

# *What Happens Next?*

130 Bloor Street West  
Toronto, ONT M5S 1N5

Tel: 416-367-3040  
Toll Free: 1-866-367-3040  
Fax: 1-877-215-4044  
Email: [info@macnicolasset.com](mailto:info@macnicolasset.com)

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**David MacNicol, B. Eng. Sci.**  
**President & Portfolio Manager**



**Joe Pochodyniak, CFA**  
**Portfolio Manager Alternative Assets**



**Ross Healy, MBA, CFA**  
**Portfolio Manager**



**Ken Reid**  
**Research Associate**

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# Preview

- Bill Browder on Russia
- The Significance of May 9
- Putin's Aspirations
- Price Hikes: Here to Stay?
- Going Forward
- Safe Havens in Volatile Markets
- MacNicol Emergence Fund (PE)



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# Ex-top investor in Russia explains what's really driving Putin

- Video to play:
- <https://www.cnn.com/videos/world/2022/04/17/putin-bill-browder-invasion-ukraine-gps-vpx.cnn>

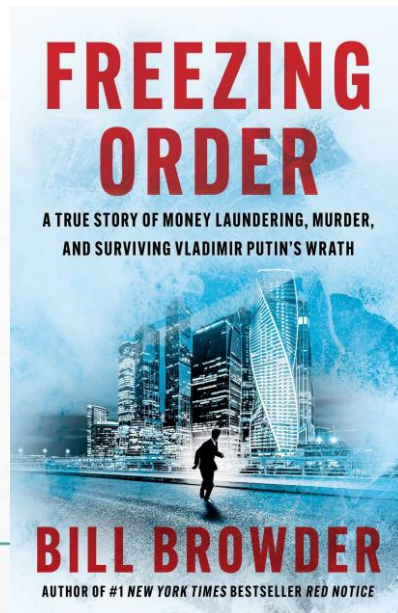
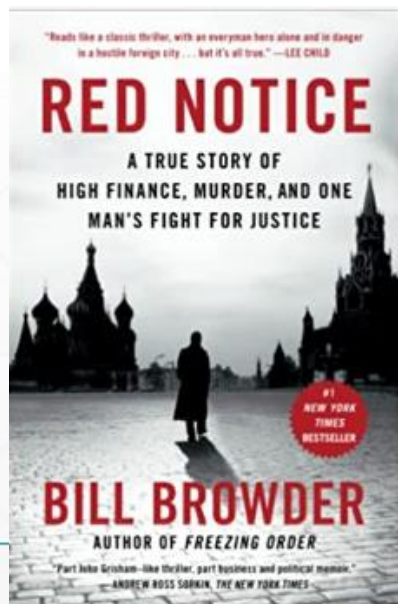




# Bill Browder on Russia's war on Ukraine: 'It's not going to end'

In a Q&A, the author and investor blames the West for emboldening Putin.

OTTAWA, Ont. — Bill Browder, a U.S. investor and prominent anti-Putin critic, says the Russian president's endgame in Ukraine is to ensure he stays in power at home.





# The Significance of May 9th

## Russia's Victory Day on May 9 could mark key deadline in its invasion of Ukraine

*May 9 is Victory Day, marking the Russian defeat of Nazi Germany in 1945 at the end of World War II.*

### Public holidays in Russia

- 1.1 New Year Holiday
- 1.2 Orthodox Christmas day
- 1.3 Defender of the Fatherland Day
- 1.4 International Women's Day
- 1.5 Spring and Labour day
- 1.6 Victory Day
- 1.7 Russia Day
- 1.8 Unity Day





# Different than the West



Historians in the West reference September 2<sup>nd</sup> 1945 as the end of WW2.

European nations consider May 8<sup>th</sup> as the day the Nazis were defeated (1 day before Russia).





# Putin's View of Victory Day

**Opinion: Putin is planning a victory parade on May 9 — no matter what**

Opinion by Frida Ghitis

🕒 Updated 4:05 AM ET, Tue April 19, 2022

Putin has encouraged **greater** celebration of this day during his time in charge.

"The Soviet Union faced the most powerful assaults by the Nazis, but there is no force, and there will be no force, that could conquer our people," *Putin* during a *Victory Day* speech in Moscow.

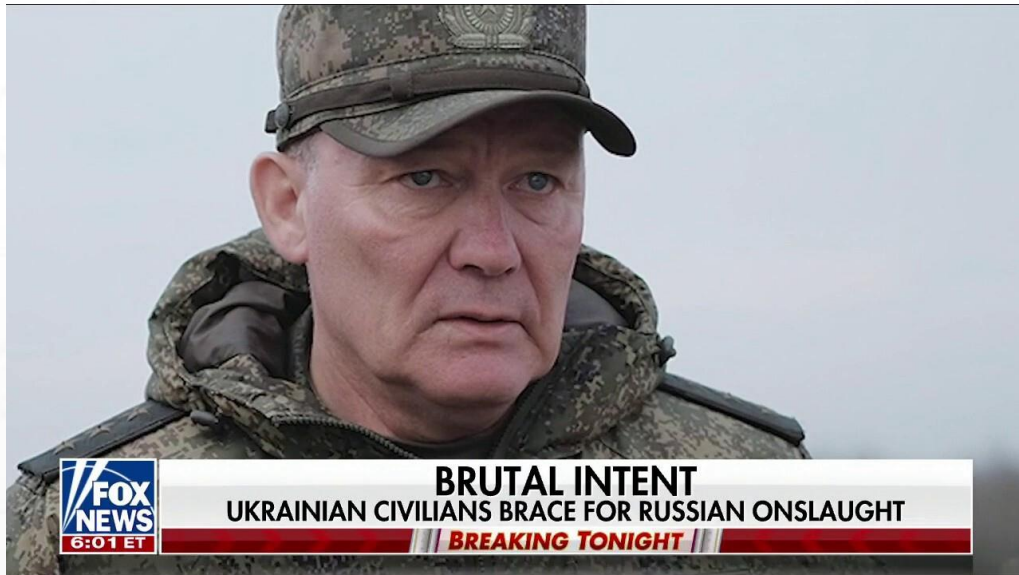




# Things Could Get Much Worse

## Russia appoints 'Butcher of Syria' general to lead Ukraine op

April 14, 2022 at 9:02 am | Published in: Europe & Russia, Middle East, News, Russia, Syria, Ukraine



The same general who cheerfully used *chemical weapons* against the Syrians.



# Possible Escalation

## Syrian fighters ready to join next phase of Ukraine war

**BASSEM MROUE**

BEIRUT

THE ASSOCIATED PRESS

PUBLISHED APRIL 18, 2022

Russia could bring in some of the Syrian troops that Russia used against the Syrian rebels.

If Russian can use Syrian troops – they would be hired guns, by the way according to the Globe and Mail – then Ukraine can do the same thing (NATO).

Turkey has already closed its airspace to Russian flights to and from Syria.





