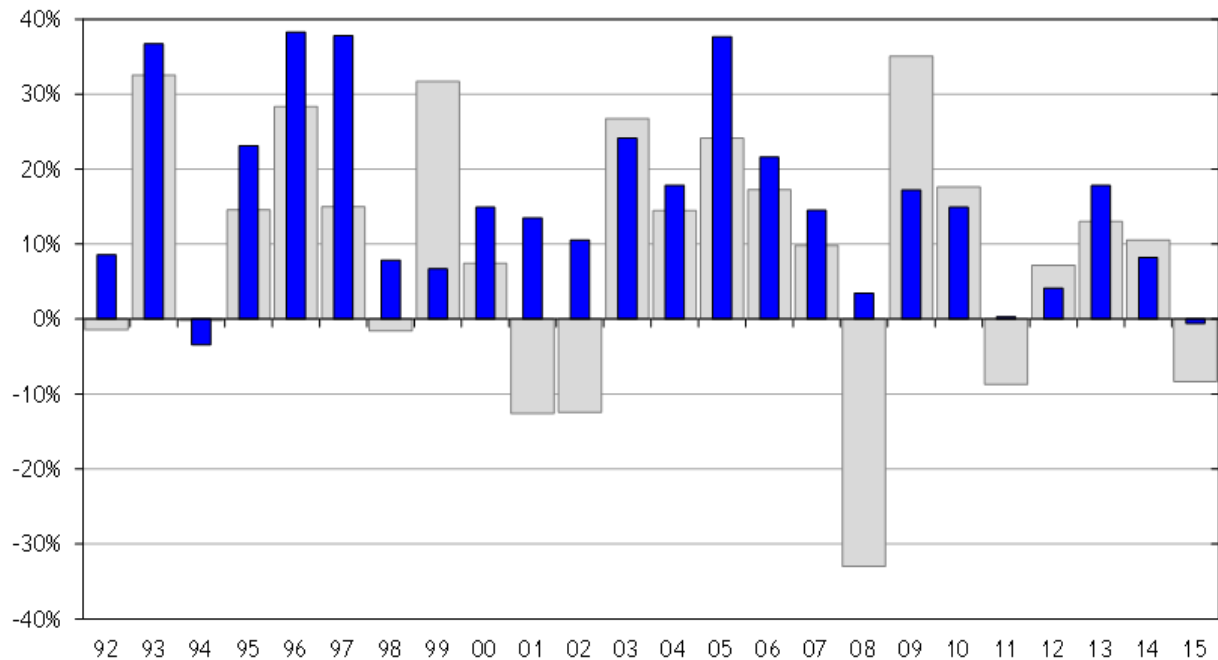


March 7th, 2016

“Won2One” with Nick Foglietta

Tactical Equity Income Model Portfolio Record



Tactical Equity Income Model Present Conditions:

TEAM Model Asset Allocation: **0% Equities/ 100% Fixed Income**
S&P/TSX 60 Closing Value: 13,215
TSX 200 Day Moving Ave: 13,624
% Above/Below 200 Day Moving Ave: **3.00% Below**
Levels for change: 100% stocks - **TSX 14,333** and 50/50 at – **TSX 12,967**

Weekly Quote

The most beautiful thing we can experience is the mysterious. It is the source of all true art and science.

Albert Einstein

TEAM Asset Allocations

Based on the Allocation Date of February 29, 2016

Canadian Portfolios

TEAM	remains 100% Fixed Income
TEAM II	remains 100% Fixed Income

US Portfolios

TEAM	enters into 50% Equity / 50% Fixed Income
Large Cap Tactical	remains 100% Fixed Income

European Portfolios

TEAM	remains 100% Fixed Income
Large Cap Tactical	remains 100% Fixed Income

Robyn Fuller Retirement

Who knew that 25 years could pass so quickly? I guess anybody who is 50 or older?

At the end of March, Robyn Fuller will become a newly minted “retiree”. For clients who have been with Robyn and I since 1991 when we started together, there will be fond memories.

Robyn’s distinctive voice when she answers the phone and her attentiveness to details are the glaringly obvious things that will be missed. But when I really think about it, the most incredible attribute Robyn has always brought to work with her each day is **care** and **friendship**.

