Cash Flow Solutions Model Portfolio
Q3 Quarterly Commentary - as of September 30, 2019

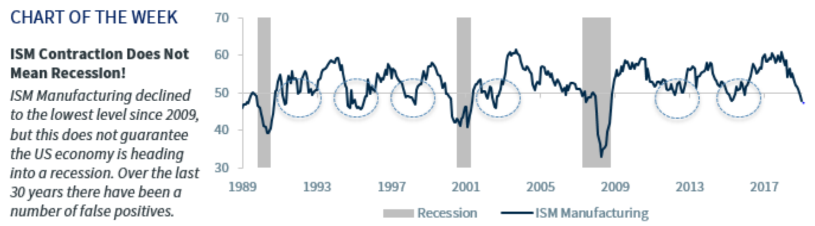
The positive momentum since the beginning of this year has carried through for another quarter making 2019 one of the strongest years we've had since 2009. Portfolios invested in the **Cash Flow Solutions model** show a year-to-date return of approximately 16%! We encourage you not to get too excited about the strong performance of the portfolio as big moves up (or down) often are short-term in nature and we care more about the long-term. **Our long-term investment focus is on generating cash flow for you from your investments** in the form of dividends and interest payments along with capital gains from price appreciation for total net returns of 5% or more annualized.

Volatility or market value fluctuations are climbing higher once again as financial markets have had no shortage of negative headlines ranging from trade tariffs, possible impeachment proceedings, Brexit negotiations and more. We are still maintaining a balanced and cautious approach to protect your capital as we know the market rarely moves up in a straight line. *Patience is the key to success!*

What is the outlook for the last quarter of 2019?

Investor concerns will mostly likely linger as recession risks appear elevated. Just like the rainier summer we experienced in Edmonton, dark clouds hover over the economic and geopolitical fronts. One dark cloud has to do with a slowdown in manufacturing as registered by the latest **Institute for Supply Management (ISM)** report on U.S. Manufacturing.

The graph below shows the ISM figures illustrating the recent manufacturing slowdown in the U.S. As **Raymond James Chief Investment Officer, Larry Adam**, explained, *"A decline in manufacturing does not guarantee the U.S. economy is heading into recession."* I agree as this could be another dip similar to 2011 and 2015. Other factors must be considered.



There are a few areas of optimism:

1. The U.S. consumer is the heart of both the U.S. and global economy and with **strong employment and wage growth**, the U.S. consumer is still healthy.

2. U.S. Federal Reserve is likely to cut interest rates again which will help fuel economic spending and growth.

3. Dividend yields from stocks outpace that of most bonds or GICs in this lower for longer interest environment, fueling demand for stocks as retirees search for income.

Also, President Trump's focus on maintaining the strength of the economy to maximize his chances of re-election gives me additional confidence markets will be positive for another year. While there is no doubt volatility is back, our asset allocation and investment selection have been successful thus far.

Cash Flow Solutions Model Portfolio
Q3 Quarterly Commentary - as of September 30, 2019

Monthly and Q3 returns for the Cash Flow Solutions Model were as follows*:

July	Aug	Sept	Q3
+1.21%	+0.95%	-0.58%	+1.59%

*** Returns are net of investment costs**. Please note that the actual performance of your account(s) this past quarter and for the year will vary due to inception date and the timing of deposits and withdrawal.

As mentioned earlier dark clouds appeared and investor sentiment turned sour in September taking back some of the gains earned over the summer. I'm confident we'll manage a modest positive return for Q4 to finish the year with double digit returns.

The Top Three Best Performing Investments for Q3 2019 based on price gains

1. Algonquin Power Utilities – up 14.30%
2. Inter Pipeline – up 14.14%
3. Brookfield Asset Management - up 12.29%

Investment Highlights

- Labrador Iron Ore (LIF) announced another special distribution of $0.65/share in addition to the regular dividend of $0.25/share. LIF surprised us with their third special dividend this year, which has helped offset their recent pullback.

- BCE Inc. (BCE), Algonquin Power Utilities (AQN), WSP Global (WSP) and **CI First Asset Canadian REIT Income ETF (RIT)** all reached new highs during the quarter, highlighting the importance of stock selection.

During the 3rd quarter the following changes were made to the portfolio model:

- We sold all the shares of the **Canadian Natural Resources (CNQ),** which was not meeting our performance expectations.

We also added to the following investments as part of our defensive strategy to protect portfolios:

- iShares Canadian Real Return Bond Index (XRB) is a basket of government bonds, which adds to your portfolio's safety.

- BMO Global Gold Index ETF (ZGD) acts as a stabilizer for portfolios as gold generally moves up as geopolitical uncertainty spikes.

We thank you again for your patience as we recognize the ups and downs in the markets can be unsettling. Our success is linked to your success and we value the relationships we have with you. **Please contact us with your suggestions on how we can better serve you. We look forward to hearing from you!** Take care.

Wishing you and yours an amazing autumn!

Trixie Rowein
Portfolio Manager

Kelley Johns
Licensed Assistant

Timea Klemp
Assistant