

Portfolio Manager Commentary

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Happy New Year and welcome to the Winter edition of our Basket Newsletter. As we enter the New Year, we look back on 2024 and are again very happy to report continued strong performance for our Basket holders. **We posted returns of 21.92% in 2024 and continue to beat our benchmark over the long-term.** 2024 was an excellent year for both US and Canadian markets despite new and ongoing concerns in the Middle East, the continuation of the War in Ukraine, and the divergence observed between the strength of the US economy when compared to the weakness seen at home here in Canada.

CIPF
Canadian Investor Protection Fund
MEMBER

On a positive note, we have seen another decrease in interest rates in the US, and continued decreases in Canada and Europe. Our economist forecasts that rates will continue to fall in the US and Canada. NBF believes that rates will continue to decline over the next year as inflation cools and unemployment rises. The most difficult task for central bankers is to adjust interest rates without causing a recession or excessive inflation. So far, central bankers have achieved this task.

We continue to monitor our Basket holdings very closely so that we can adjust when needed and as economic conditions change. In the interim, Happy New Year and thank you again for your continued confidence and support. Don't hesitate to contact us if you would like to meet in person to review your present and future goals.

I have prepared this commentary to give you my thoughts on various investment alternatives and considerations which may be relevant to your portfolio. This commentary reflects my opinions alone, and may not reflect the views of National Bank Financial Group. In expressing these opinions, I bring my best judgment 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.

Investment Objectives

To provide a diversified portfolio, predominantly of Canadian securities, that produces capital appreciation and moderate income. The portfolio performance will be proportionately measured against the TSX and US indices.

Fund Details

Inception Date: Sept. 25, 2002
Inception Value: \$12,980 Cdn
31 Dec 24 Value: \$75,993 Cdn
Total Distributions: \$18,700 Cdn
(Since Inception)

Total Returns (gross of fees) 31 Dec 24

	<u>Basket</u>	<u>Benchmark</u>
3 mths:	4.67%	4.79%
1 year:	21.92%	22.13%
3 years:	11.36%	9.10%
5 years:	12.29%	11.03%
Since Inception:	10.29%	9.06%

Present Holdings - As at Dec 31, 2024

<u>Company</u>	<u>Sector</u>	<u>Weighting</u>	<u>ESG Score*</u>
Invesco QQQ (US)	Technology/Other	11.67%	N/A
iShares Healthcare (US)	Healthcare	7.76%	N/A
Visa (US)	Financials	7.22%	B-
National Bank of Canada	Financials	6.23%	A-
CIBC	Financials	5.04%	B+
GFL Environmental	Industrial	4.74%	A-
Capital Power	Utility	4.71%	B
Canadian Natural Resources	Energy	4.69%	B
Trisura Group Ltd.	Financials	4.53%	C
Teck Resources	Materials	4.31%	A
Quebecor	Telecom	4.24%	C+
Schlumberger (US)	Energy	4.23%	A
Element Fleet Management	Industrials	4.22%	B-
Tourmaline	Energy	4.22%	B-
Cenovus Energy	Energy	4.09%	C+
Bank of Nova Scotia	Financials	4.08%	A
Boeing (US)	Industrials	4.04%	A-
Costco (US)	Consumer Staples	3.49%	B+
Canadian Pacific Kansas City	Industrials	3.30%	A
Kinaxis	Technology	3.20%	B+
Total		100.00%	

Portfolio Allocation

by Sector As at Dec 31, 2024

Financials	27.16%
Energy	17.28%
Industrials	16.71%
Technology	9.37%
Healthcare	8.34%
Telecom	6.01%
Utilities	4.86%
Materials	4.46%
Consumer Staples	4.12%
Consumer Discretionary	1.68%
Real Estate	0.02%
Total	100.00%

Year Over Year Returns

<u>Period</u>	<u>Return on Investment</u>
2002*	5.82%
2003	21.35%
2004	7.13%
2005	14.96%
2006	21.61%
2007	5.94%
2008	-22.45%
2009	18.04%
2010	12.31%
2011	4.69%
2012	9.52%
2013	18.59%
2014	16.82%
2015	-2.41%
2016	15.76%
2017	14.02%
2018	-6.74%
2019	23.95%
2020	9.36%
2021	18.21%
2022	3.43%
2023	9.50%
2024	21.92%

