

Quarterly Market Update

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Q2 2025: Opportunities Behind the Headlines

The first quarter of 2025 brought heightened volatility, as markets reacted sharply to U.S. tariff announcements and rising trade tensions. While unsettling in the moment, history reminds us that periods of fear often create some of the best opportunities for patient investors. Much like during COVID-19, when markets eventually rebounded strongly, we believe that staying focused on quality investments, strategic diversification, and disciplined portfolio management will again prove successful. Amid the noise, the long-term outlook remains constructive, supported by strong corporate fundamentals and enduring themes like artificial intelligence (AI) and infrastructure investment.

Short-term volatility does not change our long-term plan. We remain conservatively invested, with portfolios built to withstand uncertainty and take advantage of new opportunities as they arise. This environment reinforces why sticking to a thoughtful, disciplined strategy matters more than ever.

Key Takeaways:

- **Scary Headlines, Strong Fundamentals:** Just like during past crises, fear dominates the news cycle, but long-term market fundamentals remain healthy.
- **Stay the Course:** Historical data clearly shows that the best market days often follow the worst. Remaining invested is critical to achieving long-term success.
- **Opportunities Ahead:** The recent market decline presents attractive buying opportunities for quality companies positioned for future growth.

Bottom Line: Market volatility, while uncomfortable, is a normal and even healthy part of investing. By staying focused, disciplined, and patient, we are confident that our clients will continue to build wealth through changing markets. As always, we are here to guide you every step of the way.

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

Key Takeaways from Q1 2025:

Stocks

- Canadian stock markets ended Q1 of 2025 up 1.5 per cent (S&P/TSX Composite) in comparison to the U.S., which ended the period down 4.3 per cent (S&P 500). Global stock markets have felt volatility associated with the uncertainty involving U.S. President Donald Trump's tariff threats. Large-cap U.S. stocks, which often conduct a lot of international business (e.g., the Magnificent Seven, which make up 32 per cent of the S&P 500) are down an equally weighted average of 15.3 per cent over the quarter. *(source: Roundhill Magnificent Seven ETF, BATS: "MAGS")*
- The Canadian loonie was slightly weakened versus the U.S. greenback during the quarter (-0.1 per cent in Q1 2025), and so U.S. stock returns held by Canadian investors on a currency-adjusted basis were increased by 0.1 per cent.

Bonds and Preferred Shares

- Amid uncertainty and volatility in the equity market, bonds saw an increase of 2.0 per cent in Q1 2025, as central banks continue to adjust policy interest rates. The Canadian bond market rose 7.7 per cent over the last 12 months.
- After a recovery in late 2023, Canadian preferred shares have continued their positive momentum. Despite central banks remaining hawkish on inflation concerns. Preferred shares rallied in Q1 2025 by 2.7 per cent, which has led to a rise of 16.1 per cent over the last 12 months *(source: iShares S&P/TSX Canadian Preferred Share Index ETF "CPD")*.

Our Models

- Our **all-equity stock** portfolios, **Dividend Growth (DG)**, **Yield & Growth (Y&G)**, rose **2.3 per cent** and **4.5 per cent** in Q1 2025 and rose **14.8 per cent** and **12.9 per cent** over the last 12 months, relative to our benchmark at -1.9 per cent and 15.3 per cent, respectively.
- Our **Capital Preservation bond** portfolios, **DG** and **Y&G** versions, rose **1.4 per cent** and **0.5 per cent** in Q1 2025 and over the last 12 months rose **8.9 per cent** and **8.0 per cent**, relative to our benchmark that rose 2.0 per cent and 8.7 per cent, respectively.
- For our **Completion and Small Completion ("Balanced Growth")** portfolios, in Q1 2025 they were steady, rising **1.7 per cent** and rising **2.0 per cent**, while over the last 12 months they rose by **15.9 per cent** and **7.9 per cent**, relative to our benchmark at -0.5 per cent and 13.0 per cent, respectively.
- The top performers in our stock portfolios for Q1 2025 were **Wheaton Precious Metals Corp (TSE: WPM)**, which was up **38 per cent** in our DG portfolio, while **IBM Common Stock (NYSE: IBM)** rose **13.9 per cent** to lead performance in our Y&G portfolio. In our Yield portfolio, **Philip Morris International Inc. (NYSE: PM)** led all stocks, rising **33.1 per cent**. Laggards in our portfolios for Q1 2025 were **Broadcom Inc. (NASDAQ: AVGO)**, falling **27.6 per cent** in our DG portfolio, while **Merck & Co Inc. (NYSE: MRK)** fell **9.0 per cent** in our Y&G portfolio. In our Yield portfolio, **Capital Power Corp (TSE: CPX)** declined **23.9 per cent**.

