

Canadian Focus Private Portfolio



Q4 2022

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 reasonable 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
SU	SUNCOR ENERGY INC	5.9%	4.8%
L	LOBLAW COMPANIES LTD	5.8%	1.4%
CNQ	CANADIAN NATURAL RESOURCES LTD	5.7%	4.5%
IFC	INTACT FINANCIAL CORP	5.4%	2.1%
CNR	CANADIAN NATIONAL RAILWAY	5.1%	1.8%
NA	NATIONAL BANK OF CANADA	5.0%	4.3%
RY	ROYAL BANK OF CANADA	4.9%	4.0%
NTR	NUTRIEN LTD	4.8%	2.6%
TD	TORONTO DOMINION BANK	4.6%	4.1%
CSU	CONSTELLATION SOFTWARE	4.5%	0.3%

Portfolio Performance

	3 Months	6 Months	1 Year	3 Year	5 Year	Since Inception
Performance*	5.9%	2.4%	-2.7%	10.6%	7.1%	7.1%
Benchmark	6.0%	4.5%	-5.8%	7.5%	6.9%	5.8%

Portfolio Information

Inception	September 1, 2014
Initial Minimum Investment	\$58,468
Distributions Made	\$7,100
Current Dividend Yield	3.7%
Current Investment	\$94,661
Portfolio Manager	John (Jay) D. Nash, BA, CIM®, FCSI®

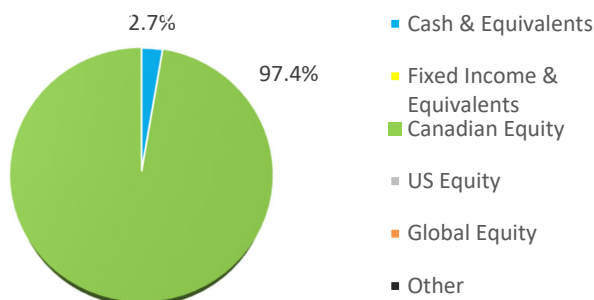
Composition of the benchmark: S&P/TSX Total Return

- 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.

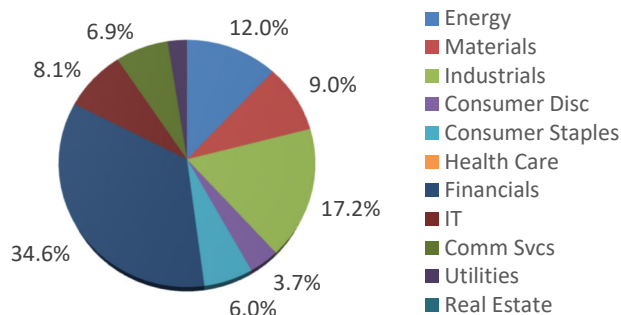
*Returns presented are before management fees; Figures beyond 1 year are annualized

Leading Families to Their Wealth Goals

Asset Allocation



Industry Weightings



Management Commentary

Rarely has the gap between “growth” and “value” been as wide as it was in 2022. Growth stocks were largely abandoned by investors, and there was a broad refocusing toward profitability and free cash flow. This fit well with the approach used within the Canadian Focus Private Portfolio mandate, which enjoyed strong outperformance – particularly early in the year.

We believe Canadian inflation peaked at 8.1%, and the decline that has defined the second half of 2022 will continue into 2023. While many analysts expect the U.S. to register a recession in the coming months, Canada looks like it may accomplish a “soft landing”. The central bank has successfully raised rates at the fastest pace in history, and inflation is likely to be back within the target zone later in the year (meaning that the increases are all but done). This should provide stability.

As we enter 2023, the largest portfolio holdings are **Canadian Natural Resources (CNQ)** and **Suncor Energy (SU)**. The price of oil remained above \$70 USD (WTI) for the entirety of 2022 and is expected to remain at this very profitable level into 2023. While companies are once again spending on exploration, both holdings should continue to benefit.

Transactions

Added	Increased	Decreased	Removed
Capital Power Corp (CPX)	Bank of Nova Scotia (BNS)	Canadian Natural Resources Ltd (CNQ)	Adentra Inc (ADEN)
	Goeasy Ltd (GSY)		



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