

Quarterly Market Update

Langill & McHenry
Investment Advisors of
Raymond James Ltd.



Brett Langill, CFP, CIM, FCSI
Portfolio Manager
Brett.Langill@raymondjames.ca



Adam McHenry, CFA, MBA
Portfolio Manager
Adam.McHenry@raymondjames.ca

507 Lakeshore Road East, Suite
206, Mississauga, ON L5G 1H9
(416) 901-6500
[www.raymondjames.ca/
langillmchenry](http://www.raymondjames.ca/langillmchenry)

2025: Navigating Growth, Tariffs, and Market Volatility – A Year of Economic Balancing Acts

Entering 2024, the outlook for financial markets appeared muted, but they ended up surpassing expectations. The U.S. market (S&P 500 index) posted a remarkable 25.0% return, in local currency, and the Canadian market (TSX Index) soared by 21.7%, defying predictions of more modest increases. Notably, mega-cap stocks continued to lead, while improved market breadth and positive earnings growth across all sectors contributed to the overall success. Equity markets are expected to rise in 2025, though gains will likely be more subdued compared to previous years, with anticipated volatility to include multiple pullbacks during the year.

Key Takeaways:

- **Fantastic 2024!** Canadian and U.S. markets saw gains of 21.7% and 25.0%, respectively, driven by the Magnificent 7 stocks and broad sector performance in Canada.
- **Canada vs. U.S.:** U.S. equity markets remain attractive due to the strong economy and tariff insulation, while the Canadian markets may experience heightened volatility due to proposed tariffs and larger commodity price exposure.
- **Loonie Tunes:** With the divergence between Canadian and U.S. interest rates growing larger, and with tariffs and contrasting economic outlooks, altogether this may continue to put pressure on the Canadian loonie against the U.S. dollar.

Bottom Line: As we enter 2025, we remain cautiously optimistic. Your portfolios are positioned conservatively (as an example our Balanced Growth portfolio= Equity: 55%; Bonds: 45%) to navigate potential market uncertainties while maintaining flexibility to capitalize on emerging opportunities.

****Please note that the commentary within this newsletter is related to the Langill & McHenry Investment Advisors Private Investment Management Group (PIMG) discretionary portfolios.**

Key Takeaways from Q4 2024:

Stocks

- North American stock markets ended Q4 of 2024 higher (Q4 2024: Canada 3.8 per cent and the U.S. 2.4 per cent). The Canadian loonie was weak versus the U.S. greenback during the quarter (-6.1 per cent in Q4 2024), and so U.S. stock returns held by Canadian investors on a currency-adjusted basis were increased by 6.6 per cent.
- U.S. equities have outperformed Canadian equities by 3.4 per cent over the last 12 months (in local currency terms). U.S. stocks are benefitting from a larger exposure to popular technology stocks (e.g., Magnificent Seven or “MAG 7”: AAPL, MSFT, GOOG, AMZN, NVDA, TSLA & META).

Bonds and Preferred Shares

- Bonds were flat in Q4 2024, as central banks continue to adjust policy interest rates. The Canadian bond market was little changed in Q4 2024 and rose 4.3 per cent over the last 12 months.
- After a recovery in late 2023, Canadian preferred shares have continued their positive momentum in 2024, despite central banks remaining hawkish on inflation concerns. Preferred shares rallied in Q4 2024 by 4.0 per cent, which has led to a rise of 23.3 per cent over the last 12 months (*source: iShares S&P/TSX Canadian Preferred Share Index ETF “CPD”*).

Our Models

- Our **all-equity stock** portfolios, **Dividend Growth (DG)**, **Yield & Growth (Y&G)**, rose **2.3 per cent** and fell **0.8 per cent** in Q4 2024 and rose **16.0 per cent** and **16.1 per cent** over the last 12 months, relative to our benchmark at 7.5 per cent and 30.4 per cent, respectively.
- Our **Capital Preservation bond** portfolios, **DG** and **Y&G** versions, rose **1.5 per cent** and **1.6 per cent** in Q4 2024 and over the last 12 months rose **8.1 per cent** and **8.3 per cent**, relative to our benchmark that rose -0.2 per cent and rose 4.0 per cent, respectively.
- For our **Completion and Small Completion ("Balanced Growth")** portfolios, in Q4 2024 they were steady, rising **6.2 per cent** and rising **0.0 per cent**, while over the last 12 months they rose by **22.8 per cent** and **8.9 per cent**, relative to our benchmark at 4.8 per cent and 21.1 per cent, respectively.
- The top performers in our stock portfolios for Q4 2024 were **Broadcom Inc. (AVGO)**, which was up **38.8 per cent** in our DG portfolio, while **TC Energy (TRP)** rose **14.1 per cent** to lead performance in our Y&G portfolio. In our Yield portfolio, **Capital Power (CPX)** led all stocks rising **28.2 per cent**. Laggards in our portfolios for Q4 2024 were **Stella-Jones Inc. (SJ)**, falling **19.8 per cent** in our DG portfolio, while **Northland Power Inc (NPI)** fell **21.5 per cent** in our Y&G portfolio. In our Yield portfolio, **Public Storage (PSA)**, declined **16.1 per cent**.