Changes

We made some changes in our models in **Q1 2025** regarding our strategic asset allocation and specific securities held in portfolios:

- **Asset Allocation Changes:** Shortly after the quarter ended, we took advantage of discounts in the equity market. We increased our equity holdings by 5%, drawing down on our fixed income holdings, which we were able to sell for a premium due to falling interest rates in Q1 of 2025.
- **Security Changes:** We made a few changes during Q1 2025:
 - On the equity side of the portfolios, in our Dividend Growth (DG) portfolio we sold our positions in Tractor Supply Co. (NASDAQ: TSCO), Lowe's Companies Inc. (NYSE: LOW), and Watsco CI A (NYSE: WSO), and reallocated to Brown-Forman Corp Class B (NYSE: BF.B), Roper Technologies Inc. (NASDAQ: ROP), and Zoetis CI A (NYSE: ZTS). In our Yield and Growth (Y&G) portfolio, we sold our positions in AbbVie Inc. (NYSE: ABBV) and Air Products & Chemicals Inc (NYSE: APD) and reallocated to Genuine Parts Co. (NYSE: GPC), and Hershey Comp (NYSE: HSY). In our Yield (Y) portfolio, we sold our positions in Suncor Energy (TSE: SU) and Simon Property Group (NYSE: SPG), reallocating to Gibson Energy Inc. (TSE: GEI) and Franklin Resources Inc (NYSE: BEN).
 - On the Bond and fixed income side of our portfolios in our Capital Preservation Yield & Growth (Y&G), our Fairfax Financial Holdings Limited Preferred Shares Series M has been redeemed on March 31, 2025. We have since reallocated the proceeds into our other Preferred Share holdings in the portfolio. There have been no changes or redemptions in our Capital Preservation Dividend Growth (DG) portfolio.

Langill & McHenry Investment Advisors of Raymond James

PIMG Model Portfolio Performance

As of 31MARCH2025

| Mandate | 1-week | 1-month | 3-mos | 6-mos | Year to Date | 1-year | 2024 | 2023 | 2022 | 2021 |
|---|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Capital Preservation DG Model | 0.4% | -0.1% | 1.4% | 2.9% | 1.4% | 8.9% | 8.1% | 5.0% | -7.1% | -0.7% |
| Capital Preservation Y&G & Yield Model ¹ | 0.2% | 0.4% | 0.5% | 2.6% | 0.5% | 8.0% | 8.3% | 2.4% | -6.4% | 2.0% |
| Completion Capital Preservation Model | 0.0% | -0.3% | 1.7% | 2.4% | 1.7% | 7.3% | 8.8% | 4.8% | -9.6% | 1.1% |
| Small Completion Capital Preservation Model | 0.1% | -0.3% | 2.1% | -0.4% | 2.1% | 2.9% | 1.1% | 4.7% | -9.0% | -1.7% |
| Capital Preservation Benchmark | 0.6% | -0.2% | 2.0% | 1.8% | 2.0% | 8.7% | 4.0% | 6.6% | -11.7% | -2.8% |
| Balanced Growth DG Model | 0.8% | -0.6% | 2.0% | 3.7% | 2.0% | 12.7% | 12.9% | 16.7% | -5.0% | 15.2% |
| Balanced Growth Y&G Model | 0.8% | -0.5% | 3.1% | 3.2% | 3.1% | 11.2% | 13.4% | 2.6% | -0.5% | 15.6% |
| Balanced Growth Yield Model | 0.5% | -0.6% | 2.4% | 5.6% | 2.4% | 18.4% | 19.3% | -0.9% | na | na |
| Completion Balanced Growth Model | 0.7% | -2.2% | 1.7% | 8.7% | 1.7% | 15.9% | 22.8% | 16.8% | -11.0% | 18.2% |
| Small Completion Balanced Growth Model | -1.2% | -1.3% | 2.0% | 2.0% | 2.0% | 7.9% | 8.9% | 10.6% | -12.0% | 10.2% |
| Balanced Growth Benchmark | -0.9% | -2.7% | -0.5% | 4.1% | -0.5% | 13.0% | 21.1% | 14.3% | -10.4% | 16.3% |
| All Equity DG Model | 1.2% | -0.7% | 2.3% | 4.7% | 2.3% | 14.8% | 16.0% | 22.0% | -5.0% | 21.6% |
| All Equity Y&G Model | 1.1% | -1.0% | 4.5% | 3.5% | 4.5% | 12.9% | 16.1% | 2.6% | 2.7% | 22.9% |
| Completion All Equity Model | 1.2% | -3.1% | 1.9% | 13.1% | 1.9% | 21.5% | 33.4% | 21.5% | -13.0% | 25.5% |
| Small Completion All Equity Model | -1.4% | -1.6% | 3.9% | 2.7% | 3.9% | 7.7% | 10.5% | 14.6% | -14.6% | 13.9% |
| All Equity Benchmark | -1.7% | -4.0% | -1.9% | 5.4% | -1.9% | 15.3% | 30.4% | 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.

