

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.

Global Tactical Asset Allocation (GTAA) Strategies¹

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
GTAA Growth 100	2017	-	-	-	-	1.63%	-0.09%	1.98%	0.05%	0.43%	1.47%	0.37%	-	5.97%
GTAA Income 100	2017	-	-	-	-	0.75%	-0.17%	1.25%	-0.18%	-0.48%	0.75%	0.34%	-	2.28%
GTAA Moderate 50	2017	-	-	-	-	0.63%	-0.12%	0.95%	-0.10%	-0.57%	0.79%	0.09%	-	1.67%

GTAA Growth 100

The GTAA Growth 100 strategy was 70% invested in growth assets in November. Leading the way were U.S. stocks, which rose 3.1%, for the month. The second largest contribution came from Japanese stocks, which were up 2.1% for the month and are now positive 23.3% YTD. On the negative side, emerging market stocks and high yield bonds were a drag on performance, each declining 0.4% for the month.

For December, the strategy increased its exposure to growth assets by 20% to 90%, with the remaining 10% of the portfolio in U.S. short-term investment grade corporate bonds. Specifically, the strategy liquidated its U.S. high yield bond exposure and added exposure to U.S. REITs, international REITs, and U.S. preferred shares.

GTAA Income 100

The GTAA Income 100 strategy was 66% invested in growth assets during November. U.S. high dividend stocks were the largest positive contributor to performance, rising 4.2% for the month. Our long position in U.S. long-term Treasuries rose 0.7% for the month, contributing modestly to returns. Results were dragged down by our position in U.S. high yield bonds, which declined 0.4% during the month.

For December, the strategy increased its exposure to growth assets by 22% to 89%, with the remaining 11% of the portfolio invested in U.S. short-term investment grade corporate bonds. In terms of individual positions, the strategy liquidated its positions in U.S. high yield bonds while adding exposure to U.S. REITs, international REITs, and U.S. preferred shares.

GTAA Moderate 50

The GTAA Moderate 50 strategy was 50% invested in growth assets during the month, with performance drivers that were similar to the GTAA Income 100 strategy, albeit on a muted scale due to the former strategy's lower aggregate weighting in growth assets.

For December, the strategy is maintaining its 50% allocation to growth assets, with the remaining 50% of the portfolio invested in U.S. short-term investment grade corporate bonds.

¹ Returns are gross of OWM management fees and recoverable withholding taxes on foreign dividends.

ETF Dashboard

Symbol	Geography	Asset Class	Nov	YTD	1 Year	3 Year	5 Year
XIU	Canada	Stocks	0.7	8.2	10.1	6.0	8.9
SPY	U.S.	Stocks	3.1	20.1	22.4	10.3	15.0
VNQ	U.S.	REITs	2.7	5.0	9.9	5.6	9.3
PFF	U.S.	Preferred Shares	0.7	8.6	8.8	4.2	4.7
HYG	U.S.	High Yield Corporate Bonds	-0.4	5.7	7.6	3.7	3.9
SJNK	U.S.	Short Term High Yield Corporate Bonds	-0.2	4.9	6.7	3.1	3.2
LQD	U.S.	Inv. Grade Corporate Bonds	-0.1	5.7	6.6	3.3	2.9
SDY	U.S.	High Dividend Stocks	4.2	14.3	16.4	10.0	14.0
TLT	U.S.	Long Term Treasuries	0.7	7.2	6.7	3.2	2.5
VCSH	U.S.	Short Term Inv. Grade Corporate Bonds	-0.3	2.2	2.5	1.9	1.8
IEV	Europe	Stocks	-0.1	23.3	29.5	3.9	6.9
RWX	International	REITs	2.4	11.8	12.6	1.5	3.7
EWJ	Japan	Stocks	2.1	23.3	22.0	10.1	11.2
EEM	Emerging Markets	Stocks	-0.4	32.2	31.5	5.2	3.6
EMB	Emerging Markets	Sovereign Bonds	-0.3	8.8	10.4	4.9	2.9

Source: FactSet Research Systems Inc.

ETF Spotlight | VNQ

Launched in 2004 by Vanguard, The Vanguard U.S. REIT fund tracks a market-cap weighted index of companies involved in the ownership and operation of real estate in the United States. This fund is a rare “one -stop” option for investors looking to gain exposure to U.S. real estate.

VNQ is also unique in that, like so many Vanguard funds, its expense ratio is very low; at 0.12%, VNQ offers one of the cheapest REIT ETF investment opportunities in the market.

Net Assets	\$35 B
Average Daily \$ Volume	\$272 M
Year-to-Date Return	5.0%
Expense Ratio	0.12%
Distribution Yield	4.68%

Source: FactSet Research Systems Inc.

In the News

Why downside protection may matter more than upside growth. Read the article [here](#).

The Stock Market Might Be Right, Sort Of. Read the article [here](#).

Worthwhile Reading

[Thinking Fast and Slow](#)—Psychologist and Nobel Prize winner in Economics, Daniel Kahneman develops his Prospect Theory and 2 ways the brain forms thoughts: System 1, fast and emotional; System 2; slower and more logical. Important for investors is that while emotion and reaction have served humans well as a species and their survival, those very same traits can be harmful when applied to money management.

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