

10<sup>th</sup>  
ANNIVERSARY



2017 CANADIAN  
HF AWARDS

# CHFA Winners Showcase Investor Conference

barometer

 **CONNOR, CLARK & LUNN**  
FINANCIAL GROUP

 **CLARET**  
ASSET MANAGEMENT CORPORATION

**HGC** | INVESTMENT MANAGEMENT INC.

 **CRYSTALLINE**  
MANAGEMENT

**DONVILLE | KENT**  
asset management inc.

**PICTON  
MAHONEY**  
Asset Management



**WARATAH**

 **LAWRENCE PARK**  
ASSET MANAGEMENT



# CHFA Winners Showcase Investor Conference

# Welcome

Phillip Boyd  
Vice President





# CHFA Winners Showcase Investor Conference

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# CHFA Winners Showcase Investor Conference

## *Portfolio Transformers*

### *Looking at Hedge Funds as Substitutes and Diversifiers in an Investor Portfolio*

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# CHFA Winners Showcase Investor Conference

## *Hedge Funds as Substitutes*



# CHFA Winners Showcase Investor Conference

***Bryan Nunnelley***  
**Managing Director**



**CRYSTALLINE**  
— MANAGEMENT —

# AMETHYST ARBITRAGE FUND

Launched in 1998

## *CANADA-Focused ARBITRAGE*

- *3 Lowly Correlated Strategies*
  - *Compelling Yields*
- *Institutional Caliber & Abundant Opportunities*



May 2018



# History

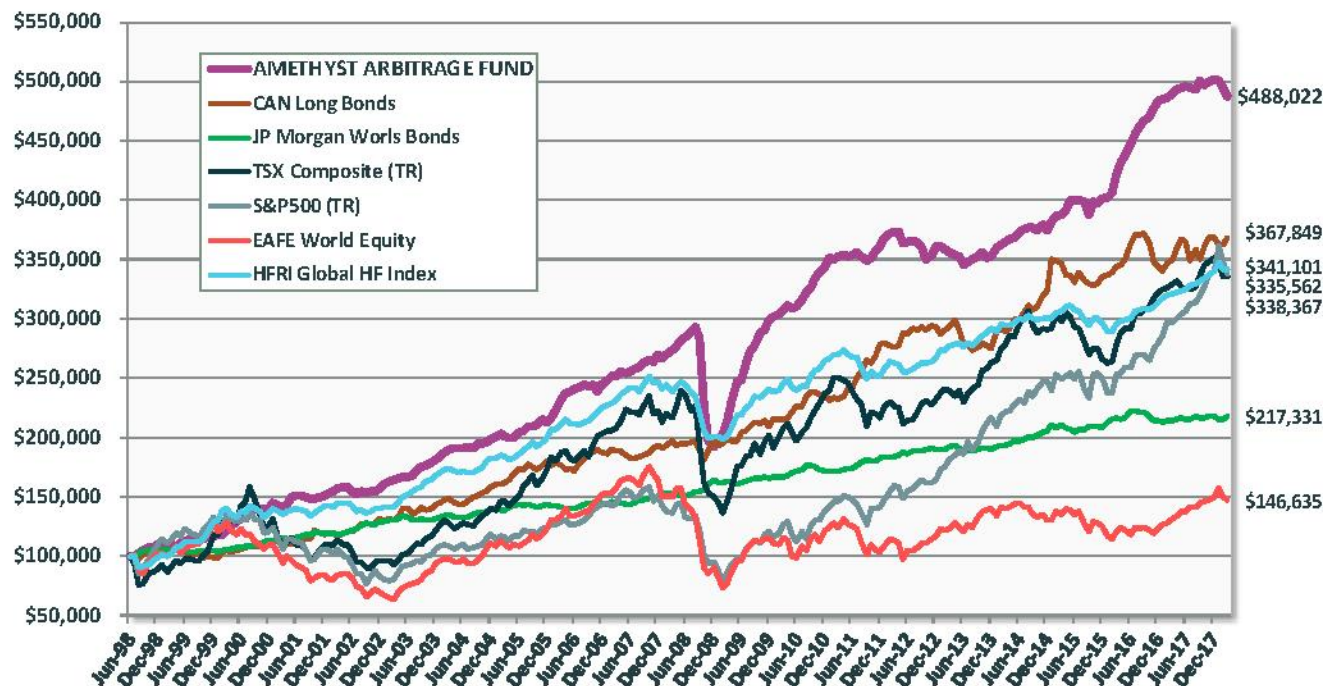
Crystalline's founder, Marc Amirault, while a PM at the Caisse de dépôt et placement du Québec (CDPQ manages \$300 billion) convinced senior management to launch a niche arbitrage strategy to exploit inefficiencies in Canadian capital markets, ignored by other investors.

---

Marc successfully ran this strategy during his last 3 years at CDPQ and, in 1998, having demonstrated its potential left CDPQ to found Crystalline Management where the strategy remains the foundation of our expertise.

# STANDING THE TEST OF TIME

## Growth of \$100,000 Invested on June 30<sup>th</sup> 1998



## 19+ YEAR TRACK RECORD

As of Mar. 31, 2018	Return (%)				Annualized Return (%)			
	Last month	3 mth	6 mth	YTD	1 yr	3 yr	5 yr	Inception
Amethyst ONshore	-1.46	-2.9	-2.5	-2.9	-0.3	8.0	6.5	8.4

# HIGHLIGHTS

- NICHE PRODUCT Canadian focused diversified arbitrage fund using:
  - ✓ **Convertible Securities (conv. debt & other)**
  - ✓ **Event Driven (M&As & other)**
  - ✓ **Fixed Income (carry/roll-down & other)**
- HIGHLY DIVERSIFIED 450+ positions = 170+ arbitrage situations
- LOW VOLATILITY & VERY LOW CORRELATION with other assets
- CLIENT BASE 85% Institutional & 15% HNW & Advisors
- FULL TRANSPARENCY offered to institutional investors, NO LOCK-UP
- REGULAR DD by INSTITUTIONAL CLIENTS = robust infrastructure
- STANDARD BOARD for ALTERNATIVE INVESTMENTS



# AMETHYST

## STRICT DEFINITION OF ARBITRAGE

### Amethyst Exploits Structural Inefficiencies

*What is  
Arbitrage*

**Arbitrage** is taking advantage of a price difference between two or more related securities by buying or selling the combination in such a way as to capitalize upon the imbalance, the profit being the difference between the market prices.

*Our  
Approach*

- **Non-directional** - No calls on the direction of markets
- **Strict definition of Arbitrage** - No speculation & positions hedged



*Some of the  
Benefits*

- In normally functioning markets, each arbitrage position offers:
  - Almost complete **elimination of market risk**
  - Substantial **decrease of company-specific risk**

Amethyst's "structural" volatility is remarkably low/stable; at mid point between JP Morgan World Bonds & Canadian Long Bonds.

## INVESTMENT OBJECTIVES &amp; STRATEGIES

RETURN	5 to 10 % above CAN 91 day T-Bills
VOLATILITY	5 to 7 % annualized
SECONDARY OBJ.	Capital preservation & Very low correlation w/ traditional asset classes

Primary focus on Canadian opportunities Typical Weight

1. **CONVERTIBLE SECURITIES ARBITRAGE** (35-55%)
  - Convertible Debentures & Synthetic convertibles
  - Warrants
2. **EVENT DRIVEN ARBITRAGE** (25-45%)
  - M&A & other 'pure' arbitrage opportunities
  - Private Placements/ Receipts / Spin-Offs
3. **FIXED INCOME ARBITRAGE** (since Oct 12) (10-25%)
  - Relative Value CAN Bonds (Ratings, Maturity, Types, Liquidity)
  - Very small directional component (Opportunistic)

# STRATEGY – CONVERTIBLE BOND

EXAMPLE:  **kelt** exploration

## The Securities:

Kelt Exploration issued convertible debentures (KEL.DB) on (04/12/2016) which are convertible into common stock (KEL)

### DEBENTURE (KEL.DB)

Issue Price **\$100**  
 Annual Coupon **5.00%**  
 Convertible into **18.2 shares of KEL (conversion price \$5.50)**

### UNDERLYING STOCK (KEL)

Current price **\$ 3.90**

The price of KEL.DB only partially reacts to changes in KEL (*the Delta*):  
 ... so we only short 13 shares of KEL (*delta hedge ratio = 12.91*)

## The Trade:

➔ Buy	1 KEL.DB	@ \$100.00 =	\$ 100.00
- Short	13 KEL	@ \$ 3.90 =	\$ 50.70
CASH USAGE			\$ 49.30

## Return:

'STATIC' return =  $\frac{\text{Coupon (less short borrow costs)}}{\text{Cash}} = \frac{\$5.00 - \$0.25}{\$49.30} = 9.6\%$

+ DYNAMIC return of 2 to 4% typical

➔ When KEL ↑ the debenture's delta ↑ so we short more stock to stay hedged  
 When KEL ↓ the debenture's delta ↓ so we buy back stock to stay hedged

# AMETHYST

## RETURN GENERATION - THEORETICAL FRAMEWORK

*HIGHLY  
DIVERSIFIED  
PORTFOLIO,  
with more  
than 170  
arbitrage  
positions at  
all times*

	M&As ARBITRAGE	CONVERTIBLES ARBITRAGE	FIXED INC. ARBITRAGE
Gross Return	Deal Spreads 5 to 8 %	Coupon 4 to 6 %	Net Carry 0.2 to 1.2 %
X Leverage	2 to 4	2 to 5	10 to 15
+ Additional Source of Returns	Uniform Distribution	Delta Adjustments 2 to 5%	-
= Returns, Before Negative Events	<b>8 to 16 %</b>	<b>10 to 15 %</b>	<b>5 to 6 %</b>
- Expected Negative Events	<b>Failures/Cancel. (1 to 5 %)</b>	<b>Defaults/Restruct. (0 to 2%)</b>	-
= Normalized NET Expected Return	<b>7 to 15 %</b>	<b>8 to 13 %</b>	<b>5 to 6 %</b>

**Maximum Portfolio Total Loss Rule (MPTL)**  
*"Simple & Effective"*

No arbitrage position may impact > than -1.5 % in the event of:  
A deal failure or convertible bankruptcy (*assuming 30 % recovery*)

# PERFORMANCE vs. TRADITIONAL ASSET CLASSES

## 19+ Year Track Record

*Spanning several financial crisis & major market turmoil*

FROM Jul. 1998 to Mar. 2018	AMETHYST (onshore), NET OF ALL FEES	91d CAN T-BILLS	CAN Long Term Bonds	S&P/TSX	HFRI Global HF Index	S&P 500	EAFE World Equity	JP Morgan World Bond
Annualized Return	<b>8.36 %</b>	2.34 %	6.82 %	6.32 %	6.41 %	6.37 %	1.96 %	4.01 %
Annualized Standard Deviation	<b>7.77 %</b>	0.51 %	6.79 %	14.61 %	6.66 %	15.03 %	16.71 %	3.08 %
Sharpe Ratio(*)	<b>0.77</b>	-	0.66	0.27	0.61	0.27	-0.02	0.54
Correlation with Amethyst	-	<b>- 0.01</b>	<b>+ 0.03</b>	<b>+ 0.44</b>	<b>+ 0.42</b>	<b>+ 0.41</b>	<b>+ 0.41</b>	<b>- 0.21</b>

\* Sharpe Ratio based on CAN 91 Day T-Bills

- Correlations with comparable HFRI sub-indicies is remarkably low
  - Very low correlations = Significant diversification benefits

# AMETHYST ARBITRAGE FUND

## FUND DETAILS

LEGAL STRUCTURE	<ul style="list-style-type: none"> <li>• Canadian Pooled Fund Trust</li> <li>• RRSP, RIF, TFSA, RPP, DSPS Eligible</li> </ul>
SERVICE PROVIDERS	<ul style="list-style-type: none"> <li>• Trustee ComputerShare Co. of Canada</li> <li>• Administrator MUFG Investor Services (03/2014)</li> <li>• Auditor PricewaterhouseCoopers LLC</li> <li>• Prime Brokers BMO Nesbitt Burns &amp; Scotia Capital</li> </ul>
LIQUIDITY	<ul style="list-style-type: none"> <li>• Minimum Invest. \$25,000 - accredited investors</li> <li>• Currency \$CAN</li> <li>• Valuation/Dealing Monthly</li> <li>• Redemption notice 30 days, no lock-up</li> </ul>
FEES	<ul style="list-style-type: none"> <li>• Management Fee F: 1.25% A:2.25% C:2.0%</li> <li>• Performance Fee 20% over 91d DEX T-Bills (perpetual HWM)</li> </ul>
FundSERV	<ul style="list-style-type: none"> <li>• Yes Cl.F: CRY103; Cl.A: CRY102; Cl. C: CRY100</li> </ul>
AUMs (March 31 <sup>st</sup> 2018)	<ul style="list-style-type: none"> <li>• Firm \$265 M <ul style="list-style-type: none"> <li>➤ Onshore \$CAN 184 M</li> <li>➤ Offshore \$US 57 M (including Topaz)</li> </ul> </li> </ul>



# CHFA Winners Showcase Investor Conference

***Jesse Gamble***

**Vice President & Portfolio Manager**

DONVILLE | KENT  
asset management inc.

**DONVILLE | KENT**  
asset management inc.

**CHFA Showcase**  
**May 15<sup>th</sup>, 2018**



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# Donville Kent Asset Management

## Portfolio Managers

### **JASON DONVILLE PRESIDENT & CEO | MBA, CIM**



Jason has had an illustrious career as an award-winning analyst in both Asia and Canada. Prior to founding DKAM, Mr. Donville was consistently ranked as one of the top financial services analysts in the country. In 2004 and 2005, Mr. Donville was ranked in all three financial services research categories (banks, insurance and diversified financial services) in the annual Brendan Woods surveys. Mr. Donville was also recognized as the Top Stock Picker in Diversified Financial Services in the 2004 and 2005 National Post/Starmine surveys, and ranked number 3 for forecast accuracy in 2004 in the same survey.

### **JESSE GAMBLE VICE PRESIDENT & PORTFOLIO MANAGER | MBA, CIM**

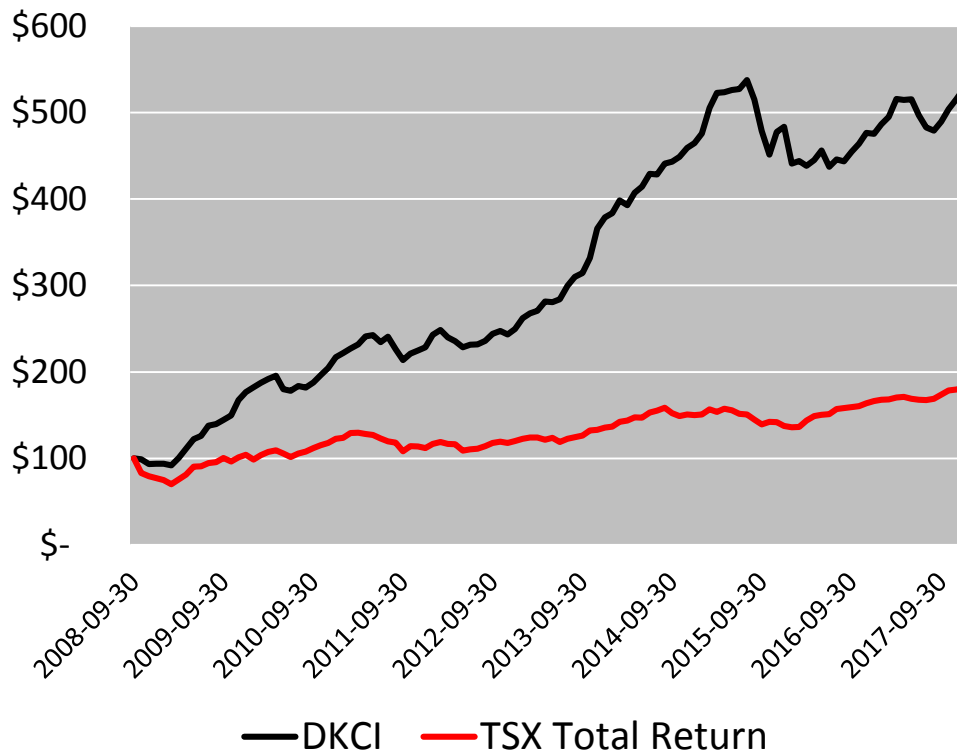


Jesse has been working closely with Jason Donville to manage the DKAM Capital Ideas Fund since 2011. Jesse received an MBA from the Richard Ivey School at Western University and a B.Sc. degree from the Dyson School of Economics at Cornell University. Additionally, Jesse holds the Certified Investment Manager designation and is a certified Portfolio Manager.



# Donville Kent Capital Ideas Fund vs. The Market

## October 2008 – April 2018



- DKCI 19% Annualized<sup>1</sup>
- TSX TR 6% Annualized<sup>2</sup>
- Outperformed the market in 9 of 10 fiscal years



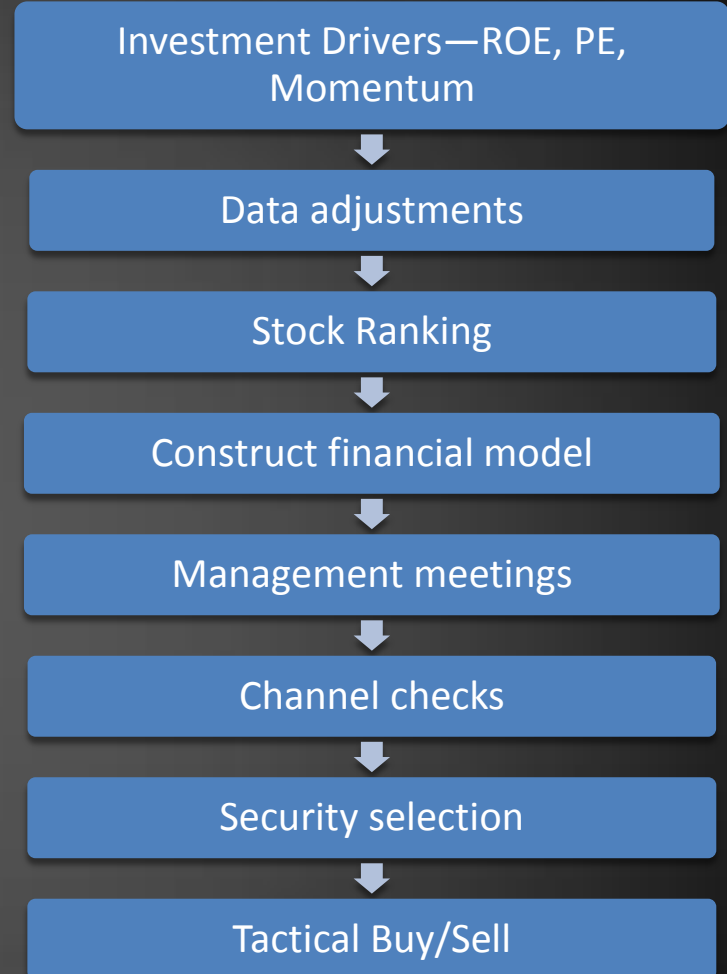
# Investment Approach

## *Return on Equity*

- Best measure of a business's "moat"
- Deep moats sustain high compound growth
- Dupont Analysis

## *Algorithmic Thinking*

- Three factor model based on:
  - Growth
  - Value
  - Momentum
- Numbers first firm



# Investment Approach

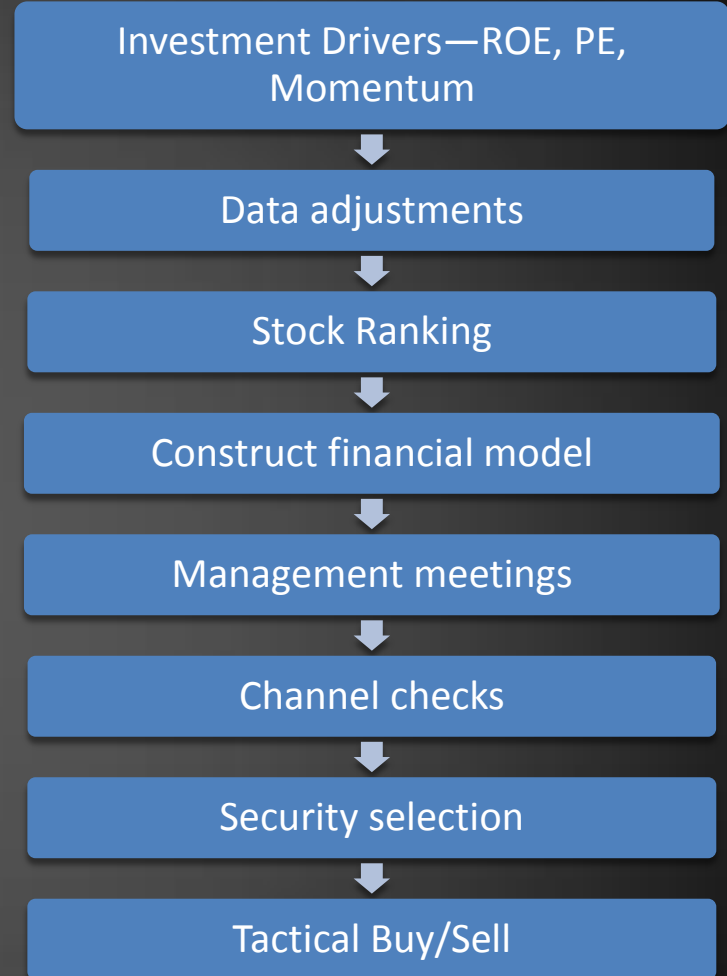
## *Concentration*

- Top 10 positions account for ~80% of the portfolio
- “Diworsification” – Peter Lynch

## *Long-term*

*“If you aren’t thinking about owning a stock for 10 years, don’t even think about owning it for 10 minutes.” WB*

- Long-term investing beats short-term investing. Understanding why is critical to out-performing the market



# Process in Practice

## Top Picks

### Tucows Inc (TC/TCX)

- Legacy business is a Cash Cow Machine
- Deploying Capital on 30% to +100% IRR projects (TING Fiber & TING Mobile)
- Outsider CEO
- 30% 2019 ROE\*
- 16x 2019 Cash Earnings\*

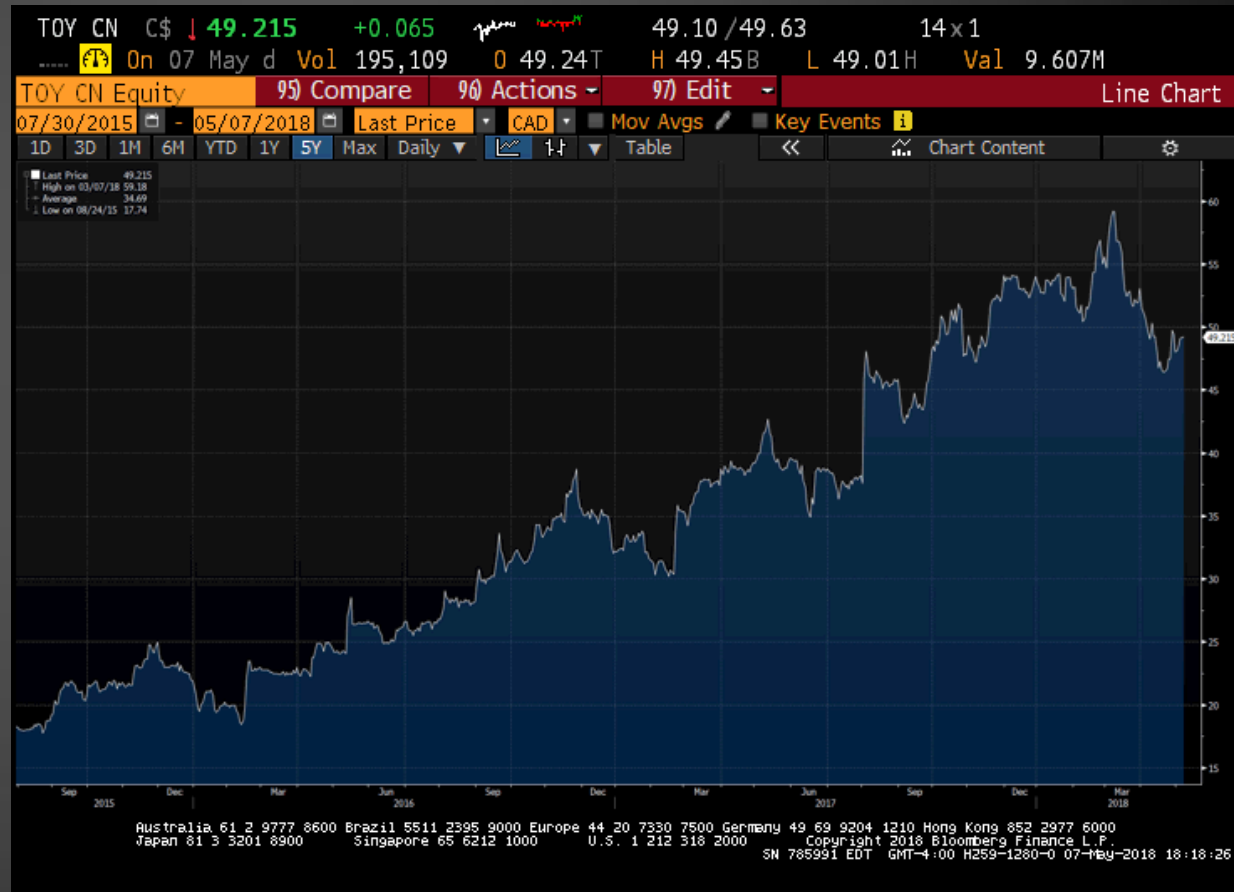


# Process in Practice

## Top Picks

### Spin Master (TOY)

- Master of innovation
- Owns the IP (high margin)
- Founder led
- Net Cash
- 28% 2019 ROE\*
- 15x 2019 Cash Earnings\*



# Process in Practice

## Top Picks

### RediShred (KUT)

- Emerging compounder
- Misunderstood market
- Company is entering growth phase
- 21% 2019 ROE\*
- 8x 2019 Cash Earnings\*



# Donville Kent Asset Management

2009 Canadian Hedge Fund Awards  
“Best New Fund in Canada”



2013 & 2014 Morningstar Awards



“Best Opportunistic Hedge Fund”

Canadian Hedge Fund Awards

2014

- “Highest 1 year return”
- “Highest 5 year return”
- “Best 5 year Sharpe Ratio”

2015

- “Best 5 year Sharpe Ratio”
- “Best 5 year return”

2017

- “Second Place: Best 5 year return”



2014 International Hedge Fund Awards

“Canadian Alpha Award: Fund of the Year”

Acquisition International Hedge Fund Awards

2015

- “Best Opportunistic Hedge Fund”

2016

- “Best Asset Management Firm Canada”
- “Best Long/Short Fund 1 Year”



For additional information, please contact:

**Jesse Gamble**

**Portfolio Manager & Vice-President**

**[jesse@donvillekent.com](mailto:jesse@donvillekent.com)**



# CHFA Winners Showcase Investor Conference

*Sean Kallir*  
**Portfolio Manager**

**HGC**

INVESTMENT MANAGEMENT INC.

# HGC

INVESTMENT MANAGEMENT INC.

## The HGC Merger Arbitrage Fund

Extremely Focused. Uniquely Disciplined.

May 2018

# HGC Investment Management

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## About HGC Investment Management

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### Firm Overview

- HGC Investment Management Inc. ("HGC") is an employee-owned, alternative asset management firm based in Toronto. The firm specializes in low volatility, highly liquid, event-driven mandates that produce uncorrelated returns. HGC currently manages the HGC Arbitrage Fund LP and the HGC Credit Opportunities Fund LP. HGC is a registered Portfolio Manager, Investment Fund Manager and Exempt Market Dealer with the Ontario Securities Commission.
- The Manager believes that hedge funds should have narrow mandates for investor clarity, produce uncorrelated returns to the market, have a low level of volatility and a high degree of liquidity. These investor-friendly characteristics are the hallmark of HGC.

### Investment Strategy

- The HGC Arbitrage Fund LP (the "Fund") is an Arbitrage strategy that has assets in excess of \$250 million and specializes in the North American small and mid-cap market. Strategies within the Fund include trading Traditional Merger Arbitrage, Subscription Receipts, and Special Purpose Acquisition Corporations. The Fund seeks to provide a low volatility return profile while producing superior risk adjusted returns.

## About HGC Arbitrage Fund

---

- The Fund has a +4.5 year track record with a maximum drawdown of -0.59% since inception.
- Aim to protect capital and compound returns over time.
- Downside focused with position weightings based on potential loss as opposed to gains.
- Positive skew to rising interest rate environment – risk-free rate plus type of strategy.
- Target return of 6-8% net of fees over a period of time.

# Special Purpose Acquisition Corp.

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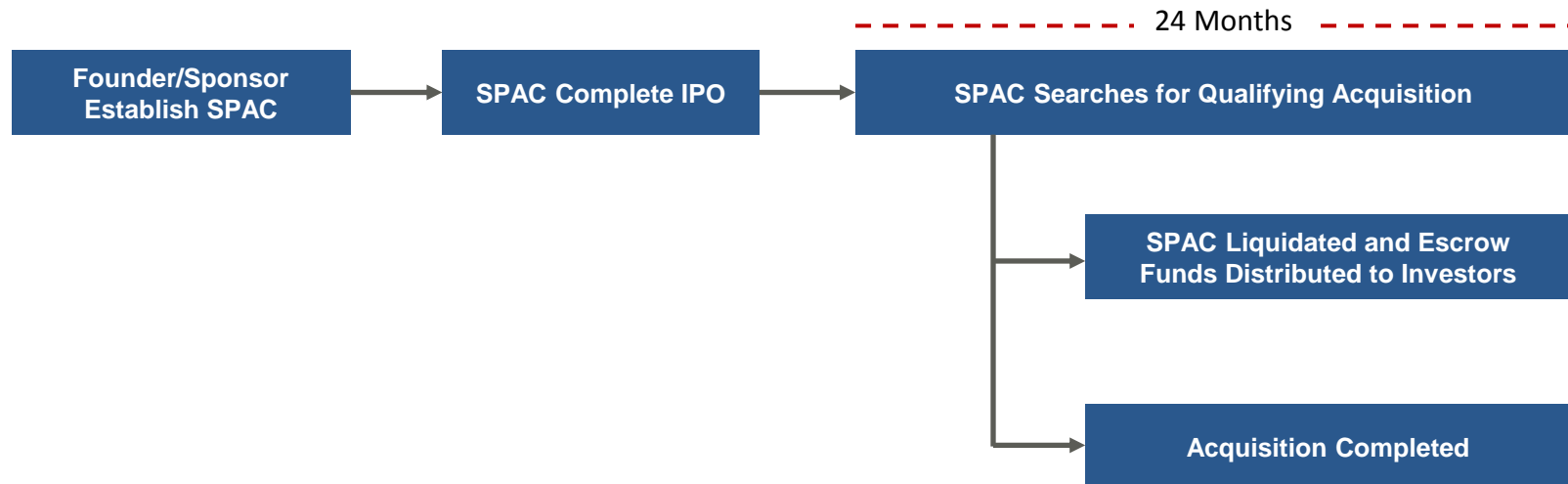
## What Is A Special Purpose Acquisition Corp. (SPAC)

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- Units are issued at 10 Dollars a share.
- Proceeds from the IPO are then deposited into a Trust account.
- SPACs have a fixed period of time to source a qualifying acquisition (typically 24 months).
- Upon qualifying transaction, investors can elect to receive their pro-rata portion of the Trust account.
- Provide a free option to look at the transaction before making a redemption decision.

## Typical SPAC Timeline

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# TPG Pace Energy Holdings Corp. (TPGE US)



## Overview

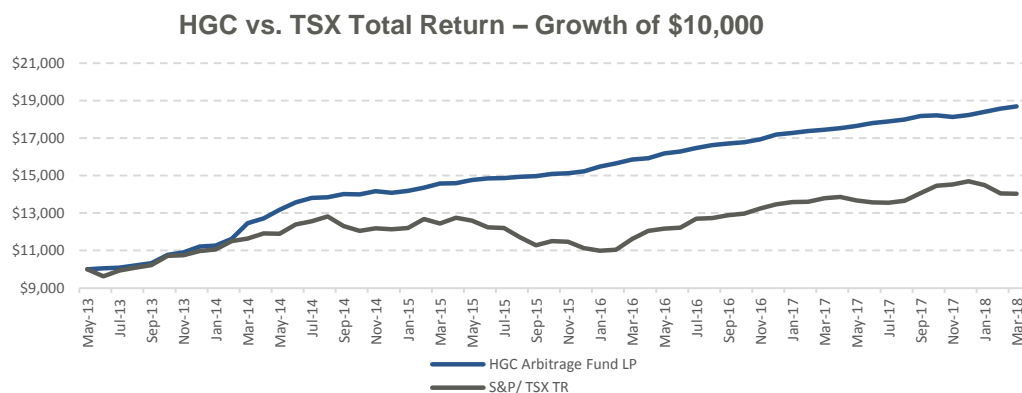
- On May 10, 2017 TPG Pace Energy Holdings Corp completed its initial public offering raising 650 million USD through shares issued at \$10.
- SPAC sponsored by TPG Capital, a leading US private equity firm.
- Led by CEO Stephen Chazen, former CEO of Occidental Petroleum Corporation

## Announced Transaction

- On March 20, 2018, TPGE entered into definitive agreements with certain funds managed by EnerVest, Ltd (“EnerVest”) to acquire the oil and gas assets within EnerVest’s South Texas Division for approximately \$2.66 billion in cash and stock
- As part of the transaction, TPGE and EnerVest are partnering to create Magnolia Oil & Gas Corporation (“Magnolia”).
- Following completion of the transaction, Magnolia will be a publicly traded oil and gas exploration and production company with South Texas operations in the core of the Eagle Ford

# Performance – F Class (1/20%)

- Annualized Return: 13.82%
- Annual Sharpe: 2.94
- 3 negative months in +4.5 years



**Inception Date: June 12, 2013 – Net of all fees**

	YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD *	INCEP**
HGC LP++	2018	0.90%	0.96%	0.67%										<b>2.55%</b>	<b>86.92%</b>
HGC LP++	2017	0.56%	0.51%	0.46%	0.51%	0.61%	0.88%	0.49%	0.60%	1.07%	0.12%	-0.42%	0.54%	<b>6.09%</b>	
HGC LP++	2016	1.67%	1.19%	1.32%	0.43%	1.56%	0.64%	1.13%	0.96%	0.46%	0.46%	0.88%	1.50%	<b>12.90%</b>	
HGC LP++	2015	0.71%	1.14%	1.59%	0.09%	1.14%	0.58%	0.11%	0.47%	0.28%	0.79%	0.26%	0.61%	<b>8.03%</b>	
HGC LP	2014	0.54%	3.19%	7.14%	1.97%	3.68%	2.95%	1.75%	0.30%	1.28%	-0.11%	1.19%	-0.59%	<b>25.66%</b>	
HGC LP	2013						0.52%	0.39%	1.09%	1.23%	4.29%	1.19%	2.86%	<b>12.10%</b>	
HFRJ****	2018	1.05%	0.17%	-0.51%										<b>0.71%</b>	<b>17.74%</b>
TSX ***	2018	-1.39%	-3.02%	-0.16%										<b>-4.52%</b>	<b>40.28%</b>

\* Performance returns for 2013-2014 are of the lead series of Class A units

++ 2015 & 2016 Performance returns are of the lead series of Class F units

\*\* Inception June 12, 2013

\*\*\* S&P/TSX Comp Total Return Index - The TSX Total Return Index is a widely-known equity index of Canadian large-cap companies. Investing in US and Canadian equities long and short is the primary strategy for HGC as part of the merger arbitrage strategy but HGC does not invest in all or necessarily any of the securities that compose the market indexes. Reference to the indexes does not imply that HGC will achieve returns similar to the indexes."

\*\*\*\* Hedge Fund Research Inc. : Merger Arbitrage Index - Performance is subject to minor variances due to independent Manager trailing reporting

+ Please see disclaimer at end of presentation for further information on performance.

# Contact

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## **HGC Investment Management Inc.**

366 Adelaide St West, Suite 601

Toronto, ON, M5V 1R9

647.776.2200

[blindros@hgcinvest.com](mailto:blindros@hgcinvest.com)

# Disclaimer

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This is for information only and is not an offer or solicitation to sell units of the fund. Complete information relating to this fund, including risk factors, is contained in the Confidential Offering Memorandum. The returns of this fund are not guaranteed, its value change frequently and past performance may not be repeated. Please see “Risk Factors” in the Confidential Offering Memorandum for more details. The information on this presentation is for information purposes only and is not intended to provide legal, accounting, tax, specific investment or financial advice and should not be relied on in that regard. The information in this presentation is subject to change, as such, only the most recent Confidential Offering Memorandum should be relied upon for information on the fund. + The HGC Arbitrage Fund LP was managed by Radiant Investment Management Ltd. from June 12, 2013 to December 31, 2013 and by HGC Investment Management Ltd. thereafter. The fund’s investment strategy has remained the same since inception. The HFRI ED: Merger Arbitrage Index is an event-driven benchmark index of US Dollar merger arbitrage positions published monthly by Hedge Fund Research Inc. The fund will have a percentage of its assets in merger arbitrage positions, and thus the HFRI ED: Merger Arbitrage Index is a relevant index for comparing risk and return in the Fund. Note that the fund may also have positions in SPACS, shorts, financing arbitrage, stubs, spin-offs, hostile takeovers and/or letters of intent.



