



Investment Strategy

North American Dynamic Equity *(with simulated returns)*

Report Date 12/31/2025

Performance Inception Date	September 2020
Assets Under Management	\$4,263,834
Currency	Canadian Dollar

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.

Through a full economic cycle, we aim to deliver a net return of 5% per annum above standard benchmarks.

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).

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 Weight	Div. Yield	Forward P/E	P/CashFlow	Beta (5Y)	ROE	Debt/Equity	Mkt Cap (\$M)
Discovery Inc Series A	CA	Consumer Discretionary	6.0%	0.0%	42.4	7.3	1.6	1.3%	0.9	71,415
Aris Gold Corporation	CA	Materials	4.0%	0.0%	7.1	8.9	2.0	1.2%	0.6	4,514
Celestica Inc Sv	CA	Industrials	4.0%	0.0%	35.8	62.5	1.5	37.3%	0.4	46,706
Discovery Silver Corp	US	Materials	4.0%	0.0%	17.0	17.4	2.0	11.2%	0.0	6,762
Equinox Gold Corp	US	Materials	4.0%	0.0%	12.2	11.8	2.6	1.4%	0.4	15,138
G Mining Ventures Corp	CA	Materials	4.0%	0.0%	21.3	27.1	0.5	20.5%	0.1	9,448
Iamgold Corp	CA	Materials	4.0%	0.0%	8.1	17.7	1.0	10.1%	0.3	13,432
Micron Technology	US	Technology	4.0%	0.2%	9.6	19.3	1.5	22.7%	0.2	321,232
Sandisk Corp	US	Technology	4.0%	0.0%	20.7	15.5	2.0	N/A	0.1	34,789
Seagate Technology Hldgs F	CA	Technology	4.0%	1.1%	26.9	33.1	1.6	N/A	N/A	58,812
Top 10 names			42.0%	0.1%	21.2	21.4	1.6	10.1%	0.3	58,853
Bottom names			52.0%	0.6%	27.2	35.7	1.2	11.8%	1.1	40,184
Cash			6.0%	0.0%	--	--	0	--	--	--
Total			100%	0.4%	24.5	29.3	1.4	11.1%	0.8	48,526

Sector Breakdown	Strategy*	Index
Communication Services	1.4%	7.7%
Consumer Discretionary	7.4%	8.0%
Consumer Staples	3.3%	4.2%
Energy	3.8%	7.0%
Financials (incl. Real Estate)	6.4%	21.8%
Health Care	4.7%	6.5%
Industrials	8.1%	8.8%
Technology	33.7%	26.2%
Materials	24.8%	7.3%
Utilities	0.5%	2.5%
Cash & Equivalents	6.0%	0.0%

* 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	3.3%	3.1%	2.8%	0.2%	2025	24.2%	23.2%	18.6%	4.7%
1 Year	24.2%	23.2%	18.6%	4.7%	2024	38.9%	37.9%	31.4%	6.5%
2 Years	31.4%	30.4%	24.8%	5.5%	2023	3.0%	2.0%	19.2%	-17.2%
3 Years	21.1%	20.1%	22.9%	-2.8%	2022	4.9%	3.4%	-10.0%	13.5%
4 Years	16.8%	15.7%	13.7%	2.0%	2021	32.8%	31.8%	27.2%	4.6%
5 Years	19.9%	18.8%	16.3%	2.5%	2020	36.8%	34.5%	14.1%	20.4%
10 Years	--	--	--	--	2019	24.8%	23.8%	26.8%	-3.0%
Since Inc.	22.9%	21.6%	17.4%	4.2%	--	--	--	--	--

Management fee estimates (p.a.)

1.0%

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

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).

In Canada, the S&P/TSX Composite posted a total return of 6.3% in the last quarter, for a total of 31.7% in 2025. As a result, the benchmark index of the Dynamic strategy (1/3 S&P TSX, 2/3 S&P 500) ended the quarter and the year with returns of 2.8% and 18.6% respectively (CAD). Despite our exposures to treasuries and small-cap stocks, the Dynamic strategy ended the fourth quarter with a return of 3.3%, for a total of 24.2% for the year, an outperformance of 5.7% on the index (before management fees) being attributable to the strong selection of U.S. large-cap stocks (led by PLTR, STX, WDC) and our Canadian exposure to Materials (LUG, NGD, SSRM). At the end of the quarter, we reduced our cash exposure in favour of Technology and Materials 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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