



The Covid-19 virus has spread fear and a sell-off in financial markets as the virus enters new countries forcing businesses to close and disrupting global supply chains. These are challenging times, and our thoughts are with the people who have been adversely impacted.

As asset managers, periods like this test our resolve and belief in the portfolios we build. We, along with all investors, feel emotions that can influence judgment. As the world’s best medical minds are working on containing and mitigating this risk, it reminds us of the fundamental principles that underpin SmartBe Global Value Momentum Trend Following ETF (SBEA).

Evidence and rules-based

Investment strategies underpinned by a long history of academic research increase confidence that rules-based portfolios will withstand market stresses. Managing an ETF with pre-established rules takes away the risk of amateurs and specialists, making rash decisions as a result of faulty judgments.

Protecting wealth during crisis/short term

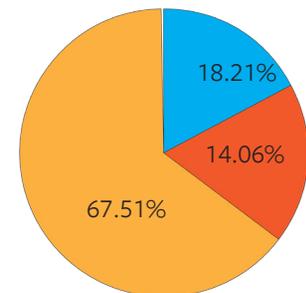
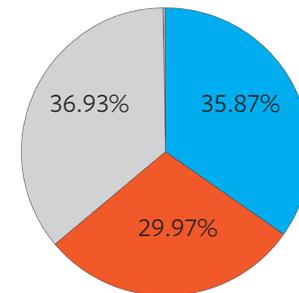
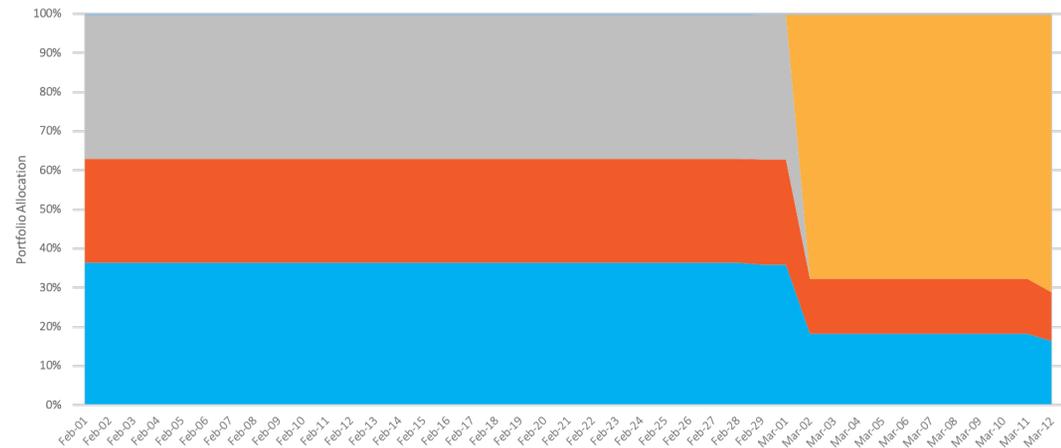
Understanding that short term decisions based on behavioural biases can be devastating to an investor’s journey. Establishing and implementing rules based in behavioural science (trend following) tell us when to take a conservative approach (move from equities to bonds) and when to take on an aggressive stance (move from bonds to equities) help protect wealth through times of uncertainty.

Growing wealth over the long term

Portfolios built on diversification have historically experienced higher returns over the long term. Investing in a global equity strategy that focuses on higher sources of returns such as value and momentum stocks can deliver higher risk-adjusted returns over long periods.

SBEA uses a quantitative approach to global investing that is centered on value and momentum factors with an overlay of trend following to manage risk. When trend signals are positive the fund has 100% exposure to equities. When trend signals begin to turn negative the ETF begins to reduce equity exposure in favour of high-quality short term bonds. Signals are assessed and implemented monthly.

How has SBEA protected wealth during crisis?



Canadian Equity ● US Equity ● Developed Equity ● Bonds ●

*Percentages may not total to 100% due to rounding

Now what?

The key to an improved financial journey lies in balancing protection and growth. Portfolios designed to balance the negative returns during market crisis with capturing the long term returns from factors such as value and momentum can increase your chances of having a better investment experience.

To learn more about how SBEA can help your portfolio please contact your financial advisor.

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