

Building your financial future

Team Chartier, Grandmaison
Wealth Management Advisors and Portfolio Managers

2018 Awards of Excellence

Portfolio Management Excellence
National Winner

2018 Awards of Excellence

Wealth Management Excellence of the Year
Montreal



4TH QUARTER 2018 SUMMARY

Asset Allocation Strategy

During the quarter, our target asset mix has remained the same.

Portfolio Model Revisions

A summary of the our most significant purchases and sales includes the following: We made several purchases and sales during the quarter:

We sold our shares of **Verizon Communications**, a U.S. supplier of telecom services, in order to purchase shares of **Amazon.com**, the e-commerce global giant. We had been watching Amazon.com for a while, but felt the share price was too high, until its substantial pull-back in October. The value of the Verizon shares had appreciated enough to justify the sale. In our opinion, Amazon.com now offers a greater future potential than Verizon.

For Canadian equities, we used the proceeds from the **Enercare** share repurchase (see our Q3 2018 Summary)) and reduced our investment in the **Vanguard FTSE Canada All Cap** index (representative of the Canadian Equity market) to purchase shares of **Northland Power**, **Dollarama** and **Mediagrif Interactive Technologies** towards the end of December.

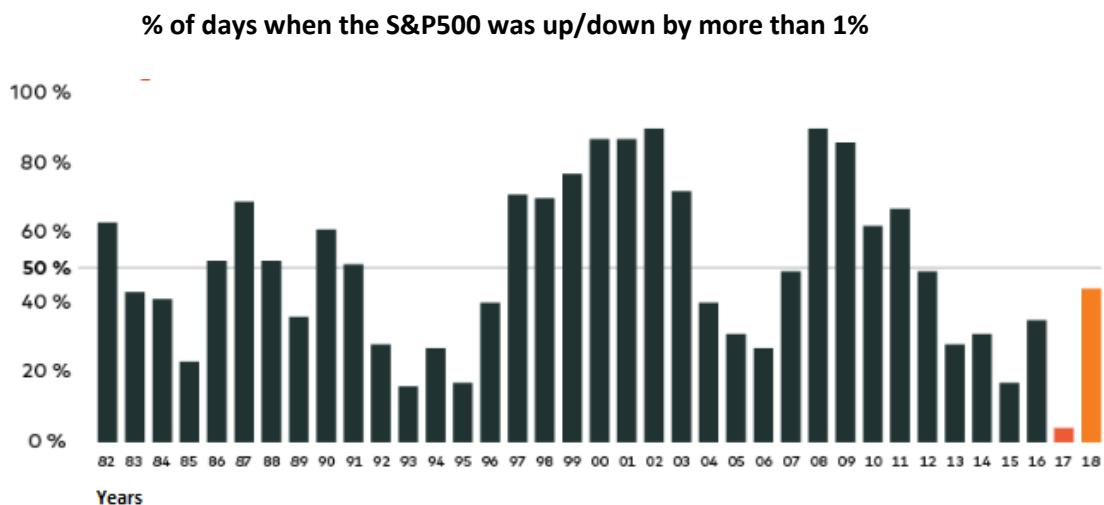
- **Northland Power** is a producer of clean and green energy in Canada and internationally; the share offers in our opinion a strong growth potential in addition to paying a dividend of 5.40%¹.
- **Dollarama** operates a network of more than 1,000 stores of low-cost products across Canada. We implemented the same purchase strategy that we had previously used for the acquisition of Amazon. We purchased the shares after the price dropped from \$52.00 in September to 31.27\$ in mid-December. We believe Dollarama has the potential to bounce back in a short to mid-term horizon.
- **Mediagrif** provides e-business solutions to consumers and businesses (such as LesPAC and Jobboom); last June, its Orckestra subsidiary was chosen by la Société québécoise du cannabis for its on-line sales; Mediagrif is at a crossroads: they either make acquisitions to grow, or they look for potential buyers. With the 4.13%¹ dividend paid per share, we can be patient and wait for either one of these alternatives materialize.

¹ Sur le prix payé au moment de l'achat initial

Finally, we have reduced our position in the international stock index² (representative of all European, Asian and Far-East equities) to buy shares of **Manchester United PLC**, the English football (soccer) team. MU monetizes the value of its global brand and community of followers through marketing and sponsorship relationships with international and regional companies around the world and through the sale of Manchester United branded clothing and items to the planetary scale

4th Quarter 2018 Highlights

Volatility is back: in 2017, the main stock index (S&P 500) experienced a daily change of more than 1% only 12 times; **in 2018 : 113 times**, a frequency closer to the historical average as shown in the following chart.



Source : AGF, Bloomberg, Strategas, **as of January 8, 2019**

We quickly forget how volatile financial markets can be. The exception was 2017, not 2018... Volatility is even desirable because it creates opportunities for investors.

Finally, where it was desirable and useful, we realized capital losses to reduce taxable gains for 2018, while simultaneously reinvesting in securities similar to those sold to take advantage of the rebound that would follow.

² BMO MSCI EAFE Index ou iShares Core MSCI EAFE

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"A goal without a plan is just a wish." – Antoine de Saint-Exupéry

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