

Managed Portfolios

Addenda Balanced

Quick facts

Inception date:
March 31, 2015

Asset class:
Balanced

Minimum investment:
\$100,000

Avg. number of holdings:
20-35

Investment manager:
Addenda Capital

Investment manager assets under management:
\$42.5B

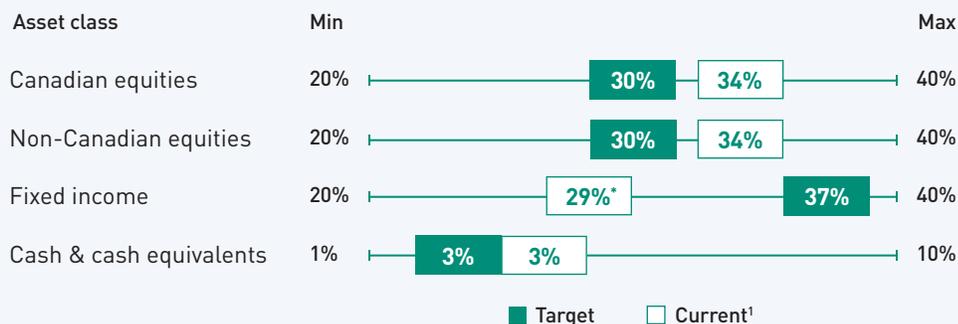
Portfolio risk:



What does the Portfolio invest in?

The portfolio invests in a diversified portfolio of Canadian and foreign equity securities, fixed-income securities, exchange traded funds (ETFs), and money market instruments and/or cash equivalents.

Asset allocations



- Equities: the minimum market capitalization will be \$1 billion dollars (CAD and/or USD equivalent) at the time of purchase and invested in at least six out of 11 GICS (Global Industry Classification Standard Sectors).
 - Canadian equities: Target 10-15 securities
 - Non-Canadian equities: Target 10-15 securities
- Fixed income: 30% to 50% in units of the Addenda Universe Core Bond pooled fund and/or Canadian fixed income ETFs will be used
- Addenda Preferred Share Pooled Fund, Addenda Commercial Mortgage Pooled Fund, Addenda CorePlus Fixed Income Pooled Fund and Addenda Active Duration Bond Pooled Fund may be used.

Suitable for investors whose objective is to achieve long-term capital growth, and is not intended for investors with a short-term investment horizon.

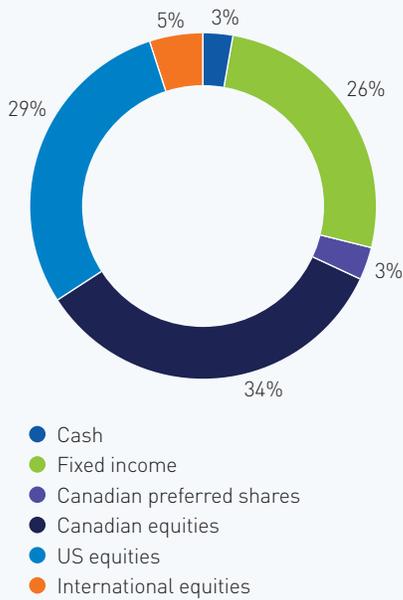
Top ten holdings¹ (excluding cash and cash equivalents) %

1. Addenda Bonds Universe Core Pooled Fund	23.5	6. Addenda Bonds Commercial Mortgages DC Pooled Fund	3.5
2. Alphabet Inc-Cl C	4.0	7. Addenda Preferred Share Pooled Fund	3.2
3. Bank Of Montreal	3.7	8. WSP Global Inc	3.1
4. Toronto-Dominion Bank	3.7	9. Dollarama Inc	3.1
5. Franco-Nevada Corp	3.7	10. Brookfield Corp	2.8