# Where is the upside?



## MV Ratio This Week

As of April 18, 2022

Index	NASDAQ 100	S&P 500	S&P/TSX COMPOSITE
Current	13,910.76	4,391.69	21,878.41
MV Ratio	7.56	3.61	1.61
Fair Market Value	9,441.09	4,046.26	30,083.17
FMV Potential	-32.13%	-7.87%	37.50%
Nearest Floor	13,636.13	4,205.42	19,684.38
Breakpoint	Bubble	Super Growth	High Conservation
% downside	-1.97%	-4.24%	-10.03%
Nearest Ceiling	17,463.81	5,445.17	27,150.86
Breakpoint	High Bubble 1	Low Super Growth	Growth
% upside	25.54%	23.99%	24.10%

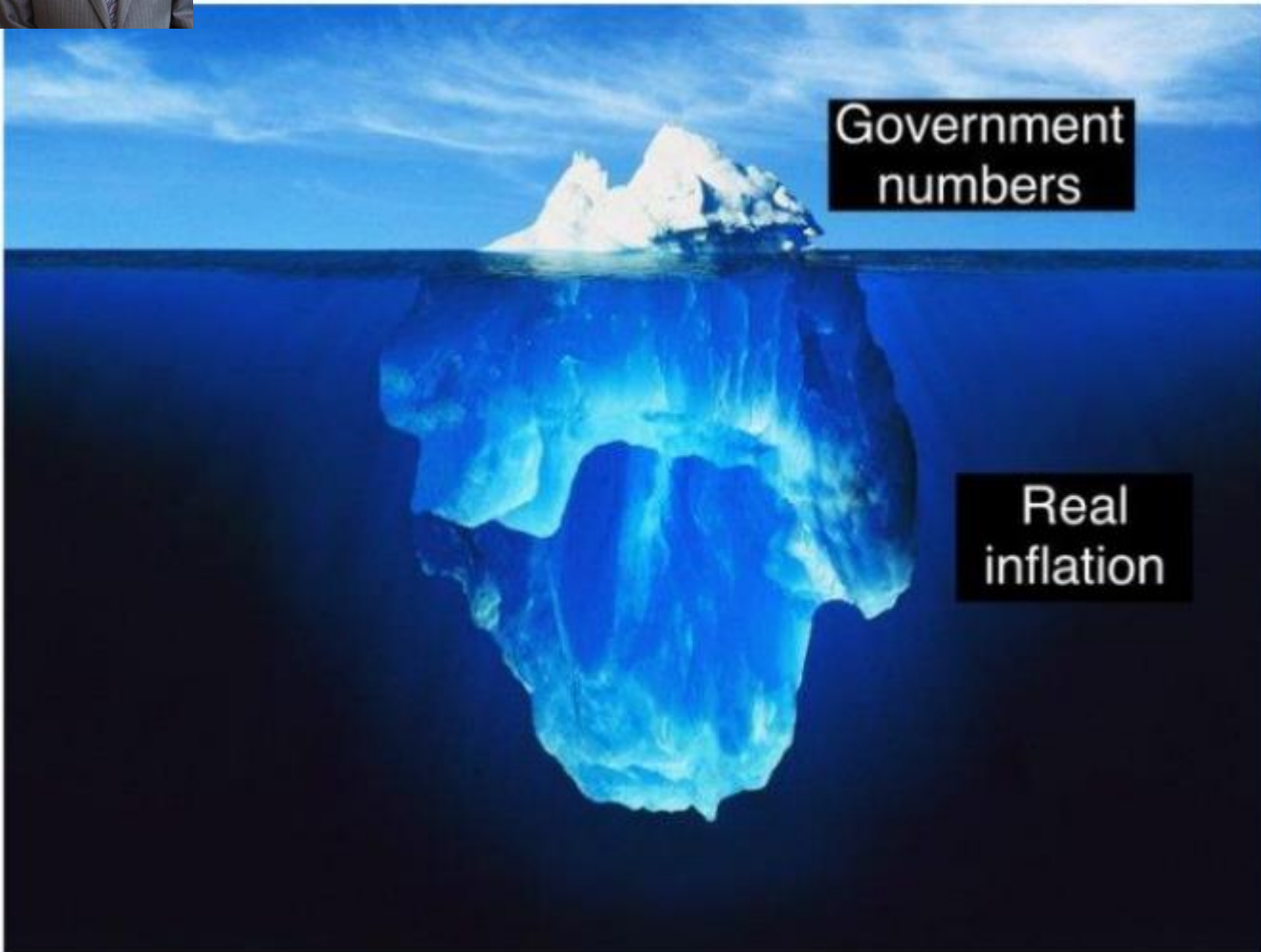


# TSX





# Prices Will More Than Likely Get Worse



Jon Erlichman  @JonErlichman · Apr 12

Price increases in the past year:

- gas: +49%
- used cars: +35%
- hotel room: +29%
- airline tickets: +24%
- car rentals: +23%
- bacon: +18%
- oranges: +18%
- furniture: +17%
- peanut butter: +16%
- crackers: +16%
- steak: +16%
- suits: +15%
- butter: +14%
- milk: +13%
- lamps: +12%
- coffee: +11%
- cereal: +10%

 112

 678

 1,993





# What Has Happened So Far?

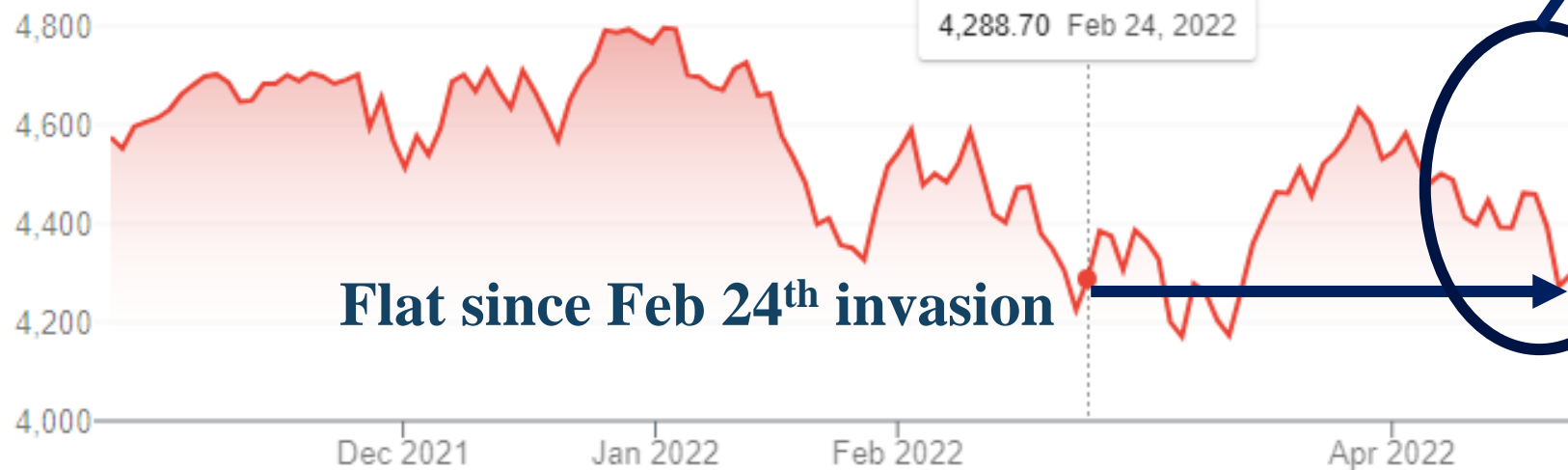
Market Summary > S&P 500

4,296.12

-278.67 (-6.09%) ↓ past 6 months

Apr 25, 4:20 p.m. EDT • Disclaimer

1D | 5D | 1M | 6M | YTD | 1Y | 5Y | Max



+ Follow



# We are not saying we are at a bottom

\$SPX (S&P 500 Large Cap Index) INDX

© StockCharts.com

18-Feb-2011

Open 1289.14 High 1344.07 Low 1289.14 Close 1343.01 Volume 45.9B Chg +56.89 (+4.42%) ▲

