

Quarterly Market Update



Brett Langill, CFP, CIM, FCSI
Portfolio Manager
Brett.Langill@raymondjames.ca



Adam McHenry, CFA, MBA
Portfolio Manager
Adam.McHenry@raymondjames.ca

**Langill & McHenry
Investment Advisors of
Raymond James Ltd.**

507 Lakeshore Road East,
Suite 206, Mississauga,
ON L5G 1H9
(416) 901-6500

[www.raymondjames.ca/
langillmchenry](http://www.raymondjames.ca/langillmchenry)

No Pressure, No Diamonds

While extreme pressures are necessary to create diamonds (which as a reminder, is the hardest natural material on earth), this process is quite similar to what is necessary when it comes to investing and especially as it relates to building diamond-like investment portfolios (i.e., high pressure + long-term time horizon).

Key Points:

- It pays to stay invested - avoid the temptations to time the market; it is a losing proposition for even the smartest and brightest minds.
- Ignore the headlines/noise and remember to be “fearful when others are greedy and greedy when others are fearful”.
- Stay rational when markets/investors appear to be behaving irrationally (i.e., buy-low vs. selling-low).
- Ignore your emotional tendencies and stick to your long-term plan; otherwise, you may end up buying-high and selling-low.
- Volatility/market sell-offs should be expected and are normal even during broader bull market cycles!
- Diversification + asset allocation = 😊

Bottom Line: It may be difficult for many of us to see the bigger picture and maintain a long-term investment perspective given the volatile start to the year, which we acknowledge is especially difficult when the news flow is dominated by a long list of worrisome headlines (e.g., calls for an imminent recession/hard-landing, job losses, market collapse, etc.), **we remind investors, that some of the most beautiful and flawless diamonds on earth were formed under very extreme pressures and over very long periods of time!**

****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:

Stocks

- North American stock markets ended Q2 of 2022 on a very weak note, in the face of ongoing high inflation and an increasingly hawkish central banks both in Canada and the United States. (Q2 2022: Canada -13.2% and the U.S. -16.4%). However, the U.S. greenback (+2.9% in Q2 2022) improved U.S. stock returns held by Canadian investors on a currency-adjusted basis to -13.6%.
- Canadian equities have continued to outperform U.S. equities by +6.7%, over the last 12 months. Canadian stocks are benefitting from a larger exposure to commodities (ie. Oil & Gas), while the lack of technology stocks in Canada, which was a headwind in 2021, has been a source of strength for the Canadian market versus our southern neighbours. In fact, looking out over a two-year timeframe, returns between the two markets are very similar (Canada = +13.4%, U.S. = +12.2%).
- Due to inflation concerns, stimulus measures are rapidly being withdrawn by monetary authorities, which were put in place due to depth of the Covid-19 contraction. Despite the increase in policy interest rates and reduced stimulus by monetary authorities, interest rates continue to hover near historic lows and fiscal policy continues to be accommodative.

Bonds & Preferred Shares

- With historically high inflation rates, it was a challenging environment for Canadian bonds in Q2 2022 falling by -5.7%, and by -11.4% over the last 12 months. 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 rates are a negative for bond prices.
- Canadian preferred shares continued their strong performance, relatively speaking, by only falling -7.5% in Q2 2022 and -5.9% over the last 12 months. Preferred shares are benefitting from the expectation of improved economic conditions and the introduction of limited recourse capital notes (LRCNs), which has inspired a supply imbalance in the preferred share market in favour of higher preferred share prices.

