Quarterly Market Update

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…and an Electric New Year

You might think of electricity as a relatively modern technology, but it is believed that the ancient Greeks, Romans, and Egyptians used electric fish as a treatment for epilepsy and gout. Much more recently, in the early 1600s, English scientist William Gilbert coined the word "electricus," from the Greek, to describe objects that attracted dust "like amber," leading to the term "electricity." In 1745-46 the Leyden jar was the first device to store and discharge static electricity. Benjamin Franklin later used a Leyden jar in his famous 1752 kite experiment, which rather than channeling lightning, actually just picked up the ambient electrical charge from a storm. In the early 1800's, Alexandro Volta developed the electric battery and electric generator, and Michael Faraday developed the first electric motor. In 1882, Thomas Edison set up the first power plant in New York City, and electric streetlights in Roselle, New Jersey.

Key Points:

- **Fast forward to 2024:** We are seeing an acceleration of a global drive to electrification as many countries strive to reduce reliance on fossil fuels, in part as an attempt to reduce carbon dioxide production and consequently slow climate change. This push is evident from the relatively rapid increase in electric vehicles on our roads.

- **Race to the top:** Many companies and countries are in a race to become clean energy leaders, evidenced by large-scale government investments in long-term electrification and emission reduction projects. Since 2020, government spending has been a key driver, rising nearly 25 per cent from 2021 to 2023.

Bottom Line: The transition to clean energy is a broad and ongoing global competition among nations. Given the progress we have observed, now seems like an opportune time to explore investments related to the themes of clean energy transition and electrification. Taking advantage of these substantial opportunities could prove rewarding in the foreseeable future.

**Please note that the commentary within this newsletter is related to the Langill & McHenry Investment Advisors Private Investment Management Group (PIMG) discretionary portfolios.

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Key Takeaways from Q4 2023:

Stocks

- North American stock markets ended Q4 of 2023 up (Q4 2023: Canada 8.1 per cent and the U.S. 11.7 per cent). The U.S. greenback was weak versus the Canadian loonie during the quarter (-2.5 per cent in Q4 2023), and so U.S. stock returns held by Canadian investors on a currency-adjusted basis were reduced to 8.9 per cent.

- U.S. equities have outperformed Canadian equities by 14.5 per cent over the last 12 months. U.S. stocks are benefitting from a larger exposure to popular technology stocks (e.g., Magnificent Seven: AAPL, MSFT, GOOG, AMZN, NVDA, TSLA & META) while the smaller exposure to commodities (energy, materials, etc.) in the U.S., which was a tailwind in 2022, has been a source of strength for the U.S. market versus the Canadian market. Looking out over a two-year time frame, returns between the two markets are very similar (Canada = 9.6 per cent, U.S. = 10.0 per cent), in local currency annualized.

- Due to inflation concerns, monetary authorities have tightened policy to rein in demand and avoid inflation becoming entrenched. Despite the increase in policy interest rates and reduced stimulus by monetary authorities, corporate and household balance sheets are in excellent condition and should support the economy through a possible slowdown or expected mild recession in 2024.

Bonds and Preferred Shares

- Bonds rallied in Q4 2023, despite stubbornly high inflation rates creating a challenging environment. The Canadian bond market has returned 8.3 per cent in Q4 2023 and 6.7 per cent over the last 12 months. A resilient consumer, supply chain bottlenecks and stimulus measures put in place due to the Covid-19 economic shutdowns, have created historically high inflation that has resulted in rising interest rates. Rising interest rates are a negative for conventional bond prices.

- After a challenging 2022, Canadian preferred shares continue to face headwinds in 2024, as central banks continue to remain hawkish on inflation concerns. Similar to the Canadian bond market, preferred shares rallied in Q4 2023 by 7.3 per cent, but fell 0.7 per cent over the last 12 months.

Our Models

- Our **all-equity stock** portfolios, **Dividend Growth (DG)**, **Yield & Growth (Y&G)**, rose **10.0 per cent** and **5.8 per cent** in Q4 2023 and have risen **22.0 per cent** and **2.6 per cent** over the last 12 months, relative to our benchmark at 8.6 per cent and 18.5 per cent, respectively.

- Our **Capital Preservation bond** portfolios, **DG** and **Y&G** versions, rose **6.4 per cent** and **2.4 per cent** for Q4 2023 and over the last 12 months fell **5.0 per cent** and fell **0.8 per cent**, relative to our benchmark at 8.3 per cent and 6.6 per cent, respectively.

- For our **Completion and Small Completion ("Balanced Growth")** portfolios, in Q4 2023 both rose **7.0 per cent** each, while over the last 12 months they rose by **16.8 per cent** and **10.6 per cent**, relative to our benchmark at 8.5 per cent and 14.3 per cent, respectively.

