



CLIENT

MARCH 31, 2017

NEWSLETTER

Message from the Managing Director, Private Client

Over the course of our lives and careers, we sometimes retrospectively say we have seen “it all,” as the saying goes. From oil embargoes in the 70s, a Reagan Presidency which called for the big 3 negatives (Anti-Government, Anti-Communism, Anti-Tax) in the 80s, and several market cycles over the last couple of decades, ebbing and flowing with volatile markets running parallel tracks to immense changes in technology. It would not be exaggerating to claim the Human Being has changed the way it communicates more in the last 10 years than the previous 2 million! Nevertheless, the first quarter of 2017 was, dare I say, unprecedented. Perhaps when the “junior” members of our Private Client Team are my age, they will look back with the same sentiment I have today about Q1 2017. We saw a new populist regime enter the White House in January and generally positive financial markets hanging on every tweet, every news story (“fake” or otherwise) and every budding member of the Trump team becoming a household name in the news. Interesting to also note that it seems “bud” is a buzz word now. Interest rates rose in the US, S&P began its 9th year of a bull market, and here in Canada our federal budget passed with the Trudeau administration admitting a ‘wait and see’ approach to the dynamics south of the border.

The aforementioned events of Q1 2017 have been notable to say the least – I don’t know what opinion I could create, to add any insight, which you no doubt have read over the last few months. At Highstreet we hang our hat on processing data, on analyzing facts and creating portfolios that are predicated on our GVQ+R™ approach. Our speculation on political events must take a back seat. What I prefer to discuss are facts that have affected our business. As previously advised, the CRM2 reports, highlighting enhanced disclosure around fees and performance, were sent out at the end of January and have been well received by clients. The

industry has caught up to the way Highstreet has been reporting performance and fees since the firm’s inception. If you do have questions, Larry, Bruce or Mike would be happy to help.

Equity markets climbed to fresh highs in the first quarter of 2017 spurred by strong economic data from around the world, lending credence to a global economic recovery. Major Central Banks acknowledged improvements to both domestic and foreign economies, providing cautiously optimistic growth prospects, signaling the likely end of the era of Quantitative Easing; an unconventional form of monetary stimulus where governments purchase securities other than government bonds. However, risks to the global economy still remain. Political uncertainty in Europe continues to be an overarching theme, as the UK formally began the process of enacting “Brexit” at the end of March and upcoming presidential elections in France. US President Donald Trump officially took office in January and markets have generally responded positively to the administration. However, considerable ambiguity remains around the specifics of the proposed policies including tax reform, trade, and immigration.

Overall, the Highstreet Funds have had strong performance this quarter. At Highstreet, researchers and portfolio managers collaborate to develop a disciplined and repeatable investment process to provide our investors a compelling product offering. Through blending quantitative and fundamental investment styles, Highstreet’s investment team is well-equipped to navigate a wide variety of market conditions. As a result, the Highstreet Conservative Balanced Fund and the Highstreet Dividend Income Fund have received the Fundata FundGrade A rating during the quarter. These grades are awarded to funds that have had outstanding performance over a period of time. This is a



testament to the strength of the investment team and process, and we remain squarely focused on delivering on our performance objectives for our clients.

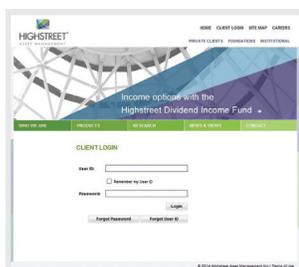
I mentioned in my opening paragraph that ‘bud’ is becoming a buzz word these days. At Highstreet we continue to bud – growing our team with excellent market professionals on the Investment Team, and seeing our asset base grow with new clients and strong performance. Within the Private Client Team, congratulations to Larry Hazel’s oldest boy who made the London Badgers Baseball team as an under ager; Mike and his wife who are expecting

their third child in September and Bruce’s oldest who is about to graduate high school. Yes, despite all the negativity, complexity and constant change in the world that confronts us on a regular basis, we continue to move forward.

And finally, I just can’t resist, you know its spring when the ‘buds’ are out. Not yet this year! Go Leafs go.

Warm regards,
Michael Hodgson

Going Online



One message Highstreet continues to hear from clients is the desire to receive less paper. If you are receiving printed statements in the mail and wish to stop receiving them, let your relationship manager know.

Highstreet clients have the ability to receive all of their statements online through the Highstreet website. If this is something you might be interested or would like more information on, your relationship manager would be happy to walk you through it.

In the Community

Highstreet continues to be active within the local community. Along with our sponsorships, the entire Highstreet team will be spending a day out in the community volunteering. Look for pictures of the Highstreet team out volunteering in the coming newsletters.

As always, we would love to hear from you. If you have any questions, concerns or comments do not hesitate to reach out to your relationship manager.

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