

Managed Portfolios

Addenda Income

Quick facts

Inception date:
January 14, 2021

Asset class:
Balanced

Minimum investment:
\$100,000

Avg. number of holdings:
20-35

Investment manager:
Addenda Capital

Investment manager assets under management:
\$41B

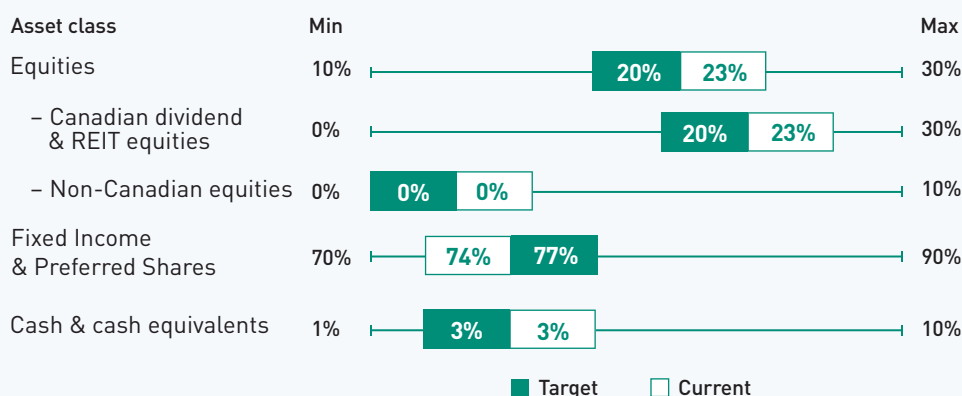
Portfolio risk:

Low to Medium

What does the Portfolio invest in?

The portfolio invests in a diversified portfolio of fixed-income securities, Canadian dividend-paying equity securities, Canadian Real Estate Investment Trusts (REITs), preferred shares, US equity securities, exchange traded funds (ETFs), commercial mortgages, 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. Canadian dividend & REIT equities: Target 10-20 securities. Non-Canadian equities: Target 0-10 securities
- Fixed income: Includes 25% to 50% in units of the Addenda Universe Core Bond pooled fund, 10% to 30% in Addenda Bonds Corporate Core pooled fund, 0% to 20% in Addenda Commercial Mortgage pooled fund, 0% to 20% in Addenda Preferred Share pooled fund, and/or Canadian fixed income ETFs.

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

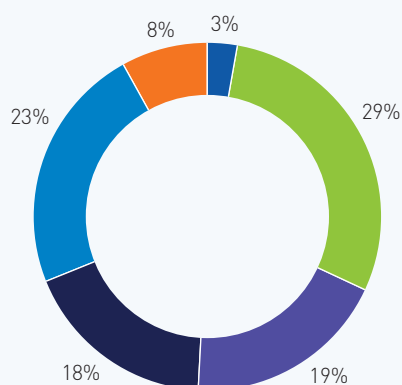
Top ten holdings¹ (excluding cash and cash equivalents) %

1.	Addenda Bonds Universe Core Pooled Fund	30.3	5.	Power Corp Of Canada	2.6
2.	Addenda Bonds Corporate Core Pooled Fund	19.1	6.	Bank Of Nova Scotia	2.4
3.	Addenda Commercial Mortgage DC Pooled Fund	19.0	7.	Canadian Pacific Kansas City	2.3
4.	Addenda Preferred Share Pooled Fund	7.8	8.	Emera Inc	2.1
			9.	WSP Global Inc	1.9
			10.	TC Energy Corp	1.7