# CHFA Winners Showcase Investor Conference

*Andrew Torres*

**Founding Partner and CEO**



**LAWRENCE PARK**

ASSET MANAGEMENT



**LAWRENCE PARK**

ASSET MANAGEMENT

**LAWRENCE PARK CREDIT STRATEGIES FUND**

Finalist: Best 5 Year Sharpe Ratio

Credit Focused Category

April 2018

Our company was founded in 2011 to create smart fixed income solutions for a low or rising interest rate environment.

We design our funds around three core principles which we believe are central to Alternative Fixed Income:

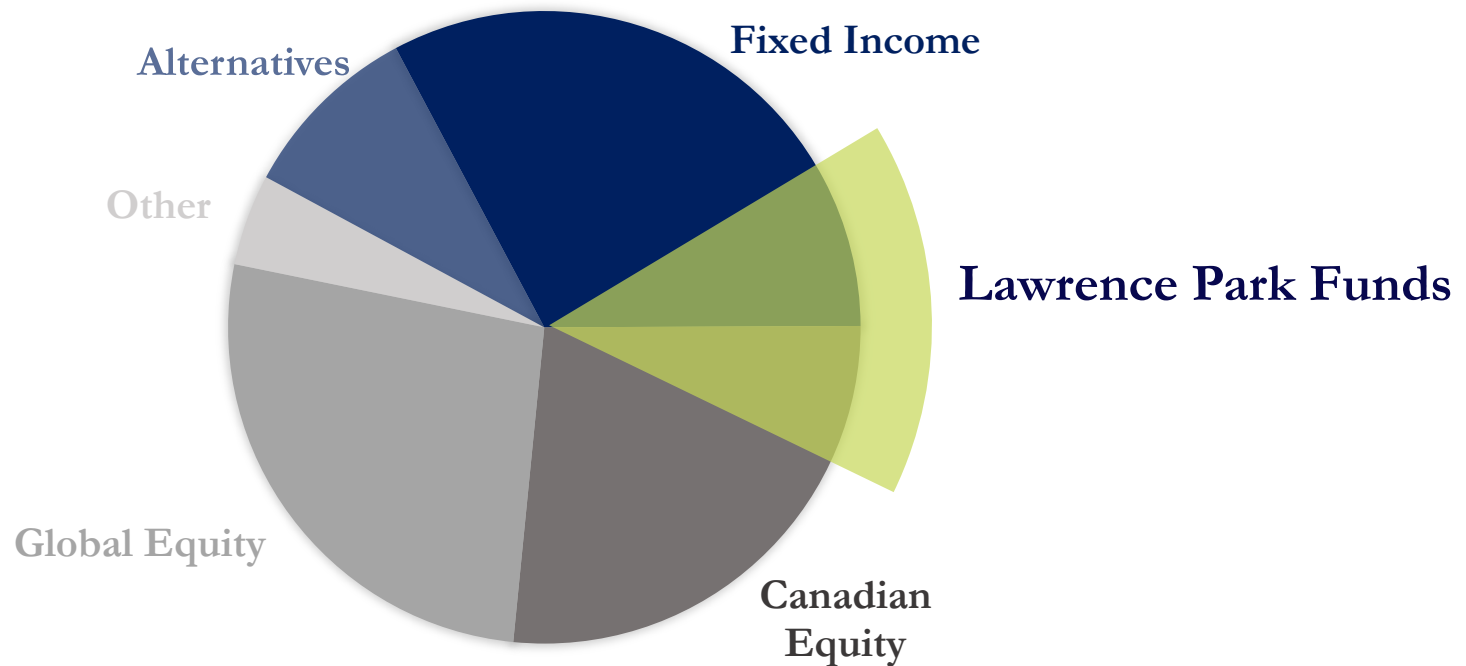
**Capital  
Preservation**

**Low  
Volatility**

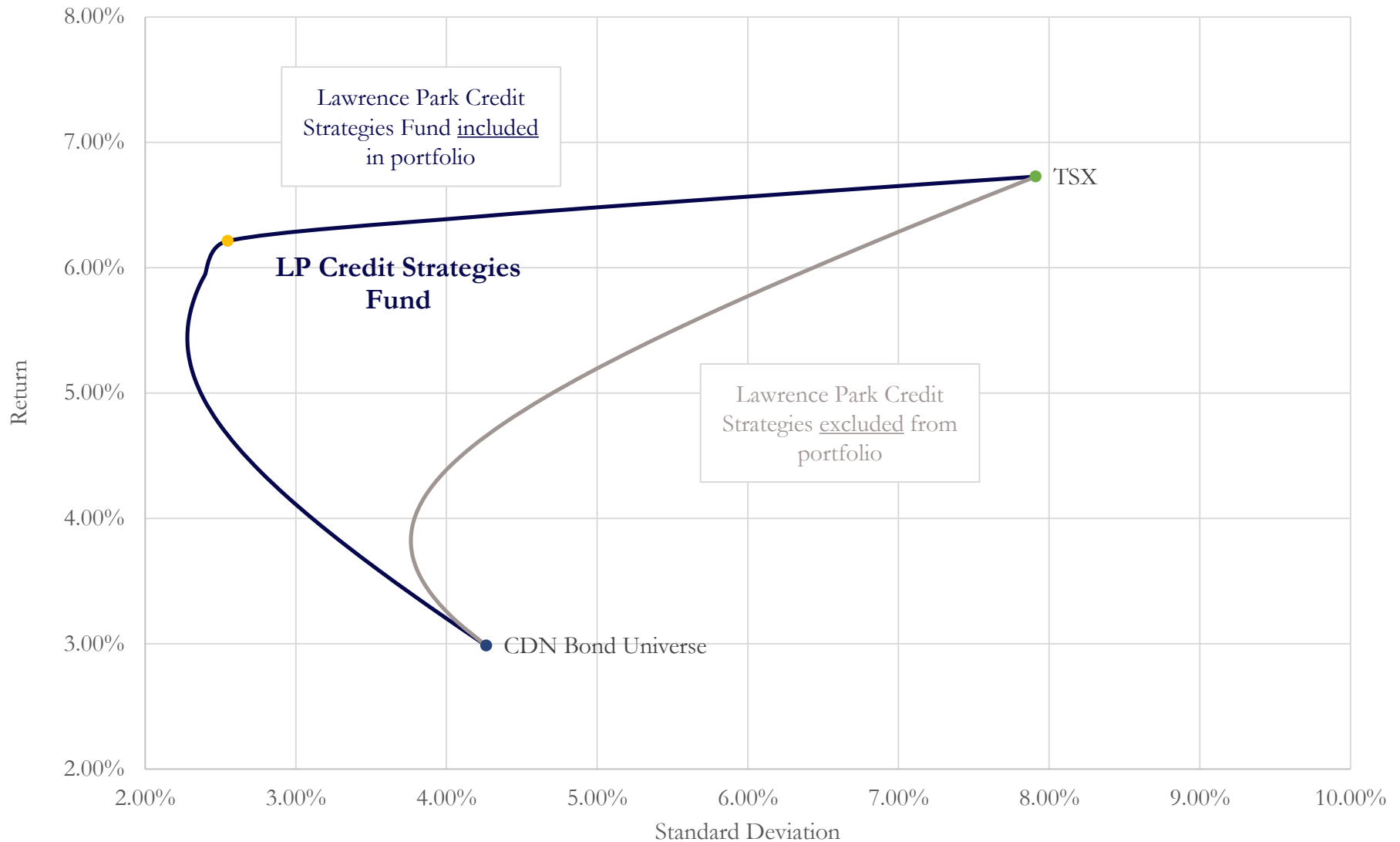
**Consistent  
Returns**

Our team brings over 75 years of combined experience trading global bonds for major banks and funds.

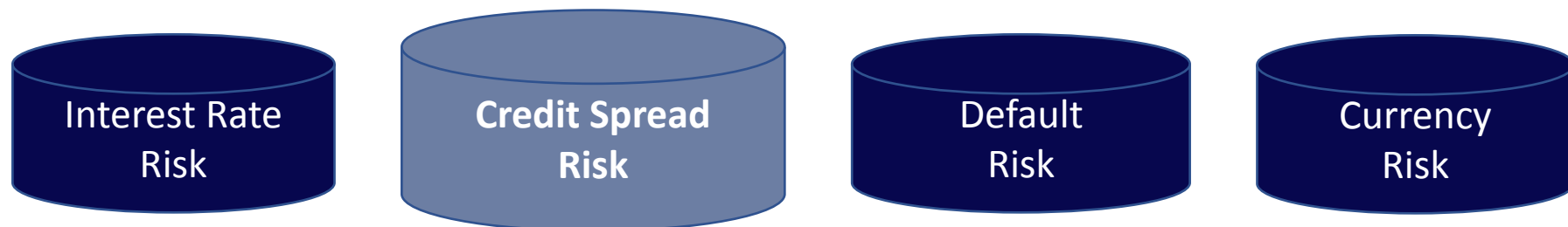
Lawrence Park funds fit as a **yield enhancement** substitute for Core Fixed Income, or a **volatility reduction** substitute for public equities.



# Expanding your Efficient Frontier



We look at the fixed income landscape through a risk management lens...



...and align our focus with our experience.

We hedge away interest rate and currency risk. We generate alpha by **actively trading credit spreads**. We focus on **investment grade corporate bonds**, which we believe offer the best liquidity and trading opportunities throughout the economic cycle, while minimizing the likelihood of loss through default.

Our Focus on Credit Risk is strategic, not tactical. Our aim is to deliver:

- **Superior Returns**
- **Lower Volatility**
- **Higher Sharpe Ratio**

## Canadian Corporate Bond Index\*

	1 Year	3 Year	5 Year
Credit Return	1.86%	2.04%	1.75%
Interest Rate Return	<b>-2.14%</b>	0.23%	1.14%
Index Total Return	<b>-0.27%</b>	2.22%	2.78%
Credit Volatility	0.42%	0.67%	0.67%
Interest Rate Volatility	<b>2.70%</b>	3.13%	3.03%
Index Volatility	2.65%	3.15%	3.03%
Credit Sharpe Ratio	1.5x	1.2x	0.7x
Interest Rate Sharpe Ratio	<b>neg</b>	<b>neg</b>	<b>neg</b>
Index Sharpe Ratio	<b>neg</b>	0.3x	0.5x

Source: Bloomberg, April 2018

\*BofAML Canada Corporate Index tracks the performance of CAD denominated investment grade corporate, securitized and collateralized debt publicly issued in the Canadian domestic market.

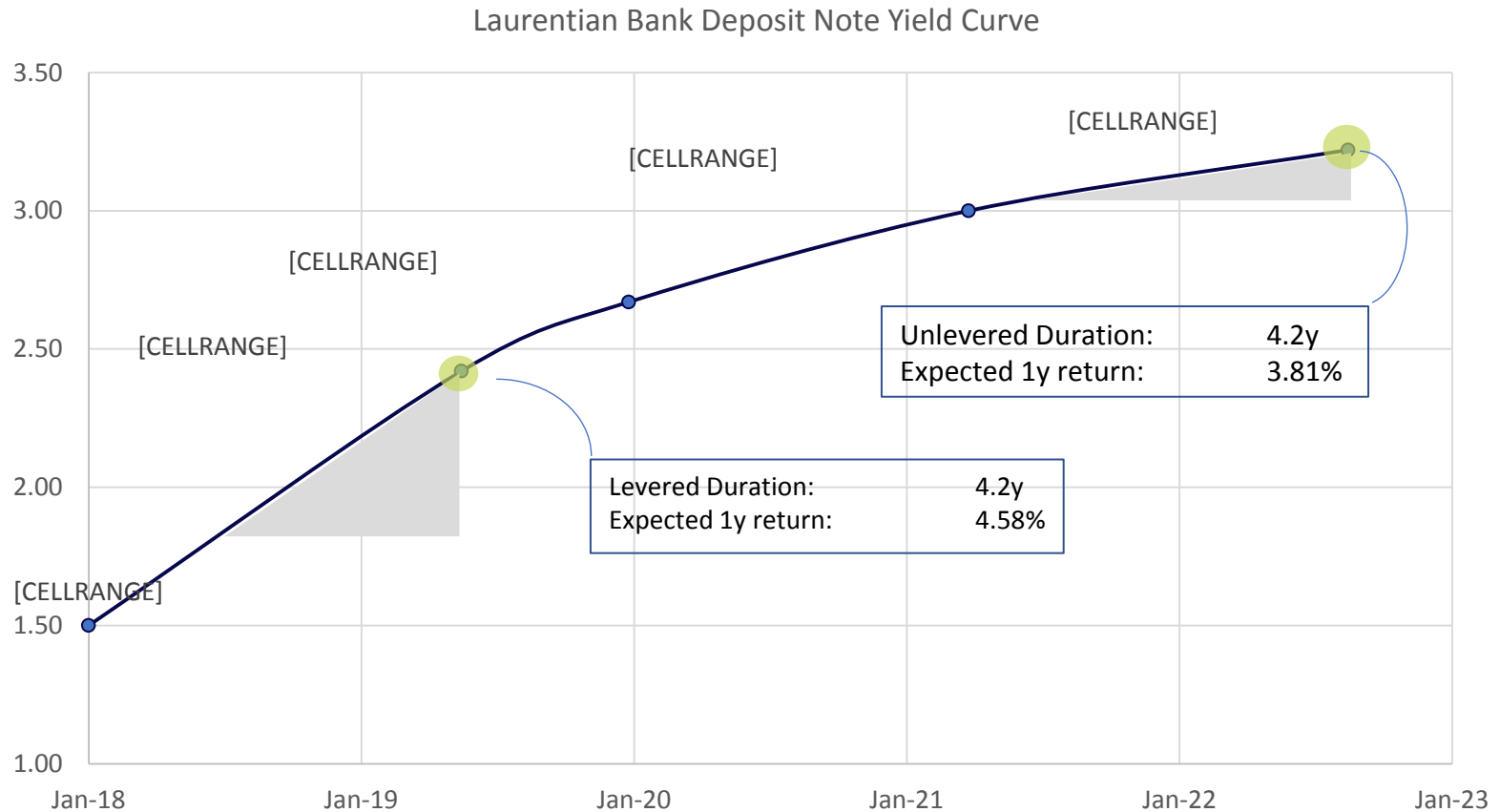
Credit Volatility and Interest Rate Volatility will not add up to Index Volatility due to correlation between the two aforementioned components. Sharpe Ratios assume 1.25% Risk Free rate.

# Four Distinct Strategies



# Trade Example - Carry & Roll Down

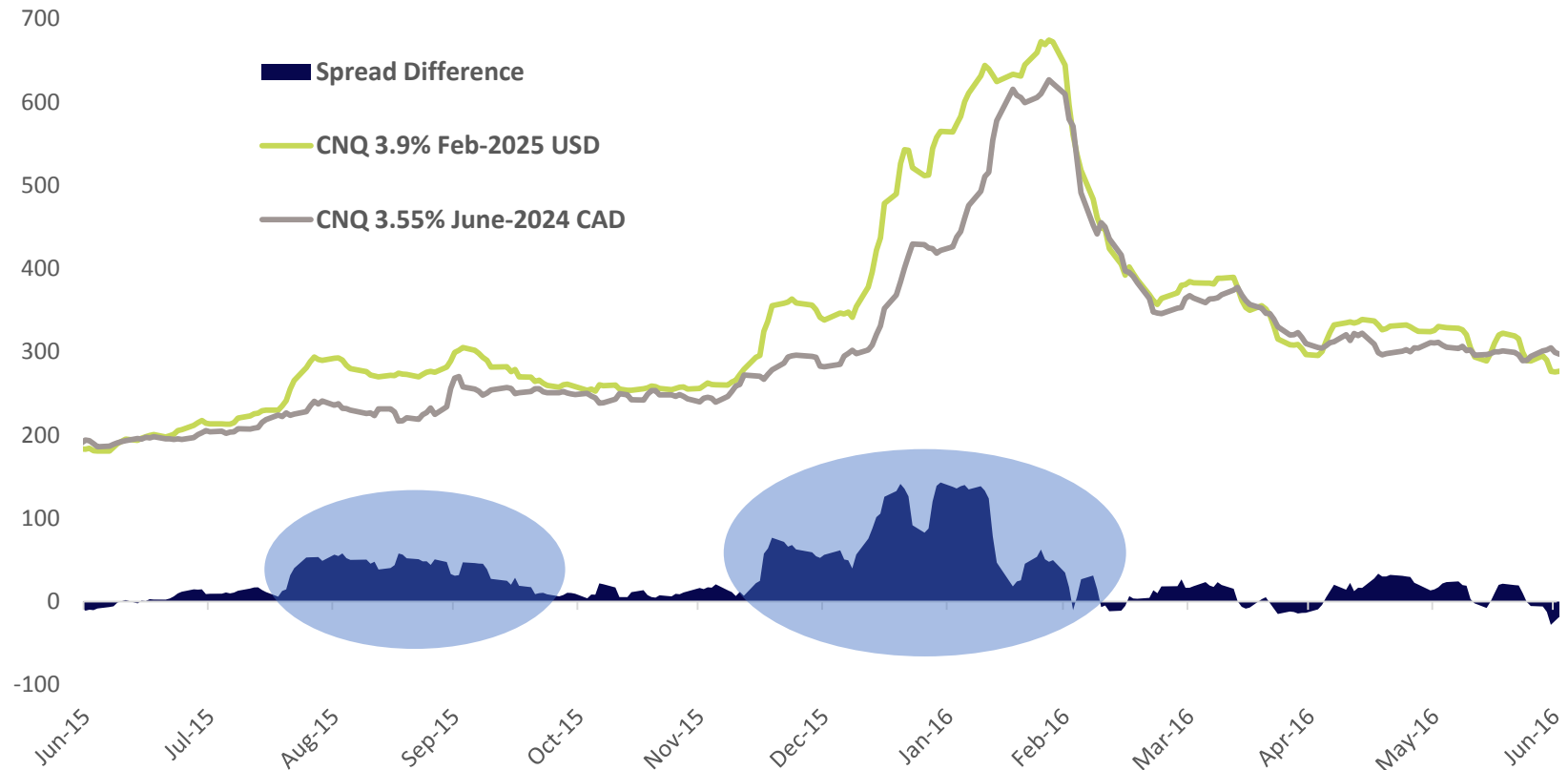
Lawrence Park utilizes leverage to find optimal securities for equivalent duration risk.



Source: Bloomberg

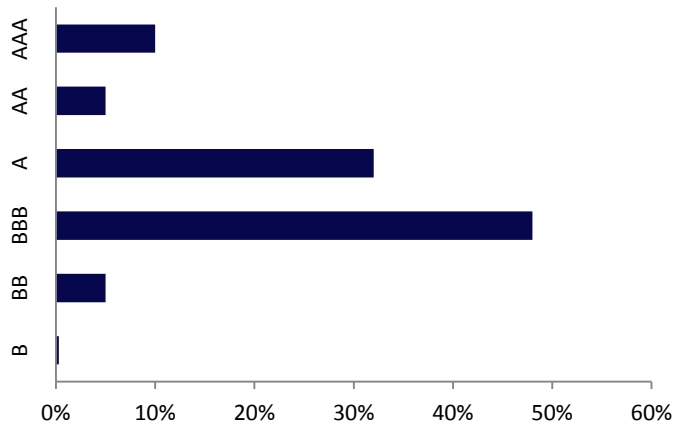
# Trade Example - Relative Value

Lawrence Park short-sells “expensive” Canadian dollar bonds, and buys “cheap” US dollar bonds, with currency and rate hedges in place.

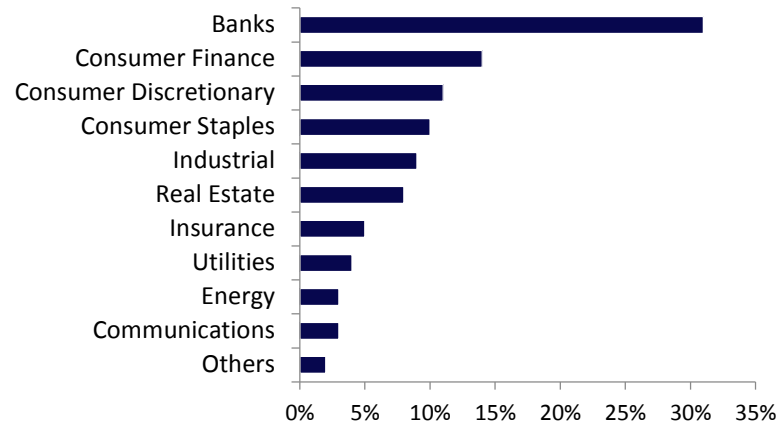


Source: Bloomberg

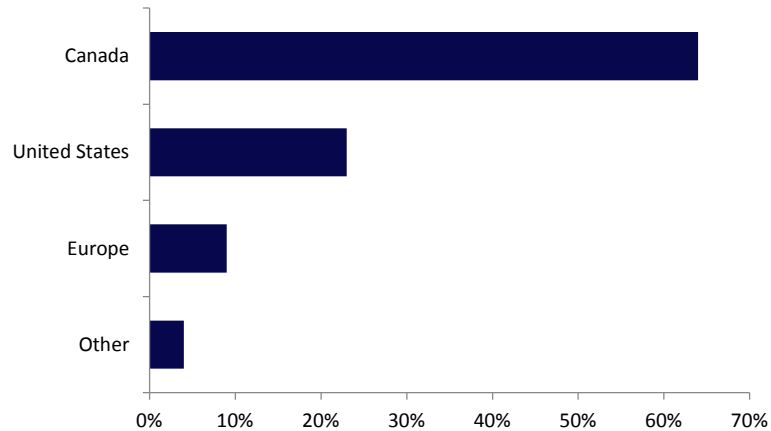
### Investment Grade Focus



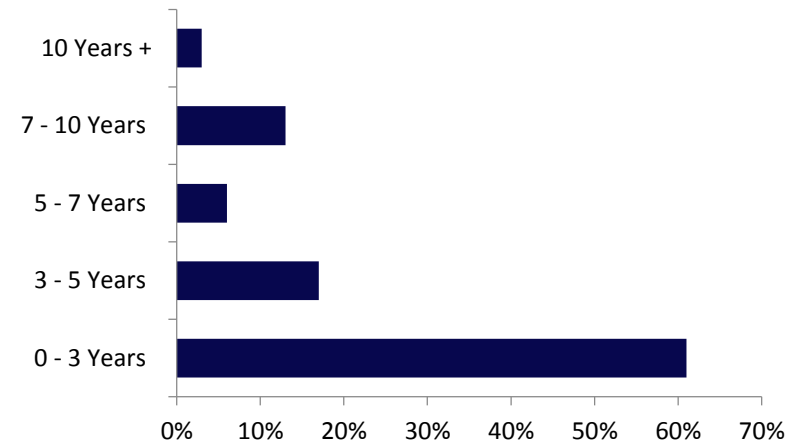
### Sector Exposure



### Geographical Exposure

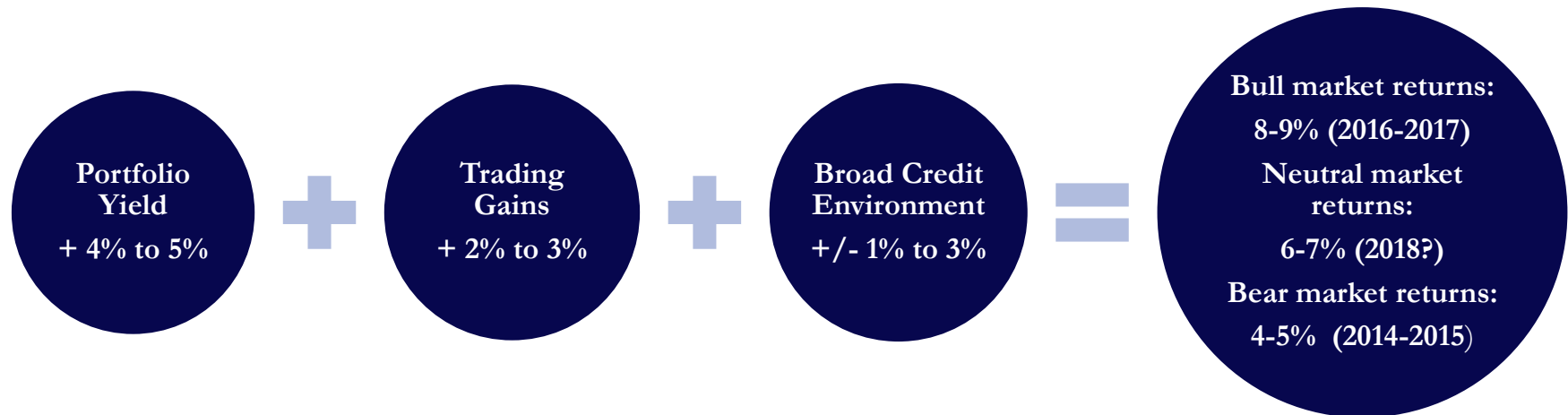


### Maturity Composition



As of April 2018


## Lawrence Park Credit Strategies Fund



Manager estimates based on historical performance.

Volatility is a useful measure of expected portfolio losses during a market downturn.

Since inception of the Lawrence Park Credit Strategies Fund-Series A (February 2012):

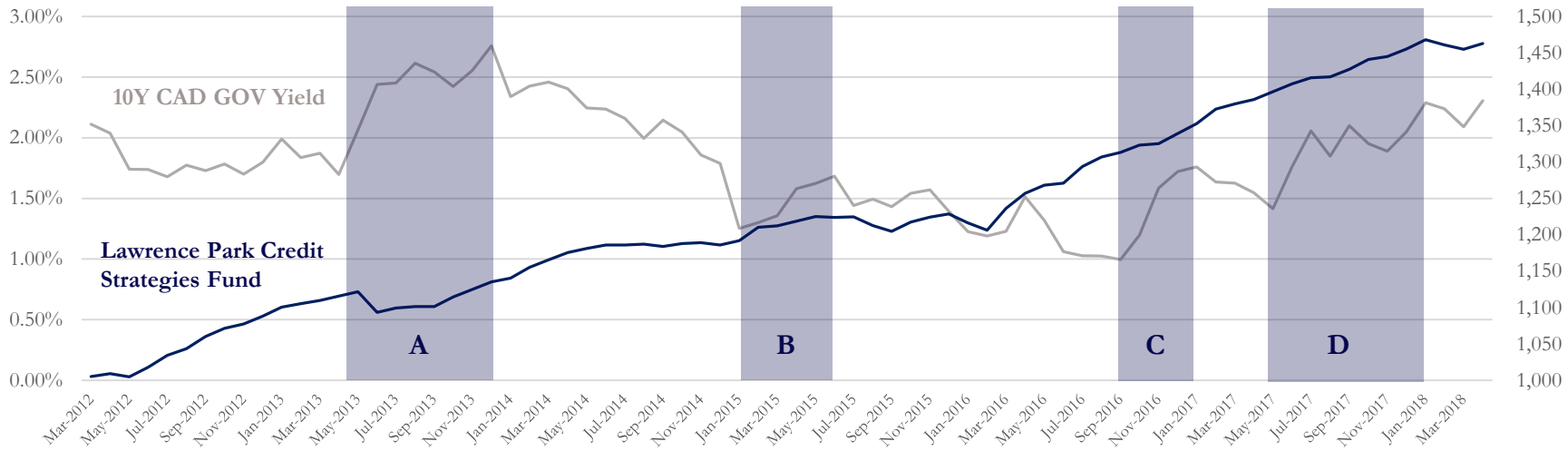
	Total Return	Daily Volatility	Top 3 Drawdowns*	Period
Equities (SP TSX)	45.6%	11.4%	-21.8% -12.0% -11.2%	Apr-15 to Jan-16 Sep-14 to Dec -14 Mar-12 to May-12
 Credit Strategies Fund	<b>46.3%</b>	<b>1.8%</b>	-4.0% -3.3% -1.9%	Dec-15 to Feb-16 May-13 to Jun-13 Jun-15 to Sep-15
High Yield (XHY)	30.0%	7.1%	-14.3% -7.1% -7.0%	Feb-15 to Feb-16 Jun-14 to Dec-14 May-13 to Jun-13
Bonds (XBB)	20.3%	4.1%	-5.6% -4.8% -3.8%	May-13 to Sep-13 Sep-16 to Dec-16 Apr-15 to Jun -15

As of April 30, 2018.

\*Peak to trough drawdown

# Outperformance during periods of rising interest rates

10Y CAD GOV Yield vs. Lawrence Park Credit Strategies Fund Growth of \$1,000

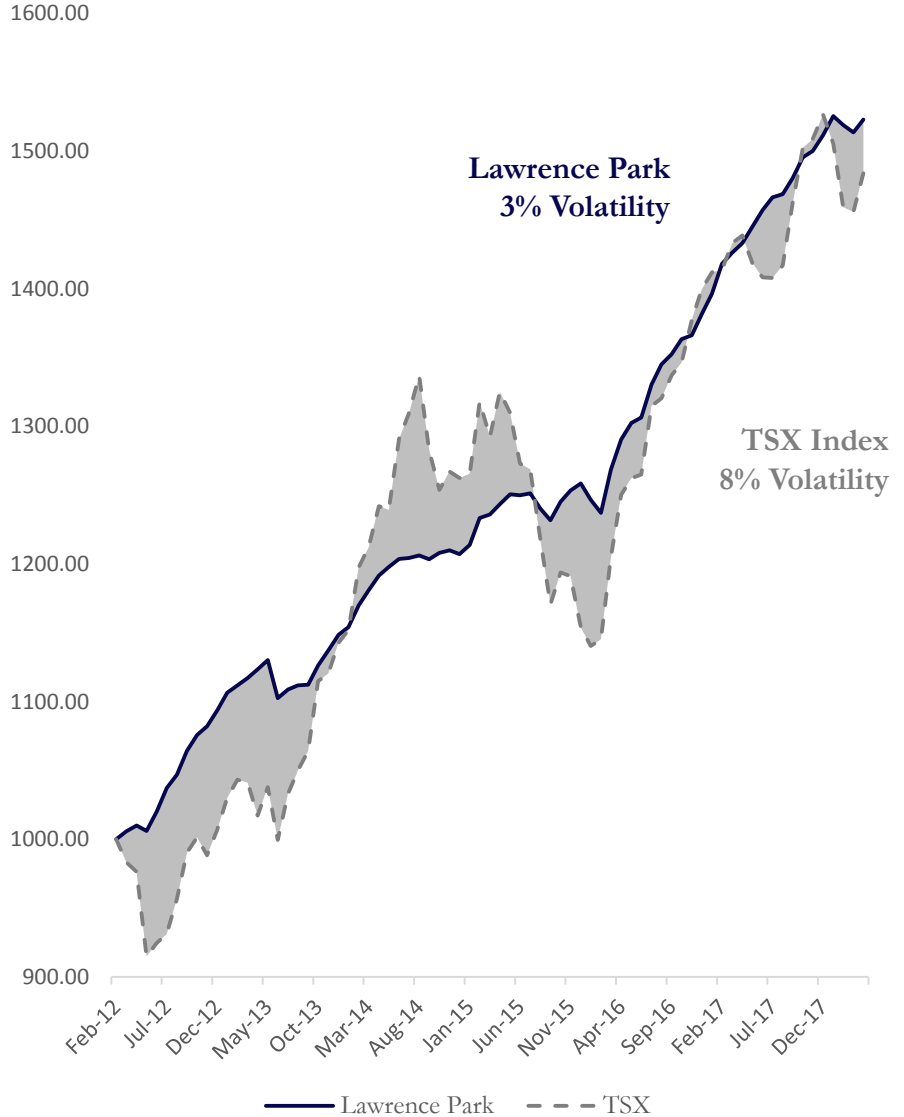
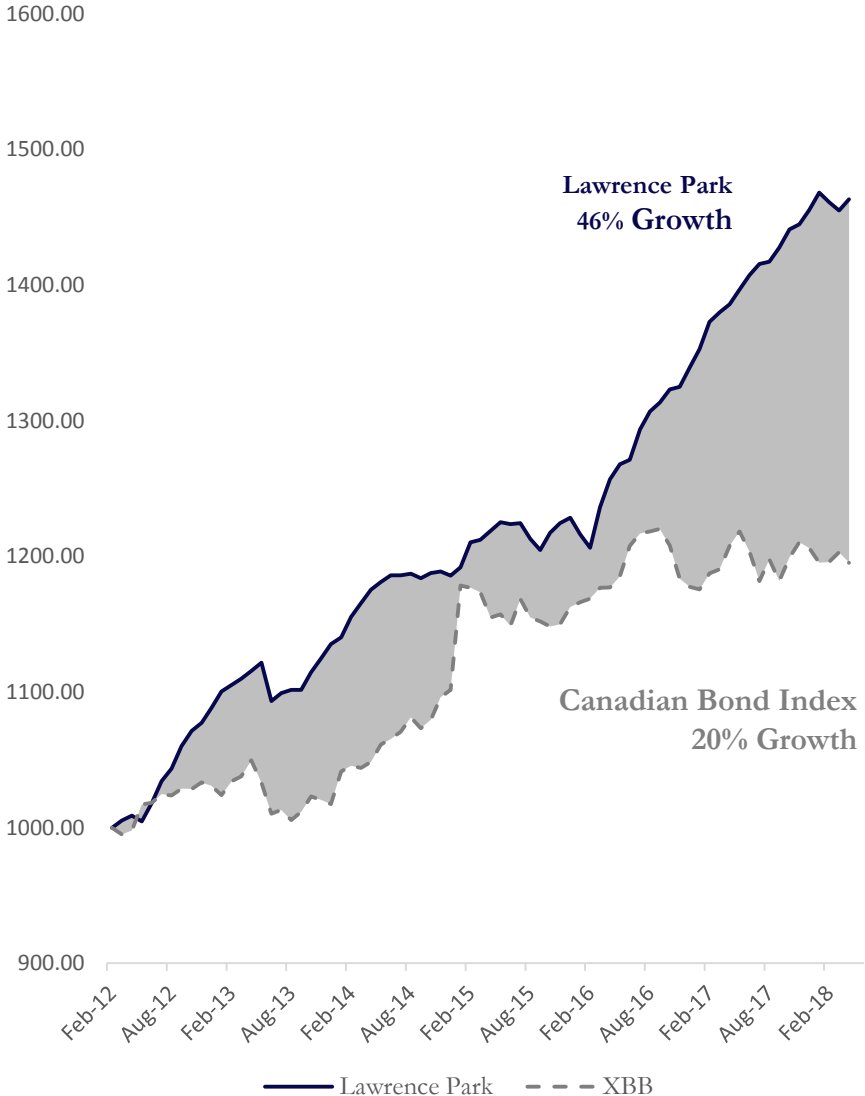


Period	A	B	C	D
CAD GOV 10Yr increase in yield	106 bps	43 bps	76 bps	87 bps
<b>Lawrence Park Credit Strategies Fund</b>	<b>178 bps</b>	<b>267 bps</b>	<b>301 bps</b>	<b>511 bps</b>
Canadian Universe Bond Index (XBB)	-308 bps	-251 bps	-365 bps	-189 bps

	Average Increase/Return (Mar 2012 – Apr 2018)
CAD GOV 10Yr increase in yield	15 bps
<b>Lawrence Park Credit Strategies Fund</b>	<b>64 bps</b>
Canadian Universe Bond Index (XBB)	-56 bps

Source: Bloomberg. Based on monthly data as of April 30<sup>th</sup>, 2018.

# Consistent Returns



*All return figures for the Lawrence Park Credit Strategies Fund (the “Fund”) are based on the A Series units and are net of management fees, performance fees, trailing commissions (if any) and Fund expenses. Other series may have higher fees. Monthly returns are based on monthly NAV calculations by APEX Fund Services. Lawrence Park Credit Strategies Fund’s returns are not guaranteed, its value changes frequently, and past performance may not be repeated. No representations or warranties of any kind are intended or should be inferred with respect to the economic return or the tax consequences from an investment in the Fund. Potential qualified investors should read the Fund’s offering memorandum dated January 11, 2018 carefully prior to investing.*

*The XCB is an index-based ETF that seeks to replicate the FTSE TMX Canada All Corporate Index, a benchmark index of Canadian Dollar corporate bonds published monthly by FTSE TMX Global Debt Capital Markets. The Fund has a high % of its assets in CAD corporate bonds so the FTSE TMX Canada All Corporate Index is a relevant index for comparing risk and return in the Fund. The FTSE TMX Canada All Corporate Index has a high component of interest rate risk, whereas the Fund has a low component of interest rate risk.*

*The XBB is an index-based ETF that seeks to replicate the FTSE TMX Canada Universe Bond Index, a benchmark index of Canadian Dollar bonds published monthly by FTSE TMX Global Debt Capital Markets. The Fund has a high % of its assets in C\$ bonds, so the FTSE TMX Canada Universe Bond Index is a relevant index for comparing risk and return in the Fund. The FTSE TMX Canada Universe Bond Index has a high component of interest rate risk, whereas the Fund has a low component of interest rate risk.*

*XHY is an index-based ETF that seeks to replicates the performance of the Markit iBoxx USD High Yield Index in CAD. Returns are calculated in Canadian dollars because any USD currency exposures are hedged back to CAD. In the opinion of the portfolio managers, this index represents a valid benchmark for the Credit Strategies Fund because it is based on a global portfolio of publically traded corporate bonds and returns are expressed in CAD.*

*The S&P/TSX Equity Total Return Index is an equity index of Canadian large-cap companies. It is included for purposes of comparing fund returns and volatility against different asset classes. The Fund invests primarily in debt instruments, and the inclusion of the TSX is not intended to imply that equity indices are an appropriate benchmark for the Fund.*

*BGCI refers to the Barclays Global Corporate Index. Returns for this benchmark are calculated as excess daily returns, or the difference between total returns of the security and an implied Treasury portfolio matching the term-structure profile of that security. Returns are calculated in Canadian dollars, assuming currency exposures on non-Canadian holdings are fully hedged. In the opinion of the portfolio managers, this index represents a valid benchmark for the Credit Strategies Fund on the basis it is a) based on a global portfolio of publically traded corporate bonds, b) expressed in Canadian Dollars, and c) assumes currency and interest rate risk have been hedged from the portfolio.*

*Investors should note that the Fund utilizes long and short positions in both domestic and international fixed-income products, and may incorporate leverage and derivative overlays. Fund performance may deviate significantly from benchmark indices shown*



# CHFA Winners Showcase Investor Conference

***Philip Mesman***

**Partner & Head of Fixed Income**



P I C T O N  
M A H O N E Y

Asset Management

# FRAMING YOUR INCOME BOOK: PORTFOLIO CONSTRUCTION

	SEGMENT	DESCRIPTION	YIELDS
<b>Core</b>	Rate	Governments	-0.25% - 3%
	Credit	Investment Grade	1 - 4%
<b>Core-Plus</b>	Credit	Medium Grade	4 - 6%
<b>Plus</b>	Credit	High Yield	4 - 6%
	Hybrid	Convertible & Preferred	2 - 6%

Source: Picton Mahoney Asset Management (PMAM) Estimates. Updated: March 29, 2018. For illustrative purposes only.

