

DM Balanced Portfolio

1st QUARTER 2019 REPORT

MANDATE

DM Balanced Portfolios are composed of N. American listed stocks and investment grade corporate and government bonds. Equities are evaluated for valuation and cash flow generation, while bonds are selected based on credit analysis and yield curve considerations.

REVIEW & OUTLOOK

Interest rates fell sharply to begin the year, as investors began to contemplate the potential for slower growth and perhaps even a recession on the horizon. This move boosted bond prices and contributed to a gain of roughly 3.7% for the fixed income component of DM Balanced Portfolios. Stocks also recovered from their late 2018 slide, with both the TSX and S&P returning more than 13% in Q1. Strong performers in the portfolio included Thermo-Fisher Scientific, Cisco Systems, and Badger Daylighting with each up 20-26%.

PORTFOLIO PERFORMANCE (to 31-Mar-19)

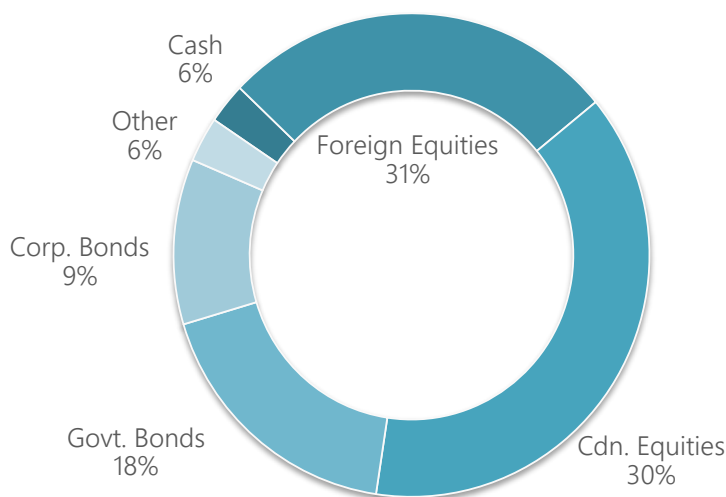
	Q1-19	1 year	3 year	5 year	10 year	Inception*
DM Balanced Portfolio	8.8%	10.9%	9.2%	7.4%	9.9%	7.0%
Blended Index*	9.6%	8.5%	8.2%	7.1%	9.4%	5.5%

* inception date is 30-Jun-00; returns are annualized for periods > one year; Blended Index = 42.25% S&P/TSX Total Return Index, 22.75% S&P 500 (\$C) TR Index, 35% FTSE TMX Canadian Universe Bond Index.

PORTFOLIO ATTRIBUTES

	DM Balanced	Blended Index
Dividend Yield	2.3%	2.7%
Fwd. P/E Ratio	14.8x	14.4x
# of stocks	33	
Top 10 Stocks	Top 10 Bonds	
Microsoft	GofC inflation linked (01Dec36)	
Visa Inc.	Prov. of Alta. 2.90% (20Sep29)	
TD Bank	Cda. Hsg. Tst. 2.55% (15Mar25)	
Berkshire-Hath.	PSP Capital 3.29% (04Apr24)	
Bank of NS	Wells Fargo 2.975% (19May26)	

Asset Allocation (31-Mar-19)



The information above compares the performance of the DM Balanced Portfolio ("the Portfolio") with a 42.25%/22.75%/35% blend of the S&P/TSX Total Return Index, the S&P 500 Total Return Index, and the FTSE TMX Canadian Univ. Bond Index. Portfolio and benchmark performance is calculated using time-weighted rates of return. Composite performance is calculated prior to the deduction of investment management fees, but after the deduction of all trading costs. The performance presented above is historical and may vary from account to account. DM does not guarantee any rates of return and past returns do not indicate future performance. Certain non fee paying accounts may be included in this composite. Future rates of return could be positive or negative.