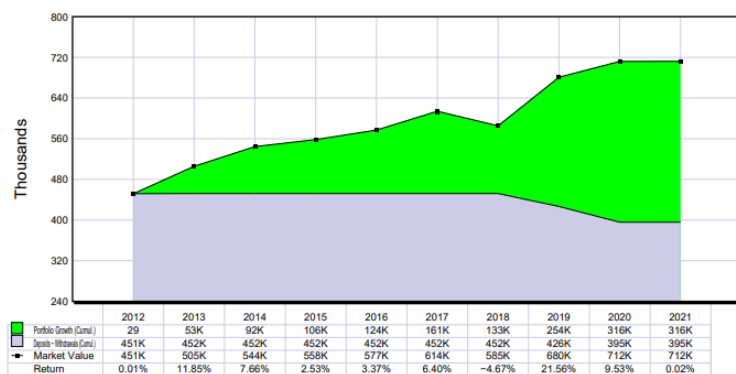


Cash Flow Solutions Model Portfolio

Q4 Quarterly Commentary - as of December 31, 2020

What a bizarre year 2020 was! Not only adjusting to life during a pandemic but some of the most unpredictable markets in recent history! The year started with a steep decline in Q1 2020 where market indices fell over 30% in the span of a few weeks, finally bottoming March 23. After reaching the bottom markets rallied the rest of the year into positive territory. Portfolios invested in the **Cash Flow Solutions model finished 2020 with a return of approximately 9.53%! What makes this remarkable is that you earned this return during a pandemic while still maintaining a balanced and cautious approach to protect your capital. As a reminder our mandate is not to have more than 80% of your portfolio invested in equities, which means the remaining 20% of your portfolio is invested in fixed income and cash to reduce risk and provide liquidity within the portfolio.**



return from December 19, 2012 to January 4, 2021:

6.91%

Since we started the model discretionary portfolio in December 2012 accounts are annualizing 6.91% per year net of costs. Our investment focus remains on generating cash flow from your investments in the form of dividends and interest payments along with capital gains from price appreciation.

Protecting your principal is vitally important as it's easier to make money if you haven't lost any (or very little).

So what is the outlook for 2021?

We remain optimistic despite the uncertainty around the COVID-19 vaccination rollout for several reasons:

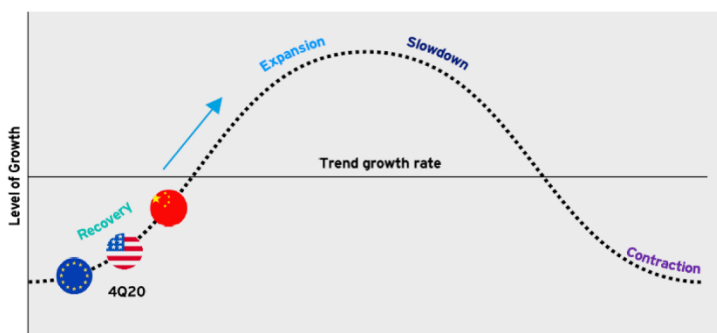
- 1. Globally governments continue to offer stimulus**, providing support for the markets and economy.
- 2. The U.S. election was decided** reducing political uncertainty and contrary to what many believe markets can move higher with Democrats in power.
- 3. Central banks have pledged to keep interest rates low through 2023**, which bodes well for North American consumers, the economy and for the markets. When you can get stock dividends of 3% or more compared to 1% GICs the fund flows resulting from the demand for stocks will move markets higher over time.

Cash Flow Solutions Model Portfolio

Q4 Quarterly Commentary - as of December 31, 2020

4. The Economic Cycle suggests we are now in the early innings of a new cycle: we're working through a recovery, vaccines are beginning distribution, and markets have realized that there is a light at the end of the tunnel.

Macro framework



Source: Invesco

We believe that the model portfolio can still grow modestly through 2021. Our intention is to continue to provide a better risk adjusted return than the market.

Monthly and Q4 returns for the Cash Flow Solutions **Model** were as follows*:

<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Q4</u>
-2.62%	7.78%	4.27%	9.44%

* **Returns are net of investment costs.** Actual performance of your account(s) will vary due to inception date and the timing of deposits and withdrawals. Your complete performance for the full range of periods can be found on the portfolio summary page.

The Top Three Best Performing Investments for 2020 based on price gains

1. TD Science & Technology Fund +70.45%
2. WSP Global +35.99%
3. Labrador Iron Ore +32.45%

Investment Highlights

Labrador Iron Ore (LIF) announced a very large dividend of \$1.80/share in December.

TD Science & Technology Fund continues to be one of the best overall performers in the portfolio finishing up **64.42%** for 2020. The work from home trend has accelerated technology adoption and the trend is ongoing.

During the 4th quarter the following changes were made to the portfolio model:

- We bought shares of **Suncor Energy Inc. (SU)**, due to how much the sector was beaten up. The Energy sector should bounce back strong with the reopening of the economy.
- We added to **Toronto Dominion Bank (TD)** to increase portfolio yield and also providing a stable investment.
- We added to your existing investments in **Labrador Iron Ore (LIF) & WSP Global Inc. (WSP)** after the stocks jumped higher from solid earnings or a business takeover.
- We also sold half of **iShares CDN Real Return Bond (XRB) & AGFIQ U.S. Market Neutral ETF (QBTL)** to raise cash to add to the investments above.

Cash Flow Solutions Model Portfolio

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Making changes in an increasingly unstable environment is not easy but we maintain an optimistic outlook that humanity will adapt and thrive. As we've said many times in the weekly IN FOCUS newsletter - remember to stay focused on the future to avoid short term noise and fluctuations in the market.

We thank you again for your patience as we recognize the ups and downs in the markets can be unsettling. Our success depends on your success and we value the relationships we have with you.

We thank you as well for the numerous referrals we received. Your confidence and trust in us is appreciated.

Wishing you continued success, good health and happiness!

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Taylor Cooper, B.Comm. **Kelley Johns** **Alexa Cousiño**
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