

September 30, 2023

Quarterly Commentary

Performance

	1 M	YTD	3M	6M	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Portfolio	-2.6%	1.0%	-3.9%	-4.2%	3.2%	8.6%	5.9%	7.9%	8.1%
Benchmark	-3.3%	-0.3%	-4.2%	-4.3%	5.7%	10.6%	6.5%	6.7%	7.1%

Source: FactSet. Performance as of September 30, 2023.

In Q3/2023, the top performers in our Dividend Plus+ Guided Portfolio were **Canadian Natural Resources (CNQ-CA)**, **TFI International (TFII-CA)**, and **WSP Global (WSP-CA)**, with price returns of 17.9%, 15.6%, and 9.5%, respectively.

CNQ-CA benefited from WTI price trends which rallied on news of lower inventory levels and OPEC+ cuts to production. Additionally, the company reported Q2/23 earnings in August that beat on sales and EPS estimates. TFII-CA rallied after it reached a tentative agreement with Teamsters in July, renewing their collective bargaining agreement. No details were provided, but TFI benefits from higher wage rates than its industry peers and this news removed any risk the negotiations would impact operations. WSP-CA reported financial results in August, which beat on sales and EPS estimates, with a positive price impact of 2.6%. This helped lift the stock for the remainder of the quarter showing investor sentiment remained positive.

On the flip side, the bottom three performers for the quarter were **Park Lawn (PLC-CA)**, **Canadian Tire (CTC.A-CA)**, and **Jamieson Wellness (JWEL-CA)**, which declined by 23.2%, 19.4%, and 18.8% respectively.

PLC-CA declined mostly after reported earnings in August that had mixed results. The company missed sales, EBITDA, and GAAP EPS estimates. The results did little to lift sentiment declining 1.1% post release, and another ~19% for the rest of the quarter. CTC.A-CA declined leading up to its earnings release in August, as many analysts expected weaker results due to the difficult macroeconomic environment for retail. The results were mixed with a miss on sales of 0.7% and beat on EPS by 0.9%. Management noted it is withdrawing its previously disclosed growth targets for 2022-2025, given the slower pace of growth and consumer demand differing from the company's expectations, which resulted in a 7.8% decline post release. JWEL-CA had a difficult quarter missing sales and EPS estimates by 1.1% and 5.2%, respectively. Management also noted in August that it would reduce its top-end guidance for revenue and profitability due to lower shipments in Canada, and regulatory timing impacting its international segment.

Trades

No trades in Q3/23.

Investment Team

Larbi Moumni, CFA®
Peter Tewolde

Available on Partners Program?

Yes

Objective

The Dividend Plus+ Guided Portfolio is designed to satisfy the return requirements and risk tolerances of investors whose primary objectives are current income and dividend growth together with a secondary objective of capital appreciation.

Investment Philosophy

Buying high-quality businesses across the investment universe. Quality businesses are sector/industry-leaders that have a solid competitive position, a robust financial profile, and a strong management team.

Investment Process

Multi-disciplined top-down and bottom-up investment approach with a particular focus on dividend growth and dividend sustainability.

Portfolio Inception

January 2, 2012

Benchmark

S&P/TSX Canadian Dividend Aristocrats Total Return Index

Top 10 Holdings

Sun Life Financial (SLF-CA)
Rbc (RY-CA)
Telus (T-CA)
Canadian Natural (CNQ-CA)
Brookfield Asset Management (BAM-CA)
Tmx Group (X-CA)
Toronto-Dominion Bank (TD-CA)
Intact Financial (IFC-CA)
Enbridge (ENB-CA)
Wheaton Precious Metals (WPM-CA)

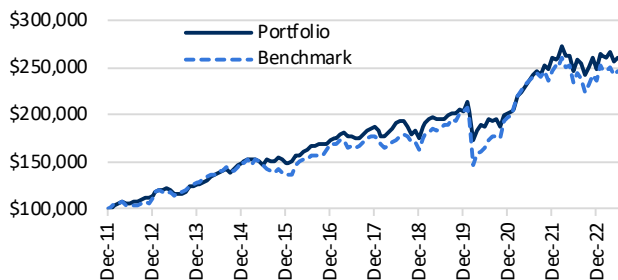
Please read domestic and foreign disclosure/risk information beginning on page 5.

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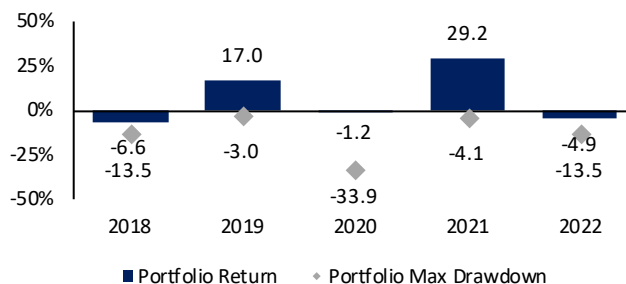
Portfolio Characteristics

Growth of \$100,000 – Since Inception



Source: FactSet, Raymond James.

