

September 30, 2023

Quarterly Commentary

Performance

	1 M	3 M	6M	YTD	1 Yr	Since Inception
Portfolio	-4.6%	-2.6%	5.9%	15.6%	22.8%	3.9%
Benchmark	-4.9%	-2.8%	8.0%	19.0%	25.7%	7.4%

Source: FactSet. Performance as of September 30, 2023. *Performance is in US dollars.

The top three performers in the US Core Guided Portfolio were **ConocoPhillips (COP-US)**, **AbbVie (ABBV-US)**, and **Exxon Mobil (XOM-US)**, which rose 15.6%, 10.6%, and 9.6%, respectively, during the quarter.

COP-US was up on no stock specific news and followed the sector and WTI prices higher throughout the quarter. The company also reported record crude oil production during its earnings call and left its 2023 shareholder return guidance unchanged at USD \$11 bln. ABBV-US rallied after reporting earnings in late July that beat estimates on sales and EPS, showing growth in its Skyrizi and other products. During the earnings call, management also remained confident in its forward guidance and EPS floor of USD \$10.70, with its Humira business also expected to stabilize in 2025 with less erosion pressure by 2026. XOM was also up on no stock specific news and trended higher with the sector and energy prices.

The bottom performers included **NextEra Energy (NEE-US)**, **Target (TGT-US)**, and **Union Pacific (UNP-US)**, which declined 22.8%, 16.2%, and 13.4%, respectively, during the quarter.

NEE declined approximately ~16% in late September following announcement that NEP, its yieldco, is lowering its distribution per unit growth guidance to 5-8% per year, versus the previous guidance of 12-15%. The NEE/NEP relationship (utility/yieldco) is under pressure from higher interest rates and the revised growth rate targets are to account for the higher cost of capital both companies are facing. TGT-US declined after reporting earnings in August after missing sales estimates and showed a bigger-than-expected decline in same-store-sales growth. The unfavourable traffic trends and difficult macroeconomic environment for retail weighed on the stock for the remainder of the quarter. UNP-US rallied early during the quarter as the street favoured the return of Jim Vena as CEO. Following the earnings Q2/23 call, the stock trended lower as management highlighted that consumer weakness will lead to its volume growth being lower than US industrial production (current full year estimate is +0.1%) levels for 2023.

Trades

No trades in Q3/23.

Investment Team

Larbi Mourni, CFA®
Peter Tewolde

Available on Partners Program?

No

Objective

The US Core Guided Portfolio will provide investors with high-quality equity exposure to growing businesses primarily through investments in mid/large-cap US companies.

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

The portfolio management team will leverage a multi-disciplined top-down and bottom-up investment approach to identify high-quality investment ideas across the universe using a highly quantitative and qualitative process.

Portfolio Inception

January 1, 2021

Benchmark

S&P 100 Index

Top 10 Holdings

Microsoft (MSFT-US)
Apple (AAPL-US)
Amazon.Com (AMZN-US)
Nvidia (NVDA-US)
Alphabet (GOOGL-US)
Meta Platforms (META-US)
Visa (V-US)
Jpmorgan Chase (JPM-US)
T-Mobile Us (TMUS-US)
Merck & Co (MRK-US)

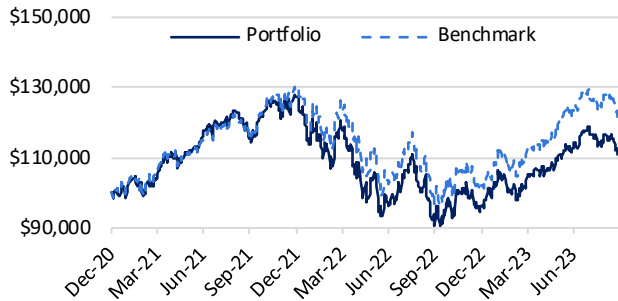
Please read domestic and foreign disclosure/risk information beginning on page 5.

Raymond James Ltd. 5300-40 King St W. | Toronto ON Canada M5H 3Y2.

2200-925 West Georgia Street | Vancouver BC Canada V6C 3L2.

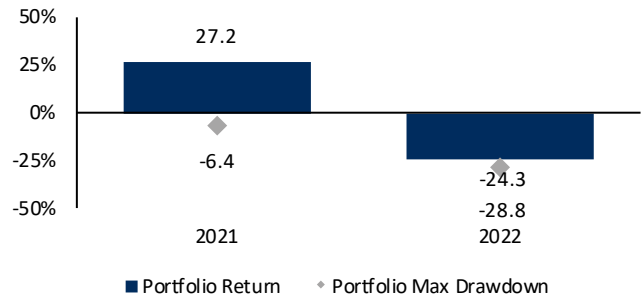
Portfolio Characteristics

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)	\$843,721
Price/ Earnings	24.3x
Price / Book	4.4x
ROIC	14.6%
Est 3-5 Yr EPS Growth	15.6%
Sustainalytics ESG Score	22.1

