

CW NORTH AMERICAN GROWTH PORTFOLIO

Q4 2017 Report

Investment Objective and Criteria

The CW North American Growth 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 or the S&P 500 Index. The portfolio consists of up to 30 securities (no more than 15 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.

Performance as of 12-31-2017

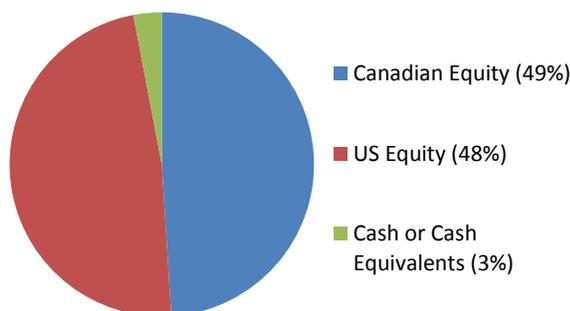
Calendar Year Returns %	Q4 2014 ⁽³⁾	2015	2016	2017
CW North American Growth Portfolio ⁽¹⁾	+8.0%	+15.8%	+11.4%	+7.3%
Benchmark ⁽²⁾	+5.8%	+6.0%	+14.6%	+10.8%

Trailing Returns %	3 Mo	6 Mo	1 Yr	Annualized
CW North American Growth Portfolio ⁽¹⁾	+5.6%	+9.2%	+7.3%	+13.4%
Benchmark ⁽²⁾	+6.2%	+8.1%	+10.8%	+11.7%

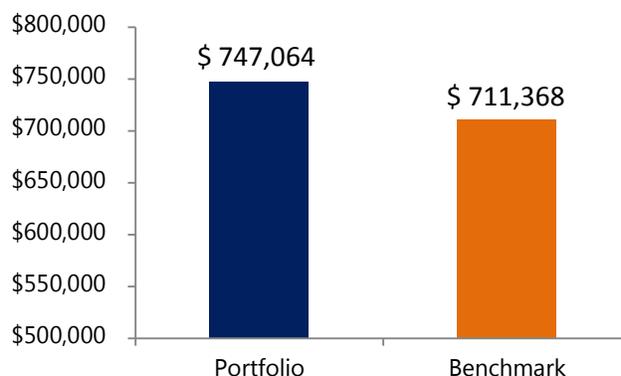
Investment Details

Inception Date:	October 21st, 2014
Minimum Investment:	\$500,000
Management Fee:	1.75% per annum
Type of Portfolio:	North American Equity

Geographic Diversification as of 12-31-2017



Cumulative Return Since Inception on \$500,000⁽¹⁾



Top 10 Holdings as of 12-31-2017

Air Canada	4.6%
Applied Materials Inc.	4.4%
Netflix.com Inc.	4.0%
Canopy Growth Corp	4.0%
Align Tech Inc.	4.0%
West Fraser Timber Co Ltd.	3.9%
Premium Brands Holding Corp	3.8%
Waste Connections Inc.	3.5%
Kirkland Lake Gold Ltd.	3.4%
Wynn Resorts Ltd.	3.4%
Total Weight Top 10 Holdings	39%

Portfolio Allocation as of 12-31-2017

Global Equity Sectors	% of Equity
Consumer Discretionary	20 %
Information Technology	18 %
Health Care	17 %
Basic Materials	16 %
Industrials	14 %
Financials	9 %
Real Estate	3 %

Market Cap	% of Equity
Large (>\$5B)	79 %
Medium (>\$.5B)	18 %
Small (<\$.5B)	0 %

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Manager Commentary

The North American Growth Portfolio returned +5.6% in the fourth quarter of 2017.

In last quarter's commentary we commented on the lumpy nature of investment returns. We all like to see steady growth in our investment portfolios over the course of the year – but of course the markets don't care about what we want. Of the 7.3% gain delivered in 2017, 5.8% was captured in the month of October. It is ironic to us that the month most investors associate with a market swoon was turned out to be the best month of the year.

As per usual in early 2018 we have been inundated with expert opinions of what the year will bring.

We have read none of them.

Why not?

One of the most important resources to protect in investing is your emotional objectivity. If we start to believe in a particular market outcome, it tends to influence one's investment decisions in order to be consistent with that belief. Although sometimes this can help investors to weather turbulent markets when there is faith in an inevitable recovery, it can also lead to situations where people cling to an outcome that never materializes.

We bring this up because for the first time in years we are seeing the signs of excitement and no small dose of euphoria in the certain areas of the market. Marijuana stocks and Cryptocurrencies are all the rage these days, with the experts weighing in on the merits of these assets daily.

We have been asked numerous times – is it too late, or should I jump on the bandwagon too? Did I miss it? Should I buy?

Although we are aware of and have a cursory understanding of the fundamentals surrounding pot stocks and bitcoin, we're not going to comment on that here. Of greater significance is the behavior of market participants surrounding these asset classes (or any other revolutionary new asset class that has delivered spectacular returns). When the vast majority of market experts are exceedingly confident of a future bullish outcome *after* prices have gone parabolic, the odds, we would say, are not in your favor. I hope they have a good sell discipline.

As far as the broad markets are concerned, all of our long-term indicators are bullish and have remained so consistently since March '16. Yes, the cyclicity of markets/economies guarantees that at some point, this bull market will end and the pain will begin. We have no reliable way of predicting when this will happen. We can, however, identify when it *is starting to happen* and will take action at that point in time. But no sooner.

Investment Managers



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