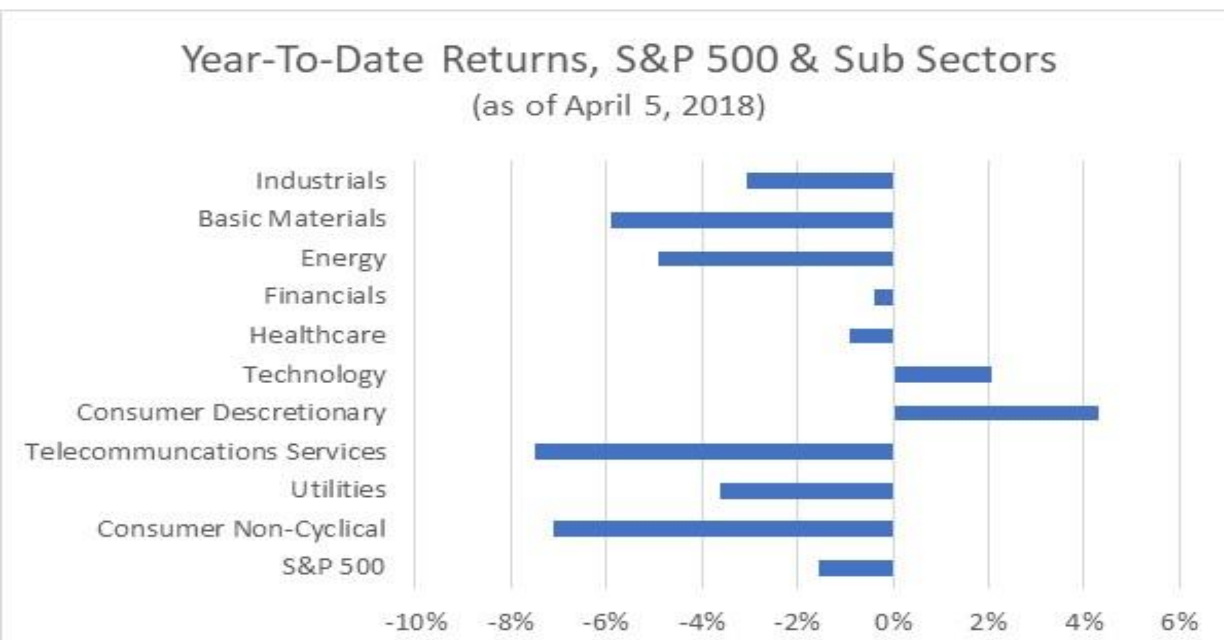
MWG Portfolios: Portfolio Weighting Changes March 2018

Our portfolio actions for the month of March were as follows:

Action:	Global Equity Growth Fund:	Income Growth Fund:
Bought:	TFX	
Increased:	DLTR, AZN	
Reduced	PANW	
Sold:	TPR	

March Market Commentary

Volatility continued to dominate the markets in March, with the S&P 500 trading up 5.0% from its February close to an intraday high of 2,801.9 on March 13th, only to plummet by an average of 1% a day over the next 8 trading days to the monthly low trade of 2,585.9. This volatility, which has been with us since the last couple of days in January, is fueled by fears of higher interest rates, trade wars, Trump tweets, scrutiny of personal data use by internet providers and the general propensity of many traders to realize and lock in profits. At the end of March, only two S&P sectors were showing marginal gains year to date, those being Technology and Consumer Discretionary (which is dominated by Amazon). The S&P 500 closed the month at 2640.9, down exactly 1.0% for the month. At MWG we expect positive momentum to return to the U.S. market as a flood of very strong earnings results hit the market as April moves on.



Source: Thomson Reuters Eikon, Murray Wealth Group

The S&P TSX was down by 0.5% in sympathy with the U.S. market, but with strength in the commodities sector mitigating some of the weakness. The Canadian dollar also declined and closed the month at US$ 0.7754. We continue to believe the Canadian markets will prove to underperform in the mid-term, with capital flows continuing to exit the country and a slowing housing market impacting consumer spending.

Global Equity Growth Fund:

The Fund's NAV dropped by 1.6% in March as markets weakened on fears of trade wars and politically fueled criticism of both Facebook and Amazon led to widespread weakness in the market leading Information Technology sector. Year-to-date, the Fund's NAV has appreciated 2.1%.

During the month, we sold our 2% holding in Tapestry (TPR) at US$52.47. TPR, formerly Coach, had appreciated by almost 22% since our purchase in December 2017 and was within 10% of our target price of US$57. The company is transitioning into an American luxury goods company following the purchase of Kate Spade and Stuart Weitzman. The key to this transition is a rebuilding of the cache of the core Coach Brand following its over-expansion earlier this decade. We felt there were better opportunities elsewhere and added 1% to our holding of Dollar Tree (DLTR US$94.42) and 0.5% to AstraZeneca (AZN US$33.93). We also reduced our holding in Palo Alto Networks by 0.5% (PANW US$190.13) and added a new position in Teleflex (TFX US$266.63), an innovative manufacturer of a range of medical devices.

Income Growth Fund:

The Fund's NAV per unit declined 2.1% for the month and is down 4.6% on the year, in line with the performance of the S&P TSX Total Return Index. The portfolio is currently yielding 6.5%, with a 79% weighting in Canada.

We held steady in our positions despite the volatility in the markets. Many of the companies we hold in the fund are owners of stable, cash producing assets and have little direct exposure to the causes creating the recent market jitters. Higher rates have likely played a role in the ongoing weakness in high yielding investments, but the yield on the closely-watched U.S. 10-year government bond declined from previous highs of 2.94% to current levels of 2.8% and should provide some near-term relief. Our outlook for the high yield market remains unchanged and we believe that equities will continue to benefit from strong profit growth.

As always, we appreciate your referrals so if you know someone that can benefit from our services, please do not hesitate to give us a call.