

Tactical Investment Update



Daniel L. Bain
Chief Investment
Officer and CEO

COVID-19 Update – Business Operations in a World of Social Distancing

The novel coronavirus pandemic is rapidly evolving, and markets around the world are incredibly volatile. As COVID-19 becomes widespread, Thornmark is prepared for the possibility of a more severe outbreak in the Greater Toronto Area (GTA). We are committed to keeping our team and their families safe and healthy, without compromising portfolio management operations or service to our clients.

While the world deals with the coronavirus pandemic, Thornmark's business operations are running smoothly and without interruption. Below is information about some of the things we're doing to ensure smooth operations to grow and protect your investments.

BUSINESS OPERATIONS

For many years, Thornmark's business continuity plan (BCP) has been in place and tested regularly. We were operationally prepared for coronavirus or other interruptions. Our BCP is designed to seamlessly adapt unforeseen circumstances, including a complete loss of office access.

We have been operating in a semi-remote status for over two weeks. We have aligned our procedures with public health directives aimed at slowing the spread of the COVID-19 virus and protecting vulnerable populations. Therefore, as of last Thursday, our team transitioned to full remote operations; however, there is no change to our daily routine or contact information. Our telephone numbers remain active, and all mail sent to Thornmark will be attended to as usual. During this time, client meetings will be via phone or video call.

TRAVEL RESTRICTIONS

Last week, all team members suspended travel plans until further notice. Travel will be restricted until guidance from public health officials indicate it is unnecessary.

INVESTMENT MANAGEMENT

The double black swan (pandemic and oil price war) creates significant investment challenges. Thornmark reacted decisively to protect investments. We implemented tactical insurance strategies (discussed in my previous update) to reduce downside risk without eliminating upside opportunities. Those strategies have helped to preserve wealth.

Financial and credit markets around the world are under stress. European stock markets have declined roughly 35% this year. During the same period, the Toronto Stock Exchange is down more than 27%. Within this challenging environment, tactical strategies have enabled all the Thornmark Investment Funds to outperform the equity markets and their benchmarks.* We continue to tactically optimize portfolios to manage risk and enhance opportunities to participate in the market rebound, when it materializes. The rebound is expected to rapid, as is often the case, mirroring the pandemic selloff.

PLEASE STAY IN TOUCH

While we're working to manage economic and market pandemic uncertainty, we remain available. If you have any questions or would like more information about Thornmark's tactical strategies to grow and protect your wealth, please reach out to us. We'd be pleased to speak with you.

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