

# Portfolio Review

*Period Ending June 30, 2013*

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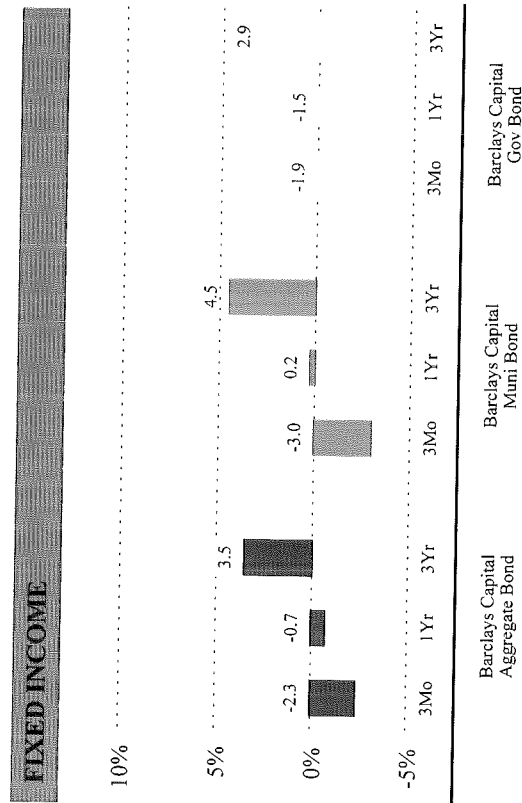
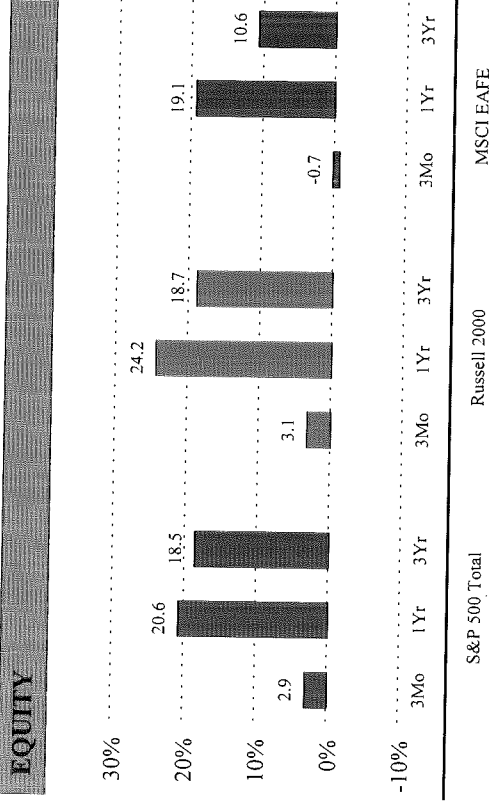
RBC Wealth Management

# Market Commentary

Period Ending : June 30, 2013

Major U.S. equity indexes rose to new all-time highs in mid-May before pulling back in June as Treasury yields surged following the Federal Reserve's announcement it plans to start winding down asset purchases (QE3) later this year. Acute stress in China's interbank lending market contributed to the U.S. equity selloff. At one point, the S&P 500 Index had fallen 5.6% from its peak on a total return basis. High-yielding dividend-paying sectors - known as "bond proxies" or "bond equivalents" - underperformed as bond prices fell, including Real Estate Investment Trusts, Utilities, and Telecommunications. Homebuilders corrected sharply as mortgage rates jumped the most in 26 years. However, once Treasury yields stabilized and Chinese interbank lending rates returned to more normal levels, the S&P 500 and Dow Jones Industrial Average recovered much of the lost ground. U.S. equities ended up outperforming most developed and emerging markets despite the volatility, and are still among the leaders year to date. The S&P 500 and Dow each finished the second quarter up 2.9% including dividends. The Financials and Consumer Discretionary sectors led the market, each rising more than 6%.

