

# American Focus Private Portfolio



Q1 2023

## Management Philosophy

The American Focus Private Portfolio uses quantitative measures to identify stocks offering growth at a reasonable price.

- › Portfolio is constructed with a maximum of 25 American listed securities that have strong relative earnings momentum, dividend growth and are trading at reasonable 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 (47.0% of total portfolio)

Symbol	Description	Portfolio Weight	Income Yield
AAPL	APPLE INC	5.2%	0.6%
MSFT	MICROSOFT CORP	5.0%	0.9%
NVO	NOVO-NORDISK A/S-ADR	5.0%	1.1%
LLY	ELI LILLY & CO	4.8%	1.3%
BP	BP PLC ADR	4.8%	4.2%
TXN	TEXAS INSTRUMENTS INC	4.6%	2.7%
AVGO	BROADCOM INC	4.5%	2.9%
CALM	CAL-MAINE FOODS INC	4.5%	1.8%
BHP	BHP GROUP LTD SPON ADR	4.4%	11.0%
KLAC	KLA CORP	4.2%	1.3%

## Portfolio Performance

US Focus Private Portfolio	3 Months	6 Months	1 Year	3 Year	5 Year	Since Inception
Performance*	6.8%	18.6%	7.8%	22.1%	14.8%	14.0%
Benchmark	7.7%	17.0%	1.7%	15.5%	10.3%	11.2%

US Focus Model	3 Months	6 Months	1 Year	3 Year	5 Year	Since Inception
Performance*	6.8%	18.6%	7.8%	22.1%	14.8%	14.5%
Benchmark	7.7%	17.0%	1.7%	15.5%	10.3%	11.9%

## Portfolio Information

	American Focus Private Portfolio	American Focus Model Portfolio
Inception	January 26, 2017	September 12, 2014
Initial Minimum Investment	\$28,897	\$26,632
Distributions Made		\$4,850
Current Yield		2.5%
Current Investment		\$57,161 USD
Portfolio Manager	John (Jay) D. Nash, BA, CIM®, FCSI®	

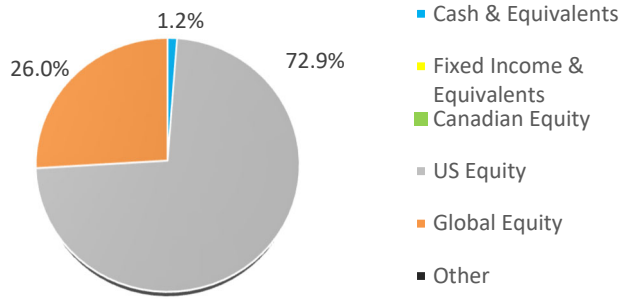
Benchmark Composition: 75% S&P 500 TR and 25% MSCI EAFE TR in Canadian Dollars  
Returns are before management fees in Canadian dollars. Data beyond 1 year is annualized.

- 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.

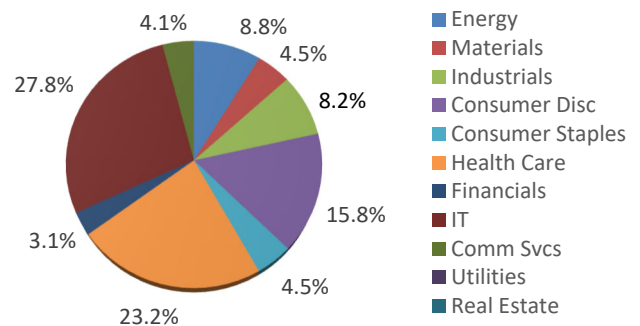
- The American Focus Private Portfolio was launched on January 26, 2017. A Model using a similar investment strategy was launched on September 12, 2014. Return figures are presented for informational purposes. The unit was dividend in two December 2019.

## Leading Families to Their Wealth Goals

### Asset Allocation



### Industry Weightings



## Management Commentary

The story of the month was the collapse of Silicon Valley Bank (SVB) in California. This was the largest bank failure in the U.S. since the 2008 Financial Crisis, but the regional banking structure favoured by the American system sees banks fail on a regular basis. The last was in 2020. In 2018, legislators eased reporting requirements for banks up to \$250 billion in deposits. Some see this as a central factor in the failures. As the quarter ended, the global banking crisis appeared to be settling down. The American Focus Private Portfolio had no global bank holdings. The only financial is **Blackstone Inc.** (BX), the world's largest alternative asset manager.

Globally, inflation is cooling, and supply change limitations are easing. We made portfolio changes to increase the energy weighting [**Valero Energy Corp** (VLO)] and shifted consumer exposures to favour delivery [**United Parcel Service** (UPS)] and high end automotive [**Mercedes-Benz Group** (MBGYY)]. The past two quarters have been remarkably strong, especially when one considers the continued global challenges. The portfolio has been able to outperform and is well positioned for this to continue.

**Note** – The information technology (IT) weighting dropped about 4% on the quarter. We made no major changes. **Paychex** (PAYX), which has been held since 2016, was moved within the S&P 500 index to Industrials and has been reflected as such in the chart above.

## Transactions

Added	Increased	Decreased	Removed
Mercedes-Benz Group AG ADR (MBGYY)	Valero Energy Corp (VLO)	BP PLC ADR (BP)	Best Buy Co Inc (BBY)
United Parcel Service CI B (UPS)	BHP Group Ltd (BHP)	Novo Nordisk A/S ADR (NVO)	Matson Inc (MATX)
Valero Energy Corp (VLO)	Cal-Maine Foods (CALM)		Nucor Corp (NUE)



I have prepared this commentary to give you my thoughts on various financial aspects and considerations. This commentary reflects my opinion alone, and may not reflect the views of National Bank Financial Group. In expressing these opinions, I bring my best judgement 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. > National Bank Financial – Wealth Management (NBFWM) is a division of National Bank Financial Inc. (NBF), as well as a trademark owned by National Bank of Canada (NBC) that is used under licence by NBF. NBF is a member of the Investment Industry Regulatory Organization of Canada (IIROC) and the Canadian Investor Protection Fund (CIPF), and is a wholly-owned subsidiary of NBC, a public company listed on the Toronto Stock Exchange (TSX: NA). > National Bank Financial may act as financial advisor, fiscal agent or underwriter for certain companies mentioned herein and may receive remuneration for its services. National Bank Financial and/or its officers, directors, representatives or associates may have a position in the securities mentioned herein and may make purchases and/or sales of these securities from time to time on the open market or otherwise. The particulars contained herein were obtained from sources we believe to be reliable, but are not guaranteed by us and may be incomplete. Unit values and returns will fluctuate and past performance is not necessarily indicative of future performance.