\$SPX (Monthly)







# Indexing = Dead Going Forward

Market Summary > Nasdaq-100

13,533.22

-492.93 (-3.51%) ↓ past year

Apr 25, 5:05 p.m. EDT • Disclaimer

+ Follow

1D | 5D | 1M | 6M | YTD | 1Y | 5Y | Max



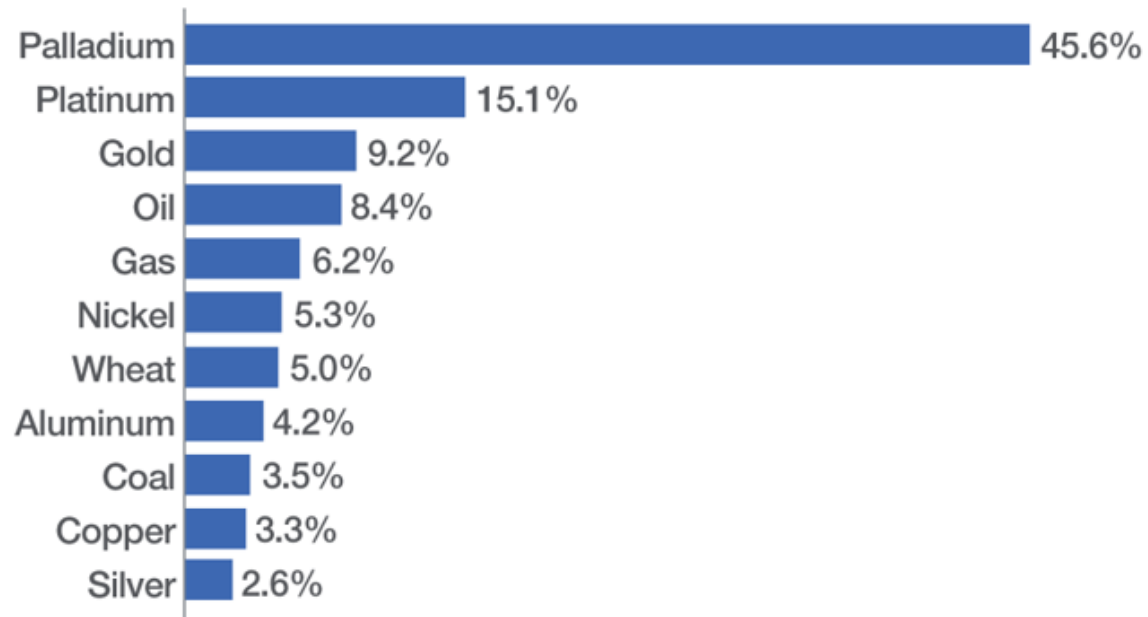


# Russia's Natural Resource Market



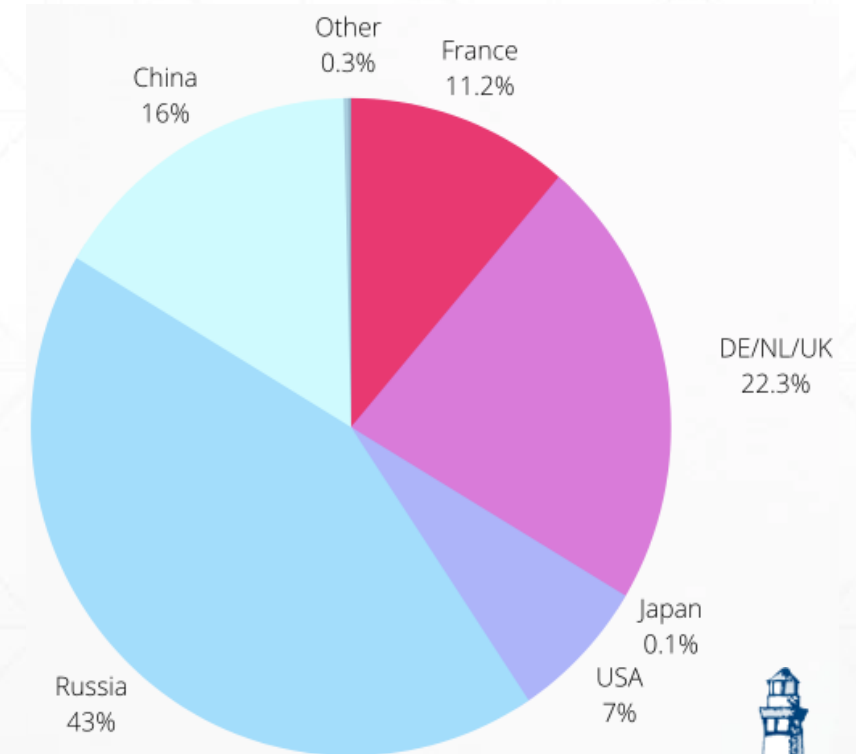
Wealth Wave

## Russia's Exports as a Share of Global Production



Source: JPMorgan

## World's Largest Uranium Enrichment Nations



MACNICOL  
& ASSOCIATES  
ASSET MANAGEMENT INC.



# Further Sanctions: Further Price Increases

April 11, 2022  
11:46 AM EDT  
Last Updated 15 days ago

Energy

**JUST IN** - Russia to cut off more gas buyers that don't pay in rubles, Kremlin says. European gas prices up 24%. Ruble reaches 2-year high against the euro.

7:03 AM · Apr 27, 2022 · Twitter Web App

## Russian oil embargo could be part of next EU sanctions package, ministers say

Reuters

## EU closes in on Russian oil ban – but how tough will it be?

Europe is weighing up various options that fall short of an all-out embargo.