Our Models

- Our all-equity stock portfolios, Dividend Growth (DG), and Yield & Growth (Y&G), declined -10.2% & -7.8% for Q2 2022 and -12.9% & -3.4% over 2022 so far, relative to our benchmark at -13.6% and -14.9%, respectively.
- Our capital preservation bond portfolios, DG and Y&G versions, declined -2.6% & -3.5% for Q2 2022 and -6.5% & -7.2% over 2022 so far, relative to our benchmark at -5.5% and -12.4%, respectively.
- For our Completion and Small Completion ("balanced growth") portfolios, in Q2 2022 they fell -9.9% and -10.0%, while over 2022 they declined -13.9% and -15.7% so far, relative to our benchmark at -10.8% and -14.0%, respectively.
- Top performers in our stock portfolios for Q2 2022 were Northrop Grunman (NOC) up +9.0% in our DG portfolio, while IBM Corporation (IBM) rose +13.3% to lead performance in our Y&G portfolio. Laggards in our portfolios for Q2 2022 were Scotts Miracle-Gro (SMG) falling -35.6% in our DG portfolio, while Newmont Corporation (NGT) fell -25.4% in our Y&G portfolio.
- We made some changes in our models in Q2 2022 regarding specific securities held in portfolios:
- We took advantage of the broad decline in stock markets to add an additional 2% to each of our model's equity allocation, while sourcing the funds by trimming 1% each from cash and fixed income allocations.
- On the stock side of the portfolios, in the DG models, we sold our position in Air Products & Chemicals (APD) and purchased Xylem Inc. (XYL). While in our Y&G models, we sold our position in Finning Intl Inc (FTT) and Kimberley-Clark (KMB) and reinvested into Restaurant Brands Intl (QSR) and Cisco Systems (CSCO), respectively.
- Within our Completion portfolios, we sold our position in Apollo Global Mgmt (APO) and reinvested into Brookfield Asset Mgmt (BAM.A). While in our Small Completion portfolios, we added a new position in iShares Russell 2000 ETF (IWM).
- On the fixed income side of the portfolio, in the DG portfolios, we sold our Canada Housing Trust 2.35% bond maturing 15JUN2027 and replaced it with a Walt Disney 3.057% bond 30MAR2027. Additionally, one of the portfolios preferred shares was redeemed as expected (Element Fleet Mgmt 5.75%) on June 30th, and we used the maturing proceeds to reinvest into Canada Housing Trust bonds 3.55% maturing 15SEP2032, shortly after the quarter end. While in our Y&G portfolios, we sold our position in Region of Peel 2.30% bonds maturing 02NOV2026 and purchased Equitable Bank 3.362% bonds maturing 02MAR2026.

Langill & McHenry Investment Advisors of Raymond James
PIMG Model Portfolio Performance
As of 30JUNE2022

Mandate	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Last 12 Months	2021
Capital Preservation DG Model	-2.6%	-4.0%	-0.3%	0.2%	0.8%	-3.4%	-0.7%
Capital Preservation Y&G Model	-3.5%	-3.9%	-0.3%	0.2%	0.9%	-3.1%	0.2%
Completion Capital Preservation Model	-4.3%	-3.6%	-0.3%	0.5%	1.6%	-1.8%	1.1%
Small Completion Capital Preservation Model	-4.5%	-5.5%	0.0%	0.1%	1.0%	-4.5%	-1.7%
Capital Preservation Benchmark	-5.5%	-7.1%	1.3%	-0.7%	1.4%	-5.0%	-2.8%
Balanced Growth DG Model	-7.7%	-3.3%	6.3%	0.2%	3.1%	6.2%	15.2%
Balanced Growth Y&G Model	-5.5%	1.6%	4.9%	1.0%	3.8%	11.8%	15.6%
Completion Balanced Growth Model	-9.9%	-4.4%	8.4%	1.7%	4.6%	10.3%	18.2%
Small Completion Balanced Growth Model	-10.0%	-6.4%	4.1%	0.8%	3.8%	1.9%	10.2%
Balanced Growth Benchmark	-10.8%	-3.6%	5.7%	0.7%	4.5%	8.3%	16.3%
All Equity DG Model	-10.2%	-3.1%	8.9%	-0.4%	3.4%	8.7%	21.6%
All Equity Y&G Model	-7.8%	4.8%	6.7%	2.2%	3.9%	16.0%	22.9%
Completion All Equity Model	-17.4%	-4.2%	11.8%	0.5%	5.0%	13.0%	25.5%
Small Completion All Equity Model	-13.5%	-6.4%	5.1%	-0.7%	3.1%	0.7%	13.9%
All Equity Benchmark	-13.6%	-1.8%	8.0%	1.4%	6.1%	15.5%	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\$. Since Inception figures are cumulative. Time-weighted rates of return reported.

