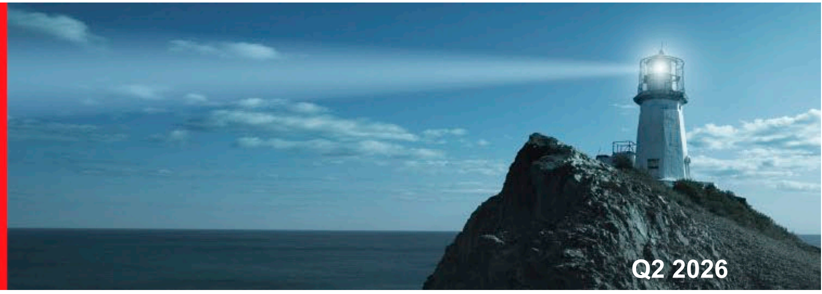
Leading Families to Their Wealth Goals

# Canadian Focus Private Portfolio




## 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 an attractive 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 (55.9% of total portfolio)

| Symbol | Description | Portfolio Weight | Income Yield |
|---|---|---|---|
| NA | NATIONAL BANK OF CANADA | 7.2% | 2.4% |
| RY | ROYAL BANK OF CANADA | 6.6% | 2.2% |
| HPS.A | HAMMOND POWER SOLUTIONS | 6.5% | 0.3% |
| EXE | EXTENDICARE INC | 6.1% | 1.5% |
| MFC | MANULIFE FINANCIAL CORP | 5.4% | 3.4% |
| L | LOBLAW COMPANIES LTD | 5.1% | 1.0% |
| CM | CANADIAN IMPERIAL BANK OF COMMERCE | 5.1% | 2.6% |
| WCP | WHITECAP RESOURCES INC | 4.6% | 5.0% |
| IAG | IA FINANCIAL CORP INC. | 4.4% | 2.2% |
| CTC.A | CANADIAN TIRE CORP | 4.4% | 3.7% |

Source: Croesus

## Portfolio Performance

| | 3 Months | 6 Months | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|---|---|---|---|---|---|---|---|
| **Performance*** | 15.4% | 17.2% | 29.3% | 20.2 | 14.0 | 12.2 | 10.5% |
| **Benchmark** | 7.2% | 11.2% | 33.1 | 24.3 | 15.4 | 13.1 | 10.4% |

Source: Croesus

## Portfolio Information

| | |
|---|---|
| **Inception** | September 1, 2014 |
| **Initial Minimum Investment** | $58,468 |
| **Distributions Made** | $15,750 |
| **Current Dividend Yield** | 2.2% |
| **Current Investment** | $161,691 |
| **Portfolio Manager** | John (Jay) D. Nash, BA, CIM®, FCSI® |

Source: Croesus

**Composition of the benchmark: Morningstar Canada 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.

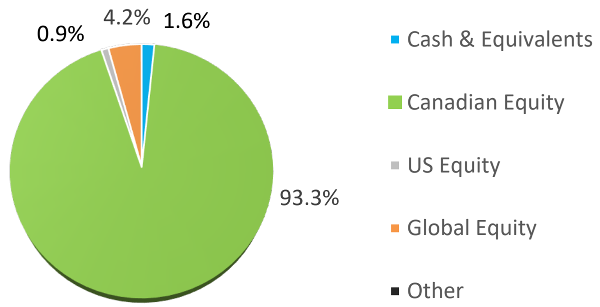
**Returns presented are before management fees; Figures beyond 1 year are annualized*

NATIONAL BANK FINANCIAL WEALTH MANAGEMENT

NASH Family Wealth Management

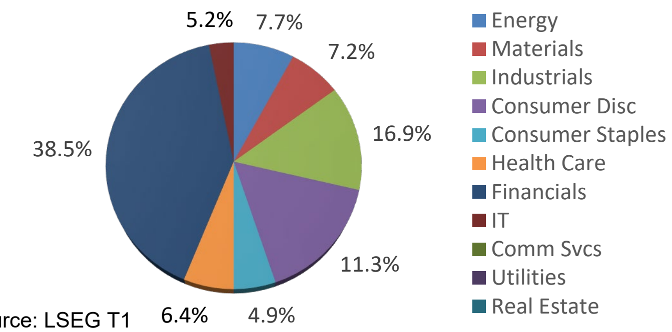
**National Bank Financial Wealth Management**
802-380 Wellington Street, London ON N6A 5B5
› Tel.: 519-646-2155 › Toll Free: 1-833-495-8865
› Fax: 519-645-0902 › Email: nashfamilywealth@nbc.ca

## Asset




Source: Croesus

## Industry Weightings




Source: LSEG T1

## Management Commentary

Huge wins from **Hammond Power** (HPS.A) and **Extendicare** (EXE) along with great momentum from the financial sector provided the Canadian Focused mandate with one of its best quarters in history. Both HPS.A and EXE were trimmed during the quarter as they became significantly overweights in the portfolio. Both remain among our top holdings.

On the trading front **Arc Resources** (ARX) was acquired by **Shell PLC** (SHEL) and replaced with **Cenovus Energy** (CVE). O**penText** (OTEX) was removed due to concerns that artificial intelligence (AI) will erode its future earnings potential. It was replaced with **Thomson Reuters** (THI).

Canadian economic data remains strong, and we do not see making major sectoral changes near term. Being underweight materials and telecom sectors served the portfolio well in Q2 as these sectors dropped 11.5% and 10% respectively.

Data Source: Morningstar

## Transactions

| Added | Increased | Decreased | Removed |
|---|---|---|---|
| Thomson Reuters Corp (TRI) | Purpose High Interest Savings (PSA) | Extendicare Inc (EXE) | Open Text (OTEX) |
| Cenovus Energy Inc. (CVE) | | Hammond Power Solutions (HPS.A) | Arc Resources (ARX) |