中薇投资组合
2023年第四季度回顾与展望

PART I: Market Review 市场回顾

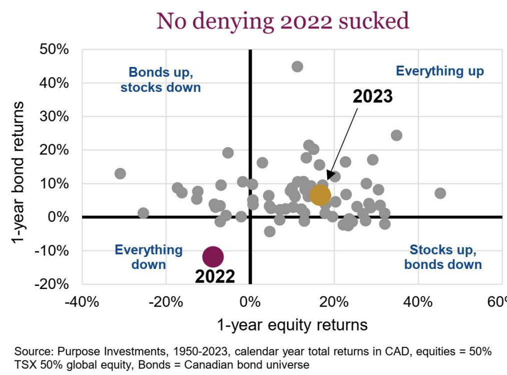
January 30, 2024 （2024年1月30日）

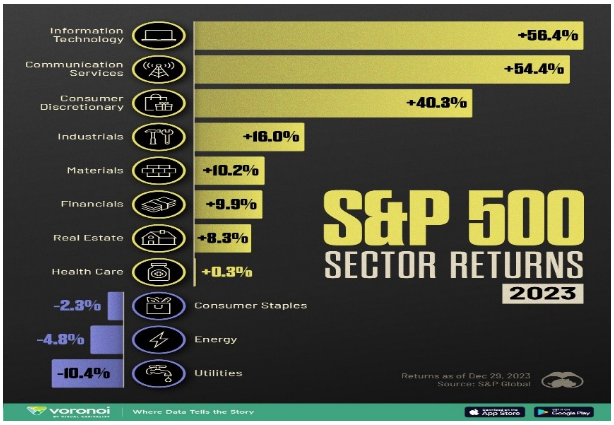
- Market followed the Q3 downward trend in October. However, stocks rebounded in November from an oversold position and the strength continued into December, driven by moderating inflation, strong economic data (Q3 US GDP at 5.2%), solid Q3 corporate earnings, and dovish Fed comments (interest rates may have peaked).
  10 月份，市场延续了第三季度的下跌趋势。然而，受通胀放缓、经济数据强劲（第三季度美国国内生产总值增长 5.2%）、第三季度企业盈利稳健以及美联储鸽派言论（利率可能已见顶）的推动，股市在 11 月份从超卖状态反弹，并在 12 月份继续走强。
- Overall, S&P was up 11.2% in Q4, NASDAQ up 13.6%, Dow Jones up 12.5% and Russell 2000 (small caps) up 13.6%. Sector-wise, 10 out of 11 S&P sectors had positive returns (Energy was the only one with negative return), with Tech, Real Estate, Financials, Industrials and Consumer Discretionary outperforming the index.
  总体而言，标普500第四季度上涨 11.2%，纳斯达克上涨 13.6%，道琼斯上涨 12.5%，罗素 2000（小型股）上涨 13.6%。从板块来看，标普指数11个板块中有 10 个板块取得了正收益（能源是唯一一个负收益的板块），其中科技、房地产、金融、工业和消费品板块的表现优于指数。
- For 2023, S&P was up 24.2%, NASDAQ up 43.4%, Dow Jones up 13.7%, and Russell 2000 up 15.1%. Sector-wise, performance was uneven, with Tech, Communication Services (e.g. Google, Meta, Netflix), and Consumer Discretionary (e.g. Amazon, Tesla) way ahead of others. The other 8 sectors all underperformed the index and 3 of them (Staple, Energy, Utilities) actually had negative returns. The so-called Magnificent 7 (Apple, Google, Microsoft, Amazon, Meta, Tesla and Nvidia) produced a total return of ~82% and contributed over 60% of S&P500's total annual increase.
  2023 年，标普500指数上涨 24.2%，纳斯达克指数上涨 43.4%，道琼斯指数上涨 13.7%，罗素 2000 指数上涨 15.1%。从板块来看，表现参差不齐，科技、通信服务（包括谷歌、Meta、Netflix）和非必需消费品行业（包括亚马逊、特斯拉）遥遥领先于其他板块。其他 8 个板块的表现均低于指数，其中 3 个板块（必需消费品、能源、公用事业）实际上是负回报。所谓的七大科技股（苹果、谷歌、微软、亚马逊、Meta、特斯拉和 Nvidia）的总回报率约为 82%，占 S&P500 指数年度总涨幅的 60%以上。
- On the Canadian side, TSX's performance was more muted (up 7.3% in Q4 and 8.1% in 2023) due to the lack of meaningful exposure to the Tech sector (9% weight vs. 29% in S&P 500). However, it is noted that TSX outperformed S&P 500 in 2022 (-8.7% vs. -19.4%). Therefore, on a two-year basis (2022 and 2023), total return (including dividend) of TSX was slightly ahead of S&P 500 (+4.8% vs. +3.1%).
  加拿大方面，多伦多证券交易所指数（TSX）的表现较为平淡（第四季度上涨 7.3%，2023 年上涨 8.1%），原因是科技行业占比较小（占9% 的权重，而标准普尔 500 指数占 29%）。不过，值得注意的是，多伦多证券交易所 2022 年的表现优于标准普尔 500 指数（-8.7% 对 -19.4%）。因此，就两年期（2022 年和 2023 年）而言，多伦多证券交易所指数的总回报（包括股息）略高于标准普尔 500 指数（+4.8% 对 +3.1%）。
- For markets outside North America, EAFE (developed countries ex. US) was up 9.6% in Q4 (+14.1% for 2023). Emerging Market was up 6% in Q4 (+6.1% for 2023).
  就北美以外的市场而言，EAFE（美国以外的发达国家）第四季度上涨 9.6%（2023 年增长 14.1%）。新兴市场第四季度上涨 6%（2023 年增长 6.1%）。
- On commodities, gold was up 11.6% in Q4 (13.3% for 2023) driven by rate cut hopes (lower real yield is positive to gold). Oil was down 21% in Q4 (-10.7% for 2023).
  在大宗商品方面，受降息预期（实际收益率下降对黄金有利）的推动，黄金在第四季度上涨了 11.6%（2023 年为 13.3%）。石油在第四季度下跌了 21%（2023 年将下跌 10.7%）。
- 10-year US treasury yield was down 71bps in Q4 due to rate cut hopes. For 2023, 10-year treasury yield was largely flat with great volatility during the year (over 5% at the high and 3.3% at the low). The aggregate bond index snapped a two-year loss (a rarity for fixed income) with a positive 5.6% total return.
  受降息预期影响，10 年期美国国债收益率在第四季度下降了 71 个基点。2023 年，10 年期国债收益率基本持平，年内波动较大（最高点超过 5%，最低点为 3.3%）。债券整体指数以 5.6% 的正总回报率结束了两年来的亏损（这在固定收益中十分罕见）。
- US dollar retreated quickly in Q4 (-4.6%) with a potential FED pivot. For the year, US dollar was down 2%, after two strong years in 2021 and 2022 (+6.8% and +7.9% respectively). Canadian dollar was up 0.9% against USD for the year.
  美元在第四季度迅速回落（-4.6%），原因是美联储（FED）货币政策可能转向。在经历了 2021 年和 2022 年的两年强势（分别为 +6.8% 和 +7.9%）后，美元全年下跌 2%。加元兑美元全年上涨 0.9%。
- 2023 was a positive surprise to many experts and investors, who at the beginning of the year were concerned about high inflation, potential recession, and FED tightening. Overall, the good surprises, such as inflation coming down, central banks pausing, and a resilient economy, were bigger than the negative surprises. However, under the surface, market performance was quite narrow, as mentioned above.
  对许多专家和投资者来说，2023 年是一个积极的惊喜，因为年初他们还在担心高通胀、潜在衰退和美联储的紧缩政策。总体而言，通胀回落、央行暂停加息、经济复苏等利好意外大于负面意外。然而，如上所述，在指数层面之下，市场上涨非常狭窄。

