

Dynamic Alternative Managed Risk Private Pool Class*



Fourth quarter commentary (as at December 31, 2018)

PERFORMANCE (%)

	YTD	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception	Inception date
Series A	Regulations restrict the presentation of performance figures until a Pool reaches its one-year anniversary								October 2018
Series F	-5.6	-9.1	-5.5	-5.6	3.2	-	-	1.9	June 2014
Benchmark ¹	-7.5	-14.4	-8.5	-7.5	6.2	5.8	-	-	-

ASSET ALLOCATION (%)

Managed Risk	40.0
Fixed Income	23.0
Risk Reduction	20.0
Low Volatility Equity	17.0



GEOGRAPHIC ALLOCATION (%)

United States	81.8
---------------	------



TOP 10 EQUITY HOLDINGS (%)

Dynamic Premium Yield PLUS Fund, Series "O"	
Walt Disney Company	
Ecolab Inc.	
Arthur J. Gallagher & Co.	
Medtronic PLC	
Verizon Communications Inc.	
Fidelity National Information Services, Inc.	
Danaher Corporation	
Pfizer Inc.	
Waste Management, Inc.	
TOTAL	25.2

* Name change as of February 2018. Formerly Dynamic Alternative Investments Private Investment Pool Class.

¹ The benchmark for Dynamic Alternative Managed Risk Private Pool Class is 100% Morningstar Diversified Alternatives Index (US\$).

Dynamic Alternative Managed Risk Private Pool Class*



DAMIAN HOANG



JOHN HARRIS



OSCAR BELAICHE

The portfolio management team uses a blend of three alternative investment categories with a focus primarily on core alternative strategies, including options writing, liquid alternatives and long/short while also using opportunistic and innovative strategies. The Portfolio Managers leverage the experience and expertise of the multi-disciplinary Equity Income team in finding the best opportunities for the Pool.

MANAGER COMMENTARY

The fourth quarter of 2018 was largely characterized by a wave of volatility that reverberated across global markets. North American equity markets ended the quarter down sharply, after reaching an all-time high in September, as concerns crept up on multiple fronts concurrently. Investors continued to digest rising interest rate trajectories from central banks, lingering trade tensions and rising expectations of a deteriorating global growth backdrop. In the U.S., equity markets slid despite solid corporate earnings growth as investor confidence remained battered over issues related to monetary tightening, credit spreads widening, and rocky U.S.-China trade negotiations. Energy stocks led the way lower, while Information Technology and Industrials sectors also detracted from returns. Meanwhile, less economically sensitive sectors like Utilities and Real Estate outperformed their peers during the quarter.

The Pool provides an efficient exposure to a basket of strategies that utilize a number of investment instruments (stocks, bonds, cash, futures, options) and several investment styles (low beta, quality, value). Risk management in the Pool is achieved in multiple dimensions that are quantitatively driven based on the inherent riskiness in the market versus the conservative pre-defined risk budget in the Pool.

The Pool's geographic exposure continues to focus primarily in the U.S., which was a significant detractor over the period with foreign currency generally fully hedged. On a sector level the Pool is diversified with Information Technology, Financials and Health Care representing the largest allocations. The weighting to Information Technology and Industrials were lowered while Communication Services saw a significant increase. Top sector detractors included Information Technology, Health Care and Industrials with Utilities a positive contributor to returns. Fixed income, which increased over the period, also had a small but positive impact on performance. Individual securities that detracted from returns included positions in Electronic Arts, Apple and Amazon.com. The top contributor was Procter & Gamble.

dynamic.ca/PrivatePools

Performance as at December 31, 2018. Inception date for Dynamic Alternative Managed Risk Private Pool Class is June 6, 2014. Series F units of the Pools are only available to investors who meet certain eligibility criteria and who participate in an eligible fee-based program with their registered dealer. Commissions and trailing commissions are not payable on Series F units of the Pool but management fees and expenses may be associated with these investments. Investors may also pay a Fee-Based Account Fee which is negotiated with their financial advisor and paid to directly to the registered dealer. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in units value and reinvestment of all distributions and do not take into account sales, redemptions, distributions or optional charges or income taxes payable by any security holder that would have reduced returns. Investments in pools are not guaranteed; their values change frequently and past performance may not be repeated. Views expressed regarding a particular company, security, industry or market sector are the views of that individual only, and do not necessarily represent the views of 1832 Asset Management L.P. These views should not be considered as an indication of trading intent of the mutual fund, nor are they a recommendation to buy or sell, nor should they be relied upon as investment advice. Dynamic Funds® is a registered trademark of its owner, used under license, and a division of 1832 Asset Management L.P.

Dynamic Funds*
Invest with advice.