2018 – 50 September 12, 2018
Appendix D

Investment Update
Toronto Conference, The United Church of Canada
August 31, 2018

- Account value June 30, 2018 = $1,261,362

- The return over the last 12 months is 4.02%.

    - The average annual return over the last 5 years is 3.63%, and going back to the account's inception in November, 2009, the average annual return is 3.09%.

- The Canadian stock market continues to be challenged as highlighted by a "flat" or virtually "no growth" performance thus far in 2018. Continued low GIC rates and negative bond returns make it difficult to see significant portfolio growth. Regardless, I realize that growth is not the primary objective of this account. Safety of principal and liquidity are over-riding objectives.

- The portfolio continues to be conservatively invested.

    - 70% of its value is invested in GICs or the "Investment Savings Account" product. These funds are safe, and the majority of them are liquid on a couple days' notice.

    - The other 30% is invested in good-quality, dividend-paying Canadian equities like Brookfield Asset Management, BCE, Bank of Montreal, CN Rail, Smart Centres REIT, Shaw Communications, etc. There is good diversification amongst financials, industrials, utilities, and telecommunications companies.

- Interest rates continue to be very low, which provides a challenge for conservatively-oriented portfolios. That said, it is important to not let the interest rate environment significantly dictate a portfolio's composition.

- A sizeable portion of the portfolio is liquid and can meet short-term and long-term cash requirements

- Please let me know if you have any questions.

  Regards,

  Graham Evanoff