Market concerns over the Fed moving to a less accommodative posture came home to roost in the second quarter and the market's reaction was swift and sharp. Yields moved higher across all fixed income asset classes to levels not seen in many months. Federal Reserve Chairman Ben Bernanke, on two occasions began to lay out the plans for tapering (reducing) its monthly QE3 purchases which now total \$85B. Mr. Bernanke was clear that the Fed's plans were tied to continued progress being made on lowering the unemployment rate to 6.5% (currently at 7.6%) and keeping inflation contained under 2% (currently at 1.1%). According to Mr. Bernanke, the Fed will begin to taper the monthly purchases this fall, continue into 2014 and end QE3 mid-2014. The Fed has set an unemployment rate of 7% as the target for ending QE3. Federal Reserve officials, led by Chairman Bernanke, have clearly noted the 6.50% employment rate target is just that and not a trigger to immediately tighten short-term interest rates. They expect the current target rate on Fed Funds (0.0%-0.25%) will remain in force until 2015.



See "Disclosure" page for important disclosure information.

# Portfolio Summary

Period Ending : June 30, 2013

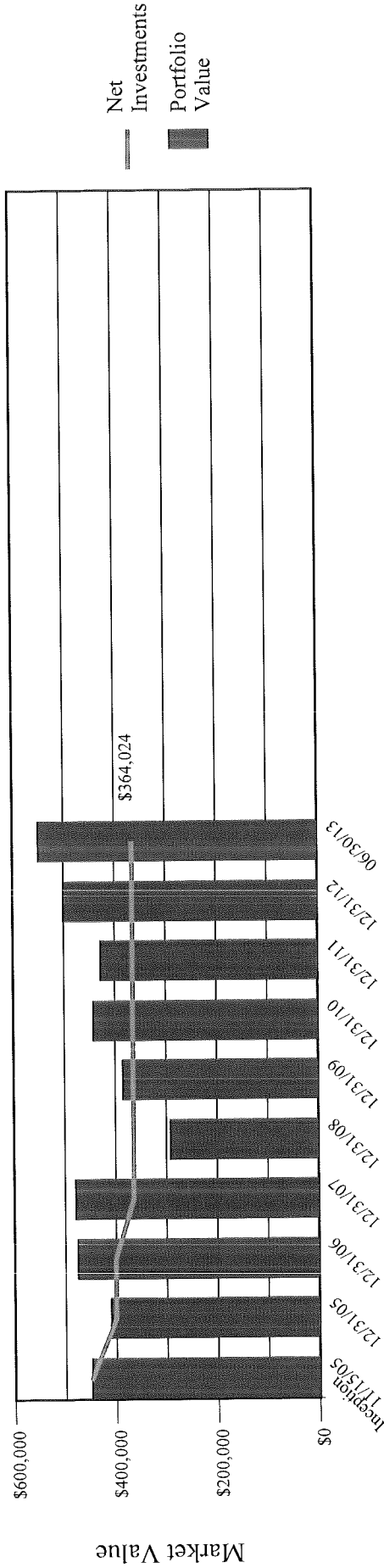
## PORTFOLIO CHANGES

	Quarter to Date	Year to Date	Since Inception 11/15/05
Beginning Value	\$542,152	\$502,398	\$450,024
Net Deposits and Withdrawals	\$0	\$0	-\$86,000
Gain/Loss + Income	\$8,660	\$48,415	\$186,788
<b>Ending Value</b>	<b>\$550,813</b>	<b>\$550,813</b>	<b>\$550,813</b>

## ASSET ALLOCATION



## PORTFOLIO GROWTH



## PERSONAL RATE OF RETURN

Performance returns are annualized for periods greater than one year.

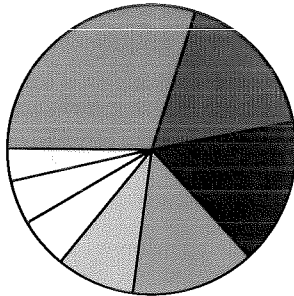
	Quarter to Date	Year to Date	Three Year	Five Year	Ten Year	Since Inception 11/15/05
<b>Your Portfolio</b>	<b>1.60%</b>	<b>9.64%</b>	<b>15.53%</b>	<b>5.13%</b>	<b>-</b>	<b>5.24%</b>

# Portfolio Allocation Comparison

Period Ending : June 30, 2013

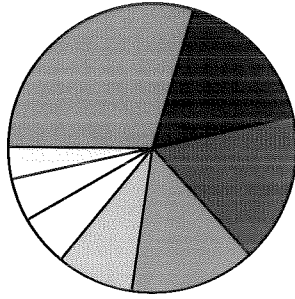
## CURRENT ASSET ALLOCATION

- Large Cap Blend - 29.72%
- Large Cap Growth - 17.07%
- International Equity - 16.30%
- Cash and Money Markets - 13.87%
- Large Cap Value - 8.79%
- Small Cap Value - 5.65%
- Small Cap Blend - 4.93%
- Small Cap Growth - 3.67%