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# THINK AHEAD. STAY AHEAD.

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PMAM-IOF-PPT-LR-APR-2018

33 Yonge Street, Suite 830  
Toronto, ON M5E 1G4  
416.955.4108

[cdasilva@pictonmahoney.com](mailto:cdasilva@pictonmahoney.com) / [redwards@pictonmahoney.com](mailto:redwards@pictonmahoney.com) /  
[steed@pictonmahoney.com](mailto:steed@pictonmahoney.com)



# CHFA Winners Showcase Investor Conference

## *Using Alternative Strategies to Replace Traditional Long-Only*

### Panel Discussion

**Moderator:** Robert Lemon, Executive Director, CIBC Prime

**Panelists:**

Bryan Nunnolley,	Crystalline Management
Jesse Gamble,	Donville Kent
Sean Kallir,	HGC Inv. Management
Andrew Torres,	Lawrence Park
Philip Mesman,	Picton Mahoney



# CHFA Winners Showcase Investor Conference

# Refreshment Break

10<sup>th</sup>  
ANNIVERSARY



2017 CANADIAN  
HF AWARDS

# CHFA Winners Showcase Investor Conference

barometer

 **CONNOR, CLARK & LUNN**  
FINANCIAL GROUP

 **CLARET**  
ASSET MANAGEMENT CORPORATION

**HGC** | INVESTMENT MANAGEMENT INC.

 **CRYSTALLINE**  
MANAGEMENT

**DONVILLE | KENT**  
asset management inc.

**PICTON  
MAHONEY**  
Asset Management



**WARATAH**

 **LAWRENCE PARK**  
ASSET MANAGEMENT



# CHFA Winners Showcase Investor Conference

## *Portfolio Transformers*

### *Looking at Hedge Funds as Substitutes and Diversifiers in an Investor Portfolio*

10<sup>th</sup>  
ANNIVERSARY



2017 CANADIAN  
HF AWARDS

# CHFA Winners Showcase Investor Conference

## *Hedge Funds as Diversifiers*

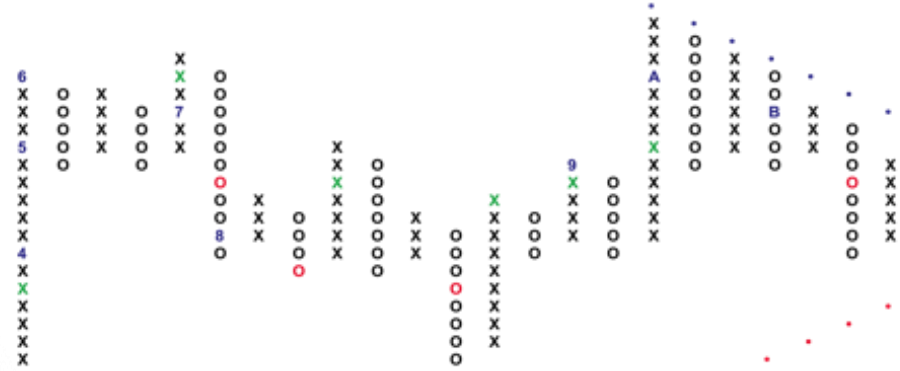
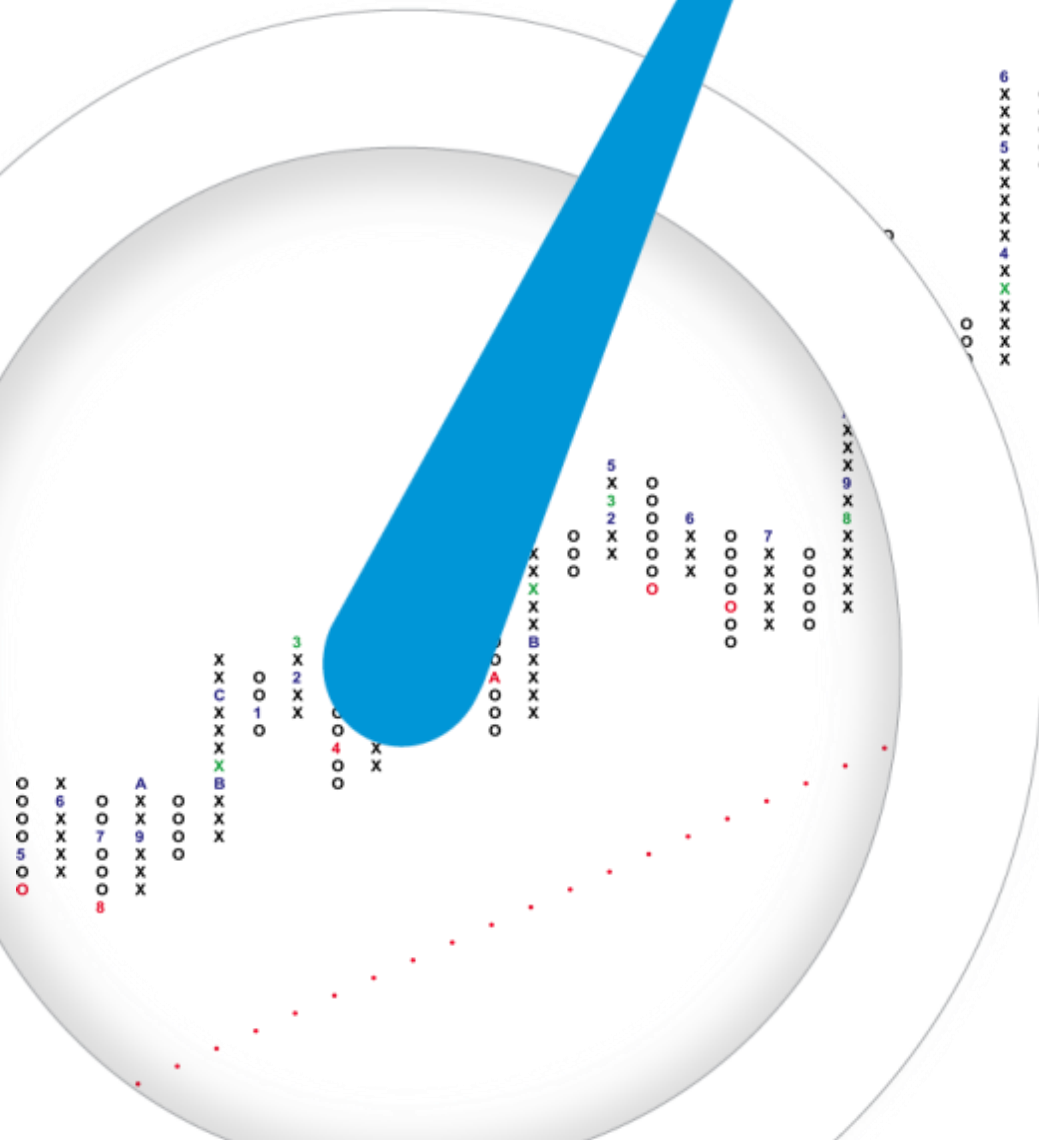


# CHFA Winners Showcase Investor Conference

***David Burrows***

**President & Chief Investment Strategist**

barometer



## Barometer CHFA 2018

May | 2018

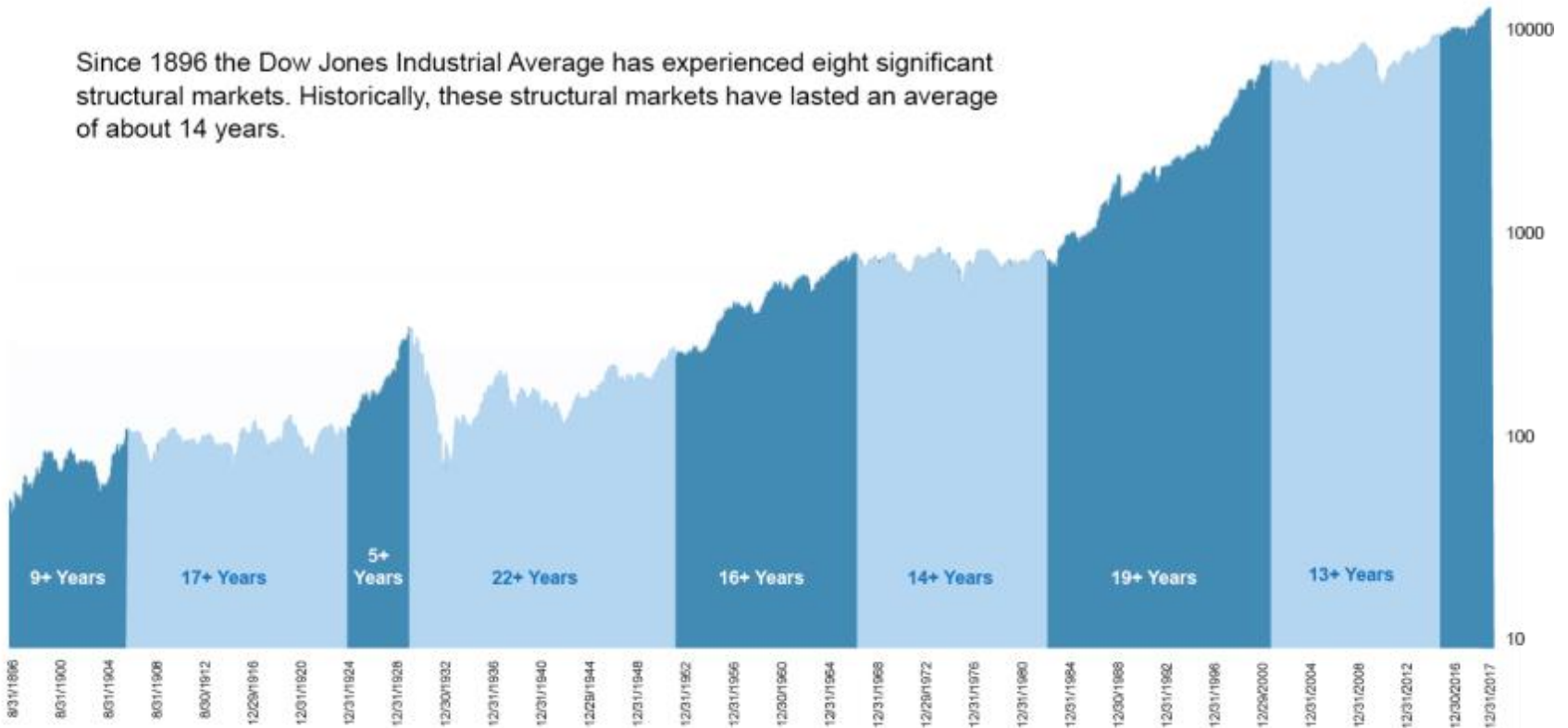


# Dow Jones Industrial Average Structural Markets

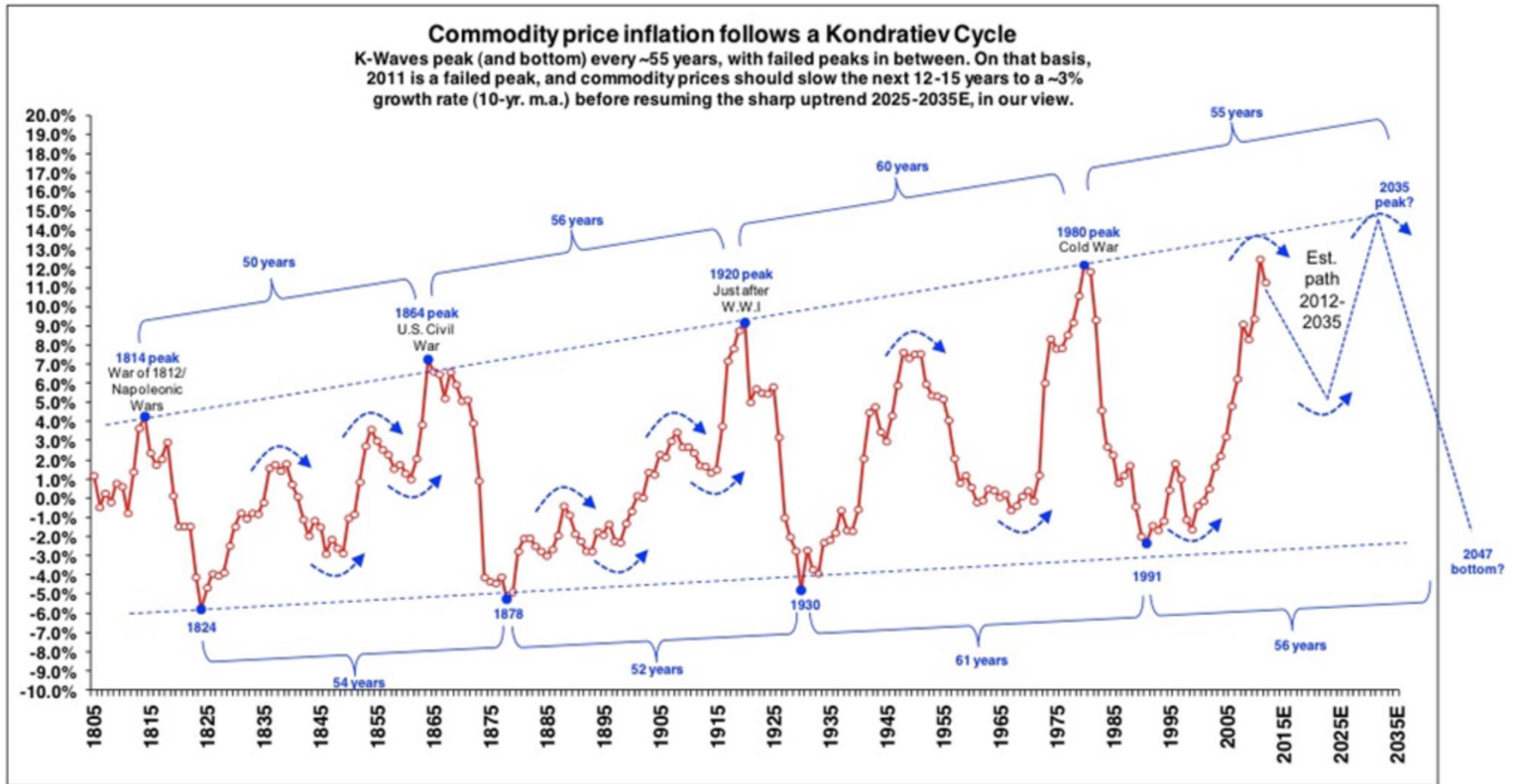
Barometer Capital Management

May 1896 – December 2017

Since 1896 the Dow Jones Industrial Average has experienced eight significant structural markets. Historically, these structural markets have lasted an average of about 14 years.



Source: Barometer Capital Management Inc.



Source: Commodities 1795 to 1890 are the Warren & Pearson U.S. commodity index constructed with farm products, foods, hides & leather, textiles, fuel & lighting, metals & metal products, building materials, chemicals & drugs, household furnishing goods, spirits and other commodities. 1891 to 1913 is the Wholesale Commodities Price Index from the BLS and other agencies. 1914 to 1956 is the PPI for All Commodities, and 1957 to present is the CRB Continuous Commodity Index, currently an equal-weighted, front-month index of 17 commodities including most high-use energy and agricultural commodities. Prior to 2002, annual data are the average of monthly values. For the trailing decade, all daily closing values for the CRB CCI index are considered.



# 225 Years of 10 Year Treasury Bond Yields

Barometer Capital Management

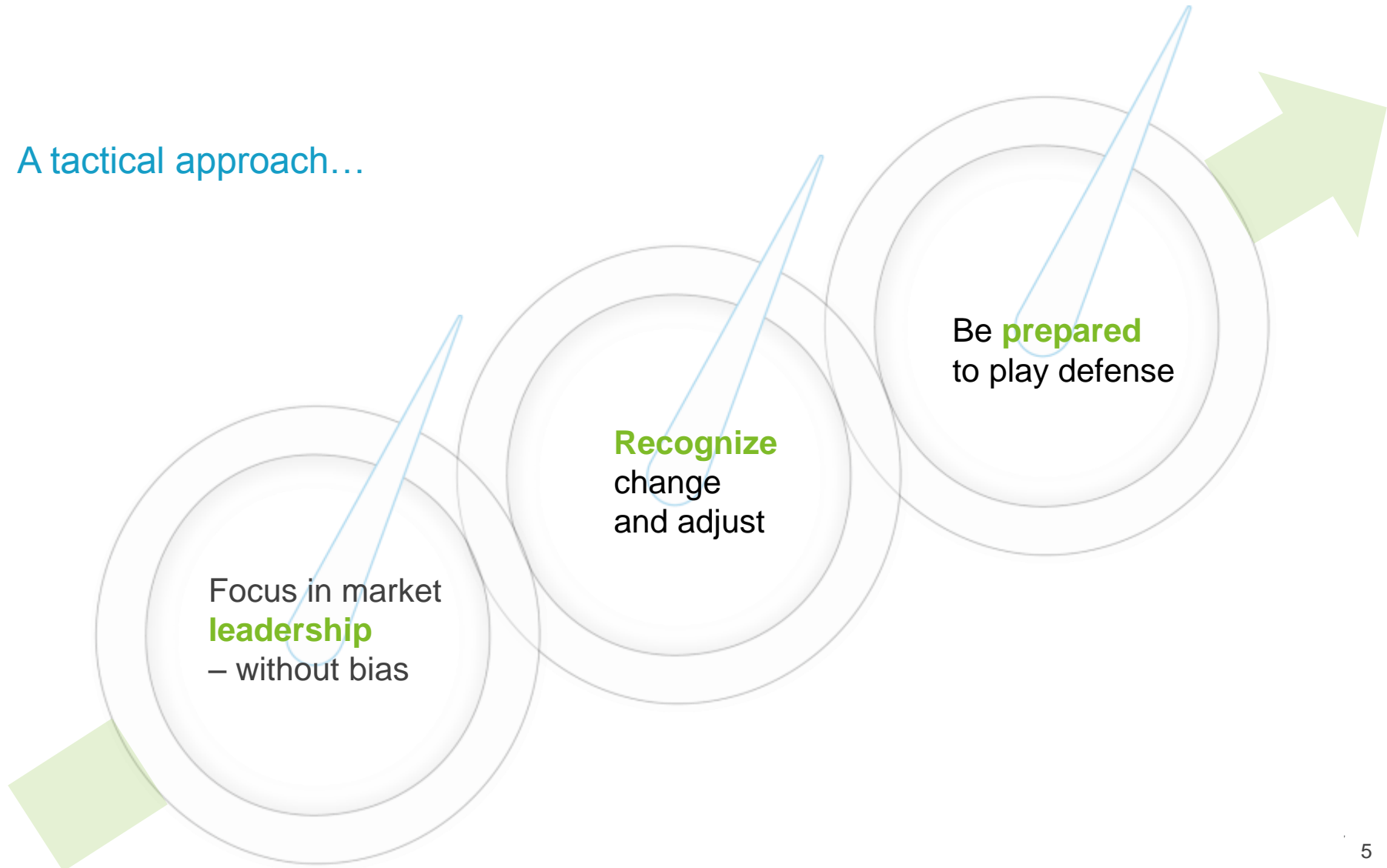




# Disciplined Leadership Approach™

Barometer Capital Management

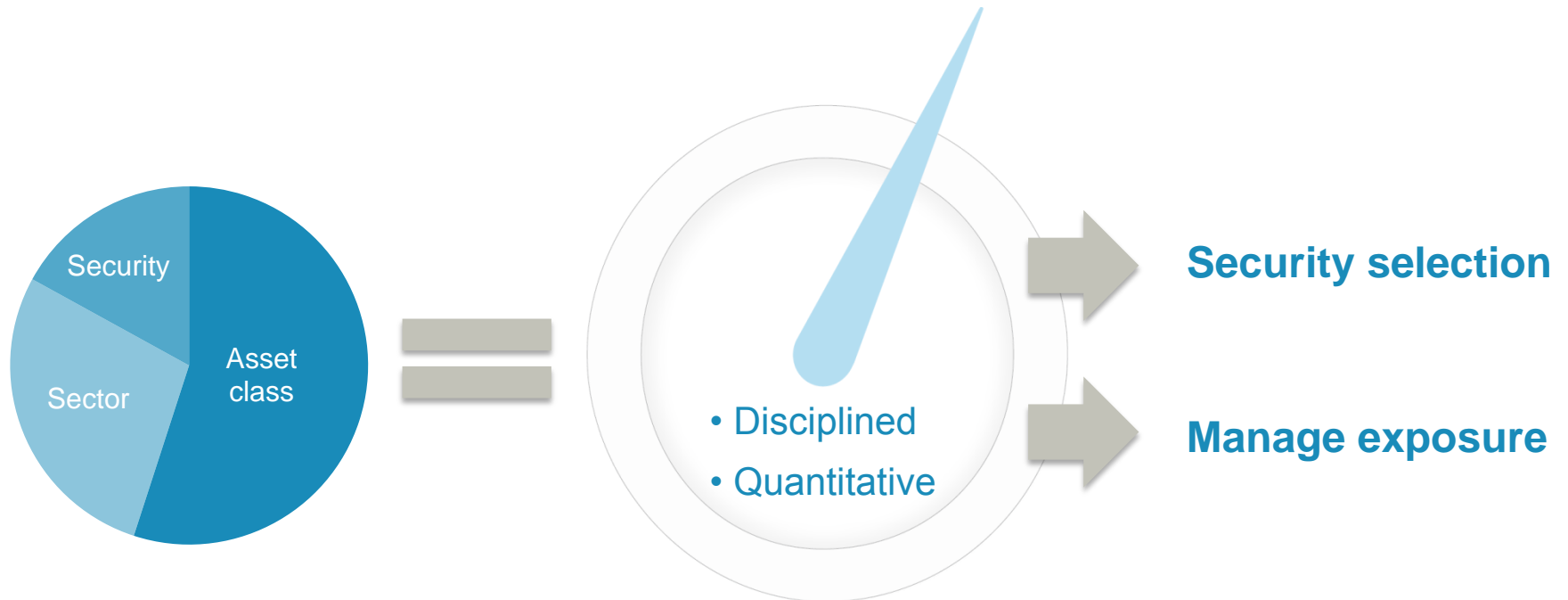
A tactical approach...





Barometer Capital Management

# Our Process



Removes emotion and rationalization

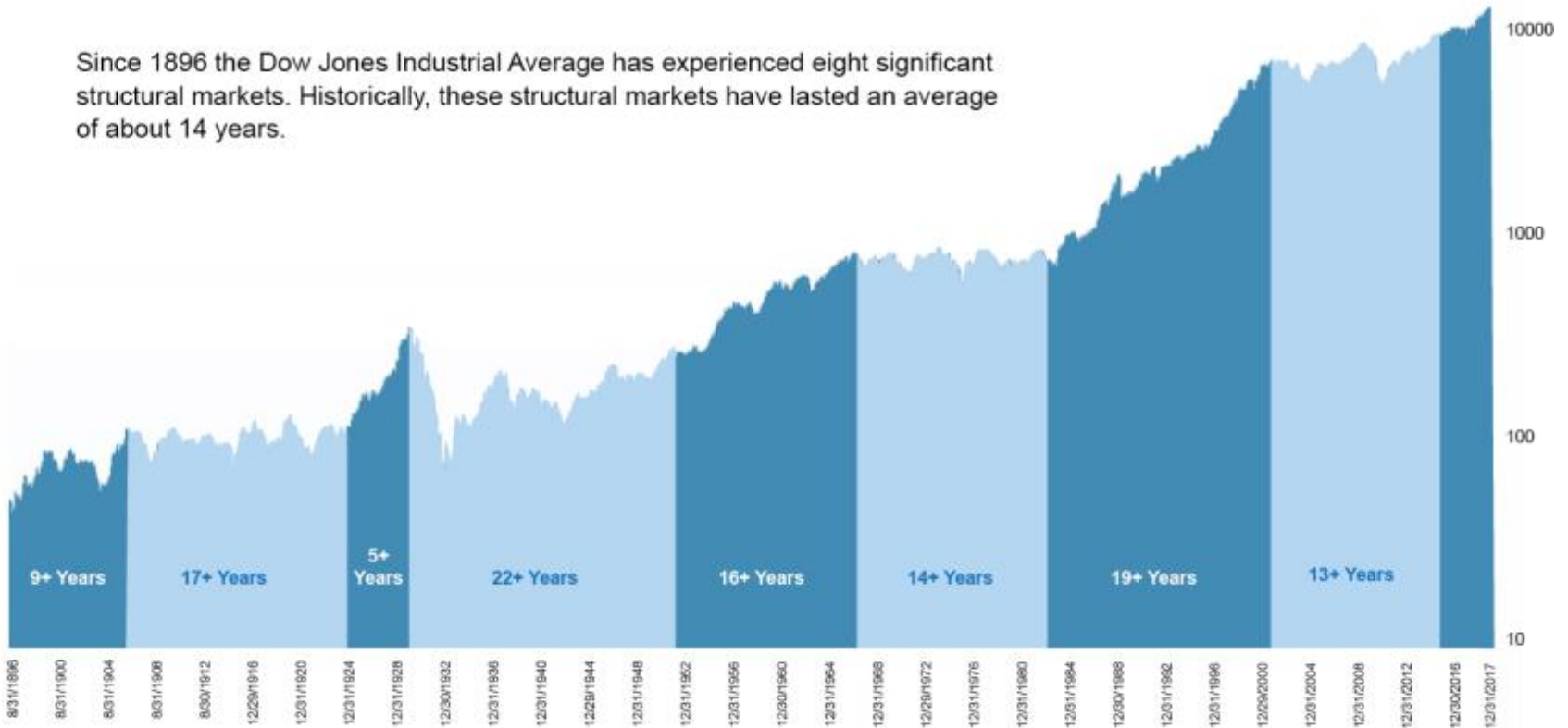


# Dow Jones Industrial Average Structural Markets

Barometer Capital Management

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Source: Barometer Capital Management Inc.



# Why Global Macro Category

Barometer Capital Management

## Global Macro Category vs. U.S. Stocks (01/97 – 01/18)

	Global Macro (USD)	U.S. Stocks (USD)
Annualized Return	7.17%	8.57%
Annualized Standard Deviation	5.58%	14.96%
Correlation to US Stocks	0.44	1.00
Worst Drawdown	-6.42% (2/08 – 10/08)	-50.95% (10/07 – 2/09)

Adding Global Macro to portfolios may lower overall volatility and enhance returns.



# Why Global Macro Category

Barometer Capital Management

## Lower volatility and low correlations = diversification

### Standard Deviation (01/97 – 01/18)

	3 year	5 year	10 year
Global Macro	3.6%	3.6%	4.3%
US Stocks	11.2%	9.9%	11.8%
US Bonds	7.5%	8.4%	10.4%
Int'l Stocks	11.7%	11.0%	13.8%
Commodities	15.6%	15.2%	18.7%

### Correlation (01/97 – 01/18)

	3 year	5 year	10 year
To US Stocks	0.48	0.50	0.32
To US Bonds	0.37	0.31	0.12
To Int'l Stocks	0.44	0.50	0.50
To Commodities	-0.15	-0.25	0.19

Source: Morningstar, Barclay Hedge Ltd. . US Stocks represented by the S&P 500 Total Return Index, US Bonds by Barclays Capital US Aggregate Bond Index, International Stocks by MSCI EAFE Index, Commodities by S&P GSCI Total Return Index, Global Macro by Barclay Hedge Ltd. Global Macro Index.



# Barometer Global Macro Pool - Objective

Barometer Capital Management

Absolute return mandate – utilizes Barometers **Disciplined Leadership Approach**

- systematic Identification and exploitation of economic and geo-politically driven relative re-valuation opportunities / Themes – *Expressed using liquid ETFs*
- Target absolute returns irrespective of conditions in any particular asset class.
  - Long / Short (130% max long / 50% max short)
- Produce steady returns - low risk characteristics and low correlation to any particular asset class
  - Limited drawdowns
  - Favorable gain / pain ratio
- Mandate includes all major asset classes and geographic regions

**Barometer's differentiated investment process leverages both systematic and discretionary active management to achieve the investment objectives**



# Barometer Global Macro Pool - Mandate

---

Barometer Capital Management

Long / Short any macro theme expressed actively using liquid ETFs

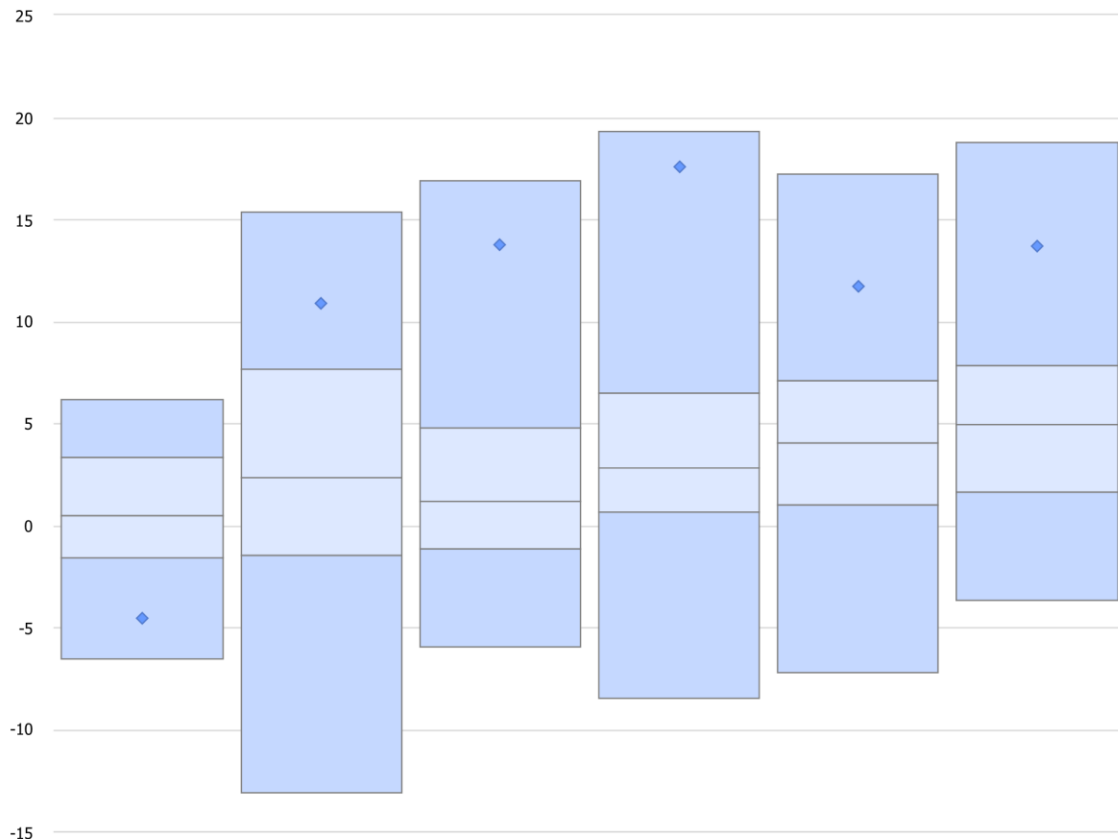
- Developed Market Equities
- Emerging Equities
- Fixed Income
- Currencies
- Commodities
- Real Estate
- Volatility

Geographically unconstrained

- 30 - 50 positions
- 130% Net Long 50% Net Short

**Barometer's differentiated investment process leverages systematic active management to achieve the investment objectives**

◆ Barometer Capital Management Inc.:  
Barometer Global Macro Pool



Universe: eVestment Hedge Macro - Discretionary

	VT	RM	YTD		1 Year		3 Years		5 Years		7 Years		Since Inception 7.67 Years <sup>1</sup>	
				Rk		Rk		Rk		Rk		Rk		Rk
5th percentile			6.15		15.34		16.87		19.30		17.21		18.75	
25th percentile			3.32		7.64		4.76		6.46		7.07		7.81	
Median			0.46		2.33		1.16		2.80		4.02		4.92	
75th percentile			-1.61		-1.49		-1.17		0.63		0.98		1.61	
95th percentile			-6.56		-13.12		-5.97		-8.50		-7.24		-3.69	
# of Observations			133		130		119		94		79		75	
◆ Barometer Capital Management Inc.	PF	GF	-4.57	91	10.87	13	13.74	8	17.56	7	11.70	14	13.68	13

Results displayed in base currency.