## Onet: Russia has turned off the gas tap in Poland

[Business Insider Polska](#)  
April 26, 2022, 4:31 PM. | 1 min reading

Share the article

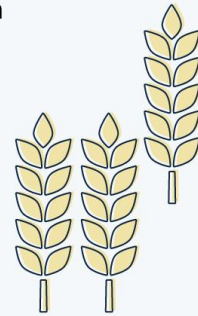
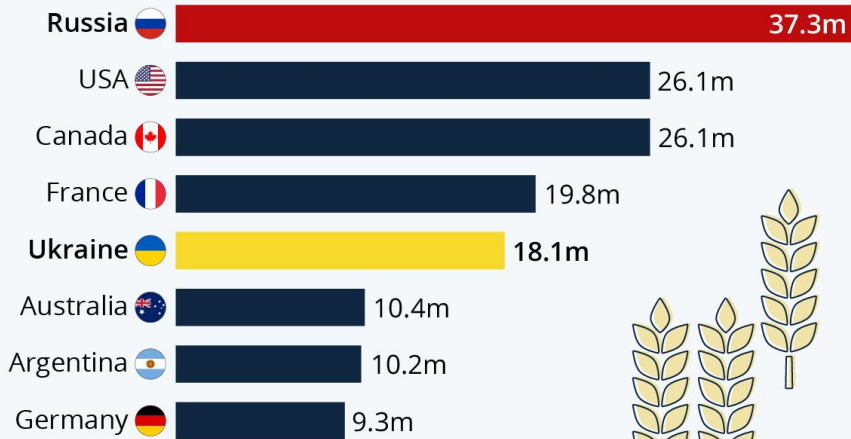




# Ukraine's Critical Roles

## Ukraine Crisis Likely to Push Up Wheat Prices

The world's largest wheat exporters in 2020 (total exports in tonnes)\*



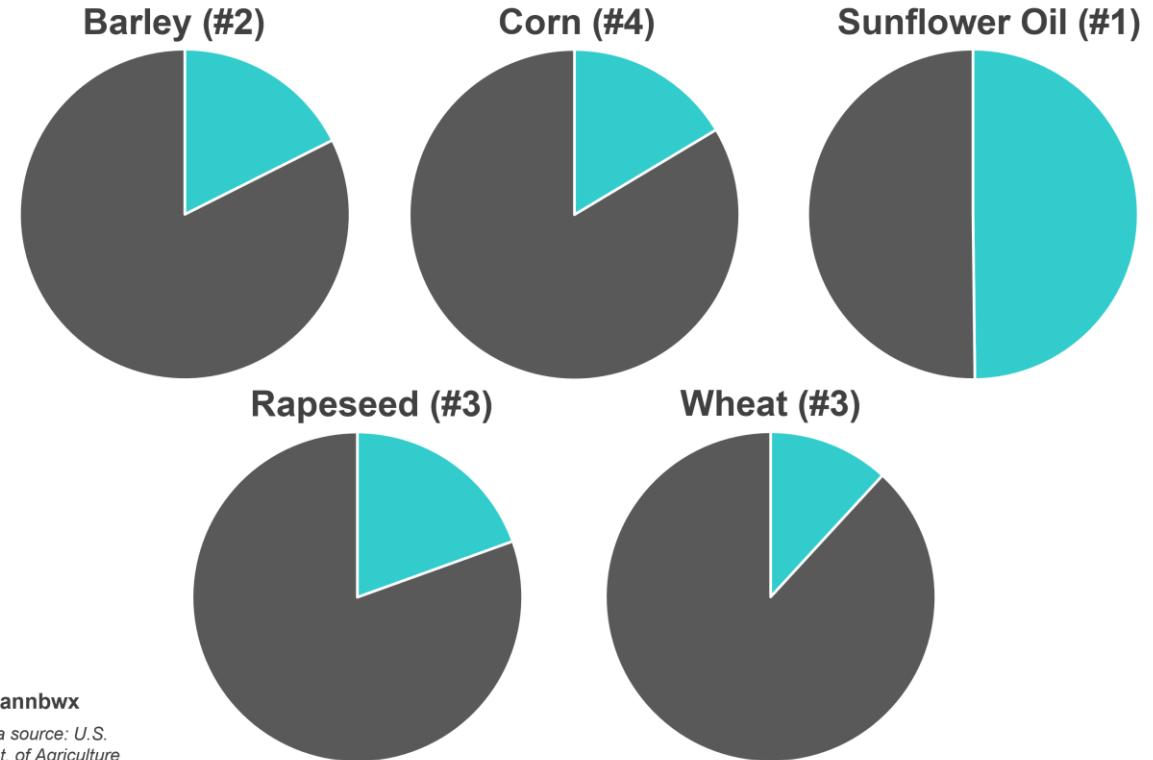
\* HS Code 1001: wheat and meslin  
Source: UN Comtrade Database



statista

## Ukraine's Projected Share of World Exports 2021/22

(Shown in teal; product ranking in parentheses)



@kannbwx  
Data source: U.S.  
Dept. of Agriculture



# Arab Spring 2.0?

MIDDLE EAST

## A new Arab Spring, thanks to the Ukraine war?

The price of bread is rising rapidly in the Middle East, thanks to concerns about wheat supply from Ukraine and Russia. In the past, such increases have led to violent protests and political upheaval.

FOOD

## A year of hunger: How the Russia-Ukraine war is worsening climate-linked food shortages

Many low-income nations who are net food importers are bracing for a year of hunger

- 25% decrease in crops in Ukraine this year
- Sanctions on Russia have reduced agriculture exports
- Global hunger now at highest point this century





# The Outlook for Interest Rates

## History of U.S. Long-term Interest Rates

April 25, 2022 2.94%



Source: Bianco Research, U.S. Federal Reserve

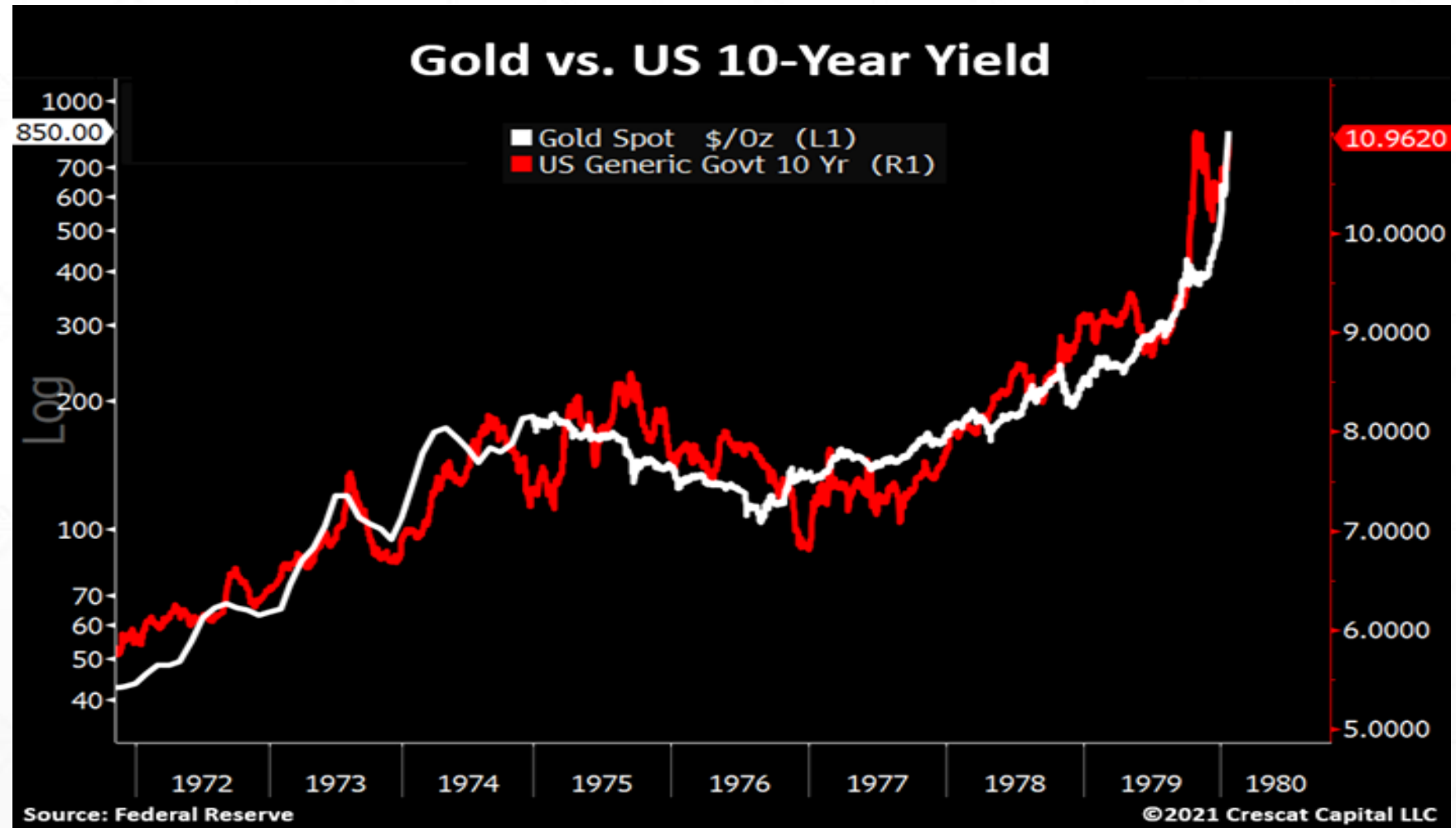
### A Long Slow Turn Again?