*Source: FactSet and Croesus Composites

"Dividend Growth (DG)" Stocks We Own:

Dividend Growth (DG) All Equity Portfolio (2022-06-30)

Issue Name	Portfolio Weight	Last Quarter Total Return %	Dividend Yield	Price/Earnings	Price/Book	Est 3-5 Yr EPS Growth
Equity						
Lennar Corporation Class A	2.9%	-11.2%	1.8%	4.8	1.0	17.0%
Magna Intl	2.9%	-11.5%	3.2%	13.4	1.4	18.9%
Tractor Supply Company	5.0%	-11.3%	1.5%	22.2	12.1	10.5%
Empire Co. Ltd. Class A	6.7%	-8.9%	1.5%	14.1	2.1	0.1%
Intact Financial Corporation	5.9%	-1.1%	2.1%	15.7	2.2	na
Manulife Financial Corporation	5.8%	-15.3%	5.5%	4.8	0.9	na
Morgan Stanley	5.5%	-9.0%	3.7%	10.3	1.4	3.4%
Jamieson Wellness, Inc.	4.3%	3.5%	1.7%	25.9	4.1	na
UnitedHealth Group Incorporated	8.0%	3.8%	1.2%	26.8	6.6	13.3%
Northrop Grunman Corporation	6.0%	9.0%	1.4%	13.2	5.6	5.6%
Xylem Inc.	4.7%	-6.7%	1.5%	33.6	4.4	14.1%
Scotts Miracle-Gro Company Class A	2.7%	-35.6%	3.3%	11.1	4.5	-11.0%
Stella-Jones Inc.	3.4%	-11.7%	2.3%	9.7	1.4	na
Wheaton Precious Metals Corp	5.4%	-23.9%	1.6%	22.2	2.6	5.0%
Activision Blizzard, Inc.	6.2%	0.0%	0.6%	24.7	3.4	11.0%
Broadcom Inc.	6.6%	-19.4%	3.3%	24.1	9.4	23.4%
Enghouse Systems Limited	2.8%	-28.5%	2.3%	17.4	3.4	na
Comcast Corporation Class A	4.8%	-14.6%	2.6%	12.6	1.9	13.7%
Quebecor Inc. Class B	3.2%	-7.7%	4.2%	11.5	4.9	0.8%
Algonquin Power & Utilities Corp.	4.0%	-10.1%	5.1%	27.8	1.7	8.8%
Cash & Equivalents						
Cash (CAD\$)	3.3%	0.2%	0.0	na	na	na
Langill & McHenry All Equity DG Portfolio	100.0%	-10.2%	2.5	17.4	4.0	9.1%

*Note: For illustration purposes only.

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

Source: FactSet and Croesus Composites.

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

Capital Preservation Portfolio Dividend Growth (DG) (2022-06-30)

Issue Name	Price - Close	Portfolio Weight %	Rating	Yield %	Effective Duration (years)
Bonds					
Walt Disney Company 3.057% 30MAR2027	93.3	8.3%	BBB+	4.5%	4.3
Tourmaline Oil Corp. 2.529% 12FEB2029	86.9	7.7%	NA	4.9%	5.9
Choice Properties Real Estate Investment Trust 2.848% 21MAY2027	91.0	8.1%	BBB	5.0%	4.4
Manulife Financial Corporation 3.317% 09MAY2028	98.9	8.8%	A-	4.3%	0.8
Fairfax Financial Holdings Limited 3.95% 03MAR2031	87.9	7.8%	BBB	5.8%	7.0
Bank of Montreal 1.60% *Step Ups* 2022/2029	86.9	7.7%	A+	2.0%	0.2
Province of Alberta 2.2% 01JUN2026	95.2	8.4%	A+	3.5%	3.7
Canada Housing Trust No.1 2.1% 15SEP2029	91.4	8.1%	AAA	3.6%	6.6
Preferred Shares					
Enbridge Inc Cum Red Pref Registered Shs Series 1 USD\$ 01JUN2023	23.1	11.0%	BBB-	6.3%	0.2
Capital Power Corp Cum Conv Red Pref Registered Shs Series -11- 30JUN2024	25.1	8.4%	BB	5.7%	1.9
Convertible Debentures					
NFI Group 5% 15JAN2027 Conv Debs	84.9	6.9%	NA	9.1%	4.5
Cash & Equivalents					
Cash or Cash Equivalent	1.0	8.9%	NA	0.6%	-
Langill & McHenry Capital Preservation DG Portfolio		100%	BBB+	4.6%	3.1