## PRIOR QUARTER ASSET ALLOCATION

- Large Cap Blend - 29.45%
- International Equity - 16.90%
- Large Cap Growth - 16.72%
- Cash and Money Markets - 14.08%
- Large Cap Value - 8.68%
- Small Cap Value - 5.75%
- Small Cap Blend - 4.82%
- Small Cap Growth - 3.60%



## ASSET CLASS

ASSET CLASS	MARKET VALUE	CURRENT	PRIOR	DIFFERENCE
Equity				
Small Cap Blend	\$27,093	4.93%	4.82%	0.11%
Small Cap Value	\$31,075	5.65%	5.75%	-0.10%
Small Cap Growth	\$20,145	3.67%	3.60%	0.07%
Large Cap Blend	\$163,333	29.72%	29.45%	0.27%
Large Cap Value	\$48,290	8.79%	8.68%	0.11%
Large Cap Growth	\$93,772	17.07%	16.72%	0.35%
International Equity	\$89,547	16.30%	16.90%	-0.60%
Cash				
Cash and Money Markets	\$76,223	13.87%	14.08%	-0.21%
<b>Total Market Value (Excludes Accrued Income)</b>	<b>\$549,478</b>	<b>100.00%</b>	<b>100.00%</b>	

# Equity Analysis

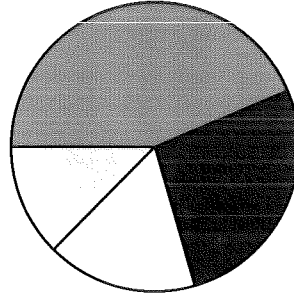
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## TOP HOLDINGS

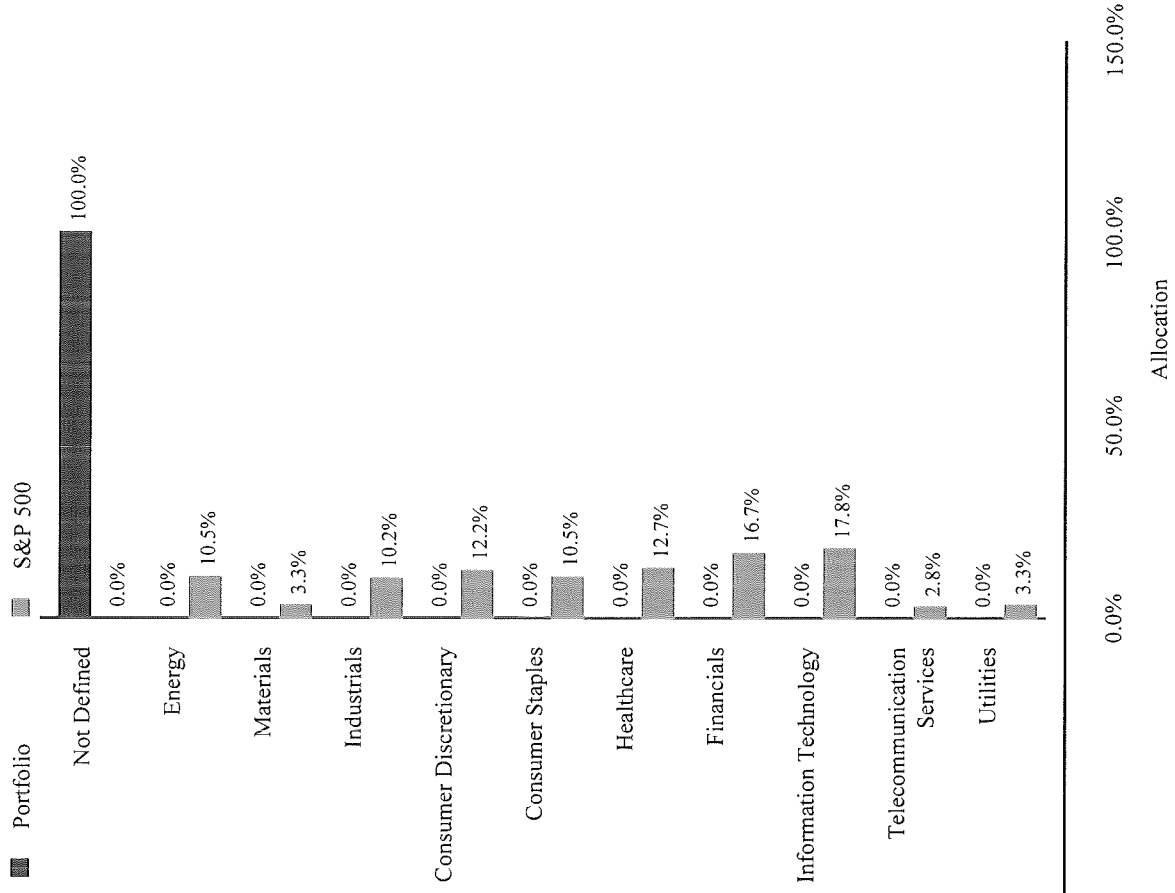
ISHARES CORE S&P 500 ETF	43.62%
ISHARES MSCI EAFE ETF	26.87%
ISHARES CORE S&P SMALL CAP	16.93%
ISHARES S&P SMALL CAP 600	12.59%
<b>Total</b>	<b>100.00%</b>

