. This medium-risk portfolio does not contain any options.

## Quarter Performance Overview

\*all returns in this section are monthly

### Monthly Returns

| Month End | USD Value    | CAD Value    | ETF Return | Option Return | Trading Fees | Robo Fee | Net Return |
|-----------|--------------|--------------|------------|---------------|--------------|----------|------------|
| MAY-19    | \$399,323.72 | \$539,737.92 | 0.70%      | —             | 0.03%        | 0.02%    | 0.65%      |
| APR-19    | \$396,756.25 | \$531,193.14 | 0.87%      | —             | 0.04%        | 0.03%    | 0.81%      |
| MAR-19    | \$393,567.68 | \$525,373.50 | 2.01%      | —             | 0.02%        | 0.03%    | 1.97%      |

### ETF Return Attribution

| Month End | Fixed Income | Equities | Emerging Markets | Real Estate | ETF Return |
|-----------|--------------|----------|------------------|-------------|------------|
| MAY-19    | 1.72%        | -1.02%   | -0.02%           | 0.02%       | 0.70%      |
| APR-19    | -0.20%       | 0.53%    | 0.56%            | -0.02%      | 0.87%      |
| MAR-19    | 1.65%        | 0.22%    | -0.21%           | 0.35%       | 2.01%      |

### Option Return Attribution

| Month End | Delta/Gamma Return | Vega Return | Theta Return | Other Return | Option Return |
|-----------|--------------------|-------------|--------------|--------------|---------------|
| MAY-19    | —                  | —           | —            | —            | —             |
| APR-19    | —                  | —           | —            | —            | —             |
| MAR-19    | —                  | —           | —            | —            | —             |

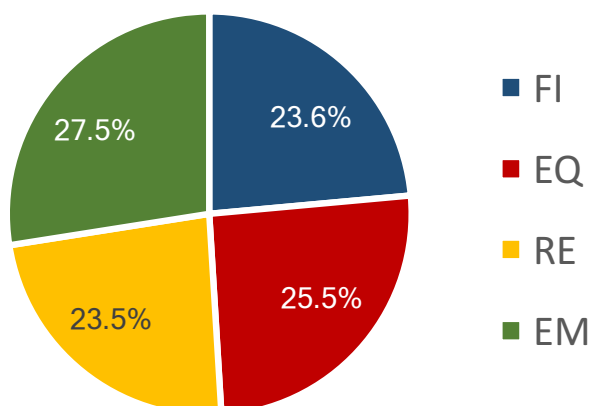
## Risk Analytics

### Value at Risk

|  |       |
|--|-------|
| Estimated 1-month 95% VaR                | 2.90% |
| Estimated 1-month 95% Expected Shortfall | 3.72% |
| Estimated 1-month Volatility             | 2.00% |

### VaR Contributions

VaR Contributions by Asset Class



### Scenario Analysis

| Scenario (1 Month)  | \$ Change in Portfolio Value | % Change in Portfolio Value |
|---------------------|------------------------------|-----------------------------|
| GDP down 1%         | - \$ 3,509.87                | - 0.9%                      |
| Volatility Up 50%   | - \$ 8,477.84                | - 2.1%                      |
| Volatility Down 50% | \$ 11,786.76                 | 3.0%                        |
| SPY Down 10%        | - \$ 13,508.17               | - 3.4%                      |
| SPY Up 10%          | \$ 14,641.28                 | 3.7%                        |
| 10Y IR Up 1%        | \$ 1,360.11                  | 0.3%                        |

## Five-Year Return Attribution