¹Extrapolated returns after stripping out bond performance from Balanced Growth portfolio net returns from All Equity Y&G portfolio.

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PIMG Model Portfolio Performance

As of 31MARCH2025

| Mandate | Q1 2025 | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 |
|---|--------------|--------------|-------------|-------------|--------------|-------------|--------------|--------------|-------------|-------------|
| Capital Preservation DG Model | 1.4% | 1.5% | 4.6% | 1.2% | 0.7% | 6.4% | -2.1% | -1.5% | 2.6% | -0.6% |
| Capital Preservation Y&G Model ¹ | 0.5% | 1.6% | 1.8% | 3.4% | 0.7% | 7.0% | -3.5% | -1.5% | 1.7% | 1.0% |
| Completion Capital Preservation Model | 1.7% | 0.7% | 3.7% | 1.0% | 3.1% | 4.9% | -0.8% | -0.5% | 1.2% | 0.5% |
| Small Completion Capital Preservation Model | 2.1% | -2.4% | 3.6% | -0.3% | 0.3% | 5.3% | -2.7% | 0.1% | 1.9% | 1.9% |
| Capital Preservation Benchmark | 2.0% | -0.2% | 4.4% | 2.1% | -1.3% | 8.3% | -3.8% | -0.7% | 3.1% | 6.1% |
| Balanced Growth DG Model | 2.0% | 1.6% | 6.6% | 1.9% | 2.2% | 9.1% | -1.5% | 2.1% | 7.6% | 7.0% |
| Balanced Growth Y&G Model | 3.1% | 0.1% | 7.5% | 0.3% | 4.9% | 6.2% | -1.8% | -2.3% | 1.6% | 6.7% |
| Balanced Growth Yield Model | 2.4% | 3.2% | 10.5% | 1.2% | 3.4% | 6.5% | -1.3% | -2.3% | -2.8% | -0.9% |
| Completion Balanced Growth Model | 1.7% | 6.2% | 7.0% | -0.1% | 7.9% | 7.0% | 3.3% | 2.9% | 3.7% | 5.7% |
| Small Completion Balanced Growth Model | 2.0% | 0.0% | 5.5% | 0.3% | 3.5% | 7.0% | -1.9% | 0.7% | 5.1% | 5.0% |
| Balanced Growth Benchmark | -0.5% | 4.8% | 6.0% | 2.7% | 6.4% | 8.5% | -2.3% | 1.8% | 5.1% | 6.1% |
| All Equity DG Model | 2.3% | 2.3% | 6.7% | 2.8% | 3.3% | 10.0% | -1.0% | 3.7% | 9.5% | 10.1% |
| All Equity Y&G Model | 4.5% | -0.8% | 10.6% | -1.4% | 7.2% | 5.8% | -0.9% | -2.8% | 1.6% | 9.8% |
| Completion All Equity Model | 1.9% | 11.0% | 8.5% | -1.0% | 11.9% | 8.2% | 6.0% | 3.4% | 3.7% | 7.3% |
| Small Completion All Equity Model | 3.9% | -1.2% | 4.5% | 0.4% | 6.7% | 7.8% | 0.0% | 1.4% | 5.6% | 6.2% |
| All Equity Benchmark | -1.9% | 7.5% | 6.8% | 3.0% | 10.6% | 8.6% | -1.5% | 3.2% | 6.2% | 6.0% |

****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.

¹ Extrapolated returns after stripping out bond performance from Balanced Growth portfolio net returns from All Equity Y&G portfolio.

