



Kipling Monthly Income Fund Update

Chris Bolton, CFA, Portfolio Manager

The Kipling Monthly Income Fund was designed to provide regular monthly income and capital appreciation over longer periods of time.

The fund owns a diversified portfolio of our best investment ideas. We believe the fund is attractive for retirees, near retirees and other investors looking for regular monthly income. The fund has also been less volatile than a 100% equity portfolio.

On an annualized basis, since the fund's inception in May 2015 to the end of September 2017, the M-Series has returned 10.3% while the A-Series has returned 8.6%. These returns compare favorably to the benchmark which is up 3.4% on an annualized basis over the same time period.

The fund has struggled more recently. Year-to-date (through September 29) the M Series has returned 0.2% while the A Series has returned -1.0%. We made the decision to increase our energy weighting earlier this year and market has not rewarded that decision (yet). Commodity prices have been relatively stable, with WTI oil closing between US\$44/b and US\$54/b 95% of the time so far this year (according to ThomsonReuters).

However, investors have shunned the sector. The S&P/TSX Composite Oil & Gas Exploration and Production Sub Index posted negative returns in seven of the last nine months. Gary has more details on our thinking around energy in his article, but in summary we continue to remain constructive on our energy holdings. We have focused on midstream companies as they typically have more stable cash flows and less commodity price exposure. All of our holdings are cash flow positive at current commodity prices and the average dividend yield of our energy holdings is approximately 4.97%.

Overall, the equities in our portfolio are forecast to increase their earnings by approximately 18% in 2018 on average when compared to 2017. In addition, 64% of our equity holdings increased their dividend during the last 12 months and we expect this trend to continue. Both of these factors should be positive catalysts for the equity portfolio going forward.

The Canadian bond market has also been a challenging space. The Bank of Canada raised short-term interest rates on July 12 and again on September 6. We believe the rate increases generally surprised the bond market. For example, the iShares Core Canadian Bond Index ETF closed at \$31.95 on June 6. By September 18, the ETF had declined to \$30.54. This represents a decline of over 4.4% and the lowest level since May of 2014. In an effort to reduce interest rate risk, we have constructed our fixed income to have a lower maturity than the index. Our current average maturity is approximately 3.75 years versus the iShares Core Canadian Bond Index ETF at 10.13 years.

Within the fixed income realm, we currently see the best opportunities in corporates with maturities in the 2-5 year area. Over 50% of our fixed income portfolio is in investment grade bonds. These holdings provide regular income and are expected to contribute to portfolio stability. We augment these holdings with select high-yield names, preferred shares (all of which are investment grade and most of which have a dividend "floor"), convertible debentures and senior loans. Senior loans are typically floating rate and will benefit if the U.S. increased short-term interest rates.

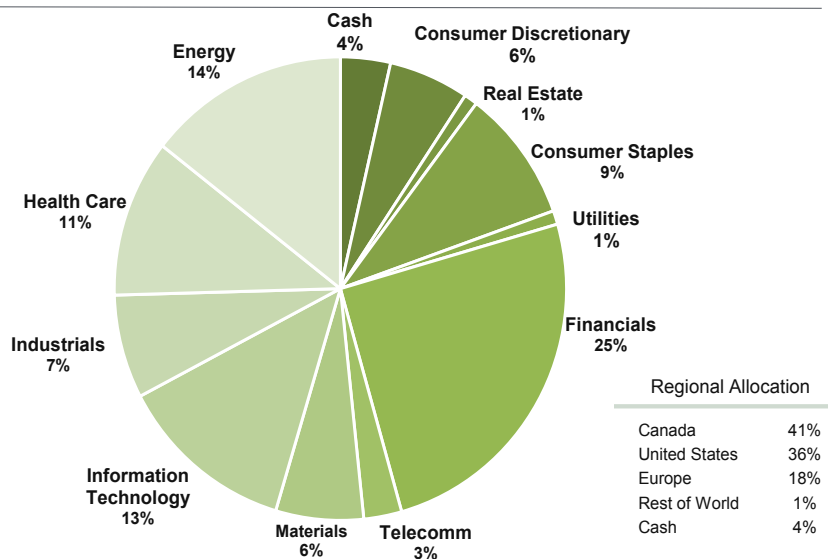
Kipling Global Enhanced Dividend Fund Characteristics



