

Portfolio Manager Commentary

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As we look back on 2025, it was a year defined by both resilience and recalibration in global markets. Despite a backdrop of geopolitical and trade tensions, as well as shifting economic realities brought on by US tariffs, equity markets in the US and Canada delivered another year of strong returns, driven by cooling inflation, ongoing rate adjustments, and surprising economic strength, despite the end of the US policy of free trade with like-minded nations.

Meanwhile, inflation has started to settle closer to central bank targets in Canada, while remaining above target in the US, as tariff costs continue to pass through to US consumers. Despite this, the Federal Reserve continues to indicate more rate cuts ahead, with most analysts seeing between 2 and 3 Federal Reserve interest rate cuts in the year ahead. Gold has continued its ascent, recently settling around \$4,500/oz, as we start to see signs of consolidation around those levels. Conversely, oil prices have moved down, now below \$60/barrel. Oil prices may continue to fall as supply is forecast to outstrip demand, and if Russia and Ukraine manage to negotiate a peace agreement. The recent events in Venezuela may also affect oil markets, but it's too soon to say for certain.

With plenty of global risks remaining, including Russia-Ukraine, reignition of Middle East conflict, further tariffs and trade tensions possibly ahead, and now US interventionism in Latin America back for the first time since 1989, we remain cautious, and continue to advocate a diversified approach to equity investing. We have seen many periods of volatility and history has proven that we have come through the other side and moved on to new highs. We remain optimistic that this is proving to be another of those periods.

Thank you again for your continued confidence and support. If you have any friends, family, or colleagues who may wish to receive this newsletter, please send us their email info and we'd be happy to add them to the list. Don't hesitate to contact us if you would like to meet in person to review your present and future goals.

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.

Present Holdings - As at Dec 31, 2025

Company	Sector	Weighting	ESG Score*
Invesco QQQ (US)	Technology/Other	9.81%	N/A
Cenovus Energy	Energy	8.38%	B-
Visa (US)	Financials	7.84%	B-
iShares Healthcare (US)	Healthcare	7.28%	N/A
National Bank of Canada	Financials	7.24%	B+
CIBC	Financials	6.09%	A-
Capital Power	Utility	5.86%	B-
Hudbay Minerals	Materials	4.76%	B+
Bank of Nova Scotia	Financials	4.72%	B+
Element Fleet Management	Industrials	4.62%	B-
BCE Inc	Telecom	4.42%	B
Trisura Group Ltd.	Financials	4.38%	C-
Canadian Natural Resources	Energy	4.33%	C+
Boeing (US)	Industrials	4.16%	A-
Amazon	Consumer Discretionary	3.69%	B+
Tourmaline	Energy	3.49%	B-
Northland Power	Energy	3.33%	B
Canadian Pacific Kansas City	Industrials	2.82%	A-
Kinaxis	Technology	2.82%	B+
Total		100.00%	

*ESG Scores are collected from Refinitiv via Thomson One

*Please note effective for the Sep 30, 2023 newsletter, Visa has been reclassified from Technology to Financials, QQQ has been reclassified from Technology to Technology/Other

*Please note effective for the March 31, 2024 newsletter, Element Fleet has been reclassified from Financials to Industrials

Fund Details

	Total Returns (gross of fees)
31 Dec 25	
3 mths:	4.41%
1 year:	15.50%
3 years:	15.53%
5 years:	13.52%
Since Inception:	10.51%
(Since Inception)	

Year Over Year Returns

Period	Return on Investment
2002*	5.82%
2003	21.35%
2004	7.13%
2005	14.96%
2006	21.61%
2007	5.94%
2008	-22.45%
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	-6.74%
2019	23.95%
2020	9.36%
2021	18.21%
2022	3.43%
2023	9.50%
2024	21.92%
2025	15.50%

