

CW NORTH AMERICAN GROWTH PORTFOLIO Q2 2016 Report

Investment Objective and Criteria

The CW North American Growth Portfolio aims to increase the value of your investments over the long term by investing in the equity securities of companies listed on the senior stock exchanges of Canada and the United States. To be eligible for consideration the company must be listed on the S&P/TSX Composite Index or the S&P 500 Index and have a consolidated market capitalization of greater than one billion dollars. The portfolio consists of up to 30 stocks (no more than 15 to each country) and is diversified by industry sector according to our process and 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.

Investment Details

Inception Date: October 21st, 2014
Minimum Investment: \$300,000
Management Fee: 1.75% per annum

Why invest?

- Because we use and follow simple rules.
- Because we don't try to guess the future.
- Because it's based on human behavior (and you're human).
- Because we follow a rigorous process.
- Because we question everything.
- Because you'll understand how we work.
- Because you'll understand why it works.
- Because you'll worry less.
- Because you'll be retire-able.
- Because you'll be happier.
- Because it works.

Investment Managers



Jeff Woods, CIM, B. Eng.,
Portfolio Manager
Wolverton Securities Inc.



David Cameron, CIM, Hon. B.Sc.,
Portfolio Manager
Wolverton Securities Inc.

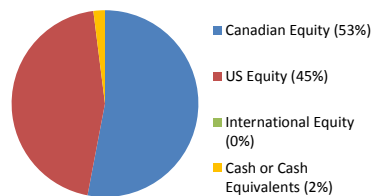
Performance as of 06-30-2016

| Calendar Year Returns % | Q4 2014 ⁽²⁾ | 2015 | YTD | |
|---|------------------------|--------|-------|--|
| CW North American Growth Portfolio ⁽¹⁾ | +8.0% | +15.8% | +0.0% | |
| Benchmark ⁽³⁾ | +5.8% | +6.0% | +3.1% | |

| Trailing Returns % | 3 Mo | 6 Mo | 1 Yr | Annualized |
|---|-------|-------|-------|------------|
| CW North American Growth Portfolio ⁽¹⁾ | +8.6% | +0.0% | +9.8% | +14.1% |
| Benchmark ⁽³⁾ | +3.4% | +3.1% | +5.8% | +8.9% |

Portfolio Analysis as of 06-30-2016

Composition



Top 10 Holdings

| | |
|-------------------------------------|------------|
| First Majestic Silver Corp | 6.0% |
| Barrick Gold Corp | 4.6% |
| ONEOK Inc. New | 4.6% |
| Pan American Silver Corp | 4.4% |
| Kinross Gold Corp | 4.2% |
| Baytex Energy Corp New | 4.0% |
| NVidia Corp | 3.9% |
| Murphy Oil Corp Holdings | 3.4% |
| Paramount Resources | 3.4% |
| Constellation Brands Inc. CI A | 3.2% |
| Total Weight Top 10 Holdings | 42% |

Global Equity Sectors % Equity

| | |
|------------------------|------|
| Basic Materials | 22 % |
| Energy | 19 % |
| Information Technology | 13 % |
| Utilities | 13 % |
| Consumer Staples | 12 % |
| Consumer Discretionary | 9 % |
| Health Care | 6 % |
| Industrials | 6 % |

| Market Cap | % |
|------------------|------|
| Large (>\$5B) | 58 % |
| Medium (>\$1.5B) | 34 % |
| Small (<\$1.5B) | 6 % |

Manager Commentary

The North American Growth Portfolio returned a respectable +8.6% in the second quarter of 2016, beating our benchmark by 5.2% and bringing year to date returns to investors to break-even.

Precious metals stocks lead the charge in Q2, with solid performance from all four of our positions in the sector (+110%, +54%, +50%, and +41%). Noticeable gains were also recorded in energy (Paramount +24% and Baytex +29%), with ONEOK +45% (Utilities) and NVidia +30% (Technology) standing out as the top US performers. Top underperformers in Q2 were Chesapeake Energy (-34%), Michael Kors Limited (-28%), and Hormel Foods (-19%). We're happy to see that our winners continue to 'win more' than our losers lose – part of our promise to let our winners run and cut our losses short.

The trend is your friend, as they say, and the significant trend changes that kicked off in early 2016 continued in Q2 as well. Of the six major assets classes we follow (Domestic Stocks, International Stocks, Cash, Commodities, Currency, and Fixed Income), Commodities have moved from last place to first place in the last 6 months. That move has been reflected in the changes in our sector weightings. On Jan 1st, 60% of the portfolio was invested in Technology and Consumer stocks with only 3% in Energy and Mining. 6 months later we find ourselves with a combined 41% weighting in Energy and Mining stocks with only half the previous Technology and Consumer weight (34%). The Utility sector has seemingly also come to life, with our relative strength investment process directing us into a 13% utility weighting within the portfolio.

Finally, the markets as a whole were relatively positive during the quarter despite the Brexit surprise two weeks ago. One benefit to the Brexit vote result is that it gave the Bears a reason to sell and run for the exits, clearing the way for what we expect to be further portfolio gains in the quarters to come.

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