

CW FOCUS STOCK PORTFOLIO

Q3 2017 Report

Investment Objective and Criteria

The CW Focus Stock Portfolio aims to increase the value of your investment over the long term. The portfolio is diversified into mid-to-large capitalization stocks or trust units listed on the S&P/TSX Composite Index, the S&P 500 Index, or the NASDAQ 100 Index. The portfolio consists of up to 20 securities (no more than 10 to each country) and is diversified by industry sector according to our process and investment policy. This enables the investor to gain exposure to the strongest opportunities within an equity pool of over 700 securities and two distinct economic climates. The portfolio is focused on buying what's working and avoiding what isn't.

Performance as of 09-30-2017

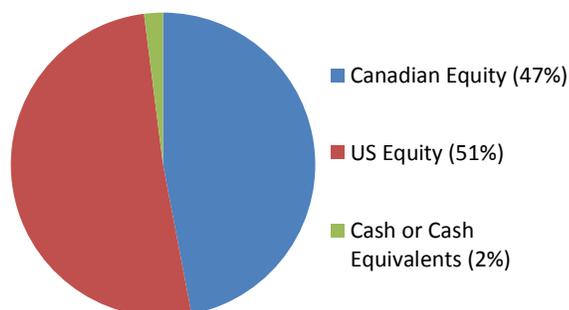
Calendar Year Returns %	2015 ⁽³⁾	2016	YTD	
CW Focus Stock Portfolio ⁽¹⁾	+10.0%	+16.5%	+4.0%	
Benchmark ⁽²⁾	+1.3%	+14.6%	+4.7%	

Trailing Returns %	3 Mo	6 Mo	1 Yr	Annualized
CW Focus Stock Portfolio ⁽¹⁾	+4.5%	+2.6%	+12.0%	+11.4%
Benchmark ⁽²⁾	+1.9%	+1.2%	+10.2%	+7.6%

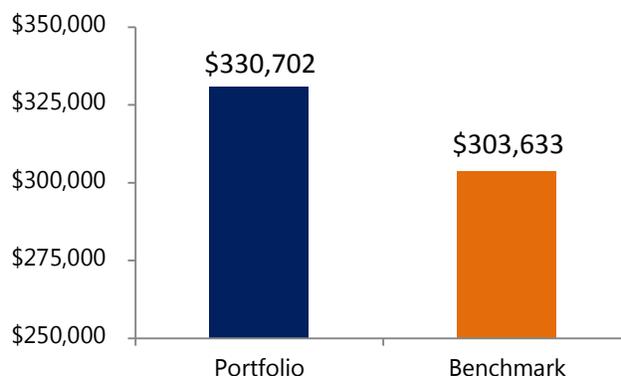
Investment Details

Inception Date:	February 4 th , 2015
Minimum Investment:	\$250,000
Management Fee:	1.75% per annum
Type of Portfolio:	North American Equity

Geographic Diversification as of 09-30-2017



Cumulative Return Since Inception on \$250,000⁽¹⁾



Top 10 Holdings as of 09-30-2017

Applied Materials	8.0%
Waste Connections Inc.	5.5%
Premium Brands Holdings Corp	5.4%
Restaurant Brands Intl Inc.	5.4%
Align Tech Inc.	5.3%
Zions Bancorp Utah	5.0%
FMC Inc.	4.9%
Canadian National Railway Corp	4.9%
West Fraser Timber	4.9%
Boeing Co	<u>4.8%</u>
Total Weight Top 10 Holdings	54%

Portfolio Allocation as of 09-30-2017

Global Equity Sectors	% of Equity
Information Technology	22 %
Basic Materials	19 %
Consumer Discretionary	19 %
Industrials	15 %
Health Care	14 %
Financials	10 %

Market Cap	% of Equity
Large (>\$5B)	84 %
Medium (>\$1.5B)	14 %
Small (<\$1.5B)	0 %

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Q2 2017 Report

Manager Commentary

The Focus Stock Portfolio returned +4.5% in the third quarter of 2017.

Growth is back! As we noted in our Q2 commentary, market conditions have been weak for the better part of the year. Our intermediate term indicator that measures the level of participation in the broad stock market flipped negative in late March this year. It's not a situation that requires drastic action on our part, as most of the time it simply indicates that conditions are ripe for a shorter term correction or drop, before the longer-term bull trend resumes.

However, this time round instead of a sharp drop we were treated to a multi-month period of sideways churn. While some of the large cap market darlings still gained ground (Apple, Google, Netflix) as spring turned to summer and then fall fewer and fewer stocks were gaining ground. Although that can be a profitable environment for traders, for trend-followers it leaves us with fewer and fewer trends to follow.

Thankfully, as the quarter neared completion our intermediate-term indicator flipped backed to positive again, suggesting that the odds were again in favor of sustainable gains. And lo and behold, gains were made!

It is interesting to note that the bulk of the growth in the portfolio was realized once our indicator turned positive in early September. 4.4% of the 4.5% growth in the quarter was

captured in the last three weeks. Investment returns can be quite lumpy, which is why we commented in our last quarterly regarding the cyclical nature of the markets. Sometimes the growth comes easily, like in '15 and '16. Other times we just have to grind it out in the trenches and take what we can get until conditions improve.

At the moment, all of our broad market indicators are bullish and we are fully invested in the portfolio. There continues to be large disparity in sector strength within the stock market – Information Technology, Consumer Discretionary, and Basic Materials continue their dominance. Financials and Real Estate have been weakening since early March, while Energy and Consumer Staples have simply stayed weak all year. We have also seen an increase in the strength within the (US) health care sector.

The trend is your friend, and for now the trends, as we measure them, are all bullish. The moment that changes, so will we. But no sooner.

Investment Managers



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