Portfolio Allocation

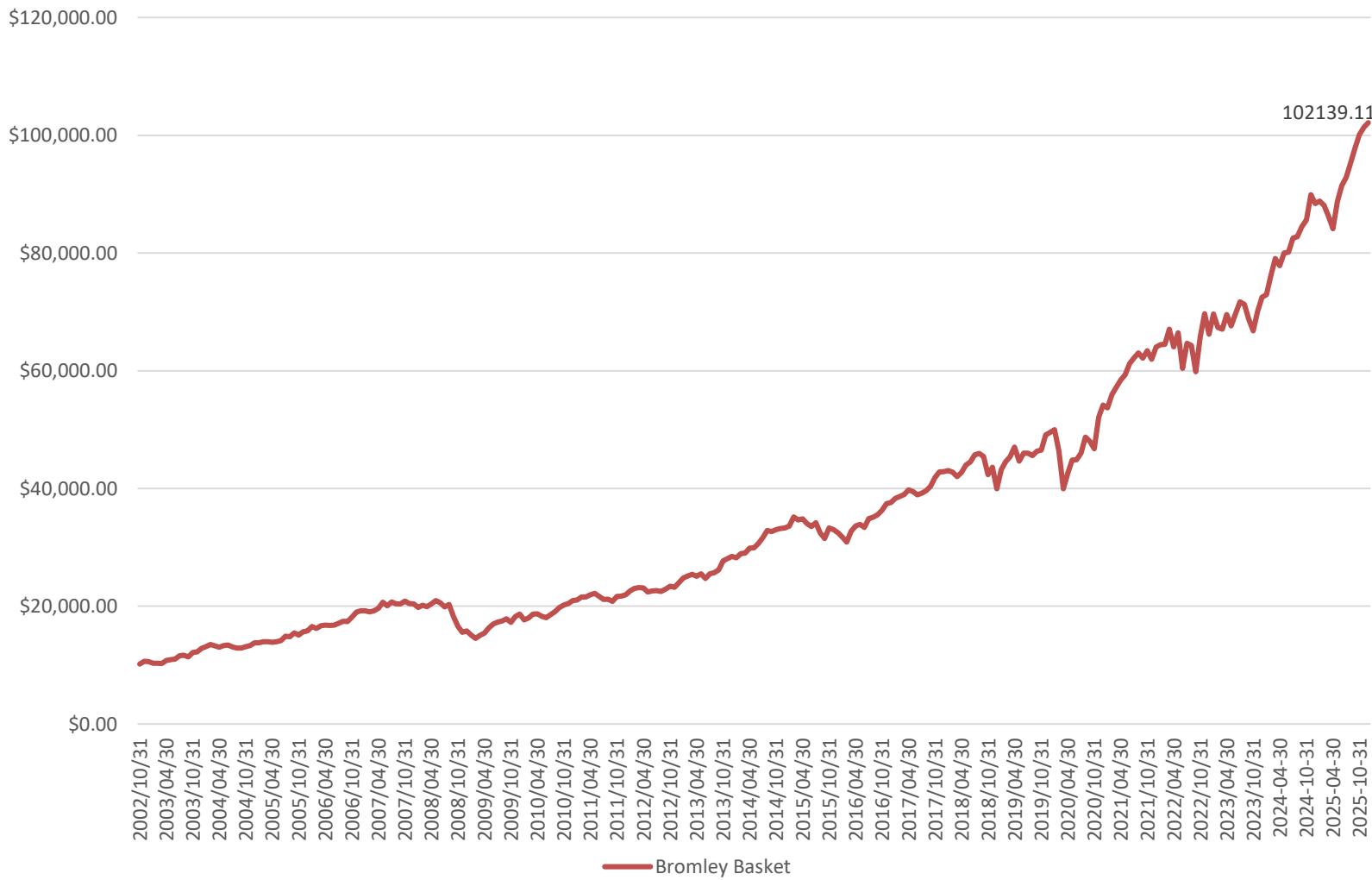
by Sector As at Dec 31, 2025

Sector	Allocation (%)
Financials	30.29%
Energy	16.20%
Industrials	11.92%
Utilities	9.33%
Technology	7.99%
Healthcare	7.81%
Telecom	6.09%
Consumer Discretionary	5.02%
Materials	4.87%
Consumer Staples	0.45%
Real Estate	0.01%
Total	100.00%

*From 25 Sep 02 to 31 Dec 02

Transaction Summary for the Quarter: Sold 56 Shares Teck (TECK'B-T), Sold 120 Shares Schlumberger (SLB-US); Bought 150 Shares Hudbay Minerals (HBM-T), Bought 10 Shares Amazon (AMZN-US), Bought 160 Shares of Northland Power (NPI-T)

Portfolio Value vs Index value



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