# The Interest Rate Aspect



The last time interest rates rose over an entire decade was in the 1970s.....





### GSCI Commodity Index/S&P 500 ratio



— "World, Commodity Indices, S&P GSCI, Total Return"/"United States, Equity Indices, S&P, 500, Price Return", Index, Close, USD

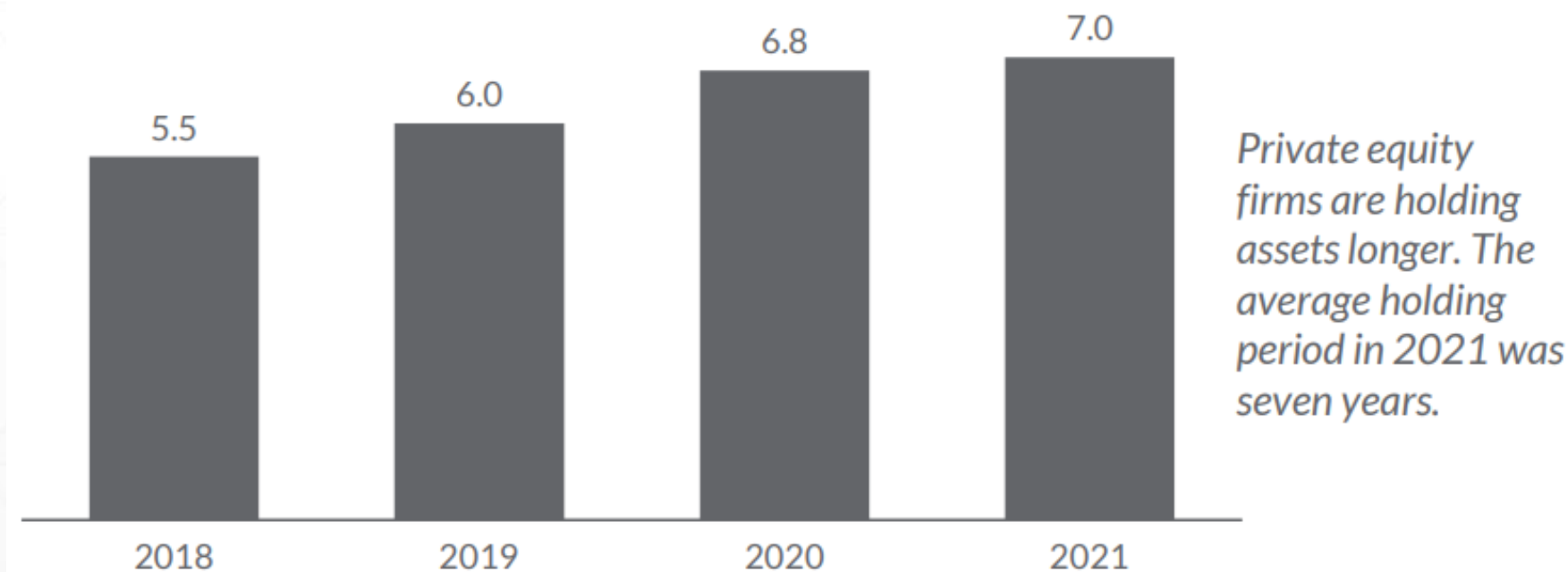




# Private Equity

**In an increasingly uncertain world managers are holding on to positions longer.  
Private equity is less volatile because it changes hands less frequently.**

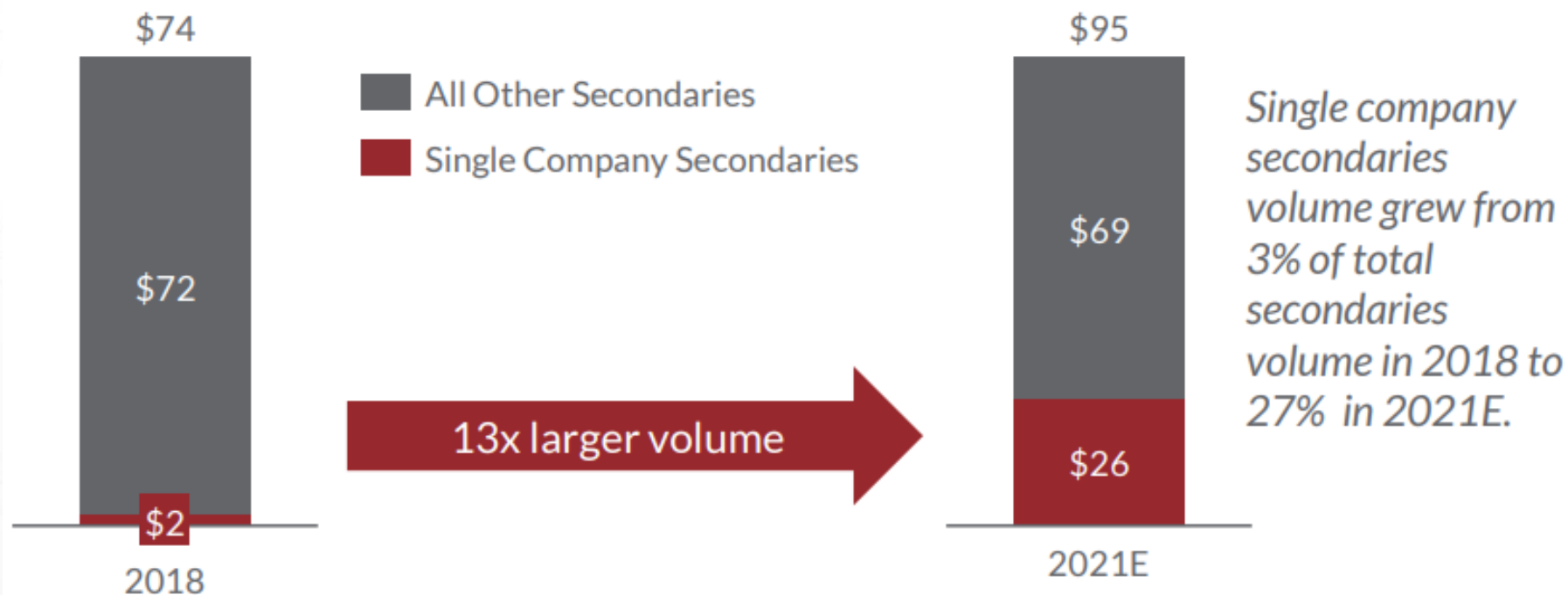
Private Equity Holding Times; Years<sup>2</sup>





