



**GREG PAYNE, PHD, CFA**

## MANAGER'S COMMENTARY

Signs of a weakening market environment through the summer were validated by an October that delivered the worst losses since the financial crisis ten years ago. The MSCI World was briefly down more than 10% in US dollar terms until a strong rally in the final week, in combination with a lower Loonie, brought Canadian dollar losses for the month to just under 6%. While trade wars and geopolitical factors (Kashoggi murder) were proximate causes, these factors have been present for many months. It is more likely that the deeper causes of the drop were a combination of a US bull market that is long in the tooth, very high valuations, and underwhelming quarterly results from the leaders of this bull market, consumer tech behemoths like Amazon, Google, and Apple.

Environmental Indexes were not immune to the selling, generally underperforming the broader markets. Greenchip's Global Equity Fund was also down, driven by our two largest allocations, solar and electrical components. Electrical components, in particular, accounted for more than half the loss. Indications of plateauing mobile phone and automotive markets and tempered guidance from semiconductor leaders such as Texas Instruments and AMD precipitated a broad-based sell off across the semiconductor and passive component sector. However, the companies we own have relatively small exposure to mobile devices and exposure to automotive and industrial end markets are driven more by greatly increased content per unit than by unit growth. Many of our companies reported in the final week of October and, contrary their aforementioned peers, beat expectations handily and continued to be optimistic about their near-term outlook. With valuations at rock-bottom levels, share prices rebounded strongly on the reports and, by our estimation, have plenty of room to run.

**FUND PRICE (AS OF OCTOBER 31, 2018): \$14.30 (CLASS A), \$15.27 (CLASS F), \$17.40 (CLASS I)**

### MONTHLY FUND PERFORMANCE (GROSS)

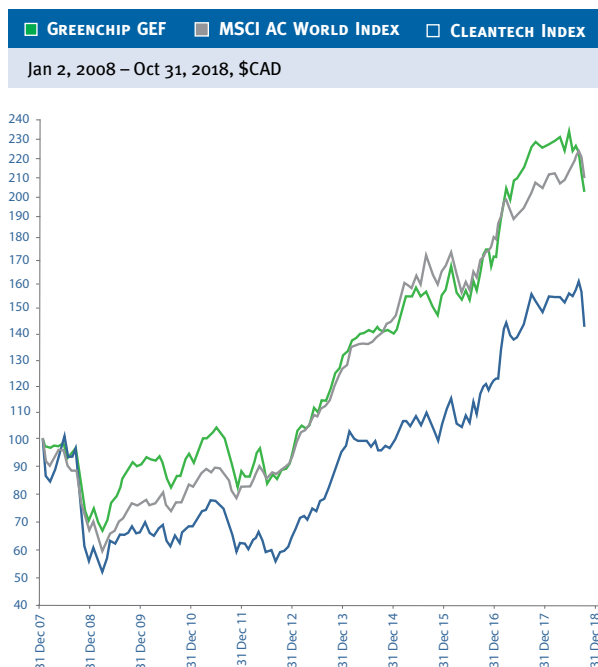
NAV RETURN % (\$CAD)	JAN 2018	FEB 2018	MAR 2018	APR 2018	MAY 2018	JUN 2018	JUL 2018	AUG 2018	SEP 2018	OCT 2018	NOV 2018	DEC 2018	YTD
Greenchip GEF	0.7	0.9	0.3	-2.8	3.5	-4.3	2.2	-1.5	-5.5	-3.9	--	--	<b>-10.3%</b>
MSCI World	3.1	0.1	-1.6	0.6	1.8	1.4	2.1	1.4	-0.3	-5.9	--	--	<b>2.4%</b>
Cleantech	3.4	0.2	-0.2	-1.7	3.9	-1.3	2.4	1.9	-3.1	-8.8	--	--	<b>-3.8%</b>

### GROSS RETURNS

	GREENCHIP GEF	MSCI WORLD	CLEANTECH
1 Month	-3.9%	-5.9%	-8.8%
3 Month	-10.5%	-4.9%	-9.9%
6 Month	-9.4%	0.2%	-5.4%
1 Year	-10.6%	3.1%	-7.7%
3 Year*	9.7%	8.0%	10.2%
5 Year*	10.1%	11.8%	10.4%
Since Inception*	6.8%	7.1%	3.4%
2017	31.9%	14.4%	20.9%
2016	4.1%	3.8%	8.1%
2015	18.0%	18.9%	21.8%
2014	6.9%	14.4%	-0.3%
2013	35.8%	35.2%	46.3%

