

Managed Yield Private Portfolio



Q1 2023

Management Philosophy

The Managed Yield Private Portfolio aims to provide investors with stable, tax efficient returns. It focuses on dividend paying securities. The objective of the fund is to provide long term returns in-line with a 'growth' benchmark while maintaining a reduced level of volatility. This portfolio will:

- › Focus on value oriented Canadian & global equities
- › Diversify using exchange traded & closed end funds
- › Aim to capitalize on inefficiencies within the closed end market
- › Target tax efficient income generation
- › Only hold exchange listed securities

Top Holdings (52.8% of total portfolio)

Symbol	Description	Portfolio Weight	Income Yield
MSFT	MICROSOFT CORP	7.8%	0.9%
PMIF	PIMCO MONTHLY INCOME ETF	6.2%	7.8%
RY	ROYAL BANK OF CANADA	5.1%	4.1%
FCIQ	FIDELITY INTL HIGH QUALITY INDEX ETF	5.0%	0.5%
NPRF	NBI ACTIVE CANADIAN PREF ETF	4.9%	4.9%
ENB	ENBRIDGE INC	4.9%	6.9%
HAB	HORIZONS ACTIVE CORP BOND ETF	4.8%	4.2%
ZCM	BMO MID CORPORATE BOND INDEX ETF	4.8%	4.1%
HR.UN	H&R REIT	4.7%	4.8%
SU	SUNCOR ENERGY INC	4.6%	5.0%

Portfolio Performance

	3 Months	6 Months	1 Year	3 Year	5 Year	Since Inception
Performance*	3.4%	6.7%	-5.0%	13.8%	5.5%	8.4%
Benchmark	5.0%	10.3%	0.1%	9.2%	6.4%	7.5%

Portfolio Information

Inception	April 1, 2012
Portfolio Income Yield	4.8%
Distributions Made	\$9,350
Initial Investment	\$40,000
Quarter End Valuation	\$80,604
Portfolio Manager	John (Jay) D. Nash, BA, CIM®, FCSI®

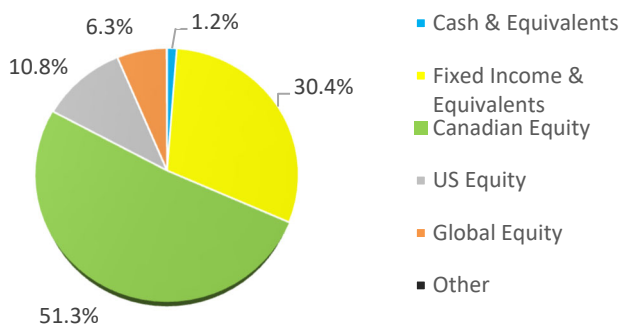
Composition of the benchmark: NBFWM Growth Benchmark is composed of 5% 91-Day Government of Canada T-Bills; 30% FTSE TMX Canada Universe, 22% S&P/TSX TR, 22%; S&P 500 \$CAD TR Index; 11% MSCI EAFE TR Index; & 10% Alternative (made up of hedge funds, global infrastructure and gold)

- 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.

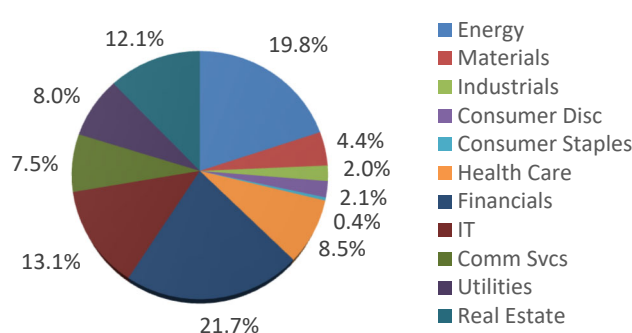
*Returns presented are before management fees; Figures beyond 1 year are annualized.

Leading Families to Their Wealth Goals

Asset Allocation



Industry Weightings



Management Commentary

January got off to an extremely strong start with Canadian banks and energy leading the way higher. Both sectors came under considerable pressure in March as a global banking crisis, triggered by the collapse of Silicon Valley Bank (SVB), Signature Bank (SNY), and Credit Suisse (CS), had investors fearing a return to 2008. As March ended, the crisis appeared to be over. However, the price of oil remained about 10% down from January levels, and many Canadian banks remain down over 5% from early March. We believe both will recover, and Canadian banks may benefit from the turmoil as they are viewed as some of the safest financial institutions in the world.

The use of debentures in the fixed income space helped the portfolio outperform in 2022 and remained an asset in early 2023. **Exchange Income** (EIF) traded at a level that provided additional upside to our fixed income holdings. Half of the position was removed and rebalanced as we must now view this position as more of an equity than a bond.

As we look to the months ahead, we believe that inflation will continue to decline and so will bond yields. This should increase the valuations of the portfolios most defensive holdings.

Transactions

Added	Increased	Decreased	Removed
	Horizons Active Corp Bond ETF (HAB)	Exchange Income Corp 5.35% Debenture 06/30/25 (EIF.DB.J)	
	Slate Grocery REIT (SGR.UN)		
	Suncor Energy Inc (SU)		
	Fidelity Intl High Quality Idx ETF (FCIQ)		
	Northland Power Inc (NPI)		



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.