Dividends

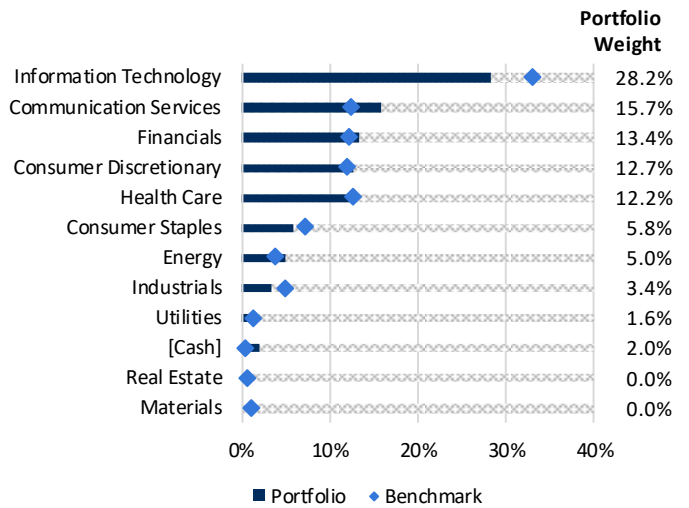
Forecasted 1yr DPS Growth	29.0%
Indicated Dividend Yield	1.5%
Cost Yield (%)	1.7%

Risk Stats

Sharpe	0.11
Beta	1.07
Standard Deviation	18.8%

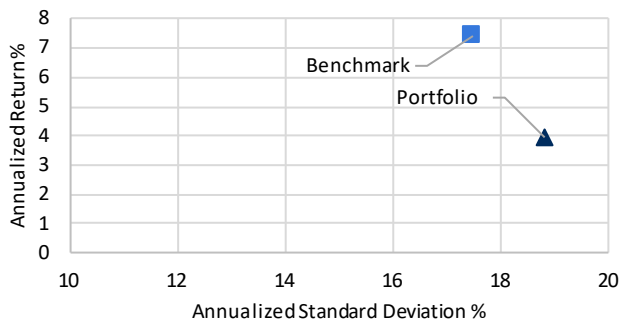
Source: FactSet, Raymond James. Market cap is a weighted average. Risk stats use since inception annualized daily performance numbers.

Sector Allocation



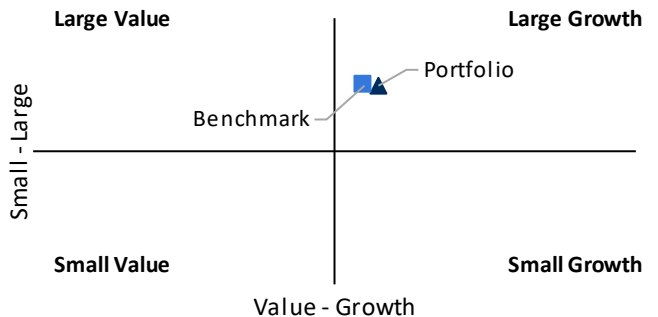
Source: FactSet, Raymond James.

Risk/Return Profile



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

Style Box Chart



Source: FactSet, Raymond James; since inception 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.