- The top performers in our stock portfolios for Q4 2023 were **Broadcom Inc. (AVGO)**, up **35.0 per cent** in our DG portfolio, while **Allstate (ALL)** rose **26.5 per cent** to lead performance in our Y&G portfolio. In our "newest" Yield portfolio, **Simon Property Group (SPG)** led all stocks rising **33.9 per cent**. Laggards in our portfolios for Q4 2023 were **Empire Co. Ltd. Class A (EMP.A)**, falling **4.7 per cent** in our DG portfolio, while **Cisco Systems (CSCO)** fell **5.3 per cent** in our Y&G portfolio. In our newest Yield portfolio, **Suncor Energy (SU)**, declined **8.0 per cent**.

We made some changes in our models in Q4 2023, regarding our strategic asset allocation and specific securities held in portfolios:

- o **Asset Allocation Changes:** We continued to take advantage of strength in the equity market as well as decade high rates in the bond market, by rebalancing 5 per cent from our stronger performing portfolios equity allocation to bonds and cash (DG & Completion). For full details of the asset allocation changes between portfolios, please see page 13 "Our Investor Profiles and Asset Allocations."

- o **Security Changes:** We made several changes during Q4 2023 related to repositioning and tax-loss selling efforts before the end of the year (2023). In our DG portfolios, on the equity side, we tax loss sold our position in Empire Co. (EMP.A C$) and used the proceeds to purchase iShares S&P/TSX index ETF (XIC C$) as a temporary tax loss position over a 30-day window. Additionally, our position in Activision Blizzard (ATVI) was finally approved for purchase by regulators to Microsoft, creating available cash. With that cash, we reinvested into Mondelez Intl (MDLZ). On the bond side, we sold our position in Province of Alberta 2.20 per cent 01JUN26 bonds and purchased Honda Canada Financial 1.646 per cent 25FEB2028 bond. Within our Y&G portfolios, on the equity side, we tax loss sold positions in Bristol Myers Squibb (BMY U$), Hormel Foods (HRL U$) and Smucker J M (SJM U$). With the proceeds, we repositioned into Merck & Co (MRK U$), Kenvue (KVUE U$) and as a temporary tax loss position over a 30-day window, we purchased iShares Core S&P500 ETF (IVV U$). Within our Yield portfolios, on the equity side, we sold our position in Walgreen Boots Alliance (WBA U$) and purchased Public Storage (PSA U$). On the bond side, no changes were made for Y&G and Yield. Within each model, across the board we did make the decision to change our cash investment from Horizons High Interest Savings Account ETF (CASH C$) to CI Money Market ETF (CMNY C$), based on the regulatory changes starting in 2024 that will lower the rates for High Interest Savings Accounts.

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PIMG Model Portfolio Performance

As of 31DEC2023

Mandate	1-week	1-month	3-mos	6-mos	Year to Date	1-year	2022	2021
Capital Preservation DG Model	0.5%	2.3%	6.4%	4.6%	5.0%	5.0%	-7.1%	-0.7%
Capital Preservation Y&G & Yield Model'	0.3%	1.0%	2.4%	1.2%	0.8%	0.8%	-10.3%	0.2%
Completion Capital Preservation Model	0.1%	1.5%	4.9%	4.3%	4.8%	4.8%	-9.6%	1.1%
Small Completion Capital Preservation Model	0.0%	2.9%	5.3%	2.4%	4.7%	4.7%	-9.0%	-1.7%
Capital Preservation Benchmark	*0.8%*	*3.6%*	*8.3%*	*4.3%*	*6.6%*	*6.6%*	*-11.7%*	*-2.8%*
Balanced Growth DG Model	0.6%	3.3%	9.1%	7.4%	16.7%	16.7%	-5.0%	15.2%
Balanced Growth Y&G Model	0.8%	4.1%	6.2%	4.0%	2.6%	2.6%	-0.5%	15.6%
Balanced Growth Yield Model	0.6%	3.7%	6.5%	4.8%	-0.9%	-0.9%	na	na
Completion Balanced Growth Model	0.3%	1.8%	7.0%	10.3%	16.8%	16.8%	-11.0%	18.2%
Small Completion Balanced Growth Model	0.5%	3.0%	7.0%	5.0%	10.6%	10.6%	-12.0%	10.2%
Balanced Growth Benchmark	*0.3%*	*2.9%*	*8.5%*	*9.3%*	*14.3%*	*14.3%*	*-10.4%*	*16.3%*
All Equity DG Model	0.7%	3.7%	10.0%	8.5%	22.0%	22.0%	-5.0%	21.6%
All Equity Y&G Model	0.7%	4.7%	5.8%	4.4%	2.6%	2.6%	2.7%	22.9%
Completion All Equity Model	0.5%	2.0%	8.2%	14.1%	21.5%	21.5%	-13.0%	25.5%
Small Completion All Equity Model	0.7%	3.1%	7.8%	7.8%	14.6%	14.6%	-14.6%	13.9%
All Equity Benchmark	*0.1%*	*2.6%*	*8.6%*	*11.9%*	*18.5%*	*18.5%*	*-9.7%*	*26.6%*