Changes

We made some changes in our models in **Q4 2024** regarding our strategic asset allocation and specific securities held in portfolios:

- **Asset Allocation Changes:** We continued to take advantage of strength in the equity market as well as decade high rates in the bond market, by rebalancing our portfolio's equity allocation to bonds and cash. For full details of the asset allocation changes between portfolios, please see page 14 "Our Investor Profiles and Asset Allocations".

- **Security Changes:** We made a few changes during Q4 2024:
 - On the equity side of the portfolios, in our Yield portfolio (Y), there were a couple corporate actions that impacted the portfolio: 1. TC Energy (TRP) spun off South Bow Corp (SOBO), 2. Brookfield Infrastructure Corp (BIPC) went through a share reorganization for tax and index inclusion purposes. The result was that shareholders received new shares of Brookfield Infrastructure Corp "New" shares (BIPC). During the quarter, the Yield portfolio also made a few changes to positions. We sold positions in TC Energy (TRP), which was relocated to the Y&G portfolio, and BCE Inc (BCE) and replaced them with South Bow Corp (SOBO) and Magna Intl Inc (MG). In our Yield & Growth portfolio (Y&G), as mentioned above, we shifted the position in TRP to Y&G and sold Sun Life Financial (SLF) to accommodate. No changes were made to our Dividend Growth (DG) portfolio during the quarter.
 - On the fixed income side of the portfolios, no transactions or maturities occurred during Q4 2024.
 - Regarding our Completion and Small Completion portfolios, no changes were made to positions within the quarter.

Langill & McHenry Investment Advisors of Raymond James

PIMG Model Portfolio Performance

As of 31DEC2024

Mandate	1-week	1-month	3-mos	6-mos	Year to Date	1-year	2023	2022	2021
Capital Preservation DG Model	0.4%	0.1%	1.5%	6.2%	8.1%	8.1%	5.0%	-7.1%	-0.7%
Capital Preservation Y&G & Yield Model ¹	0.6%	1.4%	1.6%	3.5%	8.3%	8.3%	2.4%	-6.4%	2.0%
Completion Capital Preservation Model	0.3%	0.4%	0.7%	4.4%	8.8%	8.8%	4.8%	-9.6%	1.1%
Small Completion Capital Preservation Model	-0.1%	-1.9%	-2.4%	1.1%	1.1%	1.1%	4.7%	-9.0%	-1.7%
Capital Preservation Benchmark	0.5%	-0.8%	-0.2%	4.4%	4.0%	4.0%	6.6%	-11.7%	-2.8%
Balanced Growth DG Model	-0.1%	-1.3%	1.6%	8.3%	12.9%	12.9%	16.7%	-5.0%	15.2%
Balanced Growth Y&G Model	0.1%	-2.3%	0.1%	7.6%	13.4%	13.4%	2.6%	-0.5%	15.6%
Balanced Growth Yield Model	0.4%	-1.8%	3.2%	14.0%	19.3%	19.3%	-0.9%	na	na
Completion Balanced Growth Model	0.5%	-1.2%	6.2%	13.7%	22.8%	22.8%	16.8%	-11.0%	18.2%
Small Completion Balanced Growth Model	0.0%	-1.6%	0.0%	5.4%	8.9%	8.9%	10.6%	-12.0%	10.2%
Balanced Growth Benchmark	-0.9%	-1.0%	4.8%	10.5%	21.1%	21.1%	14.3%	-10.4%	16.3%
All Equity DG Model	-0.4%	-1.5%	2.3%	9.1%	16.0%	16.0%	22.0%	-5.0%	21.6%
All Equity Y&G Model	-0.2%	-4.3%	-0.8%	9.8%	16.1%	16.1%	2.6%	2.7%	22.9%
Completion All Equity Model	0.7%	-1.9%	11.0%	20.5%	33.4%	33.4%	21.5%	-13.0%	25.5%
Small Completion All Equity Model	-0.4%	-1.4%	-1.2%	3.3%	10.5%	10.5%	14.6%	-14.6%	13.9%
All Equity Benchmark	-1.6%	-1.1%	7.5%	13.8%	30.4%	30.4%	18.5%	-9.7%	26.6%

****Note: All Equity Benchmark is 60% iShares Core S&P500 ETF (IVV) & 40% iShares Core S&P/TSX Capped Composite Index ETF (XIC), Capital Preservation Benchmark is 100% iShares Core Canadian Universe Bond Index ETF (XBB), Balanced Growth Benchmark is 35% XBB, 26% XIC and 39% IVV.

