



PlanPlus Global

EMPOWERING SUITABILITY with Award-Winning Technology

Investment Policies



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Investment Policies

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1. Overview

In SuitabilityPro™, there is a suite of default Investment Policies for each country with corresponding strategic portfolios that are not linked to specific products. The strategic portfolios' asset allocations were determined using historical index data and efficient frontier analysis to represent typical portfolios selected by advisors across the risk spectrum.

The default Investment Policies and their risk tolerance mapping ranges are shown below. For more details on the mappings, please refer to the *Suitability and the Professional Judgment Matrix* guide.

Investment Policy	Policy Range*	Growth Asset**	Comfort Range***
All Income	0 - 24	0%	0 - 25
Income	25 - 34	15%	21 - 37
Income & Growth	35 - 44	30%	34 - 46
Balanced	45 - 54	45%	44 - 55
Growth & Income	55 - 64	60%	53 - 64
Growth	65 - 74	78%	64 - 77
All Equity	75 - 100	95%	75 - 100

*These ranges are set to align with the FinaMetrica seven risk groups.

** The growth proportion of the corresponding portfolios.

*** The comfort range based on the growth proportion of each portfolio. Note that the growth component for each portfolio were selected to provide the best comfort range coverage of the policy ranges, while not perfectly align it is a good fit.

Figure 1: Default Investment Policies

This document provides details on

- ❖ the asset allocations,
- ❖ the asset classes and
- ❖ the indices used to arrive at the forward-looking expected returns

of the strategic portfolios underlying the default Investment Policies for each country.



2. Australia

2.1 Asset Allocation for Australia

Investment Policy	All Income			Income			Income & Growth			Balanced			Growth & Income			Growth			All Equity		
	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max
Cash	15%	25%	35%	10%	20%	30%	10%	15%	20%	5%	10%	15%	0%	5%	10%	0%	0%	5%	0%	0%	5%
FI	65%	75%	85%	55%	65%	75%	45%	55%	65%	35%	45%	55%	25%	35%	45%	12%	22%	32%	0%	5%	10%
AUS Equity	0%	0%	5%	0%	5%	10%	5%	10%	15%	5%	10%	15%	5%	10%	15%	5%	10%	15%	10%	15%	20%
Int. Equity	0%	0%	5%	5%	10%	15%	10%	15%	20%	10%	20%	30%	20%	30%	40%	33%	43%	53%	45%	55%	65%
EM Equity	0%	0%	0%	0%	0%	0%	0%	0%	5%	0%	5%	10%	0%	5%	10%	5%	10%	15%	5%	10%	15%
Property	0%	0%	0%	0%	0%	0%	0%	5%	10%	5%	10%	15%	10%	15%	20%	10%	15%	20%	10%	15%	20%

2.2 Capital Market Assumptions for Australia

Asset Class	Index	Default STDEV	Default Real	Default Nominal Fwd
Cash	Bloomberg AusBond Bank 0+Y TR Index	4.81%	1.88%	4.81%
FI	Bloomberg AusBond Composite 0+Y TR Index	6.97%	3.29%	5.79%
AUS Equity	S&P/ASX All Ordinaries TR Index	24.76%	3.17%	5.67%
Int. Equity	MSCI World Ex Aus Total Return Index	20.56%	5.39%	7.89%
EM Equity	MSCI Emerging Markets Index	28.50%	5.35%	7.85%
Property	S&P/ASX 200 A-REIT Index	15.52%	5.45%	7.95%
Inflation	Default 2.5%			



3. Canada

3.1 Asset Allocation for Canada

Investment Policy	All Income			Income			Income & Growth			Balanced			Growth & Income			Growth			All Equity		
	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max
Cash	15%	25%	35%	10%	20%	30%	5%	15%	25%	5%	10%	15%	0%	5%	10%	0%	2%	7%	0%	0%	5%
ST FI	55%	65%	75%	15%	25%	35%	10%	20%	30%	10%	15%	30%	5%	10%	15%	3%	8%	13%	0%	0%	5%
FI	5%	10%	15%	30%	40%	50%	25%	35%	45%	20%	30%	40%	15%	25%	35%	7%	12%	17%	0%	5%	10%
CAN Equity	0%	0%	5%	0%	5%	10%	5%	10%	15%	5%	10%	15%	10%	15%	20%	10%	20%	30%	15%	25%	35%
USA Equity	0%	0%	5%	5%	10%	15%	10%	15%	20%	10%	20%	30%	15%	25%	35%	20%	30%	40%	25%	35%	45%
Int. Equity	0%	0%	0%	0%	0%	5%	0%	5%	10%	0%	5%	10%	5%	10%	15%	5%	10%	15%	10%	15%	20%
EM Equity	0%	0%	0%	0%	0%	0%	0%	0%	5%	0%	5%	10%	0%	5%	10%	5%	10%	15%	5%	10%	15%
Property	0%	0%	0%	0%	0%	0%	0%	0%	5%	0%	5%	10%	0%	5%	10%	3%	8%	13%	5%	10%	15%

3.2 Capital Market Assumptions for Canada

Asset Class	Index	Default STDEV	Default Real	Default Nominal Fwd
Cash	FTSE TMX Canada 91 Day Tbill	4.04%	0.16%	2.16%
ST FI	FTSE TMX Canada Short Term Bond Index	5.03%	1.39%	3.39%
FI	FTSE TMX Canada Universe Bond Index	7.84%	2.89%	4.89%
CAN Equity	S&P/TSX Total Return Index	16.57%	5.96%	7.96%
USA Equity	S&P 500 Total Return Index	16.41%	7.72%	9.72%
Int. Equity	MSCI EAFE Total Return Index	21.04%	6.49%	8.49%
EM Equity	MSCI Emerging Markets Index	28.01%	7.07%	9.07%
Property	S&P/TSX Real Estate Index	13.07%	4.82%	6.82%
Inflation	Default 2%			