****Note: All Equity Benchmark is 60% iShares Core S&P500 ETF (IVV) & 40% iShares Core S&P/TSX Capped Composite Index ETF (XIC), Capital Preservation Benchmark is 100% iShares Core Canadian Universe Bond Index ETF (XBB), Balanced Growth Benchmark is 35% XBB, 26% XIC and 39% IVV.*

****Note: Net Returns in CAD$. Periods over one year are annualized. Time-weighted rates of return reported.*

***Note: PIMG fees are withdrawn from accounts monthly on the second last week of the month.*

' Extrapolated returns after stripping out bond performance from Balanced Growth portfolio net returns from All Equity Y&G portfolio.

**Source: FactSet and Croesus Composites*

Langill & McHenry Investment Advisors of Raymond James
PIMG Model Portfolio Performance
As of 31DEC2023

Mandate	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Capital Preservation DG Model	6.4%	-2.1%	-1.5%	2.6%	-0.6%	0.0%	-2.6%	-4.0%
Capital Preservation Y&G Model'	2.4%	-2.0%	-2.0%	1.4%	-0.8%	-2.5%	-3.5%	-3.9%
Completion Capital Preservation Model	4.9%	-0.8%	-0.5%	1.2%	0.5%	-2.6%	-4.3%	-3.6%
Small Completion Capital Preservation Model	5.3%	-2.7%	0.1%	1.9%	1.9%	-1.1%	-4.5%	-5.5%
Capital Preservation Benchmark	*8.3%*	*-3.8%*	*-0.7%*	*3.1%*	*0.5%*	*0.4%*	*-5.5%*	*-7.1%*
Balanced Growth DG Model	9.1%	-1.5%	2.1%	7.6%	7.0%	-0.6%	-7.7%	-3.3%
Balanced Growth Y&G Model	6.2%	-1.8%	-2.3%	1.6%	6.7%	-2.9%	-5.5%	1.6%
Balanced Growth Yield Model	6.5%	-1.3%	-2.3%	-2.8%	-0.9%	na	na	na
Completion Balanced Growth Model	7.0%	3.3%	2.9%	3.7%	5.7%	-2.2%	-9.9%	-4.4%
Small Completion Balanced Growth Model	7.0%	-1.9%	0.7%	5.1%	5.0%	-0.6%	-10.0%	-6.4%
Balanced Growth Benchmark	*8.5%*	*-2.3%*	*2.5%*	*5.1%*	*4.1%*	*-0.2%*	*-10.8%*	*-3.6%*
All Equity DG Model	10.0%	-1.0%	3.7%	9.5%	10.1%	-0.9%	-10.2%	-3.1%
All Equity Y&G Model	5.8%	-0.9%	-2.8%	1.6%	9.8%	-3.2%	-7.8%	4.8%
Completion All Equity Model	8.2%	6.0%	3.4%	3.7%	7.3%	-1.8%	-17.4%	-4.2%
Small Completion All Equity Model	7.8%	0.0%	1.4%	5.6%	6.2%	-0.7%	-13.5%	-6.4%
All Equity Benchmark	*8.6%*	*-1.5%*	*4.2%*	*6.2%*	*6.0%*	*-0.6%*	*-13.6%*	*-1.8%*

****Note: All Equity Benchmark is 60% iShares Core S&P500 ETF (IVV) & 40% iShares Core S&P/TSX Capped Composite Index ETF (XIC), Capital Preservation Benchmark is

100% iShares Core Canadian Universe Bond Index ETF (XBB), Balanced Growth Benchmark is 35% XBB, 26% XIC and 39% IVV.

***Note: Net Returns in CAD$. Periods over one year are annualized. Time-weighted rates of return reported.

' Extrapolated returns after stripping out bond performance from Balanced Growth portfolio net returns from All Equity Y&G portfolio.

*Source: FactSet and Croesus Composites

"Dividend Growth (DG)" Stocks We Own:

Dividend Growth (DG) All Equity Portfolio (2023-12-31)