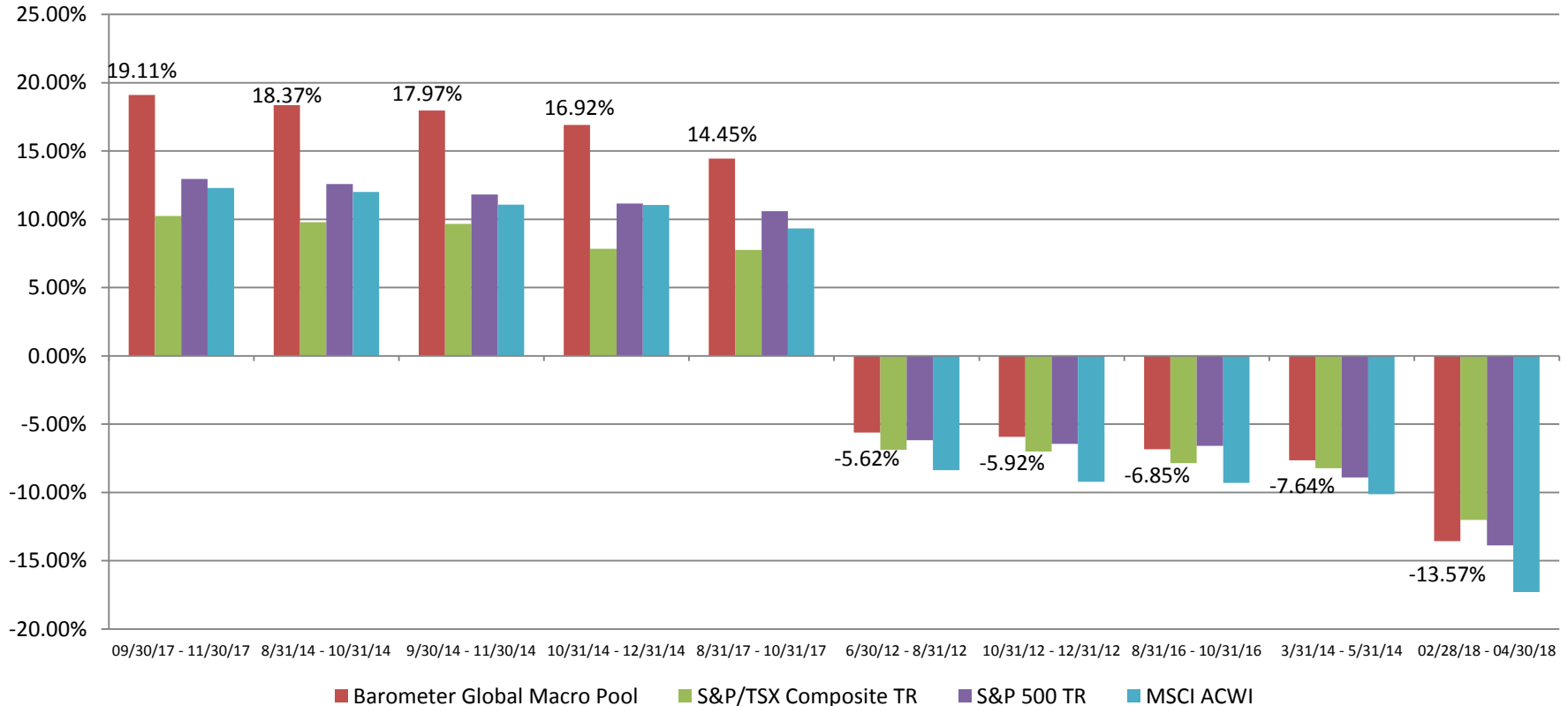
<sup>1</sup>08/2010 - 03/2018



# Global Macro Role in a Portfolio

As at April 30, 2018

## Five Best and Worst Rolling 3 Month Returns



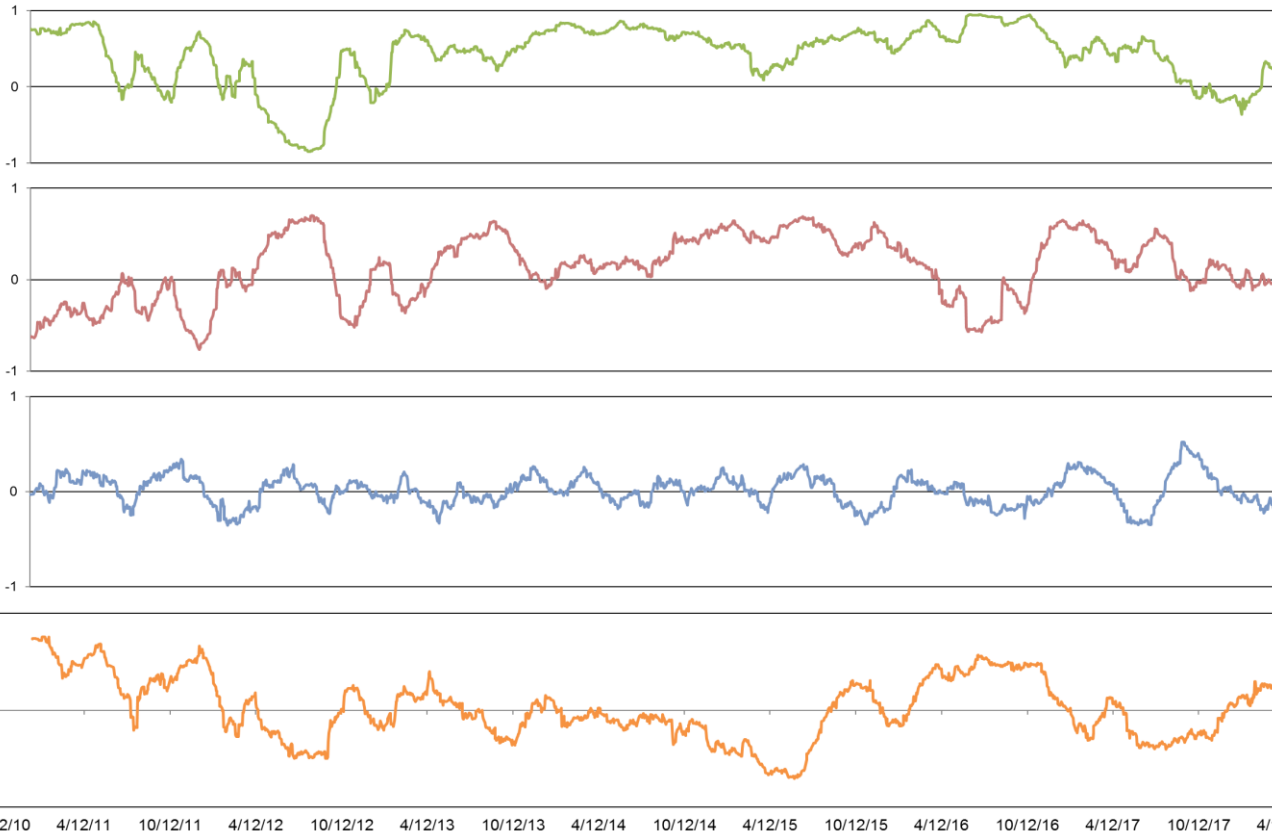
Source: Barometer Capital Management Inc. & Bloomberg Finance L.P.



# Global Macro Asset Class Correlations

Barometer Capital Management

### Barometer Global Macro Pool Class F- Rolling 50 Day Correlations



MSCI World Index

U.S. Dollar Index (DXY)

iShares 20+ Year Treasury Bond ETF (TLT)

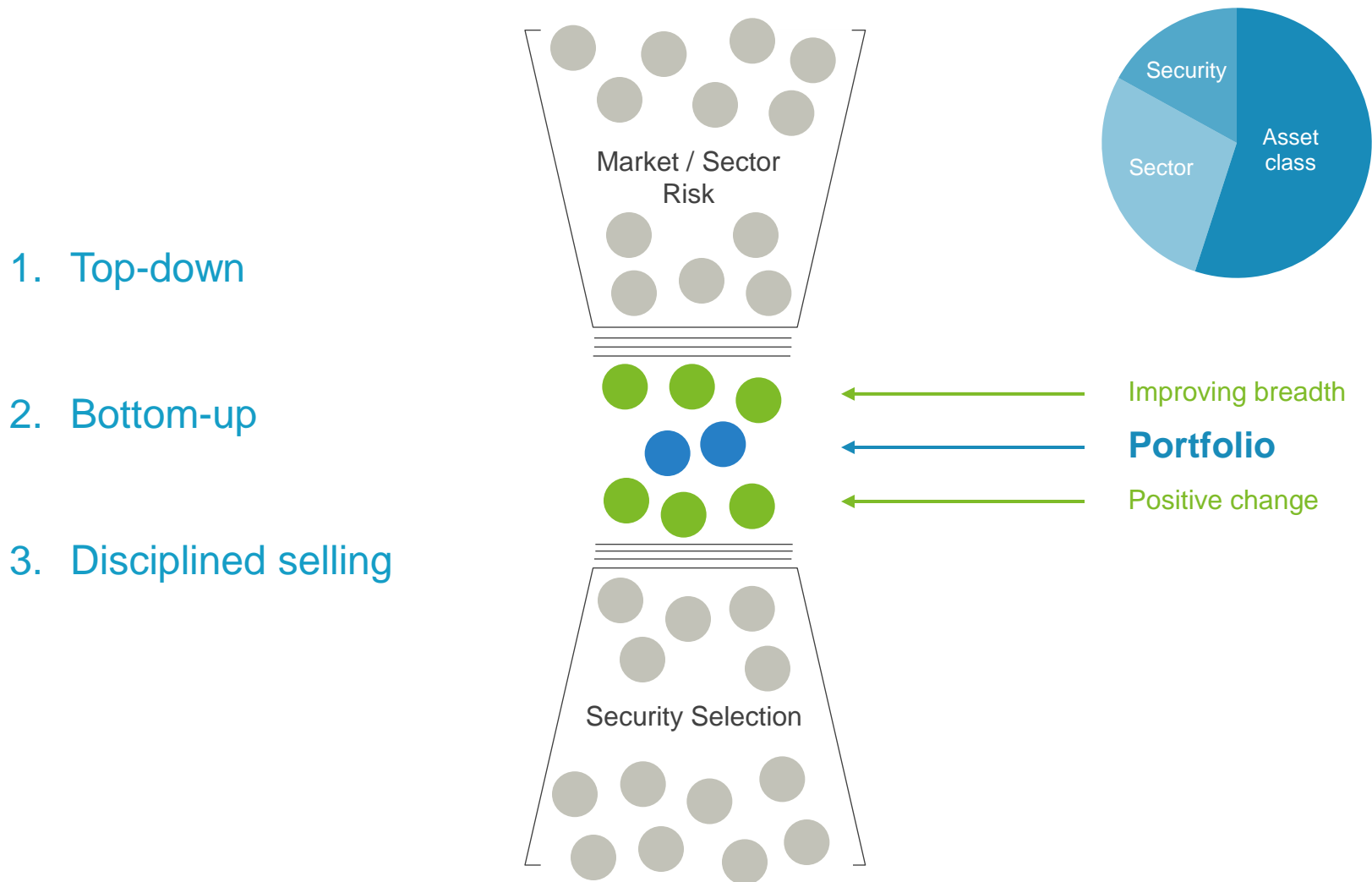
Bloomberg Commodity Index (BCOM)

The chart above is for illustrative purposes only. Past performance is no guarantee of future results. Results would be different for other time periods. Stocks are represented the Barclays Global Macro Index and Bull Wealth Global Macro Index, unmanaged indexes and investors cannot invest in them directly. The rates of return are net of all expenses and fees. All performance data assumes reinvestment of all distributions or dividends and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Individual account performance results and account composition may differ from that of the Barometer Global Macro Pool ("Pool") due to a number of factors, including fees, client imposed restrictions, timing of trade executions, deposits, withdrawals and market fluctuations. Please note that the benchmark return may differ from 25 the individual account or the Pool as they may have a different composition and risk profile.



# Disciplined Leadership Approach™

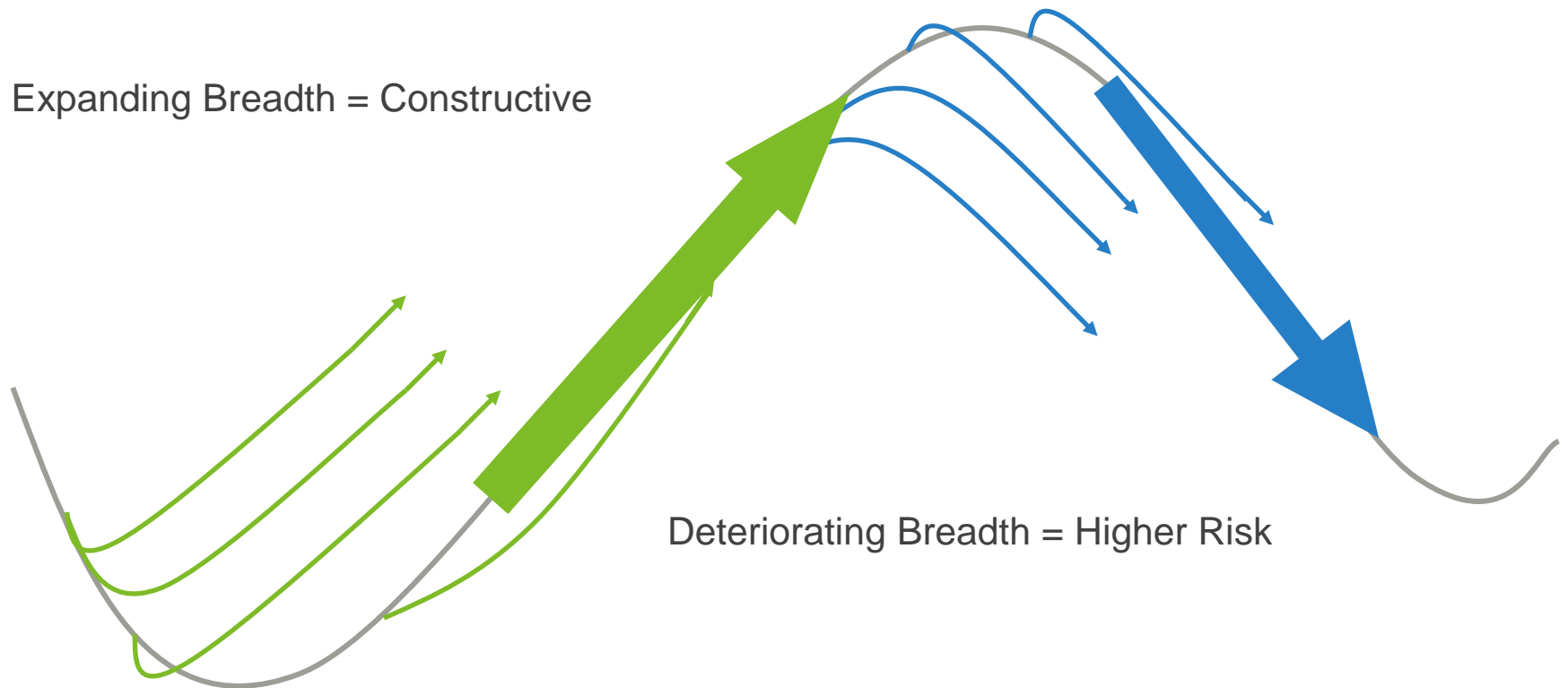
Barometer Capital Management





# Target Expanding Breadth

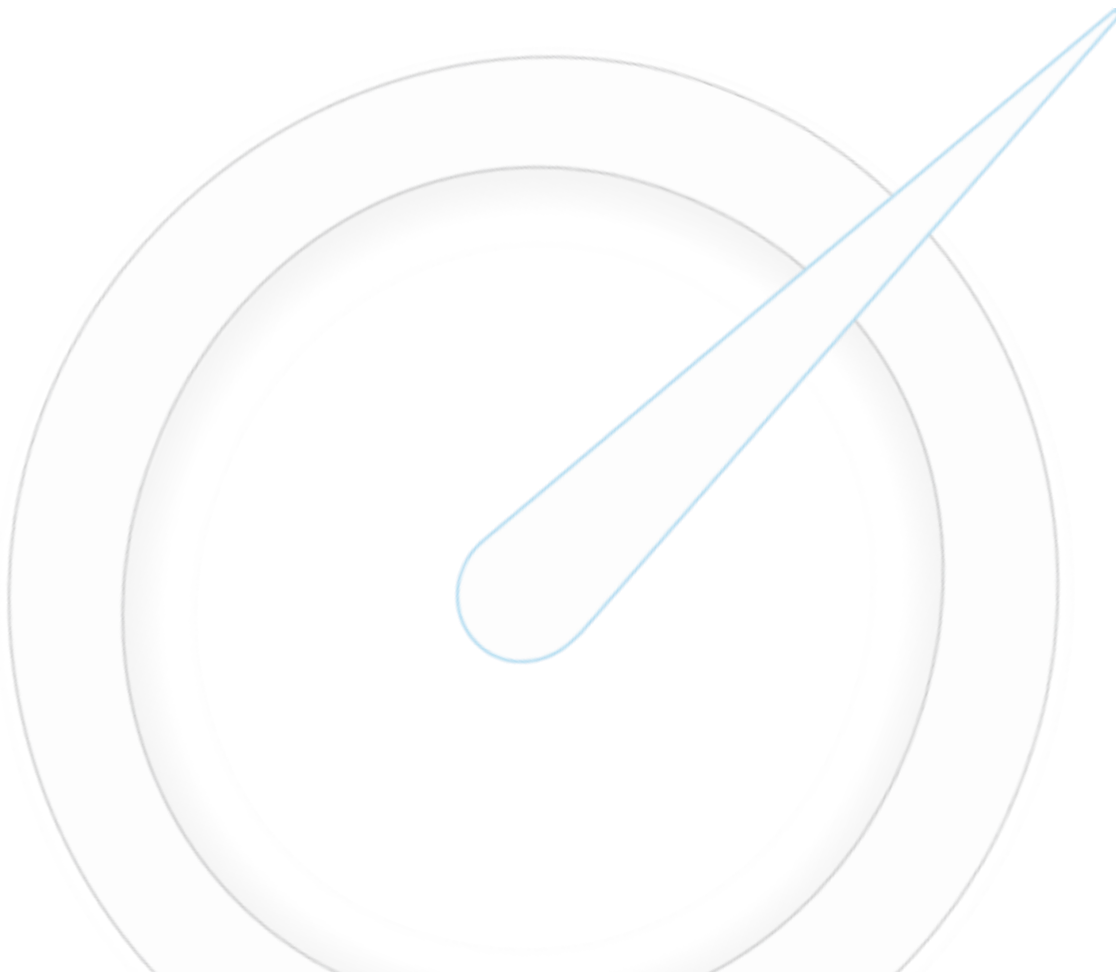
Barometer Capital Management





# When Breadth Deteriorates

Barometer Capital Management



## Defensive measures

- Cash (7-10%) 
- Tighten stops 
- No new positions 



# Execute Daily

Barometer Capital Management

## Asset Class Analysis

- Target contrarian asset class exposure when breadth expanding
- Consider shorts/ hedges or cash when deteriorating

## Sector/Theme Analysis

- Rotate capital to low risk sectors
- Reduce or short deterioration
- Protect against concentration

## Security Selection

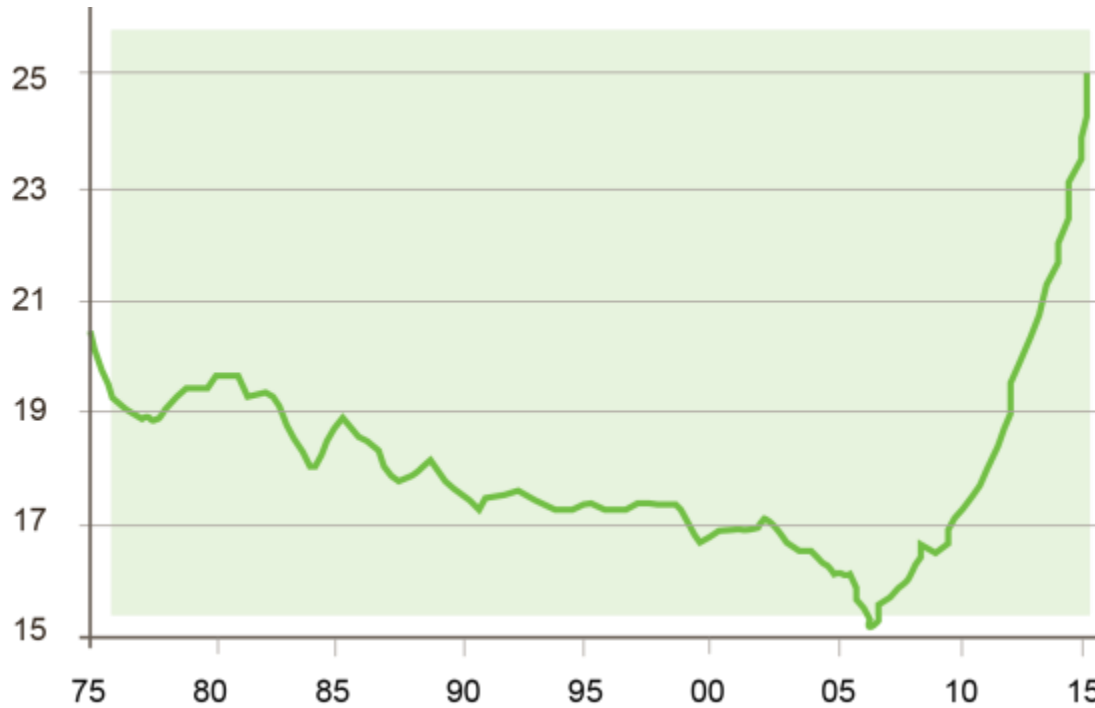
- Screen for quantitative characteristics
- Express thesis using liquid ETFs



# U.S. Energy Production

Barometer Capital Management

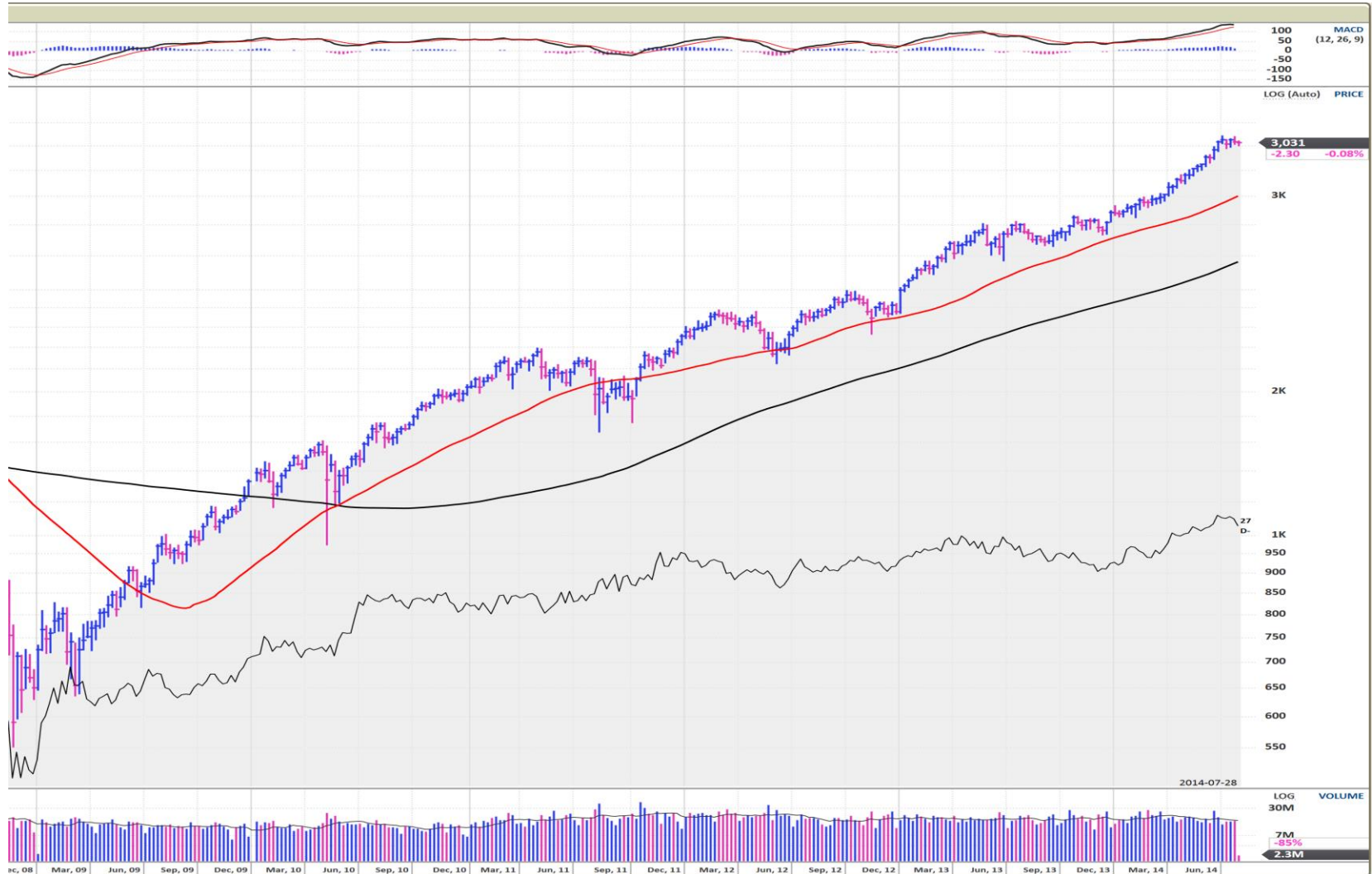
Petroleum and natural gas (dry and liquid)  
Million barrels\* per day | 12 Mo. Avg. Mar: 24.9





# US Pipelines – 2009-2014

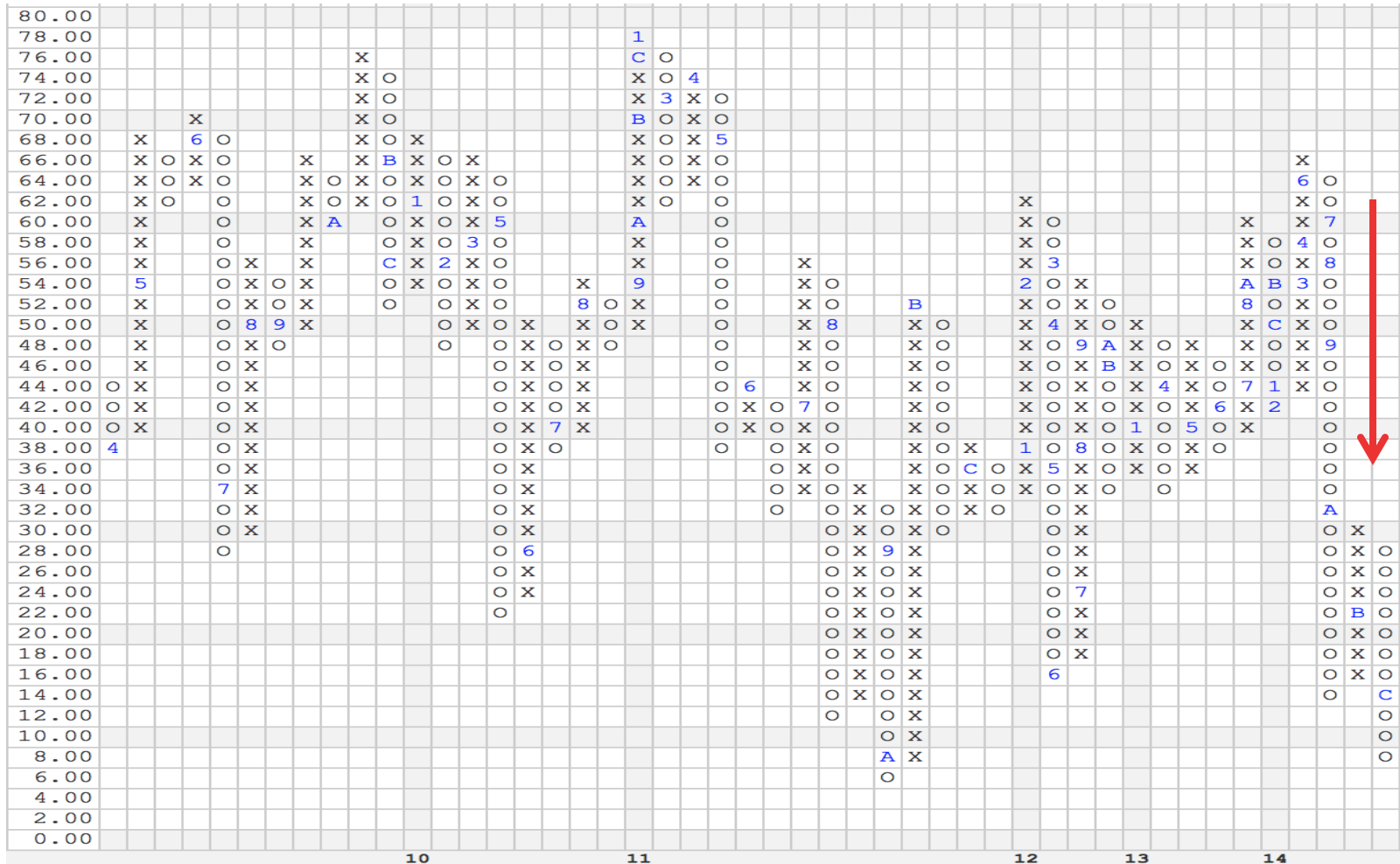
Barometer Capital Management





# Energy Producer Breadth Model

Barometer Capital Management





## Barometer Capital Management





# Energy Sector Breadth

	13	14	15	16
68.00				
66.00			X	
64.00			6 O	
62.00			X O	
60.00		X	X 7	
58.00		X O	4 O	
56.00		X O	X 8	
54.00	X	A B 3 O		
52.00	X O	8 O	X O	
50.00	X O	X C	X O	
48.00	9 A	X O	X O	9
46.00	X B	X O	X O	X O
44.00	X O	X 4	X O	7 1 X O
42.00	X O	X O	X 6	X 2 O
40.00	X O	1 O	5 O	X O
38.00	8 O	X O	X O	X 5
36.00	X O	X O	X O	X 6
34.00	X O	O	O	X O
32.00	X		A	X 3 X O
30.00	X		O X	X O 4 7 X O
28.00	X		O X O	X O X O C
26.00	X		O X O	X O X O
24.00	7		O X O	X O X O
22.00	X		O B	O X O X O
20.00	X		O X O	2 O X O
18.00	X		O X O	1 O X O 2
16.00			O X	O X O A O X
14.00			O	C X O 9 O X
12.00			O X	O X O X
10.00			O X	8 X O X
8.00			O	O X 1 X
6.00				O
4.00				



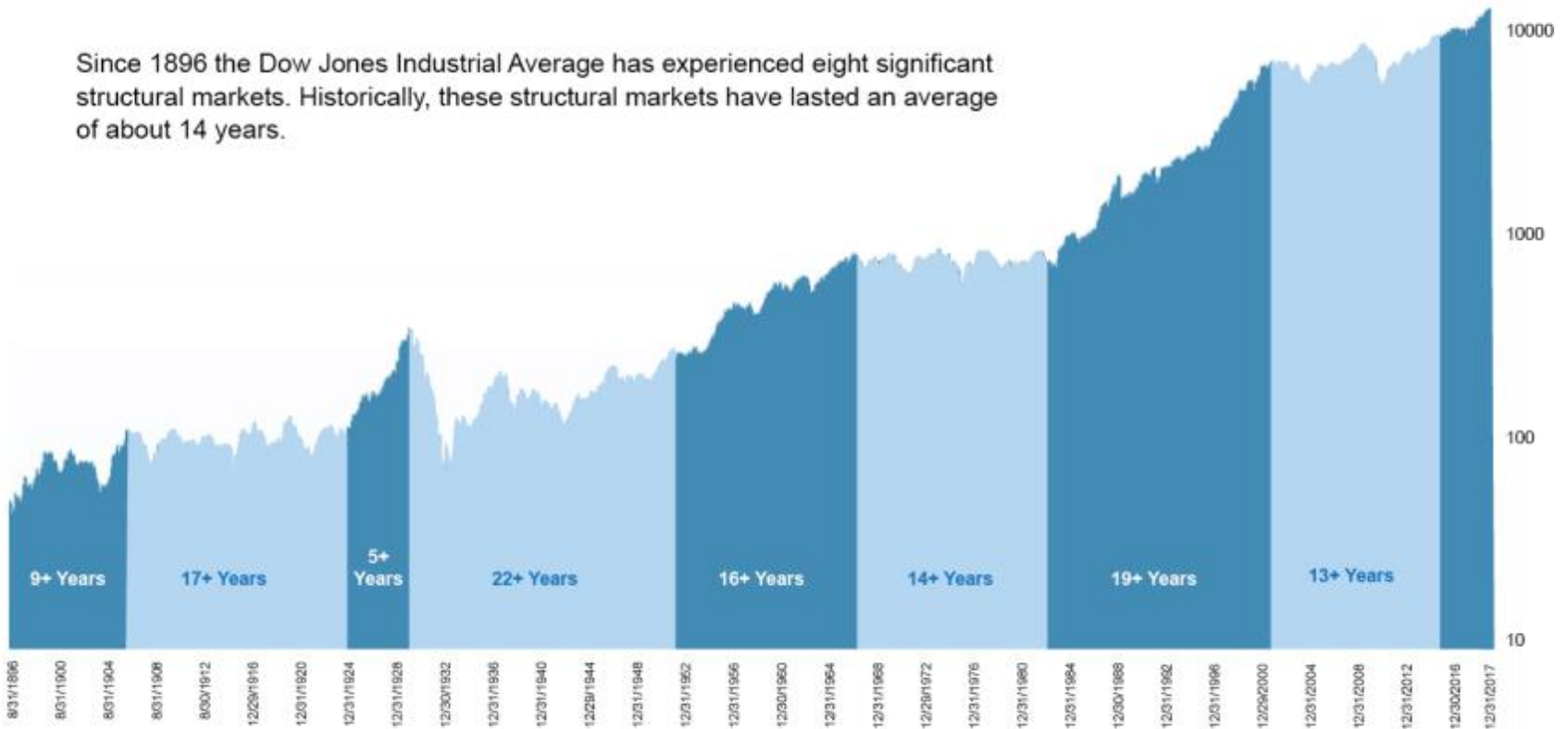


# Dow Jones Industrial Average Structural Markets

Barometer Capital Management

May 1896 – December 2017

Since 1896 the Dow Jones Industrial Average has experienced eight significant structural markets. Historically, these structural markets have lasted an average of about 14 years.



Source: Barometer Capital Management Inc.



# Global Market Drawdowns

Barometer Capital Management

September 2014 – February 2016

% Drawdown from 52-week high – local currency

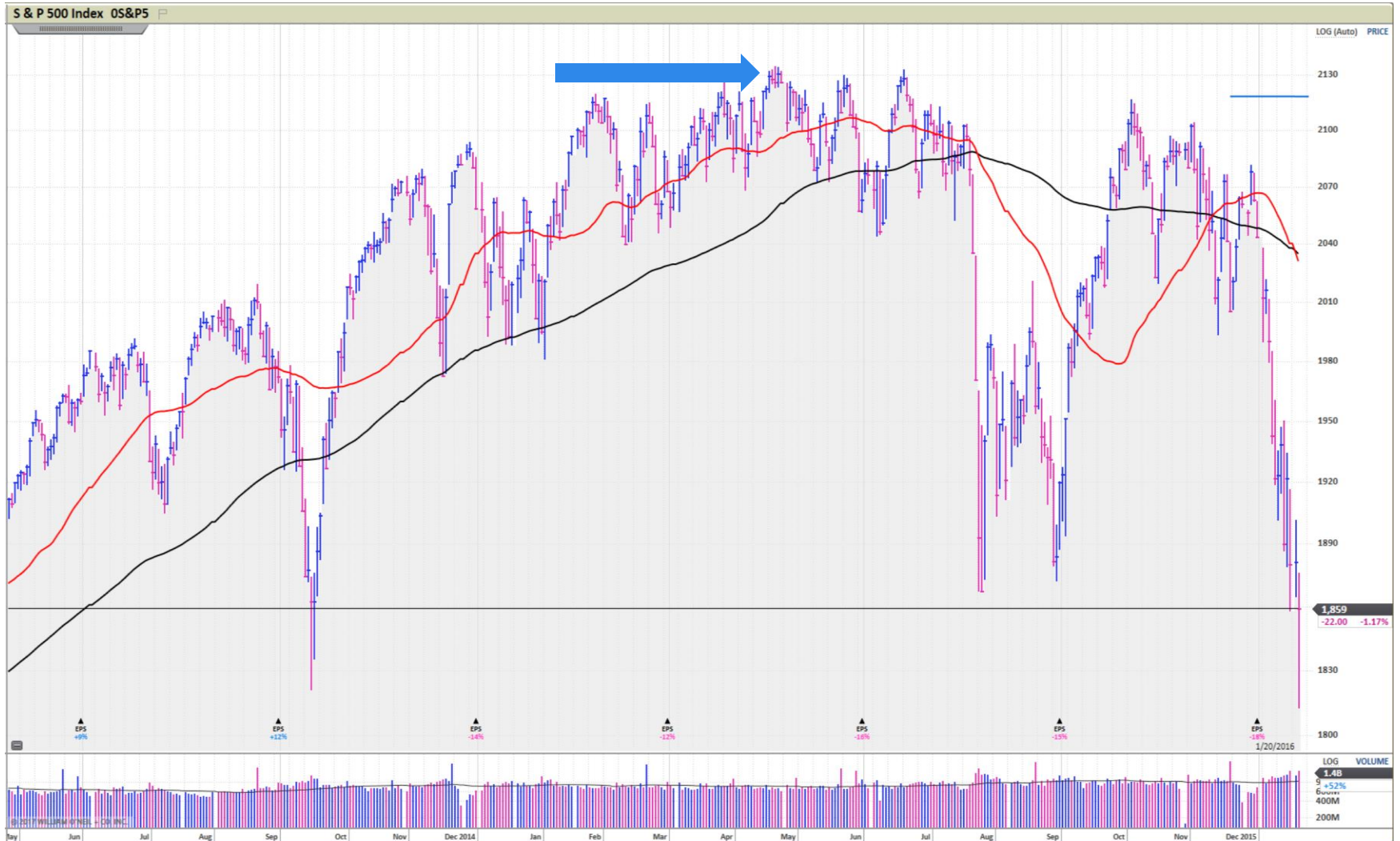
China	SHCOMP	-48.6%	Taiwan	TWSE	-25.7%
Dubai	DFMGI	-43.6%	Indonesia	JCI	-25.4%
Portugal	PSI20	-40.4%	Turkey	XU100	-25.0%
Hong Kong	HSI	-35.6%	Netherlands	AEX	-24.9%
Brazil	IBOV	-35.4%	Thailand	SET	-24.2%
Spain	IBEX	-34.7%	Canada	TSX	-23.3%
Italy	FTSEMIB	-34.4%	India	SENSEX	-22.4%
Qatar	DSM	-32.9%	U.K.	UKX	-22.1%
Germany	DAX	-29.3%	Switzerland	SMI	-21.3%
S&P/TSX Equity Income Index	TXEI	-29.2%	Australia	ASX	-20.5%
Singapore	FSSTI	-28.5%	Denmark	KFX	-19.9%
Japan	NKY	-28.3%	Ireland	ISEQ	-16.9%
Dow Transports	TRAN	-27.8%	South Africa	JALSH	-16.1%
Sweden	OMX	-27.5%	Korea	KOSPI	-15.8%
Euro Stoxx 600	SXXP	-26.7%	S&P 500	SPX	-14.2%
Poland)	WIG	-26.5%	Mexico	MEXBOL	-13.2%
Russell 2000	RTY	-26.4%	S&P 500 High Dividend Index TR	SPXHDUT	-9.6%
France	CAC	-26.0%			

