

# Performance

## Evidence-based | Systematic | Alpha

|      | Jan    | Feb    | Mar    | Apr    | May                 | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    | Year                | TSX TRI | Hurdle |
|------|--------|--------|--------|--------|---------------------|--------|--------|--------|--------|--------|--------|--------|---------------------|---------|--------|
| 2017 | -1.28% | -0.48% | +2.24% | +1.44% | -0.84% <sup>e</sup> |        |        |        |        |        |        |        | +1.04% <sup>e</sup> | +1.50%  | +1.63% |
| 2016 |        |        |        |        |                     | +0.34% | +3.69% | -3.01% | +0.09% | -1.48% | +1.83% | +0.40% | +1.73%              | +10.61% | +2.36% |

1. Fund launched June 1, 2016, and "e" above indicates estimate. Returns are for Class A Shares – Management Fee 2% pa, Performance Fee 20% of returns in excess of CAD 90-day T-bills + 3.50% pa, Operating Expenses capped at 50 bps pa.

Please consult your advisor before investing. There may be commissions, trailing commissions, management fees and expenses associated with investments. Investments are not guaranteed, their values change frequently and past performance may not be repeated. Except as otherwise noted, the indicated rates of return are the historical annual compounded total returns for the period. The rates of return for periods of less than one year are simple rates of return. Investments are not guaranteed or covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. Past performance may not be repeated.

### May 2017 Performance

The Fund outperformed the TSX Total Return Index by an estimated 49 bps. The Fund achieved an estimated net return of -0.84%<sup>e</sup> (Class A) as compared to the TSX Total Return Index return of -1.33%. In May, the Fund benefited from its weightings in Technology (+0.20%), Utilities (+0.17%) and Consumer Cyclical (+0.16%). The Fund was hurt by its weighting in Financials (-0.44%) and Industrials (-0.33%).

**We remained active during the month and have continued to follow our disciplined process.** We added 7 new holdings to the Fund in May, which were across a variety of sectors. We also sold 30 positions – most of these were in the Financial sector, which included most of the

Canadian banks. During May, Air Canada, Sleep Country, Veresen and Boyd Group contributed most to positive performance while Badger Daylighting, Enercare, Uni-Select and Open Text hurt performance.

**We remain committed to our systematic, rule-based trend following strategy** and are confident in the long-term risk-adjusted return potential of this algorithm, given the performance since inception as well as the rigorous back-testing conducted on the model prior to launch.

We are always available and happy to discuss any aspect of the Fund or its strategy.

Thanks again for your support.

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As of May 31, 2017:

| <u>Sectors</u>       | <u>Weight</u>      | <u>Top 10 Holdings</u> | <u>Weight</u>       |
|----------------------|--------------------|------------------------|---------------------|
| 1 Financials         | 20.5%              | 1 Sleep Country Canada | 1.6%                |
| 2 Con Non-Cyclicals  | 13.6%              | 2 Open Text Corp       | 1.5%                |
| 3 Energy             | 11.3%              | 3 Hydro One Ltd        | 1.4%                |
| 4 Consumer Cyclicals | 11.1%              | 4 BCE                  | 1.3%                |
| 5 Utilities          | 10.8%              | 5 FirstService Corp    | 1.3%                |
| 6 Industrials        | 10.7%              | 6 Crombie REIT         | 1.3%                |
| 7 Communications     | 8.3%               | 7 Emera Inc            | 1.3%                |
| 8 Basic Materials    | 7.0%               | 8 Premium Brands       | 1.2%                |
| 9 Technology         | 5.9%               | 9 George Weston        | 1.2%                |
| 10 Diversified       | 0.9%               | 10 Morneau Shepell     | 1.2%                |
| <b><u>Total</u></b>  | <b><u>100%</u></b> | <b><u>Total</u></b>    | <b><u>13.3%</u></b> |

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As of May 31, 2017:

| <u>Sector Contribution</u> | <u>Impact</u>        | <u>Top 5 Contributors</u>           | <u>Impact</u> |
|----------------------------|----------------------|-------------------------------------|---------------|
| 1 Technology               | +0.20%               | 1 Air Canada                        | +0.23%        |
| 2 Utilities                | +0.17%               | 2 Sleep Country                     | +0.18%        |
| 3 Consumer Cyclicals       | +0.16%               | 3 Veresen                           | +0.15%        |
| 4 Diversified              | +0.08%               | 4 Boyd Group                        | +0.12%        |
| 5 Consumer Non-Cyclicals   | +0.00%               | 5 New Flyer Industries              | +0.10%        |
| 6 Communications           | -0.01%               |                                     |               |
| 7 Basic Materials          | -0.19%               | <b><u>Bottom 5 Contribitors</u></b> |               |
| 8 Energy                   | -0.29%               | 1 Badger Daylighting                | -0.20%        |
| 9 Industrials              | -0.33%               | 2 Enercare Inc                      | -0.18%        |
| 10 Financials              | -0.44%               | 3 Uni-Select                        | -0.12%        |
| <b><u>Total</u></b>        | <b><u>-0.65%</u></b> | 4 Open Text                         | -0.12%        |
|                            |                      | 5 Secure Energy                     | -0.08%        |