Issue Name	Portfolio Weight	Last Quarter Total Return %	Dividend Yield	Price/Earnings	Price/Book	5 Yr EPS Growth
Equity						
Automatic Data Processing Inc	4.8%	-2.6%	2.4%	25.7	27.6	11.9
Nordson Corp	4.8%	18.7%	1.1%	25.2	5.5	9.9
Tractor Supply Company	4.8%	6.5%	1.8%	22.7	12.3	22.5
iShares Core S&P/TSX Comp Idx ETF **	4.8%	-4.7%	2.1%	12.0	1.7	16.8
Intact Financial Corporation	4.8%	3.5%	2.2%	18.6	2.5	29.5
Lowe's Cos Inc	4.8%	7.7%	2.0%	16.7	nmf	37.6
Morgan Stanley	4.8%	15.6%	4.1%	13.0	1.5 -	0.0
Jamieson Wellness, Inc.	4.8%	31.0%	2.4%	20.0	3.1	16.4
UnitedHealth Group Incorporated	4.8%	4.8%	1.5%	18.3	nmf	13.6
Watsco Inc Cl A	4.8%	14.2%	2.5%	28.3	8.1	24.1
Xylem Inc.	4.8%	26.0%	1.2%	29.6	5.7 -	10.3
Waste Management Inc Del	4.8%	18.0%	1.5%	30.5	10.9	4.9
Stella-Jones Inc.	4.8%	18.4%	1.1%	14.6	3.1	18.6
Wheaton Precious Metals Corp	4.8%	19.0%	1.3%	41.3	3.1	11.5
Mondelez Intl, Inc Class A	4.8%	5.0%	2.3%	22.5	3.7 -	3.6
Broadcom Inc.	4.8%	35.0%	1.8%	24.5	19.7	50.5
Enghouse Systems Limited	4.8%	17.8%	2.4%	23.7	3.7	0.2
Comcast Corporation Class A	4.8%	-0.4%	2.7%	10.9	2.2 -	16.8
Quebecor Inc. Class B	4.8%	9.4%	3.6%	11.1	5.6	10.9
Richelieu Hardware Ltd.	4.8%	21.1%	1.3%	21.6	3.2	26.5
Cash & Equivalents						
Cash (CAD$)	5.0%	1.2%	5.0%	NA	NA	NA
Langill & McHenry All Equity DG Portfolio	**100.0%**	**10.0%**	**2.0%**	**20.5**	**5.8**	**13.0%**

Note: For illustration purposes only.

**Note: All models (excluding Capital Preservation) hold the same stocks, but at different weightings.

Note: Returns are in Local Currency..

Source: FactSet and Croesus Composites.

**Note: ETF is a temporary position for 2023 tax-loss selling purposes.

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"Dividend Growth (DG)" Bonds and Preferred Shares We Own:

Capital Preservation Portfolio Dividend Growth (DG) (2023-12-31)

Issue Name	Price - Close	Portfolio Weight %	Rating	Yield %	Effective Duration (years)
Bonds					
Walt Disney Company 3.057% 30MAR2027	95.2	8.2%	BBB+	4.5%	3.0
Choice Properties Real Estate Investment Trust 2.848% 21MAY2027	93.7	8.2%	BBB	4.9%	3.1
Honda Cda Fin 1.646% 25FEB2028	88.7	8.2%	A+	4.7%	3.9
Tourmaline Oil Corp. 2.529% 12FEB2029	89.7	8.2%	BBB+	4.8%	4.6
Canada Housing Trust No.1 2.1% 15SEP2029	91.8	8.2%	AAA	3.7%	5.2
Fairfax Financial Holdings Limited 3.95% 03MAR2031	92.5	8.2%	BBB	5.2%	5.9
PROVINCE OF ONT 2.05% 02JUN30	89.6	7.3%	A+	3.9%	5.9
Canada Housing Trust No.1 3.55% 15SEP2032	98.2	8.7%	AAA	3.8%	7.3
Enbridge Inc 3.1% 21SEP2033	84.1	8.5%	BBB+	5.2%	8.0
Preferred Shares					
Enbridge Inc Cum Red Pref Registered Shs Series 1 USD$ 01JUN2028	21.4	7.8%	BBB-	4.7%	3.6
Capital Power Corp Cum Conv Red Pref Registered Shs Series -11- 30JUN2024	24.7	7.8%	BB	5.8%	0.6
Convertible Debentures					
NFI Group 5% 15JAN2027 Conv Debs	86.0	7.8%	NA	5.8%	3.0
Cash & Equivalents					
Cash or Cash Equivalent	1.0	3.0%		5.0%	-
Langill & McHenry Capital Preservation DG Portfolio		**100%**	**BBB**	**4.8%**	**4.2**

Note: For illustration purposes only.

*Note: All models (excluding All Equity) hold the same bonds and preferred shares, but with different weightings.

Source: FactSet, Croesus & RJ PCS.