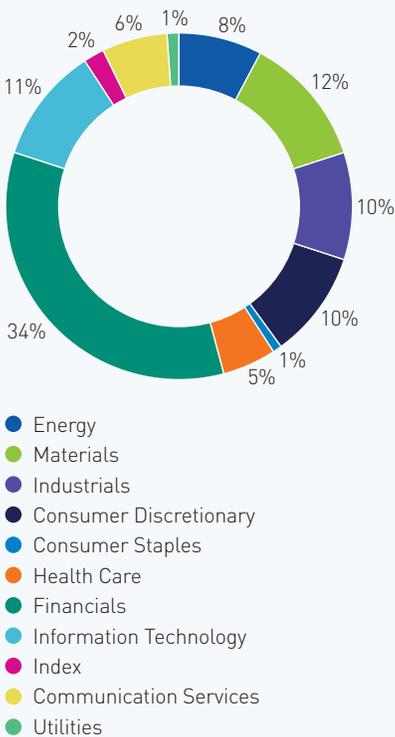
Performance

	QTD	YTD	1 yr	3 yrs	5 yrs	10 yrs	Since inception (Annualized)
Portfolio	1.0%	8.7%	8.7%	11.3%	8.3%	7.8%	7.7%
Benchmark	2.1%	14.0%	14.0%	14.3%	8.8%	8.4%	7.7%

Asset allocation¹



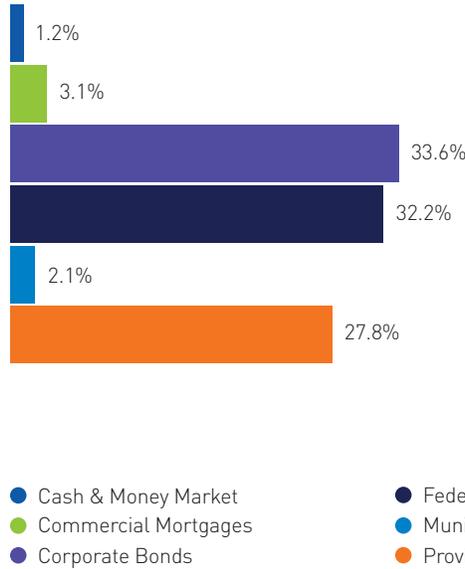
Equities sector allocation^{1,2}



Average market cap. (Equities Only) \$868.3B

Fixed income allocation

Core Bond Pool Sector Allocation



Credit quality	Portfolio (%)
AAA	32.7
AA	28.1
A	20.7
BBB	14.2
Non Rated Securities (Commercial Mortgages)	3.1
Cash and money market	1.2
	100.0

Current Yield (bonds): 3.83%

Repositioning for Q1 2026

Sold or reduced positions (-7.2%)

- Sold Essilor
- Sold Experian
- Trimmed Dollarama
- Trimmed CP Rail
- Trimmed Addenda Bonds Universe Core Pooled Fund
- Trimmed cash

Bought or increased positions (+7.2%)

- Initiated a new position in Relx
- Initiated a new position in Mitsubishi UFJ Financial Group
- Increased Franco Nevada
- Increased Amazon
- Increased S&P Global

Rationale:

From an Asset Mix perspective, we reduced the exposure to the Addenda Bonds Universe Core Pooled Fund and cash to increase our position in global equities which we believe will outpace fixed income in 2026.

Within the Canadian equity component, we increased our position in **Franco Nevada** by trimming **Dollarama** and **CP Rail**.

We continue to like the outlook for gold and despite the 76% return last year, find the valuation of Franco to be attractive. The stock currently offers a 5% free cash flow yield on our long-term gold price assumption of \$2800 compared to the historical norm of 3.5%. Franco is a prudent way to gain gold exposure as the company has hundreds of royalties on gold mines throughout the world and doesn't take on any cost risk associated with inflation or capital spending. The stock could also benefit from the restart of Cobre Panama, a copper mine owned by First Quantum.

With respect to the commodity, the gold price has benefitted from concerns about the structural U.S. deficit, hedging of the U.S. dollar and a belief that lower U.S. interest rates are around the corner. Central banks have been buying twice as much gold in the past three years than normal and we believe this trend will continue. Recent geo-political events such as the capture of President Maduro in Venezuela heighten the appeal. Emerging market central banks are buying gold in lieu of U.S. treasuries on concern the United States may freeze assets like what took place with Russia after they invaded the Ukraine.

We took profits in **Dollarama** as the stock continues to hit all-time highs and valuation is somewhat of a concern, as is the outsized weight in the portfolio due to outperformance. We trimmed **CP Rail** as we have a large position and the uncertainty surrounding the U.S./Canada free trade agreement and the impact of tariffs continues to be a headwind for Canadian rail stocks. We remained bullish on the long-term prospects for both companies.

