



## Georgian Capital Performance Update May 2016

### Dividend increases continue; Georgian Income Fund up 4.6%

In the first five months of 2016, nine of the 23 stocks in the Georgian Income Growth Fund have raised their dividend. These increases do not only provide greater income to shareholders, but boost investor confidence, supporting capital appreciation. The Georgian Income Growth Fund is up 4.6% year to date, net of all fees.

For stock markets around the world, 2016 has thus far been a reversal year. Past laggards such as gold and energy stocks have experienced a significant rebound with strong appreciation year to date. Canada, with its resource-heavy market, has benefited and the TSX is globally one of the strongest markets. The TSX is up 9.5% year to date on a total return basis, well ahead of all major US indices and a pleasant reversal from the 8.4% drop in 2015. Approximately half of the 2016 return can be attributed to gold stocks, with the subsector up 60%.

While the recent resurgence is positive for Canadian investors, the volatility can be disconcerting. We find many people choose to avoid investing in stocks as they are afraid to enter at the wrong time and be the victim of another reversal. At Georgian Capital we are not driven by market trends, and do not try to time when particular sectors will outperform. Since inception, we have focused on selecting high quality companies, with sustainable and growing dividends. Our portfolio therefore minimizes exposure to more speculative resource sectors, and exhibits much less volatility than the overall market. Since inception in 2009, the Georgian Income Growth Fund has achieved a return of 7.4% per annum, net of all fees.

We are confident that our strategy and discipline will continue to provide strong returns over the long term. Please contact Georgian Capital if you would like more information.

