

# American Focus Private Portfolio



Q3 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 (50.1% of total portfolio)

Symbol	Description	Portfolio Weight	Income Yield
AVGO	BROADCOM INC	5.7%	2.2%
NVO	NOVO-NORDISK A/S ADR	5.6%	0.5%
LLY	ELI LILLY & CO	5.5%	0.8%
MSFT	MICROSOFT CORP	5.4%	0.9%
VLO	VALERO ENERGY CORP	4.9%	2.9%
BP	BP PLC ADR	4.8%	4.5%
KLAC	KLA CORP	4.7%	1.1%
AAPL	APPLE INC	4.7%	0.6%
MCD	MCDONALDS CORP	4.5%	2.3%
TJX	TJX COMPANIES INC	4.3%	1.5%

## Portfolio Performance

US Focus Private Portfolio	3 Months	6 Months	1 Year	3 Year	5 Year	Since Inception
Performance*	1.1%	4.4%	23.8%	14.7%	13.9%	13.7%
Benchmark	-1.3%	3.7%	21.2%	9.6%	9.3%	10.9%

US Focus Model	3 Months	6 Months	1 Year	3 Year	5 Year	Since Inception
Performance*	1.1%	4.4%	23.8%	14.7%	13.9%	14.2%
Benchmark	-1.3%	3.7%	21.2%	9.6%	9.3%	11.6%

## 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		\$5,350
Current Yield		2.4%
Current Investment		\$58,344 USD
Portfolio Manager	John (Jay) D. Nash, BA, CIM®, FCSI®	

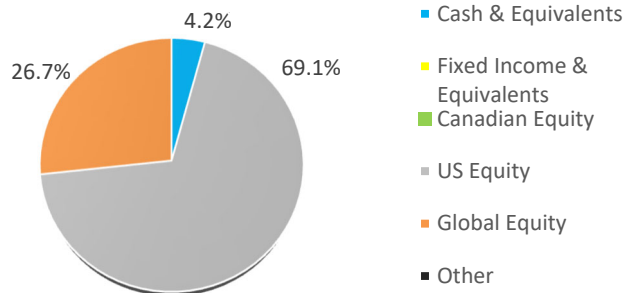
Benchmark Composition: 75% S&P 500 TR and 25% MSCI EAFE TR in Canadian Dollars  
Returns are before management fees in Canadian dollars. Data beyond 1 year is annualized.

- 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.

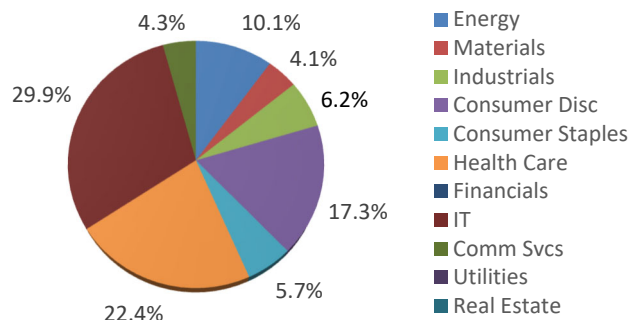
- The American Focus Private Portfolio was launched on January 26, 2017. A Model using a similar investment strategy was launched on September 12, 2014. Return figures are presented for informational purposes. The unit was dividend in two December 2019.

## Leading Families to Their Wealth Goals

### Asset Allocation



### Industry Weightings



## Management Commentary

Equity leadership in 2023 has come from a very short list of stocks. Last quarter we noted the contribution of semiconductors, which continue to outperform. The third quarter, however, could largely be defined by the rise of the drug Ozempic as a weight loss option, and the markets' expectation that this could spell the end of obesity in the United States. Holdings in **Eli Lilly** (LLY) and **Novo Nordisk** (NVO) were direct beneficiaries, while positions in fast food or snacks - **McDonalds** (MCD) and **Pepsi** (PEP) - suffered. The health care sector represents nearly a quarter of the American Focus Private Portfolio, but names unrelated to weight loss – **Bristol Myers** (BMY) and **Pfizer** (PFE) – have not enjoyed the same growth and at valuations that appear historically cheap, especially compared to holdings such as LLY and NVO.

The other sector worth noting is energy, which is currently 10% of the portfolio and likely to expand. West Texas Intermediate (WTI) rebounded to the \$90 USD range in Q3, which has boosted the values of holdings in **BP** (BP) and **Valero** (VLO). We believe both names remain undervalued versus their expected earnings. Statistics suggest that oil demand is currently greater than supply, and we believe oil prices are likely to remain elevated through year end.

## Transactions

Added	Increased	Decreased	Removed
Horizons USD Cash Maximizer ETF (HSUV.U)	Bristol Myers Squibb (BMY)	Apple (AAPL)	Southwest Airlines (LUV)
Pepsico (PEP)	Pfizer Inc (PFE)		United Parcel Service (UPS)
3M Company (MMM)			



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