

Asset Mix Calculator

Background

The *Asset Mix Calculator* links your building condition assessment to your investment decisions and helps you in considering what proportion of your money to allocate to each Social Housing Investment Fund. If you do not have an up-to-date building condition assessment or if you do not have confidence in your building condition assessment or if you are investing money other than capital reserves, you should use the *Model Investment Portfolio Selector* rather than the Asset Mix Calculator.

When you enter values into the *Asset Mix Calculator* on the other side of this page, it calculates an investment mix that may be suitable for your capital reserves. For those providers using the online tool, the calculations will be done automatically. For those providers using the printed version, follow the step-by-step manual calculations on the next page.

The investment mix recommended by the *Asset Mix Calculator* is a guideline only. You may need to adjust the percentages to come up with a mix of Social Housing Investment Funds that suits your unique situation. You may contact your Investment Funds Advisor for more in-depth advice about your investment choices.

Informing PH&N Investment Services of your investment decision

If you already have an account with PH&N Investment Services, complete a *Corporate Account Rebalance Form* and forward it to the address provided on the form or by fax to 1-800-666-9899. If you are a new PH&N Investment Services investor, enter your investment mix choices in Section 6 of the *Investment Account Application form*. All forms are available at www.encasa.ca.

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For a recommendation about what percent of capital reserves to invest in each Social Housing Investment Fund, follow the steps below or use the online version of this calculator (available at www.encasa.ca). **Each number you enter on this page should be a positive number.**

Step 1

Insert the appropriate numbers in the Input column.

	Where to find this information	Input	
Amount of money in your capital reserves	Your most recent financial statements	212,407	A
What is the expected lowest capital reserve balance within the next five years?	} Your reserve fund forecast (Adjust the figures from your reserve fund forecast for inflation before entering them here.)	143,292	B
What is the expected lowest capital reserve balance within the next seven years?		105,526	C

Step 2

Using the numbers that you entered in Rows A to C above, complete the calculations below. In each case, if the number you calculate is positive, insert it in the Result column; if the number you calculate is negative, insert a 0 in the Result column instead.

Calculation	Results	
(A minus B) divided by A =	.325	D
C divided by A =	.497	E
The lower of E or 0.50 =	.497	F

Step 3

Using the numbers that you entered in Rows D to F above, complete the following table, working across the row from left to right.

Calculation	Recommended % for each Social Housing Fund		
The greater of D or Zero = multiply by 100 =	<u>32.5</u> %	Social Housing Canadian Short-Term Bond Fund	G
1 minus G minus F = multiply by 100 =	<u>17.8</u> %	Social Housing Canadian Bond Fund	
F multiply by 100 =	<u>49.7</u> %	Social Housing Canadian Equity Fund	

Encasa Financial Inc. is the manager of the Social Housing Investment Funds.

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INVESTMENT FUNDS ADVICE & INFORMATION

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Please return form to: PH&N Investment Services, 20th Floor, 200 Burrard Street, Vancouver, B.C., V6C 3N5