

# DundeeWealth Investment Counsel Perspectives

## DWIC Canadian Value Strategy

First Quarter Commentary – March 31, 2013

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For the three month period ending March 31, 2013, the DWIC Canadian Value Strategy generated a total return of 8.6%, significantly outperforming the S&P/TSX Composite Index which returned 3.3%. With the exception of Materials, all of the broad-based benchmark's sectors earned positive returns during the quarter, with the main contribution to index returns coming from Financials, Energy and Industrials. Gold stocks in particular detracted from returns in the materials sector over the quarter.

The Strategy's top contributing sectors during the quarter were very diverse with Industrials, Information Technology, Energy, Healthcare and Consumer Discretionary all making meaningful contributions to the Strategy's quarterly return. Key holding, Swift Transportation, was the largest single contributor to overall performance contributing 1.18% to the Strategy's overall performance as the company posted profits which beat analyst estimates. The Strategy continues to maintain a large underweight allocation to the Financials and Materials sector in favour of overweight positions to Energy, Healthcare and Information Technology.

The Materials sector was the Strategy's only sector to deliver negative returns. Six of the quarter's top ten detractors came from the Materials sector including holdings in gold producers Barrick and Goldcorp. Other holdings in Materials which detracted were Teck Resources, Agrium and precious metal producer Silver Wheaton. The quarter's largest detractor was energy holding Southern Pacific Resources which detracted 1.44% from the quarter's returns.

The Canadian market continues to be comprised primarily of energy, materials, and banks stocks. The Materials sector has experienced ongoing volatility driven mainly by China. The Strategy's cash component at the end of the quarter remained steady at approximately 6% as we continue to hold a moderate level of cash as both a strategic buffer as well as allowing us to take advantage of volatility by buying on the dips.

As at March 31, 2013	3 Month	1 Year	3 Year	Since Inception
DWIC Canadian Value Strategy	8.61%	13.84%	5.25%	5.33%
S&P/TSX Composite	3.34%	6.11%	4.86%	6.25%

Inception date: November 2009

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