"Dividend Growth (DG)" Stocks We Own:

Dividend Growth (DG) All Equity Portfolio (2025-03-31)

| 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% | 4.9% | 2.1% | 29.3 | 26.1 | 12.4 |
| Nordson Corp | 4.8% | -2.9% | 1.7% | 18.3 | 3.5 | 17.4 |
| Brown-Forman Corp Cl B | 4.8% | -10.1% | 2.6% | 19.2 | 4.7 | 5.7 |
| Empire Co Ltd Cl A | 4.8% | 10.5% | 1.6% | 16.9 | 2.3 | 7.9 |
| Intact Financial Corporation | 4.8% | 12.9% | 1.8% | 18.3 | 3.2 | 14.5 |
| Roper Technologies Inc | 4.8% | 13.6% | 0.6% | 27.5 | 3.1 | 12.4 |
| Morgan Stanley | 4.8% | -6.6% | 3.4% | 12.7 | 1.9 | 5.3 |
| Microsoft | 4.8% | -10.8% | 0.9% | 27.6 | 10.1 | 19.6 |
| UnitedHealth Group Incorporated | 4.8% | 4.0% | 2.0% | 15.8 | 4.2 | 0.8 |
| Zoetis Inc Cl A | 4.8% | 1.4% | 1.3% | 24.5 | 14.0 | 12.4 |
| Xylem Inc. | 4.8% | 3.3% | 1.5% | 23.8 | 2.5 | 27.1 |
| Waste Management Inc Del | 4.8% | 15.1% | 1.4% | 30.5 | 11.2 | 17.9 |
| Stella-Jones Inc. | 4.8% | -4.1% | 1.8% | 11.9 | 1.9 | 16.0 |
| Wheaton Precious Metals Corp | 4.8% | 38.0% | 0.7% | 40.1 | 5.2 | 1.3 |
| Mondelez Intl, Inc Class A | 4.8% | 14.4% | 2.7% | 23.7 | 3.4 | 8.5 |
| Broadcom Inc. | 4.8% | -27.6% | 1.4% | 25.4 | 11.7 | 18.2 |
| Visa | 4.8% | 11.1% | 0.7% | 29.0 | 16.9 | 19.4 |
| American States Water Co | 4.8% | 1.9% | 2.3% | 24.7 | 3.3 | 8.0 |
| Quebecor Inc. Class B | 4.8% | 16.4% | 3.8% | 11.1 | 4.0 | 7.5 |
| Richelieu Hardware Ltd. | 4.8% | -13.6% | 1.9% | 20.2 | 1.9 | 0.4 |
| Cash & Equivalents | | | | | | |
| Cash (CAD\$) | 5.0% | 0.8% | 4.0% | NA | NA | NA |
| Langill & McHenry All Equity DG Portfolio | 100.0% | 2.3% | 1.7% | 21.4 | 6.4 | 11.0% |

*Note: For illustration purposes only.

but at different weightings.

*Note: Returns are in Local Currency..

Source: FactSet and Croesus Composites.

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

Capital Preservation Portfolio Dividend Growth (DG) (2025-03-31)