Source: Strategas



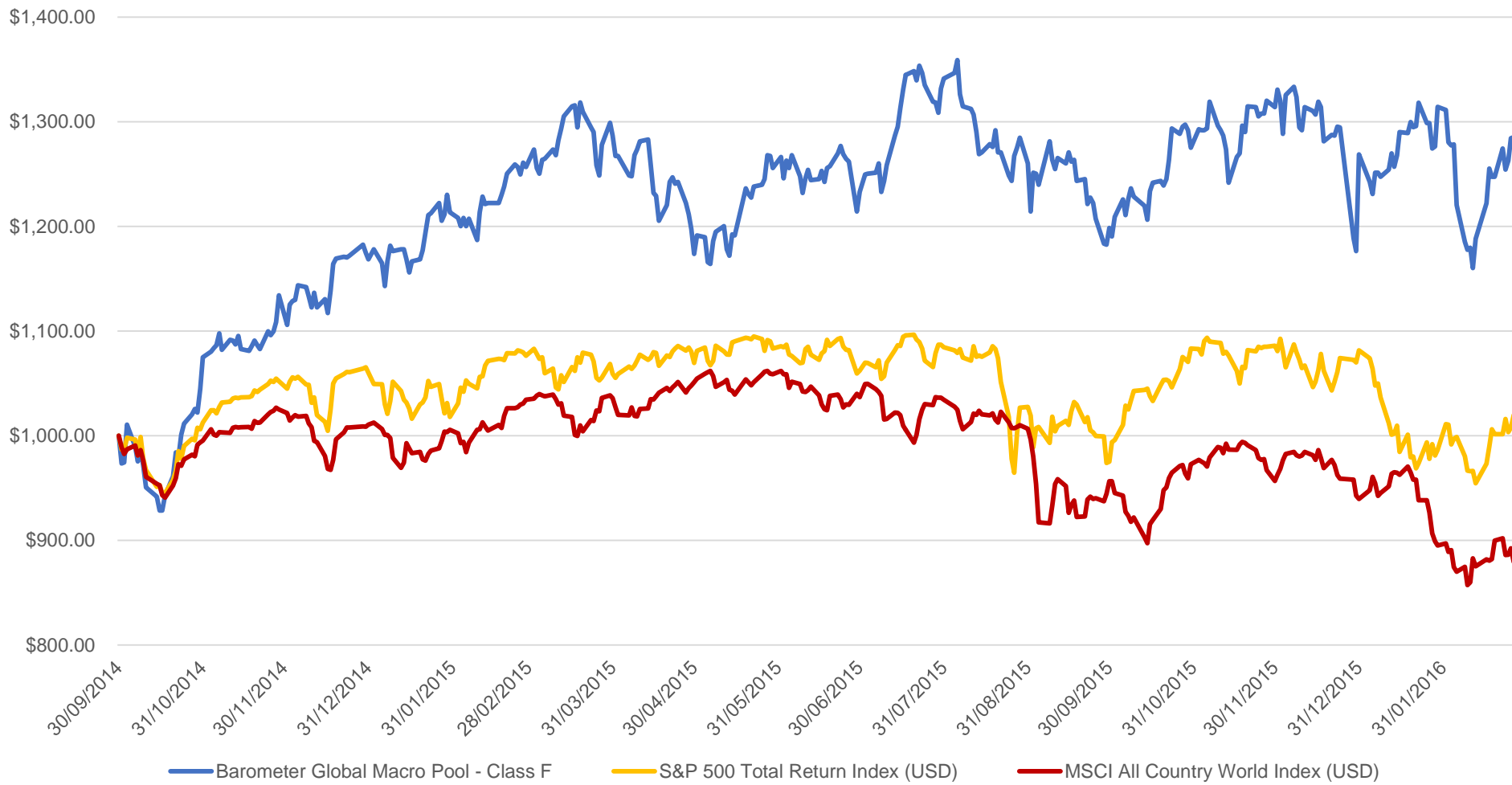
# S&P500 (May 2015 – Feb 2016) -15%

Barometer Capital Management





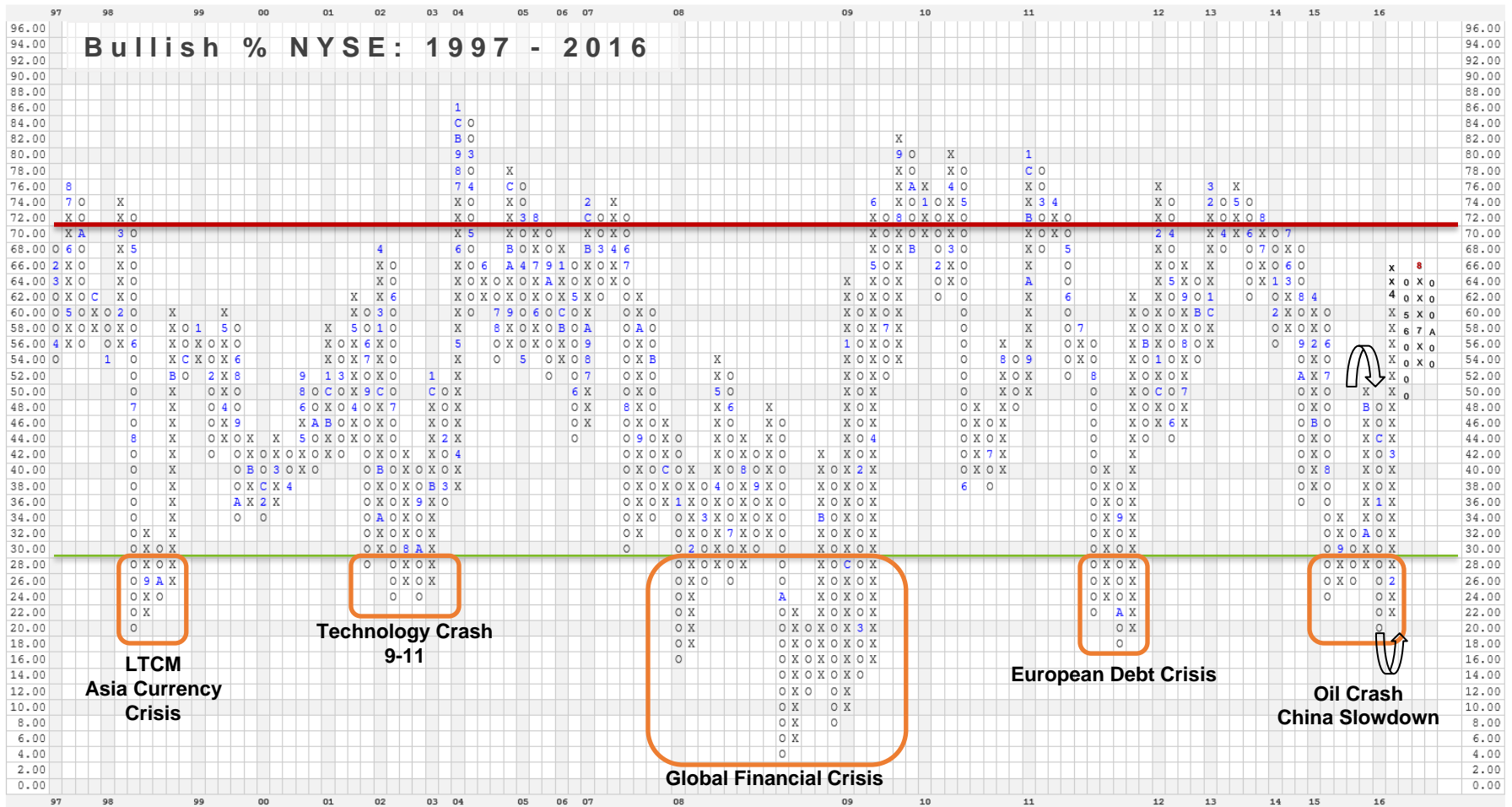
### Barometer Capital Management Growth of \$1000 - September 30, 2014 - February 28, 2016





# Know When to Play Offence

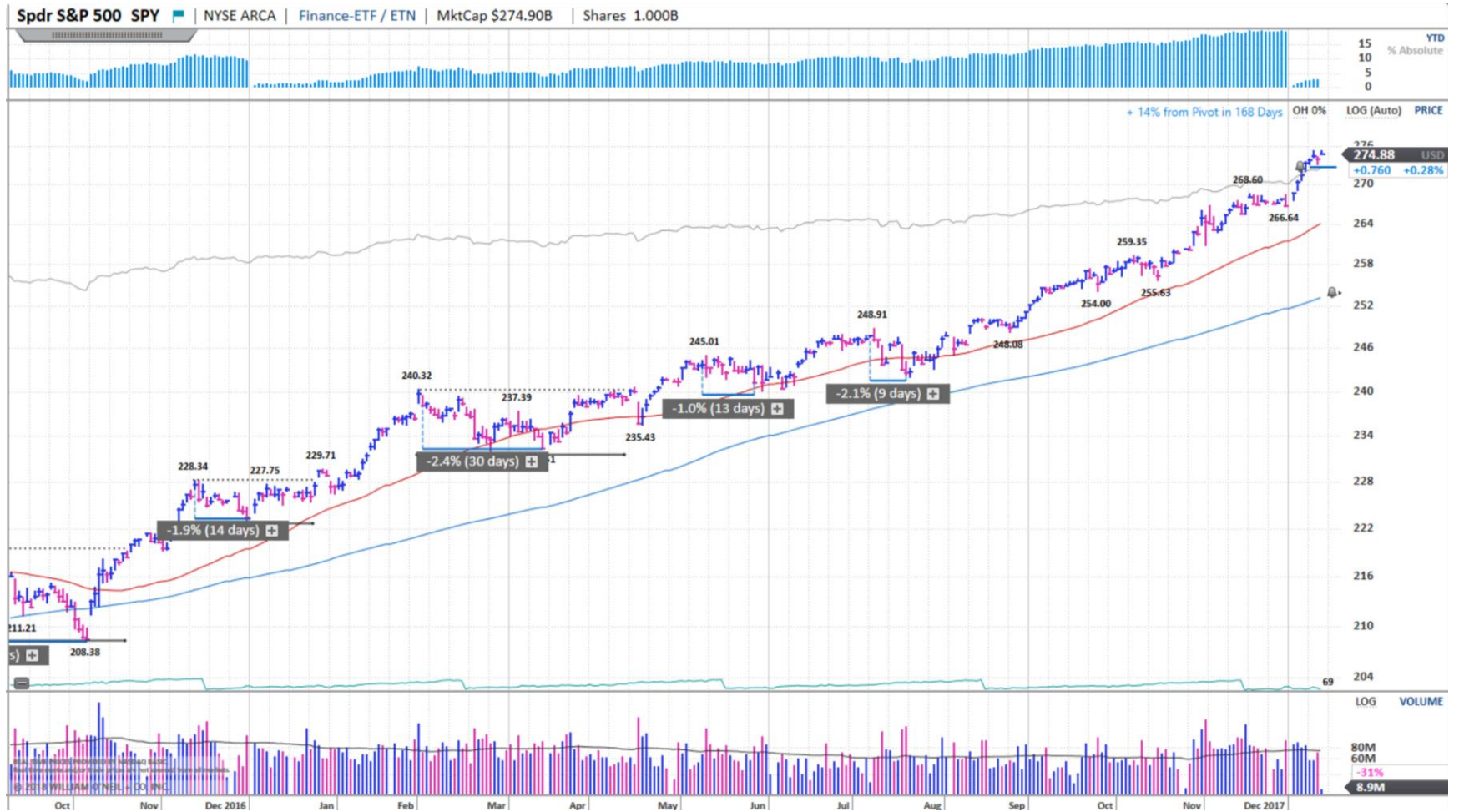
Barometer Capital Management



Source: Dorsey Wright & Associates



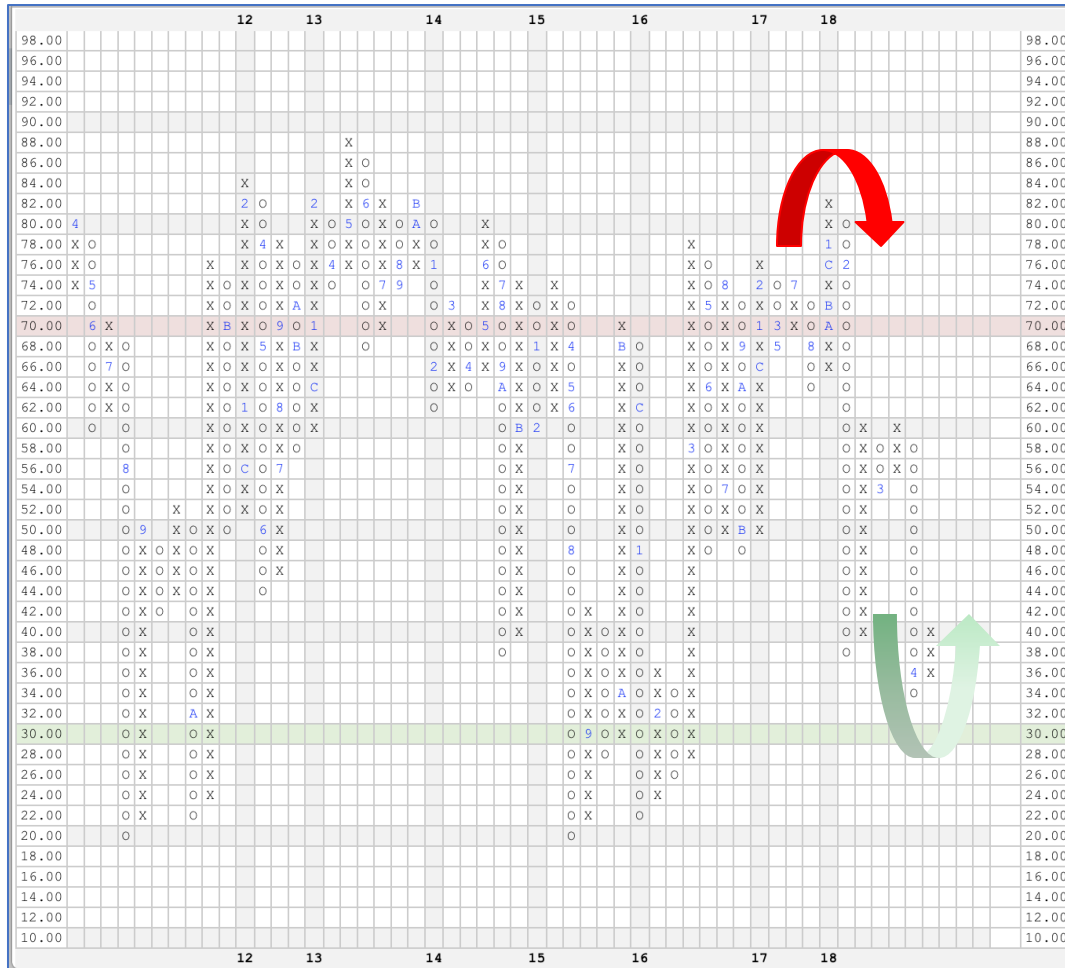
# Barometer Capital Management





# S&P 500 Bullish Percent Model

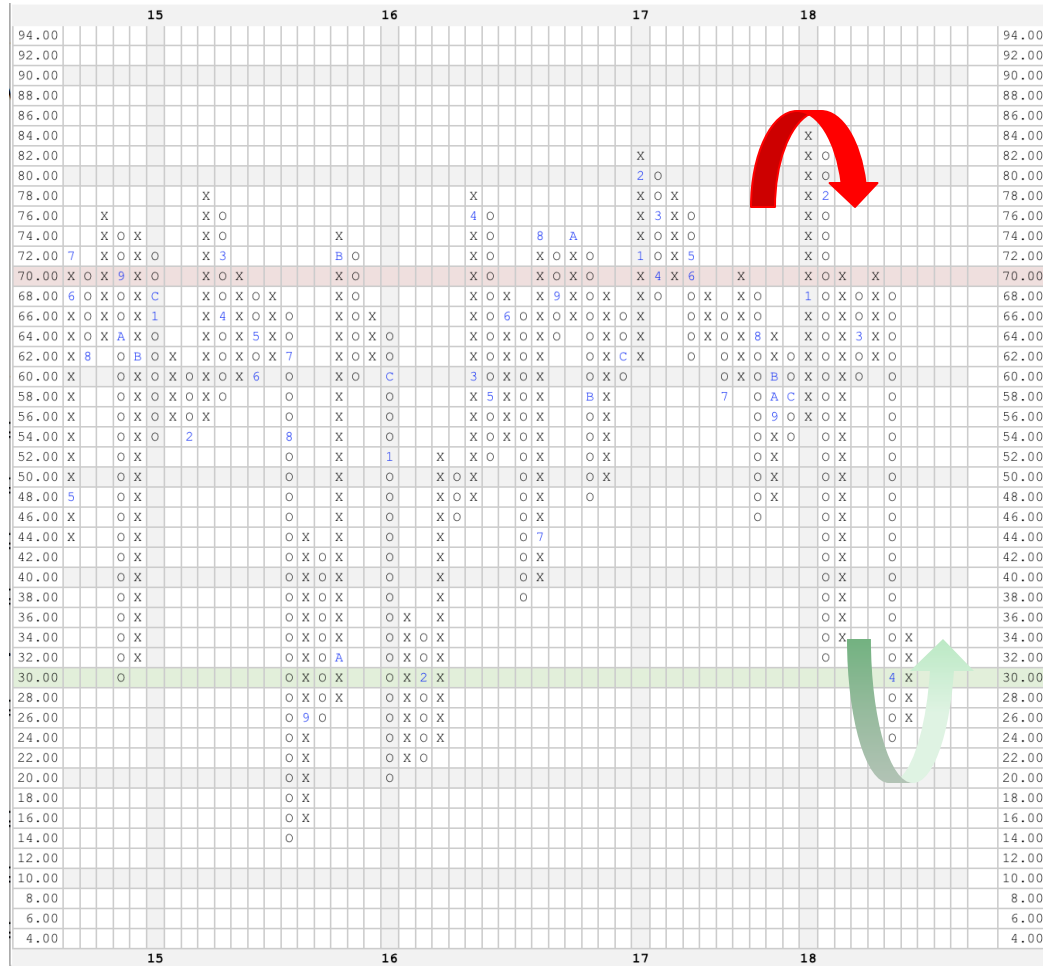
Barometer Capital Management





# Nasdaq 100 Bullish Percent Model

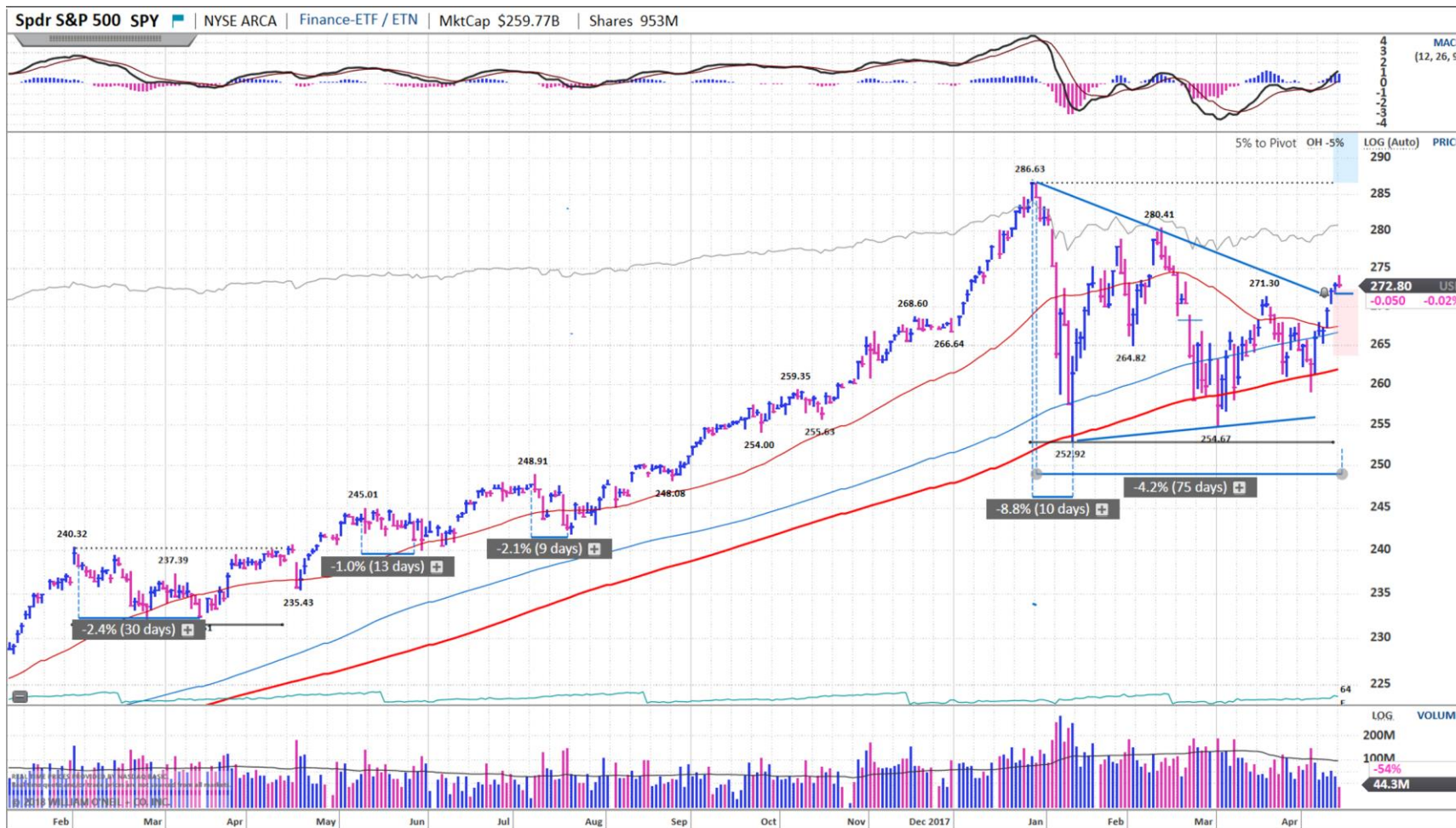
Barometer Capital Management







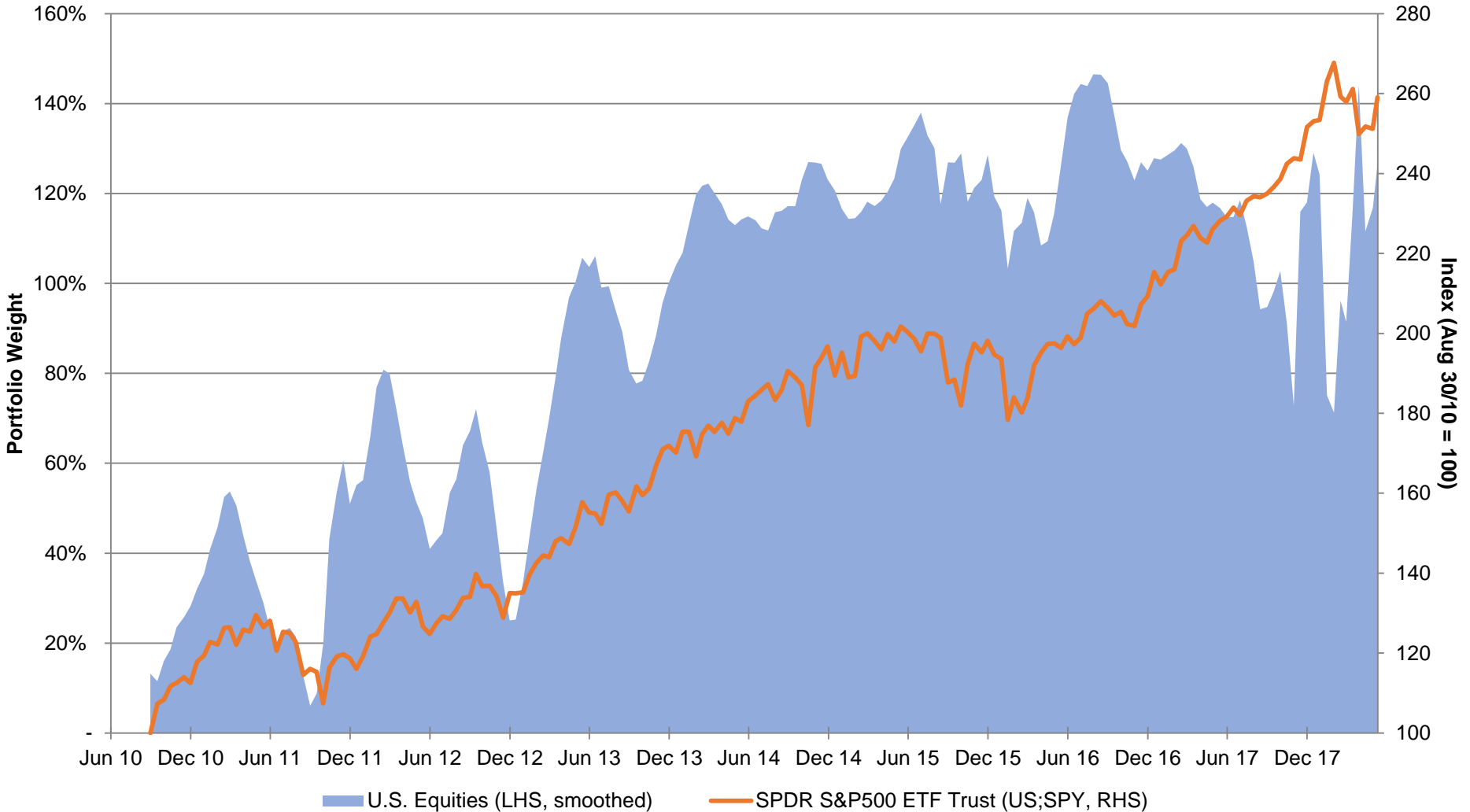
# Barometer Capital Management





# U.S. Equity Allocation

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# Europe Equities - Breadth

Barometer Capital Management

	10	11	12	13	14	15	16	17	18	
76.00										76.00
74.00										74.00
72.00										72.00
70.00										70.00
68.00										68.00
66.00		X								66.00
64.00	X	4 O				4			5	64.00
62.00	X	O X O				X O			2 O	62.00
60.00	X	O X 5				X O			X O X	60.00
58.00	1	O X O				X O			X 1 6 X O	58.00
56.00	X	2 X O				X O			8 O X 7 1 O	56.00
54.00	X	O 3 O				X O X			X X O C 8 X 2 X	54.00
52.00	X	O X O				X O X O X O X			4 O X B X B X O 5	52.00
50.00	O	X O X				X O X B X O			X O X O X C O X 4	50.00
48.00	O	O X O X O				O X O X O B O			X O X O X 6 X O	48.00
46.00		O X O X				O X O X O X O X 8 X C			X O X	46.00
44.00		O X 7 X				O X O			3 O X	44.00
42.00		O 6 O				O			O 3	42.00
40.00		O X				O X			X O 7	40.00
38.00		O X				O X			O 9 O X X O X	38.00
36.00		O				O X			O X O X O X O X	36.00
34.00						O X			O X O X O X O	34.00
32.00						O X			O X 2 X	32.00
30.00						O			O O	30.00
28.00										28.00
26.00										26.00
24.00										24.00
22.00										22.00
20.00										20.00
18.00										18.00
16.00										16.00
14.00										14.00
12.00										12.00
10.00										10.00
8.00										8.00
6.00										6.00
4.00										4.00





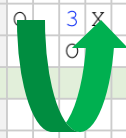
# Asia Equities - Breadth

Barometer Capital Management

**Bullish Pct for all Asia Pacific Equities (^BPASIA-AP) - 42.07 (0)**

Full Size    Add to Temp Portfolio

	15				16				17				18								
60.00																	60.00				
58.00			X														58.00				
56.00			X	O													56.00				
54.00	3	4	O							X	B	X					54.00				
52.00	2	O	X	O	X		X		4	X	X	O	A	O	1	O	52.00				
50.00	X	O	X	O	X	O	X	O	X	O	X	O	1	O	X	O	X	50.00			
48.00	O	X	O	5	X	O	X	X	O	X	O	C	5	9	C	X	2	48.00			
46.00	O	1		O	X	6	X	O	X	B	X	5	X	9	X	8	X	O	46.00		
44.00	C	X		O	O	X	O	X	C	X	O	X	B	X	O	X		O	44.00		
42.00	O	X			O	X	8	X	O	X	6	7	O	X	O			O	42.00		
40.00	O				7	X	O	A	1	X	O	X	O	X			O	X	X	40.00	
38.00					O	O	X	O		X	O	X	O	X			O	X	O	4	38.00
36.00						O	X	O	X	X	O	O					O	X	O	X	36.00
34.00						O	X	O	2	O	3					O	3	X		34.00	
32.00						O	X	O	X	O	X										32.00
30.00						O	X	O	X	O	X										30.00
28.00						O	X	O	X	O	X										28.00
26.00						O	X	O		O	X										26.00
24.00						O	9		O												24.00
22.00						O	X														22.00
20.00						O	X														20.00
18.00						O															18.00
16.00																					16.00
	15					16					17					18					





# Japan Equities - Breadth

Barometer Capital Management

Bullish Pct For Japan (^BPTO-TO) - 46.83 (0.7)

Full Size Add to Temp Portfolio

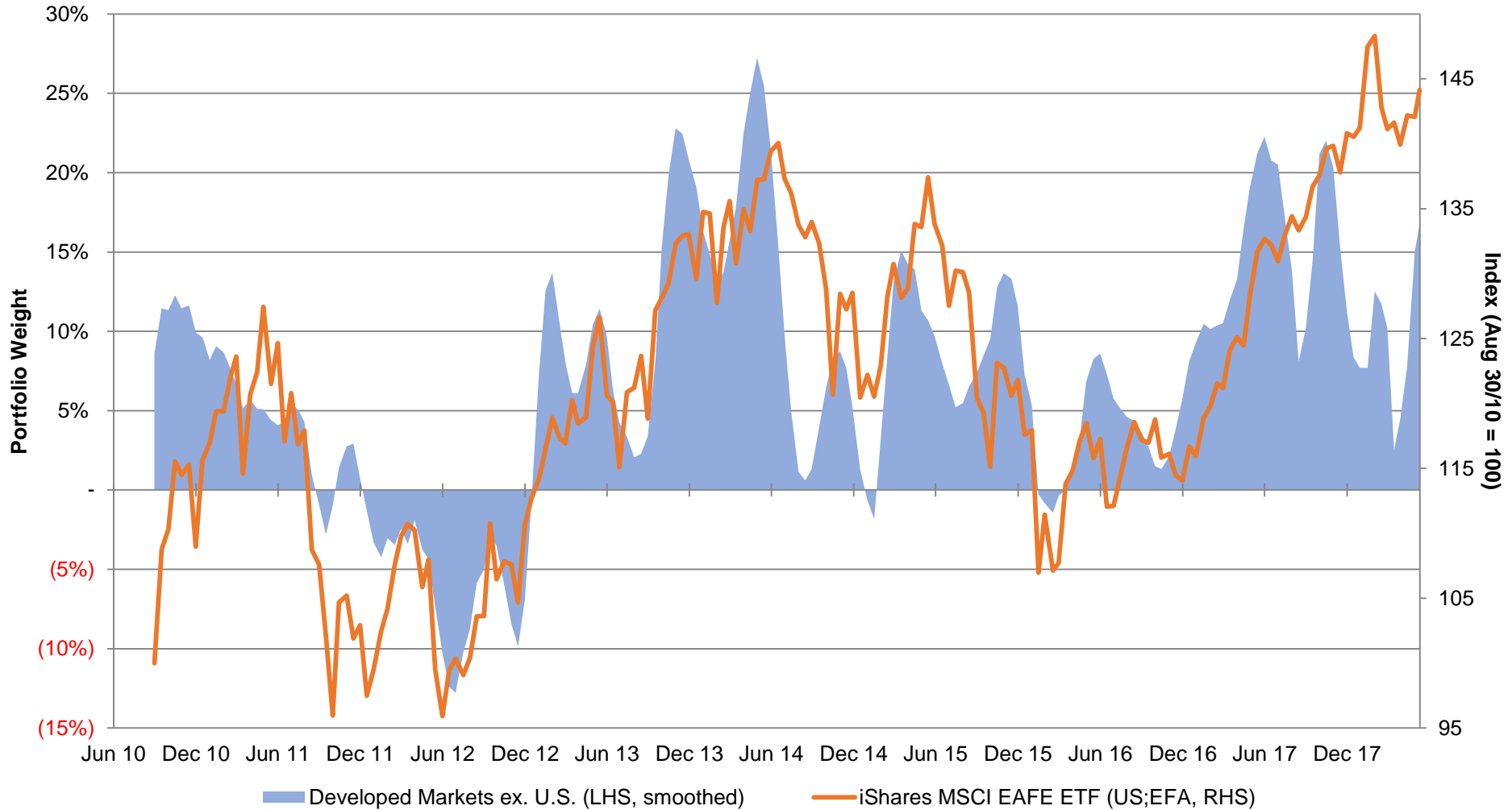
	16	17	18	
82.00				82.00
80.00		1		80.00
78.00		X O		78.00
76.00		X O		76.00
74.00		C O	A X	74.00
72.00		X 3	X O 1 O	72.00
70.00		X O 6	X O X O	70.00
68.00	C	X X O X O X B X 2		68.00
66.00	X O	X O X O X O X O	O	66.00
64.00	B O X	X O X 4 X 8 X	O	64.00
62.00	X O X O	X B X O 5 O X	O	62.00
60.00	X O X O	A O X O X 9 X	O	60.00
58.00	X O X O X	X X O X O X O	O	58.00
56.00	X O X 4 X O	X O X O X O X	O	56.00
54.00	X O X O X O 6	X O X O X O X	O X	54.00
52.00	X O X O X 5 X O X 8 9	O X O X	O X O	52.00
50.00	X O X X O X O X O X O X	O X	O X O	50.00
48.00	X O X O X O X O X O X	O	O X 3	48.00
46.00	X O X O X O X O X O X	O	O X O X	46.00
44.00	X O X O X O X O X O X		O X O X	44.00
42.00	X 1 X O 3 O X O X		O X O 4	42.00
40.00	X O 2 O X O X	O X	O X O X	40.00
38.00	X O X O X O X	O X	O X O X	38.00
36.00	A O X O X O X	O X	O	36.00
34.00	O X O X O X O X	O X		34.00
32.00	O X O X O X O	O X		32.00
30.00	O O X O X	O 7		30.00
28.00	O X O X	O X		28.00
26.00	O X O X	O X		26.00
24.00	O X O X	O X		24.00
22.00	O X O X	O X		22.00
20.00	O X O X	O		20.00
18.00	O O X			18.00
16.00		O X		16.00
14.00		O		14.00
12.00				12.00





# Developed Markets ex. U.S. Equity Allocation

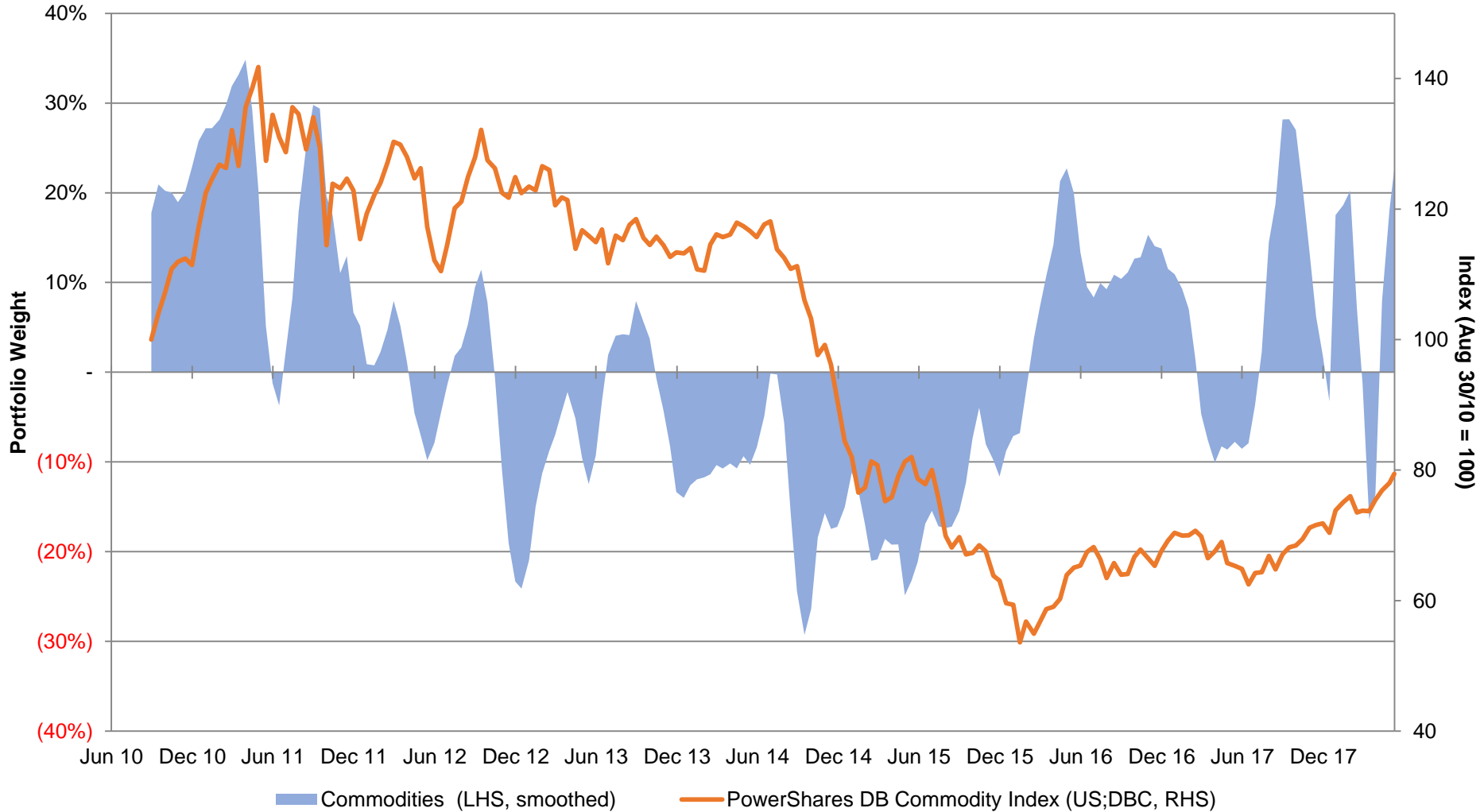
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# Commodities Allocation