"Yield & Growth (Y&G)" Stocks We Own:

Yield & Growth (Y&G) All Equity Portfolio (2023-12-31)

Issue Name	Portfolio Weight	Last Quarter Total Return %	Dividend Yield	Price/Earnings	Price/Book	5 Yr EPS Growth
Equity						
iShares Core S&P500 ETF**	4.9%	11.7%	1.4%	21.6	nmf	-
North West Company Inc.	4.9%	16.0%	4.0%	13.8	3.0	9.4
Restaurant Brands Intl	4.9%	15.3%	2.9%	23.6	9.4	7.6
Pembina Pipeline Corp	4.9%	13.4%	5.9%	17.0	1.8	22.5
Allstate Corp	4.9%	26.5%	2.4%	- 92.4	2.6	nmf
CT Real Estate Investment Trust	4.9%	8.8%	6.1%	12.8	0.9	- 0.3
Royal Bank of Canada	4.9%	14.3%	4.2%	11.7	1.7	4.6
Sun Life Financial Inc.	4.9%	4.9%	4.6%	10.9	1.6	5.9
AbbVie, Inc.	4.9%	5.0%	3.8%	14.5	16.6	16.0
Merck & Co Inc New	4.9%	6.7%	2.6%	81.0	6.5	25.3
Gilead Sciences, Inc.	4.9%	9.1%	3.5%	12.6	5.0	- 3.4
Medtronic PLC	4.9%	6.0%	3.2%	16.8	2.2	- 4.6
Kenvue Inc	4.9%	8.3%	3.8%	16.5	2.0	nmf
Manulife Finl Corp	4.9%	19.6%	5.2%	8.5	1.1	12.1
Cisco Systems Inc.	4.9%	-5.3%	3.1%	13.0	4.6	4.2
IBM Corporation	4.9%	17.9%	4.0%	17.4	6.8	- 34.1
Texas Instruments Inc.	4.9%	8.2%	3.2%	23.4	10.2	13.9
BCE Inc.	4.9%	2.4%	6.9%	17.5	2.8	- 1.0
Telus Corporation	4.9%	7.9%	6.0%	25.9	2.1	- 3.6
Fortis Inc.	4.9%	6.8%	4.4%	17.5	1.3	1.8
Cash & Equivalents						
Cash (CAD$)	3.0%	1.2%	5.0%	NA	NA	NA
Langill & McHenry Y&G All Equity Portfolio	**100.0%**	**5.8%**	**3.9%**	**13.8**	**3.2**	**3.5%**

Note: For illustration purposes only.

*Note: All models (excluding Capital Preservation) hold the same stocks, but at different weightings.

Source: FactSet & Croesus Composites.

**Note: ETF is a temporary position for 2023 tax-loss selling purposes.

"Yield & Growth (Y&G)" & "Yield (Y)" Bonds and Preferred Shares We Own:

Capital Preservation Portfolio Yield & Growth (Y&G) & Yield (Y) (2023-12-31)

Issue Name	Price - Close	Portfolio Weight %	Rating	Yield %	Effective Duration (years)
Bonds					
Equitable Bank 3.362% 02MAR2026	95.6	11.3%	BBB-	5.6%	2.0
Telus Corporation 2.75% 08JUL2026	95.5	11.3%	BBB	4.7%	2.3
Government of Canada 1.0% 01JUN2027	91.8	11.3%	AAA	3.6%	3.3
PROVINCE OF ONT 2.7% 02JUN2029	94.5	11.3%	A+	3.8%	4.9
Crombie Real Estate Investment Trust 3.133% 12AUG2031	83.7	11.3%	BBB-	5.8%	6.4
Brookfield Infrastructure 2.855% 01SEP2032	83.2	11.3%	BBB+	5.3%	7.3
Preferred Shares					
Fairfax Financial Holdings Limited Cum Pfd Shs Series M 31MAR2025	22.1	7.3%	BB+	5.7%	1.3
Brookfield Corp Pfd S46 31MAR2027	20.4	7.3%	BBB	6.6%	3.3
Pembina Pipeline Corp Cum Conv Red Perp Pfd Registered Shs A Series -21- 01MAR2028	21.2	7.3%	BB+	7.4%	4.3
Convertible Debentures					
Morguard REIT 6.805% 31DEC2026	93.0	7.3%	BB+	7.3%	2.9
Cash & Equivalents					
Cash or Cash Equivalents	1.0	3.0%	na	5.0%	-
Langill & McHenry Capital Preservation Y&G Portfolio		**100.0%**	**BBB**	**5.4%**	**3.8**

Note: For illustration purposes only.

*Note: All models (excluding All Equity) hold the same bonds and preferred shares, but with different weightings.

Source: FactSet, Croesus & RJ PCS.