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| Top 10 Equity Holdings | Sector | Position |
|---------------------------|------------|----------|
| TD Bank | Financial | Long |
| Royal Bank of Canada | Financial | Long |
| Bank of Nova Scotia | Financial | Long |
| MasterCard | Technology | Long |
| Automatic Data Processing | Technology | Long |
| Microsoft Corp | Technology | Long |
| BCE Inc | Telecom | Long |
| Cameco Corp | Energy | Long |
| Bank of America | Financial | Long |
| Enbridge Inc | Energy | Long |

Sector Allocation



| Portfolio Metrics | Long | Short | Net | Benchmark* |
|-------------------|----------|---------|----------|------------|
| Gross Weight | 125.1% | -28.7% | 96.4% | 100% |
| # of Positions | 50 | 43 | 93 | 166 |
| Mkt Cap (USD) | \$124.3B | \$12.9B | \$156.2B | \$221.8B |
| Price/Earnings | 17.1x | 18.9x | 16.8x | 19.1x |
| Price/Cash Flow | 13.0x | 13.50x | 12.9x | 13.1x |
| FCF Yield | 6.6% | 3.2% | 7.3% | 4.6% |
| Debt/EBITDA | 3.4x | 7.1x | 2.5x | 3.4x |
| Dividend Yield | 2.9% | 1.5% | 3.4% | 3.0% |
| Operating Margin | 21.3% | 9.3% | 23.7% | 19.4% |
| ROE | 30.6% | 1.8% | 35.8% | 18.0% |

Regional Allocation

| | |
|---------------|-----|
| Canada | 41% |
| United States | 36% |
| Europe | 18% |
| Rest of World | 1% |
| Cash | 4% |

*Benchmark: 60% iShares Global 100 ETF & 40% S&P/TSX 60 ETF

| | NAV | 1mth | 3mth | 6mth | YTD | 1yr | 2016 | 2015 | Inception* |
|------------|---------|------|------|------|------|-------|-------|-------|---------------|
| A Series** | \$10.80 | 1.4% | 1.2% | 1.5% | 6.4% | 9.9% | 1.0% | 8.8% | 6.8% (Oct 14) |
| M Series** | \$11.34 | 1.5% | 1.6% | 2.2% | 7.5% | 11.5% | 2.7% | 10.5% | 8.5% (Oct 14) |
| Benchmark* | n/a | 2.6% | 2.3% | 2.7% | 7.2% | 11.6% | 11.9% | 7.0% | 8.3% (Oct 14) |

**Returns are in CAD \$ net of fees and assumed all distributions are re-invested

***Data shown is as of September 30, 2017 compiled from Ndex & Bloomberg (Data is annualized since inception i.e., October 2014).

The Kipling Global Enhanced Dividend Fund uses a tactical investment approach that utilizes both long and short security positions with the goal to provide consistent long-term capital appreciation while outperforming on a risk-adjusted basis. Typically for every \$100 invested, the portfolio will be constructed such that \$130 will be in long security positions and (\$30) in short security positions. Thus, the strategy will be structured so that generally it will have 100% net equity market exposure. The risk-adjusted performance of the portfolio is intended to exceed the risk-adjusted (annualized) performance in C\$-terms, on a 3 year rolling basis of a benchmark comprised of 60% iShares Global 100 ETF and 40% SP/TSX 60 ETF. The strategy will invest primarily in large and medium sized global equities; however, up to 30% of the strategy may be in smaller capitalized equities, high yield investments or special situations. This Fund is managed by Perron Asset Management Inc. pursuant to a sub-advisory agreement entered with the Manager. Perron Asset Management is a wholly owned subsidiary of PPWM.

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Kipling US Enhanced Equity Fund Characteristics



Next month, I will be 3

| Top 10 Equity Holdings | Sector | Position |
|-------------------------|---------------|----------|
| United Health Group | Health Care | Long |
| US Bancorp | Financial | Long |
| Berkshire Hathaway | Financial | Long |
| Visa | Technology | Long |
| 3M Co. | Industrial | Long |
| Broadcom Ltd | Technology | Long |
| Home Depot | Discretionary | Long |
| Marriot International | Discretionary | Long |
| C.H. Robinson | Industrial | Long |
| Dr Pepper Snapple Group | Staple | Long |

| Portfolio Metrics | Long | Short | Net | Benchmark* |
|-------------------|----------|---------|----------|------------|
| Gross Weight | 114.7% | 26.3% | 88.4% | 100% |
| # of Positions | 48 | 29 | 77 | 506 |
| Mkt Cap (USD) | \$166.1B | \$52.4B | \$199.2B | \$44.3B |
| Price/Earnings | 23.4x | 20.1x | 23.9x | 23.9x |
| FCF Yield | 3.9% | 2.3% | 4.2% | 4.3% |
| Debt/EBITDA | 2.9x | 5.8x | 2.5x | 1.6x |
| Dividend Yield | 2.1% | 1.5% | 2.2% | 2.0% |
| Operating Margin | 21.9% | 14.6% | 22.9% | 13.3% |
| ROE | 30.7% | 9.0 | 33.5% | 14.0% |

