

# ZAVA Canadian Equity Income Private Portfolio

## December 31<sup>st</sup>, 2023 (4<sup>th</sup> Quarter)



### Annualized Portfolio Performance

	3 months	6 months	1 year	3 years	Since Inception
<b>PORTFOLIO Performance</b>	4.31%	0.56%	1.56%	9.92%	8.20%
<b>BENCHMARK Comparison</b>	7.76%	5.56%	11.40%	9.79%	8.29%

<b>Value of Private Portfolio</b>	
Feb 1, 2020 (Inception Date)	\$28,000
December 31, 2023	\$38,147

**Returns:** Returns for periods greater than 1 year are Annualized.

**Fees:** Returns presented are net 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



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### Investment Philosophy

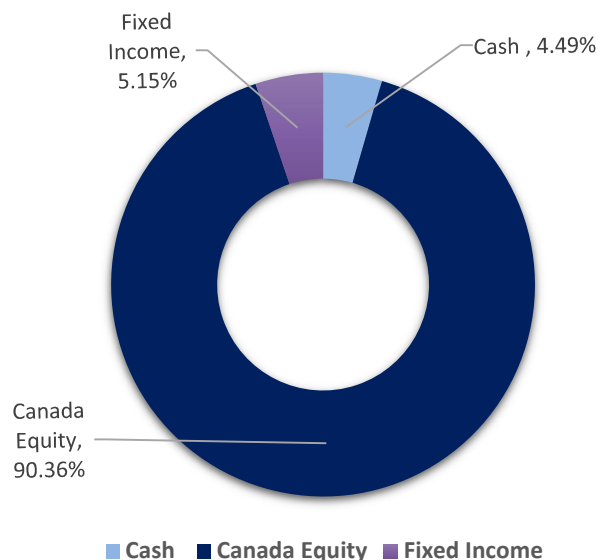
The ZAVA Canadian Equity Income Private Portfolio employs a combination of both a passive investment style using Exchange Traded Funds (ETFs), together with active stock selection. ETFs are an excellent vehicle used to obtain broad diversified exposure to various geographies, sectors and styles. Additionally, 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.

### 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.

### Private Portfolio Asset Allocation



## Your Private Portfolio at End of Q4

Region	
Canadian	5.93%
Canadian	3.84%
Canadian	4.44%
Canadian	4.30%
Canadian	5.11%
Canadian	3.23%
Canadian	7.14%
Canadian	5.58%
Fixed Income	5.15%

## Transactions Executed In The Quarter

Issuer	Action
NEXUS Industrial REIT	ADDED
Canadian Tire Corp	BUY
Brookfield Infrastructure LPU	

## Portfolio Manager's Comments

U.S. markets rebounded in a very big way in 2023, more than making up for the significantly negative 2022. Notably, a handful of U.S. tech stocks (now referred to as the Magnificent 7) provided most of the lift to U.S. markets, as we finally received signals from central banks, including the Federal Reserve, that interest appear rates to have peaked.

The **S&P/TSX** gained **+8.1%** in Q4 and finished 2023 **+11.8%**. The **S&P 500** rose **+11.7%** in Q4 and finished very strongly for a 2023 gain of **+26.3%**. Globally, the **MSCI AC World** and **MSCI EM** (Emerging Markets) provided a positive 2023 with gains of **+22.2%** and **+10.3%** respectively.

Performance for the **ZAVA Canadian Equity Income Private Portfolio** dragged relative to the **S&P/TSX** in 2023 as a result of positions in **BCE Inc. (BCE)**, **TC Energy Corp (TRP)**, **Nutrien Ltd. (NTR)**. Also, underperformance in the energy and real estate sectors weighed on portfolio performance.

We start 2024 by maintaining our energy (**BIR & WCP**) & fertilizer (**NTR**) positions as we believe there is still excellent value there to once again provide us with outsized returns, as in 2021. We had 2 very strong performers in **Thomson Reuters Corp. (TRI)** & **Great West Lifeco (GWO)** that were up 25% & 40% respectively in the Portfolio. Finally, we have initiated a new position for 2024 in the retirement home industry.

Transactions in your Portfolio in Q4 included exiting **Brookfield Corp (BN)** and initiating a position in **Canadian Tire Corp (CTC)**. Further, we added to existing positions in **Bank of Nova Scotia (BNS)**, **Brookfield Infrastructure LPU (BIP.UN)** & **Nexus Industrial REIT (NXR. UN)** on price declines.

Your **Canadian Equity Income Private Portfolio** continues to outperform for the 3 year period. An investment "Since Inception" (February 1, 2020) would now have provided you with an **annualized return of +8.20% per year**.

Issuer	Action
Brookfield Corp	SOLD
Bank of Nova Scotia	ADDED
Great West Lifeco Inc.	TRIMMED

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