"Yield (Y)" Stocks We Own:

Yield All Equity Portfolio (2023-12-31)

Issue Name	Portfolio Weight	Last Quarter Total Return %	Dividend Yield	Price/Earnings	Price/Book	5 Yr EPS Growth
Equity						
Verizon Communications	4.9%	18.8%	6.9%	8.2	1.8	7.7
Cdn Natural Resources	4.9%	0.0%	4.8%	11.2	2.4	45.9
Philip Morris Intl	4.9%	3.1%	5.6%	15.1	nmf	3.4
Suncor Energy	4.9%	-8.0%	5.2%	8.4	1.4	34.0
TC Energy	4.9%	12.8%	7.1%	12.4	1.7	- 36.3
Enbridge Inc	4.9%	7.9%	7.5%	17.1	1.8	- 3.2
Capital Power	4.9%	1.4%	6.7%	6.8	2.3	- 20.9
Crown Castle Inc	4.9%	26.9%	5.8%	31.9	6.3	33.2
Pfizer Inc	4.9%	18.6%	5.7%	11.6	4.0	3.4
CIBC	4.9%	23.4%	5.7%	9.4	1.2	- 2.0
Power Corp of Canada	4.9%	11.1%	5.6%	8.1	1.1	0.7
Public Storage	4.9%	17.0%	4.2%	25.0	8.8	nmf
Leggett & Platt Inc	4.9%	4.7%	7.9%	16.7	1.9	0.1
Whirlpool Corp	4.9%	-7.5%	6.3%	7.0	2.6	-
Simon Property Group	4.9%	33.9%	5.4%	21.0	14.9	- 0.9
Choice Properties REIT	4.9%	11.6%	5.3%	6.3	2.7	1.4
Chartwell Retirement REIT	4.9%	15.6%	5.3%	nmf	3.5	24.4
Bank of Nova Scotia	4.9%	5.9%	6.9%	9.5	1.1	- 3.4
International Paper Co.	4.9%	3.3%	5.0%	17.4	1.5	- 0.6
Dow Inc.	4.9%	7.8%	5.4%	23.6	1.8	nmf
Cash & Equivalents						
Cash (CAD$)	3.0%	1.2%	5.0%	NA	NA	NA
Langill & McHenry Yield All Equity Portfolio	**100.0%**	**na**	**5.7%**	**12.9**	**3.0**	**4.21%**

Note: For illustration purposes only. Return information is approximated.

Note: All models (excluding Capital Preservation) hold the same stocks, but at different weightings.

Source: FactSet & Croesus Composites.

Completion Models:

If you have an account within your portfolio with < $100,000, you may also be invested in a portfolio of investments that are outside the Dividend Growth and Yield & Growth models. We call these investments either "completion models" or "satellite holdings." The completion and satellite portfolios help to customize all of your accounts for your unique risk tolerance, tax circumstances and liquidity needs. For a sense of the securities we own in the completion and satellite portfolios, we have listed our <u>two</u> completion models below.

PIMG Completion Models as of 2023-12-31, CAD

Completion & Small Completion Model Holdings:

Issue Name	Ticker	Currency $	Q4 2023 %	Last 12 Months %
Fidelity Global Core Plus Bond ETF	FCGB-CAN	CAD $	7.5%	7.1%
Vanguard FTSE Dev All ETF	VIU-CAN	CAD $	8.4%	15.6%
iShares MSCI Emerging Markets Index ETF	XEM-CAN	CAD $	5.2%	6.5%
First Trust Nasdaq 100 Equal Weight ETF	QQEW-US	USD $	13.3%	33.3%
iShares Russell 2000 ETF	IWM-US	USD $	14.0%	16.8%
Fidelity Canadian Short-Term Bond ETF	VSC-CAN	CAD $	5.1%	6.7%
PIMCO Monthly Income (CAN) ETF Series	PMIF-CAN	CAD $	5.1%	7.6%
Dynamic Active Preferred Share ETF	DXP-CAN	CAD$	7.8%	8.2%
Berkshire Hathaway Ord Shs Class B	BRK.B-US	USD$	1.8%	15.5%
Graham Holdings Company Ord Shs Class B	GHC-US	USD$	19.8%	16.5%
Fairfax Financial Holdings Sub Voting Ord Shs	FFH-CAN	CAD $	10.3%	55.0%
Onex Ord Shs	ONEX-CAN	CAD $	16.1%	42.5%
Markel Hldg Co Corp	MKL-US	USD $	-3.6%	7.8%
Brookfield Corp	BN-CAN	CAD $	25.4%	25.9%
Cymbria Corporation Class A	CYB-CAN	CAD $	4.1%	6.3%

Note: For illustration purposes only. Holding period returns captured, if "na" that signals that position was not held over that timeframe.

*Note: Returns are in Local Currency..

Source: FactSet.

Model Portfolio Process

When we select investment securities for our model portfolios, we follow a disciplined three-step process:

1. Examine our asset mix vs. our expectations for long-term returns. This review helps guide our model portfolios allocation to cash and equivalents, fixed income (bonds and preferred shares), and equity (stocks).
2. Review our business cycle allocation vs. our expectations for broad market. We then allocate to sectors of the market and security factors that are expected to perform well.
3. Assess securities for inclusion in the portfolio based on: (i) Dividend growth, (ii) Leverage, (iii) Valuation and (iv) Market structure. Securities reflecting these features are typically of higher quality than average.