\* annualized performance

### GROWTH OF \$100 (GROSS)



Disclaimer: Commissions, trailing commissions, management fees and expenses all may be associated with the Greenchip Global Equity Fund (the "Fund"). The investments discussed above may not be suitable for all investors. Some conditions apply. Investors should carefully review the Fund's Offering Memorandum, including the risk factors detailed therein under the heading "Risk Factors", prior to investing in the Fund. The indicated rates of return for the Fund, if any, are historical total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. There can be no assurance that the Fund objectives will be met. The Morgan Stanley World Index has been chosen as the benchmark for the Fund because it is the most relevant available index for comparison given the diversification of the Fund. The Fund is not guaranteed, its value changes frequently and past performance may not be repeated. Any opinions expressed in the commentary are those of the author and do not necessarily reflect the views and opinions of the Manager or any distributor of the Fund. The views expressed are of a general nature and should not be interpreted as investment advice to you in any way. Please consult a qualified financial advisor before making an investment decision. The portfolio manager/advisor/sub-advisor has a direct interest in the management and performance fees of the Fund, and may, at any given time, have a direct interest in the Fund itself.

The investment objective of the Fund is to outperform the Morgan Stanley World Index over a full market cycle. The Fund invests in publicly listed companies located around the world that operate in our targeted environmental sectors and that we believe are trading at a discount to their future cash generation potential.

## FUND FACTS

**ASSET CLASS:** Global Equity (Environmental Sectors)

**BENCHMARK:** MSCI World Index

**FUND TYPE:** Open end investment trust

**QUALIFIED PURCHASER:** Accredited Investor

**MINIMUM INVESTMENT:** \$250,000

**RRSP ELIGIBLE:** Yes

**FUNDSERV CODES:** Class A: eco 100

Class F: eco 200

Class I: eco 300

**PURCHASE AND REDEMPTIONS:** Last business day of each month

**CUSTODIAN:** RBC Investor Services

**AUDITOR:** PricewaterhouseCoopers LLP

**LEGAL COUNSEL:** WeirFoulds LLP

**PERFORMANCE FEE:** 10% of profits above a 6% hurdle  
(payable only on redemption)

**MANAGEMENT FEES:** Class A: 1.5 %

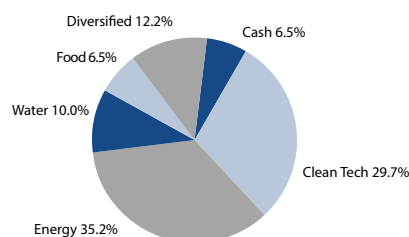
Class F: 1.0 %

Class I: Negotiable

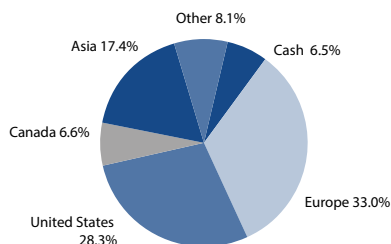
## PORTFOLIO SUMMARY

COMPANY NAME	REGION	SIZE	SECTOR	MARKET VALUE	WEIGHT
Canadian Solar	Asia	Mid	Energy	\$4,694,866	7.0%
Alstom	Europe	Large	Diversified	\$3,450,636	5.2%
Jinko Solar	Asia	Small	Energy	\$3,444,324	5.2%
Signify	Europe	Mid	Clean Tech	\$3,081,615	4.6%
Cosan	Brazil	Mid	Energy	\$2,851,064	4.3%
Energaies de Portugal	Europe	Mid	Energy	\$2,771,222	4.2%
ON Semiconductor	United States	Mid	Clean Tech	\$2,679,028	4.0%
Veolia Environmental	Europe	Large	Water	\$2,621,828	3.9%
Hitachi	Asia	Large	Diversified	\$2,417,156	3.6%
KSB	Europe	Mid	Water	\$2,357,693	3.5%
KEMET	United States	Mid	Clean Tech	\$2,289,256	3.4%
Vishay Intertechnology	United States	Mid	Clean Tech	\$2,283,084	3.4%
Siemens	Europe	Large	Diversified	\$2,267,226	3.4%
Enel SpA	Europe	Large	Energy	\$2,257,123	3.4%
Johnson Controls	United States	Large	Clean Tech	\$2,203,501	3.3%
SABESP	Other	Mid	Water	\$1,657,649	2.5%
AVX Corp	United States	Mid	Clean Tech	\$1,642,136	2.5%
Cascades	Canada	Mid	Food	\$1,585,650	2.4%
The Andersons	United States	Mid	Food	\$1,418,309	2.1%
First Solar	United States	Mid	Energy	\$1,372,345	2.1%
Other Equities	–	–	–	\$16,903,957	23.0%
Fixed Income	–	–	–	\$450,716	0.7%
Cash	–	–	–	\$4,352,975	6.5%
<b>Total Value</b>	–	–	–	<b>\$66,677,063</b>	<b>100.0%</b>

### SECTOR ALLOCATION



### GEOGRAPHIC ALLOCATION



### MARKET CAP ALLOCATION

