Canadian Dividend Growth and Income Portfolio

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Basket Investment Strategy

The Radia Canadian Dividend Growth and Income Basket (CDGI) is an investment portfolio that is managed by the Radia Wealth on a discretionary basis in your brokerage account. You directly own the underlying securities and receive the dividends.

As the name implies, this basket invests in Canadian companies that 1) have sustainable dividends and 2) will be able to grow their dividend in the future. Sustainable dividends and the ability to grow the dividends are the two main pillars of our investment process. We believe that a superior total return can be obtained through a combination of the dividend yield and capital gains as a result of finding businesses with the two pillars.

We believe that if we invest in companies with sustainable growing dividends, the capital gains will come over the long-term (5 to 10-year time horizon). Thus, we are not focused on short-term price movements of our holdings.

Performance

Portfolio Performance

	3 months	1 yr	3 yrs	5 yrs	Inception*
Basket Performance	2.82%	38.11%	11.76	11.69%	12.72%
Benchmark	0.17%	28.02%	11.07%	9.64%	8.86%

Value of Basket** September 30, 2021	$25,058.29

***Inception date:** January 1st, 2013 initial value of one basket is $25,431.80 . After the 2 for 1 split, initial cost for one basket is $12,715.90*

***** Value of one basket. The basket split 2 for 1 on August 19, 2021***

***Fees:** Returns presented are gross of fees.*

***Source**: Croesus*

Indices are shown for comparison purpose only.

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

Performance Data

How do we know how we are doing? It is industry standard to compare a portfolio of stocks to a benchmark. Our benchmark is the S&P/TSX Composite Total Return Index.

We prefer to measure ourselves against our two pillars; 1) have our dividends been sustained and 2) have we increased the dividends (cash received) at a rate greater than inflation.

Year-to-date we had 6 of our 16 companies increase their dividends. We experienced no dividend cuts. Of the 6 companies that raised their dividends, the average increase was 4.01% which is well above the inflation rate.

Holdings

Description	Sector (GIS)	Market Value	Weighting
Brookfield Renewable Corporation	Utilities	$885.60	3.53%
BCE Inc	Communication Services	$1,522.80	6.08%
Exchange Income Corp	Industrials	$1,773.20	7.08%
Enbridge Inc	Energy	$1,715.64	6.85%
Cdn Tire Corp Ltd-A NV	Consumer Discretionary	$1,772.40	7.07%
Capital Power Corp	Utilities	$1,879.24	7.50%
Keyera Corp	Energy	$1,529.76	6.10%
Sun Life Financial Inc	Financials	$2,086.40	8.33%
Telus Corp	Communication Services	$1,614.72	6.44%
Nutrien Ltd	Materials	$2,137.46	8.53%
NFI Group Inc	Industrials	$1,048.96	4.19%
Bank of Nova Scotia	Financials	$1,715.12	6.84%
Newmont Corp	Materials	$969.51	3.87%
Shaw Communication	Communication Services	$1,104.60	4.41%
Power Corp Of Canada	Financials	$1,753.50	7.00%
Altagas Ltd	Utilities	$1,549.38	6.18%

Transactions Performed During the Year 2021

Purchase /Sold	Description	Quantity	Price
Bought	Altagas Ltd	61	19.92
Sold	Open Text Corporation	11	59.366
Sold	Osisko Gold Royalties	40	14.133
Bought	Shaw Communication	29	34.849
Sold	Brookfield Renewable Corp	18	55.624
Bought	Altagas Ltd	1	26.095
Bought	Bank of Nova Scotia	4	80.763
Bought	BCE Inc	1	63.70
Bought	Brookfield Renewable Corp	1	53.298
Bought	Capital Power Corp	1	42.003
Bought	Keyera Corp	17	31.285
Bought	Newmont Corp	14	73.033
Bought	Nutrien Ltd	1	78.47
Bought	Power Corp Of Canada	1	42.041
Bought	Shaw Communication	1	36.473
Bought	Sun Life Financial Inc	1	66.39
Sold	WPT Industrial REIT T/U	80	27.226

Dividend Growth

Description	Dividend Increases YTD (%)	Dividend Increases Since Purchase
Telus Corporation	1.61%	97.63%
Cdn Tire Corp Ltd-A NV	3.30%	3.30%
Brookfield Renewable Corporation	4.98%	9.78%
Exchange Income Corporation	0%	18.75%
Bank of Nova Scotia	0%	25.00%
Sun Life Financial Inc	0%	20.88%
Nutrien Ltd	2.22%	15.00%
BCE Inc	5.11%	15.89%
Capital Power Corporation	6.83%	22.35%

Portfolio Managers' Comments

Normal Markets?