## EQUITY ASSET ALLOCATION

- Large Cap Blend - 43.62%
- International Equity - 26.87%
- Small Cap Blend - 16.93%
- Small Cap Growth - 12.59%



## SECTOR ANALYSIS (%)



# Individual Fund Returns by Asset Class

Period Ending : June 30, 2013

	Last Quarter	Year to Date	One Year	Three Year	Five Year	Ten Year	Since Fund Inception	Fund Inception Date
<b>SMALL CAP VALUE</b>								
FIDELITY ADVISOR SMALL CAP VALUE FD CLA	-0.32%	16.06%	27.94%	18.63%	13.51%	n/a	10.64%	11/03/04
<i>Russell 2000 Value</i>	2.47	14.39	24.76	17.33	8.59	9.30		
<b>LARGE CAP BLEND</b>								
GABELLI ASSET FUND-SBI	1.78	13.59	24.45	18.45	8.25	9.90	12.29	03/03/86
INVESTMENT CO AMER CL F1	2.94	12.46	19.89	15.72	5.78	6.88	11.64	03/15/01
<i>Russell 1000</i>	2.65	13.91	21.24	18.63	7.12	7.67		
<b>LARGE CAP VALUE</b>								
T ROWE PRICE EQUITY INCOME FUND-SBI	2.63	14.12	23.66	17.49	7.37	7.64	11.01	10/31/85
<i>Russell 1000 Value</i>	3.20	15.90	25.32	18.51	6.67	7.79		
<b>LARGE CAP GROWTH</b>								
GROWTH FUND AMER INC CL F1	3.16	11.98	22.91	16.16	4.86	8.02	13.20	03/15/01
T ROWE PRICE BLUE CHIP GROWTH FUND	3.69	12.14	18.26	19.70	7.56	7.68	9.41	06/30/93
<i>Russell 1000 Growth</i>	2.06	11.80	17.07	18.68	7.47	7.40		
<b>INTERNATIONAL EQUITY</b>								
HARBOR INTERNATIONAL FUND INSTITUTIONA	-1.69	0.37	14.21	11.01	0.70	11.00	11.72	12/29/87
<i>MSCI EAFE</i>	-0.73	4.47	19.14	10.55	-0.16	8.16		

The performance figures provided herein have been obtained from sources we believe to be reliable, but cannot be guaranteed as to accuracy and do not purport to be complete. They do not reflect the actual performance of your account. These figures represent past performance and do not guarantee future results. Mutual fund returns are as of last full calendar quarter.

## Disclosure

Period Ending : June 30, 2013

### **Service**

This portfolio review is provided as a service and is intended as a tool to help investors track their portfolio's performance. This review does not supersede or replace your RBC Wealth Management account statements. Information and security valuations provided herein have been obtained from sources we believe to be reliable, but cannot be guaranteed as to accuracy and do not purport to be complete. If securities represented in this report are not custodied in a RBC Wealth Management account, the information contained in the report for those securities is based solely upon the information provided by you to your RBC Wealth Management Financial Advisor or directly from the entity serving as custodian of those assets.

