

# Managed Yield Private Portfolio

Q3 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 (52.1% of total portfolio)

Symbol	Description	Portfolio Weight	Income Yield
MSFT	MICROSOFT CORP	7.8%	0.9%
SU	SUNCOR ENERGY INC	5.3%	4.5%
PMIF	PIMCO MONTHLY INCOME ETF	5.3%	6.3%
FCIQ	FIDELITY INTL HIGH QUALITY IDX ETF	4.9%	0.5%
NPRF	NBI ACTIVE CDN PREFERRED SHARES ETF	4.9%	5.7%
MUB	MACKENZIE UNCONSTRAINED BOND ETF	4.9%	4.7%
TGED	TD ACTIVE GLOBAL ENHANCED DIV ETF	4.8%	4.3%
HAB	HORIZONS ACTIVE CORP BOND ETF	4.8%	4.1%
ZCM	BMO MID CORP BOND IDX ETF	4.7%	4.3%
RY	ROYAL BANK OF CANADA	4.6%	4.6%

## Portfolio Performance

	3 Months	6 Months	1 Year	3 Year	5 Year	Since Inception
Performance*	-3.1%	-3.4%	3.1%	6.6%	4.1%	7.7%
Benchmark	-2.2%	-0.9%	9.3%	4.2%	5.5%	7.1%

## Portfolio Information

Inception	April 1, 2012
Portfolio Income Yield	5.1%
Distributions Made	\$9,850
Initial Investment	\$40,000
Quarter End Valuation	\$77,366
Portfolio Manager	John (Jay) D. Nash, BA, CIM®, FCSI®

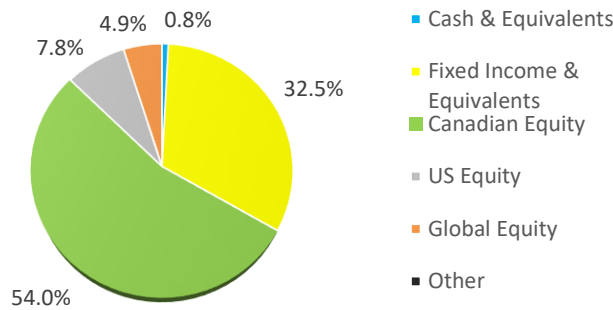
**Composition of the benchmark: NBFWM Growth Benchmark** is composed of 5% 91-Day Government of Canada T-Bills; 30% FTSE TMX Canada Universe, 22% S&P/TSX TR, 22%; S&P 500 \$CAD TR Index; 11% MSCI EAFE TR Index; & 10% Alternative (made up of hedge funds, global infrastructure and gold)

- 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.

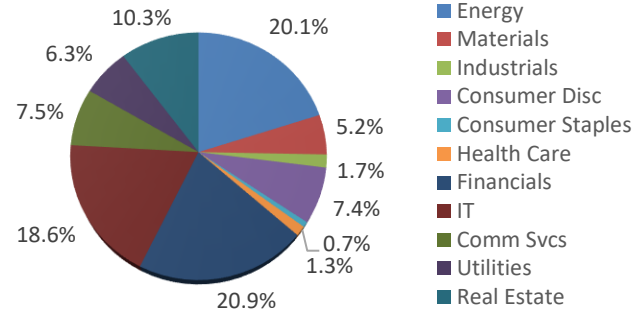
\*Returns presented are before management fees; Figures beyond 1 year are annualized.

## Leading Families to Their Wealth Goals

### Asset Allocation



### Industry Weightings



## Management Commentary

Yield on cash and bonds have reached levels not seen in over 15 years. Many Canadian equities are offering yield levels last seen during the Great Financial Crisis (2009). This presents a huge opportunity for investors going forward, but it has been a challenge for returns in 2023. The portfolio has seen dividend increases from holdings like **Whitecap Resources** (WCP), but the biggest reason for rising yields has been falling prices. Stocks in sectors such as financials, telecom, real estate, and utilities have been hit hard this year despite company earnings remaining generally strong.

It is very likely that central banks are done with interest rate increases. At the end of September, markets suggested that the odds of a Bank of Canada increase at their next meeting stood at about 30% while the U.S. was at 18% (source: NBF Economics). We believe that the weakness in high-yield stocks may be directly attributable to investors seeking shelter in bonds and GICs.... a trend that is likely to reverse once rates begin to come down.

## Transactions

Added	Increased	Decreased	Removed
TD Active Global Enhanced Dividend ETF (TGED)	Canso Credit Income (PBY.UN)	Whitecap Resources (WCP)	Algonquin Power & Util (AQN)
	BCE Inc (BCE)		Dynamic Active Global Dividend ETF (DXG)
	Capital Power (CPX)		
	Enbridge Inc (ENB)		
	Restaurant Brands (QSR)		
	Slate Grocery REIT (SGR.UN)		



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.