

BNN BLOOMBERG MARKET CALL

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eResearch Corporation is pleased to provide two excerpts from Monday's BNN Bloomberg Market Call Newsletter.

Set out below are the respective Market Outlook commentaries from two leading investment analysts, plus Links to their respective 45-minute video interviews.

MARKET OUTLOOK

David Fingold, Vice-President and Chief Portfolio Manager at Dynamic Funds

Focus: U.S. and Global Equities

As bottom-up stock pickers, we don't make market calls. We have no targets for market averages and don't manage money relative to the indexes. We invest in a concentrated portfolio of high-quality companies that we think will do well over the next three to five years.

Our most concentrated funds, such as the Dynamic Global Discovery Fund, own 20 companies, while a more diversified portfolio, like the Dynamic Global Dividend Fund, owns 25 companies. We also offer the Dynamic Global Asset Allocation Fund, a balanced fund with a concentrated portfolio of equities and fixed income.

When we own companies that are in cyclical industries, we do have a positive medium-term view of the industry. The industries we presently like include, but are not limited to: life science tools (Thermo Fisher), construction (Belimo, Sika), defence (Elbit Systems), semiconductors (Inficon), and composite materials (Schweiter).

Many of the industries we have invested in are not deeply cyclical. They include, but are not limited to: food ingredients (Chr. Hansen), coffee (Strauss), medtech (Becton Dickinson), pharmaceuticals (Eli Lilly), payments (Mastercard and Visa), and pest control (Rollins).

When we are negative about an industry, we don't invest in it at all and assess the impact of negative developments in that industry on our other investments. We are presently negative about commercial aerospace, automotive, energy, and mining and, therefore, have no investments there at all.

We are also concerned about the extremely high valuation and lack of growth of companies in the utility and REIT industries and have no investments there. The fixed income positioning of the Dynamic Global Asset Allocation Fund is zero weight corporate bonds and has no exposure to duration. Our favored currencies are the U.S. dollar, the Japanese yen, and the Swiss franc.

Investors should consider whether they are taking appropriate risks with respect to commodity prices, interest rates, and currencies. Most investors do not and buy the index or use a closet index portfolio manager, taking risks they don't understand. Simply put, we invest in companies we like and have no exposure to developments in the global economy that concern us.

VIDEO: David Fingold's 45-Minute Video Interview <CTRL-CLICK> [HERE](#)

WEBSITE: dynamic.com

TWITTER: [@dfingold](https://twitter.com/dfingold)

INSTAGRAM: [dfingold](https://www.instagram.com/dfingold)

MARKET OUTLOOK

Cole Kachur, Portfolio Manager at Scotia Wealth Management

Focus: Canadian Equities and ETFs

I am currently neutral to slightly negative on the equity markets after the strong rally to start the year. Volatility will continue to be paramount, which will present some interesting buying opportunities. But I would not be planning to buy and hold in the market at current prices.

Global growth is slowing, but a potential trade deal could still buoy markets and allow them to move past all-time highs in the short-term. In the medium-term, I am concerned about the slow-down in economic growth and what tools the major economies of the world have to combat a potential recession.

I think proper asset allocation is more important than ever and having a portfolio that has cash, fixed income, and alternative asset classes is paramount. In our discretionary portfolios, we are actively trimming equity positions in favor of cash, fixed income, or alternative structures.

VIDEO: Cole Kachur's 45-Minute Video Interview <CTRL-CLICK> [HERE](#)

WEBSITE: www.colekachur.ca

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