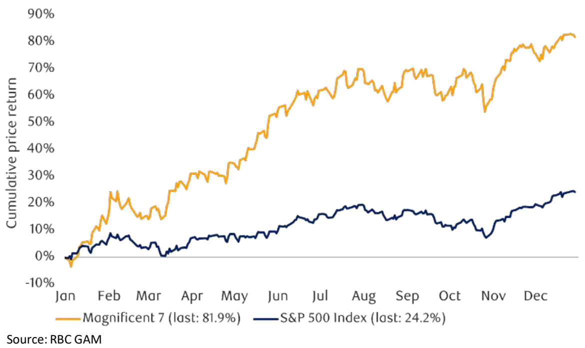
Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

PART I: Market Review 市场回顾

- For 2024, the setup is quite the opposite to 2023: instead of being pessimistic, experts and investors are now optimistic (declining inflation, economic soft landing, and rapid FED rate cuts). While we agree 2024 will be in general a positive year (largely driven by the upcoming rate cutting cycle), the current high market expectation may cause some short-term volatility. Also, we expect 2024 to be a more normal year for market return (mid to high single digit) vs. the blowout performance in 2023.
  对于 2024 年，情况与 2023 年截然相反：专家和投资者现在不再悲观，而是持乐观态度（通胀下降、经济软着陆、美联储会快速降息）。虽然我们同意 2024 年总体上将是积极的一年（主要由即将到来的降息周期推动），但目前市场的高预期可能会导致一些短期波动。此外，与 2023 年的井喷表现相比，我们预计 2024 年的市场回报率（中至高个位数）将回归正常。