### **Performance Calculations**

Performance figures represent past performance and do not guarantee future results. Performance figures are calculated using a time-weighted rate of return, and are annualized for returns greater than one year. Returns will reflect the reinvestment of dividends and capital gains. Performance returns either include, or are net of, investment advisory program and other applicable fees, depending on the specific elections made for the account. For those accounts that have elected to have fees invoiced, performance returns will be shown gross of all applicable fees.

### **Index Calculations**

Index information provided has been calculated on a total return basis with dividends reinvested. The effects of taxes and/or expenses and fees normally associated with an investment account have not been considered. Returns are based on past performance, which may or may not be similar to future returns, and are not meant to be representative of any specific investment. Although used as benchmarks for informational purposes, individual indices are not available for direct investment. For a detailed explanation of the indices referenced, please refer to the Reference Guide section of this report.

### **Tax Advice**

RBC Wealth Management does not offer tax advice, nor do we make any representations

as to the taxable or tax-exempt status of any security within this review. Existing IRS guidelines should be discussed with a qualified accountant or tax attorney.

### **Advisory Information**

A copy of RBC Wealth Management's investment advisory program Disclosure Brochure and/or Form ADV Part II are available to you at no cost. The Disclosure Brochure for any money managers you engage through a Consulting Solutions account is also available. If you would like a copy of these items, please send a written request to your Financial Advisor.

### **Market Commentary**

The material contained in the "Market Commentary" section is for informational purposes only and is not intended to provide specific advice or recommendations for any individual nor does it take into account the particular investment objectives, financial situation or needs of individual investors. The information provided has been derived from sources believed to be reliable, but is not guaranteed as to accuracy and does not purport to be a complete analysis of the material discussed, nor does it constitute an offer or a solicitation of an offer to buy any securities, products or services mentioned. The opinions expressed do not necessarily reflect those of RBC Wealth Management and are subject to change without notice. Past performance is not indicative of future results. For a detailed explanation of the indexes referenced, please refer to the Glossary section

## Reference Guide

### **Report Indices:**

**S&P 500 Total Capitalization-weighted benchmark** that tracks broad-based changes in the U.S. stock market. The index is calculated on a total return basis with dividends reinvested.

**Russell 2000** - Consists of the smallest 2000 securities in the Russell 3000 Index, representing approximately 8 percent of the Russell 3000 total market capitalization. This index is widely regarded in the industry as the premier measure of small cap stocks.

**Morgan Stanley Capital International Europe, Australasia, Far East** An arithmetic, market value-weighted average of the performance of several securities listed on the stock exchanges of several developed markets around the world, excluding the United States.

**Barclays Capital Aggregate Bond** - The Barclays Capital Aggregate Bond Index is a market-capitalization weighted index of investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year.

**Barclays Capital Municipal Bond** - A market capitalization-weighted index of investment grade municipal bonds with maturities of at least one year.

**Barclays Capital Government Bond** - A market value weighted index of U.S. Government and government agency securities (other than mortgage securities) with maturities of one year or more.

### **Asset Class Descriptions:**

**Cash and Money Markets** - Investments of high liquidity and safety with a known market value and a very short-term maturity. Examples are Treasury bills and money market funds.

**Small Cap Blend** - Equity securities of small capitalization companies which have both 'growth' and 'value' stock characteristics.

**Small Cap Value** - Equity securities of small capitalization companies which have 'value' stock characteristics. Value stocks have low forecasted price-earnings ratio, low price-book ratio and high dividend yield.

**Small Cap Growth** - Equity securities of small capitalization companies which have 'growth' stock characteristics. Growth stocks have high forecasted sales growth, high return on equity and low dividend payout.

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**Large Cap Blend** - Equity securities of large capitalization companies which have both 'growth' and 'value' stock characteristics.

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**Large Cap Growth** - Equity securities of large capitalization companies which have "growth" stock characteristics. Growth stocks have high forecasted sales growth, high return on equity and low dividend payout.

**International Equity** - Equity securities investment in developed countries throughout the world. This requires an investor to be alert to trends in foreign currencies as well as movements in foreign markets.

### **Equity Analysis:**

**Sector Analysis** - RBC Capital Markets uses the sector and industry classification system from S&P GICS (Global Investment Classification System) to manage and review sector exposure. S&P, in collaboration with Morgan Stanley Capital International (MSCI), developed the GICS system in response to the industry's need for one consistent set of global sector and industry classifications. It is comprised of: 10 sectors, 24 industry groups, 62 industries, 132 sub-industries. The Equity Analysis report excludes mutual fund investments.