***Note: Net Returns in CAD\$. Periods over one year are annualized. Time-weighted rates of return reported.

**Note: PIMG fees are withdrawn from accounts monthly on the second last week of the month.

¹ Extrapolated returns after stripping out bond performance from Balanced Growth portfolio net returns from All Equity Y&G portfolio.

*Source: FactSet and Croesus Composites

Langill & McHenry Investment Advisors of Raymond James

PIMG Model Portfolio Performance

As of 31DEC2024

Mandate	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Capital Preservation DG Model	1.5%	4.6%	1.2%	0.7%	6.4%	-2.1%	-1.5%	2.6%	-0.6%
Capital Preservation Y&G Model ¹	1.6%	1.8%	3.4%	0.7%	7.0%	-3.5%	-1.5%	1.7%	1.0%
Completion Capital Preservation Model	0.7%	3.7%	1.0%	3.1%	4.9%	-0.8%	-0.5%	1.2%	0.5%
Small Completion Capital Preservation Model	-2.4%	3.6%	-0.3%	0.3%	5.3%	-2.7%	0.1%	1.9%	1.9%
Capital Preservation Benchmark	-0.2%	4.4%	2.1%	-1.3%	8.3%	-3.8%	-0.7%	3.1%	6.1%
Balanced Growth DG Model	1.6%	6.6%	1.9%	2.2%	9.1%	-1.5%	2.1%	7.6%	7.0%
Balanced Growth Y&G Model	0.1%	7.5%	0.3%	4.9%	6.2%	-1.8%	-2.3%	1.6%	6.7%
Balanced Growth Yield Model	3.2%	10.5%	1.2%	3.4%	6.5%	-1.3%	-2.3%	-2.8%	-0.9%
Completion Balanced Growth Model	6.2%	7.0%	-0.1%	7.9%	7.0%	3.3%	2.9%	3.7%	5.7%
Small Completion Balanced Growth Model	0.0%	5.5%	0.3%	3.5%	7.0%	-1.9%	0.7%	5.1%	5.0%
Balanced Growth Benchmark	4.8%	6.0%	2.7%	6.4%	8.5%	-2.3%	1.8%	5.1%	6.1%
All Equity DG Model	2.3%	6.7%	2.8%	3.3%	10.0%	-1.0%	3.7%	9.5%	10.1%
All Equity Y&G Model	-0.8%	10.6%	-1.4%	7.2%	5.8%	-0.9%	-2.8%	1.6%	9.8%
Completion All Equity Model	11.0%	8.5%	-1.0%	11.9%	8.2%	6.0%	3.4%	3.7%	7.3%
Small Completion All Equity Model	-1.2%	4.5%	0.4%	6.7%	7.8%	0.0%	1.4%	5.6%	6.2%
All Equity Benchmark	7.5%	6.8%	3.0%	10.6%	8.6%	-1.5%	3.2%	6.2%	6.0%

****Note: All Equity Benchmark is 60% iShares Core S&P500 ETF (IVV) & 40% iShares Core S&P/TSX Capped Composite Index ETF (XIC), Capital Preservation Benchmark is

100% iShares Core Canadian Universe Bond Index ETF (XBB), Balanced Growth Benchmark is 35% XBB, 26% XIC and 39% IVV.

***Note: Net Returns in CAD\$. Periods over one year are annualized. Time-weighted rates of return reported.

¹Extrapolated returns after stripping out bond performance from Balanced Growth portfolio net returns from All Equity Y&G portfolio.

*Source: FactSet and Croesus Composites

"Dividend Growth (DG)" Stocks We Own:

Dividend Growth (DG) All Equity Portfolio (2024-12-31)				
Issue Name	Portfolio Weight	Last Quarter Total Return %	Dividend Yield	Price/Earnings
Equity				
Automatic Data Processing Inc	4.8%	5.1%	2.1%	29.7
Nordson Corp	4.8%	-19.8%	1.4%	21.7
Tractor Supply Company	4.8%	-9.8%	1.6%	26.1
Empire Co Ltd Cl A	4.8%	7.4%	1.9%	14.2
Intact Financial Corporation	4.8%	0.7%	1.9%	18.5
Lowe's Cos Inc	4.8%	-9.1%	1.8%	21.9
Morgan Stanley	4.8%	21.4%	2.7%	16.0
Microsoft	4.8%	0.4%	0.8%	32.8
UnitedHealth Group Incorporated	4.8%	-13.0%	1.6%	17.1
Watsco Inc Cl A	4.8%	-3.9%	2.2%	38.0
Xylem Inc.	4.8%	-13.4%	1.2%	28.3
Waste Management Inc Del	4.8%	-2.6%	1.4%	28.9
Stella-Jones Inc.	4.8%	-19.8%	1.6%	12.9
Wheaton Precious Metals Corp	4.8%	-1.7%	1.0%	40.3
Mondelez Intl, Inc Class A	4.8%	-17.5%	3.2%	16.7
Broadcom Inc.	4.8%	38.8%	1.0%	37.3
Visa	4.8%	14.1%	0.7%	28.5
American States Water Co	4.8%	-6.8%	2.5%	24.8
Quebecor Inc. Class B	4.8%	-10.6%	4.3%	9.7
Richelieu Hardware Ltd.	4.8%	-3.2%	1.5%	22.5
Cash & Equivalents				
Cash (CAD\$)	5.0%	1.1%	4.5%	NA
Langill & McHenry All Equity DG Portfolio	100.0%	2.3%	1.7%	23.1

