

INCREASE YOUR FUTURE WEALTH POTENTIAL

J ZECHNER ASSOCIATES GLOBAL HEDGED GROWTH FUND



PORTFOLIO MANAGER: JOHN ZECHNER, MA, CFA

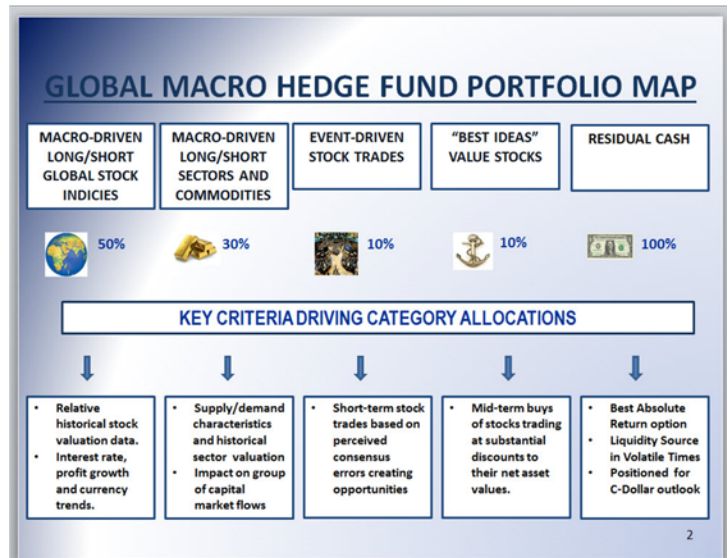
The defensively positioned JZAI Hedged Growth Fund showed a slight gain in the third quarter as long positions in Treasury Bonds, the gold sector and some core value stocks helped offset losses on short positions in the semi-conductor and financial sectors and a further fall in stock market volatility. Short positions in the cannabis sector also generated gains but further declines in energy, industrial and base metals stocks in Canada held back returns. While low interest rates have fueled increasing stock market multiples and high levels of risk taking as investors use a lower discount rate on long-term earnings, those low rates have not yet succeeded in driving economic growth higher in Japan, Europe, the U.S. or even China. We expect that stocks will face more headwinds if earnings can't grow to support these higher valuations.

We moved the overall asset allocation of the Fund in late August from largely net short to neutral by adding long positions in some high quality, moderately priced U.S. stocks such as Boeing, IBM and Fedex. At quarter end, 36% of the Fund holdings were in long positions, mostly in resource sector and specific 'value' stocks as well as another 9% in the US 20-Year Treasury ETF. The Fund also had 19% of the assets in short stock positions, mostly in the financial, semi-conductor and high valuation stocks where we expect more economic weakness to impact lead to earnings downgrades. Another 18% of the Fund was in short positions in U.S. stock indices such as the S&P500 and the small-cap Russell2000. We still expect stock market volatility to rise this year due to economic growth and earnings shortfalls and geo-political uncertainty and continue to hold proxies in the Fund to capitalize on this.

We expect that the U.S. dollar will eventually succumb to their massive borrowing needs and will begin to weaken, prompted by slowing economic growth. Gold stands out as our top commodity pick as it benefits both continued pressure on paper currencies, consistent buying by central banks and the lower opportunity cost of holding gold due to low/negative interest rates worldwide. The energy sector in Canada should also finally see some overall recovery as companies start to become more aggressive buyers of their

own stocks and global energy supplies tighten due to geo-political risks and a peak in U.S. production.

Our view continues to be that the stock recovery that we have seen is not sustainable despite the support from record-low interest rates. While there remains a debate as to whether this will end in a full-blown recession or only a 'mid-cycle slowdown' like in 2015-16 and 2011-12, there is little doubt the data has been deteriorating. Stocks do tend to experience very sharp declines once a recession occurs, even if interest rates are at low levels and/or falling. Mid-cycle slowdowns don't always end in bear markets, they do when we are at the end of the cycle, which is the key risk.



| 30 th September, 2019 | INVESTMENT RETURNS | | | |
|--|--------------------|--------|--------|--------|
| | Quarter | 1 year | 3 year | 5 year |
| JZA Global Hedged Growth Fund ¹ | +0.26% | -7.79% | -9.75% | -1.41% |
| Benchmark ² | -1.40% | -0.67% | +2.84% | +2.30% |

Notes:
1. Returns for all periods are Net (after Management Fees).
2. Benchmark is Fundata Alternative Strategies Index

Basic Management Fee 2.0%, plus Performance Fee 10% of the annual return in excess of 10%. Performance Fee capped at maximum of 2% for any single year.

