

Portfolio Manager Commentary

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With the first half of the year complete, we are very pleased to again report excellent results for holders of the Bromley Basket Portfolio. Canada is now among the world leaders regarding the percentage of vaccinations administered and this is allowing our country to re-open. We remain optimistic that this pace will continue so that we can all get back to “normal” as soon as possible. **Our Basket returned 12.3% in the first half of the year** as investors gained confidence that corporate earnings will recover strongly. Because 2020 was a year where most people stayed home, certain technology and retail stocks did well (Amazon, Google, etc.) as consumers flocked online and shifted spending towards goods and away from services such as travel. This year has started with strong performances from the commodity and banking sectors which lagged previously in 2020. The outlook for our portfolio holdings is strong and we continue to look for great businesses to add to the Basket. As always, there are some potential challenges that lay ahead. Our analysts believe that inflation may persist which could cause interest rates to rise (which is negative for many sectors of the market). Another obvious concern is the possible rise in Covid variants as not all countries have full access to vaccines yet.

We again want to thank our clients for your continued confidence, and we wish you all a great summer. Stay safe, stay cool, and stay positive.

CIPF
Canadian Investor Protection Fund
MEMBER

I have prepared this commentary to give you my thoughts on various investment alternatives and considerations which may be relevant to your portfolio. This commentary reflects my opinions alone, and may not reflect the views of National Bank Financial Group. In expressing these opinions, I bring my best judgment 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.

Investment Objectives

To provide a diversified portfolio, predominantly of Canadian securities, that produces capital appreciation and moderate income. The portfolio performance will be proportionately measured against the TSX and US indices.

Fund Details

Inception Date:	Sept. 25, 2002
Inception Value:	\$12,980 Cdn
30 Jun 21 Value:	\$56,301 Cdn
Total Distributions:	\$13,500 Cdn
(Since Inception)	

Total Returns (gross of fees) 30 Jun 21

	<u>Basket</u>	<u>Benchmark</u>
3 mths:	6.64%	6.90%
1 year:	34.29%	30.15%
3 years:	9.02%	10.73%
5 years:	11.43%	11.50%
Since Inception:	9.95%	8.92%

Present Holdings - As at Jun 30, 2021

<u>Company</u>	<u>Sector</u>	<u>Weighting</u>
Invesco QQQ (US)	Technology	9.39%
Visa (US)	Technology	9.29%
Canadian Pacific Railway	Industrials	8.48%
Healthcare iUnits (US)	Healthcare	8.43%
National Bank of Canada	Financials	8.25%
Trisura Group Ltd.	Financials	6.49%
Bank of Nova Scotia	Financials	5.74%
Canadian Tire Corp.	Consumer Discretionary	5.58%
Walt Disney Company (US)	Telecom	5.43%
Enbridge	Energy	4.41%
Teck Resources	Materials	4.37%
Manulife Financial	Financials	4.34%
Tourmaline	Energy	4.29%
Boeing (US)	Industrials	4.23%
Kinaxis	Technology	4.06%
BCE Inc.	Telecom	3.92%
Innogy Renewable Energy	Utilities	3.30%
Total		100.00%

Portfolio Allocation

by Sector As at Jun 30, 2021

Financials	24.8%
Technology	22.7%
Industrials	12.7%
Telecom	9.4%
Energy	8.7%
Healthcare	8.4%
Consumer Discretionary	5.6%
Materials	4.4%
Utilities	3.3%
Total	100.00%

