

# Zava Global Growth & Income Private Portfolio

## March 31<sup>st</sup>, 2019 (1<sup>st</sup> Quarter)



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### Portfolio Performance

	3 months	6 months	1 Year	3 Year	Since Inception
<b>PORTFOLIO Performance</b>	13.89%	2.94%	5.59%	8.56%	7.97%
<b>BENCHMARK Comparison</b>	10.65%	2.04%	6.67%	9.79%	7.50%

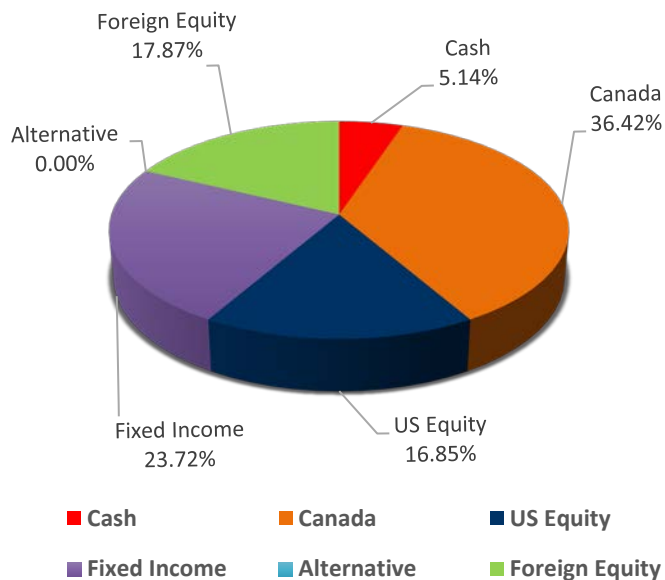
<b>Value of Private Portfolio</b>	
March 4, 2014 (Inception Date)	\$30,133
March 31, 2019	\$44,505

Fees: Returns presented are gross of fees.  
 Benchmark: 5% 91 day T-Bill, 5% FTSE TMX Universal Bond, 50% S&P/TSX Total Return, 20% S&P 500 Total Return, 10% MSCI EAFE Total Return & 10% MSCI Emerging Market.  
 Source: National Bank Financial Portfolio Management Database

### Investment Philosophy

The Zava Global Growth & Income Private Portfolio employs a mostly passive investment style using Exchange Traded Funds (ETFs). ETFs are an excellent vehicle used to obtain broad diversified exposure to various geographies, sectors and styles. Additionally, some individual stock selections will be made in order to enhance opportunities for income, growth &/or value. The Portfolio will always have a minimum amount of exposure to Canada and the US and will typically also have exposure to International and Emerging markets for much of the time. The Portfolio can also hold a smaller allocation in alternative investments such as Real Estate Investment Trusts (REITS). Finally, in order to add a defensive element to the Portfolio when appropriate, up to 25% of the Portfolio can be moved to cash or less volatile fixed income investments at any time.

### Private Portfolio Asset Allocation



### Who is This Investment For?

This Portfolio is suitable for investors who:

- are seeking diversified equity exposure to Canadian, US & International markets combined with a reasonable income stream
- are willing to tolerate a moderate level of risk with a minimum time horizon of 2 - 5 years
- prefer minimal involvement with the investment decision making process.

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Portfolio Management Group

## Portfolio at End of Q1

Issuer	Region	Weight
Brookfield Property Partners	Canadian	5.82%
BMO Ultra Short Term Bond ETF	Canadian	23.72%
Manulife Financial Corp.	Canadian	6.32%
Waste Connections Inc.	Canadian	4.80%
Brookfield Infrastructure Units	Canadian	6.29%
Sienna Senior Living Inc.	Canadian	6.31%
Vanguard FTSE Canada All Cap ETF	Canadian	6.88%
Pattern Energy Group	U.S.	6.63%
Becton Dickinson & Co.	U.S.	4.51%
Vanguard S&P Mid-Cap 400 ETF	U.S.	5.71%
Vanguard FTSE Developed Europe ETF	International	6.11%
iShares S&P Global Energy ETF	International	5.68%
iShares S&P Global Cons. Disc. ETF	International	6.08%
Cash	Cash	5.14%

## Transactions Executed In The Quarter

Issuer	Action
BMO Ultra Short Term Bond ETF (ZST)	BOUGHT
Manulife Financial Corp. (MFC)	BOUGHT
Waste Connections Inc. (WCN)	BOUGHT
IBM Corp. (IBM-US)	SOLD
Open Text Corp. (OTEX)	SOLD
Thomson Reuters Corp. (TRI)	SOLD
Tourmaline Oil Corp. (TOU)	SOLD
Alibaba Group (BABA-US)	SOLD
Panasonic Corp. (PCRFY-US)	SOLD

## Portfolio Manager's Comments

As far as comebacks go, the 1<sup>st</sup> Quarter of 2019 did not disappoint. Investment returns in Q1 broke records- global markets (MSCI ACWI) gained 11.7%, their best quarterly showing in almost a decade.

Canada (S&P/TSX) gained 12.4% for the quarter, slightly beating the US (S&P 500) Q1 performance of 13.1%. North American markets solidly outperformed European & Emerging markets which were nicely positive for the quarter as to 10.7% for Europe (MSCI Europe) and 9.5% for Emerging markets (MSCI EM).

The driving force in Q1 was the inversion of the US yield curve. Why does this matter? Well, without getting overly technical, it's a closely watched signal that has preceded 7 of the last 9 recessions since 1957. It's very significant.

Q1 was the most active quarter ever for your Private Portfolio - having sold out 6 positions entirely and adding 3 new ones (as well as having added to 1 & trimming 4 existing positions). After experiencing such a strong comeback we felt that raising cash & fixed income to 23% of the portfolio, would allow us to retain more of our gains IF the market reversed. The main impetus behind our Q1 trades therefore, was simply our focus on capital & performance preservation.

Your Private Portfolio significantly outperformed in Q1 posting a Q1 return of +13.89%, beating its benchmark return of +10.65%. We continue to outperform our 6 month, and "Since Inception" benchmarks. We've now completed a 5 year track record for this Portfolio and an investment since inception (March 4, 2014) would now have provided you with an annualized return of 7.97% per year.

[Click here](#) for most recent edition of NBF's "Monthly Equity Monitor"

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