

# Kingwest Balanced Portfolio: Q3 2018

## Investment Objective

The objective of the Kingwest Balanced Portfolio is achieving a balance of current income, stability and long term capital appreciation by investing primarily in a diversified portfolio of dividend paying preferred and common shares, real estate investment trusts, convertible debentures and fixed income securities.

## Portfolio Statistics (Sept 30, 2018)

Average Fixed Income Term to Maturity	3.3 years
Average Portfolio Yield	3.4%
Fixed Income Yield	4.1%
Equity Yield	2.9%
Distribution Payments	Quarterly

## Fund Details

Inception	January 2010
RRSP/RRIF Eligible	Yes
Minimum Investment	\$500,000
Asset Class	Equities/Fixed Income
Redemption	Mid-month & end of month
Custodian	RBC ITS
Lawyer	Fogler, Rubinoff LLP
Auditor	Deloitte LLP

## Representative Holdings

### Common Shares

Toronto Dominion Bank	Citigroup Inc.
Bank of Nova Scotia	Ingersoll-Rand PLC
Colliers International Group	Las Vegas Sands Corp
Quebecor Inc.	Madison Square Garden
Air Canada	Blackstone Group LP

### Bonds

	Preferred Shares
Royal Bank of Canada S/A 1.583% due 13Sep21	Natl Bank Cda S30 4.1% 1Pfd
Telus Mtn C22 2.35% 28Mar22	Brookfield Properties Cl AAA S N
TD Bank 1.693% due 02Apr20	CIBC Bank N/C 3.9% SR-39 A Pfd

## Contact Information

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## Recent Performance

### Gross of Fees in CA\$

2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
11.7%	0.5%	3.8%	0.8%	

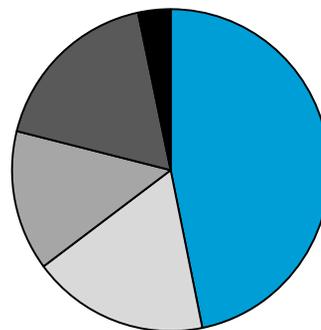
## Compound Annualized Performance to Sept 30, 2018

### Gross of Fees in CA\$

\* Inception Date: Oct. 31, 2009 (Unannualized)

1 Year	3 Years	5 Years	Since Inception*
8.4%	10.8%	8.2%	106.3%

## Asset Allocation



- Canadian Equities 46.8%
- U.S. Equities 18.0%
- Preferred Shares 14.1%
- Bonds 17.8%
- Cash 3.3%

## Kingwest Balanced Portfolio Performance

### Gross of Fees in CA\$

	Q1	Q2	Q3	Q4	Annual
<b>2018</b>	0.5%	3.8%	0.8%		
<b>2017</b>	4.5%	1.9%	1.7%	3.1%	11.7%
<b>2016</b>	-1.4%	2.6%	4.9%	6.3%	12.9%
<b>2015</b>	1.2%	-0.9%	-5.3%	2.7%	-2.4%
<b>2014</b>	3.3%	2.6%	0.2%	1.7%	8.0%
<b>2013</b>	3.6%	-1.4%	2.9%	6.0%	11.5%
<b>2012</b>	4.0%	0.3%	2.8%	1.0%	8.3%
<b>2011</b>	5.2%	0.4%	-3.2%	3.5%	5.8%

## About Kingwest

Kingwest has been investing capital in Canadian and US securities markets through 7 market cycles with one consistent investment process and we have been earning returns well above what the market indices have delivered over a comparable time frame. We manage approximately \$1.4 billion on behalf of institutional and high net worth clients around the world, investing in equities and fixed income.

Kingwest has developed under stable employee ownership since 1982. Long-term thinking drives our approach to investing, building client relationships and growing our business.

## Investment Process

We invest in businesses we understand that have a high probability of increasing in price for reasons not related to the movement of share prices in general, but related to company specific developments.

**We take positions contrary to conventional wisdom.** We seek out the evidence needed to give us the comfort that our point of view is correct.

**We always do our homework.** Excellent performance can only be achieved through deep knowledge of the companies in which we invest.

**Investing is about the long-term.** According to McKinsey & Company, the average holding period for an investment manager today is 10 months. Kingwest's average holding period is 4 years. This patient approach allows us to take advantage of opportunities that short-term focused investors overlook.

**Above all, we avert risk with informed common sense and have been investing for over 30 years with one strategy.**

## Portfolio Management Team Profile



CIO & Managing Director

As a Kingwest founding partner, Richard is the originator of the firm's investment strategies. Richard is an industry expert with over three decades of experience, and has invested through 7 major market cycles.

Richard Fogler



Managing Director & Portfolio Manager

Tim oversees the fixed income investment strategies and guides overall risk management. He chairs the Portfolio Management Committee and leads the marketing and sales initiatives for all of our partners, private and institutional clients.

Tim Regan, CFA



Vice President, Portfolio Manager

Lionel has been with Kingwest since 2002, and is responsible for analysis and valuation of potential investment opportunities. Lionel also monitors the firm's overall portfolio risk and construction.

Lionel Fogler, CIM



Managing Director & Portfolio Manager

Douglas serves as a member of the Portfolio Management Committee, Investment Committee and is responsible for the analysis and valuation of potential investment opportunities.

Douglas Schein, CFA

The units of Kingwest Avenue Portfolio are intended exclusively for Canadian residents. This document is provided for information purposes only to clients or potential clients of Kingwest & Company.

All dollar references herein are in Canadian dollars. Performance data set forth herein is gross of all management fees, unless otherwise stated. The performance data provided assumes reinvestment of distributions only and does not take into account sales, redemptions, distributions, optional charges or income taxes payable by any security holder that would have reduced returns. Management fees, commissions and expenses may all be associated with pooled fund investments such as an investment in units of the Kingwest Avenue Portfolio. Pooled fund investments are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer.

Past performance is not necessarily a guide to future performance. Unit values change frequently and past performance may not be repeated. The payment of distributions is not guaranteed and may fluctuate. The value of investments and income from them can fall and rise. Investments denominated in foreign currencies are subject to fluctuations in exchange rates, which may have an adverse affect on the value of the investments, sale proceeds and on income.

Units of the Kingwest Avenue Portfolio are prospectus-exempt products, and are being offered on a continuous private placement basis in accordance with applicable securities legislation to investors who either invest a regulatory minimum of \$150,000, or who meet the definition of "accredited investor" under the applicable Canadian securities legislation.

The S&P/TSX Composite Index has provided investors with a premier indicator of market activity for Canadian equity markets since its launch in 1977. With approximately 95% coverage of the Canadian equities market, it is the primary gauge for Canadian-based, Toronto Stock Exchange listed companies.

The S&P/TSX Composite Index is designed to offer the representation of a broad benchmark index.

The Total Return Index Value is based on the aggregate, float quoted market value of the index constituents (Stock Price Index Value) plus their paid dividends/distributions.

The S&P 500, or the Standard & Poor's 500, is an American stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ. It is one of the most commonly followed equity indices, and many consider it one of the best representations of the U.S. stock market.