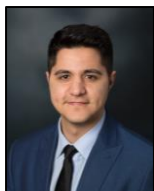
Portfolio Holdings

	Ticker-Region	Date Added	Price Added	Ending Price (Local)	Indicated Yield	Port. Weight
Total					1.5%	100.0%
Communication Services						15.7%
Alphabet	GOOGL-US	1/4/2021	\$ 86.31	\$ 130.86		4.7%
Comcast	CMCSA-US	1/4/2021	\$ 50.51	\$ 44.34	2.6%	2.4%
Meta Platforms	META-US	1/4/2021	\$ 268.94	\$ 300.21		4.3%
T-Mobile US	TMUS-US	9/29/2022	\$ 134.64	\$ 140.05	1.9%	2.9%
Walt Disney	DIS-US	1/4/2021	\$ 177.68	\$ 81.05		1.4%
Consumer Discretionary						12.7%
Amazon.com	AMZN-US	1/4/2021	\$ 159.33	\$ 127.12		6.9%
Home Depot	HD-US	1/4/2021	\$ 263.92	\$ 302.16	2.8%	2.2%
NIKE	NKE-US	1/4/2021	\$ 140.10	\$ 95.62	1.4%	2.1%
Starbucks	SBUX-US	1/4/2021	\$ 103.10	\$ 91.27	2.5%	1.6%
Consumer Staples						5.8%
Coca-Cola	KO-US	4/28/2022	\$ 66.19	\$ 55.98	3.3%	2.2%
Costco Wholesale	COST-US	1/4/2021	\$ 380.15	\$ 564.96	0.7%	2.5%
Target	TGT-US	1/4/2021	\$ 177.63	\$ 110.57	4.0%	1.1%
Energy						5.0%
ConocoPhillips	COP-US	4/28/2022	\$ 97.55	\$ 119.80	1.7%	2.4%
Exxon Mobil	XOM-US	5/29/2023	\$ 104.97	\$ 117.58	3.1%	2.6%
Financials						13.4%
BlackRock	BLK-US	1/4/2021	\$ 710.82	\$ 646.49	3.1%	2.3%
Goldman Sachs Group	GS-US	1/4/2021	\$ 265.00	\$ 323.57	3.4%	1.7%
JPMorgan Chase	JPM-US	1/4/2021	\$ 125.87	\$ 145.02	2.9%	3.1%
Visa	V-US	1/4/2021	\$ 217.76	\$ 230.01	0.8%	3.3%
Wells Fargo	WFC-US	2/25/2022	\$ 54.11	\$ 40.86	3.4%	2.9%
Health Care						12.2%
Abbott Laboratories	ABT-US	1/4/2021	\$ 109.11	\$ 96.85	2.1%	1.6%
AbbVie	ABBV-US	1/4/2021	\$ 105.41	\$ 149.06	4.0%	2.3%
Merck & Co	MRK-US	2/25/2022	\$ 76.32	\$ 102.95	2.8%	2.9%
Thermo Fisher Scientific	TMO-US	1/4/2021	\$ 471.82	\$ 506.17	0.3%	2.7%
UnitedHealth Group	UNH-US	1/4/2021	\$ 349.50	\$ 504.19	1.5%	2.7%
Industrials						3.4%
Union Pacific	UNP-US	1/4/2021	\$ 203.01	\$ 203.63	2.6%	1.8%
United Parcel Service	UPS-US	9/29/2022	\$ 165.32	\$ 155.87	4.2%	1.5%
Information Technology						28.2%
Accenture	ACN-US	1/4/2021	\$ 256.46	\$ 307.11	1.7%	2.2%
Apple	AAPL-US	1/4/2021	\$ 129.41	\$ 171.21	0.6%	8.2%
Microsoft	MSFT-US	1/4/2021	\$ 217.69	\$ 315.75	1.0%	9.1%
NVIDIA	NVDA-US	1/4/2021	\$ 131.14	\$ 434.99	0.0%	5.1%
QUALCOMM	QCOM-US	1/4/2021	\$ 148.50	\$ 111.06	2.9%	2.0%
Salesforce	CRM-US	1/4/2021	\$ 220.31	\$ 202.78		1.6%
Utilities						1.6%
NextEra Energy	NEE-US	2/25/2022	\$ 77.16	\$ 57.29	3.3%	1.6%
[Cash]						2.0%

Source: FactSet, Raymond James

Investment Team

The US Core 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.



Raymond James

Head Office
40 KING STREET WEST, SUITE 5300
TORONTO, ONTARIO
M5H 3Y2

The Raymond James' Private Client Solutions team provides a comprehensive, solutions-based platform that organizes and integrates all of the firm's products and services. Our financial advisors are part of a strong culture that puts clients first. We believe that our most important role is to act as your advocate – helping you navigate the complexities, issues and challenges that come with managing wealth.

<http://www.raymondjames.ca/>

Important Investor Disclosures

Complete disclosures for companies covered by Raymond James can be viewed at <https://raymondjames.bluematrix.com/sellside/Disclosures.action>

This newsletter is prepared by the Private Client Services team (PCS) of Raymond James Ltd. (RJL) for distribution to RJL's retail clients. It is not a product of the Research Department of RJL.

All opinions and recommendations reflect the judgement of the author at this date and are subject to change. The author's recommendations may be based on technical analysis and may or may not take into account information contained in fundamental research reports published by RJL or its affiliates. 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. Raymond James advisors are not tax advisors and we recommend that clients seek independent advice from a professional advisor on tax-related matters. Nor is it an offer to sell or the solicitation of an offer to buy any securities. It is intended for distribution only in those jurisdictions where RJL is registered. 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.

Within the last 12 months, Raymond James Ltd. has undertaken an underwriting liability or has provided advice for a fee with respect to the securities none of the securities in the portfolio.

A member of the PCS team responsible for preparation of this newsletter or a member of his/her household has a long position in the securities of Amazon.com, Inc. (AMZN-US), salesforce.com (CRM-US), Alphabet Inc. Class A (GOOGL-US), Apple Inc. (AAPL-US), BlackRock, Inc. (BLK-US), Coca-Cola (KO-US), Costco (COST-US), Home Depot, Inc. (HD-US), Microsoft Corporation (MSFT-US), Walt Disney Corp. (DIS-US), and Wells Fargo (WFC-US).

Information regarding High, Medium, and Low risk securities is available from your Financial Advisor.

This publication contains information developed by Sustainalytics. Such information and data are proprietary of Sustainalytics and/or its third parties suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers/>

RJL is a member of Canadian Investor Protection Fund. ©2023 Raymond James Ltd.