

Canadian Focus Private Portfolio



Q4 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 (51.8% of total portfolio)

| Symbol | Description | Portfolio Weight | Income Yield |
|--------|---------------------------|------------------|--------------|
| CSU | CONSTELLATION SOFTWARE | 6.3% | 0.2% |
| CNQ | CDN NATURAL RESOURCES LTD | 5.7% | 4.6% |
| L | LOBLAW COMPANIES LTD | 5.7% | 1.4% |
| GSY | GOEASY LTD | 5.1% | 2.4% |
| SU | SUNCOR ENERGY INC NEW | 5.1% | 5.1% |
| IFC | INTACT FINANCIAL CORP | 5.1% | 2.2% |
| NA | NATIONAL BANK OF CDA | 5.0% | 4.2% |
| CNR | CANADIAN NATIONAL RAILWAY | 4.8% | 1.9% |
| RY | ROYAL BANK OF CANADA | 4.6% | 4.0% |
| TD | TORONTO DOMINION BANK | 4.4% | 4.5% |

Portfolio Performance

| | 3 Months | 6 Months | 1 Year | 3 Year | 5 Year | Since Inception |
|---------------------|----------|----------|--------|--------|--------|-----------------|
| Performance* | 7.4% | 6.2% | 12.4% | 12.3% | 11.6% | 7.6% |
| Benchmark | 8.1% | 5.7% | 11.8% | 9.6% | 11.3% | 6.4% |

Portfolio Information

| | |
|-----------------------------------|-------------------------------------|
| Inception | September 1, 2014 |
| Initial Minimum Investment | \$58,468 |
| Distributions Made | \$8,600 |
| Current Dividend Yield | 3.1% |
| Current Investment | \$104,748 |
| Portfolio Manager | John (Jay) D. Nash, BA, CIM®, FCSI® |

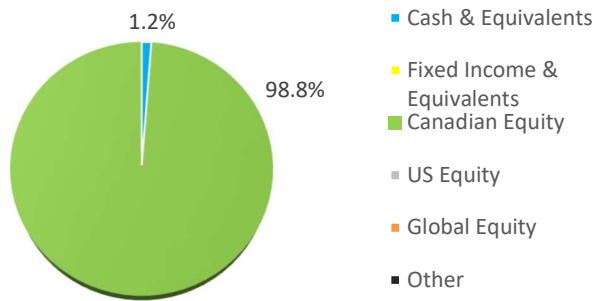
Composition of the benchmark: S&P/TSX Total Return

- 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.

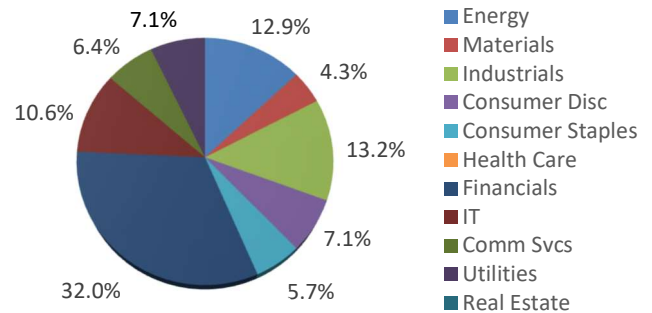
*Returns presented are before management fees; Figures beyond 1 year are annualized

Leading Families to Their Wealth Goals

Asset Allocation



Industry Weightings



Management Commentary

The final quarter of 2023 started very poorly for stocks as investors continued to move into risk free returns. By late October three of the major six banks in Canada were trading at or near their book value, something we last saw in the heart of the great financial crisis (2009). This changed dramatically in late October with the TSX rising over 10% from October 25th through year end. The NASH Canadian Focused participated extremely well gaining 5.2% for the quarter (versus 3.9% for the TSX) and closing the year with over a 12% return.

We made a number of changes to the portfolio during the quarter closing out positions in **Nutrien (NTR)** and **Canadian Tire (CTC.A)**. Canadian Tire had been held for over 10 years and treated investors very well, but it was time to move on and we see better opportunities in **Restaurant Brands International (QSR)**.

Central Banks appear poised to cut rates in 2024 and we believe this will be positive for the Canadian equity markets. TSX stocks tend to have higher dividends than their American counterparts. These should make them attractive to investors seeking yield alternatives as interest rates fall. While Canada may register a recession statistically it's unlikely to be very deep and the outlook for increasing economic growth is positive.

Transactions

| Added | Increased | Decreased | Removed |
|--------------------------------|----------------------------|-----------------------------|-----------------------|
| Restaurant Brands Inc (QSR) | Toronto Dominion Bank (TD) | CDN Natural Resources (CNQ) | Nutrien Ltd (NTR) |
| Parkland Corp (PKI) | Capital Power Corp. (CPX) | | CDN Tire Corp (CTC.A) |
| Horizons Cash Maximizer (HSAV) | | | |



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 license by NBF. NBF is a member of the Canadian Investment Regulatory Organization (CIRO) 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.