

<p>Performance Inception Date January 2019</p> <p>Assets Under Management \$ 7,210,923</p> <p>Currency Canadian Dollar</p>	<p>Objective</p> <p>The strategy's main objective is to grow our clients' core/benchmark-driven portfolios in a stable and prudent manner through a defensive long-term focused strategy with strong capital preservation during adverse markets.</p> <p>Through a full economic cycle, we aim to deliver an after-fee return of 2% per annum above standard benchmarks.</p>	<p>Approach</p> <p>The strategy is an actively managed, high conviction portfolio invested in a maximum of 25 high quality companies defined as being sustainable businesses capable of generating stable cashflows with limited leverage.</p> <p>The portfolio is complemented by risk management strategies (through dynamic cash allocation, VIX-related instruments, etc.) to reduce portfolio downside risk.</p>
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Top 10 Holdings	Country	Sector	Target Weight	Div. Yield	Forward P/E	P/CashFlow	Beta (5Y)	ROE	Debt/Equity	Mkt Cap (\$M)
Berkshire Hathaway Cl B	US	Financials	10.0%	0.0%	24.2	18.0	0.7	7.3%	0.2	1,084,384
British American Tobacco	UK	Consumer Staples	5.0%	5.2%	12.4	8.8	0.3	6.3%	0.8	116,006
Cisco Systems Inc	US	Technology	5.0%	2.1%	23.5	20.3	0.9	27.3%	0.5	304,353
Fairfax Financial Holdings	CA	Financials	5.0%	0.8%	11.0	9.7	0.4	19.4%	0.5	57,884
Alphabet Cl C	US	Communication Services	5.0%	0.3%	29.7	33.2	1.1	35.0%	0.1	3,786,624
Mckesson Corp	US	Health Care	5.0%	0.4%	21.4	21.3	0.4	N/A	N/A	101,246
Procter & Gamble Comp	US	Consumer Staples	5.0%	2.9%	20.6	17.2	0.4	32.6%	0.7	334,877
Unilever Plc ADR	UK	Consumer Staples	5.0%	3.6%	17.3	14.5	0.4	28.7%	1.6	142,639
Fresenius Medical Care A	DE	Health Care	3.5%	2.4%	10.6	4.9	0.9	7.4%	0.5	13,978
Huntington Ingalls Industr	US	Industrials	3.5%	1.6%	22.7	15.3	0.4	11.8%	0.5	13,345
Top 10 names			52.0%	1.7%	20.0	16.8	0.6	17.0%	0.5	676,108
Bottom names			46.0%	2.1%	18.8	20.2	0.7	26.8%	0.9	239,108
Cash			2.0%	0.0%	--	--	0.0	--	--	--
Total			100%	1.9%	19.0	18.0	0.6	21.2%	0.7	461,566

Sector Breakdown	Strategy*	Index
Communication Services	9.3%	9.0%
Consumer Discretionary	0.9%	10.0%
Consumer Staples	28.4%	5.0%
Energy	0.3%	3.5%
Financials (incl. Real Estate)	22.1%	19.0%
Health Care	18.9%	10.0%
Industrials	8.4%	11.0%
Technology	9.3%	27.0%
Materials	0.3%	3.0%
Utilities	0.2%	2.5%
Cash & Others	2.0%	0.0%

* Including the ETFs' sector weightings

Data Sources: Barchart, MSCI, Interactive Brokers

Historical Performance (after transaction costs but before taxes/management fees)

Period	Strategy	Benchmark	Difference	Period	Strategy *	Benchmark	Difference
Last Qtr	4.3%	1.6%	2.7%	2025	16.8%	15.4%	1.4%
1 Year	16.8%	15.4%	1.4%	2024	36.1%	29.4%	6.7%
2 Years	26.1%	22.2%	3.9%	2023	17.3%	20.5%	-3.2%
3 Years	23.1%	21.6%	1.4%	2022	-4.3%	-12.2%	7.9%
4 Years	15.6%	12.1%	3.5%	2021	20.0%	20.8%	-0.8%
5 Years	16.4%	13.8%	2.7%	2020	12.7%	13.9%	-1.2%
10 Years	--	--	--	2019	22.5%	21.2%	1.3%
Since Inc.	16.7%	14.8%	1.9%	--	--	--	--

Note: Management fees are 1% per annum for client assets below \$1 million (tiered fees based on asset size).

Market/Strategy Comments

In the fourth quarter, the equity markets continued their upward trend and ended 2025 at new highs, supported by solid earnings growth, easing inflationary pressures and expectations that major central banks would continue to lower interest rates in 2026. The S&P 500 index posted a total return of 2.7% (USD) in the last quarter, for a total of 17.9% in 2025. During the year, all sectors generated positive returns led by Communications (34%), Technology (24%) and Industrials (+19%); the worst performers were Real Estate (+3%), Consumer Staples (4%) and Consumer Discretionary (6%). Despite the slight fourth-quarter outperformance, Value stocks/indices continued to underperform their Growth counterparts in 2025; the Russell 2000 (small cap) index also underperformed the large-cap index with a total 2025 return of 12.8% (USD).

The MSCI World index also reached a new high, with a total return (net of withholding taxes) of 1.6% in the last quarter, and 15.4% in 2025 (in CAD). Despite a lower level of risk than the index (due to a significant underweight in Technology stocks in favour of Consumer Staples), our Defensive strategy ended the year with a return of 16.8% (before management fees), for a value added of 1.4%. During the last quarter, the following changes were made to the portfolio: addition of FMS, GD, KDP, OTEX and elimination of ATD, AXP, COKE, KMB, NOC.

Strategy Characteristics

Number of holdings	15 -25
Portfolio beta	Below 1
Limit per holding	12.5%
Cash allocation	Max 25%
Rebalancing	Ad-hoc

* At inception, the account was invested in our Defensive strategy comprised of 10-15 High Quality businesses. Starting in mid-2020, the account was gradually transitioned to our Dynamic, momentum-driven strategy. The performance shown in this report from January 2020 to March 2022 reflects the returns achieved from similar Defensive portfolios, with annual resets.

Disclosure

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