| Issue Name | Price - Close | Portfolio Weight % | Rating | Yield % | Effective Duration (years) |
|---|---------------|--------------------|------------|-------------|----------------------------|
| Bonds | | | | | |
| Walt Disney Company 3.057% 30MAR2027 | 99.1 | 8.2% | A- | 3.3% | 1.9 |
| Choice Properties Real Estate Investment Trust 2.848% 21MAY2027 | 98.8 | 8.2% | BBB+ | 3.4% | 1.9 |
| Honda Cda Fin 1.646% 25FEB2028 | 95.0 | 8.2% | A+ | 3.5% | 2.7 |
| Tourmaline Oil Corp. 2.529% 12FEB2029 | 95.4 | 8.2% | BBB | 3.8% | 3.6 |
| Canada Housing Trust No.1 2.1% 15SEP2029 | 96.8 | 8.2% | AAA | 2.9% | 4.2 |
| PROVINCE OF ONT 2.05% 02JUN30 | 95.1 | 7.3% | A+ | 3.1% | 4.8 |
| Fairfax Financial Holdings Limited 3.95% 03MAR2031 | 98.7 | 8.2% | BBB+ | 4.2% | 5.1 |
| Canada Housing Trust No.1 3.55% 15SEP2032 | 101.3 | 8.7% | AAA | 3.3% | 6.4 |
| Enbridge Inc 3.1% 21SEP2033 | 89.6 | 8.5% | BBB+ | 4.6% | 7.2 |
| Preferred Shares | | | | | |
| Enbridge Inc Cum Red Pref Registered Shs Series 1 USD\$ 01JUN2028 | 22.3 | 7.8% | BBB- | 6.8% | 3.0 |
| TD Bank N-CUM 5YR RST PFD SR16 31OCT2027 | 25.2 | 7.8% | BBB | 6.2% | 2.4 |
| Convertible Debentures | | | | | |
| NFI Group 5% 15JAN2027 Conv Debs | 96.0 | 7.8% | NR | 5.2% | 1.6 |
| Cash & Equivalents | | | | | |
| Cash or Cash Equivalent | 1.0 | 3.0% | | 4.0% | - |
| Langill & McHenry Capital Preservation DG Portfolio | | 100% | BBB | 4.2% | 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 (2025-03-31)

| Issue Name | Portfolio Weight | Last Quarter Total Return % | Dividend Yield | Price/Earnings | Price/Book | 5 Yr EPS Growth |
|---|------------------|--------------------------------|----------------|----------------|------------|--------------------|
| Equity | | | | | | |
| Northland Power Inc | 4.8% | 11.7% | 6.5% | 13.9 | 1.2 | |
| NextEra Energy | 4.8% | -0.3% | 3.4% | 18.1 | 2.7 | 22.8 |
| Paychex Inc | 4.8% | 10.8% | 2.7% | 28.6 | 13.5 | 11.3 |
| Pembina Pipeline Corp | 4.8% | 9.7% | 5.3% | 17.1 | 2.0 | |
| Comcast Corp New Cl A | 4.8% | -0.9% | 3.9% | 8.0 | 1.5 | 16.1 |
| CT Real Estate Investment Trust | 4.8% | 3.2% | 6.2% | 12.7 | 0.9 | 23.2 |
| Royal Bank of Canada | 4.8% | -5.7% | 3.7% | 12.1 | 1.9 | 9.5 |
| TC Energy Corp | 4.8% | 2.7% | 5.0% | 17.8 | 2.8 | - 1.7 |
| Genuine Parts Co | 4.8% | 2.9% | 3.6% | 14.4 | 3.6 | 48.2 |
| Merck & Co Inc New | 4.8% | -9.0% | 4.1% | 8.8 | 4.3 | 24.8 |
| Hershey Comp | 4.8% | 1.9% | 3.3% | 27.4 | 7.2 | 15.6 |
| Medtronic PLC | 4.8% | 13.4% | 3.4% | 15.2 | 2.2 | - 6.0 |
| Kenvue Inc | 4.8% | 13.4% | 3.6% | 20.0 | 4.5 | |
| Manulife Finl Corp | 4.8% | 2.6% | 4.4% | 9.9 | 1.6 | - 0.7 |
| Cisco Systems Inc. | 4.8% | 4.9% | 3.0% | 14.8 | 4.9 | - 0.9 |
| IBM Corporation | 4.8% | 13.9% | 2.8% | 22.4 | 8.2 | 0.8 |
| Texas Instruments Inc. | 4.8% | -3.5% | 3.7% | 28.5 | 7.9 | - 3.4 |
| Archer Daniels Midland Co | 4.8% | -3.9% | 4.2% | 11.9 | 1.1 | 3.8 |
| Telus Corporation | 4.8% | 7.8% | 7.7% | 20.8 | 2.0 | - 8.4 |
| Fortis Inc. | 4.8% | 10.8% | 3.6% | 19.8 | 1.5 | 5.7 |
| Cash & Equivalents | | | | | | |
| Cash (CAD\$) | 5.0% | 0.8% | 4.0% | NA | NA | NA |
| Langill & McHenry Y&G All Equity Portfolio | 100.0% | -0.8% | 4.0% | 16.3 | 3.4 | 6.9% |

Note: For illustration purposes only.

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

Source: FactSet & Croesus Composites.