Performance

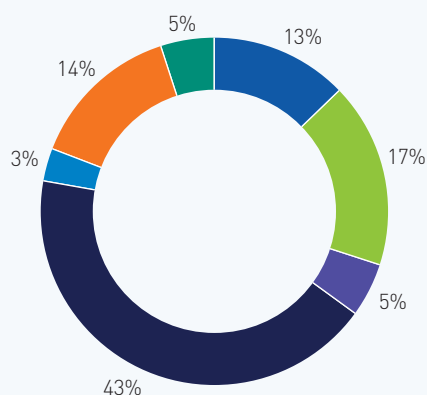
	QTD	YTD	1 yr	3 yr	Since inception (Annualized)
Portfolio	3.2%	6.2%	7.1%	7.2%	3.9%
Benchmark	3.5%	7.7%	8.9%	8.7%	3.8%

Asset allocation¹



- Cash
- Addenda Bonds Universe Core pooled fund
- Addenda Bonds Corporate Core pooled fund
- Addenda Commercial Mortgage DC pooled fund
- Canadian dividend & REITs
- Canadian preferred shares

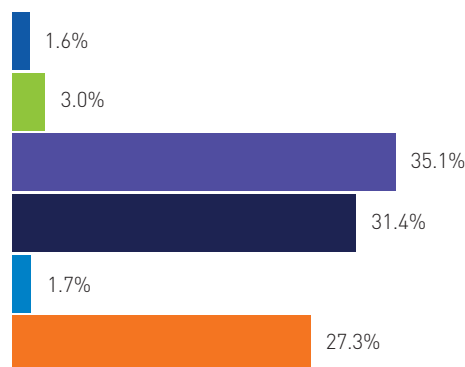
Equities sector allocation¹



- Energy
- Industrials
- Consumer discretionary
- Financials
- Communication services
- Utilities
- Real Estate

Fixed income allocation

Core Bond Pool Sector Allocation

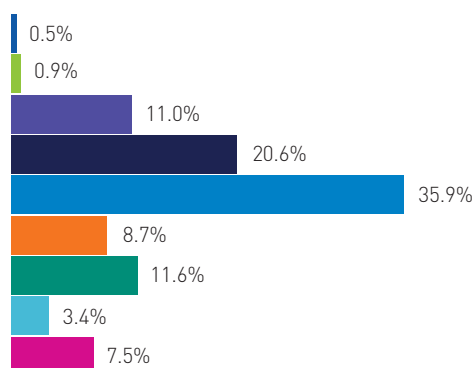


- Cash & Money Market
- Commercial Mortgages
- Corporate Bonds
- Federal Bonds
- Municipal Bonds
- Provincial Bonds

Current Yield: 3.80%

Credit quality	Portfolio (%)
AAA	31.9
AA	29.1
A	18.7
BBB	15.7
Non Rated Securities (Commercial Mortgages)	3.0
Cash and money market	1.5
	100.0

Corporate Core Bond Pool sector allocation



- Cash and Money Market
- Government, Foreign Pay Bonds
- Communication
- Energy
- Financial
- Industrial
- Infrastructure
- Maples
- Real Estate

Current Yield: 4.39%

Average market cap. (Canadian equities only) \$63.5B
Weighted Combined Yield to Maturity (Total Portfolio)² 3.79%

Repositioning for Q4 2025



Sold or reduced positions (-0.6%)

- Trimmed Addenda Bonds Universe Core Pooled Fund
- Trimmed cash



Bought or increased positions (+0.6%)

- Increased Addenda Commercial Mortgage Pooled Fund

Rationale:

Asset mix: Exposure to the **Core Universe Bond Pooled Fund** and a modest amount of **Cash** were reduced in order to increase the position in the **Commercial Mortgage Pooled Fund**. No equity trades were made for this trade window.

Quarterly commentary

The quarter started with the publication of Q2 earnings, which were mostly positive despite an uncertain macroeconomic environment. The AI theme continues to be highly predominant, and it was, once again, a driver for most markets this quarter. The end of Q3 was marked by the long-awaited interest rate cut by the US Federal Reserve in September.