After the third step is complete, we include a portfolio of investment securities in our model portfolios reflecting our expectations for the market going forward.
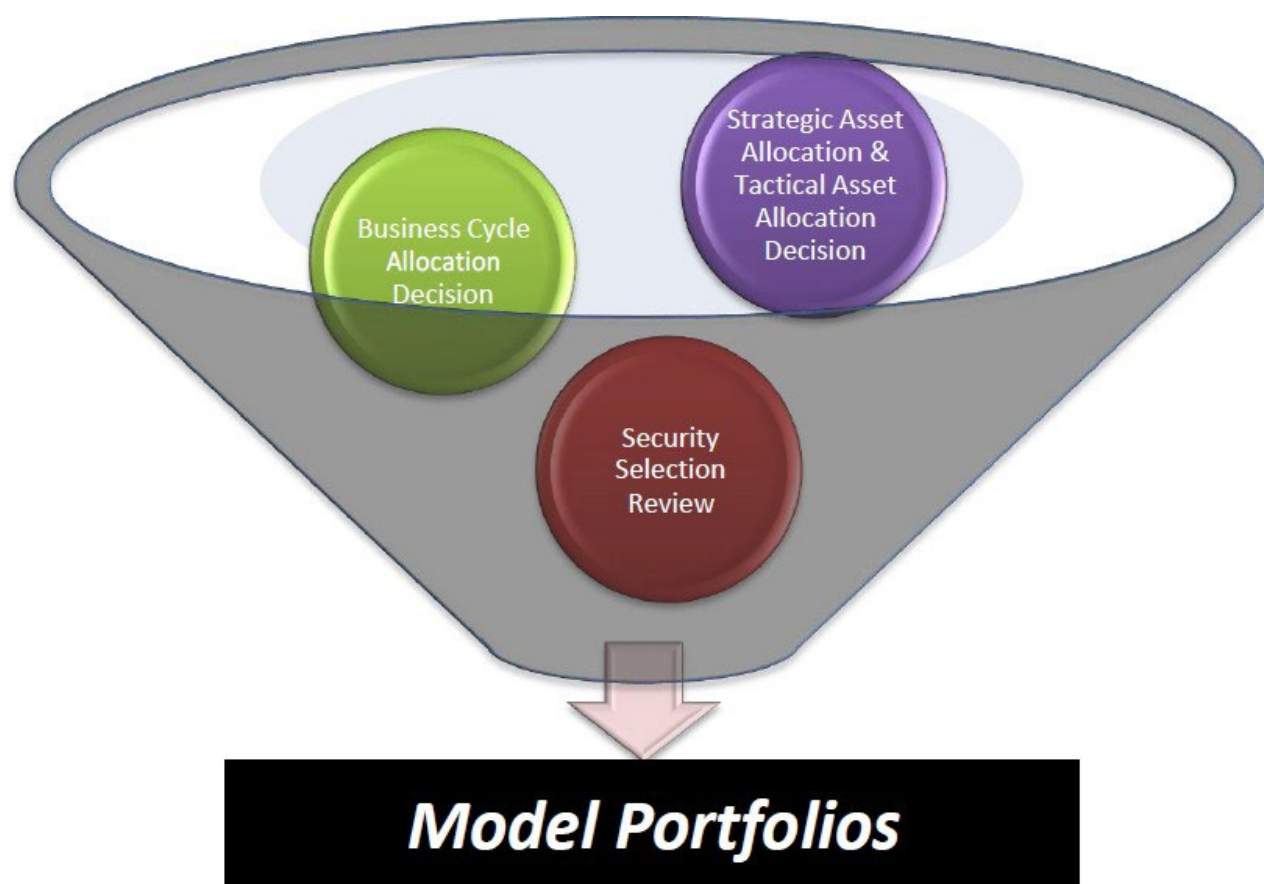
Our Investor Profiles and Asset Allocations:
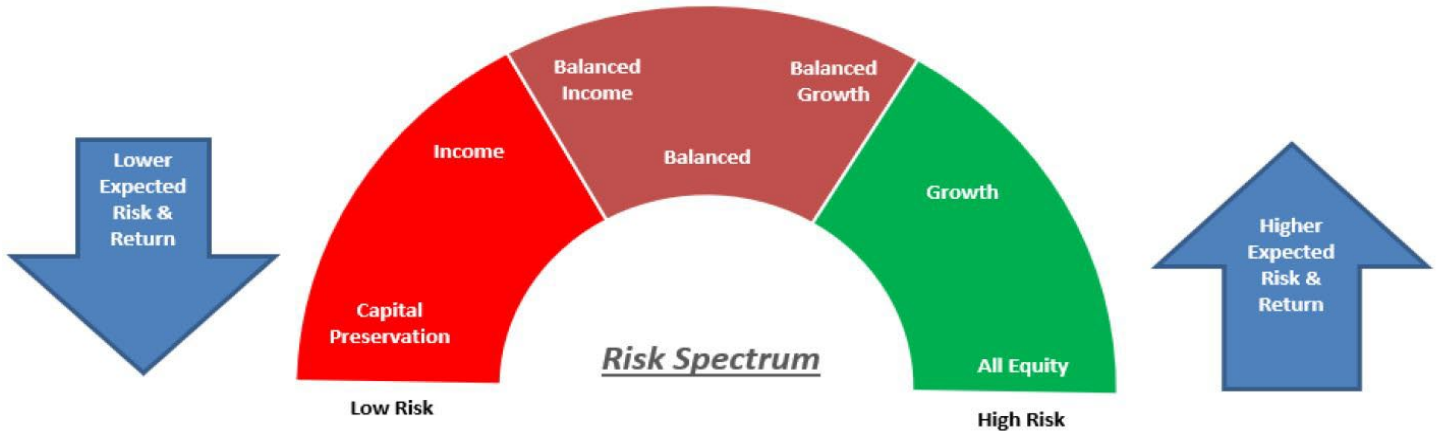
LANGILL & MCHENRY MODEL ASSET ALLOCATION