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

Capital Preservation Portfolio Yield & Growth (Y&G) & Yield (Y) (2025-03-31)

| Issue Name | Price - Close | Portfolio Weight % | Rating | Yield % | Effective Duration (years) |
|--|---------------|--------------------|------------|-------------|----------------------------|
| Bonds | | | | | |
| Equitable Bank 3.362% 02MAR2026 | 99.9 | 11.3% | BBB+ | 3.5% | 0.8 |
| Telus Corporation 2.75% 08JUL2026 | 99.3 | 11.3% | BBB | 3.3% | 1.1 |
| Government of Canada 1.0% 01JUN2027 | 96.9 | 11.3% | AAA | 2.5% | 2.1 |
| PROVINCE OF ONT 2.7% 02JUN2029 | 99.1 | 11.3% | A+ | 2.9% | 3.8 |
| Crombie Real Estate Investment Trust 3.133% 12AUG2031 | 91.6 | 11.3% | BBB- | 4.7% | 5.6 |
| Brookfield Infrastructure 2.855% 01SEP2032 | 89.9 | 11.3% | BBB+ | 4.5% | 6.5 |
| Preferred Shares | | | | | |
| *Fairfax Financial Holdings Limited Cum Pfd Shs Series M 31MAR2025 (REDEEMED) | | 7.3% | BB+ | | - |
| Brookfield Corp Pfd S46 31MAR2027 | 23.6 | 7.3% | BBB | 5.7% | 2.2 |
| Pembina Pipeline Corp Cum Conv Red Perp Pfd Registered Shs A Series -21- 01MAR2028 | 23.6 | 7.3% | BB+ | 6.7% | 3.2 |
| Convertible Debentures | | | | | |
| Morguard REIT 6.805% 31DEC2026 | 99.9 | 7.3% | BB+ | 6.8% | 1.5 |
| Cash & Equivalents | | | | | |
| Cash or Cash Equivalents | 1.0 | 3.0% | na | 4.0% | - |
| Langill & McHenry Capital Preservation Y&G Portfolio | | 100.0% | BBB | 3.9% | 2.8 |

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 (2025-03-31)

| Issue Name | Portfolio Weight | Last Quarter Total Return % | Dividend Yield | Price/Earnings | Price/Book | 5 Yr EPS Growth |
|---|------------------|--------------------------------|----------------|----------------|------------|--------------------|
| Equity | | | | | | |
| Verizon Communications | 4.8% | 15.5% | 6.3% | 9.2 | 1.8 | - 0.9 |
| Cdn Natural Resources | 4.8% | 1.1% | 5.8% | 11.1 | 2.2 | |
| Philip Morris Intl | 4.8% | 33.1% | 3.3% | 22.8 | NA | - 3.2 |
| Gibson Energy Inc | 4.8% | -7.1% | 8.0% | 17.3 | 3.6 | 3.1 |
| South Bow Corp | 4.8% | 10.5% | 8.3% | 14.7 | 2.7 | |
| Enbridge Inc | 4.8% | 6.0% | 6.0% | 20.8 | 2.3 | 12.2 |
| Capital Power | 4.8% | -23.9% | 5.5% | 13.2 | 1.6 | 60.4 |
| Bristol Myers Squibb Co | 4.8% | 9.0% | 5.0% | 7.4 | 6.2 | |
| Pfizer Inc | 4.8% | -2.9% | 7.7% | 7.6 | 1.4 | - 3.5 |
| CIBC | 4.8% | -9.9% | 4.5% | 10.3 | 1.4 | 15.4 |
| Power Corp of Canada | 4.8% | 14.8% | 4.8% | 9.7 | 1.4 | 7.8 |
| Public Storage | 4.8% | 1.0% | 4.1% | 29.3 | 9.7 | 14.0 |
| Gilead Sciences Inc | 4.8% | 22.2% | 3.0% | 13.3 | 6.8 | 40.8 |
| Magna Intl Inc | 4.8% | -17.5% | 5.4% | 6.7 | 0.8 | 9.2 |
| Franklin Resources Inc | 4.8% | -3.5% | 7.2% | 8.8 | 0.7 | - 14.6 |
| Choice Properties REIT | 4.8% | 6.0% | 5.3% | 14.2 | 2.2 | 14.2 |
| Chartwell Retirement REIT | 4.8% | 12.3% | 3.8% | 108.5 | 4.1 | 5.7 |
| Bank of Nova Scotia | 4.8% | -10.4% | 6.4% | 9.6 | 1.1 | 2.3 |
| Nutrien Ltd | 4.8% | 12.3% | 4.2% | 13.9 | 1.0 | 14.7 |
| Brookfield Infrastructure Corp NEW | 4.8% | -8.9% | 5.0% | NA | NA | NA |
| Cash & Equivalents | | | | | | |
| Cash (CAD\$) | 5.0% | 0.8% | 4.0% | NA | NA | NA |
| Langill & McHenry Yield All Equity Portfolio | 100.0% | na | 5.2% | 11.4 | 2.4 | 8.43% |

