



ROCKLINC

Worth. Investing.

ROCKLINC Investment Partners - WEBCAST

Investment Update

May 6, 2020

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Outline of Presentation

- A. ROCKLINC Overview & Investment Philosophy
- B. Investment Challenges
- C. Strategy & Positioning
- D. Performance Summary
- E. Next Webcast - June 11, 2020
- F. Special Guest - Peter Grosskopf - CEO Sprott Inc.

A. ROCKLINC Overview

- ▶ Private investment firm - founded in 2010 - current AUM \$160 million - approx. 140 households
- ▶ Focus - Customized portfolios
- ▶ Investing based upon:
 - ▶ Independent thinking
 - ▶ Deep understanding of investments
 - ▶ Focus on current realities rooted in understanding of past
 - ▶ Interdisciplinary approach - build a worldview

Investment Philosophy

1. Excellent Businesses - high ROE's, strong balance sheet, free cash flow, reoccurring revenue
2. Focused Portfolios - 20-30 stocks - opposite of passive investing!
3. Long-Term Holding Period - tax deferred compounding
4. Purchase with a Margin of Safety
5. Understand Economic Backdrop

B. Investment Challenges

1. Excessive Global Debt
2. Unfunded Government Promises
3. Demographics - aging of populations lack of family formation
4. Monetary Policies - Printing money and record low/negative interest rates
5. **Coronavirus - COVID-19 - Lock Downs (see presentation for Christian Embassy on our website)**

C. Strategy & Positioning

1. Minimize exposure to Financial Institutions. They have too much leverage, exposure to eroding credit markets and pressure on interest spread margins.
2. Minimize exposure to economically sensitive commodities.
3. Minimize exposure to consumer discretionary businesses. Consumer spending on discretionary items will be weak.
4. Maintain healthy exposure to **precious metals (gold & silver)** as a partial hedge to low interest rates, money printing and excessive debt levels.

C. Strategy & Positioning

5. Maintain significant investments outside of Canada to hedge against weak dollar and low oil prices.
6. Maintain equity weightings in core businesses, with strong balance sheets that are essential to the economy with substantial moats.
7. Maintain liquidity including a healthy cash balance. This varies by client based on their unique circumstances.
8. Be patient! We are in early innings.

D. Performance Summary - after all fees



Consolidated Rate of Return Report (default)

As at April 30, 2020

Currency: CAD

For: A2H4

Created on May 4, 2020

Period	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	3 Years	5 Years
Rate of Return	10.6%	-0.3%	5.8%	2.8%	12.6%	12.6%	8.6%	8.2%
S&P/TSX Composite Index	10.5%	-14.7%	-10.3%	-13.4%	-10.9%	-2.7%	-1.8%	-0.6%
S&P Total Return	12.8%	-9.3%	-3.2%	-9.3%	0.9%	7.0%	9.0%	9.1%
iShares Core Canadian Universe Bond Index ETF	5.0%	1.6%	3.0%	4.1%	5.4%	4.2%	1.4%	0.6%



Performance - RL Partners Fund

As at April 30, 2020 - after all fees



Portfolio Rate of Return Report (default)

FOR: ROCKLINC PARTNERS FUND (26XAB7)

As at April 30, 2020

Currency: CAD

Created on May 4, 2020

Period	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	Inception
Rate of Return	14.1%	1.7%	0.8%	5.0%	18.1%	14.0%	0.3%
S&P/TSX Composite Index	10.5%	-14.7%	-10.3%	-13.4%	-10.9%	-2.7%	-1.1%
S&P Total Return	12.8%	-9.3%	-3.2%	-9.3%	0.9%	7.0%	8.4%



Performance - RL Partners Fund

As at April 30, 2020 (after all fees)



Portfolio Rate of Return Report (default)

FOR: ROCKLINC PARTNERS FUND (26XAB7)

As at April 30, 2020

Currency: CAD

Created on May 1, 2020

% of Total	Position	1 Month (2020/03/31)	3 Months (2020/01/31)	6 Months (2019/10/31)	YTD (2019/12/31)	1 Year (2019/04/30)	2 Years (2018/04/30)	Inception (2017/10/31)
24.0%	Cash and Equivalent	0.1%	0.4%	0.8%	0.5%	1.7%	1.7%	1.6%
2.5%	Cash Balance							
21.6%	Money Market Funds	0.1%	0.4%	0.8%	0.5%	1.7%	1.7%	1.6%
76.0%	Equity and Equity type products	20.8%	2.7%	13.3%	7.0%	25.7%	19.6%	13.8%
53.1%	Canadian Equities	24.0%	3.3%	14.1%	7.5%	34.2%	21.1%	13.5%
22.9%	US Equities	13.9%	2.0%	12.3%	6.6%	14.6%	17.0%	14.2%
	Portfolio ROR	14.1%	1.7%	9.8%	5.0%	18.1%	14.0%	9.3%



E. Next Webcast

Thursday June 11, 2020

F. Special Guest



Peter Grosskopf, CFA

Chief Executive Officer, Sprott Inc.; Managing Director, Sprott Resource Lending

Peter Grosskopf has more than 30 years of experience in the financial services industry. At Sprott, he is responsible for strategy and managing the firm's private resource investment businesses. His career includes a long tenure in investment banking, where he managed many strategic and underwriting transactions for companies in a variety of sectors. Prior to joining Sprott, Mr. Grosskopf was President of Cormark Securities Inc. He has a track record of building and growing successful businesses including Newcrest Capital Inc. (as one of its co-founders) which was acquired by the TD Bank Financial Group in 2000. Mr. Grosskopf is a CFA[®] charterholder and earned an Honours Degree in Business Administration and a Masters of Business Administration from the Richard Ivey School of Business at the University of Western Ontario.



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