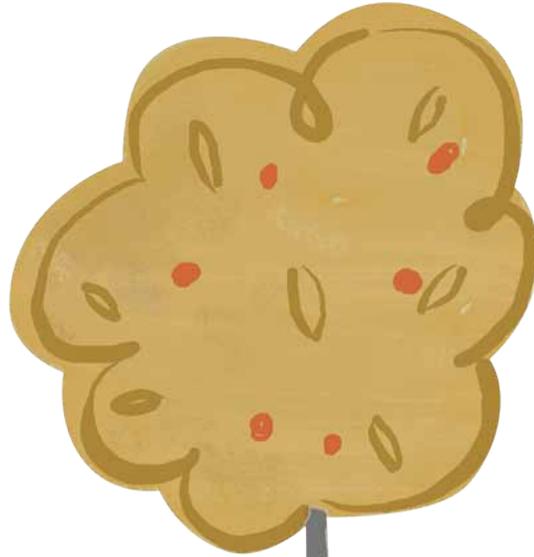


KALEO

**DISCLAIMER:**

The following is for general information purposes only and is not the opinion of analysts or other investment professionals at Beacon Securities. . This information is not intended to provide specific personalized advice, including, without limitation, investment, financial, accounting, or tax advice. Please call Qube Consulting Inc. and/or Beacon Securities Ltd. to discuss your particular circumstances.

Commissions, management fees, and expenses may be associated with investment accounts. Please read the simplified prospectus (if applicable) before investing. Many investments are not guaranteed and are not covered by the Canada Deposit Insurance Corporation or by any other government insurer. There can be no assurances that an investment will be able to maintain its net asset value or that the full amount of the investment will be returned to you. Values change frequently, and past performance may not be repeated.



# KALEO

An option for those who  
value responsible investing.



BEACON  
SECURITIES LIMITED  
BEACON WEALTH MANAGEMENT



YOU CAN INVEST IN A

# SOCIALLY RESPONSIBLE MANNER.



For more than a decade, Qube has been helping investors wisely invest retirement and pension money.

Today, a greater number of people are looking for more than just financial results; they want to ensure they're investing in companies that

# PERFORM WELL ON ALL LEVELS.

Kaleo is a non-commission approach to portfolio management that integrates a conservative mix of stocks, bonds, and low-cost index participation units.

With Kaleo, clients hold investments based on their quality of earnings and social responsibility.



It's the kind of

**win-win**

approach that can  
change the world.

# DISCOVER THE KALEO ADVANTAGE, FOR YOU & THE WORLD.

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Kaleo is a values-based investment approach that gives responsible investors the following benefits:

- + Direct holding of blue-chip, dividend-paying stocks
- + Clarity, transparency, and simplicity
- + Conservative investment principles with solid diversification
- + Managed and diversified risk
- + A competitive investment management fee at a lower cost than mutual fund alternatives
- + Fee-based investment management without transaction commissions



# QUBE'S UNIVERSE:

## NARROWING THE FIELD TO THE BEST OF THE BEST

With Kaleo, we use two key filters to distill the more than 750 viable companies in the general stock market into what we call our “Universe.”

1

An accounting filter is used to identify companies that report solid financial performance and liquidity ratios.

2

A social filter is used to select corporations that report a solid score in community involvement, corporate governance, and environmental standards.

After ensuring the companies meet a minimum dividend requirement, we have an elite pool of prospects to review on behalf of our investors.

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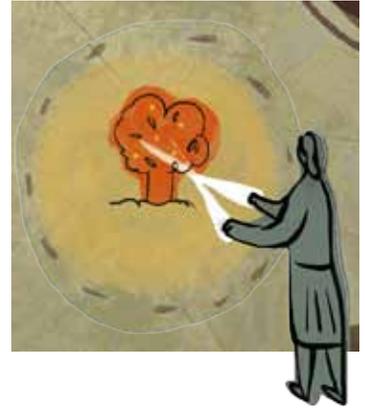
COMPANIES ARE CURRENTLY  
HELD IN THIS POOL.



BLUE-CHIP STOCK SELECTION:

# OUR ADVICE IS TAILORED TO YOU.

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We have a passion for investigating and monitoring stock.

With Kaleo, we offer our own in-house suitability reviews on companies within our Universe. We are unique, in that we are happy to share our review material and recommendations with our clients, offering full transparency and accessibility.

Diversified  
international  
exposure:

.....

**REDUCING  
VOLATILITY**

with low-cost,  
intelligent  
indexes.

We currently track, analyze, and perform suitability reviews on more than 100 Canadian and U.S. blue-chip stocks

The Kaleo approach also integrates low-cost intelligent indexes to allow diversification in international and emerging markets. Intelligent indexes are created using regularly published corporate financial data, including cash dividends, free cash flow, total sales, and book-to-equity ratios. This newer method of indexing naturally decreases the traditional index exposure to overvalued stocks, reducing portfolio volatility.