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 (2022-06-30)

Issue Name	Portfolio Weight	Last Quarter Total Return %	Dividend Yield	Price/Earnings	Price/Book	Est 3-5 Yr EPS Growth
Equity						
J.M. Smucker Company	8.8%	-3.3%	3.1%	21.9	1.7	1.6%
North West Company Inc.	4.1%	-10.6%	4.5%	11.2	2.7	na
Restaurant Brands Intl	3.9%	-14.8%	4.3%	19.0	7.0	8.8%
Enbridge Inc.	5.3%	-5.0%	6.2%	18.8	2.0	6.6%
Bank of Nova Scotia	3.4%	-13.5%	5.0%	9.2	1.4	5.0%
CT Real Estate Investment Trust	4.6%	-4.9%	5.1%	8.1	2.4	na
Royal Bank of Canada	6.0%	-8.4%	3.7%	10.9	1.8	3.3%
Sun Life Financial Inc.	5.6%	-14.6%	4.3%	9.0	1.5	na
AbbVie, Inc.	6.2%	-2.0%	3.5%	22.0	16.6	-3.0%
Bristol-Myers Squibb Company	5.2%	8.4%	2.7%	27.3	5.2	5.2%
Gilead Sciences, Inc.	3.9%	8.2%	4.7%	17.3	3.9	0.6%
3M Company	3.4%	-9.9%	4.6%	13.5	4.9	8.0%
Newmont Corporation	4.0%	-25.4%	3.6%	46.7	2.3	na
Rio Tinto ADR	5.1%	-23.9%	13.0%	4.7	1.9	2.2%
Cisco Systems Inc.	5.2%	-3.5%	3.5%	15.0	4.4	7.1%
IBM Corporation	4.8%	13.3%	4.7%	22.9	6.7	7.8%
Texas Instruments Inc.	4.6%	-12.3%	2.9%	17.6	10.1	9.0%
BCE Inc.	4.8%	-8.6%	5.7%	19.5	3.0	4.4%
Telus Corporation	2.8%	-13.0%	4.6%	22.9	2.6	8.5%
Fortis Inc.	5.2%	-2.2%	3.5%	23.5	1.6	5.0%
Cash & Equivalents						
Cash (CAD\$)	3.2%	0.2%	0.0	na	na	na
Langill & McHenry Y&G All Equity Portfolio	100.0%	-7.8%	4.7%	18.0	6.1	4.6%

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)" Bonds & Preferred Shares We Own:

Capital Preservation Portfolio Yield & Growth (Y&G) (2022-06-30)

	Price - Close	Portfolio Weight %	Rating	Yield %	Effective Duration (years)
Bonds					
Equitable Bank 3.362% 02MAR2026	94.2	9.7%	NA	5.1%	3.4
Canadian Western Bank 1.57% 14SEP2023	96.6	9.9%	NA	4.3%	1.2
Bank of Montreal 1.4% *Step Ups* 2022/2028	87.5	9.0%	A+	1.7%	0.2
Crombie Real Estate Investment Trust 3.133% 12AUG2031	82.0	8.4%	NA	5.9%	7.5
Telus Corporation 2.75% 08JUL2026	93.2	9.6%	BBB+	4.6%	3.7
Government of Canada 1.0% 01JUN2027	90.6	9.3%	AAA	3.1%	4.7
Preferred Shares					
Enbridge Inc Cum Red Pref Shs Series L USD\$ 01SEP2022	23.9	11.8%	BBB-	6.0%	0.2
Pembina Pipeline Corp Cum Conv Red Perp Pfd Registered Shs A Series -21- 01MAR2023	23.7	9.1%	BB+	5.1%	0.8
Fairfax Financial Holdings Limited Cum Pfd Shs Series M 31MAR2025	21.4	8.2%	BB+	5.7%	2.8
Brookfield Asset Management Inc. Cum Pfd Shs A Series -34- 31MAR2024	19.6	7.6%	BBB	5.6%	1.8
Cash & Equivalents					
Cash or Cash Equivalents	1.0	7.4%	na		-
Langill & McHenry Capital Preservation Y&G Portfolio		100%	BBB	4.4%	2.3