Another thought I had while writing was how the different offices we worked together in over the past 25 years kind of paralleled the changes we have seen the investment management business.

We started in the “little yellow office” in the basement of the Commercial Street CIBC together with Wood Gundy. It was easy to communicate in that office...the room was only 12 ft x 15 ft...I just looked across my desk and there was Robyn’s desk! Functional, economical and a simple communication channel!

Then we moved to the north Nanaimo CIBC branch and leased “two offices with a door in the middle”. Still simple and pretty easy to communicate...

Our next move was to a formal office located at Longwood Station in Nanaimo. Still with Wood Gundy, but we required more space as we now had a third member on our team, George Christison. Bigger office, more to take care of, and tougher to know everything that was going on.

The financial industry kept on changing and the rate of change got faster and faster. For the large brokerage firms the concept of small, rural offices lost their appeal. The vision was for larger teams of advisors in larger offices.

When CIBC Wood Gundy took over Merrill Lynch Canada in 2001, it was like a reverse takeover in Nanaimo since the Merrill Lynch office was “large” and we were “small”. Our Longwood Station office was going to be closed and we were going to be merged into the “Merrill Lynch Canada” office...where the present day CIBC Wood Gundy is in Nanaimo.

George and I had both started with Pemberton Securities in the late 1980s (Pemberton was bought out by RBC) and had worked with RBC Dominion Securities before. We decided it was time to go back to our roots and return to RBC Dominion Securities rather than move to the new CIBC Wood Gundy/old Merrill Lynch/old Midland Walwyn office.

In December 2001, Robyn, George and I moved to our present day location at RBC Dominion Securities. Of course, George left our industry in 2011...and now it is Robyn's turn to go!

Robyn and I have always had each other's back. I have said before, I think of her like a family member. I am so excited for her to be starting off retirement from a happy, healthy place in her life! If you would like to send her a note, Robyn's email is robyn.fuller@rbc.com

Louise Gordon is starting to train with Robyn this week. If you have been to visit lately you will have likely already met Louise as she works in our reception area as our “cage co-ordinator”.

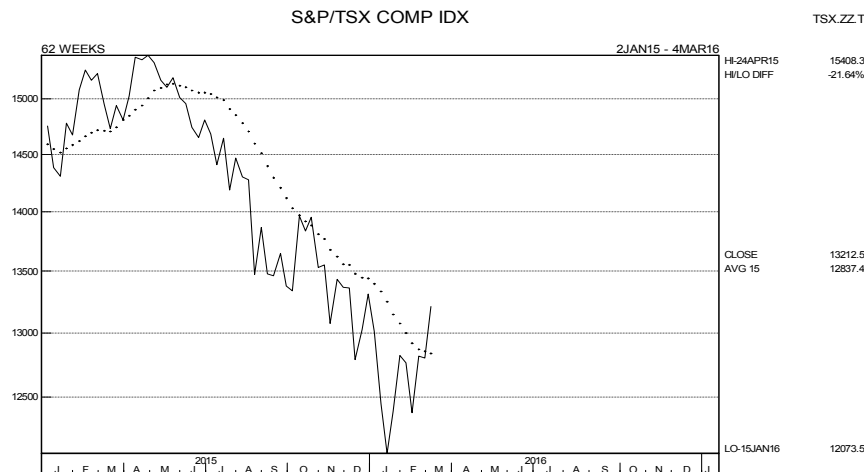
Next week I will introduce you to her in the weekly comment.

Stock Market Update and TEAM

The rally in stocks for the last 8 days has moved a lot of fearful people to a new kind of fearful...they have gone from fearful of losing money to fearful of missing out on the next big stock market rally.