Past performance is not indicative of future results.

Categorization: Alternative Strategies

The Fund has been categorized according to the Canadian Investment Funds Standards Committee criteria.

Fund Objective: Long-Term Growth at Moderate Risk

The Fund is designed to generate consistent returns that are commensurate with a moderate degree of investment risk. The manager focuses on global indicators to assess macro-economic trends in global stock, fixed income and commodity markets that are most impacted by those trends. The Fund is suitable for sophisticated investors who can tolerate a moderate degree of risk and volatility.

Investment Strategy: Top-Down Global Macro

J Zechner Associates Inc. has demonstrated a consistent ability to add value through the analysis of macroeconomic indicators to make decisions on allocations to various asset classes including stocks/stock sectors, bonds, currencies and commodities based on historical performance of those asset classes in similar economic and financial market conditions. These views are updated daily and then incorporated with data on funds flows and other technical data to make decisions on how to allocate the Fund’s assets in the short-term. The Manager then uses various highly-liquid Exchange Traded Funds (ETF’s) to design a portfolio which emulates those conditions and actively manages this mix as new data is introduced and market conditions evolve.

Benefits of our Pooled Funds

The J Zechner Associates Pooled Funds offer professional money management, varied investment choices, the potential for above average returns and lower management fees so you keep more of your accumulated wealth.

A pooled fund is a unit trust that operates like a mutual fund, but is not required to have a prospectus under securities law. A pooled fund is sold through an Offering Memorandum.

J Zechner Pooled Funds are available only to Canadian investors and require a minimum investment of \$150,000; unless the investor is an Accredited Investor. Units of the Funds are qualified investments for certain registered plans.

Solid Partnership Foundation

Our Pooled Funds are held at CIBC Mellon, who acts as Trustee, Custodian, Valuation Agent and Unitholder Record Keeper provider. Our commitment to integrity is behind our decision to partner with a leading Canadian custodian, reassuring our clients that their funds are safe and secure. Like J. Zechner Associates, CIBC Mellon is firmly committed to integrity, client service and exceptional results.

Eligibility for Investment

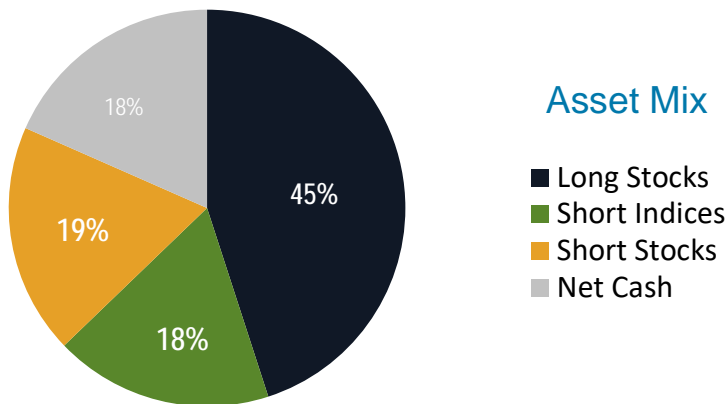
The Fund will only invest in securities that will be qualified investments under the Income Tax Act (Canada) for a trust governed by a registered retirement savings plan (an “RRSP”), registered retirement income fund (a “RRIF), or tax-free savings account (a “TFSA”).

For more information please contact:

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Top 5 Holdings:

| Securities | |
|--|--------|
| Short: SPDR Trust Units (SPY) | -9.46% |
| Long: iShares 20+ Year Treasury Bond ETF | +9.10% |
| Short: Financial Select Sector ETF | -8.30% |
| Short: Vaneck Vectors Semiconductor ETF | -5.04% |
| Long: iPath Series B S&P500 VIX ETN | +5.02% |

(as of September 30th, 2019)