

## Investment Strategy and Objectives

Outcome Wealth Management manages portfolios comprised of large, liquid ETFs. Our strategies are designed to provide efficient global diversification, offer better protection in bear markets, and deliver higher long-term returns.

## Global Tactical Asset Allocation (GTAA) Strategies<sup>1</sup>

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
GTAA Growth 100	2017	-	-	-	-	1.63%	-0.09%	1.98%	0.05%	0.43%	1.47%	-	-	5.58%
GTAA Income 100	2017	-	-	-	-	0.75%	-0.17%	1.25%	-0.18%	-0.48%	0.75%	-	-	1.93%
GTAA Moderate 50	2017	-	-	-	-	0.63%	-0.12%	0.95%	-0.10%	-0.57%	0.79%	-	-	1.58%

### GTAA Growth 100

The GTAA Growth 100 strategy was 80% invested in growth assets in October. Leading the way were Japanese stocks (EWJ), which rose 5.3%, and are now up 20.7% on the year in USD terms. The second largest contribution came from emerging market stocks (EEM), which were up 3.3% for the month and are now positive 32.7% YTD. On the negative side, preferred shares (PFF) were a drag on performance, declining 0.4% for the month. Interestingly, our models avoided U.S. REITs (VNQ), which were the worst performing market in our investment universe for the month.

For November, the strategy reduced its exposure to growth assets by 10% to 70%, with the remaining 30% of the portfolio split evenly between U.S. short-term investment grade corporate bonds and U.S. Treasuries. Specifically, the strategy liquidated its U.S. preferred shares exposure (PFF), which is now sidelined along with exposures to U.S. REITs (VNQ) and international REITs (RWX). In general, our models are avoiding exposure to the more rate sensitive ETFs.

### GTAA Income 100

The GTAA Income 100 strategy was 78% invested in growth assets during October. U.S. dividend stocks (SDY) were the largest positive contributor to performance, rising 1.3% for the month. Results were dragged down by our position in U.S. preferred shares (PFF), which declined 0.4% during the month. As was the case with our GTAA Growth 100 strategy, our models avoided the selloff in U.S. REITs.

For November, the strategy reduced its exposure to growth assets by 11% to 67%, with the remaining 33% of the portfolio split evenly between U.S. short-term investment grade corporate bonds and U.S. Treasuries. In terms of individual positions, the strategy liquidated its positions in U.S. preferred shares (PFF). As is the case with our GTAA Growth 100 strategy, our Income 100 strategy continues to avoid more rate sensitive areas such as U.S. REITs (VNQ) and international REITs (RWX).

### GTAA Moderate 50

The GTAA Moderate 50 strategy was 50% invested in growth assets during the month, with performance drivers that were similar to the GTAA Income 100 strategy, albeit on a muted scale due to the former strategy's lower aggregate weighting in growth assets.

For November, the strategy is maintaining its 50% allocation to growth assets, with the remaining 50% of the portfolio invested in U.S. short-term investment grade corporate bonds.

1. Returns are gross of OWM management fees and recoverable withholding taxes on foreign dividends.

## ETF Dashboard

Symbol	Geography	Asset Class	Oct	YTD	1 Year	3 Year	5 Year
XIU	Canada	Stocks	3.1	7.5	11.9	6.2	8.4
SPY	U.S.	Stocks	2.4	16.6	23.2	10.3	14.4
VNQ	U.S.	REITs	-1.1	2.3	5.4	5.5	8.8
PFF	U.S.	Preferred Shares	-0.4	7.9	4.5	4.5	4.6
HYG	U.S.	High Yield Corporate Bonds	0.1	6.1	8.0	3.4	4.1
SJNK	U.S.	Short Term High Yield Corporate Bonds	0.3	5.1	7.4	2.8	3.3
LQD	U.S.	Inv. Grade Corporate Bonds	0.2	5.8	3.3	3.6	2.8
SDY	U.S.	High Dividend Stocks	1.3	9.8	17.1	9.7	13.4
TLT	U.S.	Long Term Treasuries	0.0	6.4	-2.8	3.9	2.6
VCSH	U.S.	Short Term Inv. Grade Corporate Bonds	0.1	2.5	1.8	2.1	1.8
IEV	Europe	Stocks	0.5	23.5	26.5	4.7	7.5
RWX	International	REITs	0.2	9.2	6.9	0.4	3.6
EWJ	Japan	Stocks	5.3	20.7	17.9	8.0	11.4
EEM	Emerging Markets	Stocks	3.3	32.7	26.2	4.8	4.0
EMB	Emerging Markets	Sovereign Bonds	0.2	9.1	5.9	4.8	3.2

## ETF Spotlight | SDY

Launched in 2005 by State Street Global Advisors, The SPDR S&P Dividend ETF tracks a yield-weighted index of 50 dividend-paying companies from the S&P 1500 Composite Index that have increased dividends for at least 20 consecutive years.

Net Assets	\$16 B
Average Daily \$ Volume	\$35 M
Year-to-Date Return	8.78%
Expense Ratio	0.35%
Distribution Yield	3.07%

## In the News

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