

ZAVA Canadian Equity Income Private Portfolio

September 30th, 2022 (3rd Quarter)



INVESTING



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Portfolio Performance

	3 months	6 months	1 year	2 years	Since Inception
PORTFOLIO Performance	-0.46%	-9.36%	3.23%	20.51%	10.54%
BENCHMARK Comparison	-1.34%	-13.69%	-5.08%	9.58%	5.27%

Value of Private Portfolio	
Feb 1, 2020 (Inception Date)	\$28,000
September 30, 2022	\$36,594

Returns: Returns for periods greater than 1 year are *Annualized*.

Fees: Returns presented are gross of fees.

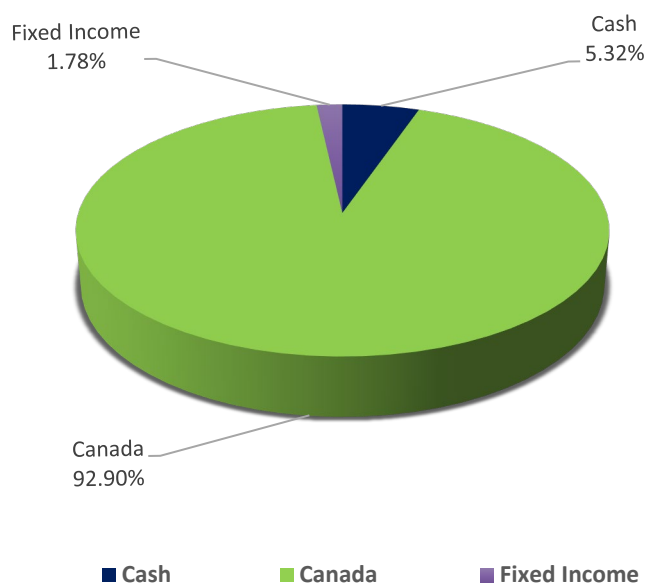
Benchmark: 5% 91 day T-Bill, 95% S&P/TSX Total Return (Benchmark modified Oct. 2021)

Source: National Bank Financial Portfolio Management Database

Investment Philosophy

The ZAVA Canadian Equity Income Private Portfolio employs a combination of both a passive investment style using Exchange Traded Funds (ETFs), together with active stock selection. ETFs are an excellent vehicle used to obtain broad diversified exposure to various geographies, sectors and styles. Additionally, individual stock selections will be made to enhance opportunities for income, growth &/or value. The Portfolio will maintain 100% exposure to Canada with a strong focus on dividend income. The Portfolio can also hold a smaller allocation in alternative investments such as Real Estate Investment Trusts (REITS). Finally, in order to add a defensive element to the Portfolio when appropriate, up to 25% of the Portfolio can be moved to cash or less volatile fixed income investments at any time.

Private Portfolio Asset Allocation



Who is This Investment For?

This Portfolio is suitable for investors who:

- are seeking diversified equity exposure to Canadian markets, with a focus on earning dividend income
- are willing to tolerate a moderate level of risk with a minimum time horizon of 2 - 5 years
- prefer minimal involvement with the investment decision making process.

Your Private Portfolio at End of Q3

Issuer	Region	Weight
Brookfield Asset Management	Canadian	4.65%
Brookfield Infrastructure LPU	Canadian	4.89%
Bank of Nova Scotia	Canadian	4.33%
BCE Inc.	Canadian	3.18%
Birchcliff Energy Ltd.	Canadian	5.92%
Capital Power Corp.	Canadian	5.66%
Fortis Inc.	Canadian	3.17%
Great West Lifeco Inc.	Canadian	4.42%
Innergex Renewable Energy	Canadian	3.05%
Nutrien Ltd.	Canadian	6.95%
Royal Bank of Canada	Canadian	6.82%
Telus Corp.	Canadian	3.61%
TC Energy Corp.	Canadian	3.36%
Thomson Reuters Corp.	Canadian	5.45%
Whitecap Resources Inc.	Canadian	5.04%
Summit Industrial Income REIT	Canadian	6.01%
BMO Canadian Dividend ETF	Canadian	16.39%
BMO Short Provincial Bond Index ETF	Canadian	1.78%
Cash	Cash	5.32%

Portfolio Manager's Comments

The weakness in markets from Q2, continued to follow through well into Q3. The fight against inflation came into hyper-focus in Q3 as the Federal Reserve continued to raise its key lending rate 2 more times in Q3- each by 75 basis points. The FED hasn't raised rates this much in a single year since 1980. In addition to the inflation fight by global central banks, there remains the overhang of the Russia/ Ukraine war and China's COVID lockdowns.

All that remains now is to see if the FED will be successful in lowering the rate of inflation and whether the US economy tips into a resulting recession.

Again, Canadian markets fared better than U.S. markets in Q3. Specifically, the **S&P/TSX** fell **-1.4%** in Q3 making the Year-To-Date "YTD" return **-11.1%** at September 30. US markets (**S&P 500**) (in local currency) declined **-4.9%** for the quarter and were down **-23.9%** YTD. Europe (**MSCI Europe**) gave up **-4.6%** in Q3 and is **-19.1%** YTD while Emerging Markets (**MSCI EM**) declined **-8.0%** in Q3 and are **-14.1%** YTD. All in all, some very unpleasant YTD investment returns, with Canadian markets providing a small bright spot because of the strength of the energy sector.

There were two minor transactions that took place in the portfolio in Q3. Namely, we added back some of the **Whitecap Resources (WCP)** that we previously sold at higher prices in Q2. Further, we also added to our existing position in **Fortis Inc (FTS)**, a solid dividend stock that is the largest investor-owned gas & electric distribution utility in Canada

Your **Canadian Equity Income Private Portfolio** continues to outperform it's Benchmark for every reported period. An investment "Since Inception" (February 1, 2020) would now have provided you with an **annualized return of +10.54% per year**, outperforming the Benchmark for the same time period.

Transactions Executed In The Quarter

Issuer	Action
Whitecap Resources Inc.	ADDED

Issuer	Action
Fortis Inc.	ADDED

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