*From 25 Sep 02 to 31 Dec 02

*ESG Scores are collected from Refinitiv via Thomson One

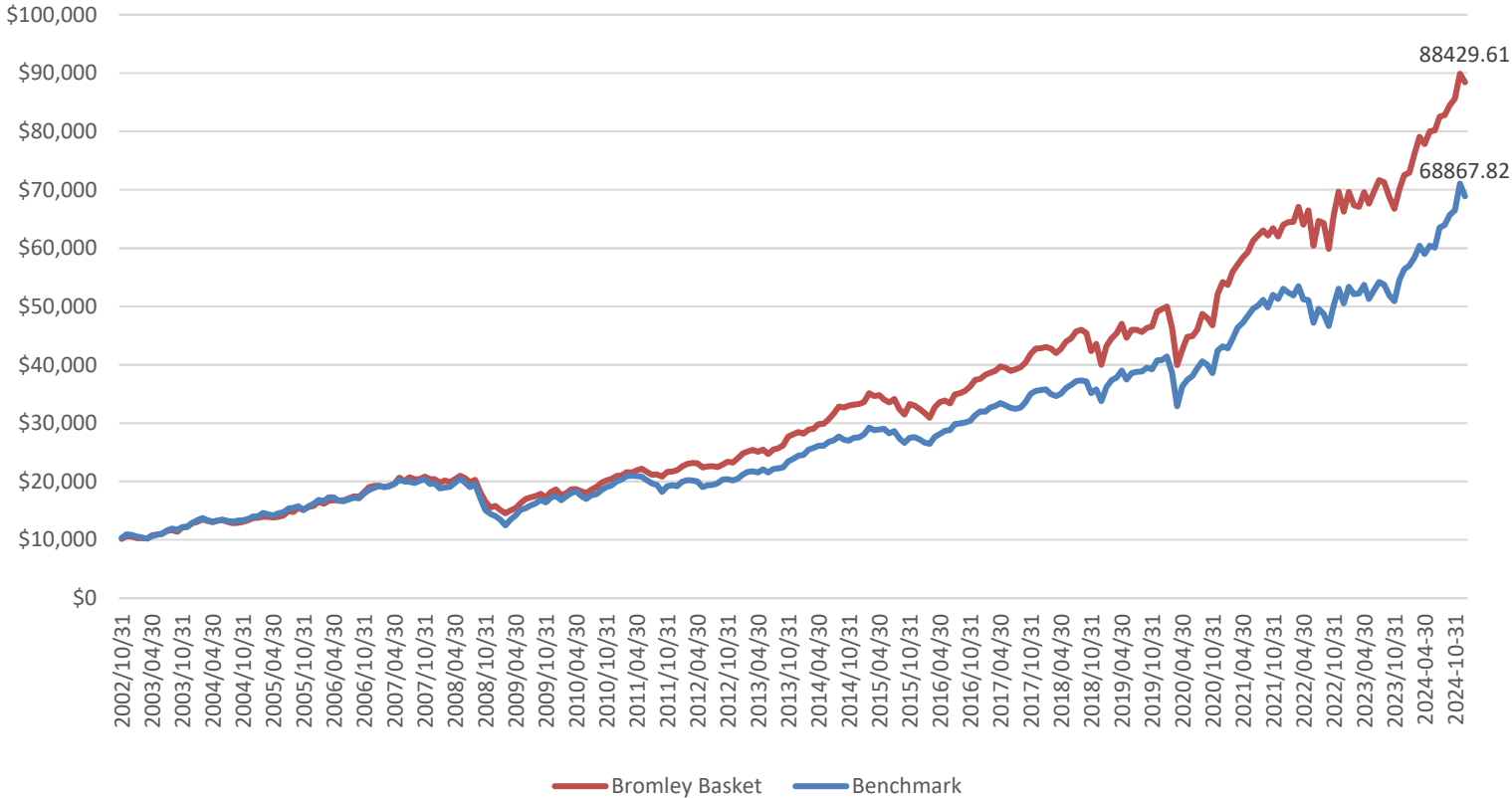
*Please note effective for the Sep 30, 2023 newsletter, Visa has been reclassified from Technology to Financials, QQQ has been reclassified from Technology to Technology/Other

*Please note effective for the March 31, 2024 newsletter, Element Fleet has been reclassified from Financials to Industrials

Transaction Summary for the Quarter: Sold 44 shares Delta Airlines (DAL-US); Bought 58 shares Schlumberger (SLB-US)

Bromley Basket Growth from \$10,000 Performance Comparison

Portfolio Value vs Index value



Benchmark calculated as: {0.7 x (S&P/TSX Total Returns)} + {0.3 x (DJII x US\$)}

Note: Effective September 30, 2006, we changed one of the components of the Benchmark to more closely represent the holdings in our Basket. i.e. In the past, we were using the TSX300 Index to tabulate the Benchmark, but are now using the S&P/TSX Total Returns Index to calculate the Benchmark returns. For comparison purposes to our Benchmark, the returns are calculated gross of fees

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