*Note: For illustration purposes only.

but at different weightings.

*Note: Returns are in Local Currency..

Source: FactSet and Croesus Composites.

"Dividend Growth (DG)" Bonds and Preferred Shares We Own:

Capital Preservation Portfolio Dividend Growth (DG) (2024-12-31)

Issue Name	Price - Close	Portfolio Weight %	Rating	Yield %	Effective Duration (years)
Bonds					
Walt Disney Company 3.057% 30MAR2027	98.2	8.2%	A-	3.6%	2.1
Choice Properties Real Estate Investment Trust 2.848% 21MAY2027	98.2	8.2%	BBB+	3.7%	2.2
Honda Cda Fin 1.646% 25FEB2028	94.1	8.2%	A+	3.7%	3.0
Tourmaline Oil Corp. 2.529% 12FEB2029	94.4	8.2%	BBB	4.0%	3.8
Canada Housing Trust No.1 2.1% 15SEP2029	95.0	8.2%	AAA	3.3%	4.4
PROVINCE OF ONT 2.05% 02JUN30	93.2	7.3%	A+	3.5%	5.0
Fairfax Financial Holdings Limited 3.95% 03MAR2031	98.0	8.2%	BBB+	4.3%	5.2
Canada Housing Trust No.1 3.55% 15SEP2032	99.8	8.7%	AAA	3.6%	6.6
Enbridge Inc 3.1% 21SEP2033	90.3	8.5%	BBB+	4.5%	7.3
Preferred Shares					
Enbridge Inc Cum Red Pref Registered Shs Series 1 USD\$ 01JUN2028	23.8	7.8%	BBB-	6.8%	3.3
TD Bank N-CUM 5YR RST PFD SR16 31OCT2027	25.8	7.8%	BBB	6.1%	2.7
Convertible Debentures					
NFI Group 5% 15JAN2027 Conv Debs	95.3	7.8%	NR	5.2%	1.9
Cash & Equivalents					
Cash or Cash Equivalent	1.0	3.0%		4.6%	-
Langill & McHenry Capital Preservation DG Portfolio		100%	BBB	4.4%	4.2

Note: For illustration purposes only.

*Note: All models (excluding All Equity) hold the same bonds and preferred shares, but with different weightings.

Source: FactSet, Croesus & RJ PCS.

"Yield & Growth (Y&G)" Stocks We Own:

Yield & Growth (Y&G) All Equity Portfolio (2024-12-31)

Issue Name	Portfolio Weight	Last Quarter Total Return %	Dividend Yield	Price/Earnings
Equity				
Northland Power Inc	4.8%	-21.5%	6.3%	20.0
NextEra Energy	4.8%	-15.4%	2.9%	20.7
Paychex Inc	4.8%	0.3%	2.7%	29.3
Pembina Pipeline Corp	4.8%	-5.0%	5.0%	18.3
Comcast Corp New Cl A	4.8%	-9.3%	3.4%	8.7
CT Real Estate Investment Trust	4.8%	-9.2%	6.6%	10.6
Royal Bank of Canada	4.8%	4.6%	3.4%	13.5
TC Energy Corp	4.8%	14.1%	4.7%	16.6
AbbVie, Inc.	4.8%	-9.0%	3.8%	15.7
Merck & Co Inc New	4.8%	-12.6%	3.3%	12.7
Air Products & Chemicals Inc.	4.8%	-0.5%	2.2%	24.8
Medtronic PLC	4.8%	-10.5%	3.2%	16.2
Kenvue Inc	4.8%	-5.4%	3.9%	18.5
Manulife Finl Corp	4.8%	11.8%	3.6%	11.8
Cisco Systems Inc.	4.8%	13.1%	2.7%	16.5
IBM Corporation	4.8%	1.0%	3.0%	22.0
Texas Instruments Inc.	4.8%	-6.4%	2.8%	37.8
Archer Daniels Midland Co	4.8%	-14.3%	3.9%	10.8
Telus Corporation	4.8%	-12.3%	7.9%	20.1
Fortis Inc.	4.8%	-2.0%	4.1%	18.7
Cash & Equivalent				
Cash (CAD\$)	5.0%	1.1%	4.5%	NA
Langill & McHenry Y&G All Equity Portfolio	100.0%	-0.8%	3.8%	17.3

Note: For illustration purposes only.