**The secondary market for PE offers: liquidity for LPs in sponsor-owned mid-market companies, a focus on successful investments, assess at a discount to full auction price, backing a current ownership team reduces (new) transaction risk and shortens duration.**

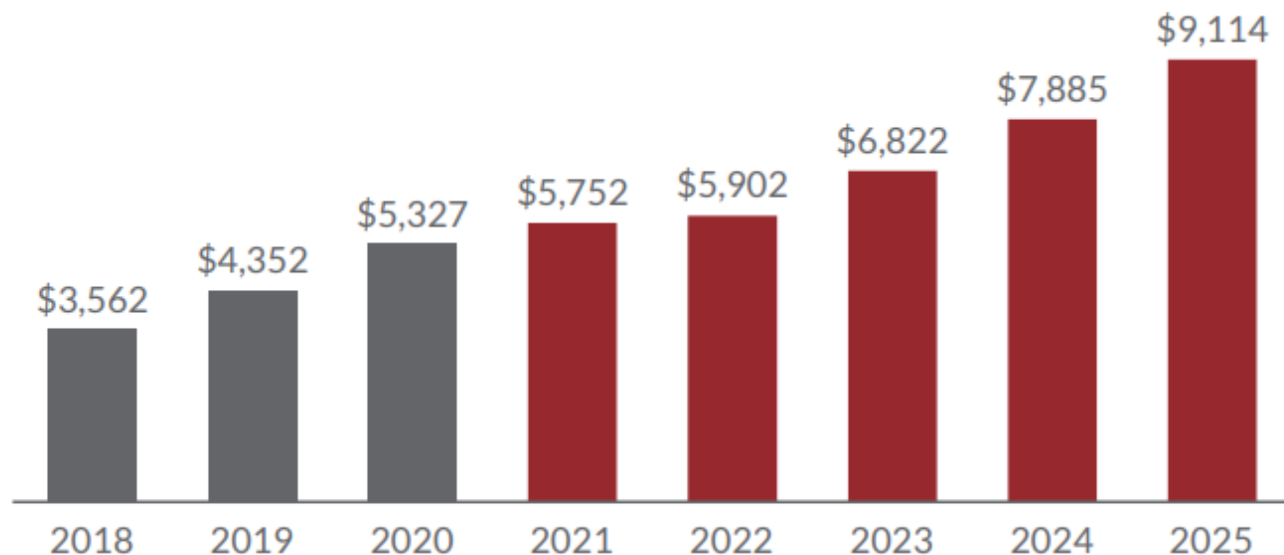
### Growth in Single Company Secondaries; (\$US Billions)<sup>4</sup>





## Industry growth has been strong but could rising food, fuel and capital costs bite into competitiveness?

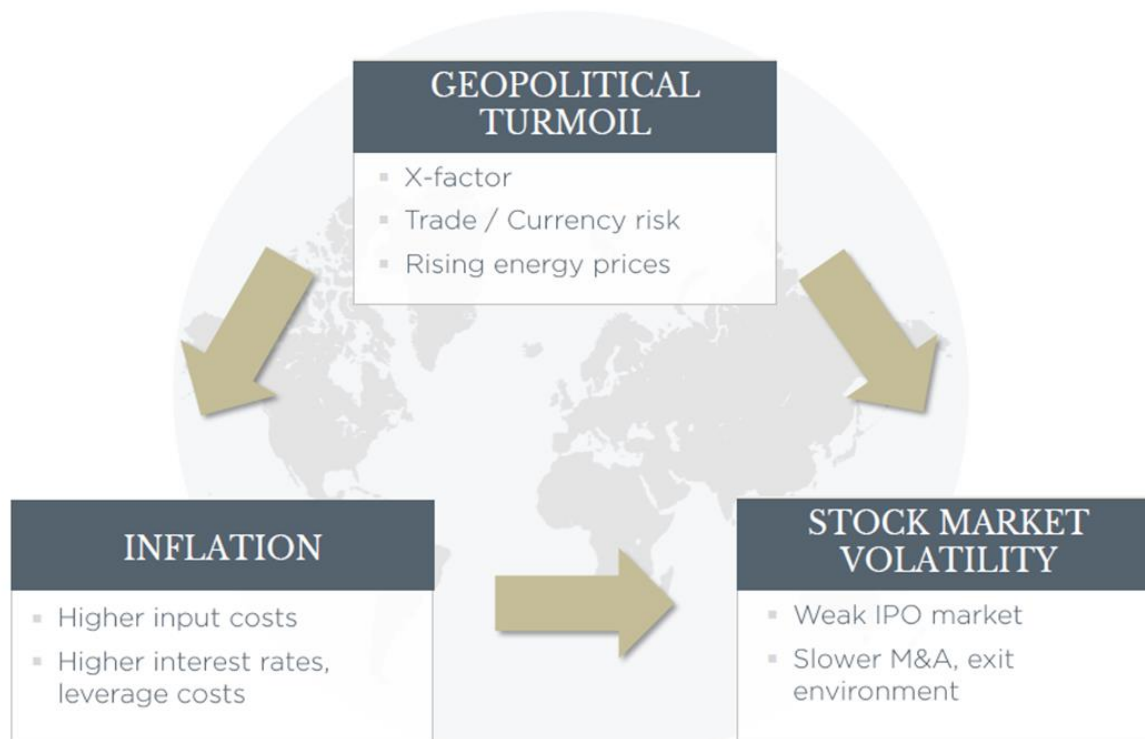
Private Equity AUM; (\$US Billions)<sup>1</sup>



