

Managed Yield Private Portfolio

Q4 2023

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 (52.6% of total portfolio)

Symbol	Description	Portfolio Weight	Income Yield
MSFT	MICROSOFT CORP	8.5%	0.8%
PMIF	PIMCO MONTHLY INCOME ETF	5.1%	5.8%
MFC	MANULIFE FINANCIAL CORP	5.1%	5.0%
FCIQ	FIDELITY INTL HIGH QUALITY IDX ETF	5.0%	0.5%
TGED	TD ACTIVE GLOBAL ENHANCED DIV ETF	4.9%	4.0%
RY	ROYAL BANK OF CANADA	4.9%	4.0%
HAB	HORIZONS ACTIVE CORP BOND ETF	4.8%	3.9%
ZCM	BMO MID CORP BOND IDX ETF	4.8%	4.0%
MUB	MACKENZIE UNCONSTRAINED BOND ETF	4.8%	5.5%
NPRF	NBI ACTIVE CDN PREFERRED SHARES ETF	4.7%	5.6%

Portfolio Performance

	3 Months	6 Months	1 Year	3 Year	5 Year	Since Inception
Performance*	7.1%	3.7%	6.9%	6.1%	7.1%	8.1%
Benchmark	7.8%	5.5%	12.2%	5.0%	7.9%	7.6%

Portfolio Information

Inception	April 1, 2012
Portfolio Income Yield	4.7%
Distributions Made	\$10,350
Initial Investment	\$40,000
Quarter End Valuation	\$82,283
Portfolio Manager	John (Jay) D. Nash, BA, CIM®, FCSI®

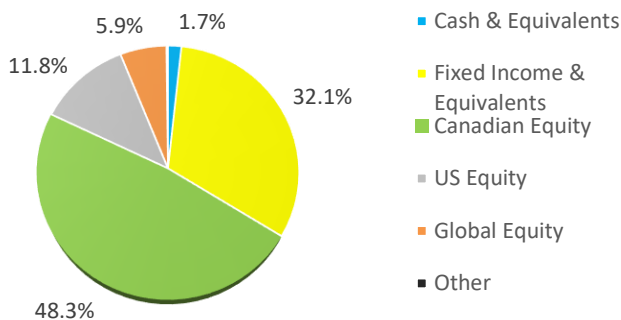
Composition of the benchmark: NBFWM Growth Benchmark is composed of 5% 91-Day Government of Canada T-Bills; 30% FTSE TMX Canada Universe, 22% S&P/TSX TR, 22%; S&P 500 SCAD TR Index; 11% MSCI EAFE TR Index; & 10% Alternative (made up of hedge funds, global infrastructure & gold)

- 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.

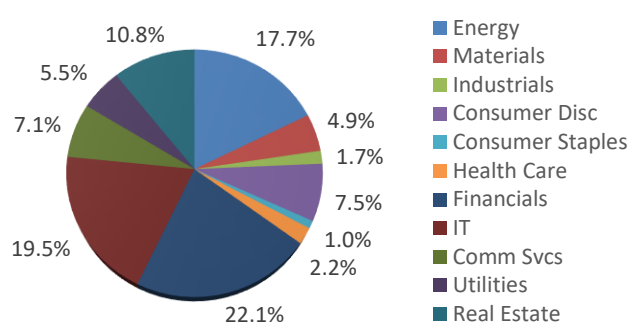
*Returns presented are before management fees; Figures beyond 1 year are annualized.

Leading Families to Their Wealth Goals

Asset Allocation



Industry Weightings



Management Commentary

The markets turned sharply higher in late October rewarding investors and bringing 2023 to a positive finish. High yielding income and equity positions did especially well, and the Managed Yield experienced a 7% rebound for the quarter. Central Banks appear to be done raising rates and are likely to start cutting in 2024. It is our expectation that trailing 12-month inflationary data in Canada and the U.S. may come in higher than expected in January resulting in some level of market pullback. However, without a global event we would view any pullback in equity or increase in bond yields as an opportunity to add to positions.

We expect 2024 to shift to disinflation (*lower inflation levels*) with the potential of deflation (*negative inflation*) readings in the late months of the year. The odds of additional interest rate increases are extremely low.

Changes in the last quarter were minor and focused on adding to high yield positions. The Real Estate Investment Trust (REIT) sector looks especially oversold and our position in H&R REIT (HR.UN) was increased to take advantage of this.

Transactions

Added	Increased	Decreased	Removed
None	Canso Credit Income (PBY.UN) H&R REIT (HR.UN)	Open Text (OTEX) Fidelity International High Quality ETF (FCIQ)	None



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.