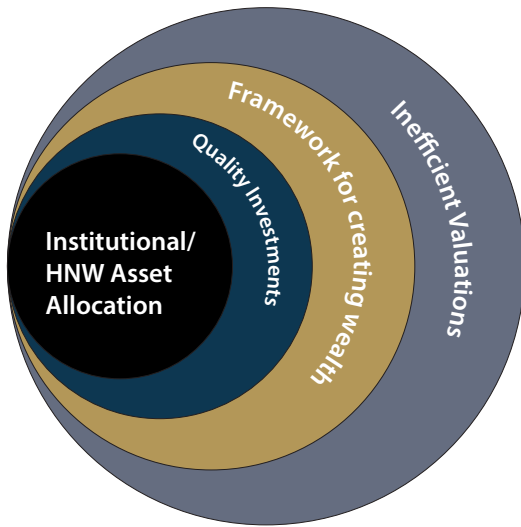


1. Institutional/High Net Worth asset allocation (Public and Alternative/Private)
2. Quality investments
3. Framework for creating wealth
4. Capitalizing on inefficient valuations



● Institutional/HNW Asset Allocation

Wealth is created not only in the public markets, but also by private businesses. The Ontario exempt market raised \$121¹ billion in capital from January 2014 to August 2015 alone. The world's most successful institutions and high net worth investors have been investing in this space for generations and have achieved above average rates of return utilizing an asset mix combining traditional and private and alternative investments (see support articles).



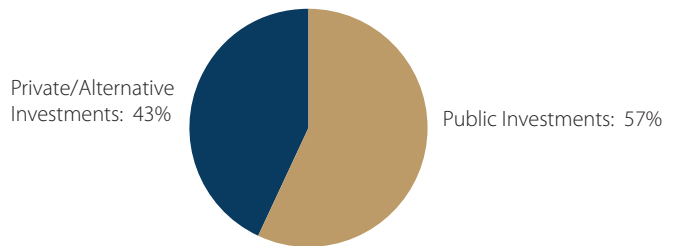
Invest like the most successful institutions and high net worth investors. Look at the results:

	1 Year	10 Years	20 Years
Harvard Endowment Fund*	-2.0%	5.7%	10.4%
Yale Endowment Fund**	3.4%	8.1%	12.6%
S&P 500 Index***	3.9%	7.4%	7.9%

* As at June 30, 2016, Harvard Endowment 2016 Annual Report
 ** As at June 30, 2016, <http://investments.yale.edu/>
 *** As at June 30, 2016, Bloomberg

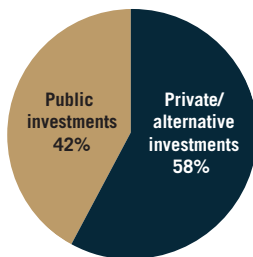
The largest and most successful institutions in the world like the Canada Pension Plan (CPP) which manages over \$298 Billion² for the benefit of every Canadian has altered their asset mix in recent years to include private/alternative investments.

Canada Pension Plan (CPP) current mix:



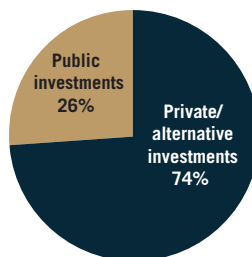
As at December 31, 2016
 Source: http://www.cppib.com/documents/1506/CPPIB_Q3_F2017_release_February_10_2017_VQwkQLI.pdf

Harvard



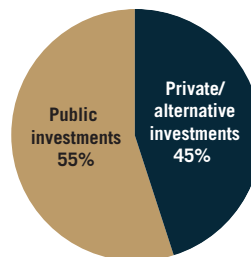
Fiscal Year 2016
 Source: http://www.hmc.harvard.edu/docs/Final_Annual_Report_2016.pdf