## BEST-IN-CLASS SELECTION:

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HIGHER MARGINS OF SAFETY

# REDUCE YOUR RISK.

Each company is mathematically and qualitatively reviewed using classic suitability methodology. Our reviews include share value justification using the dividend discount model, the present value of future growth (PVGO) testing, and a residual income justification.

We study financial statements to determine sustainable future growth rates, perform basic ratio analysis, and review earnings quality metrics and other relevant information to complete our suitability study.

Through this, **we determine the margin of safety represented in a stock's current trading value and therefore its appropriateness to be held within client portfolios.**

Our work is less about finding undervalued stock and more about finding stock with minimized assumptions about future earnings and dividend growth. Exposing these assumptions allows us to favour companies with higher margins of safety and therefore less speculation – **exactly what a pension or retirement account needs.**



# SOCIALLY RESPONSIBLE INVESTMENT: ENCOURAGING COMPANIES TO DO THE RIGHT THING.

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We conduct our own social responsibility review of potential companies to ensure that they demonstrate the following:

- \* Transparent executive compensation and accounting practices
- \* Environmentally sustainable operations
- \* Active partnerships in the communities in which they operate
- \* Positive relationships with all stakeholders, including employees and shareholders

Corporate responsibility is not inherent in our system and it should not rest within government regulation. Responsible corporations begin with those who own the shares—the owners. Shareholder activism is proven to increase corporate accountability and, in turn, share value. We perform shareholder engagement activities to encourage higher levels of social responsibility from management that, in turn, support higher share values for our investors. We take this duty seriously.



# VALUE-BASED INVESTING:

A PROVEN APPROACH  
YOU CAN TRUST.

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The value-based methodology  
was pioneered by

Benjamin & Warren  
Graham & Buffet



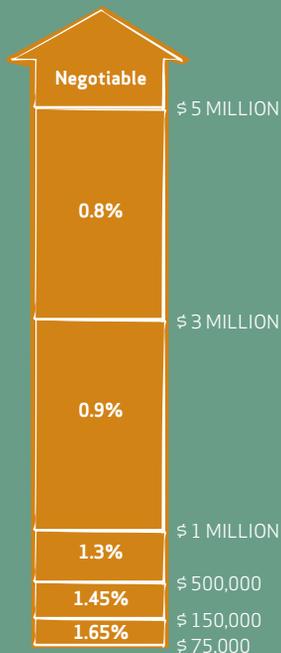
Balancing that approach with modern portfolio science, we choose companies for Kaleo that demonstrate the following:

- \* Less volatile, proven earnings
- \* A long-standing, stable dividend policy.
- \* A share price justified by current earnings and dividends
- \* Minimal assumptions about future growth and more reliance on current earnings
- \* Financial statements with minimal earnings quality issues
- \* Stable operations and senior management
- \* An operational plan that shows insight and creativity

# DETAILS: WHAT YOU NEED TO KNOW ABOUT KALEO

Kaleo is competitively priced. **Our fees are typically less than what you would expect to pay for a mutual fund.**

Our investment management fee is charged to your account based on the account size:



Trading costs and index fees are managed for most clients in the range of

0.10 -  
0.25%

## PERFORMANCE

is reported monthly, with client reviews/reports on a semi-annual basis.

We continue to manage a client's individual risk profile by holding bond and guaranteed investments in addition to stocks.

Many clients carry a

40% - 70%

exposure in the stock market (Kaleo approach), with the remainder in bonds and/or guaranteed term funds.

# IAN QUIGLEY, MBA

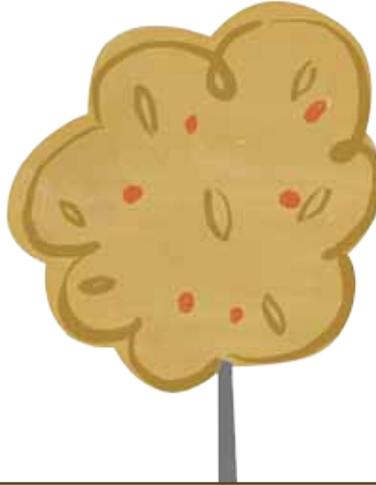
AN INVESTMENT ADVISOR WHO SERVES YOU.

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Ian has been offering independent investment advice since May 2000. Over the past decade, he has weathered various market cycles influenced by globalization, urbanization, commodity and real estate bubbles, and the financial services meltdown of 2008. As a result, Ian and his team understand how important a conservative investment approach is for pension and retirement accounts.



In 1999, Ian obtained a masters of business administration (MBA) degree from the University of Alberta after completing a bachelor of science with honours in environmental studies (1995). He holds an honours diploma in finance (NAIT) and is a certified investment manager (CIM) and certified financial planner (CFP). Currently, he is in the second level of the chartered financial analyst (CFA) program. Ian teaches finance and socially responsible investment management (part-time) at Concordia University College in Edmonton.



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