

## 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 Growth (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% |       |       |       |      |       |      |      |       |       |      |      | 0.0% |

### GTAA Growth (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% |       |       |       |      |      |      |      |       |       |       |      | 1.1%  |

## Portfolio Allocation:

During January, the GTAA Growth strategy continued to shun growth-sensitive assets, with the portfolio 75% invested in short-term U.S. investment grade corporate bonds, which rose 1.3%, and 25% invested in long-term U.S. Treasuries, which rose 0.4%. For our Canadian dollar-based accounts, this gain was tempered by our 25% short exposure to the Canadian dollar, which rose 3.8% vs. its U.S. counterpart.

For February, our models have made significant adjustments to the portfolio. Specifically, we have initiated 10% long positions in the following seven markets: Canadian stocks, emerging market stocks, U.S. REITs, international REITs, emerging market sovereign bonds, U.S. preferred shares, and U.S. high yield bonds. The remaining 30% of portfolio is allocated to short-term investment grade corporate bonds (22.5%) and long-term Treasuries (7.5%).

ETF Performance

| Symbol | Geography        | Asset Class                           | Jan  | YTD  | 1 Year | 3 Year | 5 Year |
|--------|------------------|---------------------------------------|------|------|--------|--------|--------|
| XIU    | Canada           | Stocks                                | 8.5  | 8.5  | 1.5    | 10.3   | 6.1    |
| SPY    | U.S.             | Stocks                                | 8.0  | 8.0  | -2.4   | 13.7   | 10.4   |
| VNQ    | U.S.             | REITs                                 | 11.9 | 11.9 | 9.4    | 7.0    | 8.3    |
| PFF    | U.S.             | Preferred Shares                      | 5.6  | 5.6  | 1.9    | 3.5    | 4.5    |
| HYG    | U.S.             | High Yield Corporate Bonds            | 4.9  | 4.9  | 2.6    | 7.5    | 3.1    |
| SJNK   | U.S.             | Short Term High Yield Corporate Bonds | 3.9  | 3.9  | 2.8    | 7.9    | 2.4    |
| LQD    | U.S.             | Inv. Grade Corporate Bonds            | 3.4  | 3.4  | 0.6    | 4.0    | 3.2    |
| SDY    | U.S.             | High Dividend Stocks                  | 6.3  | 6.3  | 1.3    | 13.2   | 9.9    |
| TLT    | U.S.             | Long Term Treasuries                  | 0.4  | 0.4  | 2.0    | 1.1    | 4.9    |
| VCSH   | U.S.             | Short Term Inv. Grade Corporate Bonds | 1.3  | 1.3  | 2.6    | 2.2    | 1.8    |
| IEV    | Europe           | Stocks                                | 6.4  | 6.4  | -13.8  | 6.1    | 1.2    |
| RWX    | International    | REITs                                 | 9.7  | 9.7  | -3.4   | 5.8    | 3.8    |
| EWJ    | Japan            | Stocks                                | 7.1  | 7.1  | -12.4  | 7.3    | 5.1    |
| EEM    | Emerging Markets | Stocks                                | 10.3 | 10.3 | -13.8  | 14.2   | 4.3    |
| EMB    | Emerging Markets | Sovereign Bonds                       | 4.8  | 4.8  | -0.5   | 5.8    | 4.8    |

Source: FactSet Research Systems Inc.

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