4. United Kingdom

4.1 Asset Allocation for United Kingdom

Investment Policy	All Income			Income			Income & Growth			Balanced			Growth & Income			Growth			All Equity		
	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max
Cash	15%	25%	35%	10%	20%	30%	10%	15%	20%	5%	10%	15%	0%	5%	10%	0%	5%	10%	0%	0%	5%
FI	55%	65%	75%	45%	55%	65%	35%	45%	55%	25%	35%	45%	15%	25%	35%	7%	17%	27%	0%	5%	10%
Int. Fixed	5%	10%	15%	5%	10%	15%	5%	10%	15%	5%	10%	15%	5%	10%	15%	0%	0%	5%	0%	0%	5%
Property	0%	0%	0%	0%	0%	0%	0%	0%	5%	0%	0%	5%	0%	0%	5%	0%	0%	5%	0%	0%	5%
UK Equity	0%	0%	5%	0%	5%	10%	5%	10%	15%	10%	15%	20%	10%	20%	30%	15%	25%	35%	20%	30%	40%
Int. Equity	0%	0%	5%	5%	10%	15%	10%	20%	30%	15%	25%	35%	20%	30%	40%	28%	38%	48%	35%	45%	55%
EM Equity	0%	0%	0%	0%	0%	0%	0%	0%	5%	0%	0%	5%	0%	5%	10%	5%	10%	15%	5%	10%	15%
Alt.	0%	0%	0%	0%	0%	0%	0%	0%	5%	0%	5%	10%	0%	5%	10%	0%	5%	10%	5%	10%	15%

4.2 Capital Market Assumptions for United Kingdom

Asset Class	Index	Default STDEV	Default Real	Default Nominal Fwd
Cash	Sterling Certificate of Deposit Rates 3M	4.35%	0.62%	2.62%
FI	FTSE UK Conventional Gilts All Stocks TR Index	9.53%	3.07%	5.07%
Int. Fixed	JPM GBI Global Traded TR Index	15.51%	3.06%	5.06%
Property	S&P United Kingdom Property TR Index	27.34%	0.04%	2.04%
UK Equity	FTSE All Share TR Index	28.05%	5.99%	7.99%
Int. Equity	MSCI World ex UK Index	18.88%	5.33%	7.33%
EM Equity	MSCI Emerging Markets Index	33.88%	6.49%	8.49%
Alt.	Credit Suisse Hedge Fund Index	10.36%	2.57%	4.57%
Inflation	Default 2%			



5. United States

5.1 Asset Allocation for United States

Investment Policy	All Income			Income			Income & Growth			Balanced			Growth & Income			Growth			All Equity		
	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max	Min	Neu.	Max
Cash	15%	25%	35%	10%	20%	30%	10%	15%	20%	5%	10%	15%	0%	5%	10%	0%	2%	7%	0%	0%	5%
Municipal Fixed	15%	25%	35%	10%	20%	30%	10%	15%	20%	5%	10%	15%	5%	10%	15%	0%	5%	10%	0%	0%	5%
FI	10%	20%	30%	10%	15%	25%	5%	10%	15%	5%	10%	15%	0%	5%	10%	0%	5%	10%	0%	0%	5%
Gov. Fixed	15%	25%	35%	15%	25%	35%	15%	25%	35%	10%	20%	30%	10%	15%	20%	5%	10%	15%	0%	5%	10%
Int. Fixed	0%	5%	10%	0%	5%	10%	0%	5%	10%	0%	5%	10%	0%	5%	10%	0%	0%	5%	0%	0%	5%
Property	0%	0%	0%	0%	0%	0%	0%	5%	10%	5%	10%	15%	10%	15%	20%	10%	15%	20%	10%	15%	20%
USA Equity	0%	0%	5%	5%	10%	15%	10%	15%	20%	15%	25%	35%	20%	30%	40%	28%	38%	48%	35%	45%	55%
Int. Equity	0%	0%	5%	0%	5%	10%	5%	10%	15%	5%	10%	15%	5%	10%	15%	10%	15%	20%	15%	25%	35%
EM Equity	0%	0%	0%	0%	0%	0%	0%	0%	5%	0%	0%	5%	0%	5%	10%	5%	10%	15%	5%	10%	15%

5.2 Capital Market Assumptions for United States

Asset Class	Index	Default STDEV	Default Real	Default Nominal Fwd
Cash	US 182-Day T-Bill	3.41%	0.81%	2.81%
Municipal Fixed	Bloomberg Barclays Municipal TR Index	8.76%	2.61%	4.61%
FI	Bloomberg Barclays US Aggregate Bond TR Index	6.66%	3.06%	5.06%
Gov. Fixed	Bloomberg Barclays US Government TR Index	6.35%	2.99%	4.99%
Int. Fixed	JPM GBI Global Traded TR Index	7.74%	3.35%	5.35%
Property	NAREIT Equity REIT Total Return Index	17.74%	7.56%	9.56%
USA Equity	S&P 500 Total Return Index	17.3%	6.33%	8.33%
Int. Equity	MSCI EAFE Index	21.90%	5.18%	7.18%
EM Equity	MSCI Emerging Markets Index	33.68%	6.50%	8.50%
Inflation	Default 2%			