

## **A Winning Stock Strategy for Canadian Investments**

Attached are Four Charts that relay timely information.

1. We are well diversified in high quality companies that produce economic value. These are companies that are long term buy and hold and offer a superior overall dividend.
2. Our equity strategy tracks the winning Canadian Value Style. Our strategy has outperformed this Value Style and the TSX stock index after all fees over time. In its 40 year life, the Value index corrected 6 times (>20%). Every time there was a strong rebound, rising an average of 64% in the next 24 months, and usually showed double digit gains in the third year. This rebound appears underway right now, with a 5% surge off the bottom.
3. The market wrongly panicked after hearing of problems with the Chinese economy. Rather China continues to grow by about 6% a year according to the International Monetary Fund's reliable monitoring. The US is a much more important trading partner for Canada, and its growth is also discounted by the market, but not by us.
4. The after tax return on Wise Capital's Canadian equity strategy was higher than the equivalent after tax return on a 12% per year interest yield. This is based on 3 years and 12 years' net performance through June 30, 2015. Five percent of the companies that issue those high yield instruments default every year and disappear, since 1983, according to Deutsche Bank.

That's why we're loyal to the winning Value Strategy, which has provided positive performance 31 out of the last 40 years.

More than a third of the Canadian market is resource companies.

When these resources are cheap in an upward economic phase, we buy them. We buy oil, gas, uranium, zinc, copper, and agricultural chemicals. Holding them before they jump in price is key, as in 2009 when we scored a 55% plus performance and were the top rated Canadian equity manager. High long term returns are concomitant with a reward for accepting short term volatility.

Investor-psychology affects the markets in the short term--panic provides longer term "sales" of solid assets. Two years down the road, but more likely well before that time, our clients will be well-rewarded for leaving the worrying about market volatility to us while they go about their lives.

Sam Wiseman, BCom, MA (Economics), CFA and staff

# Wise Capital Canadian All Cap Equity

**Our top holdings are solid long term investments**

Company Name	Weight %
BANK OF NOVA SCOTIA	5
TD BANK	5
SUNCOR ENERGY	4
BANK OF MONTREAL	4
CIBC	4
ALIMENTATION COUCHE-TARD	4
ROYAL BANK OF CANADA	3
WEST FRASER TIMBER CO.	3
INTACT FINANCIAL	3
CANADIAN NATURAL RESOURCES	3
SNC-LAVALIN GROUP	2
BCE	2
AGRIUM	2
CANADIAN NATIONAL RAILWAY	2
TRANSCANADA CORP	2



# MSCI Canada Value Index (%)

Every correction followed by substantial rebound

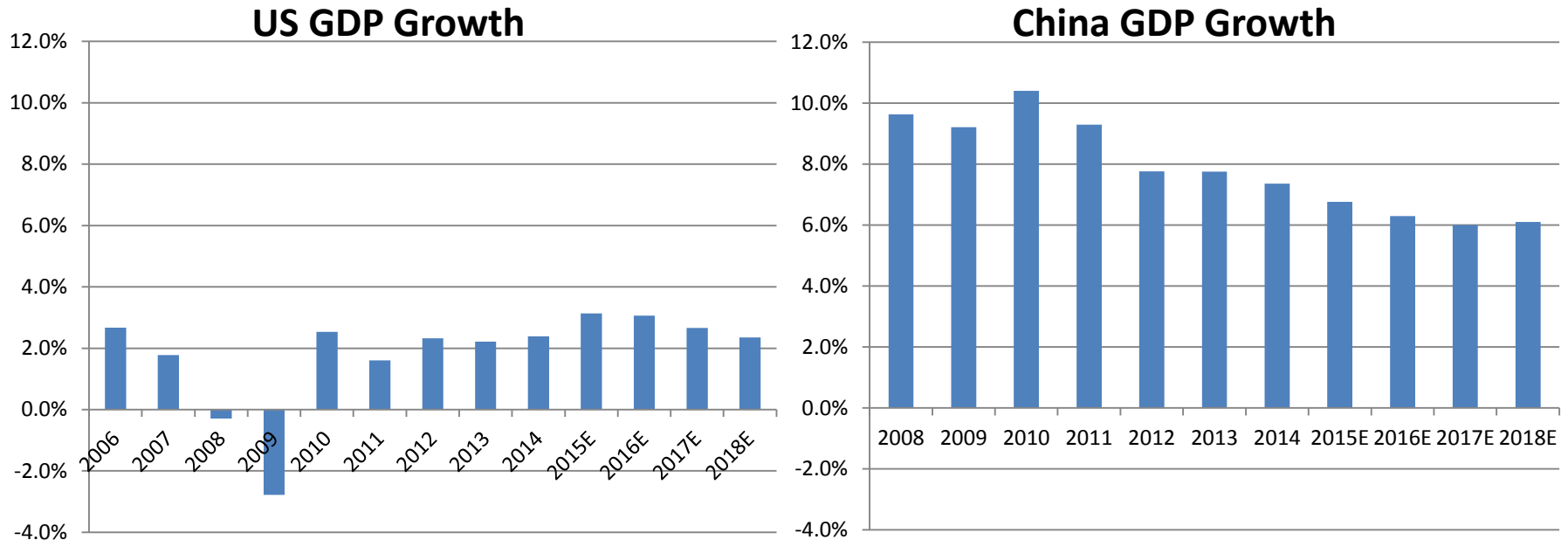
Correction periods	Total correction	Total return over subsequent 2 years
12 months ending Aug 21, 2015	-21	?
16 months ending Feb 2009	-44	95
16 months ending Sept 2002	-23	49
4 months ending Aug 1998	-30	44
4 months ending November 1987	-27	45
15 months ending June 1982	-34	87
<b>Average</b>		<b>64</b>

Source: MSCI



# GDP Growth

**US & China GDP growth is still very strong.  
Our portfolio is positioned to benefit.**



Source: International Monetary Fund, World Economic Outlook Database



**Wise Capital Canadian Equity has outperformed an actual real estate mortgage company on a three year after-tax basis**

**Actual Real Estate Company**

	Before tax	Running total tax	Running total after tax value
	1,000,000		
Year 1	1,119,000	58,941	1,060,059
Year 2	1,252,161	124,895	1,127,266
Year 3	1,401,168	198,699	<b>1,202,470</b>

Annualized after tax return: **6.3%**

**Tax paid 198,699**

Taxes incurred every year

Taxed at 49.5%

Fully taxed, 100%

For demonstration purposes, at 11.9% gross return

**Wise Capital Canadian Equity**

	Before tax	Running total tax	Running total after tax value
	1,000,000		
Year 1	1,086,000	-121	
Year 2	1,179,396	-252	
Year 3	1,280,824	47,308	<b>1,233,516</b>

Annualized after tax return **7.2%**

**Tax paid 47,308**

Capital gains tax impact when gains are realized, assume at disposal year 3

Dividends taxed in year they are received

Taxed at 49.5%

50% capital gains deduction: 25% effective capital gains tax

25% effective tax rate of stock dividends

Net equity return 8.6%

Fees tax deduction 0.7%