



WARATAH

## Year End 2019 Waratah Investor Letter

Dear Investor,

	Q4 2019	2019	Average Annual	Annualized Volatility
Waratah One	0.2%	3.4%	5.6%	3.5%
Waratah One X	0.2%	4.3%	7.8%	4.9%
Waratah Performance	-0.1%	9.9%	10.5%	7.4%
Waratah Income	6.0%	22.1%	7.7%	6.1%
Waratah AESG <sup>1</sup>	3.5%	18.6%	15.5%	4.7%

<sup>1</sup>returns are based on Waratah AESG class A fee structure

### Introduction

Commentary by Blair Levinsky

Brad and I joined together to found Waratah 10 years ago. Both of us started our careers in the heyday of the first internet boom of the late 90s which was soon followed by a bust, only to resurface 10 years later and become a dominant aspect of not only business but of daily life. In between these internet rallies was the first decade without a bear market, defined as a 20% drop from any peak. Global stocks rallied 242% since the 2009 lows<sup>1</sup> but did experience five 10% or more corrections along the way. A few months into our new venture we were greeted by the May 2010 flash crash, followed by Europe's sovereign debt crisis or PIGS as it was referred to at the time (Portugal, Ireland, Greece and Spain), the 2011 Japanese earthquake which sparked fears of a nuclear meltdown and regional economic disruption of an unprecedented nature and the 2013 sequestration fears by the US Congress. Then came China's currency devaluation in 2015, Trump's surprise election win and now a global trade war sparked by a sitting President who is currently in an impeachment process.

So what comes next?

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<sup>1</sup> Source: Price change, MSCI World Index, March 3, 2009-December 31, 2019

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