Balanced ETF Private Portfolio

June 30th, 2022

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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

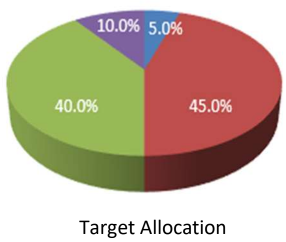
	6 Mths	1YR	3YR	5YR	Since Inception*
Portfolio TW	-10.02%	-6.86 %	2.12 %	2.40 %	3.78 %
Benchmark	-12.98%	-9.17 %	2.55 %	3.90 %	5.50 %

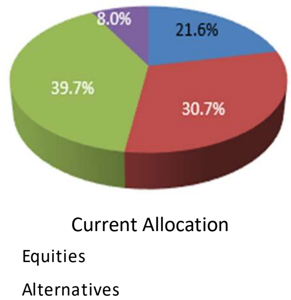
** Represents a return since inception (June 3rd, 2013)*

Value of Basket Date: June 30th, 2022	$ 32,309.70

Fees: *Returns presented are net of fees at the lowest rate of 0.32%.* ***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 (%)
ISHRS CORE S&P/TSX CAPPED	$ 4,561.52	14.133
VANGUARD S&P 500 IDX ETF	$ 3,115.44	9.653
PURPOSE HIGH INT SVGS ETF	$ 3,000.90	9.298
VANGUARD GLB AGG BD C$HDG	$ 2,858.70	8.857
BMO AGGREGATE BD INDX ETF	$ 2,856.00	8.849
HORIZONS CASH MAXI ETF	$ 2,447.28	7.583
CI WISD CDA QLT ETF-N/HDG	$ 2,270.16	7.034
PIMCO MONTHLY INCM FD T/U	$ 2,009.28	6.226
HORIZONS ACTV C/B-E ETF	$ 1,916.00	5.937
BALANCE (CAD)	$ 1,803.72	5.589

Transactions (April 1st – June 30th, 2022)

Type	Qty	Description	Price
Buy	60	PURPOSE HIGH INT SVGS ETF	$ 50.05
Sell	-72	ISHS MSCI MULFAC EAFE ETF	$ 20.60
Sell	-20	ISHRS CORE MSCI EAFE IMI	$ 28.69
Sell	-38	ISHRS CORE MSCI EM MK IMI	$ 24.32

Commentary Regarding Transactions

Reduced Foreign content and increased cash balance.

Portfolio Manager's Comments

The economy

After being obliged by the outbreak of war in Ukraine and by the deterioration of the pandemic picture in China to revise down our global growth outlook in recent months, we are relieved to see a little light at the end of the tunnel, in the form of phased ending of shutdowns in several large Chinese cities in response to a marked decline of new Covid infections. Still, we remain aware of the many downside risks to the world's second largest economy. Beijing remains firmly attached to its zero-Covid policy, and that could mean new shutdowns given the high rate of contagion of the Omicron variant and relatively low vaccination rates among older people. Elsewhere around the world, the reopening of the Chinese economy will have mixed effects. On one hand, the reopening of factories and port facilities in the Shanghai region is likely to attenuate pressure on manufacturing supply chains. On the other hand, the recovery puts upward pressure on energy prices. Combined with the marked rise of food prices, due in large part to the conflict in Ukraine, this already sap consumer morale. In several regions of the world, the rapid rise of prices will also mean more-restrictive monetary policies. As risks have increased, we have decided to revise our global growth scenario downwards from 3.2% to 3.0% this year and from 3.3% to 2.9% next year. • After a spectacular post-pandemic rebound, the U.S. economy is slowing. The causes are clear enough: inflation way too high and therefore tightening of monetary policy. For households, inflation is expressed mainly in a retreat of real earnings. The median wage, despite its dizzying rise in nominal terms in recent months, has been falling for more than a year now after correction for inflation. That leaves only a few possibilities for the future: wages will start rising faster than inflation in the medium term, or consumption will hit a wall. Unfortunately, nominal wage gains are unlikely to accelerate much, especially with business margins already eroded by high input prices and higher financing costs.

Fixed Income

As the Federal Reserve raises interest rates several times between now and the end of the year, there will be repercussions for both the financial markets and the real economy.

In Canada, the central bank's Governing Council is widely expected to accelerate the pace of their interest rate hiking cycle at their next meeting. Following 50 basis point rate increases in April and June, another well-above-consensus inflation print ratcheted up the pressure on the BoC to take even more aggressive action. We fully expect them to follow through on the market's pricing for a 75-basis point rate hike this time around. What may be more interesting, however, is how the central bank guides markets on the policy rate going forward.

Asset mix

While equity valuations are more reasonable after recent declines, we remain cautious on the earnings growth outlook and inflationary impacts on margins supporting our modest underweight. Within fixed income, we remain underweight bonds and overweight cash.

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.