

Investment Strategy and Objectives

Outcome Wealth Management manages portfolios comprised of large, liquid ETFs. Our strategies are designed to provide efficient global diversification, offer better protection in bear markets, and deliver higher long-term returns.

Monthly Results:

GTAA (CAD-based accounts)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017					1.7%	-0.1%	1.9%	0.1%	0.5%	1.6%	0.5%	1.3%	7.7%
2018	1.3%	-2.7%	-0.3%	-0.2%	0.6%	0.8%	0.9%	0.9%	-1.1%	-1.7%	0.2%	1.6%	0.2%
2019	0.0%	0.7%	1.4%	1.5%	-2.9%	0.7%	-0.2%	3.7%					4.8%

GTAA (USD-based accounts)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017								1.3%	0.9%	1.1%	0.5%	1.4%	5.4%
2018	2.0%	-3.4%	-0.2%	-0.1%	0.4%	0.6%	1.0%	0.7%	-0.4%	-2.0%	-0.1%	0.9%	-0.8%
2019	1.1%	0.3%	1.6%	1.5%	-2.9%	1.3%	-0.2%	2.9%					5.8%

Portfolio Allocation

In August, the GTAA strategy was defensively positioned with only a 10% exposure to stocks, which was concentrated in the S&P 500 Index. The remaining 40% of its “risk-on” positions were equally spread across four rate-sensitive markets (U.S. REITs, U.S. preferred shares, U.S. high yield bonds and emerging market sovereign bonds). The remaining 50% weight of the portfolio was allocated to “risk-off” assets, and was equally spread across long-term Treasuries and short-term U.S. investment grade bonds.

Despite what proved to be a volatile and challenging month in markets, four of our five 10% growth-sensitive exposures rose during the month. U.S. stocks fell 1.67%, while U.S. REITs rose 3.75%, emerging market sovereign bonds were up 1.55%, U.S. preferred shares advanced 0.6%, and U.S. high yield bonds rose 0.69%.

With respect to our safe haven positions, the portfolio received a significant boost from our 25% allocation to long-term Treasuries, which rose an astounding 11.03%. This was augmented by our 25% position in short-term U.S. investment-grade corporate bonds, which rose 1.11%.

For September, our portfolio remains cautious in terms of equity exposure, with 10% positions in both U.S. and Canadian stocks. We are also maintaining our bias towards rate-sensitive assets, with five 10% exposures to U.S. REITs, International REITs, emerging market sovereign bonds, U.S. preferred shares, and U.S. high yield bonds. The remaining 30% of the portfolio is invested in “risk-off” markets and is equally spread across long-term Treasuries and short-term U.S. investment grade bonds.

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The OWM Enhanced Dividend Fund seeks to produce a dividend yield that is 1 – 1.5% greater than that of the TSX Composite Index, while exhibiting higher total returns and approximately 20% less volatility over an investment cycle.

August 2019 and Year-to-Date Results

For the month of August 2019, the Outcome Enhanced Dividend fund rose 1.87%, compared to an advance of 0.43% for the TSX Composite Index and an advance of 0.79% for the TSX Dividend Aristocrats Index.

On a year-to-date basis, the strategy is up 19.6%, outperforming both the TSX Composite Index and the TSX Dividend Aristocrats Index.

In the case of the TSX Dividend Aristocrats Index, 0% of Canadian dividend-focused managers have succeeded in outperforming this benchmark over the past 10 years on a net of fee basis, according to the most recent SPIVA (S&P Index vs. Active) scorecard.

Monthly Results

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018										-2.9%	2.0%	-4.0%	-5.0%
2019	5.8%	3.2%	1.5%	1.3%	3.2%	0.9%	0.4%	1.9%					19.9%

Top 10 Positions

Company
Premium Brands Holdings Corp.
Cineplex Inc.
Transcontinental Inc. Class A
BCE Inc.
Saputo Inc.
Loblaw Companies Limited
Rogers Communications Inc. Class B
George Weston Limited
Emera Incorporated
TELUS Corporation

Sector Exposures

Sector	Weight
Commercial Services	0.0%
Communications	13.1%
Consumer Durables	0.0%
Consumer Non-Durables	10.0%
Consumer Services	9.8%
Distribution Services	3.8%
Electronic Technology	0.0%
Energy Minerals	1.2%
Finance	13.7%
Health Services	0.0%
Health Technology	0.0%
Industrial Services	9.9%
Non-Energy Minerals	0.0%
Process Industries	0.0%
Producer Manufacturing	4.7%
Retail Trade	14.6%
Technology Services	2.9%
Transportation	2.5%
Utilities	13.9%

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