*Note: All models (excluding Capital Preservation) hold the same stocks, but at different weightings.

Source: FactSet & Croesus Composites.

"Yield & Growth (Y&G)" & "Yield (Y)" Bonds and Preferred Shares We Own:

Capital Preservation Portfolio Yield & Growth (Y&G) & Yield (Y) (2024-12-31)

Issue Name	Price - Close	Portfolio Weight %	Rating	Yield %	Effective Duration (years)
Bonds					
Equitable Bank 3.362% 02MAR2026	99.4	11.3%	BBB+	3.9%	1.1
Telus Corporation 2.75% 08JUL2026	98.8	11.3%	BBB	3.6%	1.4
Government of Canada 1.0% 01JUN2027	95.6	11.3%	AAA	2.9%	2.3
PROVINCE OF ONT 2.7% 02JUN2029	97.5	11.3%	A+	3.3%	4.1
Crombie Real Estate Investment Trust 3.133% 12AUG2031	91.3	11.3%	BBB-	4.7%	5.7
Brookfield Infrastructure 2.855% 01SEP2032	89.2	11.3%	BBB+	4.6%	6.6
Preferred Shares					
Fairfax Financial Holdings Limited Cum Pfd Shs Series M 31MAR2025	24.9	7.3%	BB+	5.0%	0.5
Brookfield Corp Pfd S46 31MAR2027	24.5	7.3%	BBB	5.5%	2.5
Pembina Pipeline Corp Cum Conv Red Perp Pfd Registered Shs A Series -21- 01MAR2028	24.4	7.3%	BB+	6.5%	3.5
Convertible Debentures					
Morguard REIT 6.805% 31DEC2026	99.7	7.3%	BB+	6.8%	1.8
Cash & Equivalents					
Cash or Cash Equivalents	1.0	3.0%	na	4.6%	-
Langill & McHenry Capital Preservation Y&G Portfolio		100.0%	BBB	4.5%	3.0

Note: For illustration purposes only.

*Note: All models (excluding All Equity) hold the same bonds and preferred shares, but with different weightings.

Source: FactSet, Croesus & RJ PCS.

“Yield (Y)” Stocks We Own:

Yield All Equity Portfolio (2024-12-31)

Issue Name	Portfolio Weight	Last Quarter Total Return %	Dividend Yield	Price/Earnings
Equity				
Verizon Communications	4.8%	-10.2%	7.0%	8.5
Cdn Natural Resources	4.8%	-4.2%	4.8%	13.0
Philip Morris Intl	4.8%	0.9%	4.4%	18.7
Suncor Energy	4.8%	-0.1%	4.0%	10.8
South Bow Corp	4.8%	19.2%	7.9%	14.1
Enbridge Inc	4.8%	11.6%	5.9%	22.8
Capital Power	4.8%	28.2%	4.2%	14.6
Bristol Myers Squibb Co	4.8%	8.1%	4.4%	62.4
Pfizer Inc	4.8%	-6.0%	6.5%	9.0
CIBC	4.8%	12.6%	4.0%	11.6
Power Corp of Canada	4.8%	6.8%	5.2%	9.6
Public Storage	4.8%	-16.1%	4.1%	29.4
Gilead Sciences Inc	4.8%	11.0%	3.4%	21.0
Magna Intl Inc	4.8%	9.9%	4.2%	7.9
Simon Property Group	4.8%	2.7%	4.8%	24.7
Choice Properties REIT	4.8%	-10.8%	5.9%	23.6
Chartwell Retirement REIT	4.8%	-0.7%	3.9%	129.7
Bank of Nova Scotia	4.8%	6.5%	5.7%	10.5
Nutrien Ltd	4.8%	-2.1%	4.2%	14.9
Brookfield Infrastructure Corp NEW	4.8%	0.9%	3.8%	NA
Cash & Equivalents				
Cash (CAD\$)	5.0%	1.1%	4.5%	NA
Langill & McHenry Yield All Equity Portfolio	100.0%	na	4.7%	15.5

Note: For illustration purposes only. Return information is approximated.

*Note: All models (excluding Capital Preservation) hold the same stocks, but at different weightings.

Source: FactSet & Croesus Composites.

Completion Models:

If you have an account within your portfolio with < \$100,000, you may also be invested in a portfolio of investments that are outside the Dividend Growth and Yield & Growth models. We call these investments either “completion models” or “satellite holdings.” The completion and satellite portfolios help to customize all of your accounts for your unique risk tolerance, tax circumstances and liquidity needs. For a sense of the securities we own in the completion and satellite portfolios, we have listed our two completion models below.

