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CAMERON WOODS
PORTFOLIO MANAGEMENT
*Make Every Year Count.*

GLOBAL EQUITY

# CW GLOBAL GROWTH ETF PORTFOLIO

Q2 2016 Report

## Investment Objective and Criteria

The CW Global Growth ETF Portfolio aims to eliminate company specific risk, minimize draw-downs in the portfolio and increase the net value of your investment over the longer term. The portfolio is designed to provide the investor with an absolute return over any 3 year rolling period. The portfolio is specifically designed to offer the benefits of growth, low turnover, global diversification and potential inflation protection using a relative strength based process.

The assets are invested in a portfolio of Canadian currency-denominated Exchange Traded Funds (ETFs) that trade on the Toronto Stock Exchange. Leveraged and Commodity based ETF's are prohibited. The Managers have the ability to reduce equity exposure to zero in periods deemed to be high market risk.

## Investment Details

| | |
|---|---|
| Inception Date: | March 3rd, 2015 |
| Minimum Investment: | $100,000 |
| 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 it works.
- 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
PI Financial Corp

David Cameron, CIM, Hon B.Sc.
Portfolio Manager
PI Financial Corp

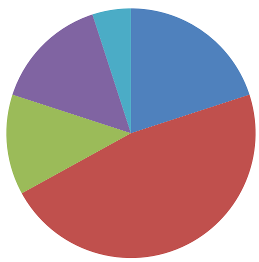
## Performance as of 06-30-2016

| **Calendar Year Returns %** | 2015[3] | YTD |
|---|---|---|
| CW Global Growth ETF Portfolio [1] | **+4.5%** | **+4.0%** |
| Benchmark | -7.0% | +3.2% |

| **Trailing Returns %** | 3 Mo | 6 Mo | 1 Yr | Annualized |
|---|---|---|---|---|
| CW Global Growth ETF Portfolio [1] | **+7.4%** | **+4.0%** | **+10.2%** | **+6.5%** |
| Benchmark | +2.5% | +3.2% | -2.3% | -3.0% |

## Portfolio Analysis as of 06-30-2016

### Composition




### Investment Positions

BMO Long Corporate Bond Index
BMO Mid-Term US Investment Grade Bond
BMO Long Federal Bond Index
BMO Mid-Term Federal Bond Index
iShares Core Canadian Long Bond Index
BMO Junior Gold Index
iShares MSCI Brazil Index Fund
BMO Low Volatility US Equity
iShares S&P Global Water
BMO Junior Oil Index
iShares EDGE MSCI Min Volatility Global

## Manager Commentary

The markets have a property called *non-stationarity.* This refers to games whose rules are constantly in flux or changing. Most people can figure out how to make money (or win) with one set of rules, but when the rules change, they lose. How do you make any money then if the rules are constantly changing? How do you even start? To be sure, in the short run there is a great deal of luck at play. In fact, we wrote a paper called "Make Your Own Luck" about this very issue (email us if you'd like a copy). But being lucky in the short term doesn't translate to making money in the long term.

Since we are fortunate enough to live next to the Pacific Ocean let's consider the ocean tides. The market is like the tides; always ebbing and flowing with a period of slack in between. We understand the immense gravitational force of the moon that causes the tides to ebb and flow and it would never occur to us to think we could stop it. Broad asset classes within the markets are like the tides. They ebb and flow. What never ceases to amaze me is the number of people that try to "fight" these powerful movements. What if we could harness the energy of market moves instead?

Go with the flow and harness its energy to your advantage. We harness the energy of the market by investing in the asset classes that relatively outperform. In the last 6 months there has been a considerable amount of change in the flow of the markets. On December 31st, 2016 we ranked the asset classes from best to worst: 1) Domestic Equities, 2) Fixed Income, 3) Cash, 4) International Equities, 5) Currencies and **6) Commodities**. Today things look considerably different: **1) Commodities**, 2) Fixed Income, 3) Domestic Equities, 4) Cash, 5) Currency and 6) International Equities.

The broad Commodity move from last to first place in only 6 months is noteworthy and reflected with investments in Gold, Oil and Brazil in our Portfolio.

Also noteworthy is the continued strength of Fixed Income as an asset class. Only recently displaced from the number one spot by Commodities, our holdings in Bonds have served us extremely well during the recent Brexit turmoil (as did our holdings in Gold for that matter). While our benchmarks fell precipitously in the wake of the UK Leave vote the Global Growth Portfolio was making gains. I think it's also worth noting that while broad equity markets have rebounded since the Brexit vote the Bond Market has not given back its gains. While we refrain from making market predictions, I'm comfortable in suggesting that the UK Leave vote is only the first domino to fall in the EU saga. Are you ready for the next domino?

Regardless of how many dominoes fall we remain open to any eventuality that the market brings and are confident our strategies, tactics and tools will help us to successfully navigate whatever happens.

***Make Every Year Count!***