



Investment Strategy

Global Defensive Equity Strategy *(with simulated returns)*

Report Date 31/03/2026

Performance Inception Date	January 2019	Objective	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.	Approach	The strategy is an actively managed, high conviction portfolio invested in a maximum of 30 high quality companies defined as being sustainable businesses capable of generating stable cashflows with limited leverage.
Assets Under Management	\$ 7 322 381				
Currency	Canadian Dollar		Through a full economic cycle, we aim to deliver an after-fee return of 2% 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 Weight	Div. Yield	Forward P/E	P/CashFlow	Beta (5Y)	ROE	Debt/Equity	Mkt Cap (\$M)	
Berkshire Hathaway Cl B	US	Financials	7,5%	0,0%	23,2	17,4	0,7	6,5%	0,2	1 024 001	
British American Tobacco Inc	UK	Consumer Staples	5,0%	5,7%	11,8	8,7	0,3	15,8%	0,7	118 964	
Fairfax Financial Holdings Ltd	US	Financials	5,0%	0,9%	8,7	15,9	0,4	20,0%	0,5	49 626	
Mckesson Corp	CA	Health Care	5,0%	0,4%	22,0	22,1	0,4	N/A	N/A	105 362	
Procter & Gamble Company	US	Consumer Staples	5,0%	3,0%	20,5	17,1	0,4	32,2%	0,7	336 329	
Unilever Plc ADR	US	Consumer Staples	5,0%	3,7%	16,3	14,1	0,4	32,0%	1,6	130 817	
Virtu Financial Cm A	US	Financials	3,5%	2,3%	10,0	6,8	0,6	48,3%	1,0	6 626	
Cisco Systems Inc	UK	Technology	3,5%	2,1%	23,6	20,9	0,9	27,9%	0,5	304 300	
Fresenius Medical Care Ag A	DE	Health Care	3,5%	2,6%	8,9	4,0	0,9	8,7%	0,5	12 406	
General Dynamics Corp	US	Industrials	3,5%	1,7%	21,3	18,3	0,4	17,6%	0,3	92 146	
* Excluding ETFs			Top 10 names	46,5%	2,1%	17,1	15,0	19,5%	0,6	276 122	
			Bottom names	51,5%	1,8%	20,9	20,3	0,7	27,4%	335 459	
			Cash	2,0%	0,0%	--	--	0,0	--	--	
			Total	100%	1,9%	18,7	17,4	0,6	23,2%	0,7	301 158

Data Sources: Barchart, MSCI, FactSet

Sector Breakdown	Strategy*	Index
Communication Services	4,1%	8,5%
Consumer Discretionary	0,7%	9,5%
Consumer Staples	28,4%	5,5%
Energy	0,3%	4,5%
Financials (incl. Real Estate)	19,8%	18,5%
Health Care	19,7%	9,5%
Industrials	11,8%	12,0%
Technology	12,8%	25,5%
Materials	0,2%	3,5%
Utilities	0,2%	3,0%
Cash & Others	2,0%	0,0%

* Including the ETFs' sector weightings

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

Period	Strategy	Benchmark	Difference
Last Qtr	1,8%	-1,8%	3,7%
1 Year	12,4%	15,3%	-2,9%
2 Years	20,7%	14,6%	6,1%
3 Years	21,0%	18,0%	3,0%
4 Years	15,3%	13,4%	1,9%
5 Years	n/a	n/a	--
10 Years	--	--	--
Since Inc.	16,4%	14,0%	2,4%

Period	Strategy*	Benchmark	Difference
2026	1,8%	-1,8%	3,7%
2025	16,8%	15,4%	1,4%
2024	36,1%	29,4%	6,7%
2023	17,3%	20,5%	-3,2%
2022	-4,3%	-12,2%	7,9%
2021	20,0%	20,8%	-0,8%
2020	12,7%	13,9%	-1,2%
2019	22,5%	21,2%	1,3%

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

Market/Strategy Comments

After a decent start of the year for global equities, geopolitical risks displaced economic resilience with the escalation of the U.S.-Iran conflict. The resulting surge in energy prices and near-term inflation concerns drove risky assets to sharply decline in March. Hence, the S&P 500 index posted a total return of -4.3% (USD) during the quarter, with sectors delivering mixed results: Energy was up 38%, Materials +10% and Utilities +8%, while Financials, Technology and Consumer Discretionary were the laggards with returns down by more than 9%. During the same period, Value-oriented stocks/indices outperformed their Growth counterparts (+2 vs -10% for the Russell 1000 Value and Growth indices respectively). The smaller-cap Russell 2000 index outperformed the large-cap index with a total 3-month return of 0.9% (USD). In Canada, the S&P/TSX Composite index performed relatively well, posting a total quarterly return of 3.9% while the Defensive strategy benchmark, the MSCI World (net of withholding taxes) index, ended the quarter in negative territory, posting a total return of -1.8% (CAD).

As expected, our Defensive strategy, carrying a lower risk/market beta, outperformed the strategy benchmark by 3.7%, strong of a return of 1.8% (before management fees). During the quarter, the following changes were made to the portfolio: addition of CLS, ERIC, HWM and elimination of META.

Strategy Characteristics

Number of holdings	25-30
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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