
March, 2021

From the point of ignition to the final drive, the point of the journey is not to arrive - Neil Peart

The Road to Fruition

By any measure, February was one of the best performance months in our history as most equity-based accounts achieved double-digit returns. Given the strength we've already seen in our investments over the past six months, that is saying something. The potency of this market movement has carried over into the early days of March as accounts rise to levels never previously charted. This begs the question: Should we use this strength to crystalize our gains? I remain of the firm belief that investing is all about resiliency, conviction and constant re-evaluation. It's times like these that reminds us that one of its great challenges is to stay invested, especially when profitable. The road is never a smooth one except in retrospect which is something we're learning to make friends with. There is a saying that 'a ship in the harbor is safe, but that's not what ships are made for.' It speaks to the part of us that wants a steady and gentle ride to financial freedom, but that only exists in a GIC (currently 0.25%) and there is in my opinion, no such thing as financial freedom.

When an investment begins to move forward on its road to fruition, I'm often reminded that it would be frustrating to see prices retreat and leave all these new profits on the table. Remember, that my practice is a commission based one, so I am theoretically 'incentivized' to trade as often as possible. But the truth is, I prefer to focus on returns for 3 reasons: One; trading doesn't work, and I have over 30 years of scars to prove it, so if you do so, you won't be a client for long. I've never seen anyone trade successfully over an extended period.... EVER. Two; it is of great satisfaction and personal meaning to me to attempt excellence for my clients (even though it comes with my own way of doing things), and thirdly, I am among the largest holders of these investment positions myself. I too want financial

freedom...oops - scratch that.

Our offering is truly a unique one and few advisors and portfolio managers have been able to achieve the long-term results that our accounts have witnessed.

Hopefully, the best is still yet to come.

The Methanex Example

Back in early 2004, we began an investment position in Methanex, the worlds largest producer of methanol which was closed out in 2014 at over 3x our original cost. While clearly a great return on the surface, the road to fruition was fraught with many ups and downs as the shares moved from the teens to \$30s and back again, often frustrating those who followed closely. However, the reason we owned this investment in the first place remained in-tact and constant revaluation of its potential kept us invested. For most of its tenure, the shares just didn't resonate with investors, but the business continued to make great strides. Look at the chart below and watch what happened when it 'broke out' - how it just didn't stop. When we closed out our position between \$63 - \$76 in 2014, we were able to resist the temptation to sell because it started to be profitable. As such, we remained invested to that point because of valuation and revaluation confirmed our view. We sold it when it was determined that we were likely at a point when we were getting the most of what we set out to achieve. But knowing the company well and its value parameters is what kept us invested, particularly when the shares started to increase.

MEOH Methanex Corp. (NAS) Delayed quote data

3/8/2021 10:10 AM

Last:	Change:	Open:	High:	Low:	Volume:
41.10	☒ -0.58	42.46	42.46	40.59	49,726
	Percent Change:	Yield:	P/E Ratio:	52 Week Range:	
	-1.39%	0.36%	n/a	9.00 to 49.27	

**Company Data**

Company Name:	Methanex Corp.
Dow Jones Industry:	Not Available
Exchange:	NAS
Shares Outstanding:	76,201,980
Market Cap:	3.17B
Short Interest:	1,443,870 (1.89%)
52-Week EPS:	-2.145
52-Week High:	49.27 on Wednesday, January 6, 2021
52-Week Low:	9.00 on Monday, March 16, 2020
P/E Ratio:	n/a
Yield:	0.36%
Average Price:	39.144 (50-day) 29.4625 (200-day)
Average Volume:	418,749 (50-day) 455,120 (200-day)

We are off to a great start so far in 2021 as markets increase despite all the well-known challenges and fears. It is interesting to note that for the past three years, the success of the stock market indices was mostly contained to large technology

companies, while the broader market suffered, and we were no exception. Ironically, it took a global pandemic and the surprising strength from its March 2020 lows to wake up the broader market which was totally unexpected (but most welcome). Despite the current strength of the powerful returns from our investment holdings, when compared to their peers, operating results, and potential for further growth, I believe we are best to remain committed. Daily, I receive comments from associates (and from some clients) to take profits, but these comments are not tied to a fundamental view, but rather based on price movement wrapped around a fear of potential collapse. This is more akin to playing blackjack or craps in a sort of get out while you're ahead vibe.

We are not trading sardines, tulips or Gamestop here.

Thanks for taking a look, and as always,

All Good Things,

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