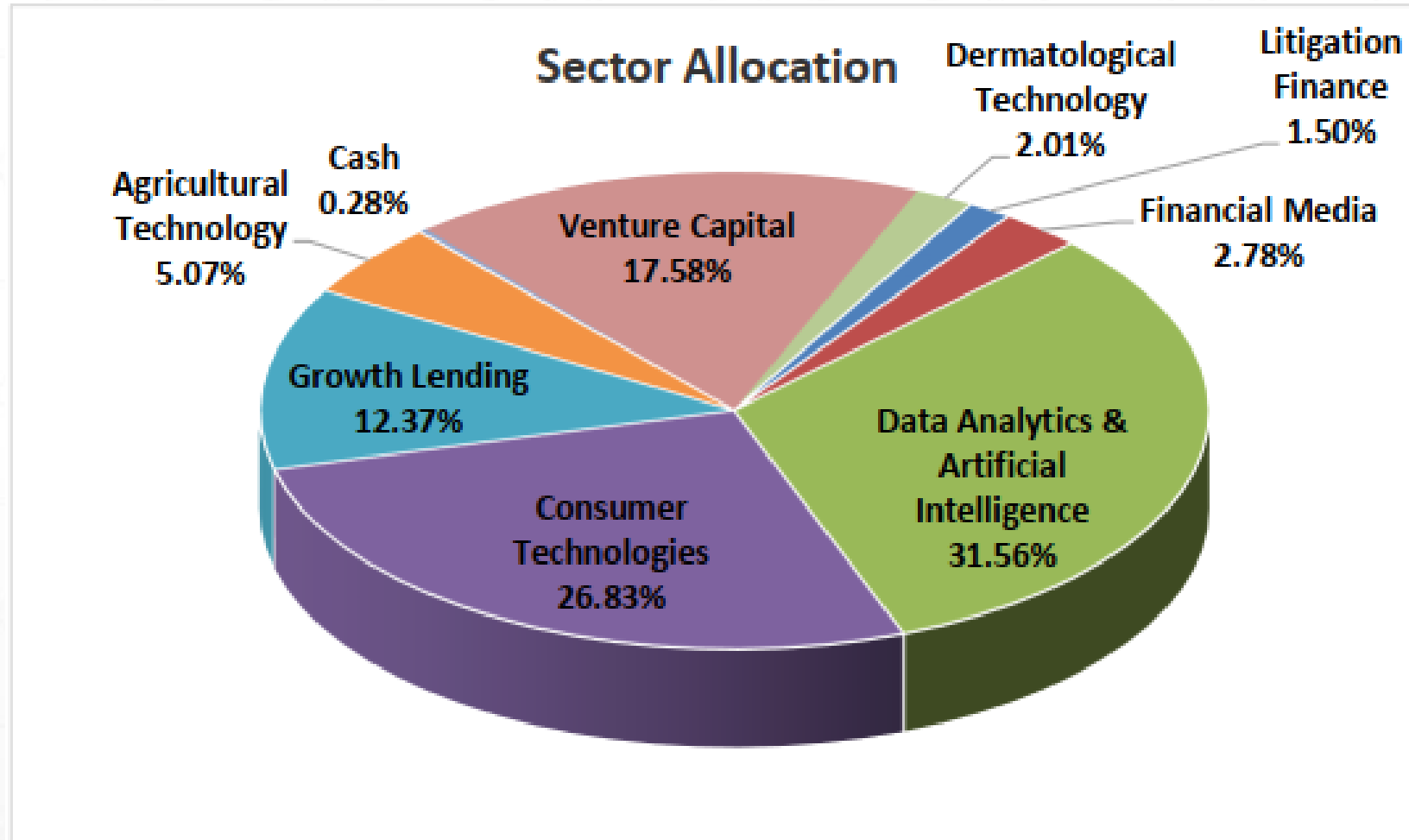
*Private equity AUM continues to grow at an attractive pace and is expected to reach \$9.1 tn in 2025E.*

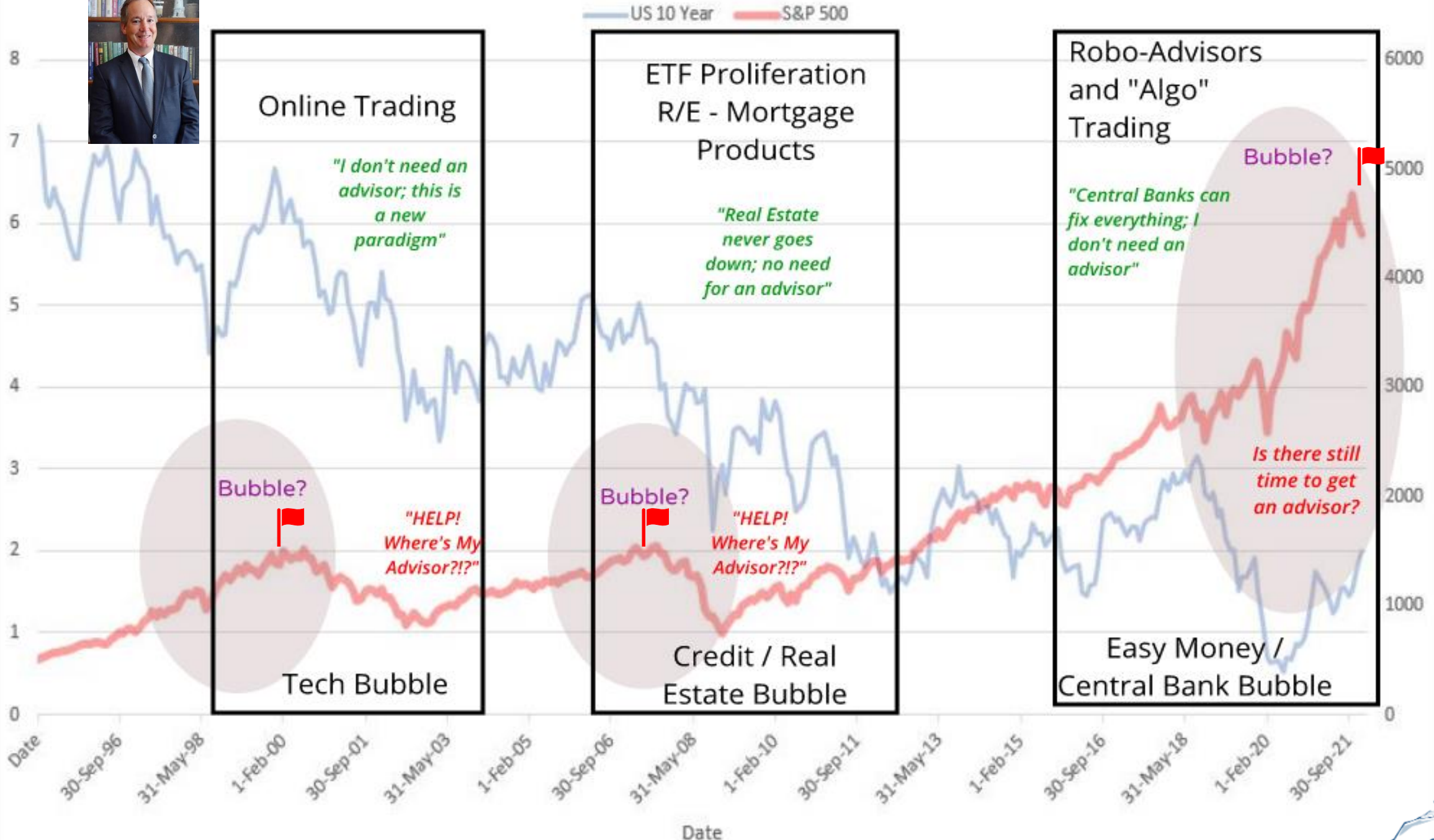


**This environment has accelerated the decision of several institutions to seek some liquidity in their private equity portfolios and be less price sensitive.**