PIMG Completion Models as of 2024-12-31, CAD

Completion & Small Completion Model Holdings:

Issue Name	Ticker	Currency \$	Q4 2024 %	Last 12 Months %
Fidelity Global Core Plus Bond ETF	FCGB-CAN	CAD \$	-3.9%	0.7%
Vanguard FTSE Dev All ETF	VIU-CAN	CAD \$	-1.9%	10.8%
iShares MSCI Emerging Markets Index ETF	XEM-CAN	CAD \$	-2.0%	15.0%
First Trust Nasdaq 100 Equal Weight ETF	QQEW-US	USD \$	0.8%	7.0%
iShares Russell 2000 ETF	IWM-US	USD \$	1.7%	11.4%
Fidelity Canadian Short-Term Bond ETF	FCSB-CA	CAD \$	0.9%	7.6%
PIMCO Monthly Income (CAN) ETF Series	PMIF-CAN	CAD \$	-0.8%	5.2%
Dynamic Active Preferred Share ETF	DXP-CAN	CAD \$	4.0%	25.7%
Berkshire Hathaway Ord Shs Class B	BRK.B-US	USD \$	-0.9%	27.1%
Graham Holdings Company Ord Shs Class B	GHC-US	USD \$	8.2%	26.3%
Fairfax Financial Holdings Sub Voting Ord Shs	FFH-CAN	CAD \$	16.4%	66.3%
Onex Ord Shs	ONEX-CAN	CAD \$	18.7%	21.9%
Markel Hldg Co Corp	MKL-US	USD \$	9.8%	21.6%
Brookfield Corp	BN-CAN	CAD \$	15.5%	56.5%
Cymbria Corporation Class A	CYB-CAN	CAD \$	1.7%	22.5%

Note: For illustration purposes only. Holding period returns captured, if "na" that signals that position was not held over that timeframe.

*Note: Returns are in Local Currency..

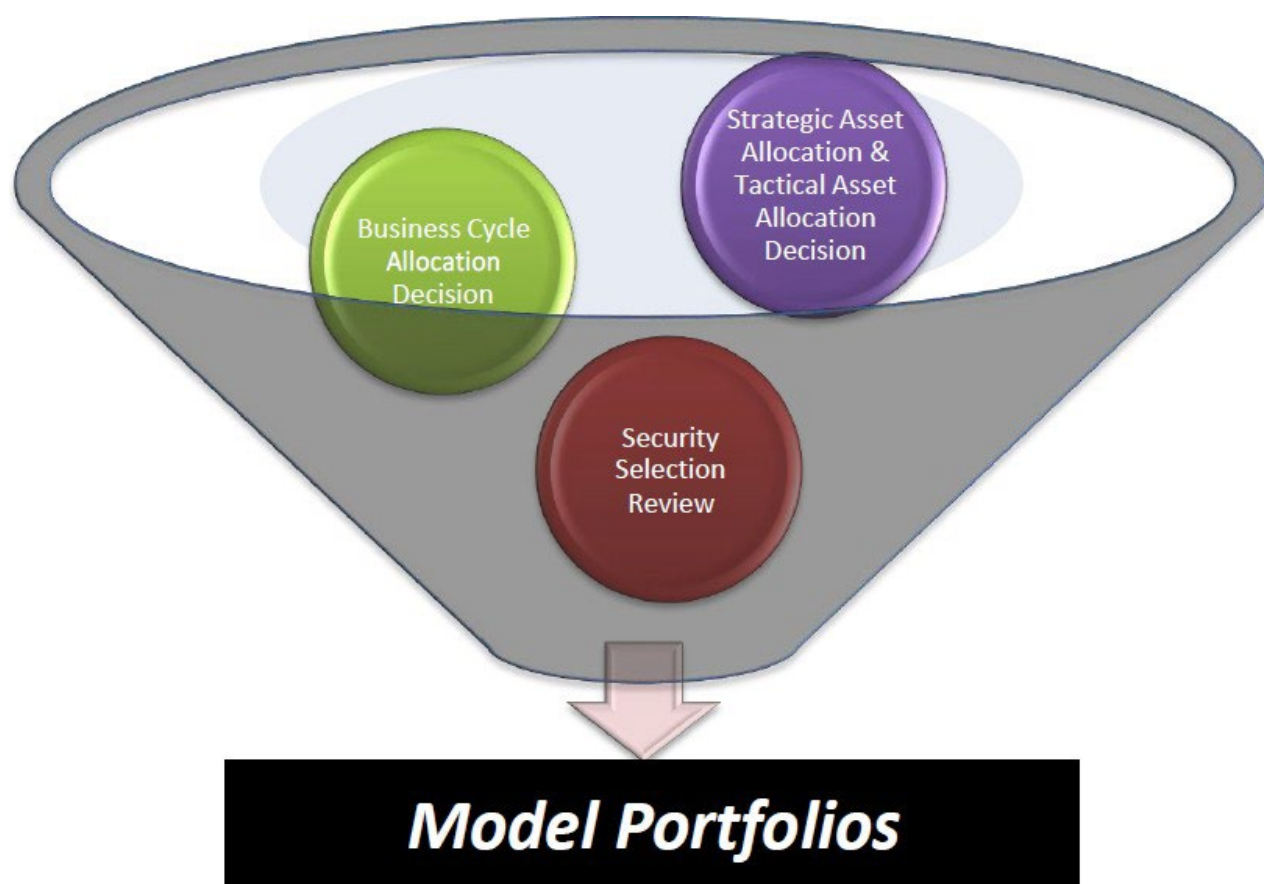
Source: FactSet & Fidelity Investments.