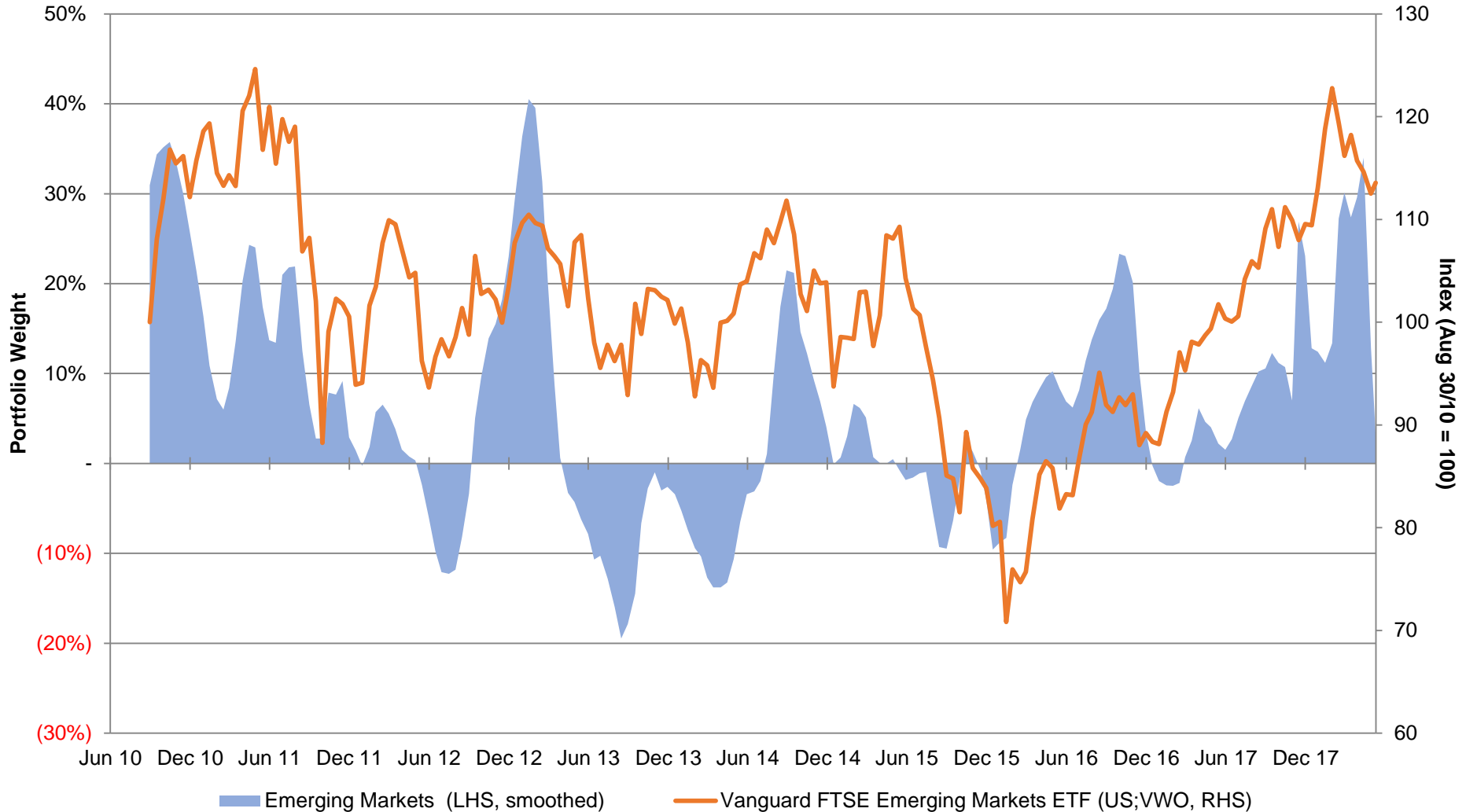
Barometer Capital Management





# Emerging Market Equity Allocation

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# 225 Years of 10 Year Treasury Bond Yields

Barometer Capital Management





## A Century of Investing Compound Annual Rates of Return

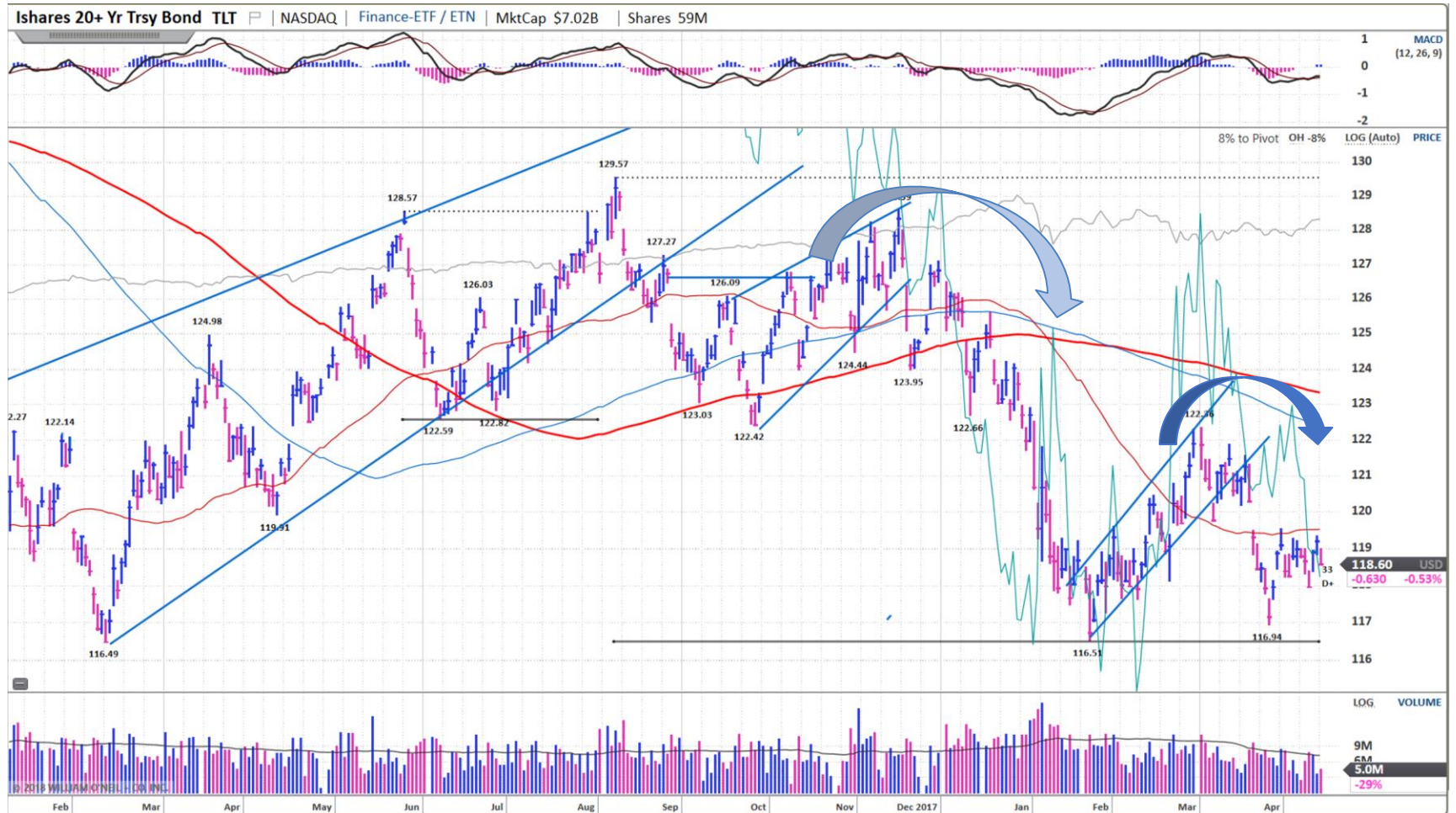
	<u>Stocks</u>	<u>Bonds</u>	<u>Bills</u>	<u>Inflation</u>
10s	12.8 ✓✓	7.0	0.1	1.7
00s	-0.9	7.7	2.8	2.5
90s	18.2	8.8	4.9	2.9
80s	17.5	12.6	8.9	5.1
70s	5.9	5.5	6.3	7.4
60s	7.8	1.4	3.9	2.5
50s	19.4	-0.1	1.9	2.2
40s	9.2	3.2	0.4	5.4
30s	-0.1	4.9	0.6	-2.0
1926 - 2016	10.0% <sup>a</sup>	5.5%	3.4%	2.9%

(a) 4% from dividends and reinvestment of dividends



# Bond \$ down = Losses for Bond Investors

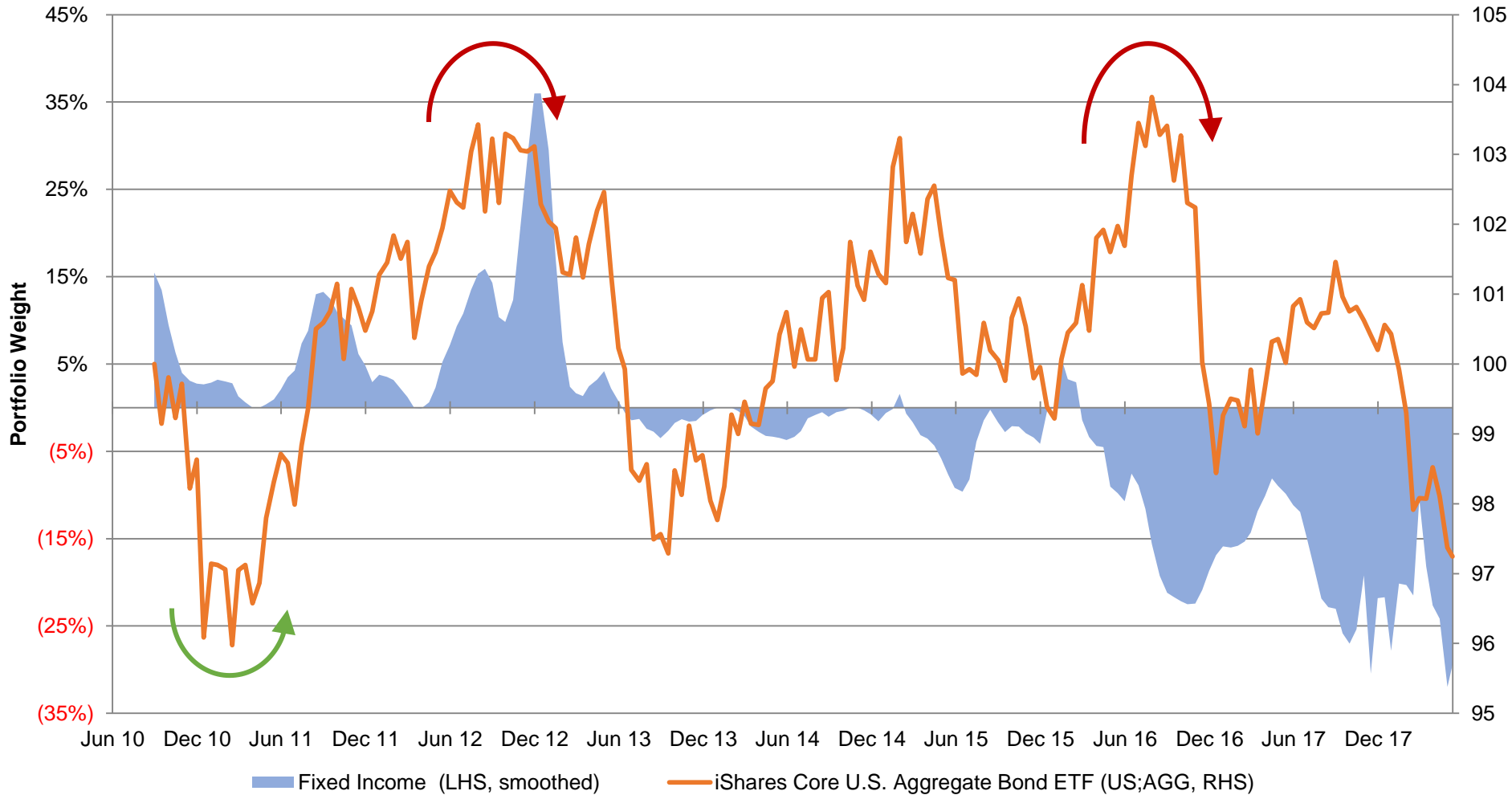
Barometer Capital Management





# Fixed Income Allocation

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# Barometer Global Macro Pool - Mandate

---

Barometer Capital Management

Long / Short any macro theme expressed actively using liquid ETFs

- Developed Market Equities
- Emerging Equities
- Fixed Income
- Currencies
- Commodities
- Real Estate
- Volatility

Geographically unconstrained

- 30 - 50 positions
- 130% Net Long 50% Net Short

**Barometer's differentiated investment process leverages systematic active management to achieve the investment objectives**

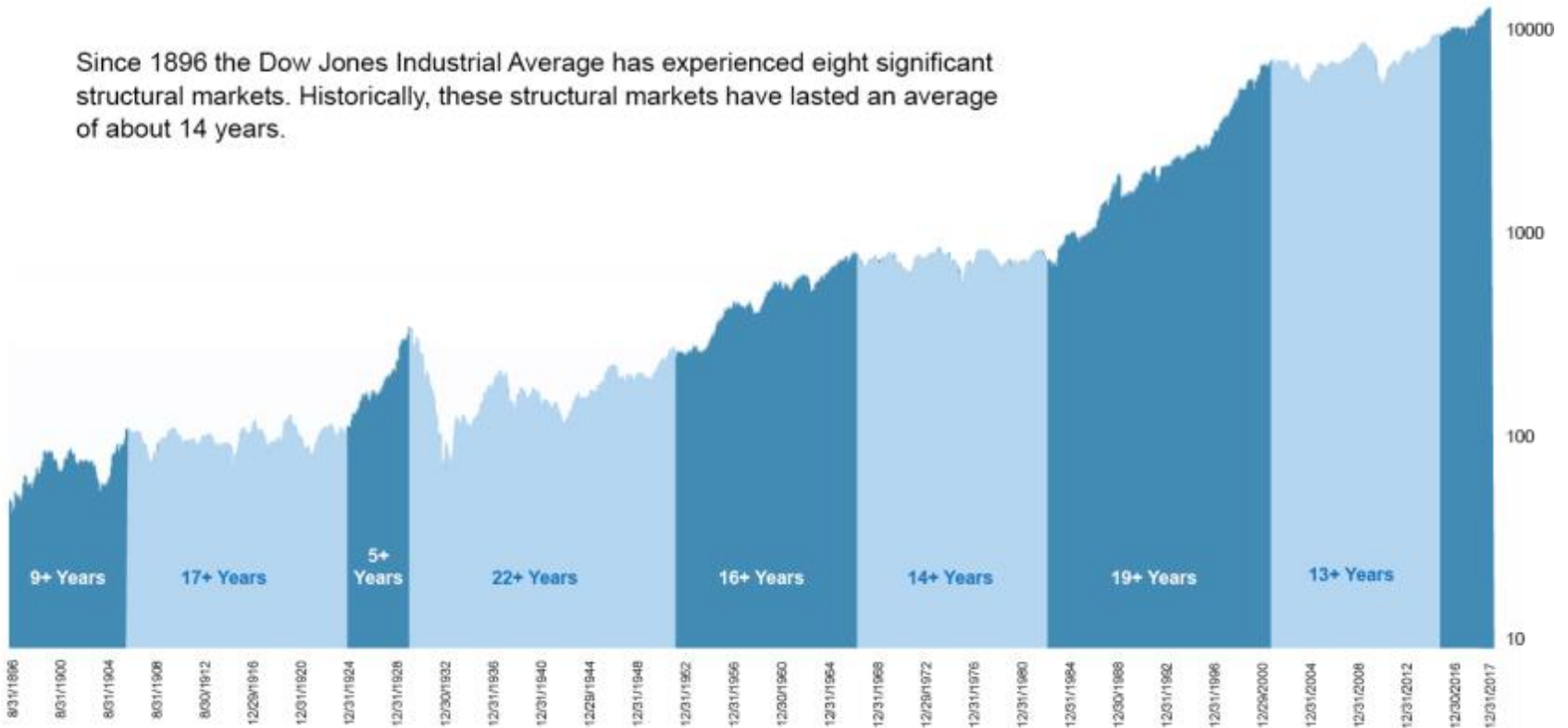


# Dow Jones Industrial Average Structural Markets

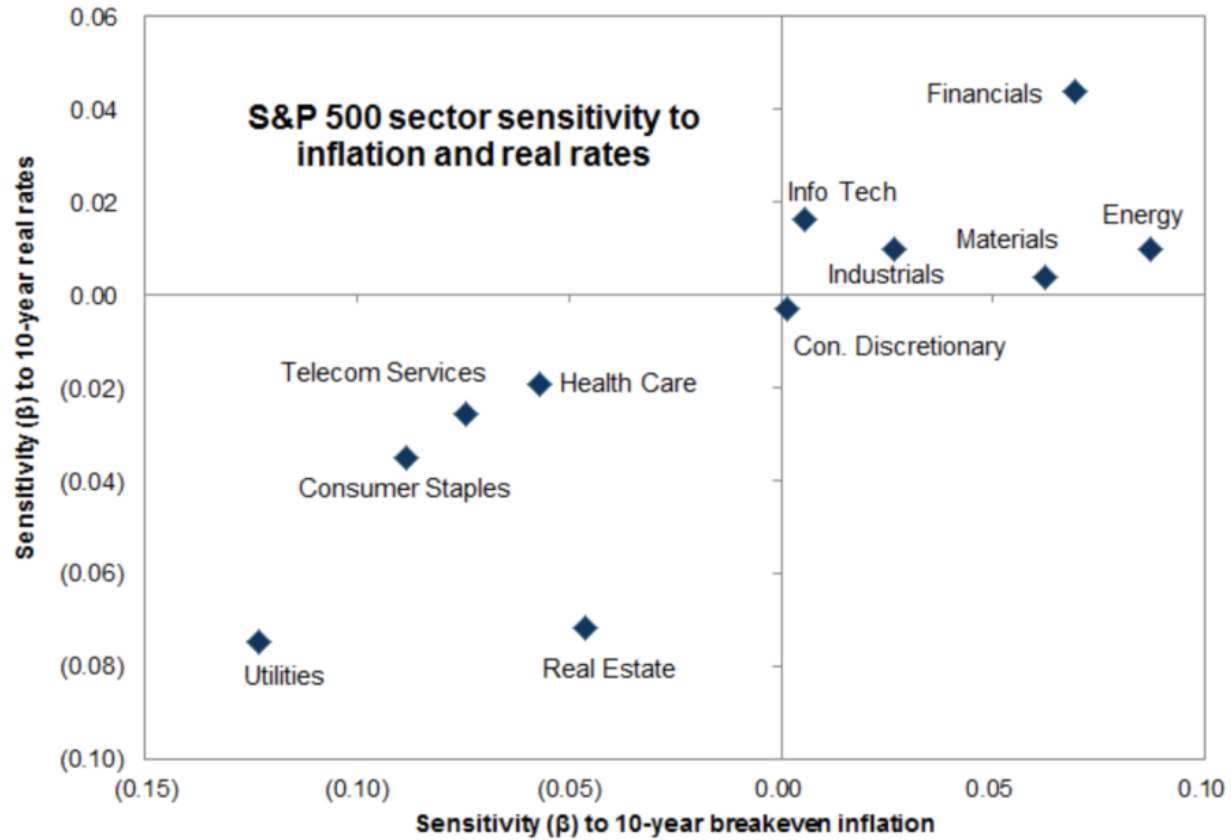
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May 1896 – December 2017

Since 1896 the Dow Jones Industrial Average has experienced eight significant structural markets. Historically, these structural markets have lasted an average of about 14 years.



Source: Barometer Capital Management Inc.



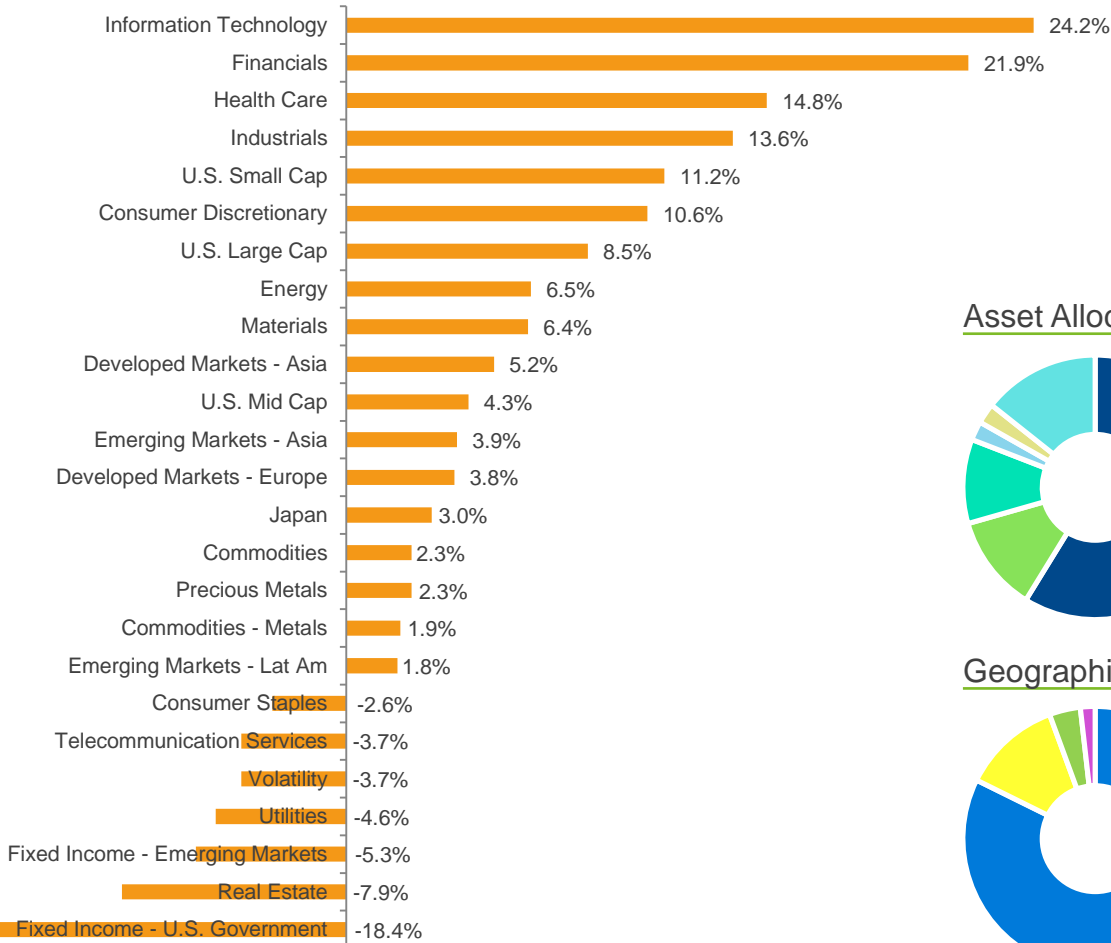
Goldman



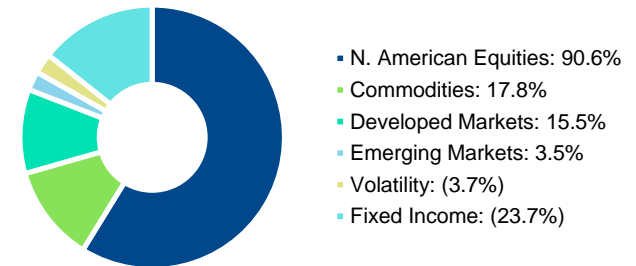
# Barometer Global Macro Pool

Barometer Capital Management

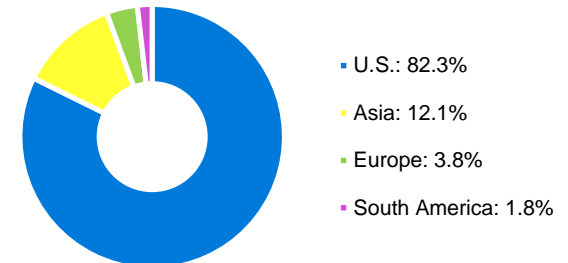
Industry Allocations as at May 7, 2018



## Asset Allocation



## Geographic Allocation



N. American Equities – excludes equities-based ETP's in Energy and Materials sectors, which are classified under "Commodities" asset class

Developed Markets – includes Canada, Western Europe, Israel, Australia, New Zealand, Hong Kong, Japan, Singapore

Emerging Markets – includes Latin America, Eastern Europe, Middle East, China, India, Korea, Southeast Asia

Commodities – includes equity-based ETP's in the Energy and Material sectors, futures-based commodity ETP's

Fixed Income – includes local- and foreign-currency denominated Investment Grade, High-Yield, Sovereign, MBS, Preferred Equity, issued in Developed and Emerging Markets



# Barometer Global Macro Pool

Barometer Capital Management

Holdings as at May 7, 2018

24.2%	Information Technology
US;HACK	ETFMG Prime Cyber Security ETF
US;SKYY	First Trust Cloud Computing ETF
US;XT	iShares Exponential Technologies ETF
US;IGV	iShares North American Tech-Software ETF
US;SOXX	iShares PHLX Semiconductor ETF
US;PNQI	PowerShares NASDAQ Internet ETF
US;XNTK	SPDR NYSE Technology ETF

21.9%	Financials
US;XLF	Financial Select Sector SPDR Fund
US;IAI	iShares US Broker-Dealers & Securities Exchange ETF
US;KBE	SPDR S&P Bank ETF
US;KCE	SPDR S&P Capital Markets ETF
US;KIE	SPDR S&P Insurance ETF
US;KRE	SPDR S&P Regional Banking ETF

14.8%	Health Care
US;SBIO	ALPS Medical Breakthroughs ETF
CA;HMMJ	Horizons Marijuana Life Sciences Index ETF
US;IHI	iShares US Medical Devices ETF
US;PSCH	PowerShares S&P SmallCap Health Care Portfolio

13.6%	Industrials
US;ROBO	ROBO Global Robotics and Automation Index ETF
US;IYT	iShares Transportation Average ETF
US;ITA	iShares US Aerospace & Defense ETF
US;IYJ	iShares US Industrials ETF

11.2%	U.S. Small Cap
US;IJR	iShares Core S&P Small-Cap ETF
US;IWM	iShares Russell 2000 ETF
US;IWN	iShares Russell 2000 Value ETF

10.6%	Consumer Discretionary
US;FDN	First Trust Dow Jones Internet Index Fund
US;PEJ	PowerShares Dynamic Leisure & Entertainment ETF
US;VCR	Vanguard Consumer Discretionary Index Fund ETF

8.5%	U.S. Large Cap
US;MTUM	iShares Edge MSCI USA Momentum Factor ETF
US;SPHB	PowerShares S&P 500 High Beta Portfolio

6.5%	Energy
US;DBO	PowerShares DB Oil ETF
US;XOP	SPDR S&P Oil & Gas Exploration & Production ETF

6.4%	Materials
US;WOOD	iShares Global Timber & Forestry ETF
US;CUT	PowerShares MSCI Global Timber Portfolio

5.2%	Developed Markets – Asia
US;AIA	iShares Asia 50 ETF
US;EWS	iShares MSCI Singapore ETF
US;EWY	iShares MSCI South Korea ETF

4.3%	U.S. Mid Cap
US;PDP	PowerShares DWA Momentum Portfolio ETF

3.9%	Emerging Markets – Asia
US;EWM	iShares MSCI Malaysia ETF
US;THD	iShares MSCI Thailand ETF
US;VNM	VanEck Vectors Vietnam ETF

3.8%	Developed Markets – Europe
US;DBEU	Xtrackers MSCI Europe Hedged Equity ETF

3.0%	Japan
US;DXJ	WisdomTree Japan Hedged Equity ETF

2.3%	Commodities
US;RJI	Rogers International Commodity Index Total Return ETN

2.3%	Precious Metals
US;GDX	VanEck Vectors Gold Miners ETF
US;GDXJ	VanEck Vectors Junior Gold Miners ETF

1.9%	Commodities – Metals
1.8%	Emerging Markets – Lat Am

-2.6%	Consumer Staples
-3.7%	Telecommunication Services
-3.7%	Volatility
-4.6%	Utilities
-5.3%	Fixed Income – Emerging Markets
-7.9%	Real Estate
-18.4%	Fixed Income – U.S. Government

0.0%	Cash and Cash Equivalents
0.0%	Index Hedge

Commissions, trailing commissions, management fees and expenses all may be associated with private pool investments. Please read the offering memorandum before investing. Private pools are not guaranteed, their values change frequently and past performance may not be repeated. Private pool strategies and current holdings are subject to change. Portfolio holdings do not include short positions. The portfolio holdings information above may not contain all investments held, may differ from Barometer's marketing materials, and may be different from the Barometer Private Pool's annual financial report for the same period. The offering memorandum and other information about the pool are available at [www.barometercapital.ca](http://www.barometercapital.ca).



# Barometer Readings

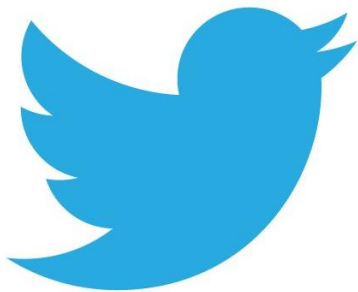
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Barometer Capital Management

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For Barometer updates



@barometerca on Twitter  
For direct commentary from David Burrows



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Annualized MER’s have been added to the net performance returns of the Barometer Private Pools (“Pool(s)”) and Barometer Group of Funds (“Fund(s)”) to calculate gross performance of the mandate. Individual account performance results and account composition may differ from that of the listed mandate model due to a number of factors, including fees, client imposed restrictions, timing of trade executions, deposits, withdrawals and market fluctuations. Composite performance returns are expressed gross of fees and taxes, excluding those withheld by law, or other charges that may be payable. The mandate performance returns are historical annual compounded total returns unless otherwise noted. Past performance is not indicative of future results. Please contact us at [www.barometercapital.ca](http://www.barometercapital.ca) for a copy of Barometer’s fee schedule.

Commissions, trailing commissions, management fees and expenses all may be associated with Pool and Fund investments. Please read the offering memorandum and prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Pools and Funds are not guaranteed, their values change frequently and past performance may not be repeated. Pool and Fund strategies and current holdings are subject to change.

Assets under management includes separately managed client accounts, Pools, Funds and investment advisory services to broker/dealers via an investment management platform.

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Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements including without limitation, those under the heading “Risk Factors” in the Barometer Private Pools Offering Memorandum or “What are the risks of investing in the Fund?” in the Barometer Group of Funds Simplified Prospectus. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements provide incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this presentation.

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# CHFA Winners Showcase Investor Conference

***Pierre Thauvette***

**Senior Investment Research Analyst**



**CLARET**

ASSET MANAGEMENT CORPORATION

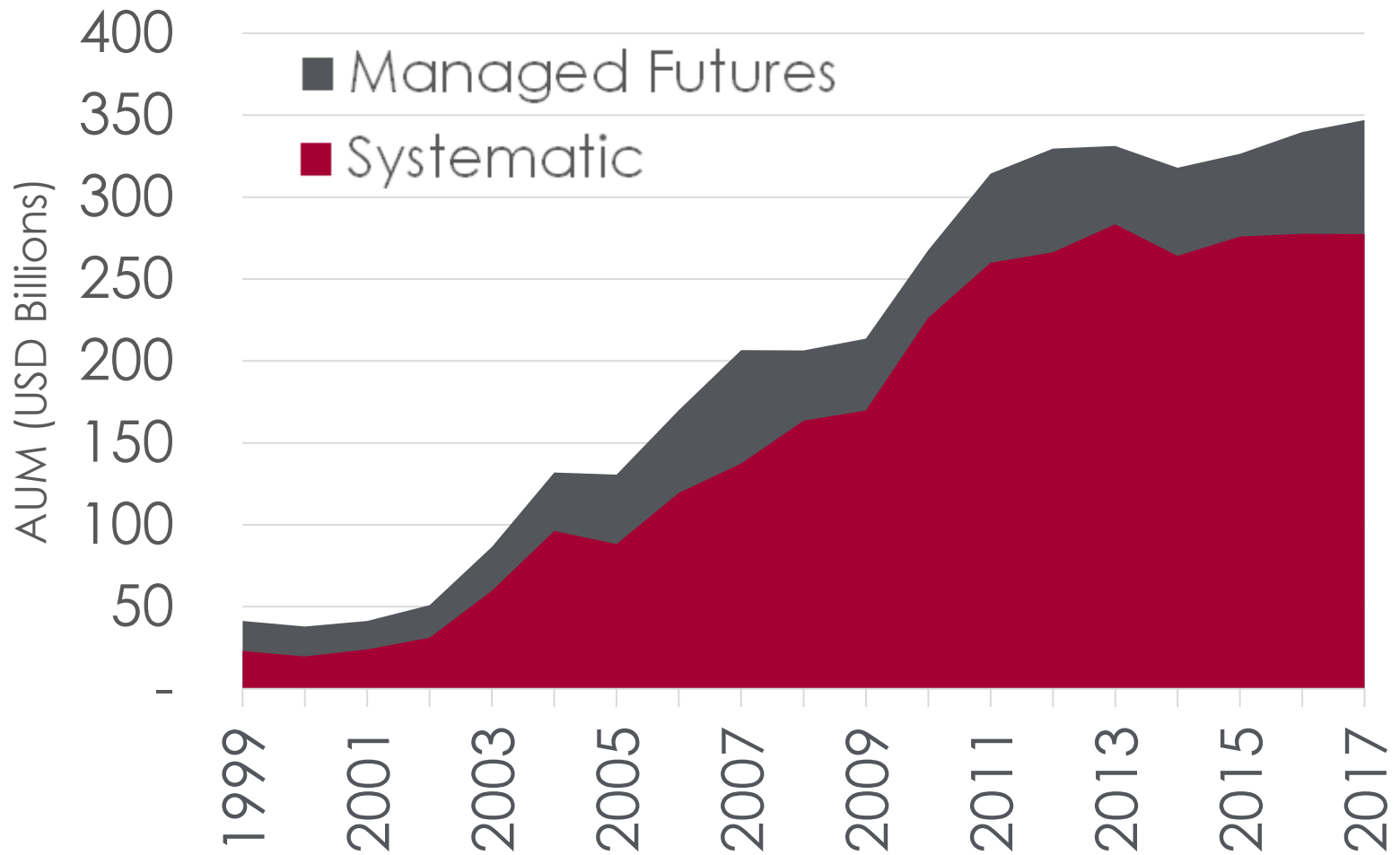
**clare†**

Asset  
Management  
your  
partner  
in clarity

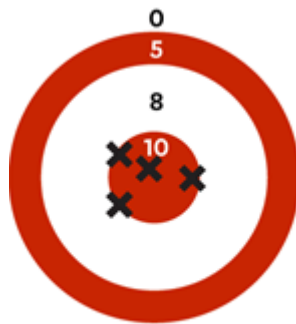
**Claret Global  
Multi-Asset  
Fund**

navigating global  
markets with a  
systematic approach

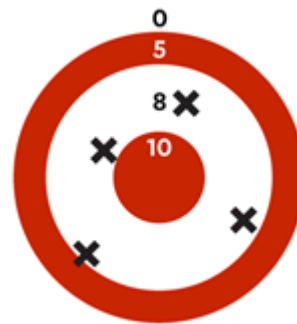
## managed futures: a growing industry



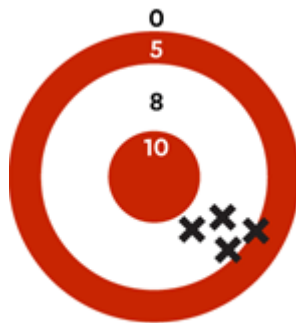
## why go systematic?



A. Accurate



B. Noisy



C. Biased



D. Noisy and biased

- Decision Making Noise can be costly
- Behavioral Biases can be costly

---

## **checklists: simple and powerful tools**

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*“If you fail to plan, you are planning to fail.”*

Benjamin Franklin

*“If you can’t measure it, you can’t improve it.”*

Peter Drucker

*“I’m a great believer in solving hard problems by using a checklist. You need to get all the likely and unlikely answers before you; otherwise it’s easy to miss something important.”*

Charlie Munger

*“No matter how expert you may be, well-designed checklists can improve outcomes.”*

Atul Gawande (The Checklist Manifesto)

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## building a checklist

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## what can such a checklist get you?