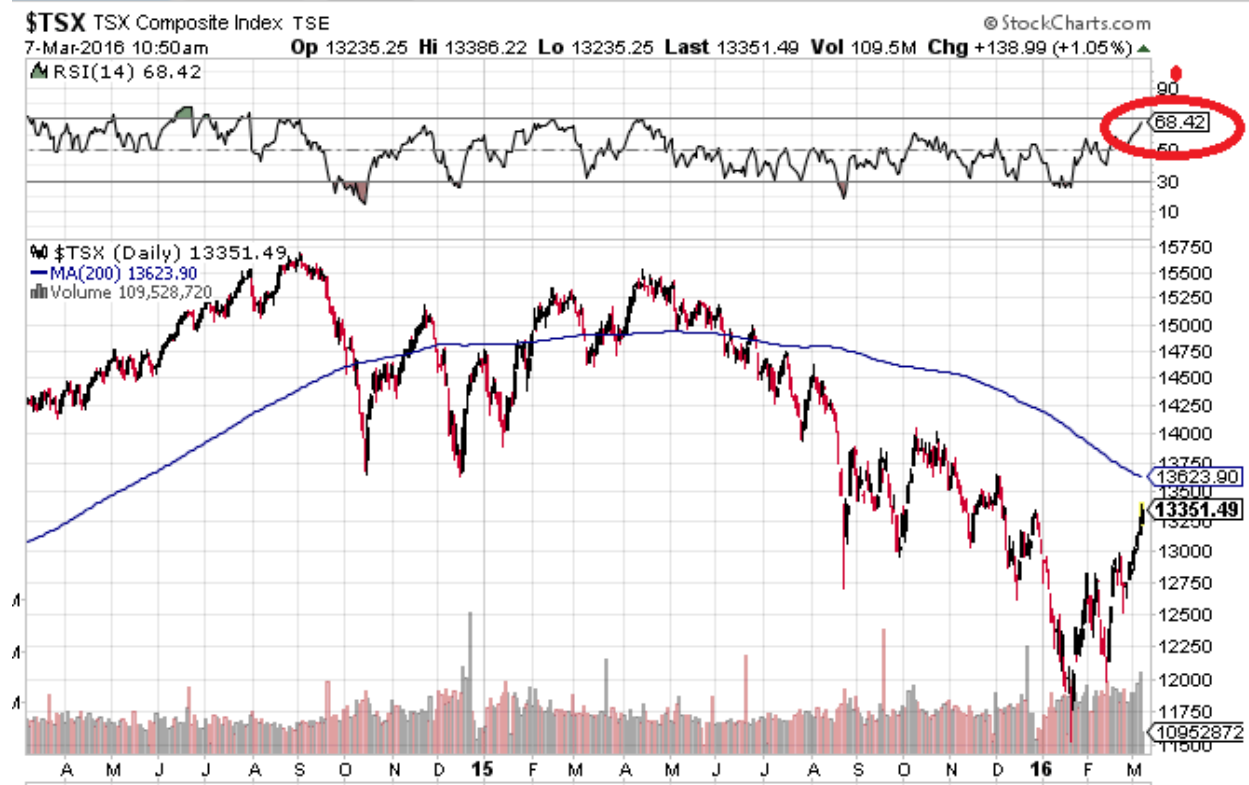
....all in 8 days!

The Canadian TEAM model is still in 100% cash as the TSX was not able to close above the 12,999 before the last day of the month.



The TSX Comp has now climbed above the 13,000 range so clients on the “Fast TEAM” Model will trigger a 50% buy signal as of the close of Monday, March 7th when the TSX closes above 13,000 for 3 consecutive days.

The TSX relative strength index is now nearly 70. (Red circle on chart below). I would expect a consolidation to take place over the next week or two where Canadian stocks hover around present levels.