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.

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.

Completion & Small Completion Model Holdings:

Issue Name	Ticker	Currency \$	Q2 2022 %	Last 12 Months %
iShares Canadian Corporate Bond Index ETF	XCB	CAD \$	-5.2%	-10.9%
iShares MSCI World Index ETF	XWD	CAD \$	-13.4%	-9.7%
iShares MSCI Emerging Markets Index ETF	XEM	CAD \$	-9.5%	-23.2%
First Trust Nasdaq 100 Equal Weight ETF	QQEW	USD \$	-16.2%	-18.4%
iShares Russell 2000 ETF	IWM	USD \$	-15.6%	-23.0%
Fidelity Canadian Short-Term Bond ETF (FCSB)	VSC	CAD \$	-1.7%	-5.2%
PIMCO Monthly Income (CAN) ETF Series	PMIF	CAD \$	-4.0%	-7.4%
Horizons Active Preferred Share ETF	HPR	CAD \$	-8.3%	-6.8%
Berkshire Hathaway Ord Shs Class B	BRK.B	USD \$	-20.0%	1.5%
Graham Holdings Company Ord Shs Class B	GHC	USD \$	-5.4%	-6.6%
Fairfax Financial Holdings Sub Voting Ord Shs	FFH	CAD \$	-2.1%	28.0%
Onex Ord Shs	ONEX	CAD \$	-22.1%	-28.5%
KKR and Co Ord Shs	KKR	USD \$	-19.9%	-18.6%
Brookfield Asset Mgmt Inc. Class A	BAM.A	CAD \$	-19.7%	-8.6%
Cymbria Corporation Class A	CYB	CAD \$	-5.3%	-13.0%