Within the global equity component, we liquidated both **Essilor** and **Experian**. While Essilor had a more neutral stock return in Q4, it returned over 30% in 2025. Current valuations remain elevated, despite the positive outlook which, coupled with the team's concerns about liquidity in this holding, led us to exit the position.

With respect to Experian, the team has some concerns about the liquidity of the underlying ADR vehicle and believe **Relx** (new addition) has a more favourable valuation and similar thematic exposure. The team also initiated a new position in **Mitsubishi UFJ Financial Group**, which is Japan's largest financial institution, and offers a wide range of financial services including commercial banking, trust banking, securities, asset management, and leasing. The company also has exposure to the US market, with a 24% stake in Morgan Stanley. Finally, and because of the asset mix shift discussed above, the proceeds are being used to increase exposure to **Amazon** and **S&P Global**.

Investment manager overview

Addenda Capital is an investment management firm providing solutions for institutional and high net worth clients. They offer clients expert services in a broad range of asset classes. Addenda's mission is to add value through innovation, discipline and integrity, and to nurture genuine partnerships with their clients.

Management style

Canadian Equities (Value) Global Equities (GARP³) Fixed Income (Core)

Investment philosophy

Addenda provides a balanced investment strategy that seeks long-term capital appreciation and enhanced diversification through exposure to high quality fixed income and equity securities. A disciplined, dynamic asset allocation approach, blending top-down and bottom-up assessments seeks to exploit market opportunities through tactical shifts. Addenda's committee-based decision-making process leverages the firm's diversity of expertise. Their Asset Allocation Committee, led by the co-CIO, consists of those responsible for each asset class as well as their dedicated economic research team.

Investment process and risk controls

- Extensive top-down analysis of global macro-economic variables and capital markets serve to identify general investment themes and changes in market drivers on a quarterly basis. Forward-looking views, based against a 12- to 24-month horizon, reflect return and risk expectations, as well as relative valuations.
- Changes in asset mix, when triggered, seek to exploit shifting dynamics in the market environment and/ or valuations.
- Addenda's actively managed bond and equity investment strategies leverage extensive fundamental research capabilities. Their bond strategy utilizes a multi-strategy approach to exploit diverse alpha sources, while equity strategies are driven by in-depth bottom-up security analysis as well as industry fundamentals. The equity process favors companies offering attractive dividend profiles.

Key strengths

- Adding value through innovation and discipline
- Strong team work, rich insights
- Leveraging extensive fundamental research capabilities
- Guided by strong governance and sound judgement
- A culture based on integrity
- Environmental, social and governance (ESG) criteria inherent in the investment philosophy⁴
- Addenda is a United Nations Principles for Responsible Investment (PRI) signatory

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Aviso Wealth is part of Aviso, one of Canada's largest independent wealth management firms. Owned by the credit unions, we serve hundreds of thousands of investors at credit unions across Canada.

With approximately \$130 billion of assets under administration and management, Aviso has the resources to bring the best products and services to credit unions and their members. Invest with confidence, with your credit union and Aviso.

- Nearly 30 years as the wealth management provider to credit unions across Canada.
- One of Canada's largest independent wealth management firms.
- Parent company of Aviso Wealth, NEI Investments, and Qtrade.
- Owned by Canada's credit unions and Desjardins.



¹ As of January 8, 2026 after quarterly rebalancing unless otherwise stated.

² Excludes Canadian Preferred Shares

³ GARP (Growth at a reasonable price)

⁴ Tobacco and weapons companies are screened-out of portfolios. Tobacco: Exclude tobacco companies and companies that derive a material portion of their revenue from tobacco-related products such as filters, rolling papers or packaging, or from the sale of tobacco or tobacco-related products. Applies to equity holdings only. Weapons: Exclude companies that derive revenue from military contracts that violate International Humanitarian Law (IHL), and nuclear weapons contracts; companies that derive a material portion of their revenue from the manufacture of legal weapons systems and/or tailor-made components for these weapons systems; and companies whose activities are connected with the manufacturing of automatic or semi-automatic weapons intended for civilian use, or derive a material portion of their revenue from the sale or distribution of such weapons. Applies to equity holdings only.

Indicated rates of return are calculated using the time-weighted rate of return methodology for the period ended, December 31, 2025, and do not take into account management expenses, custodial fees, account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns.

Benchmark Index: 40% FTSE TMX Canada Universe Bond/30% S&P/TSX 60/30% MSCI World Net (CAD).

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