Balanced ETF Private Portfolio

March 31st, 2021

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Basket Investment Strategy

This Basket invests in a variety of asset classes and seeks to optimize the risk-return relationship. We will regularly modify the investment mix (within a specified range) in order to reap the potential advantages associated with altering market conditions.

For the most part, this Basket will consist of exchange-traded funds (ETFs), alternative investments and individual securities. Long-term target allocations for equities and fixed income are 60% equities and 40% respectively. This portfolio is suited for an investor seeking long-term capital appreciation, capital preservation and the generation of a steady stream of income.

In addition, this Basket aims to minimize the volatility ascribed to traditional asset classes. More specifically, it seeks to attain a return similar to that obtained by a traditional portfolio but with lower volatility. Both the diversity of asset classes and the inclusion of non-traditional asset classes allow for a reduction in risk and volatility.

Various studies have shown that when it comes to achieving both steady and substantial real returns, the relative weighting of asset classes within a portfolio is equally as important as security selection. By investing in this portfolio, our team is given the authorization to invest your money and manage your investments according to your pre-established asset mix parameters.

Performance

(TW – Time Weighted; MW – Money Weighted)

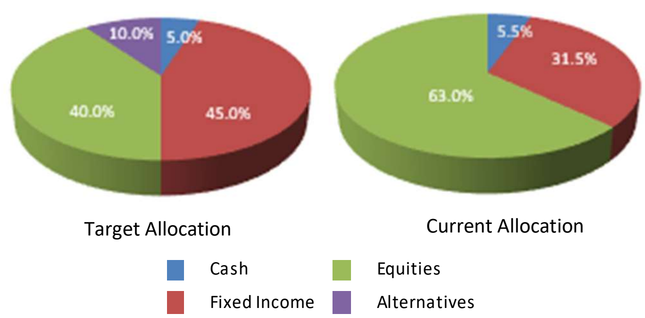
Portfolio Performance					
	6 Mths	1YR	3YR	5YR	Since Inception*
Portfolio TW	6.74 %	21.07 %	4.52 %	3.78 %	4.77 %
Portfolio MW	6.74 %	21.06 %	4.55 %	3.80 %	4.83 %
Benchmark	5.53 %	20.92 %	7.31 %	7.06 %	7.13 %

** Represents a return since inception (June 3rd, 2013)*

Value of Basket Date: March 31st, 2021	$ 33,235.52

Fees: *Returns presented are net of fees at the lowest rate of 1.75%.* ***Composition of the benchmark:*** *5% 91-day T-bills, 45% FTSE TMX Canada Universe Bond, 22.5% S&P/TSX Composite Index, 27.5% MSCI World Index. *Represents a return since inception (June 1st, 2013)*

The following represents the long-term targets for each asset class and sector.



Top 10 Holdings

Description	MV	MV (%)
ISHARES S&P/TSX60 IDX ETF	$ 4,512.00	13.584
HORIZONS ACTV C/B-E ETF	$ 3,019.48	9.091
ISHR CORE S&P US TOTC$HD	$ 2,961.00	8.915
BMO AGGREGATE BD INDX ETF	$ 2,892.48	8.708
BMO MSCI USA HI QLTY ETF	$ 2,553.50	7.688
ISHRS CORE S&P/TSX CAPPED	$ 2,376.80	7.156
VANGUARD GL EX-US AGG ETF	$ 2,083.92	6.274
ISHRS CORE MSCI EM MK IMI	$ 2,058.22	6.197
ISHS MSCI EAFE(C$HDG) ETF	$ 1,866.96	5.621
ISHS MSCI MUL US C$HD ETF	$ 1,609.92	4.847

NATIONAL BANK FINANCIAL
WEALTH MANAGEMENT

Transactions (January 1st - March 31st, 2021)

Type	Qty.	Description	Price
Sell	-26	PURPOSE HIGH INT SVGS ETF	$ 50.00
Buy	52	ISHARES CDN RL RET BD ETF	$ 25.47
Sell	-28	INVESCO SNR LN IDX ETF C$	$ 17.47
Buy	26	PURPOSE HIGH INT SVGS ETF	$ 50.01
Sell	-50	PURPOSE GOLD BULLION ETF	$ 27.06

Commentary Regarding Transactions

- We sold short term money market investments PSA & BKL.C and bought I-Shares Real Rate Return ETF, which pays 1.5% above inflation, to achieve a higher risk adjusted rate of return for the fixed income investments.
- We sold the Gold position, KILO, due to declining gold prices.

Portfolio Manager's Comments

The economy

Economies have shown impressive resilience and data has consistently exceeded expectations since the pandemic began. With the beginning of mass vaccinations and the gradual reopening of economies, we are moving into a better growth environment supported by highly stimulative fiscal and monetary policies. This positive view is reinforced by leading indicators of economic growth rebounding to their highest levels since 2018. Moreover, as lockdowns and work-from-home orders curbed spending, many consumers accumulated savings throughout the pandemic and are now able to boost spending as virus risks fade. We look for a nearly symmetrical rebound in growth in 2021 from the deep contraction of last year. Our global growth forecasts are ahead of the consensus in most regions.

We recognize a variety of risks continue to challenge our constructive outlook. New COVID-19 variants are spreading rapidly and, while the current vaccines are proving effective against these strains, it's possible that certain mutations will be resistant, thereby delaying the return to normal. Unemployment also remains unacceptably high in most major nations as travel and leisure sectors of the economy are running well below capacity. However, in many places where consumers can spend, prices of goods are rising and could be pushed even higher as pent-up demand is unwound into the economy. Inflation pressures could mount in the near term especially due to low base comparisons with 2020 o doubt, in our view, problematic levels of inflation are unlikely to be sustained.

Fixed Income

Against this backdrop, global central bankers have reiterated their commitment to maintain ultra-low interest rates for an extended period to support the recovery. In fact, even in the face of rising price pressures, the Fed's new operating framework allows for inflation to rise above its 2% target for some time to make up for periods spent below. As a result, we don't look for any short-term interest rate hikes over our 1-year forecast horizon.

While short-term rates are anchored at ultra-low levels, long term bond yields are more sensitive to changes in the macroeconomic backdrop and they have been moving higher. Rising inflation expectations and the prospect of better economic growth pushed yields gradually higher since their early 2020 lows and that trend accelerated in early 2021. The U.S. 10- year yield tripled from its summer 2020 low, climbing above 1.50% for the first time since the pandemic began, with more than half of that adjustment happening year-to-date. Though the U.S. 10-year yield remains below our modelled estimate of equilibrium, yields in other countries, including Canada and the U.K., have climbed above. In our view, a significant amount of the valuation risk that existed in bonds following the COVID-19 related plunge has receded.

Asset mix

In our base case scenario, we see the economy recovering quickly from last year's sudden and deep recession, supported by ample monetary and fiscal stimulus and progress on vaccinations. In this environment, yields could lift higher still, acting as a headwind to returns for bond holders. As a result, we expect low single-digit total returns for sovereign fixed income over the year ahead. Stocks continue to offer superior return potential although we recognize valuations are highly demanding in certain markets and could be vulnerable to mounting risks, including rising yields, which may weigh on price-to- earnings ratios. That said, we are comforted by the strength of the economic and corporate profit recovery which, barring unforeseen negative shocks, is likely to continue providing fundamental support for equity markets. Balancing the risks and rewards, we are maintaining an overweight position in stocks and underweight in fixed income.

Who is this investment for?

This investment is for individuals who are seeking a moderate level of capital gains and income. This is a "balanced" approach with a moderate level of risk and seeks to protect capital over the long-term through active asset allocation and security selection.