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 CAD\$.*

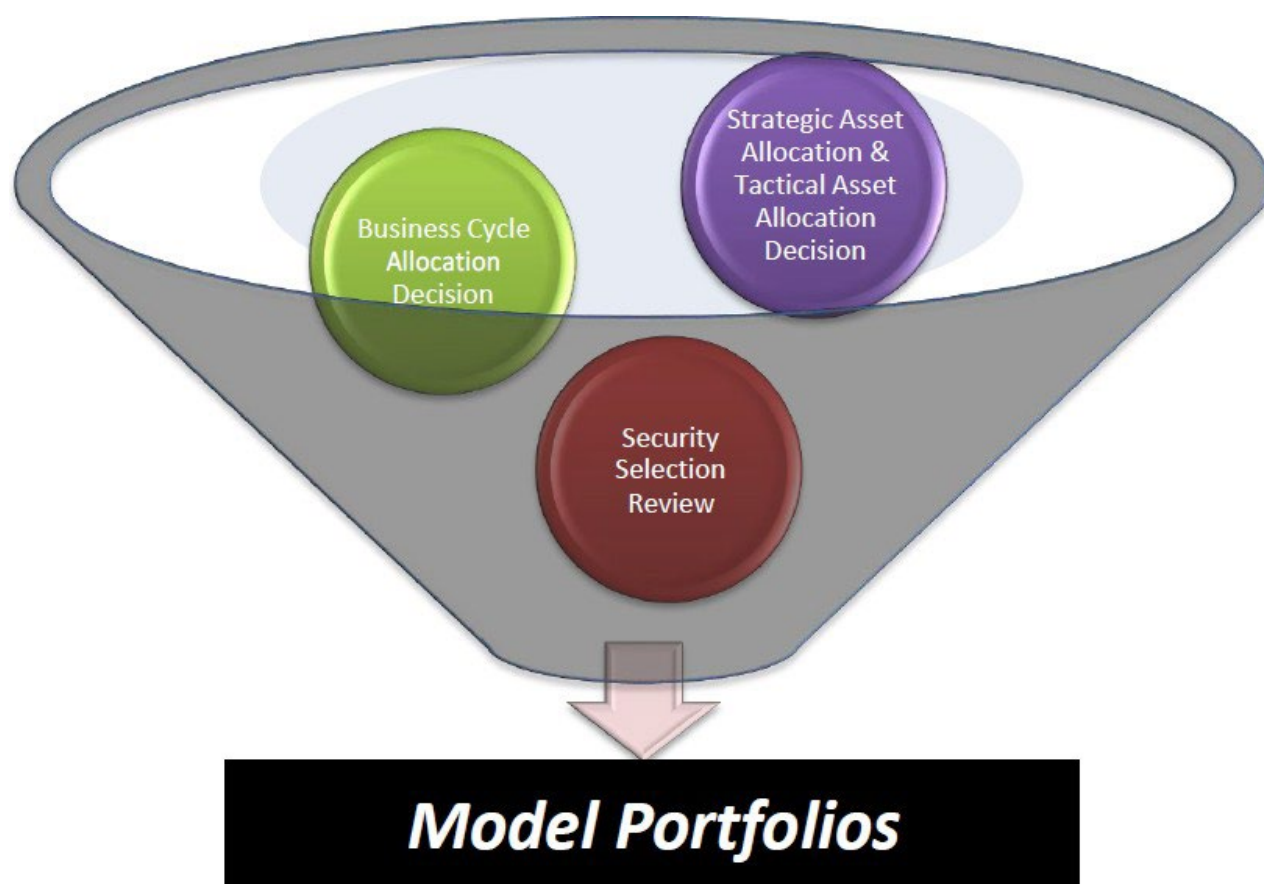
Source: FactSet.

Model Portfolio Process

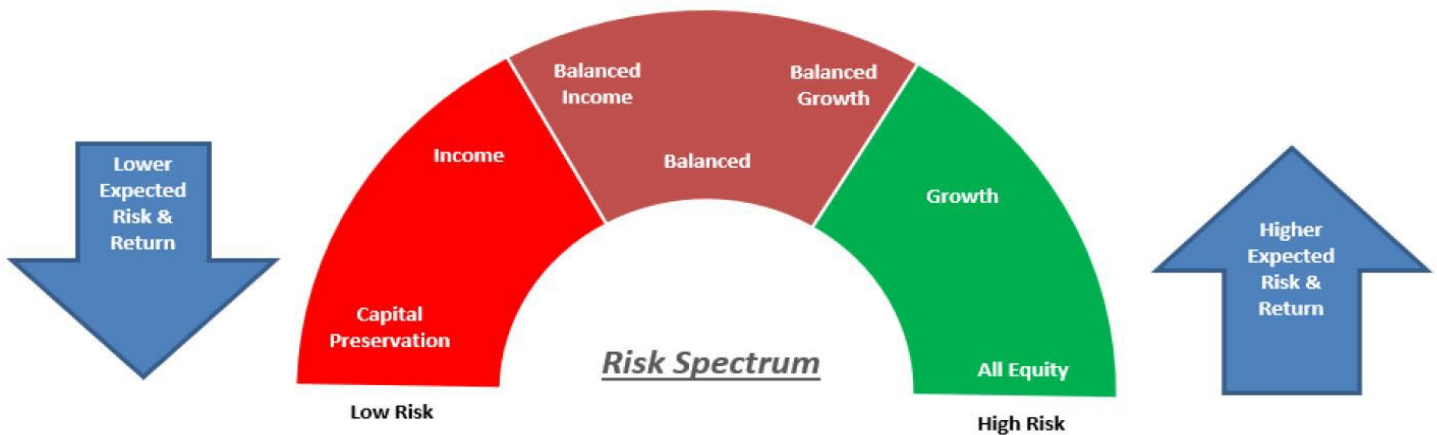
When we select investment securities for our model portfolios, we follow a disciplined three step process:

