

# Canadian Focus Private Portfolio



Q3 2023

## Management Philosophy

The Canadian Focus Private Portfolio uses quantitative measures to identify stocks offering growth at a reasonable price.

- › Portfolio is constructed with a maximum of 25 Canadian securities that have strong relative earnings momentum, dividend growth and are trading at an attractive valuation.
- › Portfolio aims to be 100% invested and can use up to 20% ETFs for diversification.
- › All holdings must have adequate liquidity.
- › All holdings must have a dividend.

## Top Holdings (51.7% of total portfolio)

Symbol	Description	Portfolio Weight	Income Yield
CNQ	CDN NATURAL RESOURCES LTD	6.5%	4.1%
SU	SUNCOR ENERGY INC NEW	6.0%	4.5%
CSU	CONSTELLATION SOFTWARE	5.7%	0.2%
L	LOBLAW COMPANIES LTD	5.4%	1.6%
IFC	INTACT FINANCIAL CORP	5.3%	2.2%
NA	NATIONAL BANK OF CDA	4.8%	4.5%
TECK.B	TECK RESOURCES LTD -B- SV	4.8%	0.3%
CNR	CANADIAN NATIONAL RAILWAY	4.5%	2.2%
RY	ROYAL BANK OF CANADA	4.4%	4.6%
TIH	TOROMONT INDUSTRIES LTD	4.3%	1.6%

## Portfolio Performance

	3 Months	6 Months	1 Year	3 Year	5 Year	Since Inception
<b>Performance*</b>	-1.1%	-0.3%	10.8%	12.7%	7.8%	7.0%
<b>Benchmark</b>	-2.2%	-1.1%	9.5%	9.9%	7.3%	5.7%

## Portfolio Information

<b>Inception</b>	September 1, 2014
<b>Initial Minimum Investment</b>	\$58,468
<b>Distributions Made</b>	\$8,100
<b>Current Dividend Yield</b>	3.3%
<b>Current Investment</b>	\$98,073
<b>Portfolio Manager</b>	John (Jay) D. Nash, BA, CIM®, FCSI®

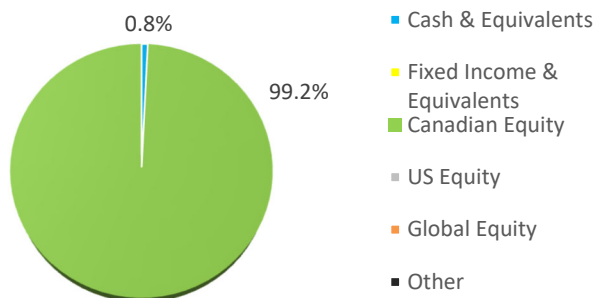
### Composition of the benchmark: S&P/TSX Total Return

- 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.

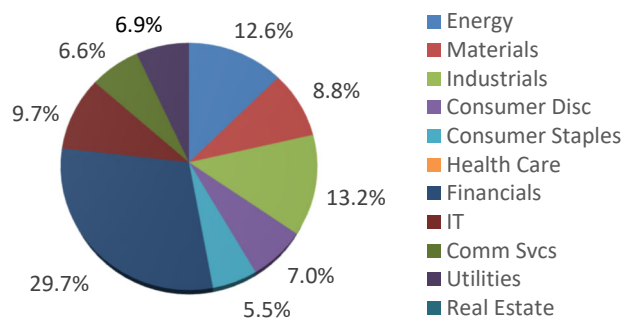
\*Returns presented are before management fees; Figures beyond 1 year are annualized

## Leading Families to Their Wealth Goals

### Asset Allocation



### Industry Weightings



## Management Commentary

Outperformance in a negative quarter is never as satisfying as adding to positive returns. The third quarter was a strong one up until the final two weeks when long-term bond yields spiked and investor movement away from high yield dividend names accelerated. Dividend yields on many core stock holdings such as financials, pipelines, and utilities are at levels not seen since the Great Financial Crisis (2009). We believe this presents a huge opportunity for investors. However, it has also limited portfolio returns in the short term as the higher yields have come at the cost of lower stock prices.

Portfolio strength has come from holdings in energy – **Suncor** (SU) and **Canadian Natural Resources** (CNQ) – as well as technology – **Constellation Software** (CSU). There were no major changes made to the portfolio this quarter. As cash built up from dividends, we chose to add to **BCE Inc** (BCE), which currently offers a dividend yield of 7.5%.

We believe that inflation peaked in June 2022, but it will be mid-2024 before CPI moves below 3%. It could be 2025 before the central banks target of 2% is achieved. The Bank of Canada may not raise again, but it is also unlikely to cut in the next 6 months. We continue to focus on positions offering reasonable yield alongside positive and growing earnings.

## Transactions

Added	Increased	Decreased	Removed
	BCE Inc (BCE)		



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