Asset Allocation	Cash %	Fixed Income %	Equity %
Capital Preservation DG	3.00%	97.00%	0.00%
Capital Preservation Y&G/Yield	3.00%	97.00%	0.00%
MODEL RANGES	*0-25%*	*75-100%*	*0-25%*
Benchmark Capital Preservation	0.00%	100.00%	0.00%
Income DG	5.00%	85.00%	10.00%
Income Y&G/Yield	3.00%	82.00%	15.00%
MODEL RANGES	*0-25%*	*55-100%*	*20-45%*
Benchmark Income	0.00%	80.00%	20.00%
Balanced Income DG	5.00%	65.00%	30.00%
Balanced Income Y&G/Yield	3.00%	35.00%	62.00%
MODEL RANGES	*0-25%*	*35-85%*	*15-65%*
Benchmark Balanced Income	0.00%	60.00%	40.00%
Balanced DG	5.00%	55.00%	40.00%
Balanced Y&G/Yield	3.00%	45.00%	52.00%
MODEL RANGES	*0-25%*	*25-75%*	*25-75%*
Benchmark Balanced	0.00%	50.00%	50.00%
Balanced Growth DG	5.00%	40.00%	55.00%
Balanced Growth Y&G/Yield	3.00%	37.00%	60.00%
MODEL RANGES	*0-25%*	*10-60%*	*40-90%*
Benchmark Balanced Growth	0.00%	35.00%	65.00%
Growth DG	5.00%	25.00%	70.00%
Growth Y&G/Yield	3.00%	22.00%	75.00%
MODEL RANGES	*0-25%*	*0-45%*	*55-100%*
Benchmark Growth	0.00%	20.00%	80.00%
All Equity DG	5.00%	0.00%	95.00%
All Equity Y&G/Yield	5.00%	0.00%	95.00%
MODEL RANGES	*0-25%*	*0-25%*	*75-100%*
Benchmark All Equity	0.00%	0.00%	100.00%

Note: Benchmark comprised of proportions Exchange Traded Funds (ETFs) XBB, XIC and IVV.

Model Portfolio Management Philosophy

Portfolio Objectives for Dividend Growth (DG), Yield & Growth (Y&G) and Yield (Y):

- We designed both model portfolios with a conservative investment approach. The portfolios may not participate as much in gains when markets are rising. However, they are expected to be more resilient in falling markets to protect capital. As a result, the portfolios will tend to be less volatile, and capital will be given more opportunity to compound over a long period of time.

Dividend Growth (DG):

- Equity allocation = ~20 stocks (~10 Canada, ~10 US), dividend growth target +6 per cent/yr, dividend yield target +0 per cent

Yield & Growth (Y&G):

- Equity allocation = ~20 stocks (~10 Canada, ~10 US), dividend growth target +0 per cent/yr, dividend yield target +2.5 per cent

Yield (Y): (*NEW*)

- Equity allocation = ~20 stocks (~10 Canada, ~10 US), dividend growth target at least 0 per cent/yr, dividend yield target +5.0 per cent (Portfolio dividend yield greater than or equal to 5% on average).

Other Portfolio Parameters (both DG, Y&G and Y):

- ~18 models with different asset allocation based on risk and return objectives including: Capital Preservation, Income, Balanced Income, Balanced Growth, Growth and All Equity
- Negligible embedded cost
- Fixed Income allocation = ~4-9 bonds, ~2-4 preferred shares, investment grade credit, short and laddered duration (<7 years)
- Diversify by geography, sector and style
- Large capitalization ("blue chip")

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