1. Examine our asset mix vs. our expectations for long-term returns. This review helps guide our model portfolios allocation to cash & equivalents, fixed income (bonds & 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 & Asset Allocations:



LANGILL & MCHENRY MODEL ASSET ALLOCATION

Asset Allocation	Cash %	Fixed Income %	Equity %
Capital Preservation	5.50%	94.50%	0.00%
<i>MODEL RANGES</i>	<i>0-25%</i>	<i>75-100%</i>	<i>0-25%</i>
Benchmark Capital Preservation	0.00%	100.00%	0.00%
Income	2.00%	67.00%	31.00%
<i>MODEL RANGES</i>	<i>0-25%</i>	<i>55-100%</i>	<i>20-45%</i>
Benchmark Income	0.00%	80.00%	20.00%
Balanced Income	2.00%	51.00%	47.00%
<i>MODEL RANGES</i>	<i>0-25%</i>	<i>35-85%</i>	<i>15-65%</i>
Benchmark Balanced Income	0.00%	60.00%	40.00%
Balanced	2.00%	41.00%	57.00%
<i>MODEL RANGES</i>	<i>0-25%</i>	<i>25-75%</i>	<i>25-75%</i>
Benchmark Balanced	0.00%	50.00%	50.00%
Balanced Growth	2.00%	30.00%	68.00%
<i>MODEL RANGES</i>	<i>0-25%</i>	<i>10-60%</i>	<i>40-90%</i>
Benchmark Balanced Growth	0.00%	35.00%	65.00%
Growth	2.00%	15.00%	83.00%
<i>MODEL RANGES</i>	<i>0-25%</i>	<i>0-45%</i>	<i>55-100%</i>
Benchmark Growth	0.00%	20.00%	80.00%
All Equity	2.00%	0.00%	98.00%
<i>MODEL RANGES</i>	<i>0-25%</i>	<i>0-25%</i>	<i>75-100%</i>
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

Model Portfolio Objectives for Dividend Growth and Yield & Growth:

- We designed both of the 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%/yr, dividend yield target +0%

Yield & Growth (Y&G):

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

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

- 14 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”)



LANGILL & MCHENRY INVESTMENT ADVISORS

RAYMOND JAMES®

The information in this communication is derived from various sources, including Raymond James Ltd., CI Investments, Signature Global Asset Management, Cambridge Global Asset Management, Globe and Mail, National Post, Bank of Montreal Economics, and Trading Economics. Index information was provided by TD Newcrest and PC Bond. Returns for the S&P/TSX and S&P 500 indexes are total returns (including dividends) while other indexes are price returns. This material is provided for general information and is subject to change without notice. Every effort has been made to compile this material from reliable sources; however, no warranty can be made as to its accuracy or completeness. Before acting on any of the above, please contact us for individual financial advice based on your personal circumstances.

Complete disclosures for companies covered by Raymond James can be viewed at: www.raymondjames.ca/researchdisclosures. Market commentary within this newsletter has been provided by Raymond James Private Client Solutions.

Raymond James Ltd. (RJL) prepared this newsletter. Information is from sources believed to be reliable but accuracy cannot be guaranteed. It is for informational purposes only. It is not meant to provide legal or tax advice; as each situation is different, individuals should seek advice based on their circumstances. This document is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of or located in any locality, state, country, or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. The securities discussed in this document may not be eligible for sale in some jurisdictions. This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. RJL, its officers, directors, agents, employees and families may from time to time hold long or short positions in the securities mentioned herein and may engage in transactions contrary to the conclusions in this newsletter. RJL may perform investment banking or other services for, or solicit investment banking business from, any company mentioned in this newsletter. Securities offered through Raymond James Ltd., Member-Canadian Investor Protection Fund. Financial planning and insurance offered through Raymond James Financial Planning Ltd., not a Member-Canadian Investor Protection Fund.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual funds. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.