

# THE STRATEGIST

DIRECTION. CONFIDENCE. INDEPENDENCE.



**Jack be Nimble... The status quo is crumbling because it is no longer functioning efficiently and productively. We enter 2017 with a wave of populism, manifested by inequalities creating global transitions and uncertainties. These transitions and uncertainties can present opportunities for the nimble.**

**nim·ble** adjective \ **nim**-buh l : *marked by a quick, alert, clever conception, comprehension or resourcefulness.*

**Our 2017 OUTLOOK is shaped by:**

- 1. Globalization to Localization**  
Populism, cultural integrity, Wall Street to Main Street
- 2. New Alliances**  
Foreign policy, China / U.S. relations, global institutions
- 3. Monetary to Fiscal Policy**  
Tax reform, deregulation, infrastructure spending

**Secular Trends** of Technology, Demographics and Debt mold the trajectory of market cycles amidst global transitions.



**SANDSTONE Asset Management Inc.** is a Calgary based firm offering discretionary investment management services to private individuals, foundations, and family trusts. Our pride of ownership is evident through our passion for investing and our dedication to providing **DIRECTION, CONFIDENCE, and INDEPENDENCE** to every relationship we build.

**VISION:** To create possibilities for our clients, employees & community as a whole.

**MISSION:** To provide intelligent and independent investment expertise that is both progressive and responsive, resulting in top-ranked returns that preserve and grow client assets.



**SANDSTONE** Asset Management's investment team has strong research and analytical skills complemented by the ability to respond effectively to changing conditions in the marketplace. In addition to the experience garnered as licensed Portfolio Managers, we have start-up and ownership experience and entrepreneurial skills.

We believe in the importance of both formal and informal education, recognizing that powerful life experiences contribute to an informed world view, and complement our training and expertise in the financial world. We strive to be highly engaged in understanding our local, national and international circumstances, continuously re-examining the financial, psychological and fiscal matters that shape our world of today.

We have a deep commitment to providing service in the community. The Partners have completed the in-depth governance education, and serve extensively on boards in the not-for-profit sector. We have provided leadership in the Chair or on governance/finance and audit committees for a long list of agencies in the areas of arts, immigrant services, children's programs, health, education, as well as industry boards. This engagement has brought us great knowledge of our diverse constituencies in Calgary, and enabled us to build powerful partnerships for advancing the interest of our community.

**Bottom Line:** We understand your challenges and have the tools, aptitudes, experience and desire to create possibilities for your financial future.

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<b>2</b>	<b>2016 A World in Transition</b>	2016 was a year of surprises. Volatility surrounding both the U.K. Brexit vote and the U.S. election proved unfounded. Our Canadian Equity and Brazil Bond exposure were top contributors to positive performance.
<b>3</b>	<b>OUTLOOK 2017: Jack be Nimble</b>	We entered 2017 with a wave of populism, manifested by inequalities creating global transitions and uncertainties. Bottom line: 2017 will be a capital preservation year where being nimble should be emphasized.
<b>5</b>	<b>Uncertainties of 2017</b>	President Trump, the future of the E.U. and China are this year's global uncertainties.
<b>7</b>	<b>Globalization to Localization</b>	Over the past 20 years, G-8 moved to G-20 but momentum has slowed significantly since the financial crisis as local issues of populism, cultural integrity and a movement from Wall Street to Main Street trump global ones.
<b>10</b>	<b>New Alliances</b>	The world has reached the end of a geopolitical cycle, which has been over 70 years in the making. Foreign policy, China / U.S. relations and global institutions will help structure the new multi-polar world.
<b>12</b>	<b>Monetary to Fiscal Policy</b>	Monetary policy is becoming exhausted globally. The U.S. looks to be leading the way from Monetary to Fiscal with tax reform, deregulation and infrastructure spending expected under President Trump.
<b>17</b>	<b>Early Cycle vs. Late Cycle</b>	Key differences between the start of presidential terms for Reagan and Trump. Currently we are in the latter innings of the cyclical bull market.
<b>19</b>	<b>A Time of Rapid Change</b>	A 'good enough' point is where deception turn into disruption. It may be chaotic, creative or disruptive.
<b>23</b>	<b>Technology Focus</b>	Technological change has been a constant thematic focus for us. We are now in the technological period we have been describing over the past decade.
<b>24</b>	<b>Key Segments for Portfolio Growth</b>	Our portfolio themes remain intact, companies must keep up in the changing landscape of disruptive technology, data integration, mobility and exponential growth or get left behind.
<b>25</b>	<b>2017 Investment Strategy</b>	2017 will be a capital preservation year (neither bull nor bear market); focusing on hedging and structuring portfolios to take advantage of global transitions and uncertainties. Transitions and uncertainties can create opportunities for the nimble.