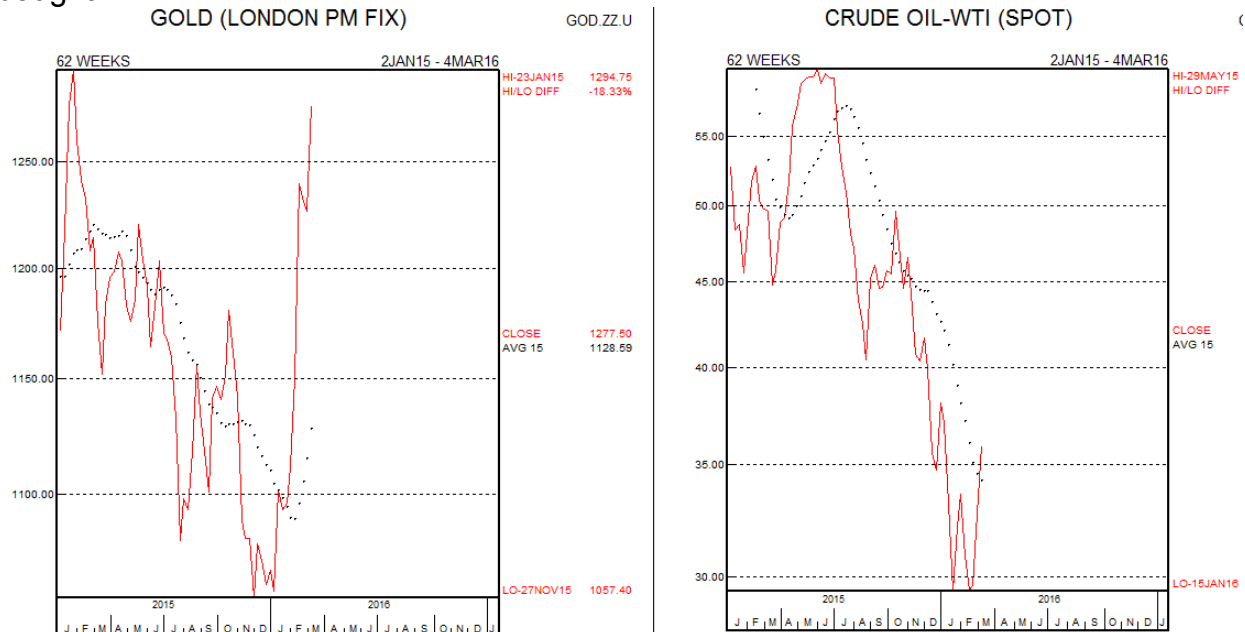
If you have any questions about the changes mentioned above please feel free to call.

Gold and Oil Technical Conditions

The charts of Gold and Oil are quite similar in profile. Both have moved off severe BEAR market lows and look to be profiling a move higher.

The telephone has been ringing constantly with clients asking about Oil for sure...and to a lesser extent Gold.

In concert with the comment above about the TSX index, Oil and Gold look a little over-bought.



Beyond the charts above, I have formulated two charts that offer technical offensive and defensive strategies to invest in Gold and Oil. These charts are available to clients upon request.

Oil is MUCH, MUCH more volatile as moves of 5% or more occur a couple of times a week! Therefore, your strategy must be "sensitive" enough to not get "whipsawed" by the large percentage moves that are common in the oil sector.

If you choose to invest in either of these two assets PLEASE make sure you have your discipline clearly defined as to how you are going to implement your positions. I recommend a staged approach with lots of stop loss points defined.

If you have trouble with being disciplined in your investments please touch base with me. I will help you put together a plan

One More Update on Canadian Preferred Shares

The following comments were made by RBC Dominion Securities research department about the preferred share market last week:

Summary

There are signs that new money is coming into the preferred share market and we view this as a critical piece of a bottoming out process. The four points below support the notion that preferred share market is attracting new money:

- **Compelling Absolute Value:** Record large reset spreads are attracting new money into the preferred share market.
- **Good Relative Value:** A sizable yield advantage versus corporate bonds is drawing institutional investors to preferred shares.
- **Large Deal Sizes on Recent New Issues:** This affirms the notion there is substantial institutional interest in this market.
- **New Issues Performing Well:** Recent NVCC bank issues with reset spreads below subsequent deals remain above \$25.

We see similarities between the current market dynamic and the bottoming out process that played out in 2008-09 so we believe re-visiting the 2008-09 new issue activity can provide a potential road map for a recovery.

Positioning Recommendation: We believe investors should participate in the 450 bps reset spread NVCC bank issuance and also hold a basket of rate reset and perpetual issues that trade well below par and offer a yield in the 5-7% area. The latter will provide more upside potential in a recovering market, while the former should be a less volatile, stable cash flow producing segment of a portfolio.

Nick comment: Preferred shares have been a battle. Nice to see some positive comments coming their way the past few weeks.

About the author: *Nick Foglietta is a Vice President, Investment Advisor at RBC Wealth Management in Nanaimo, B.C., Canada. He has been managing money since 1988.*

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