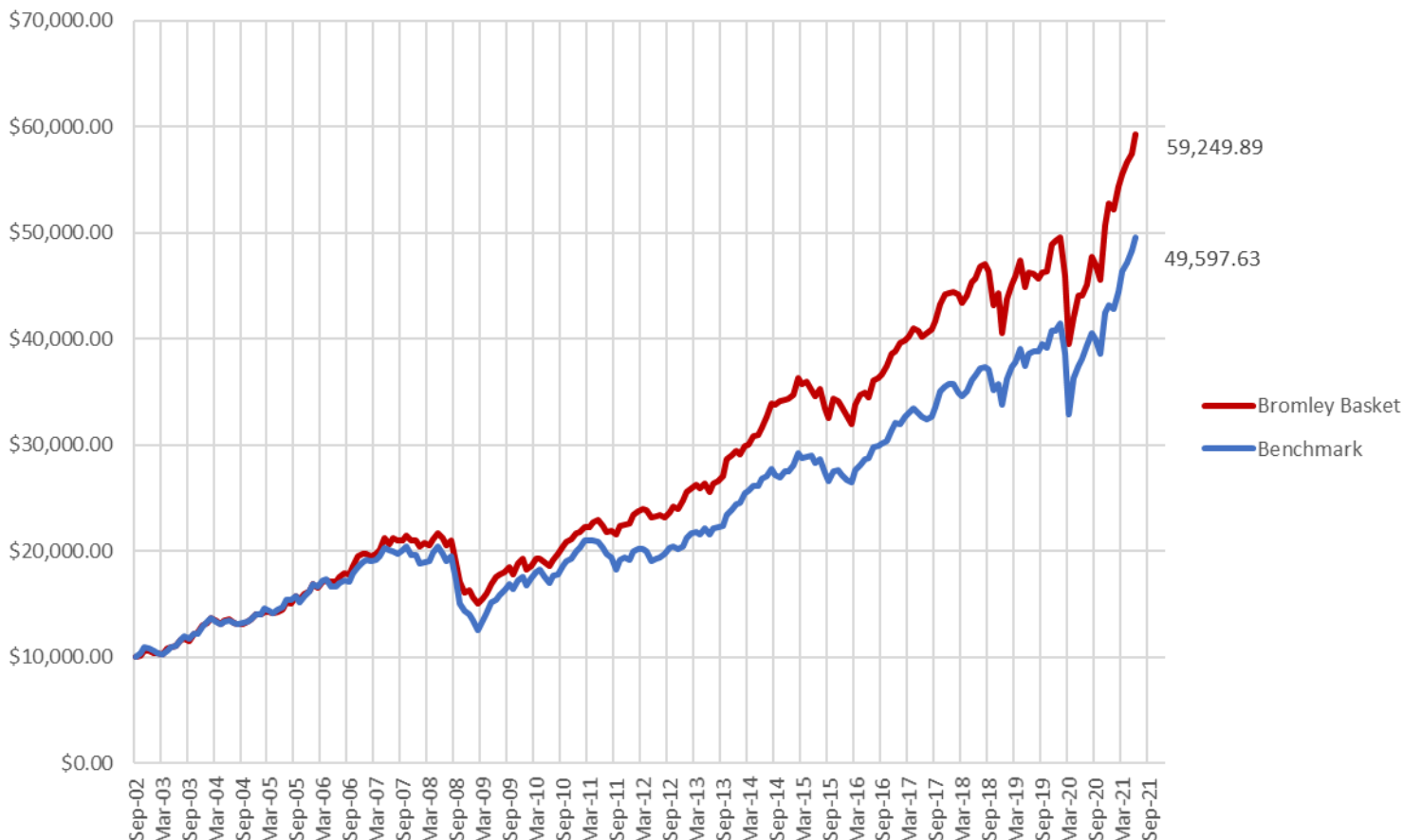
Year Over Year Returns

<u>Period</u>	<u>Return on Investment</u>
2002*	6.04%
2003	22.18%
2004	7.91%
2005	15.53%
2006	21.97%
2007	6.57%
2008	-22.26%
2009	18.04%
2010	12.31%
2011	4.69%
2012	9.52%
2013	18.59%
2014	16.82%
2015	-2.41%
2016	15.76%
2017	14.02%
2018	-8.37%
2019	21.34%
2020	7.18%

*From 25 Sep 02 to 31 Dec 02

Transaction Summary for the Quarter: Sold 18 shares National Bank of Canada; Sold 56 shares Suncor; Sold 46 shares Invesco QQQJ
Bought 6 shares Trisura Group; Bought 14 shares Kinaxis; Bought 68 shares Tourmaline
Canadian Pacific executed 5-for-1 split (1 share becomes 5)

Growth of \$10,000 in Bromley Basket vs Index



Benchmark Calculated As: {0.7 x (S&P/TSX Total Returns)} + {0.3 x (DJIU x US\$)}

Note: Effective September 30, 2006, we changed one of the components of the Benchmark to more closely represent the holdings in our Basket. i.e. In the past, we were using the TSX300 Index to tabulate the Benchmark, but are now using the S&P/TSX Total Returns Index to calculate the Benchmark returns. For comparison purposes to our Benchmark, the returns are calculated gross of fees.

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