

Portfolio Manager Commentary

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Welcome to the Fall edition of our Bromley Basket Newsletter. With continuing economic, geopolitical and interest rate uncertainties, our portfolio was not immune to market fluctuations. However, year to date, we are very pleased to report returns of 2.58% for our basket holders.

Our analysts continue to believe that the current high level of interest rates will cause the economy to slow down in the coming quarters, but more and more economists are now forecasting only a modest decline (recession) starting later this year.

Since it is never the case that all signals point in the same direction, we believe that this presents opportunities in certain sectors throughout the year. We continue to look for strong companies to add to our holdings while trading at attractive valuations. For example, we recently added Air Canada to the basket. Our analysts believe the current valuation represents an attractive entry point at a time when the company will begin to reduce debt levels and improve their balance sheet and profitability. We also added to our position in Bank of Nova Scotia after the recent pullback in its share price. We thank you again for your continued confidence. Don't hesitate to reach out if you would like to schedule a time to review your portfolio and future objectives.

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 Sep 23 Value: \$60,502 Cdn
Total Distributions: \$16,861 Cdn
(Since Inception)

Total Returns (gross of fees) 30 Sep 23

	<u>Basket</u>	<u>Benchmark</u>
3 mths:	-1.35%	-1.66%
1 year:	14.90%	11.34%
3 years:	12.70%	9.09%
5 years:	8.64%	6.91%
Since Inception:	9.62%	8.16%

Present Holdings - As at Sep 30, 2023

<u>Company</u>	<u>Sector</u>	<u>Weighting</u>	<u>ESG Score*</u>
Invesco QQQ (US)	Technology/Other	9.66%	N/A
iShares Healthcare (US)	Healthcare	8.50%	N/A
Canadian Pacific Railway	Industrials	8.38%	A
Teck Resources	Materials	8.34%	A-
Cenovus Energy	Energy	6.66%	B
Visa (US)	Financials	6.20%	B
Canadian Natural Resources	Energy	5.83%	B-
Tourmaline	Energy	5.44%	C+
National Bank of Canada	Financials	5.39%	B+
Boeing (US)	Industrials	5.17%	A
Costco	Consumer Staples	5.08%	B+
Trisura Group Ltd.	Financials	4.40%	C-
Bank of Nova Scotia	Financials	4.04%	A-
CIBC	Financials	3.65%	A-
Kinaxis	Technology	3.56%	A-
Element Fleet Management	Financials	3.56%	B-
BCE Inc.	Telecom	3.10%	B+
Air Canada	Industrials	3.02%	B+
Total		100.00%	

Portfolio Allocation

by Sector As at Sep 30, 2023

Financials	27.30%
Energy	17.99%
Industrials	17.05%
Healthcare	9.18%
Materials	8.34%
Technology	8.33%
Consumer Staples	5.66%
Telecom	4.64%
Consumer Discretionary	1.35%
Utilities	0.12%
Real Estate	0.03%
Total	100.00%

Year Over Year Returns

<u>Period</u>	<u>Return on Investment</u>
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	3.44%

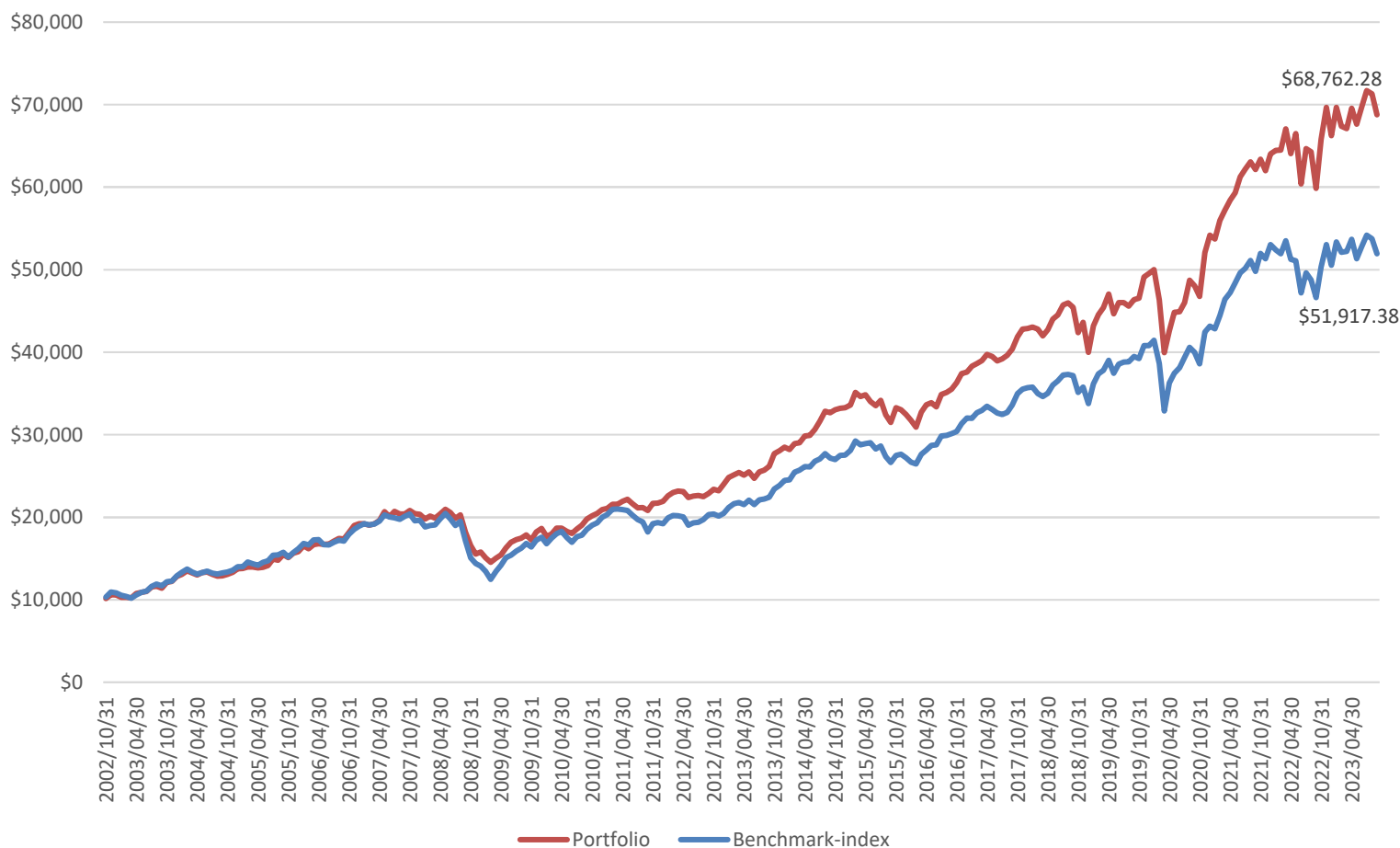
*ESG Scores are collected from Refinitiv via Thomson One

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

*From 25 Sep 02 to 31 Dec 02

Transaction Summary for the Quarter: Sold 14 Shares Walt Disney & 86 Shares Innergex Renewable; Bought 94 Shares Air Canada & 10 Shares Bank of Nova Scotia

Bromley Basket Growth from \$10,000 Performance Comparison



Benchmark calculated as: {0.7 x (S&P/TSX Total Returns)} + {0.3 x (DJII 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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