



Investment Strategy

North American Dynamic Equity (with simulated returns)

Report Date 12/31/2024

Performance Inception Date	September 2020	Objective	The strategy's main objective is to complement our clients' traditional/benchmark-driven portfolios using a dynamic investment process leading to superior returns and managed in a prudent manner to preserve capital in adverse markets.	Approach	We actively manage a high conviction portfolio composed of a maximum of 25 stocks derived from quantitative-driven models run against three broad North American indices (S&P/TSX Composite, S&P 500 and S&P 1000).
Assets Under Management	\$3,232,984				
Currency	Canadian Dollar		Through a full economic cycle, we aim to deliver a net return of 5% per annum above standard benchmarks.		The portfolio is complemented by risk management strategies (through dynamic cash allocation, VIX-related instruments, etc.) to reduce portfolio downside risk.

Top 10 Holdings	Country	Sector	Target Weigh	Div. Yield	Forward P/E	P/CashFlow	Beta (5Y)	ROE	Debt/Equity	Mkt Cap (\$M)	Sector Breakdown	Strategy*	Index
Axon Enterprise Inc	US	Industrials	5.0%	0.0%	396.0	194.5	1.0	7.5%	0.4	45,320	Communication Services	0.3%	7.2%
Blackberry Ltd	CA	Technology	5.0%	0.0%	34.8	N/A	1.3	-16.5%	0.3	3,230	Consumer Discretionary	9.3%	8.7%
Celestica Inc Sv	CA	Technology	5.0%	0.0%	20.9	20.5	1.3	21.2%	0.4	15,436	Consumer Staples	2.2%	5.0%
Enerflex Ltd	CA	Energy	5.0%	1.1%	17.3	3.4	2.1	-7.2%	0.9	1,775	Energy	10.3%	7.7%
GE Vernova Inc	US	Utilities	5.0%	0.3%	146.1	N/A	N/A	4.2%	0.1	90,671	Financials (incl. Real Estate)	4.9%	22.0%
Mda Ltd	CA	Industrials	5.0%	0.0%	29.2	9.3	0.2	6.2%	0.5	3,556	Health Care	4.3%	6.8%
Shopify Inc	CA	Technology	5.0%	0.0%	74.1	96.4	3.1	15.0%	0.1	197,678	Industrials	22.4%	9.5%
Transalta Corp	CA	Utilities	5.0%	1.2%	56.5	7.0	0.7	17.3%	2.2	6,069	Technology	32.0%	25.0%
Texas Pacific Land Trust	US	Energy	5.0%	0.6%	38.0	60.7	1.6	40.6%	0.0	25,409	Materials	0.2%	5.2%
Tesla Inc	US	Consumer Discretionary	5.0%	0.0%	209.3	96.8	2.4	10.2%	0.2	1,296,351	Utilities	10.1%	3.0%
		Top 10 names	50.0%	0.3%	102.2	48.8	1.4	9.9%	0.5	168,549	Cash & Equivalents	4.0%	0.0%
		Bottom names	46.0%	0.3%	72.1	141.9	1.5	-23.3%	3.0	31,459			
		Cash	4.0%	0.0%	--	--	0	--	--	--			
		Total	100%	0.3%	84.3	89.7	1.4	-5.8%	1.6	98,746			

* Including the ETFs' sector weightings

Data Sources : Barchart, iShares

Historical Performance (after transaction costs)

Period	Strategy	After fees	Benchmark	Difference	Period	Strategy	After fees	Benchmark	Difference
Last 3M	11.8%	11.5%	7.3%	4.3%	2024	38.9%	37.9%	31.4%	6.5%
1 Year	38.9%	37.9%	31.4%	6.5%	2023	3.0%	2.0%	19.2%	-17.2%
2 Years	19.6%	18.6%	25.1%	-6.6%	2022	4.9%	3.4%	-10.0%	13.5%
3 Years	14.5%	13.3%	12.1%	1.2%	2021	32.8%	31.8%	27.2%	4.6%
4 Years	18.8%	17.7%	15.7%	2.0%	2020	36.8%	34.5%	14.1%	20.4%
5 Years	22.2%	20.9%	15.4%	5.5%	2019	24.8%	23.8%	26.8%	-3.0%
10 Years	--	--	--	--	--	--	--	--	--
Since Inc.	22.6%	21.3%	17.2%	4.1%	--	--	--	--	--

Management fee estimates

1.0%
1.0%
1.5%
1.0%
2.3%
1.0%

Note on performance : We started investing in the strategy in September 2020. The performance shown prior to this date represents the model returns generated for three of the four indices (S&P/TSX, S&P 500 and S&P 400). The S&P 600 driven model was added in early 2021.

Market/Strategy Comments

Despite ongoing geopolitical tensions and uncertainties following Trump's election win and future expected policies, the global equity market continued its uptrend in Q4 2024, supported by robust corporate earnings, reduced inflationary pressure and global monetary policy easing. In Q4 2024, the S&P 500 index registered a 2.4% return leading to a total return of 25% in 2024. From a sector perspective, the key drivers were Communications (40%), Technology (37%), Financials (31%) and Consumer Discretionary (30%) with the laggards being Materials (0%), Healthcare (3%) and REITs (5%). Like 2023, last year's stellar performance was highly driven by the Magnificent Seven (60%) and Growth-oriented stocks. Also, the Russell 2000 index, which tracks smaller-cap companies, continued to underperform its larger cap counterpart, with a 2024 return of 11.5%. Returns in this paragraph are all in USD.

In Canada, the S&P/TSX Composite index recorded a 3.8% return in Q4 2024 resulting in a total return of 21.7% for 2024. Strong from these outcomes, the Dynamic strategy benchmark (1/3 S&P TSX, 2/3 S&P 500) ended the year with an overall return of 31.4% in CAD, reflecting the 9% appreciation of the USD for the year. Despite continuous profit-taking, the Dynamic strategy exceeded its benchmark by 4.3% in Q4 2024 to finish the year with a return of 38.9% (before management fees), i.e., 7.5% ahead of its benchmark. This outperformance is mainly attributed to good stock selection across multiple sectors, with the largest contributors being NVDA/CEG (S&P 500), CLS/IMG (S&P/TSX), SFM (S&P400) and ANF (S&P600). At the end of Q4 2024, we have reduced our weightings in Cash and Materials in favor of Technology and Energy stocks.

Strategy Characteristics

Holdings	20 - 25
Portfolio beta	0.5 - 2.0
Limit per holding	10%
Limit per sector	35%
Cash allocation	Max 35%
Rebalancing	Monthly

Disclosure

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