# MacNicol Emergence Fund (Source: March '22 fund fact sheet)





# Q & A

**Next Monthly Webinar: May 26, 2022**



**David MacNicol, B. Eng. Sci.**  
**President & Portfolio Manager**



**Joe Pochodyniak, CFA**  
**Portfolio Manager Alternative Assets**



**Ross Healy, MBA, CFA**  
**Portfolio Manager**

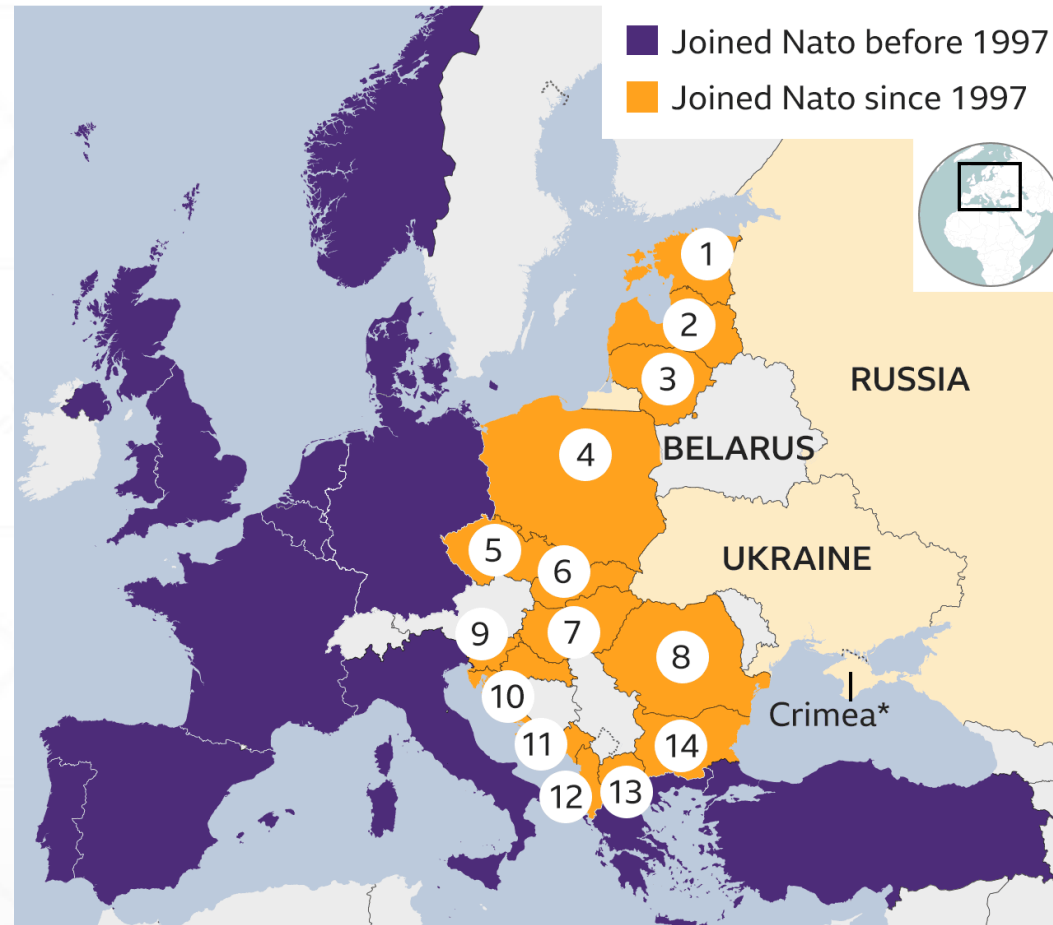
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# Nato's expansion since 1997



- |             |                  |              |                   |
|-------------|------------------|--------------|-------------------|
| ① Estonia   | ⑤ Czech Republic | ⑨ Slovenia   | ⑬ North Macedonia |
| ② Latvia    | ⑥ Slovakia       | ⑩ Croatia    | ⑭ Bulgaria        |
| ③ Lithuania | ⑦ Hungary        | ⑪ Montenegro |                   |
| ④ Poland    | ⑧ Romania        | ⑫ Albania    |                   |

\*Russia annexed Crimea in 2014

Markets usually look through wars unless the aggression was by surprise...

## Geopolitical Events And Stock Market Reactions

Market Shock Events	Event Date	S&P 500 Index		Calendar Days To	
		One-Day	Total Drawdown	Bottom	Recovery
Iranian General Killed In Airstrike	1/3/2020	-0.7%	?	?	?
Saudi Aramco Drone Strike	9/14/2019	-0.3%	-4.0%	19	41
North Korea Missile Crisis	7/28/2017	-0.1%	-1.5%	14	36
Bombing of Syria	4/7/2017	-0.1%	-1.2%	7	18
Boston Marathon Bombing	4/15/2013	-2.3%	-3.0%	4	15
London Subway Bombing	7/5/2005	0.9%	0.0%	1	4
Madrid Bombing	3/11/2004	-1.5%	-2.9%	14	20
U.S. Terrorist Attacks	9/11/2001	-4.9%	-11.6%	11	31
Iraq's Invasion of Kuwait	8/2/1990	-1.1%	-16.9%	71	189
Reagan Shooting	3/30/1981	-0.3%	-0.3%	1	2
Yom Kippur War	10/6/1973	0.3%	-0.6%	5	6
Munich Olympics	9/5/1972	-0.3%	-4.3%	42	57
Tet Offensive	1/30/1968	-0.5%	-6.0%	36	65
Six-Day War	6/5/1967	-1.5%	-1.5%	1	2
Gulf of Tonkin Incident	8/2/1964	-0.2%	-2.2%	25	41
Kennedy Assassination	11/22/1963	-2.8%	-2.8%	1	1
Cuban Missile Crisis	10/16/1962	-0.3%	-6.6%	8	18
Suez Crisis	10/29/1956	0.3%	-1.5%	3	4
Hungarian Uprising	10/23/1956	-0.2%	-0.8%	3	4
N. Korean Invades S. Korea	6/25/1950	-5.4%	-12.9%	23	82
Pearl Harbor Attack	12/7/1941	-3.8%	-19.8%	143	307
<b>Average</b>		<b>-1.2%</b>	<b>-5.0%</b>	<b>22</b>	<b>47</b>

Source: LPL Research, S&P Dow Jones Indices, CFRA, 01/06/20

All indexes are unmanaged and cannot be invested into directly.

Past performance is no guarantee of future results.

The modern design of the S&P 500 Index was first launched in 1957. Performance before then incorporates the performance of its predecessor index, the S&P 90.

**Thank you for watching**

**Feel free to email us at**

**[info@macnicolasset.com](mailto:info@macnicolasset.com)**

**With any questions you may have.**