The Canadian equity market as referenced by the S&P/TSX index has had a year to date return of 17.5% at the end of September. At the time of this writing it is closer to and may even be greater than 20%. Above the 1 year return is referenced for the index at 28.02%. In our year end review we wrote "The year 2020 did nothing to live up to the definition of normal." We should correct that statement to "The year 2020 did nothing to live up to the definition of normal **except give normal market returns**.

From the chart below we can see that since 1957, the S&P/TSX calendar returns >10%, occurred 52% of the time. The percentage of years the return has been >20% has been 30%. While it is nice to have >10% returns, one should not expect >10% returns every calendar year. Historically the S&P/TSX experienced returns <0 (negative) 26% of the time. The conclusion is that equity investors and even dividend growth investors should expect both positive and negative calender year returns and the returns are random in nature.

Since 1957, % of times the S&P/TSX calendar return has been…

	# of years	% of years
20% and higher	20	30%
10% to 20%	14	22%
0% to 10%	13	21%
-10% to 0%	11	17%
-10% to -20%	4	6%
-20% and lower	2	3%

CIO Office (Data via Refinitiv). Total return, as of August 27, 2021.

<u>38% One Year Return in Perspective.</u>

Our egos enjoy the fact that we can post that our 1-yr return was a high 38% (high even compared to the benchmark return of 28%) However, we personally believe that this number has little to no meaning without knowing what happened prior to the start of the calculation period.

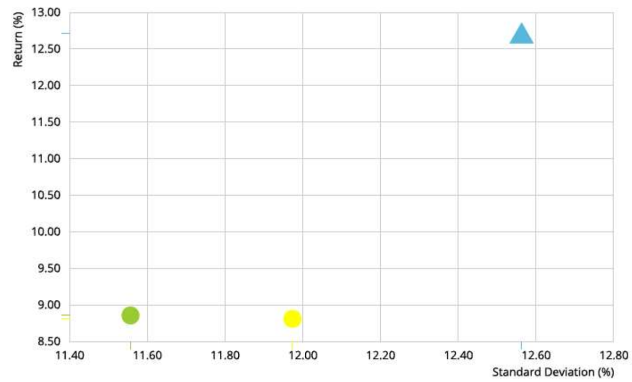
In the one year period prior, October 1st 2019 to September 30th 2020, our portfolio had a negative return of (10.32)%. This was greater on the downside (not as good) as the S&P/TSX TR index's (0.03)% negative return

We would say that even on a 2-yr basis we have slighty underperformed our benchmark, 11.29% vs. 13.13%. Should you sell our portfolio because we underperformed? We don't believe so, just as we don't think you should buy our portfolio because of the above reported outperformance, even on 1-yr, 3-yr, 5-yr and since inception basis.

We have a specific style of investing: to buy publically listed businesses that pay sustainable dividends and grow their dividends over time at a rate greater than inflation. We believe this is appropriate for the majority of our clients and are committed to refining and improving our investment acumen. We must also humbly admit and remind you our fellow investors that NO strategy outperforms all the time.

Below is the 8 and 3/4 year (since inception) Risk/Reward chart which compares the volatility of our portfolio, as measured by standard deviation and the total return, comparing it to our index, the S&P/TSX Composite Total Return Index. Our portfolio (the blue triangle) has had a considerably higher return with only slightly more volatility than the S&P/TSX Comp T/R (green dot). Ideally, we would like to have the same return metrics but lower risk, such as over to the left of the chart, i.e. higher return and lower volatility.

RISK/RETURN ANALYSIS (CAD)



Annualized	Std Dev. (%)	Return (%)
Gross of Fees	12.56	12.72
DJ CAD DIV	11.97	8.81
S&P/TSX RT/TR	11.56	8.86

We currently hold 16 companies. While 15 holdings is our target, we do have the option of holding between 10 to 20 companies. Each holding, in our view, is a different income stream. This will offer better risk/reward for you, the investor.

<u>Portfolio Split</u>

The reference portfolio was initiated on January 1 2013 with a value of $25,431.80. As of Aug 18th, our reference portfolio grew to $51,074.17, which more than doubled from our original investment. We also received approximately $16,000.00 in dividends. Additionally, on the portfolio level we did not invest the dividends nor did we inject more capital into our reference portfolio.

On August 19th we split our portfolio, 2:1. This has no impact on our strategy nor our existing investors. You now have 2x the number of baskets. New investments into the basket is easier now that the minimum initial investment is lower and approximately $25,330.23 rather than $50,660.46. Subsequent investments of ½ a basket is now also lower.

In order to split our basket, the holdings had to be divisible by 4. From above, you can see that we had to add 1 share to some of our holdings.

We will continue to invest this portfolio with care, looking for fundamentally sound companies which in our opinion offer stable, sustainable dividends and have the potential to increase their dividends over time. We look forward to splitting this portfolio again.

2016 Awards of Excellence

Private Portfolio of the Year
Finalist Canada

2017 Awards of Excellence

Best Private Portfolio
National Winner