

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	\$ 8,397,462				
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%	24.0	18.6	0.6	6.6%	0.2	1,069,800
British American Tobacco Inc	UK	Consumer Staples	5.0%	5.3%	13.1	9.5	0.3	15.7%	0.7	136,012
Fairfax Financial Holdings Ltd	CA	Financials	5.0%	0.9%	8.8	26.2	0.4	19.1%	0.5	48,100
Procter & Gamble Company	US	Consumer Staples	5.0%	2.9%	21.6	17.8	0.4	32.0%	0.7	345,681
Unilever Plc ADR	UK	Consumer Staples	5.0%	3.6%	17.2	14.4	0.4	32.0%	1.6	132,605
McKesson Corp	US	Health Care	5.0%	0.4%	17.2	16.8	0.3	N/A	N/A	87,519
Cisco Systems Inc	US	Technology	3.5%	1.5%	32.2	29.8	1.0	28.4%	0.4	463,907
Virtu Financial Cn A	US	Financials	3.5%	1.6%	10.6	9.8	0.6	51.6%	0.9	9,018
Fresenius Medical Care Ag A	DE	Health Care	3.5%	2.6%	10.4	4.2	0.8	8.9%	0.5	12,262
Alphabet Cl C	US	Communication Services	3.5%	0.3%	23.4	26.4	1.2	39.0%	0.2	4,256,108
* Excluding ETFs		Top 10 names	46.5%	1.9%	18.0	17.4	0.6	21.3%	0.6	610,056
		Bottom names	51.5%	1.9%	21.0	19.2	0.7	30.1%	0.8	403,508
		Cash	2.0%	0.0%	--	--	0.0	--	--	--
Data Sources : Barchart, MSCI, FactSet		Total	100%	1.8%	19.2	18.0	0.6	25.4%	0.7	491,483

Sector Breakdown	Strategy*	Index
Communication Services	3.8%	8.1%
Consumer Discretionary	0.3%	8.9%
Consumer Staples	28.2%	5.0%
Energy	0.1%	3.6%
Financials (incl. Real Estate)	19.1%	17.6%
Health Care	19.3%	9.0%
Industrials	10.4%	11.6%
Technology	16.6%	30.3%
Materials	0.1%	3.3%
Utilities	0.1%	2.6%
Cash & Others	2.0%	0.1%

* Including the ETFs' sector weightings

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

Period	Strategy	Benchmark	Difference	Period	Strategy*	Benchmark	Difference
Last Qtr	7.9%	15.6%	-7.7%	2026	9.9%	13.5%	-3.6%
1 Year	22.0%	26.2%	-4.1%	2025	16.8%	15.4%	1.4%
2 Years	22.7%	20.9%	1.8%	2024	36.1%	29.4%	6.7%
3 Years	22.8%	22.0%	0.7%	2023	17.3%	20.5%	-3.2%
4 Years	21.0%	21.9%	-0.9%	2022	-4.3%	-12.2%	7.9%
5 Years	n/a	n/a	--	2021	20.0%	20.8%	-0.8%
10 Years	--	--	--	2020	12.7%	13.9%	-1.2%
Since Inc.	17.0%	15.7%	1.3%	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 first quarter dominated by the U.S.–Iran conflict, risk appetite returned decisively in the second quarter of 2026. Brent crude retreated from its April peak near USD 120, a U.S.–Iran memorandum reopened the Strait of Hormuz, and hyperscaler capital-spending guidance climbed toward USD 700 billion - reigniting the AI investment cycle and producing one of the strongest quarters for North American equities in years, even as central banks stayed hawkish.

- In the last quarter, the MSCI World Net Index advanced 15.6% (CAD), led by Information Technology, which surged as the semiconductor complex re-rated, while Energy was the principal laggard as oil normalized. In the U.S., the S&P 500 returned 15.2% (USD), its best quarter since 2020, Growth stocks (R1000G: 16.7%) outpaced Value stocks (R1000V: 13.9%) and small-caps rebounded strongly (R2000: 21.6%).

- The Defensive strategy trailed its benchmark by 7.7% for the quarter and 3.6% year-to-date (before management fees). This outcome is consistent with the portfolio's structure (Beta of roughly 0.6 beta and a significant weight in Consumer Staples). During the quarter, the following changes were made to the portfolio: addition of Microsoft et Nvidia, and reduced allocation in General Dynamics.

Strategy Characteristics

Number of holdings	25-30
Portfolio beta	Below 1
Limit per holding	12.5%
Cash allocation limit	25.0%
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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