

Managed Yield Private Portfolio



Q4 2021

Management Philosophy

The Managed Yield Private Portfolio aims to provide investors with stable, tax efficient returns. It focuses on dividend paying securities. The objective of the fund is to provide long term returns in-line with a 'growth' benchmark while maintaining a reduced level of volatility. This portfolio will:

- › Focus on value oriented Canadian & global equities
- › Diversify using exchange traded & closed end funds
- › Aim to capitalize on inefficiencies within the closed end market
- › Target tax efficient income generation
- › Only hold exchange listed securities

Top Holdings (53.3% of total portfolio)

Symbol	Description	Portfolio Weight	Income Yield
MSFT	MICROSOFT	7.1%	0.7%
PMIF	PIMCO MONTHLY INCOME ETF	5.9%	2.3%
MUB	MACKENZIE UNCONSTRAINED BOND ETF	5.7%	3.1%
SIA	SIENNA SENIOR LIVING INC	5.2%	6.2%
RY	ROYAL BANK OF CANADA	5.1%	3.2%
HR.UN	H&R REIT	5.0%	4.2%
CM	CDN IMPERIAL BANK OF COMMERCE	4.9%	4.4%
EIF.DB.J	EXCHANGE INCOME CV RD 5.35% 30JN25	4.9%	5.2%
DXG	DYNAMIC ACTIVE GLOBAL DIVIDEND ETF	4.9%	0.0%
ENB	ENBRIDGE INC	4.7%	6.8%

Portfolio Performance

	3 Months	6 Months	1 Year	3 Year	5 Year	Since Inception
Performance*	4.7%	5.6%	17.7%	11.6%	8.4%	9.7%
Benchmark	4.7%	5.8%	11.8%	12.2%	8.7%	8.8%

Portfolio Information

Inception	April 1, 2012
Portfolio Income Yield	3.8%
Distributions Made	\$7,100
Initial Investment	\$40,000
Quarter End Valuation	\$84,369
Portfolio Manager	John (Jay) D. Nash, BA, CIM®, FCSI®

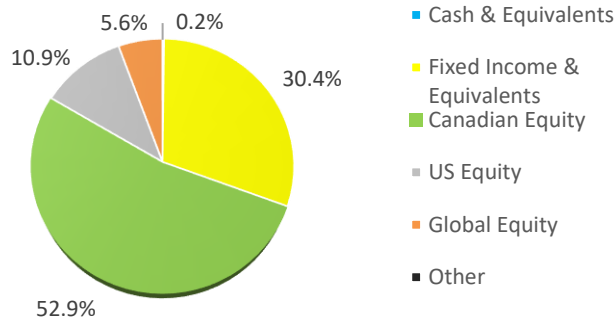
Composition of the benchmark: NBFWM Growth Benchmark is composed of 5% 91-Day Government of Canada T-Bills; 30% FTSE TMX Canada Universe, 22% S&P/TSX TR, 22%; S&P 500 SCAD TR Index; 11% MSCI EAFE TR Index; & 10% Alternative (made up of hedge funds, global infrastructure and gold)

- All reported data presented includes the cash balance set aside and available for investment in securities within the private portfolio. NBF statements exclude cash amounts from listed holdings in the section dedicated to the private portfolio.

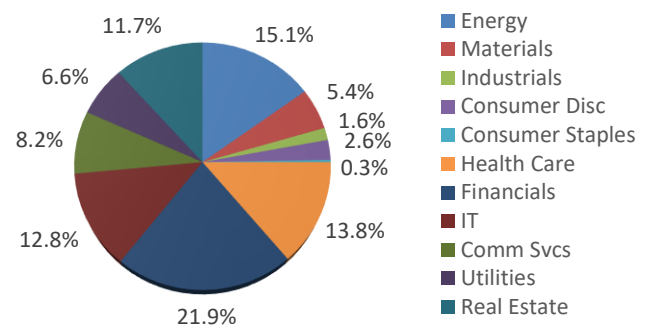
*Returns presented are before management fees; Figures beyond 1 year are annualized.

Leading Families to Their Wealth Goals

Asset Allocation



Industry Weightings



Management Commentary – NBF Chief Economist Martin Lefebvre

“[The current] backdrop remains supportive for risk assets, with corporate earnings growth set to remain strong, while Treasury yields should trend higher. That said, we should expect returns closer to historical averages and more volatility as significant uncertainty surrounds this base-case outlook. The arrival of Omicron suggests greater downside risks, with a tidal wave of hospitalizations forcing new severe lockdowns and exacerbating economic imbalances representing the most bearish scenario. Persistent price pressures leading to earlier and faster monetary tightening also remain a key risk factor for 2022.

Under these circumstances, we are starting the year with a continued preference for equity markets over fixed-income securities. Geographically, we favour North American stocks, which offer diversified exposure to all sectors of the economy. U.S. equities provide added resilience, notably due to the lack of political will for new severe public health restrictions south of the border. With Omicron and inflation both clouding the outlook, how policymakers react to these two challenges will be the determining factors behind market performance over upcoming quarters.”

Transactions

Added	Increased	Decreased	Removed
Sienna Senior Living (SIA)	Slate Grocery REIT (SGR.UN)	Suncor energy (SU)	Absolute Software (ABST)
Whitecap Resources (WCP)	Algonquin Power (AQN)	Mackenzie Unconstrained Bond ETF (MUB)	iShares Conservative Strategic Income ETF (XSE)
Brompton Flaherty & Crumin Preferred ETF (BPRF)	Medical Facilities (DR)		Savaria Corp (SIS)



I have prepared this commentary to give you my thoughts on various financial aspects and considerations. This commentary reflects my opinion alone, and may not reflect the views of National Bank Financial Group. In expressing these opinions, I bring my best judgement and professional experience from the perspective of someone who surveys a broad range of investments. Therefore, this report should be viewed as a reflection of my informed opinions rather than analyses produced by the Research Department of National Bank Financial. > National Bank Financial – Wealth Management (NBFWM) is a division of National Bank Financial Inc. (NBF), as well as a trademark owned by National Bank of Canada (NBC) that is used under licence by NBF. NBF is a member of the Investment Industry Regulatory Organization of Canada (IIROC) and the Canadian Investor Protection Fund (CIPF), and is a wholly-owned subsidiary of NBC, a public company listed on the Toronto Stock Exchange (TSX: NA). > National Bank Financial may act as financial advisor, fiscal agent or underwriter for certain companies mentioned herein and may receive remuneration for its services. National Bank Financial and/or its officers, directors, representatives or associates may have a position in the securities mentioned herein and may make purchases and/or sales of these securities from time to time on the open market or otherwise. The particulars contained herein were obtained from sources we believe to be reliable, but are not guaranteed by us and may be incomplete. Unit values and returns will fluctuate and past performance is not necessarily indicative of future performance.