Calendar Year Return and Max Drawdown



Source: FactSet, Raymond James.

Portfolio Statistics

Fundamentals

Market Capitalization (mlns)	\$39,923
Price/ Earnings	16.9x
Price / Book	1.9x
ROIC	8.8%
Est 3-5 Yr EPS Growth	10.9%
Sustainalytics ESG Score	21.2

Dividends

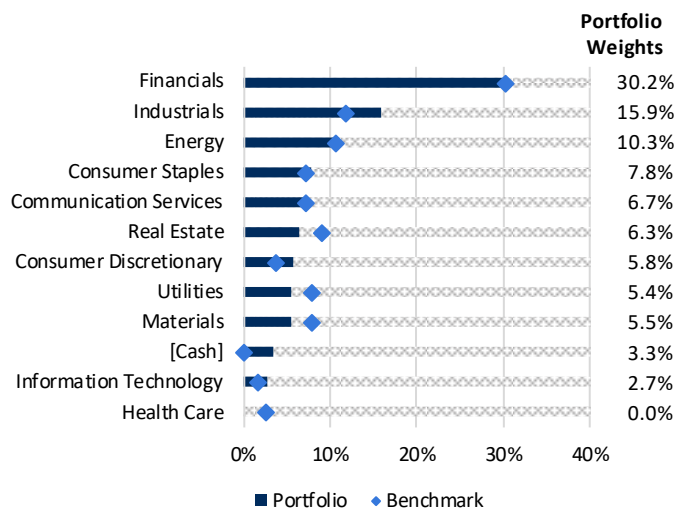
Average Ordinary Dividend Growth (YTD)	5.9%
Number of Ordinary Dividend Increases (YTD)	26
Forecasted 1yr DPS Growth	5.8%
Indicated Dividend Yield	3.5%
Cost Yield (%)	4.8%

Risk Stats

Sharpe	0.60
Beta	0.90
Standard Deviation	11.1%

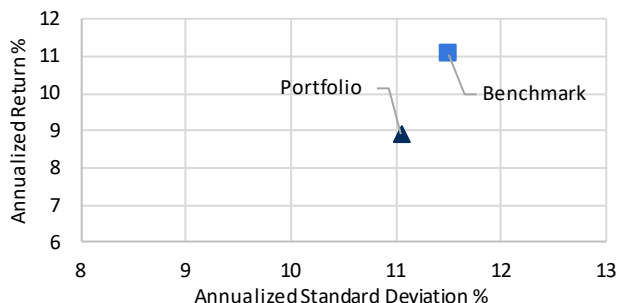
Source: FactSet, Raymond James. Market cap is a weighted average. Risk stats use 3 year annualized daily performance numbers.

Sector Allocation



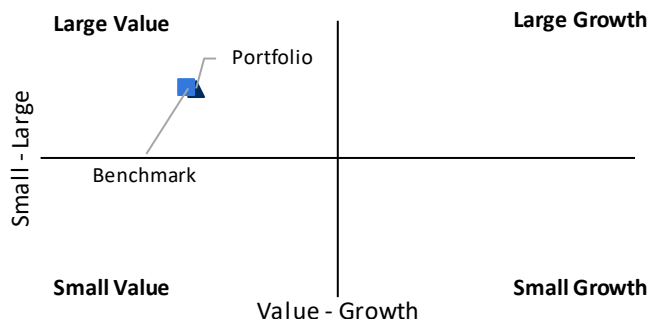
Source: FactSet, Raymond James.

Risk/Return Profile



Source: FactSet, Raymond James; Risk/return uses 3 year annualized daily performance numbers.

Style Box Chart



Source: FactSet, Raymond James; 3 year annualized daily performance numbers; Large Value = Russell 1000 Value, Large Growth = Russell 1000 Growth, Small Value = Russell 2000 Value, and Small Growth = Russell 2000 Growth.