*Benchmark 100% SPDR S&P 500 ETF

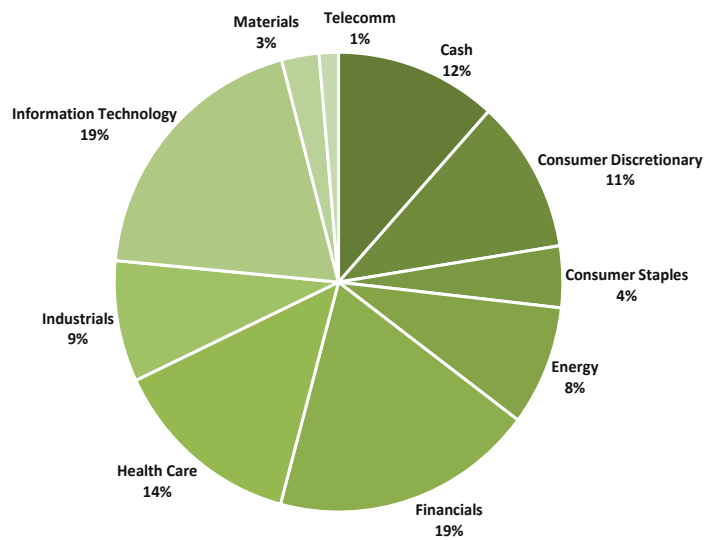
| Portfolio Statistics* | |
|---------------------------------|----------------|
| Up Mths / Ave Rtn | 17 / 2.6% |
| Dn Mths / Ave Rtn | 18 / -1.7% |
| Standard Deviation vs Benchmark | 7.46% vs 7.41% |
| Sharpe Ratio vs Benchmark | 2.20 vs 2.46 |
| Beta vs Benchmark | 0.86 |
| Active Share & Tracking Error | 100.2% / 4.07% |

***Data shown is as of September 30, 2017 compiled from Ndex & Bloomberg (Standard Deviation, Sharpe Ratio and Beta #'s are 1 year, annualized)

The Kipling US Enhanced Equity Fund uses a tactical investment approach that utilizes both long and short security positions with the goal to provide consistent long-term capital appreciation while outperforming on a risk-adjusted basis. Typically for every \$100 invested, the portfolio will be constructed such that \$130 will be in long security positions and (\$30) in short security positions. Thus, the strategy will be structured so that generally it will have 100% net equity market exposure. The risk-adjusted performance of the portfolio is intended to exceed the risk-adjusted (annualized) performance in C\$-terms, on a 3 year rolling basis of a benchmark comprised of 100% SPDR S&P 500 ETF. The strategy will invest primarily in large and medium sized US Equities. This Fund is managed by Perron Asset Management Inc. pursuant to a sub-advisory agreement entered with the Manager. Perron Asset Management is a wholly owned subsidiary of PPWM.

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Sector Allocation



| | NAV | 1mth | 3mth | 6mth | YTD | 1yr | 2016 | Inception* |
|----------------|---------|------|------|-------|-------|-------|------|---------------|
| A Series (CAD) | \$11.60 | 1.3% | 0.5% | -1.8% | 1.6% | 10.0% | 1.6% | 7.1% (Sep 14) |
| M Series (CAD) | \$12.16 | 1.5% | 0.9% | -1.0% | 3.0% | 11.6% | 2.9% | 8.8% (Sep 14) |
| A Series (USD) | \$9.20 | 1.6% | 4.4% | 4.7% | 9.0% | 15.6% | 5.4% | 2.4% (Feb 15) |
| M Series (USD) | \$9.63 | 1.7% | 4.8% | 5.5% | 10.3% | 17.5% | 7.0% | 4.4% (Oct 14) |
| S&P 500 (CAD) | N/A | 1.7% | 0.4% | 1.1% | 6.6% | 13.4% | 8.9% | N/A |