Barrette & Associates Wealth Management

Singular **solutions** to intricate situations.

Our approach to building investment portfolios is based on the following core convictions:

- ◊ We invest in our highest persuasion ideas for each asset class;
- ◊ We are committed to long term valuable companies at attractive prices;
- ◊ We believe that alternative investments should be a part of every portfolio.

We follow a hybrid approach combining both top-down and bottom-up framework analysis to portfolio construction.

i. We examine various economic factors that may affect the overall market, various sectors and industries, as well as performance and opportunities at a geographical level. This analysis will define our active asset allocation and sector rotation.

   Our portfolios consist of the following asset classes:
   - American Equities;
   - Canadian Equities;
   - Foreign Equities;
   - Fixed Income;
   - Alternative investments (Infrastructure, Private Equity, Private Lending, etc.).

ii. In the bottom-up selection process, we will closely examine the fundamentals of companies based on past performance, financial statements and if they are poised to benefit from long term socio-economic trends. We also want for those to have a solid management team, attractive valuation matrix and a high quality of earnings. Further, in order to mitigate volatility and to ensure appropriate diversification, we include an allocation to alternative investments that have shown a low correlation to overall market performance. We believe adding this element to be of great importance, particularly in the current market environment.

Buy Discipline.

We select up to 25 equities based on the following criteria:

- We seek companies in various sectors that have demonstrated a history of outstanding earnings results over a sustained period of time while trading at relatively attractive levels;
- We focus on strong fundamentals and long term secular growth trends;
- We look for stellar management teams whose interests are aligned with that of shareholders;
- We avoid all companies with excessive leverage;

Sell Discipline.

Several factors would incite us to exit a position. They are:

- A company reports poor results which we perceive as representing a change in the future earnings potential;
- Changes in consumer habits and longer term trends impacting one of the portfolio holdings;
- Questionable modifications in a management team and/or board members;
- Negative changes to a company's balance sheet;
- Belief that owning shares of a specific company will have very limited upside into the future.

Top 10 selections (as of September 1st 2022):

1. **Alimentation Couche-Tard**
2. **Apple INC.**
3. **BTB REIT**
4. **Citigroup**
5. **Intact Financial**
6. **Manulife Financial**
7. **Mastercard INC.**
8. **Microsoft Corp.**
9. **PRO REIT**
10. **Taiwan Semiconductor**

Information

Portfolio Management

Louis-Philippe Barrette
Senior Portfolio Manager
514.289.0070
lp.barrette@td.com

Ioana Norocel, CFA
Investment Advisor
514.289.0052
ioana.norocel@td.com

Client Servicing

Olivier Besnard
Administrative Associate
514.289.1281
olivier.besnard@td.com

TD Wealth Private Investment Advice
Barrette & Associates Wealth Management
1350 René-Lévesque W. 9th Floor
Montréal (Québec)
H3G 1T4

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Appendix A – Important Disclosures

The information contained herein has been provided by Barrette & Associates Wealth Management and is for information purposes only. The information has been drawn from sources believed to be reliable. The information does not provide financial, legal, tax or investment advice. Particular investment, tax, or trading strategies should be evaluated relative to each individual's objectives and risk tolerance.

Certain statements in this document may contain forward-looking statements ("FLS") that are predictive in nature and may include words such as "expects", "anticipates", "intends", "believes", "estimates" and similar forward- looking expressions or negative versions thereof. FLS are based on current expectations and projections about future general economic, political and relevant market factors, such as interest and foreign exchange rates, equity and capital markets, the general business environment, assuming no changes to tax or other laws or government regulation or catastrophic events.

Expectations and projections about future events are inherently subject to risks and uncertainties, which may be unforeseeable. Such expectations and projections may be incorrect in the future. FLS are not guarantees of future performance. Actual events could differ materially from those expressed or implied in any FLS.

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