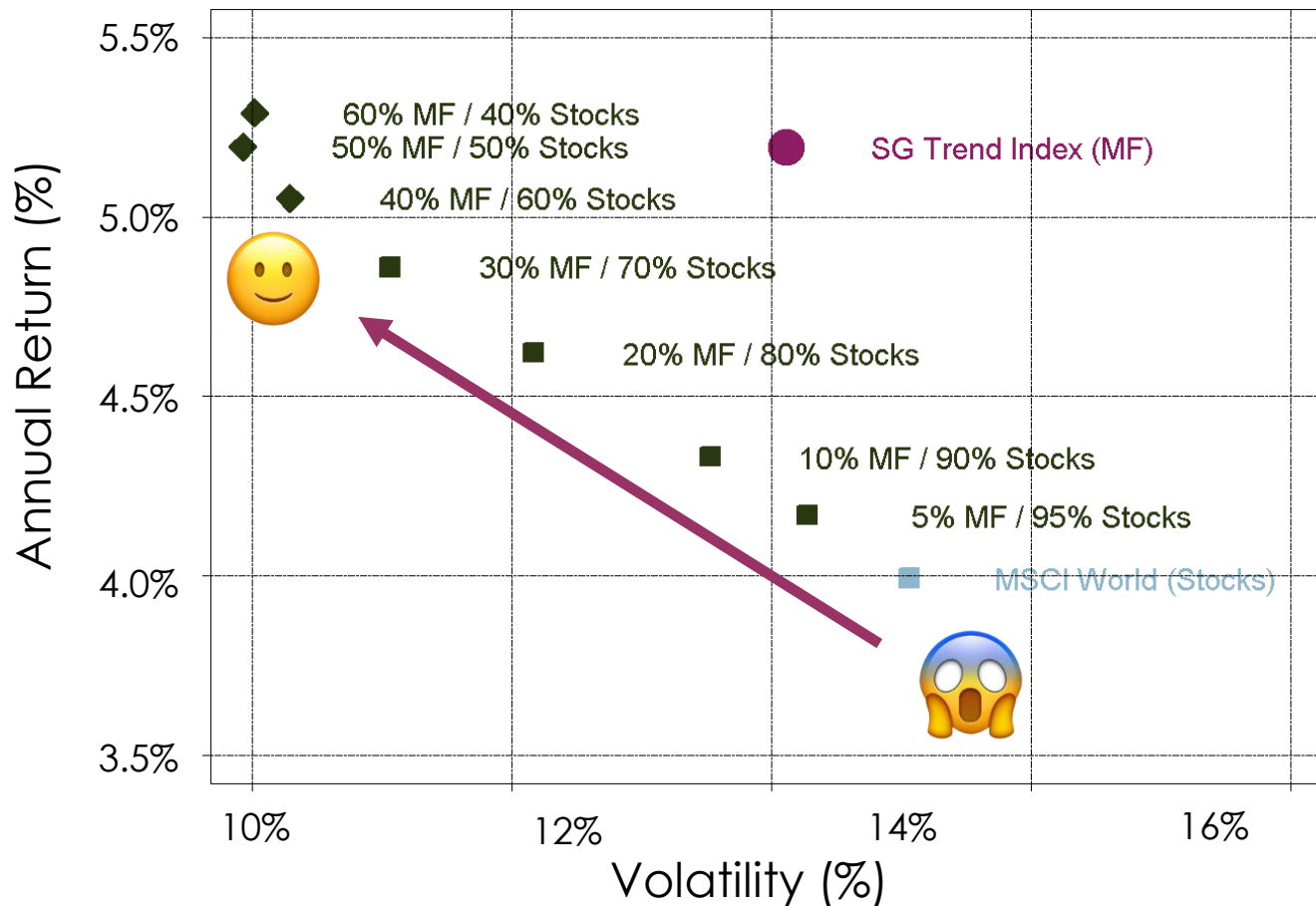
Returns quite different than equities,  
*particularly when they're going down...*



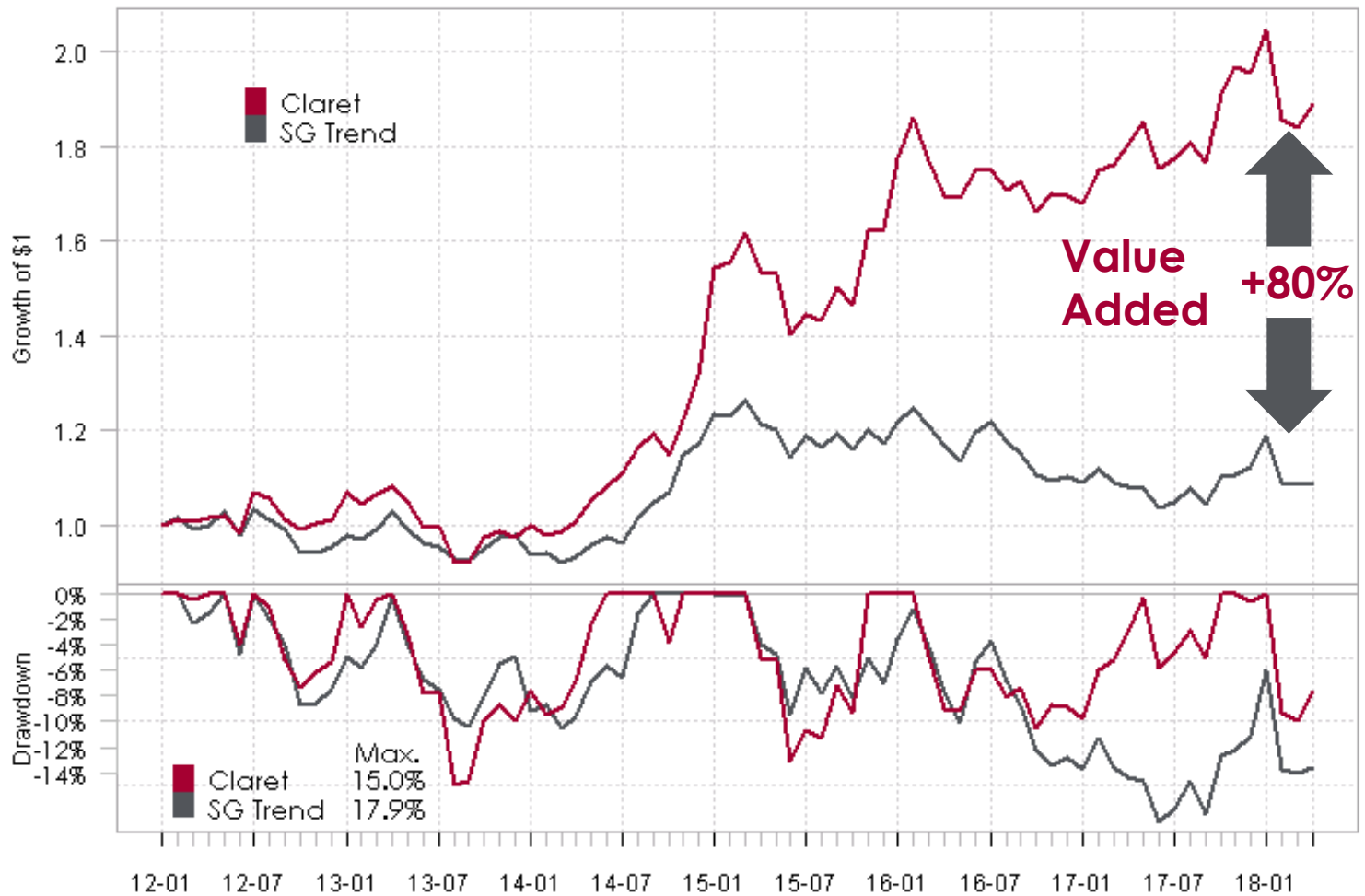
- Trailing 12-Month Correlation between SG Trend Index & MSCI World
- Trailing 12-Month Negative Return on MSCI World

## what's in it for you?

More return for the same amount of volatility



## why Claret?





## how does it compare with peers?

**Claret Global Multi-Asset Fund**



**WINNER OF THE 2017 CANADIAN HF AWARDS**  
Global Macro/Managed Futures /Multi Strategy  
**Best 5 Year Return**  
**1st Place**

**Claret Global Multi Asset LP**



**WINNER OF THE 2016 CANADIAN HF AWARDS**  
Global Macro/Managed Futures /Multi Strategy  
**Best 1 Year Return**  
**2nd Place**

**Claret Global Multi Asset LP**



**WINNER OF THE 2015 CANADIAN HF AWARDS**  
Global Macro/Managed Futures /Multi Strategy  
**Best 1 Year Return**  
**1st Place**

Claret Asset Mgmt (Global Multi-Asset)



**Top 20**

Top Performing CTA  
Past Five Years  
Ranked by  
Compound Annual Return  
5 Years Ending Dec 2017

**BarclayHedge**

Claret Asset Mgmt (Global Multi-Asset)



**Top 20**

Top Performing CTA  
Past Five Years  
Ranked by  
Compound Annual Return  
5 Years Ending Sep 2017

**BarclayHedge**

Claret Asset Mgmt (Global Multi-Asset)



**Top 20**

Top Performing CTA  
Past Five Years  
Ranked by  
Compound Annual Return  
5 Years Ending Jun 2017

**BarclayHedge**

**Claret Asset Management**

**CLARET GLOBAL MULTI-ASSET LP**

FEATURED AS A

**TOP PERFORMING CTA (JAN 2014 - DEC 2016)**

2017 Preqin Global Hedge Fund Report





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## key takeaways

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- Decision making noise and behavioral biases can be costly
- Checklists are powerful allies to tackle tough problems
- Managed Futures tend to Zig when markets Zag
- Managed Futures can reduce your portfolio's volatility
- Claret's results are competitive

**clare†**

**Asset  
Management**

your  
partner  
in clarity

**QUESTIONS?**



# CHFA Winners Showcase Investor Conference

***Jessica Clark Barrow***  
**Executive Vice President**



WARATAH

# Presentation to CHFA Winners Showcase

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Jessica Clark Barrow  
EVP, Relationship Management  
May 15 , 2018



WARATAH

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# Presentation Overview

- **Waratah Firm Overview**
- **60/40 Portfolio Construction**
- **The Waratah Experience**
- **Waratah Investment Approach**
- **Summary**

## ORGANIZATION

- Founded in 2010 by Brad Dunkley (ex-Gluskine Sheff) and Blair Levinsky (ex-TD Securities)
- North American long/short manager that aims to consistently compound wealth and protect against loss
- \$1.33 billion in assets under management<sup>1</sup>
- Clients include Canadian, U.S. and global high net worth individuals, family offices, foundations, endowments and pension funds
- 32 investment, operations and risk professionals in Toronto

## PHILOSOPHY

- Compound returns with significantly less volatility than equity markets and avoid major drawdowns so investors can sleep at night

<sup>1</sup> As of March 29, 2018

- Proven and experienced team with excellent reputation among investment professionals
- Alignment with investors: \$95 million of founder and employee capital invested
- Disciplined and robust risk management with active factor management
- Institutional caliber operations and management... a risk averse “culture of compliance”

<sup>1</sup> As of March 29, 2018

- Team update
  - Johann Koss joined Waratah in October 2017 to lead Waratah Impact (risk- adjusted returns ESG initiative)
  - Jeannine LiChong and Adrian Wong joined Waratah in April 2018
- Strategy update
  - Introduced Waratah One X (February 1, 2017)
  - Waratah One fund won 1st place Best 5 Year Sharpe Ratio at CHFA
  - Re-opened Waratah Performance (September 1, 2017)
  - Waratah Income PM and strategy change (June 1, 2018)
  - Waratah Energy MFT
  - Waratah Impact to launch in Q2 2018



\*For more information on the Canadian Hedge Fund Awards criteria please refer to their [website](#). Waratah One Fund Limited Partnership returns are Class F, net of fees and expenses as of June 30, 2017.  
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Capital Preservation

Growth



	WARATAH ONE	WARATAH ONE X	WARATAH INCOME	WARATAH ENERGY	WARATAH PERFORMANCE
Strategy	Diversified Equity Market Neutral	Enhanced Diversified Equity Market Neutral	Equity Income Long / Short	Market Neutral Energy	Directional Long / Short Equity
CAGR Since Inception	6.7%	9.4%*	7.1%*	7.2%*	11.8%
Annualized Volatility	3.5%	4.9%	6.0%	5.9%	7.5%
Maximum Drawdown	-4.5%	-6.3%	-8.7%	-5.9%	-12.9%
Why Use This Fund?	<ul style="list-style-type: none"> <li>• <b>Conservative low net, long/short equity fund</b> for investors that don't want equity volatility</li> <li>• <b>A fixed income substitute</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Long/short equity fund</b> for investors comfortable with slightly more volatility than Waratah One but still want to protect against large market drawdowns</li> </ul>	<ul style="list-style-type: none"> <li>• Targeted 5% per annum ROC distribution to investors</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Energy focused low net exposure equity fund</b></li> <li>• Exposure to the energy sector while hedging out the underlying commodity risk</li> </ul>	<ul style="list-style-type: none"> <li>• <b>More "aggressive"</b> equity fund for those looking for market-like returns with less than market volatility</li> </ul>

The returns presented are F Class, for use by advisors only.

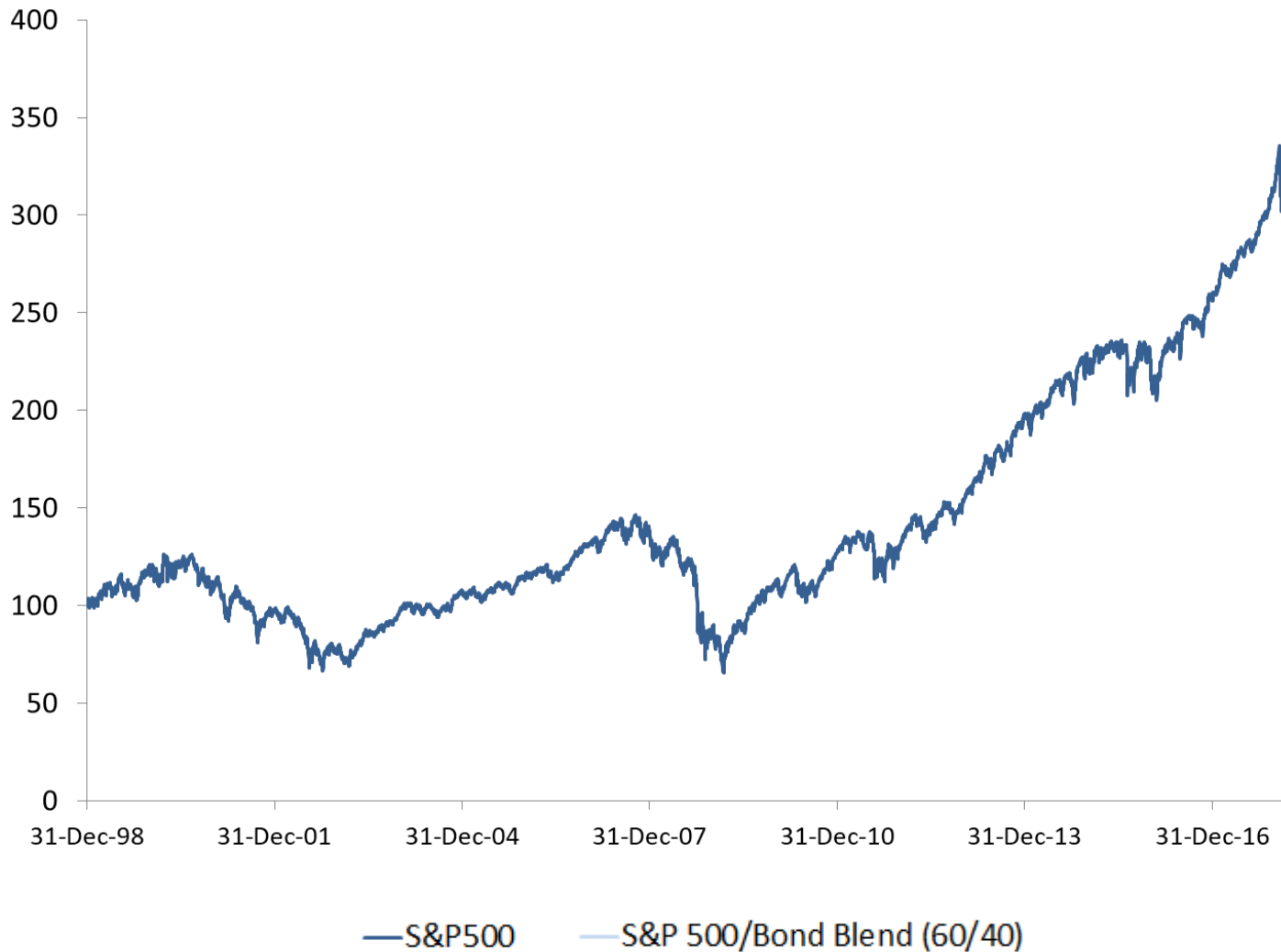
\*Data for Waratah One X, Waratah Energy and Waratah Income include hypothetical returns. Please refer to full disclosures on the individual fund factsheets

# 60/40 PORTFOLIO CONSTRUCTION

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# Historical Portfolio Benefits of Bonds

60/40 Portfolio Construction



S&P 500:  
**CAGR = 6.0%**  
Vol. = 19.2%  
**Drawdown = 55%**

60/40:  
**CAGR = 6.0%**  
Vol. = 11.3%  
**Drawdown = 39%**

<sup>1</sup>Source: Bloomberg, Ticker: SPXT Index and IBOXIG Index based on internal calculations.

- Since 1998 a 60/40 balanced portfolio has produced **the same returns** as the equity only portfolio but with:
  - 40% less volatility
  - A maximum drawdown that is 30% lower

# A 37 Year Bull Market in Bonds Was Critical

60/40 Portfolio Construction



- Where does the “defensive money” go in a rising rate environment?
- We believe long / short equity strategies represent an attractive alternative:
  - Low correlation to equities and bonds
  - Short book provides protection
  - Rising income from float

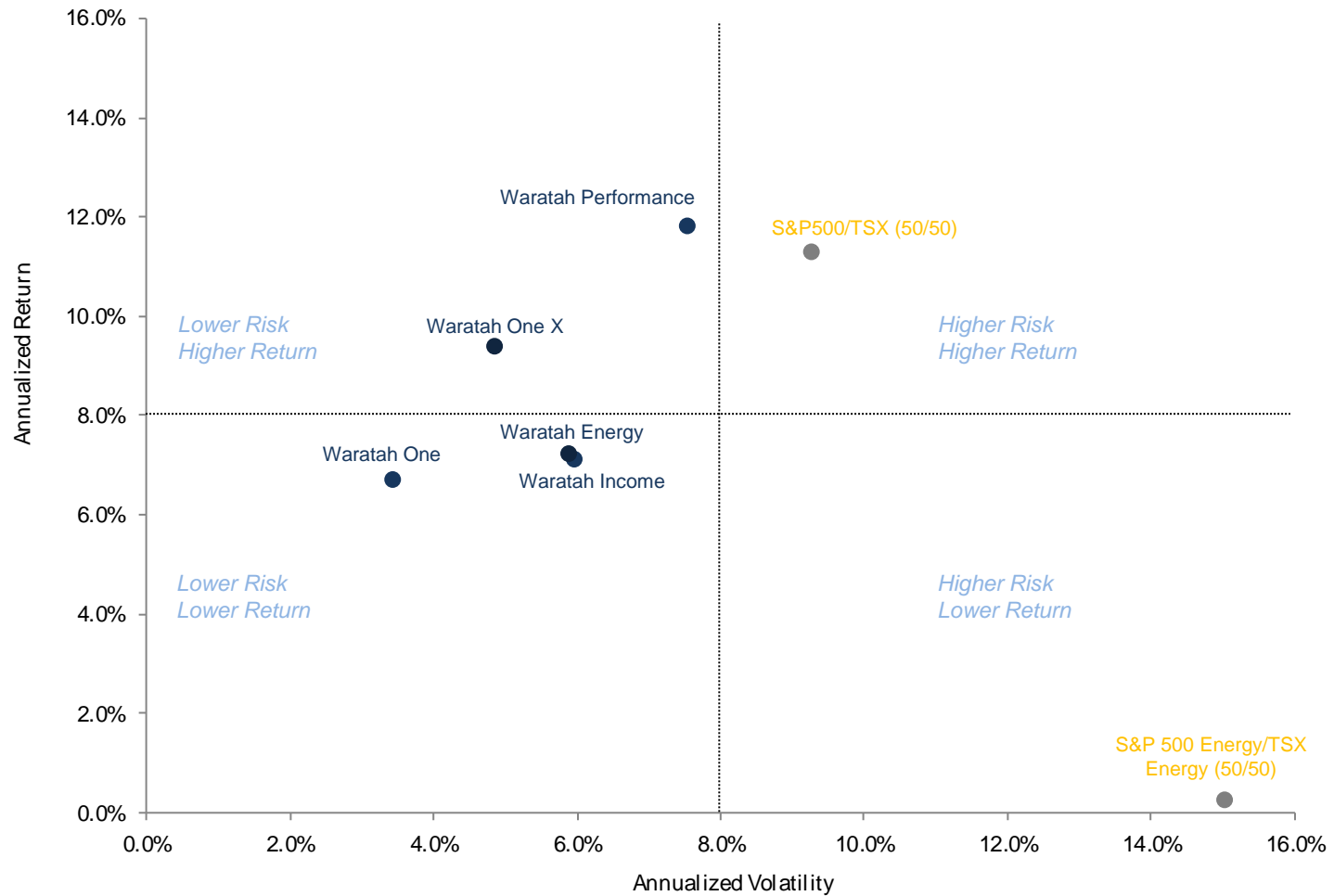
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  - Short book provides protection
  - Rising income from float

# THE WARATAH EXPERIENCE

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# Strong Risk & Return Profile

Waratah Experience



Source: Bloomberg: SPXT Index, 0000AR Index, HFRIEMNI Index, HFRIEHI Index, STENRSR Index, SPTRENRS Index, from July 1, 2010 to March 29, 2018; independent third party net asset value calculations; internal unaudited calculations. Please see disclosures for further information

# Avoiding Drawdowns

Waratah Experience

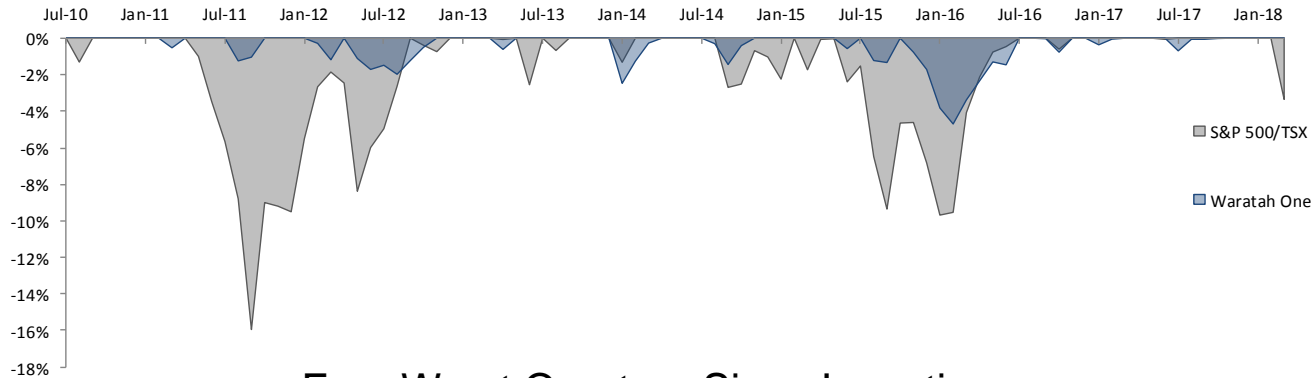
	Waratah One	Waratah One X	Waratah Income	Waratah Energy	Waratah Performance	S&P 500/TSX Composite (50/50)	S&P 500 Energy/TSX Energy (50/50)
<b>Worst 3 Months</b>	-2.4%	-3.6%	-4.3%	-2.8%	-6.9%	-7.8%	-9.5%
	-2.1%	-3.0%	-4.0%	-2.7%	-4.3%	-6.1%	-8.7%
	-1.2%	-1.7%	-3.3%	-2.3%	-3.4%	-5.0%	-8.4%
<b>Worst 3 Drawdowns</b>	-4.5%	-6.3%	-8.7%	-5.9%	-12.9%	-15.9%	-39.1%
	-2.4%	-3.6%	-5.8%	-4.2%	-4.9%	-9.7%	-14.6%
	-1.8%	-2.7%	-5.5%	-2.7%	-4.4%	-6.6%	-13.9%

An investment experience that includes capital losses of this magnitude and frequency is simply not acceptable to us.

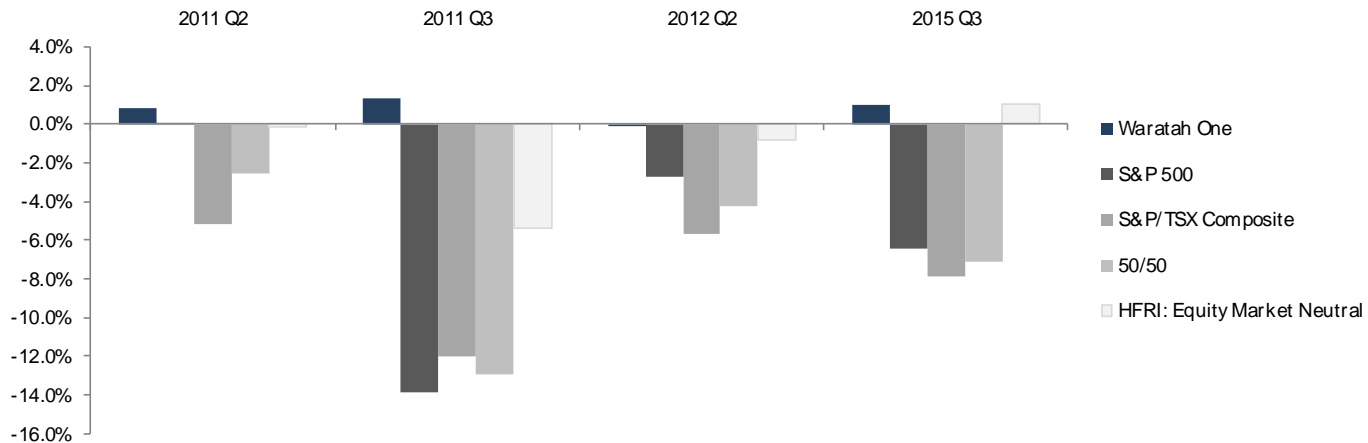
Note: Draw downs are calculated on monthly returns

Source: Bloomberg: SPXT Index, 0000AR Index, STENRSR Index, SPTRENRS Index, from July 1, 2010 to March 29, 2018; independent third party net asset value calculations; internal unaudited calculations. Please see disclosures for further information

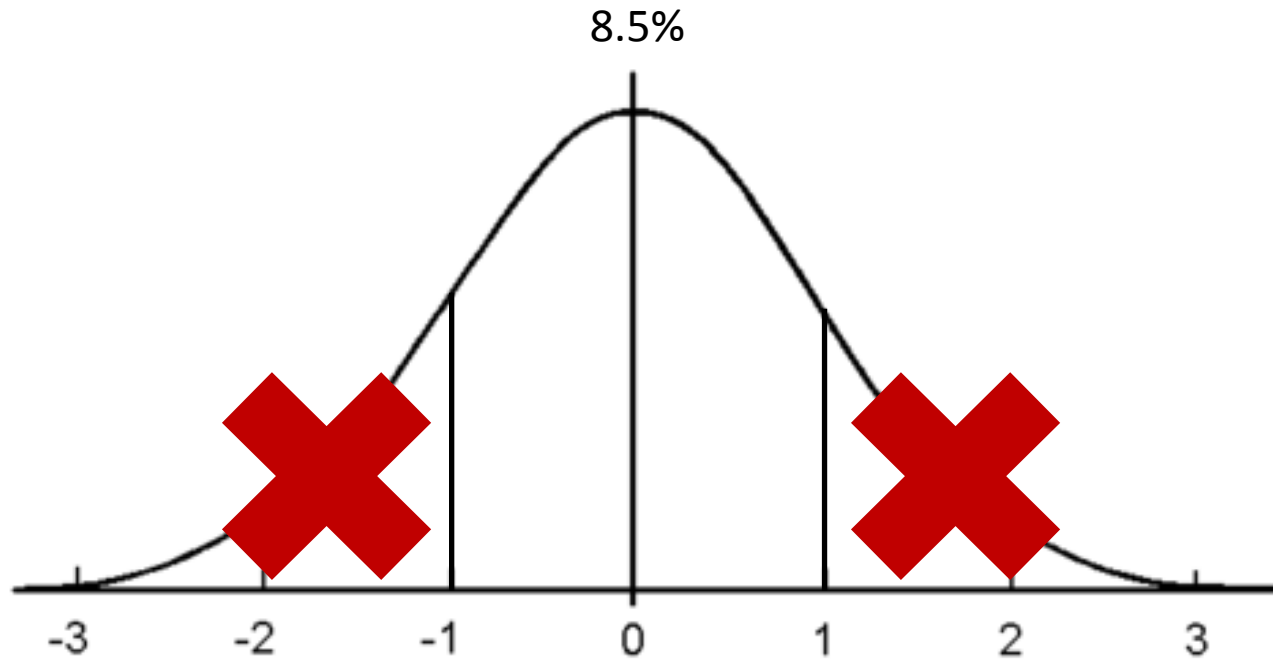
## Monthly Market Drawdowns Since Inception



## Four Worst Quarters Since Inception

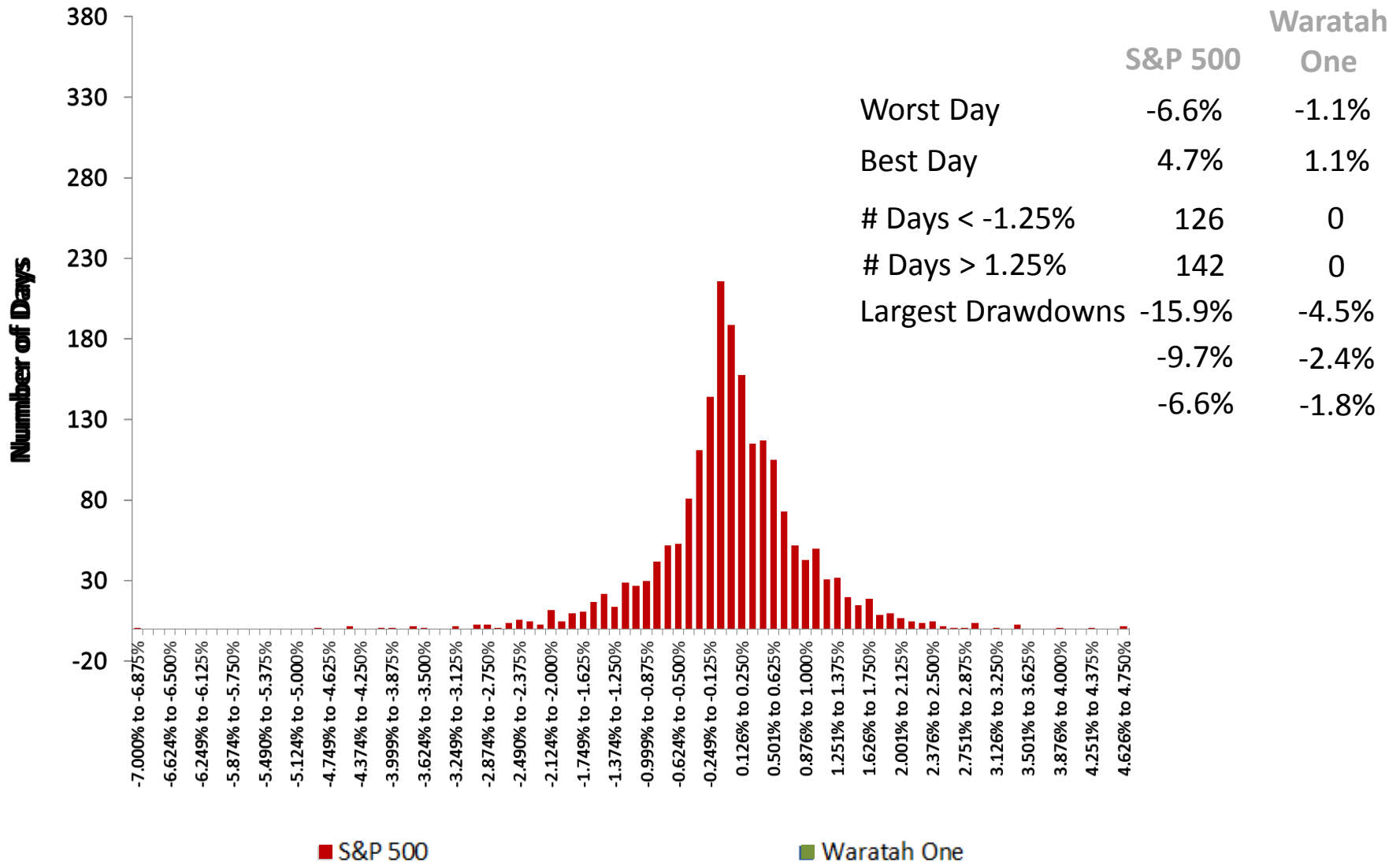


Source: Bloomberg: SPXT Index, 0000AR Index, from July 1, 2010 to March 29, 2018; Class A; independent third party net asset value calculations; internal unaudited calculations. Please see disclosures for further information. Worst quarter is with respect to a 50/50 weighting of the S&P500 and S&P/TSX Composite.



