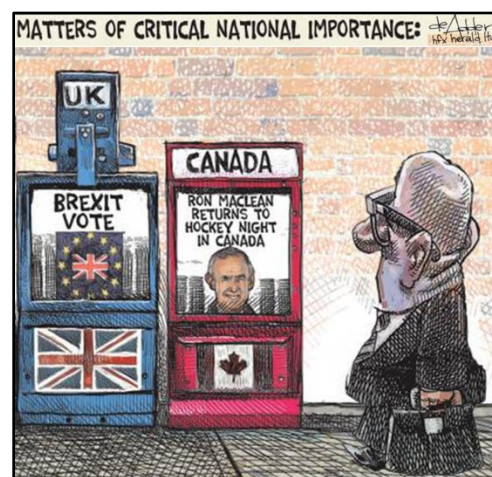


Murray Wealth Group's Q2 2016 Letter to Investors

The Murray Wealth Group celebrated its first year anniversary since launching our pooled funds on July 1st, 2015. Our flagship fund, the MWG Global Equity Growth Fund, is comprised of 40 best-in-class global companies, with a skew towards the U.S., Canada and Europe. Since our start last year, our investment strategy was to overweight the U.S. consumer against the backdrop of an improving economy, increasing employment, real wage gains, lower energy costs and the lowest household debt since 2007. Despite a strong start last year, with the NAV of the fund up over 9% to close out 2015, a rising Canadian dollar and the “Wall of Worry”, discussed below in our quarterly essay, conspired against global growth stocks in 2016, capped off by Brexit.

Global markets year to date have been weakened by the Wall of Worry, with the indices of large high-quality US growth stocks down over 6% in the wake of Brexit vote, before recovering around 4% to close out the first six months. When combined with a Canadian dollar recovery of 6.4% this year, the result for Canadian-domiciled global equity growth investors has been losses in the range of high single-digits to low double-digits, in general, prior to dividends. Clearly, the first half of 2016 was not kind to large cap growth stocks, the core of our Global Equity Growth Fund, as investors shifted towards value stocks and commodities, which was compounded by the rise of the Canadian dollar. Higher beta technology and health care stocks have suffered amidst concerns that global growth was slowing and ongoing political rhetoric during the US election campaign. On the other hand, the MWG Income Growth Fund has done particularly well given it is relatively safe, more skewed towards lower beta names, and primarily invested in Canadian dividend-paying stocks, implying less foreign exchange risk. The Canadian S&P/TSX Composite Index has also been one of the best global performers this year.



The Wall of Worry (Coined in the 1950's in reference to the perpetual search for what's wrong)

The reality of 1st quarter earnings reports restored the global stock markets' confidence in April and May following the winter meltdown on unfounded fears that China's collapse was imminent. The exodus of capital from China unsettled the stock, currency and commodity markets. However, June's lack of news flow rekindled the search for the next investment landmine. The bears turned over every stone highlighting that consumers carried too much debt, rising interest rates would create the next meltdown, the consumer was about reign in spending, etc. Then the bears stepped on Brexit and boom; world markets went into a tailspin and we witnessed one of the largest single day losses in years. Embarrassed naysayers had missed this one, so working class British pensioners had done it! They accomplished something none of ISIS, Vladimir Putin, global warming, the Ebola or Zika viruses could do.

Their votes would surely lead to a European collapse, which would spread around the world in a great tsunami washing away the world's trade flows and financial systems, drowning incompetent winning central bankers and swamping the global economies into a great primordial depression. The Dark Ages will surely return. Time to retreat to and fortify the hilltops.

Strangely, as we write this report four trading days later, the S&P 500 has just closed higher than it did on June 16 less than two weeks ago. So much for the long-term destructive effect of Brexit on the world economy. It is to everyone's benefit that the dreary bureaucratic negotiations will minimize economic disruption and it is most likely that the U.K. will emerge from its Brangover with continuing strong ties to Europe.

2016 to date has seen massive brick deliveries to the builders of the Wall of Worry and no doubt more deliveries will arrive later this summer as we approach the looming presidential election as neither Hillary nor "the Donald" will do anything positive for the economy; and Obama was thought to be the worst president to date!

At MWG we held firm with our selection of stocks, a high-quality US-centric global equity growth portfolio with significant upside potential over the next several years, especially given that we believe growth stocks are underpriced relative to value stocks at this juncture. The only trading, we did in the second quarter was where market volatility and/or our research uncovered opportunities to add value, again underpinned by strong fundamentals. We expect the portfolio will benefit as 2nd quarter earnings are reported through July and into August at which time we may face the world's worries again, this time centred on the uncertainties of the US election. We anticipate the U.S. dollar will perform well in the second half of 2016 with continuing evidence of domestic economic recovery, even in the context of global uncertainty, given the USA's much lower dependency on international trade. Again, expect us to hold firm for the long term against short term uncertainties with our focus on global equity growth stocks.