Portfolio Holdings

	Ticker-Region	Date Added	Price Added	End of Month Price	Indicated Yield	Port. Weight
Total					3.5%	100.0%
Communication Services						6.7%
Quebecor	QBR.B-CA	5/26/2023	\$32.74	\$29.11	4.2%	2.8%
TELUS	T-CA	5/15/2018	\$22.81	\$22.18	6.8%	3.9%
Consumer Discretionary						5.8%
Canadian Tire	CTC.A-CA	11/25/2020	\$166.29	\$146.05	4.8%	1.8%
Dollarama	DOL-CA	4/28/2022	\$72.90	\$93.58	0.3%	2.8%
Park Lawn	PLC-CA	6/7/2019	\$29.66	\$18.68	2.5%	1.1%
Consumer Staples						7.8%
Alimentation Couche-Tard	ATD-CA	11/30/2018	\$34.95	\$68.98	0.8%	2.8%
Jamieson Wellness	JWEL-CA	5/15/2020	\$33.11	\$24.37	3.1%	1.8%
North West	NWC-CA	10/16/2020	\$34.60	\$34.20	4.5%	3.2%
Energy						10.3%
Canadian Natural	CNQ-CA	11/25/2020	\$30.76	\$87.84	4.2%	3.9%
Enbridge	ENB-CA	1/3/2012	\$37.75	\$45.05	8.1%	3.5%
TC Energy	TRP-CA	7/23/2021	\$61.02	\$46.71	8.1%	2.9%
Financials						30.2%
Brookfield Asset Management	BAM-CA	12/12/2022	\$44.77	\$45.26	3.9%	3.8%
iA Financial	IAG-CA	5/26/2023	\$87.60	\$85.20	3.6%	3.2%
Intact Financial	IFC-CA	2/5/2021	\$146.08	\$198.02	2.2%	3.6%
Natl Bk Canada	NA-CA	5/26/2023	\$100.10	\$90.23	4.6%	3.2%
RBC	RY-CA	1/3/2012	\$52.78	\$118.70	4.7%	4.3%
Sun Life Financial	SLF-CA	8/12/2015	\$44.23	\$66.27	4.6%	4.7%
TMX Group	X-CA	9/27/2019	\$115.93	\$29.19	2.5%	3.7%
Toronto-Dominion Bank	TD-CA	11/25/2020	\$71.07	\$81.83	4.8%	3.6%
Industrials						15.9%
Boyd Group Services	BYD-CA	5/26/2023	\$245.40	\$241.53	0.2%	2.2%
Canadian Pacific Kansas City	CP-CA	11/30/2017	\$45.16	\$100.96	0.8%	3.1%
TFI International	TFII-CA	10/16/2020	\$64.62	\$174.44	1.1%	3.2%
Toromont Industries	TIH-CA	10/16/2020	\$84.86	\$110.62	1.6%	2.3%
Waste Connections	WCN-CA	1/17/2019	\$104.91	\$182.37	0.8%	2.6%
WSP Global	WSP-CA	11/25/2020	\$95.04	\$191.70	0.8%	2.6%
Information Technology						2.7%
Open Text	OTEX-CA	6/7/2019	\$54.64	\$47.67	2.8%	2.7%
Materials						5.5%
CCL Industries	CCL.B-CA	11/25/2020	\$59.95	\$57.01	1.9%	2.0%
Wheaton Precious Metals	WPM-CA	5/15/2020	\$64.33	\$55.12	1.5%	3.5%
Real Estate						6.3%
CAPREIT	CAR.UT-CA	2/5/2021	\$51.38	\$45.08	3.3%	3.2%
Gr RI Est Inv	GRT.UT-CA	11/12/2019	\$66.21	\$72.08	4.5%	3.2%
Utilities						5.4%
Brookfield Infrastructure Partners	BIP.UT-CA	9/27/2019	\$43.31	\$39.86	5.5%	1.7%
Capital Power	CPX-CA	2/5/2021	\$37.68	\$37.92	6.7%	1.9%
Emera	EMA-CA	3/25/2020	\$50.51	\$47.42	6.0%	1.8%
[Cash]						3.3%

Source: FactSet, Raymond James

Investment Team

The Dividend Plus+ Guided Portfolio is managed by Larbi Moumni, Head of Portfolio Advisory & Portfolio Manager.



Larbi Moumni, CFA[®], VP, Head of Portfolio Advisory & Portfolio Manager

As Head of Portfolio Advisory, Larbi Moumni has been a key contributor to Raymond James since 2015, holding the position of Portfolio Manager for the equity, fixed income, and balanced Raymond James Managed Portfolios. Since joining Raymond James, Larbi has been an integral part of the advisory channel, addressing equity-related inquiries, offering portfolio construction solutions, and writing insightful portfolio analyses. As a Portfolio Manager, Larbi is responsible for stock selection, equity idea generation, due diligence on portfolio holdings, and daily operations of the Guided Portfolios, while also shaping and executing their investment strategies. Prior to Raymond James, Larbi worked as a Debt Capital Markets Analyst at JLL, managing commercial real estate debt placements, and previously worked as a Market Analyst at Brookfield Renewable Energy, focusing on power generation and infrastructure projects. Larbi holds a Bachelor of International Business from Carleton University's Sprott School of Business, is a CFA charterholder, and a registered portfolio manager.



Peter Tewolde, Senior Equity Specialist

Senior Equity Specialist Peter Tewolde has over five years of combined experience in analyzing equity and real estate investments. He played an integral part in the underwriting process of over \$250 million in real estate development projects throughout his career. Peter holds a Bachelor of Commerce from Carleton University and an accounting diploma from Humber College. He is also a Level 2 CFA candidate and aspires to become a CFA charterholder.



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