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 two completion models below.

PIMG Completion Models as of 2025-03-31, CAD

Completion & Small Completion Model Holdings:

| Issue Name | Ticker | Currency \$ | Q1 2025 % | Last 12 Months % |
|---|----------|-------------|-----------|------------------|
| Fidelity Global Core Plus Bond ETF | FCGB-CAN | CAD \$ | 1.9% | 0.2% |
| Vanguard FTSE Dev All ETF | VIU-CAN | CAD \$ | 7.3% | 11.0% |
| iShares MSCI Emerging Markets Index ETF | XEM-CAN | CAD \$ | 4.4% | 14.7% |
| Dynamic Active Innovation & Disruption ETF | DXID-CAN | CAD \$ | -22.1% | NA |
| Vanguard S&P Small Cap 600 ETF | VIOO-US | USD \$ | -9.0% | -2.5% |
| Fidelity Canadian Short-Term Bond ETF | FCSB-CA | CAD \$ | 0.6% | 4.2% |
| PIMCO Monthly Income (CAN) ETF Series | PMIF-CAN | CAD \$ | 2.6% | 6.6% |
| Dynamic Active Preferred Share ETF | DXP-CAN | CAD\$ | 3.3% | 17.0% |
| Berkshire Hathaway Ord Shs Class B | BRK.B-US | USD\$ | 17.5% | 26.7% |
| Graham Holdings Company Ord Shs Class B | GHC-US | USD\$ | 10.4% | 28.2% |
| Fairfax Financial Holdings Sub Voting Ord Shs | FFH-CAN | CAD \$ | 5.1% | 44.3% |
| Onex Ord Shs | ONEX-CAN | CAD \$ | -14.1% | -4.2% |
| Markel Hldg Co Corp | MKL-US | USD \$ | 8.3% | 23.9% |
| Brookfield Corp | BN-CAN | CAD \$ | -8.7% | 35.6% |
| Cymbria Corporation Class A | CYB-CAN | CAD \$ | 0.3% | 8.6% |

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 & Fidelity Investments.