Model Portfolio Process

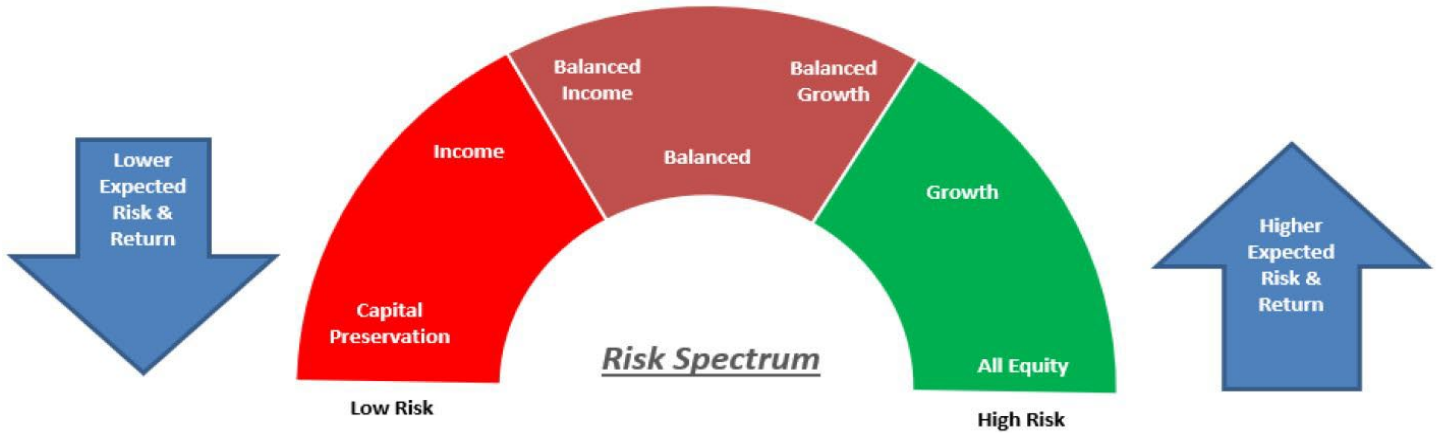
When we select investment securities for our model portfolios, we follow a disciplined three-step process:

1. Examine our asset mix vs. our expectations for long-term returns. This review helps guide our model portfolios allocation to cash and equivalents, fixed income (bonds and preferred shares), and equity (stocks).
2. Review our business cycle allocation vs. our expectations for broad market. We then allocate to sectors of the market and security factors that are expected to perform well.
3. Assess securities for inclusion in the portfolio based on: (i) Dividend growth, (ii) Leverage, (iii) Valuation and (iv) Market structure. Securities reflecting these features are typically of higher quality than average.

After the third step is complete, we include a portfolio of investment securities in our model portfolios reflecting our expectations for the market going forward.



Our Investor Profiles and Asset Allocations:



LANGILL & MCHENRY MODEL ASSET ALLOCATION

Asset Allocation	Cash %	Fixed Income %	Equity %
Capital Preservation DG	3.00%	97.00%	0.00%
Capital Preservation Y&G/Yield	3.00%	97.00%	0.00%
<i>MODEL RANGES</i>	<i>0-25%</i>	<i>75-100%</i>	<i>0-25%</i>
Benchmark Capital Preservation	0.00%	100.00%	0.00%
Income DG	5.00%	85.00%	10.00%
Income Y&G/Yield	5.00%	85.00%	10.00%
<i>MODEL RANGES</i>	<i>0-25%</i>	<i>55-100%</i>	<i>20-45%</i>
Benchmark Income	0.00%	80.00%	20.00%
Balanced Income DG	5.00%	65.00%	30.00%
Balanced Income Y&G/Yield	5.00%	65.00%	30.00%
<i>MODEL RANGES</i>	<i>0-25%</i>	<i>35-85%</i>	<i>15-65%</i>
Benchmark Balanced Income	0.00%	60.00%	40.00%
Balanced DG	5.00%	55.00%	40.00%
Balanced Y&G/Yield	5.00%	55.00%	40.00%
<i>MODEL RANGES</i>	<i>0-25%</i>	<i>25-75%</i>	<i>25-75%</i>
Benchmark Balanced	0.00%	50.00%	50.00%
Balanced Growth DG	5.00%	40.00%	55.00%
Balanced Growth Y&G/Yield	5.00%	40.00%	55.00%
<i>MODEL RANGES</i>	<i>0-25%</i>	<i>10-60%</i>	<i>40-90%</i>
Benchmark Balanced Growth	0.00%	35.00%	65.00%
Growth DG	5.00%	25.00%	70.00%
Growth Y&G/Yield	5.00%	25.00%	70.00%
<i>MODEL RANGES</i>	<i>0-25%</i>	<i>0-45%</i>	<i>55-100%</i>
Benchmark Growth	0.00%	20.00%	80.00%
All Equity DG	5.00%	0.00%	95.00%
All Equity Y&G/Yield	5.00%	0.00%	95.00%
<i>MODEL RANGES</i>	<i>0-25%</i>	<i>0-25%</i>	<i>75-100%</i>
Benchmark All Equity	0.00%	0.00%	100.00%

*Note: Benchmark comprised of proportions Exchange Traded Funds (ETFs) XBB, XIC and IVV.

Model Portfolio Management Philosophy

Portfolio Objectives for Dividend Growth (DG), Yield & Growth (Y&G) and Yield (Y):

- We designed both model portfolios with a conservative investment approach. The portfolios may not participate as much in gains when markets are rising. However, they are expected to be more resilient in falling markets to protect capital. As a result, the portfolios will tend to be less volatile, and capital will be given more opportunity to compound over a long period of time.

Dividend Growth (DG):

- Equity allocation = ~20 stocks (~10 Canada, ~10 US), dividend growth target +6 per cent/yr, dividend yield target +0 per cent

Yield & Growth (Y&G):

- Equity allocation = ~20 stocks (~10 Canada, ~10 US), dividend growth target +0 per cent/yr, dividend yield target +2.5 per cent

Yield (Y):

- Equity allocation = ~20 stocks (~10 Canada, ~10 US), dividend growth target at least 0 per cent/yr, dividend yield target +5.0 per cent (Portfolio dividend yield greater than or equal to 5 per cent on average).

Other Portfolio Parameters (DG, Y&G and Y):

- ~18 models with different asset allocation based on risk and return objectives including: Capital Preservation, Income, Balanced Income, Balanced Growth, Growth and All Equity
- Negligible embedded cost
- Fixed Income allocation = ~4-9 bonds, ~2-4 preferred shares, investment grade credit, short and laddered duration (<7 years)
- Diversify by geography, sector and style
- Large capitalization (“blue chip”)

RAYMOND JAMES®

LANGILL & MCHENRY
INVESTMENT ADVISORS



LANGILL & MCHENRY
INVESTMENT ADVISORS

RAYMOND JAMES®

LANGILL & MCHENRY
INVESTMENT ADVISORS

RAYMOND JAMES®

The information in this communication is derived from various sources, including Raymond James Ltd., CI Investments, Signature Global Asset Management, Cambridge Global Asset Management, Globe and Mail, National Post, Bank of Montreal Economics, and Trading Economics. Index information was provided by TD Newcrest and PC Bond. Returns for the S&P/TSX and S&P 500 indexes are total returns (including dividends) while other indexes are price returns. This material is provided for general information and is subject to change without notice. Every effort has been made to compile this material from reliable sources; however, no warranty can be made as to its accuracy or completeness. Before acting on any of the above, please contact us for individual financial advice based on your personal circumstances.

Complete disclosures for companies covered by Raymond James can be viewed at: www.raymondjames.ca/researchdisclosures. Market commentary within this newsletter has been provided by Raymond James Private Client Solutions.

Raymond James Ltd. (RJL) prepared this newsletter. Information is from sources believed to be reliable but accuracy cannot be guaranteed. It is for informational purposes only. It is not meant to provide legal or tax advice; as each situation is different, individuals should seek advice based on their circumstances. This document is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of or located in any locality, state, country, or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. The securities discussed in this document may not be eligible for sale in some jurisdictions. This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. RJL, its officers, directors, agents, employees and families may from time to time hold long or short positions in the securities mentioned herein and may engage in transactions contrary to the conclusions in this newsletter. RJL may perform investment banking or other services for, or solicit investment banking business from, any company mentioned in this newsletter. Securities offered through Raymond James Ltd., Member-Canadian Investor Protection Fund. Financial planning and insurance offered through Raymond James Financial Planning Ltd., not a Member-Canadian Investor Protection Fund.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual funds. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.