# Waratah One: Removing the Tails

Waratah Experience



# Left Tail Statistics: July 1, 2010 to March 31, 2018

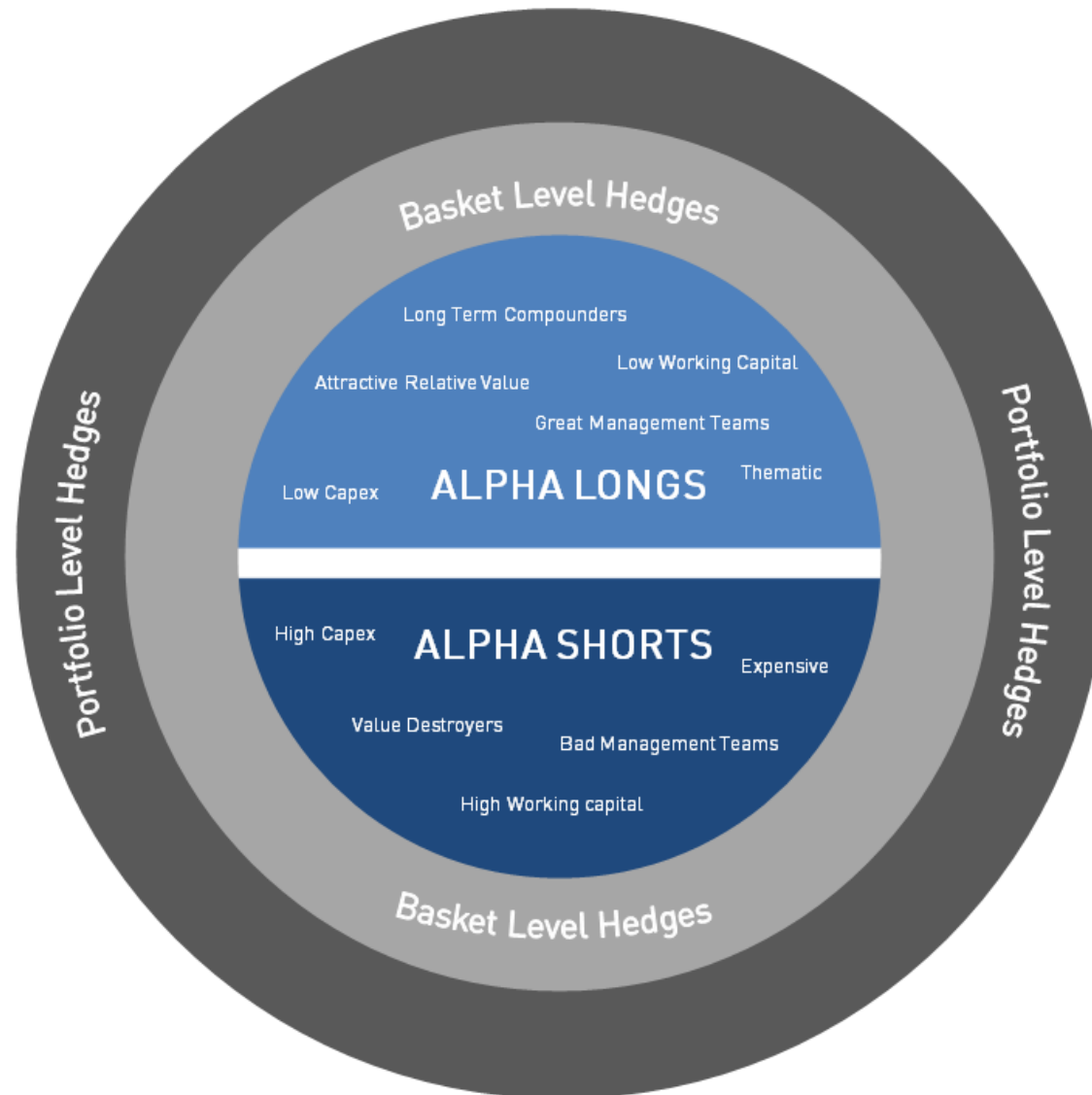
Waratah Experience

## Worst Days

	S&P500		TSX60		Waratah One		Waratah Performance	
	Return	Date	Return	Date	Return	Date	Return	Date
1	-6.65%	08-Aug-11	-3.68%	08-Aug-11	-1.09%	06-Mar-12	-2.30%	05-Feb-16
2	-4.78%	04-Aug-11	-3.28%	18-Aug-11	-1.07%	22-Feb-11	-2.30%	08-Feb-18
3	-4.45%	18-Aug-11	-3.17%	04-Aug-11	-1.00%	06-Aug-15	-2.29%	28-Sep-15
4	-4.38%	10-Aug-11	-3.16%	03-Oct-11	-0.99%	05-Feb-16	-2.03%	17-May-12
5	-4.10%	05-Feb-18	-3.08%	22-Sep-11	-0.98%	22-Sep-11	-1.94%	24-Jun-16
6	-3.94%	24-Aug-15	-3.04%	24-Aug-15	-0.96%	21-Aug-15	-1.86%	06-Aug-15
7	-3.74%	08-Feb-18	-3.04%	21-Jun-12	-0.92%	08-Feb-18	-1.85%	08-Dec-14
8	-3.66%	09-Nov-11	-2.85%	01-Sep-15	-0.92%	15-Apr-13	-1.85%	04-Jan-16
9	-3.59%	24-Jun-16	-2.80%	28-Sep-15	-0.86%	28-Sep-15	-1.71%	01-Sep-15
10	-3.19%	22-Sep-11	-2.75%	09-Nov-11	-0.85%	14-Nov-17	-1.68%	01-Jun-12
11	-3.17%	21-Aug-15	-2.63%	05-Jan-15	-0.82%	17-May-12	-1.65%	20-Aug-15
12	-2.95%	01-Sep-15	-2.56%	15-Apr-13	-0.79%	13-Jan-16	-1.63%	15-Apr-13
13	-2.94%	21-Sep-11	-2.50%	09-Sep-11	-0.79%	03-Apr-13	-1.54%	02-Feb-16
14	-2.88%	16-Jul-10	-2.41%	30-Oct-15	-0.79%	15-Jan-15	-1.52%	06-Jan-15
15	-2.84%	03-Oct-11	-2.40%	10-Dec-14	-0.78%	27-Jan-16	-1.52%	04-Aug-11
16	-2.79%	01-Nov-11	-2.37%	20-Jun-13	-0.74%	19-Oct-10	-1.48%	10-Apr-12
17	-2.77%	11-Aug-10	-2.35%	22-Sep-15	-0.74%	08-May-12	-1.44%	27-Jan-16
18	-2.67%	09-Sep-11	-2.34%	20-Aug-15	-0.73%	24-Aug-15	-1.44%	08-Aug-11
19	-2.56%	02-Aug-11	-2.34%	15-Jan-16	-0.73%	13-Dec-11	-1.43%	13-Jan-16
20	-2.54%	28-Sep-15	-2.31%	07-Dec-15	-0.72%	27-Aug-13	-1.43%	03-Apr-13
21	-2.52%	02-Sep-11	-2.31%	01-Jun-11	-0.72%	18-Aug-11	-1.38%	24-Jan-14
22	-2.51%	22-Mar-18	-2.30%	31-Oct-11	-0.72%	10-Mar-11	-1.37%	22-Sep-14
23	-2.50%	30-Sep-11	-2.26%	11-Aug-10	-0.71%	15-Jan-16	-1.36%	10-Jun-16
24	-2.49%	20-Jun-13	-2.22%	17-Nov-11	-0.70%	06-Jan-15	-1.35%	17-May-17
25	-2.49%	13-Jan-16	-2.22%	29-Jun-15	-0.70%	24-Jun-16	-1.32%	31-Jul-14
26	-2.47%	31-Oct-11	-2.19%	21-Sep-11	-0.69%	08-Oct-13	-1.30%	25-Sep-14
27	-2.46%	01-Jun-12	-2.18%	03-Apr-13	-0.69%	01-Sep-15	-1.28%	27-Feb-18
28	-2.45%	09-Sep-16	-2.14%	07-Jan-16	-0.69%	08-Dec-14	-1.24%	09-Sep-16
29	-2.37%	07-Jan-16	-2.11%	08-Dec-14	-0.68%	05-May-15	-1.24%	27-Aug-13
164	-1.09%	08-Jan-16	-1.00%	31-Jan-13	-0.37%	16-May-11	-0.64%	15-Feb-12

# WARATAH INVESTMENT APPROACH

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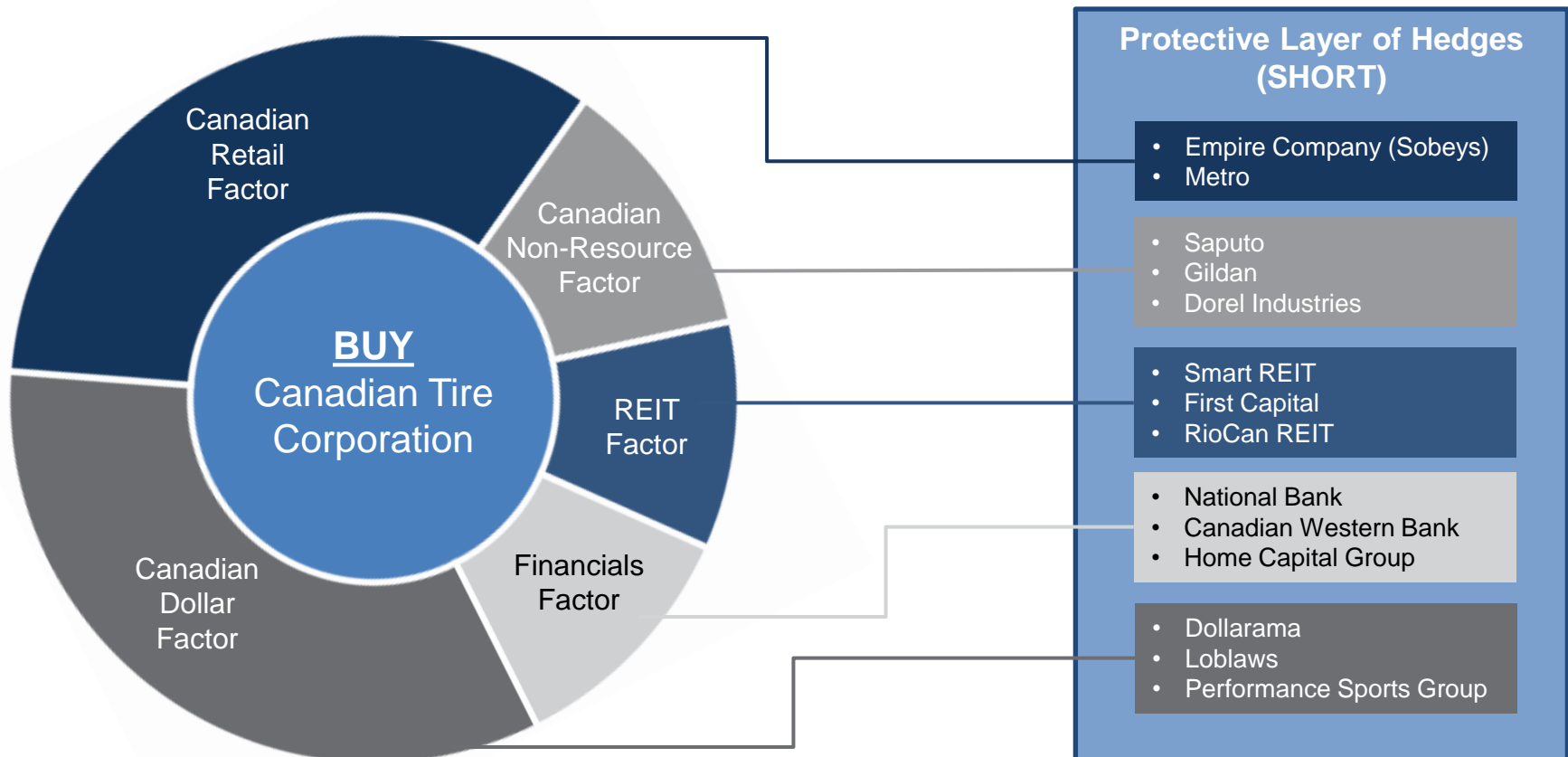


# Basket Hedging Case Study: Canadian Tire Corporation

Investment Approach

## Buy Thesis

In late 2013, Canadian Tire Corp. (CTC) announced that it was going to create a REIT containing 19 million square feet of company owned real estate and establish a joint venture for its \$4 billion credit card portfolio. Our analysis of the “go forward” business revealed a dramatic transition of CTC from a highly indebted company to one with a healthy balance sheet. Most importantly, we estimated that post restructuring CTC’s retail brands (e.g. Canadian Tire, Sports Experts, and Mark’s/L’Équipeur) were trading at 4.0x EBITDA, a massive discount to comparable companies.



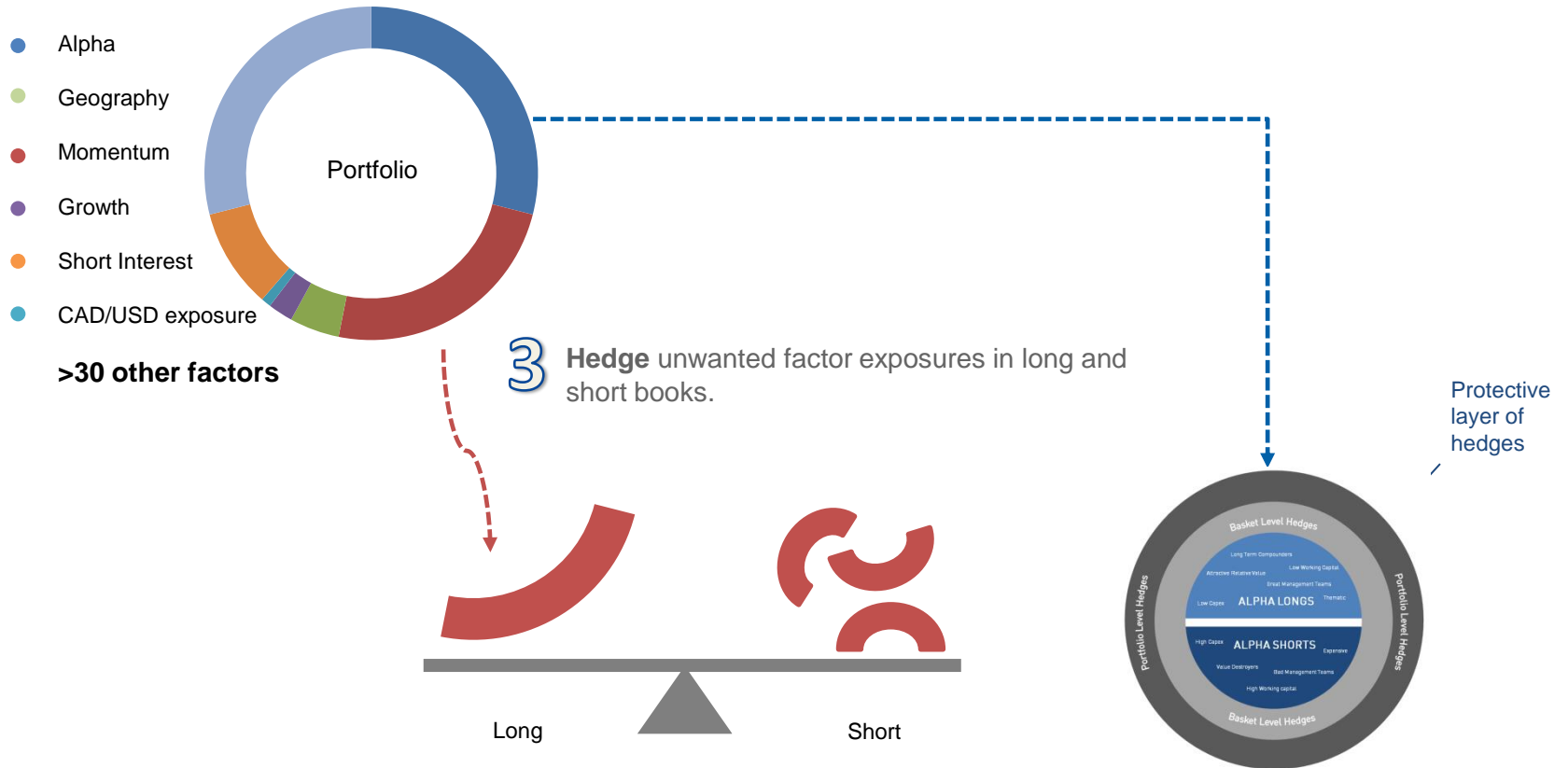
FOR ILLUSTRATION PURPOSES ONLY

# Portfolio Level Hedging

Investment Approach

**1 Fundamental research** to select North American companies in which we want to take long or short positions.

**2 Active Risk Management** to identify imbalances in the portfolio.



**4 Reduce the risk** and severity of a drawdown by isolating the exposures we want and neutralizing those that we don't.

*For illustrative purposes only.*

# SUMMARY

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## Summary

- Driven by a 37 year bull run in bonds, the 60/40 portfolio structure has been highly effective for investors
- A rising interest rate environment presents particular challenges for the 60/40 approach
- Long / short equity strategies can act as a ballast in high net worth investors' portfolios in a rising rate environment
- Waratah combines superior stock selection with best in class risk management to compound returns with less volatility and lower drawdown risk than equity markets



WARATAH



# CHFA Winners Showcase Investor Conference

***Tim Elliott***

**President**



**CONNOR, CLARK & LUNN**

**FINANCIAL GROUP**

# CC&L Global Market Neutral

Tim Elliott, CFA  
President, CC&L Funds

May 2018

# CREATING THE CONDITIONS FOR SUCCESS



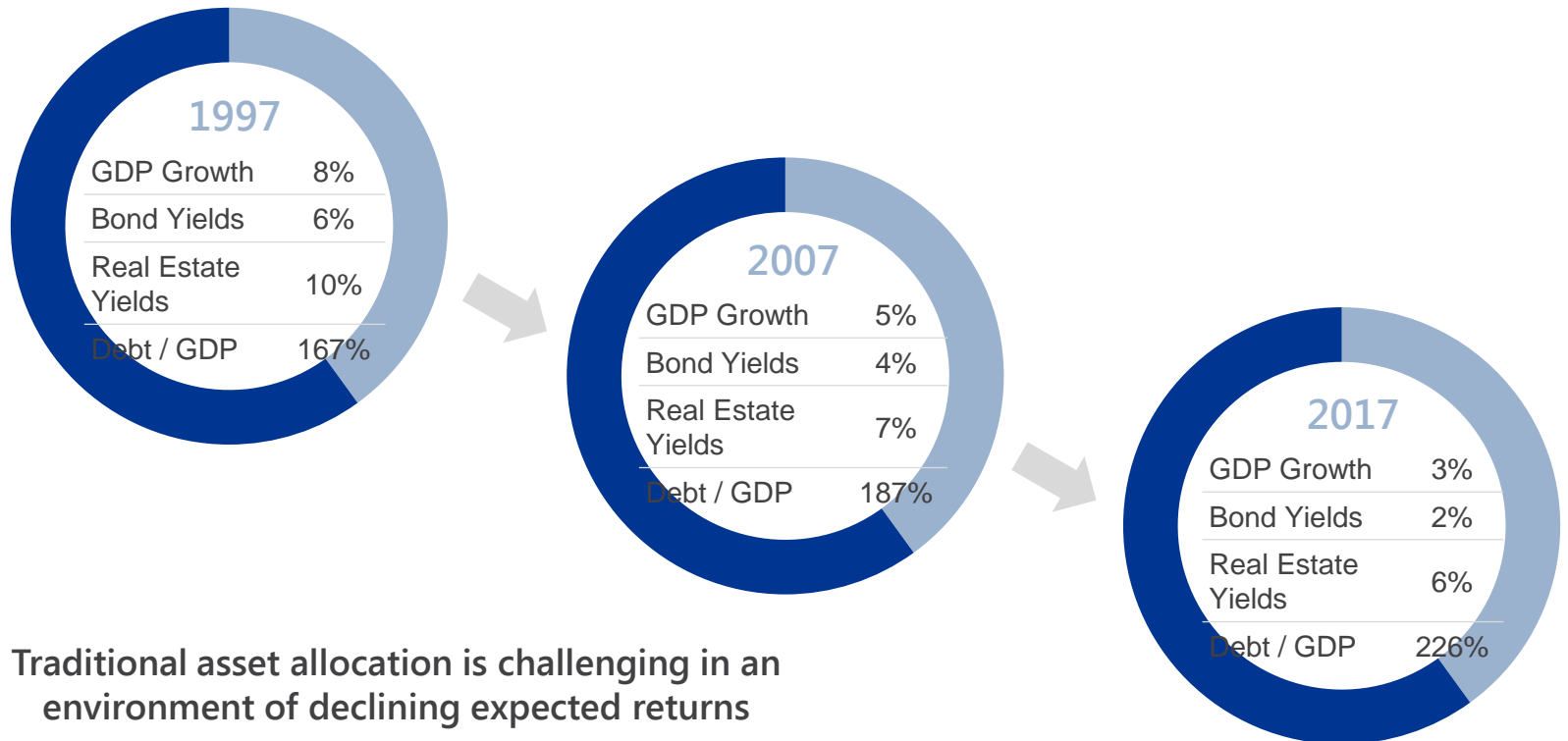
- Administration
- Business Process
- Client Accounting
- Legal and Compliance
- Information Technology
- Marketing



- Canada's largest privately-owned asset manager
- Focused investment teams; scaled and stable organization



# SECULAR REALITY – RETURN EXPECTATIONS DIMINISHING

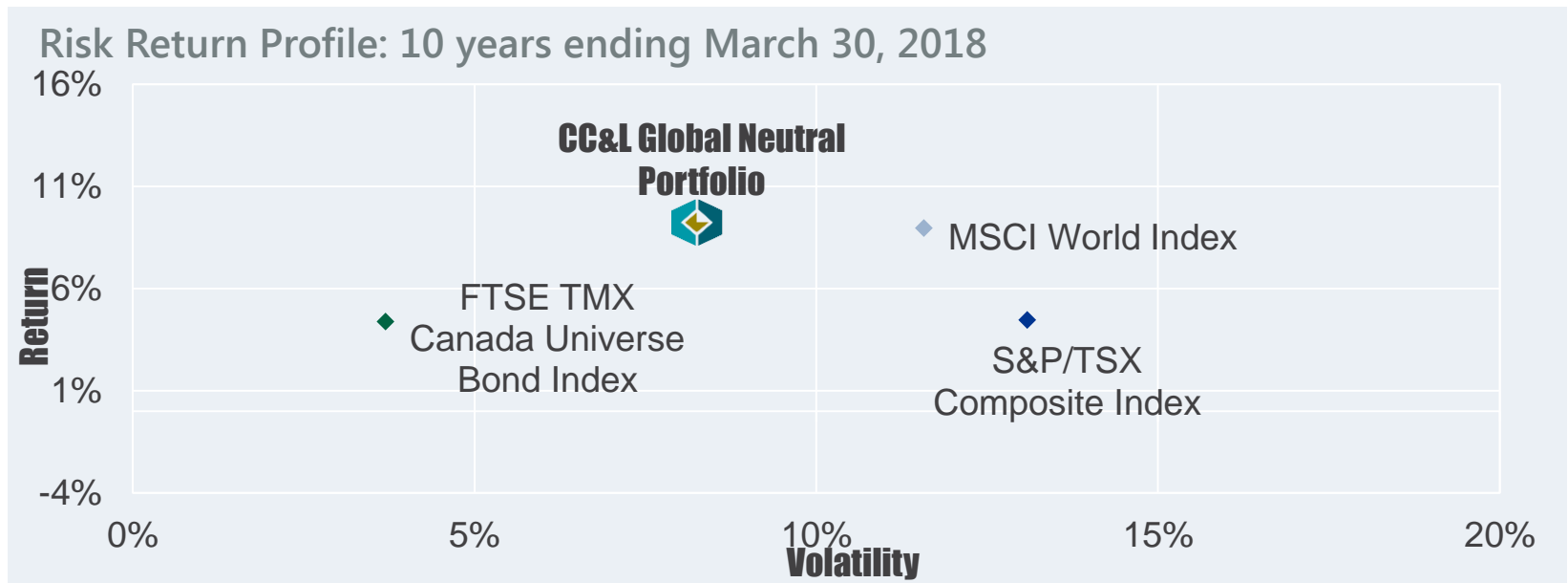


■ Equity ■ Bonds

Note: GDP growth represented by OECD World Real GDP, bond yields represented by US 10 Year Treasury yields, real estate yields represented by CBRE Canadian National Average. Cap Rates and Debt/GDP represented by World Bank central government and domestic credit to private sector as a % of total GDP using latest data point available for 2017. Sources: Thomson Reuters, OECD, CBRE and Bank of Canada



# ATTRACTIVE & UNIQUE RISK/RETURN PROFILE

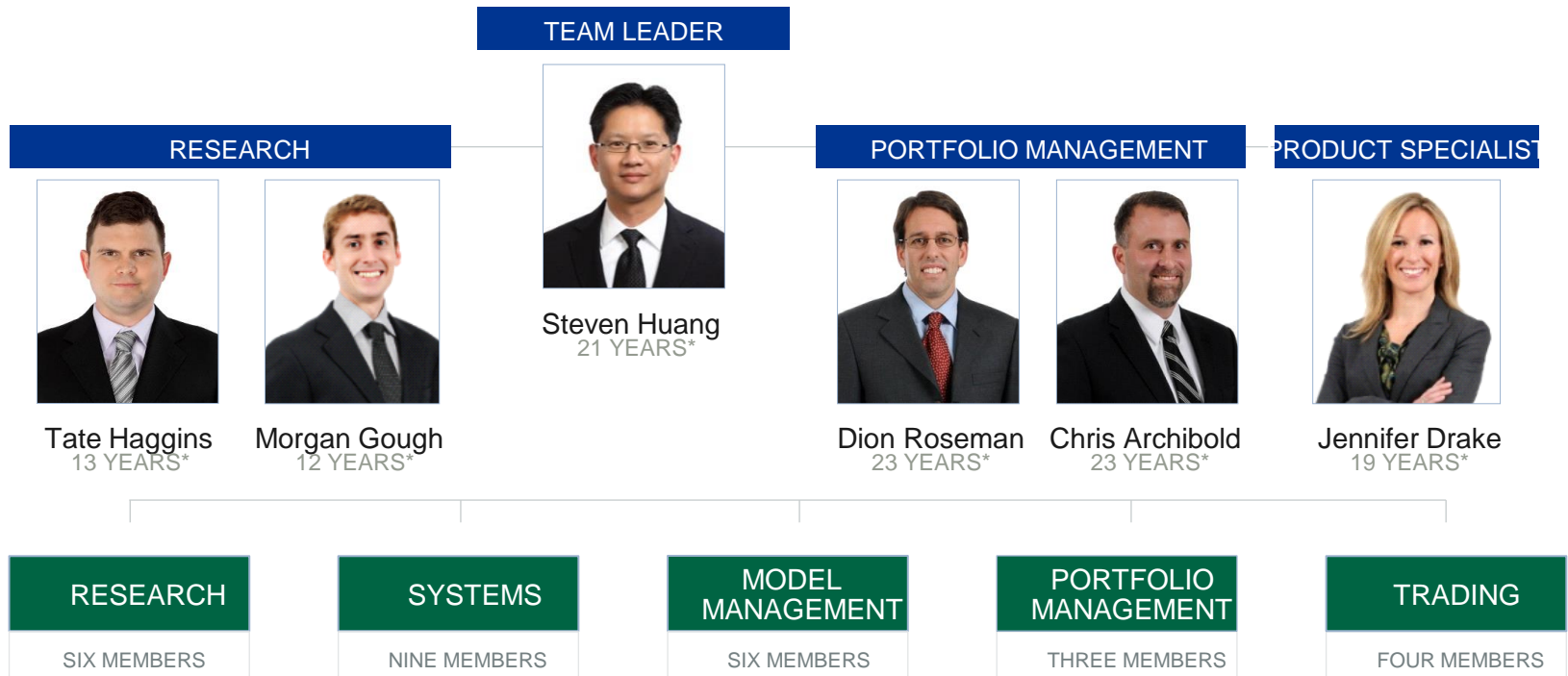


- Proven alternative investment strategy
- Designed to be uncorrelated with equities or bonds

Performance history for the CC&L Global Market Neutral strategy is that of the CC&L Global Equity Market Neutral Composite which has an inception and creation date of December 2004. Performance figures are stated net of simulated Class F management and performance fees, after trading and operating expenses. The strategy engages in short selling, borrowing securities, uses leverage and derivative instruments. For further information on performance, please contact us at [more\\_info@cclgroup.com](mailto:more_info@cclgroup.com).



# CC&L QUANTITATIVE INVESTMENT TEAM



\*Years of Investment Industry Experience

- CC&L’s Quantitative Equity Team strategies are managed by a dedicated team of over 30 industry veterans
- Manage approximately \$20 billion in quantitative strategies
- \$2 Billion in market neutral assets

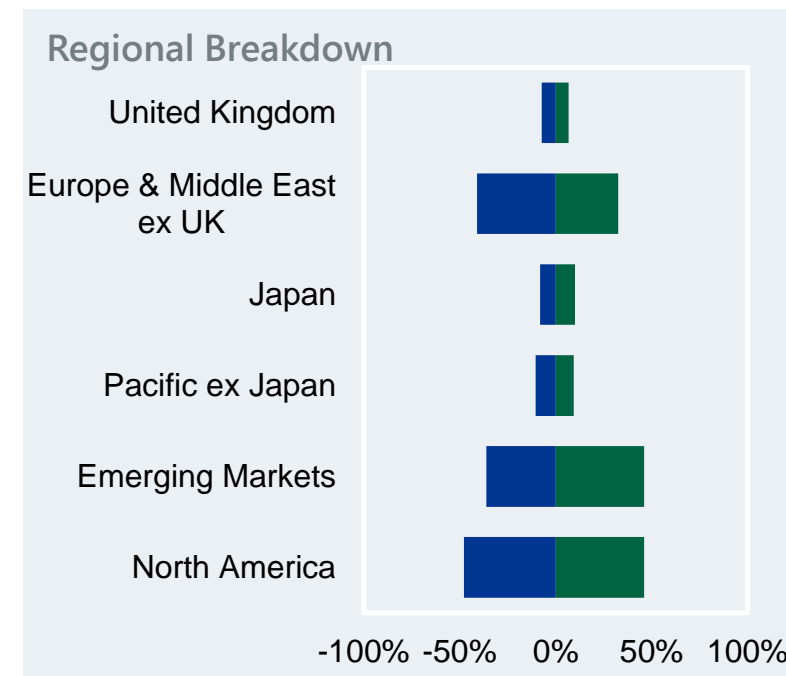
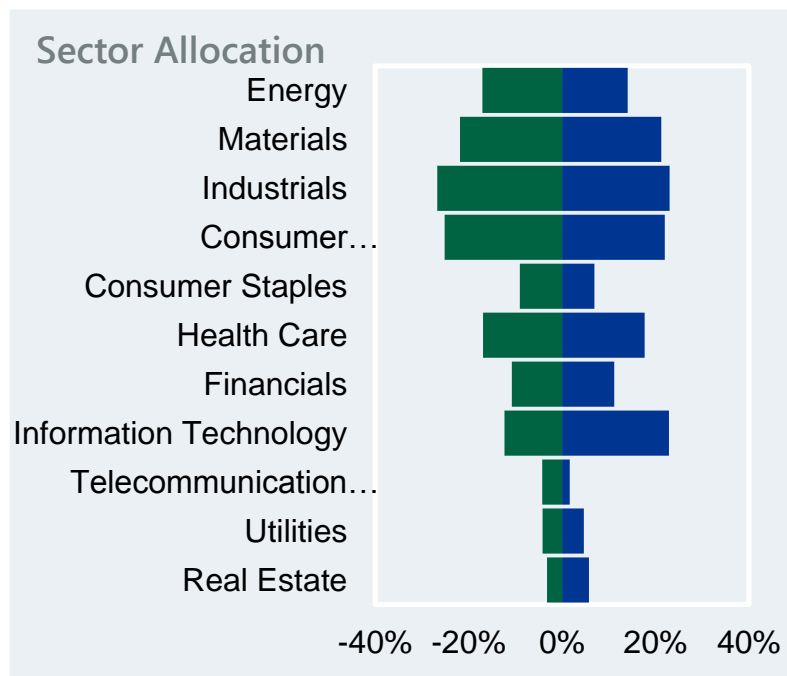


# CC&L GLOBAL MARKET NEUTRAL PORTFOLIO

As of March 31, 2018

	# of Holdings	Exposure (%)
<b>Long</b>	2,121	151.3
<b>Short</b>	1,866	-151.2
<b>Net</b>		0.1

	Fund Exposures	MSCI World Weights
<b>&gt;\$10B</b>	14%	95%
<b>\$1B to \$10B</b>	61%	5%
<b>&lt;\$1B</b>	25%	0%



Source: Connor, Clark & Lunn Investment Management Ltd.

■ Long ■ Short



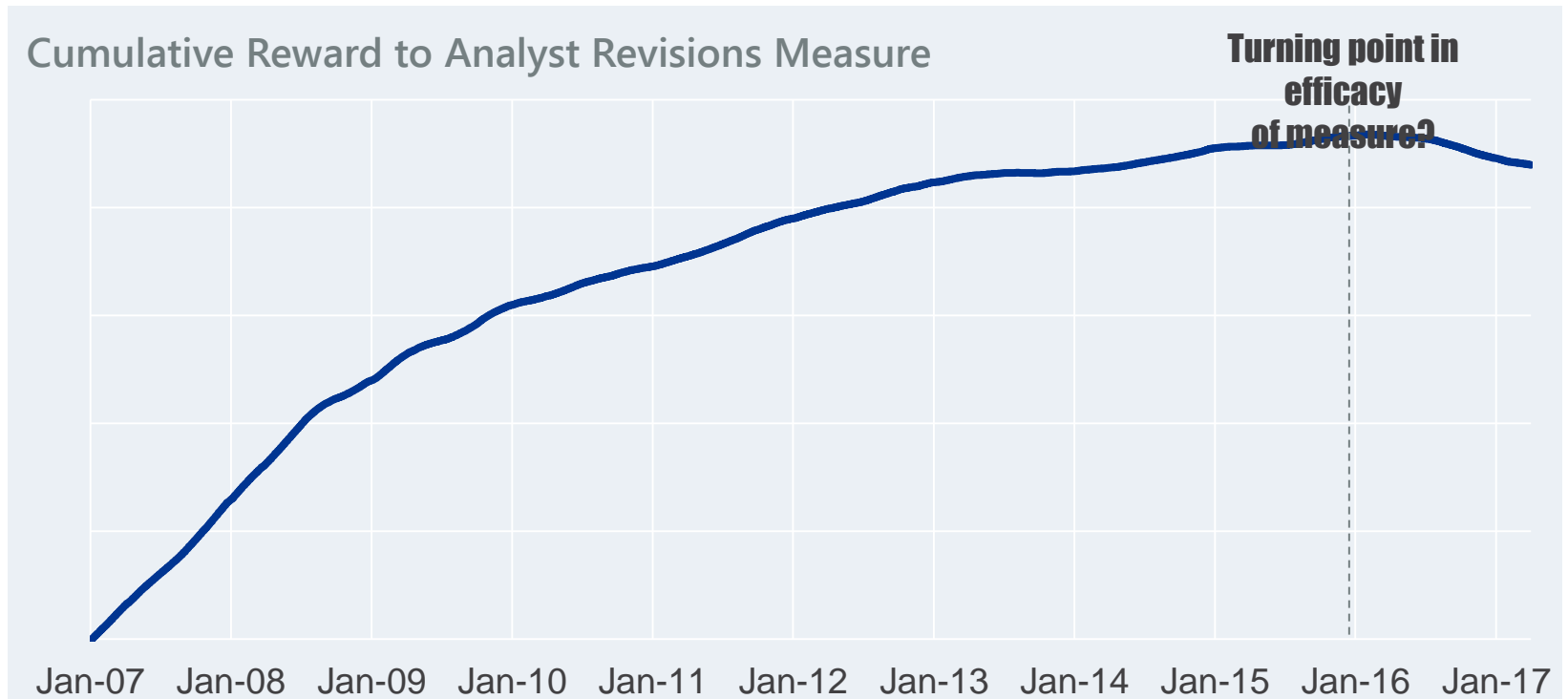
# RESEARCH FOCUS: “SMART BETA” AND FACTOR INVESTING



Source: Bloomberg, Connor, Clark & Lunn Financial Group Ltd.



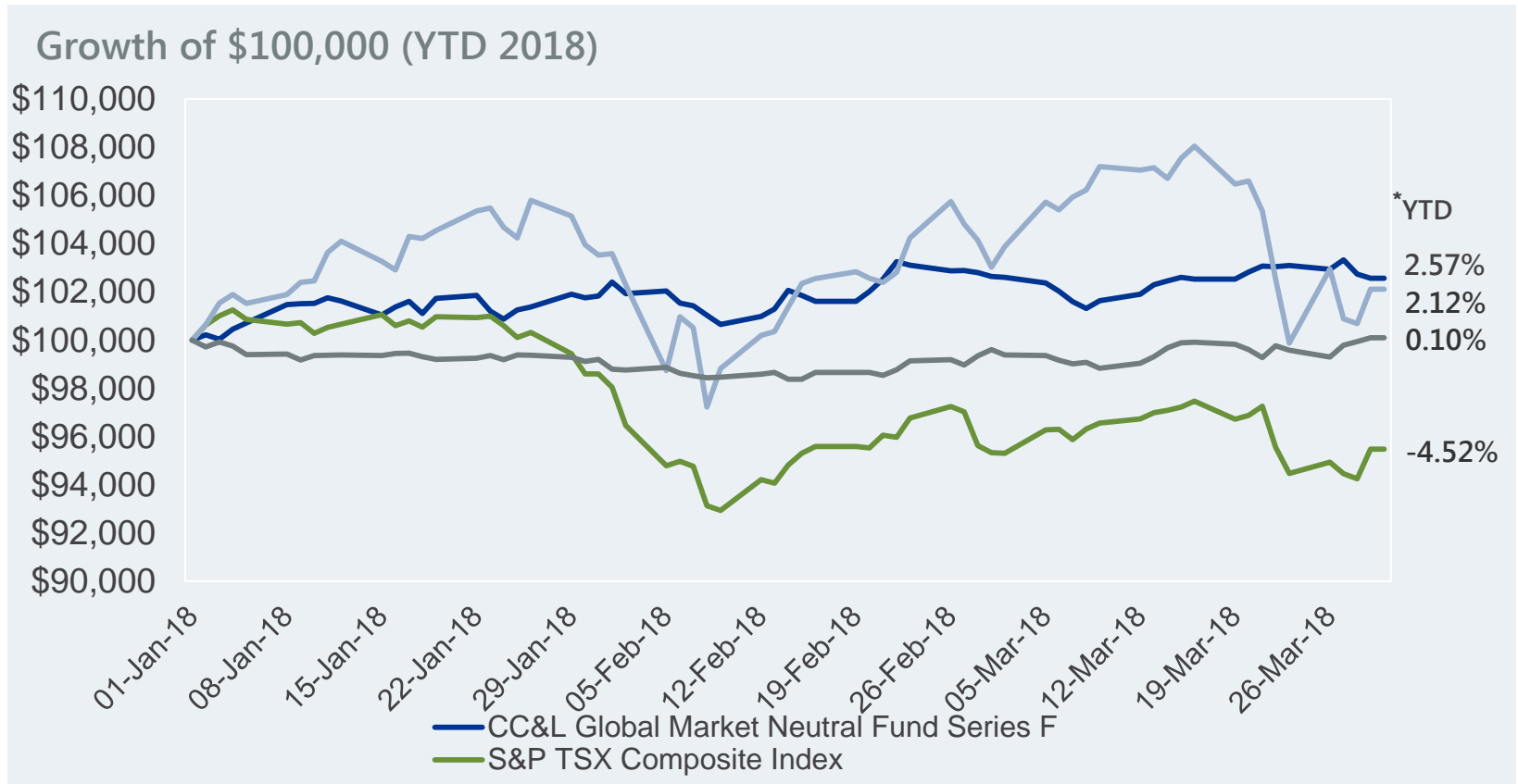
# REWARD TO ANALYST REVISIONS HAS DIMINISHED



Source: Connor, Clark & Lunn Investment Management Ltd.



# A SMOOTHER RIDE...



Source: CC&L Financial Group. Returns are calculated net of management fees, trading and operating expenses. \*Returns to March 31, 2018.





1400-130 King Street West, P.O. Box 240, Toronto, Ontario M5X 1C8  
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# CHFA Winners Showcase Investor Conference

## *Generating Outperformance by Diversifying with Uncorrelated Hedge Fund Strategies*

### Panel Discussion

<b>Moderator:</b>	<b>Dennis MacPherson</b>	<b>SVP, SGGG Fund Services</b>
<b>Panelists:</b>	<b>David Burrows</b>	<b>Barometer Capital</b>
	<b>Pierre Thauvette</b>	<b>Claret Asset Management</b>
	<b>Tim Elliott</b>	<b>Connor, Clark &amp; Lunn</b>
	<b>Jason Landau</b>	<b>Waratah Capital Advisors</b>



# CHFA Winners Showcase Investor Conference

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MANAGEMENT

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asset management inc.

**PICTON  
MAHONEY**  
Asset Management



**WARATAH**

 **LAWRENCE PARK**  
ASSET MANAGEMENT