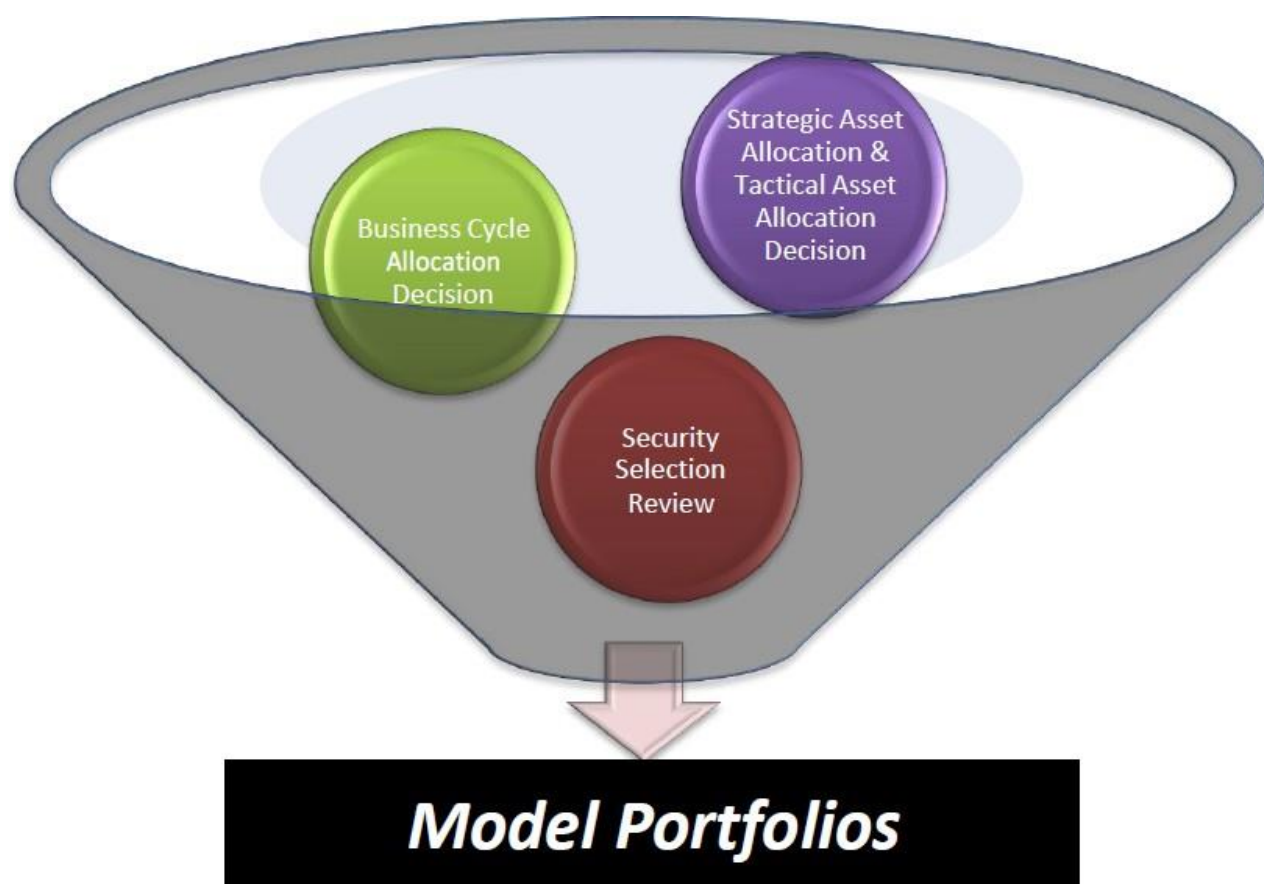
**Note: DXID-CAN launched 22JAN2025.*

Model Portfolio Process

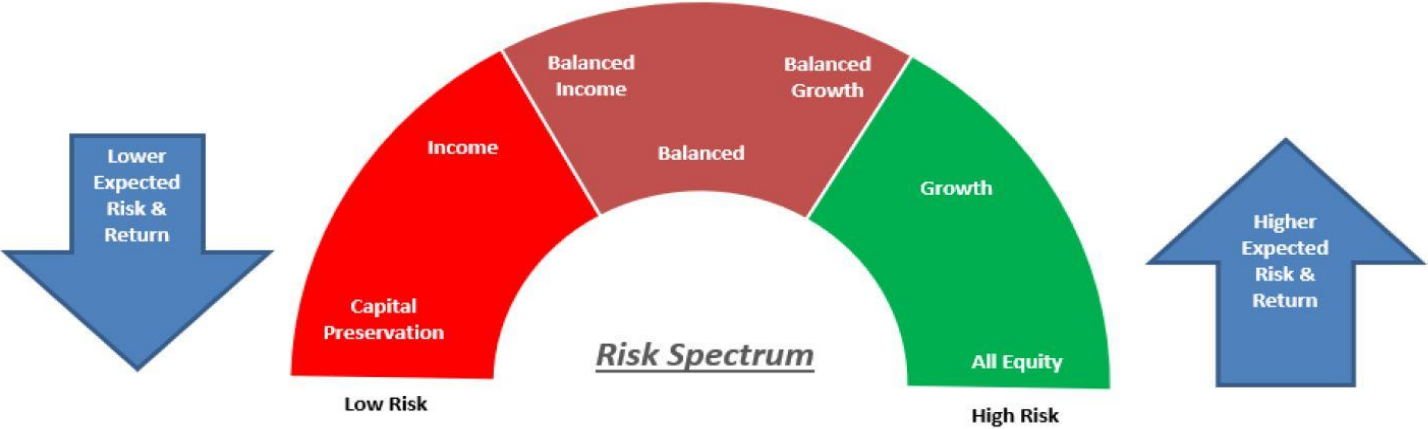
When we select investment securities for our model portfolios, we follow a disciplined three-step process:

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:



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):

- 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 per cent on average).

Other Portfolio Parameters (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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