Yale



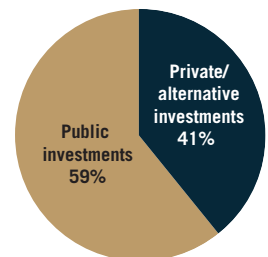
As at June 30, 2016
 Source: <https://your.yale.edu/sites/default/files/2015-2016-yale-financial-report.pdf>

OMERS



As at December 31, 2016
 Source: <http://pensionpulse.blogspot.ca/2017/02/omers-gains-103-in-2016.html>

OTPP



As at December 31, 2015
 Source: <https://www.otpp.com/documents/10179/757926/-/58def2c7-2771-4132-ad26-93a549eef033/Annual+Report.pdf>

The investment objectives of these successful institutions and high net worth investors are the same as those of the average investor:

- Preserve Capital
- Income
- Growth
- Tax Minimization

● Quality Investments

Your Mandeville Advisor will steward your portfolio to ensure that it consists of the highest quality private and public investments.

● Framework for Wealth Creation

Warren Buffett stated:

“To invest successfully doesn’t require a stratospheric IQ, unusual business insight or any particular inside information. What’s needed is a sound intellectual framework for decision making and the ability to keep your emotions from corroding that framework.”

The wealthiest people and most successful institutions in the world have created wealth by applying the following framework:

1. Own a few high-quality businesses,
2. That you thoroughly understand,
3. Which are domiciled in strong, long-term growth industries,
4. That use other people’s money, prudently, and
5. That are bought at attractive valuations and held as long as the company remains high quality and at a reasonable valuation.

Think of some of the wealthiest people in the world such as Bill Gates and Carlos Slim, they have created their wealth by adhering to this framework.

● Capitalizing on Inefficient Valuations

Company Y is a private company giving \$10 in earnings. The owner is curious about the value of the company as it is not traded every day. A valuator would be called upon to value the business. The valuator would then look at all comparable businesses on the stock exchange and find a company that is similar in all qualitative aspects. The valuator finds Company X which is trading at 10x earnings and is worth a valuation of \$100. Although Company Y and company X are similar in all qualitative aspects, the valuator gives Private Company Y a discount of 40% due to its illiquidity and ascribes a multiple of 6x earnings not 10x. Company Y will now have a valuation of \$60.

Investors in private Company Y will pay \$60 for \$10 of earnings and make a 16.7% rate of return for the first year. Whereas an investor in public Company X will pay \$100 for \$10 in earnings and make a 10% rate of return for the same period of time. Investors in private businesses will enjoy a 17% return vs. a 10% return given the illiquidity discount.



At Mandeville, our investment approach is based on the concept that since the needs of the high net worth and institutional investor are the same as the average investor, the portfolio profiles should be similar.

We therefore offer a broad range of investment options including:

TRADITIONAL INVESTMENTS



PRIVATE AND ALTERNATIVE INVESTMENTS



Benefits of Private Investing:

- Long-term investments with high growth potential
- A source of diversification that can mitigate overall portfolio risk
- Dampened volatility: Private investments are insulated from fluctuations of public markets
- An opportunity to be less reactive to market fluctuations and proactively build business

Reducing Risk Through Diversification:

"As long as their correlation with U.S. stocks and bonds was low, adding unconventional assets to your portfolio would both reduce your risk and increase your return"

David Swensen, C.I.O. Yale Endowment

"Yale's endowment with Swensen at the helm has always been known to be creative and at the forefront of its peers with respect to alternative investments like private equity, absolute return (hedge funds) and real estate. It has paid off very well for them."

Andrew Karolyi, Professor of Finance at Cornell University



WWW.MANDEVILLEINC.COM

Sources:

1. <http://www.osc.gov.on.ca/documents/en/Securities-Category4/2014-exempt-market-activity.pdf>
2. http://www.cppib.com/documents/1506/CPPIB_Q3_F2017_release_February_10_2017_VQwkQLI.pdf

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