

FOR REPRESENTATIVES ONLY

DFS GIF – SMALL CAP – FRANKLIN BISSETT

QUARTERLY COMMENTARY AS OF DECEMBER 31, 2017

PERFORMANCE	3 months
Series 6	2.38
Series 7	2.36

Portfolio Manager: Bissett Investment Management

Inception Date: February 24, 2014

CONTRIBUTORS TO PERFORMANCE

- Strong selection + interaction and favourable allocation toward Consumer Discretionary were additive to relative returns.
- Top relative return contributors included Equitable Group, Indigo Books & Music, HNZ Group, Transat and Horizon North Logistics.

DETRACTORS FROM PERFORMANCE

- The Fund's relative underperformance in the period was mainly due to poor selection + interaction within the Energy and Materials sector as well as unfavourable allocation toward Materials.
- Top relative return detractors included Trican Well Service, Advantage Oil and Gas, Storm Resources, Transcontinental and Winpak.

MAJOR CHANGES TO PORTFOLIO

- Portfolio activity in the period was once again light and focused on adding to the Fund's Energy (Pieridae Energy), Industrials (Bird Construction, Exco Technologies) and Information Technology (Blackline Safety, Celestica) sector exposure. Portfolio selling activity was also relatively light and focused within the Consumer Discretionary (Transat, Indigo Books & Music, Martinrea), Energy (Trican Well Service, NuVista Energy) and Financials (Equitable Group) sectors. Fund holdings in the fourth quarter of 2017 emphasized exposure in the Energy, Consumer Discretionary, Materials and Industrials sectors. Collectively, these sectors accounted for 85% of Fund assets at quarter end.

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