Canadian equities delivered a strong +12.5% return in Q3, but the market continued to be very narrowly focused and driven by Materials stocks (notably Gold) and select large cap Technology stocks. Gold and silver commodities were up 17% and 29% respectively in the quarter, leading to strong gains in precious metals stocks. In a continuation of Q2 trends, the more defensive sectors underperformed, and high beta stocks outperformed lower beta stocks by a wide margin.

The US markets closed the month of September at an all-time high level. Emerging markets also had a good quarter, especially China, who benefited from easing tensions with the US and a more positive sentiment toward domestic investments in AI. After a strong start to the year, MSCI EAFE performance remained strong in Q3, improving as the quarter went on, despite the ongoing geopolitical instability.

Fixed income markets posted positive. Both the Federal Reserve and the Bank of Canada (BoC) validated market expectations by delivering 0.25% rate cuts at their September meetings. The BoC focused on export weakness and the unemployment rate as evidence of a weaker economy and citing less upside risk to inflation. A policy rate of 2.50% is arguably now below their own stated neutral rate of 2.75% making further easing in the absence of an outright recession more difficult. The Fed maintained a conservative approach but did shift its balance of risks to the downside. Observing that passthrough from tariffs to households was slower and lower than expected gave some comfort that inflation surprises might be limited and attention turned to labour market dynamics.

The Portfolio had a total return of 3.2% during the third quarter. Contributing positively to performance was a modest overweight position in stocks over bonds, combined with strong security selection within core, corporate, commercial mortgages and preferred share components; however, this was offset by weak relative performance from the Canadian dividend equity component.

From a Canadian dividend equity perspective, the portfolio had a strong absolute return of 8.5% but trailed the benchmark return of 10.2%. Contributing to underperformance was our underweight in the Materials sectors, particularly our avoidance of low yielding gold stocks, which rallied significantly during the quarter. This was partially offset by our absence from Constellation Software which

declined sharply during the period. While it has historically been held in our non-dividend focused portfolios, we have avoided it here due to its low yield and not fitting our investment criteria. Value was also added by our broad-based Financials exposure.

The underlying core bonds component exceed its benchmark during the quarter. Yields rose steadily into July and the fund increased its interest rate risk exposure, followed by a gradual reduction as yields reverted back below levels at the start of the quarter. Corporate credit saw another quarter of insatiable demand and yields continued to compress on the back of strong equity markets and robust deal flow.

The preferred shares component also added value as a result of its fixed income holdings and longer-dated fixed resets benefitting from lower Government of Canada yields. Similarly, the off-benchmark allocation to the Commercial Mortgages pooled fund added a modest amount value due to its higher overall yield compared to short-term bonds.

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

About Aviso Wealth

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 October 6, 2025 after quarterly rebalancing unless otherwise stated.

² Canadian Dividend and REITS Yield 3.40%; Addenda Bonds Universe Core Pooled Fund Yield to Maturity 3.64%; Addenda Bonds Corporate Core Pooled Fund Yield to Maturity 3.84%; Addenda Commercial Mortgage DC Pooled Fund Yield to Maturity 4.15%; Addenda Preferred Share Pooled Fund Yield 5.98%.

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, September 30, 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: 35% FTSE Canada Universe Bond Index/20% FTSE Canada All Corporate Bond Index/15% FTSE Canada Short Term Overall Bond Index/20% S&P/TSX Canada Select Dividend/10% S&P/TSX Preferred Share Index. From 2022-01-11 to 2024-09-30 : 35% FTSE Canada Universe Bond Index/20% FTSE Canada All Corporate Bond Index/15% FTSE Canada Short Term Overall Bond Index/20% Dow Jones Canada Select Dividend/10% S&P/TSX Preferred Share Index. From 2021-01-14 to 2022-01-10 : 40% FTSE Canada Universe Bond Index/20% FTSE Canada All Corporate Bond Index/15% FTSE Canada Short Term Overall Bond Index/15% Dow Jones Canada Select Dividend/10% S&P/TSX Preferred Share Index.

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