

ZAVA Canadian Equity Income Private Portfolio

December 31st, 2022 (4th Quarter)



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Portfolio Performance

	3 months	6 months	1 year	2 years	Since Inception
PORTFOLIO Performance	3.23%	2.75%	.67%	14.67%	10.79%
BENCHMARK Comparison	5.71%	4.32%	-5.46%	8.15%	6.82%

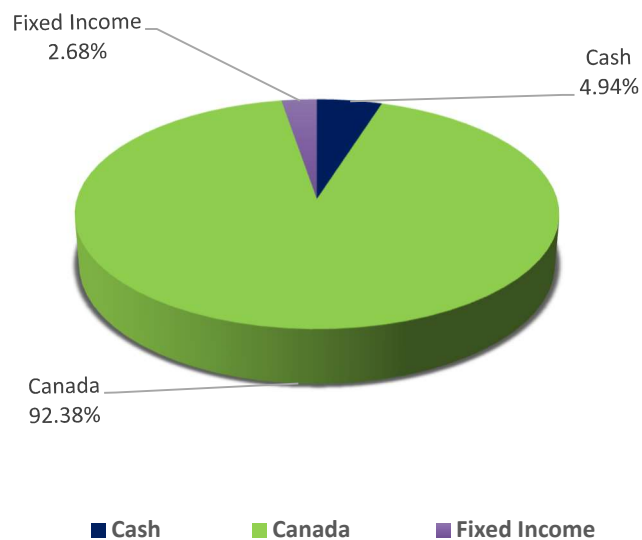
Value of Private Portfolio	
Feb 1, 2020 (Inception Date)	\$28,000
December 31, 2022	\$37,775

Returns: Returns for periods greater than 1 year are *Annualized*.
Fees: Returns presented are gross of fees.
Benchmark: 5% 91 day T-Bill, 95% S&P/TSX Total Return (Benchmark modified Oct. 2021)
 Source: National Bank Financial Portfolio Management Database

Investment Philosophy

The ZAVA Canadian Equity Income Private Portfolio employs a combination of both a passive investment style using Exchange Traded Funds (ETFs), together with active stock selection. ETFs are an excellent vehicle used to obtain broad diversified exposure to various geographies, sectors and styles. Additionally, individual stock selections will be made to enhance opportunities for income, growth &/or value. The Portfolio will maintain 100% exposure to Canada with a strong focus on dividend income. The Portfolio can also hold a smaller allocation in alternative investments such as Real Estate Investment Trusts (REITS). Finally, in order to add a defensive element to the Portfolio when appropriate, up to 25% of the Portfolio can be moved to cash or less volatile fixed income investments at any time.

Private Portfolio Asset Allocation



Who is This Investment For?

- This Portfolio is suitable for investors who:
- are seeking diversified equity exposure to Canadian markets, with a focus on earning dividend income
 - are willing to tolerate a moderate level of risk with a minimum time horizon of 2 - 5 years
 - prefer minimal involvement with the investment decision making process.

Your Private Portfolio at End of Q4

Issuer	Region	Weight
Brookfield Corp.	Canadian	4.10%
Brookfield Infrastructure LPU	Canadian	4.93%
Bank of Nova Scotia	Canadian	4.25%
BCE Inc.	Canadian	3.81%
Birchcliff Energy Ltd.	Canadian	5.54%
Capital Power Corp.	Canadian	5.45%
Fortis Inc.	Canadian	4.34%
Great West Lifeco Inc.	Canadian	4.85%
Nutrien Ltd.	Canadian	5.81%
Royal Bank of Canada	Canadian	6.80%
Telus Corp.	Canadian	3.35%
TC Energy Corp.	Canadian	3.17%
Thomson Reuters Corp.	Canadian	5.78%
Whitecap Resources Inc.	Canadian	6.03%
Summit Industrial Income REIT	Canadian	7.76%
BMO Canadian Dividend ETF	Canadian	16.40%
BMO Short Provincial Bond Index ETF	Fixed Income	2.68%
Cash	Cash	4.94%

Portfolio Manager's Comments

Markets ended a decidedly negative 2022 with healthy gains in Q4. The positive tone in Q4 was partly prompted by evidence of China starting to relax its zero COVID policy. The main driver however, behind positive Q4 returns was the fact that regions such as North America, Europe and Emerging Markets, were seeing indications that the pace of interest rate increases may finally be slowing. Central Banks have been raising rates consistently through 2022 but December was the first time in this cycle where the rate increase was smaller than prior increases. The US CPI (Consumer Price Index) data from the latter part of 2022 and early 2023 is showing solid evidence that inflation is slowing - it's still elevated at around 7%, but slowing nevertheless.

Global markets bounced noticeably in Q4. The **S&P/TSX** gained **+6.0%** in Q4 and ended 2022 with a total return of **-5.8%** for the year. Comparatively, U.S. markets (**S&P 500**) were up **+7.6%** for the quarter but heavily negative for the year having shed **-18.1%** for 2022. Other markets like Europe (**MSCI Europe**) and Emerging Markets (**MSCI EM**), while also nicely positive for Q4, still provided a negative 2022 with declines of **-10.9%** and **-17.9%** for the year respectively.

There were a few transactions in the portfolio in Q4. In particular, we sold our entire position in **Innergex Renewable Energy (INE)** and used the proceeds to add to existing positions in **Brookfield Infrastructure (BIP.UN)**, **BCE Inc. (BCE)**, **BMO Short Provincial Bond Index ETF (ZPS)** and **Great West Lifeco Inc. (GWO)**. We had purchased **Innergex** in March 2020. Our overall gain on that position was approximately 29% plus dividends, after selling the entire position.

Your **Canadian Equity Income Private Portfolio** continues to outperform its Benchmark for the 1 & 2 year periods as well as "Since Inception". An investment "Since Inception" (February 1, 2020) would now have provided you with an **annualized return of +10.79% per year**, outperforming the Benchmark for the same time period.

Transactions Executed In The Quarter

Issuer	Action
BMO Short Provincial Bond Index ETF	ADDED
Brookfield Infrastructure LPU	ADDED
BCE Inc.	ADDED

Issuer	Action
Great West Lifeco Inc.	ADDED
Innergex Renewable Energy	SOLD
Fortis Inc.	ADDED

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