	Asset Return（回报）									
	2021	2022	Q1,2023	Q2,2023	Q3,2023	Oct	Nov	Dec	Q4	2023
S&P 500 (标普500)	26.9%	-19.44%	7.03%	8.30%	-3.65%	-2.20%	8.92%	4.42%	11.24%	24.23%
Dow Jones （道琼斯）	18.7%	-8.78%	0.38%	3.41%	-2.62%	-1.36%	8.77%	4.84%	12.48%	13.70%
NASDAQ（纳斯达克）	21.4%	-33.10%	16.77%	12.81%	-4.12%	-2.78%	10.70%	5.52%	13.56%	43.42%
Russel 2000 （罗素2000）	13.7%	-21.56%	2.34%	4.79%	-5.49%	-6.88%	8.83%	12.05%	13.55%	15.09%
TSX（多伦多指数）	21.7%	-8.66%	3.69%	0.28%	-3.05%	-3.42%	7.22%	3.57%	7.25%	8.12%
FTSE Developed Market Index (ex. US)（发达国家指数）	11.7%	-16.33%	7.62%	2.24%	-5.33%	-4.64%	8.80%	5.60%	9.56%	14.13%
MSCI Emerging Market Index （新兴国家指数）	-3.6%	-21.76%	4.12%	0.25%	-4.07%	-5.09%	7.80%	3.55%	5.96%	6.09%
Gold （黄金）	-3.5%	-0.43%	8.20%	-3.04%	-3.20%	7.07%	3.00%	1.19%	11.60%	13.34%
Oil （石油）	55.0%	6.71%	-5.61%	-7.79%	29.96%	-11.40%	-5.57%	-5.67%	-21.08%	-10.73%
US Dollar Index （美元指数）	6.8%	7.87%	-0.90%	0.31%	3.22%	0.41%	-2.96%	-2.05%	-4.56%	-2.07%
Aggregate Bond Index （债券指数）	-1.2%	-14.15%	2.73%	-1.96%	-4.00%	-2.42%	4.59%	3.70%	5.83%	2.33%
Change in US 10-year Treasury Yield (bps)（十年国债）	60	237	(39)	33	75	22	(44)	(49)	(71)	(1)

Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

PART II: Market Outlook 市场展望

We continue to carefully monitor the key issues that may drive the market in 2024. On the macro side, these include: 1) inflation, 2) economy (soft landing or recession), 3) FED policy (when to cut, how many cuts), and 4) geopolitical issues (Russia/Ukraine war, Middle East conflicts, U.S.-China relations, elections, etc.). On the micro side, these include: 1) corporate earnings, and 2) valuation.
我们将继续密切关注可能推动 2024 年市场发展的关键因素。在宏观方面，这些因素包括 1）通胀；2）经济（软着陆还是衰退）；3)美联储政策（何时降息、降息幅度是多少）；4）地缘政治问题（俄罗斯/乌克兰战争、中东冲突、中美关系、大选等）。 微观方面包括 1）企业盈利；2）估值。

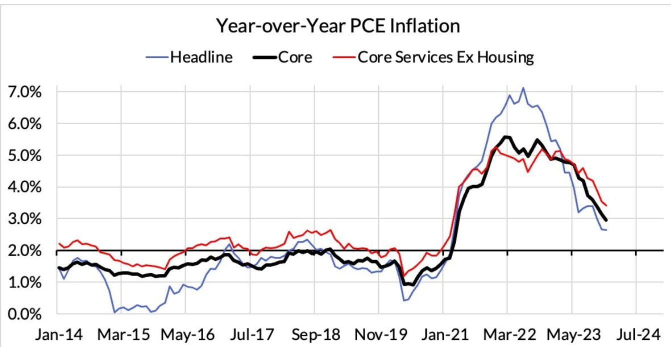
4)**Inflation – continues to trend down and not a major concern for 2024 通货膨胀--继续呈下降趋势，2024年不会成为主要问题**

- Inflation has been the most important driver of the market this cycle, as it is the focus of the FED and determines monetary policy, which will affect the economy, corporate profits, and ultimately the market.
  通胀是本轮市场最重要的驱动力，因为它是美联储会关注的焦点，决定着货币政策，而货币政策将影响经济、企业利润，并最终影响市场。
- After peaking in June 2022 (CPI at 9.1%), headline CPI has slowed significantly (3.4% in December 2023). Core CPI (CPI ex. the volatile food and energy components) also moderated to 3.9%.
  在 2022 年 6 月达到峰值（CPI 为 9.1%）后，总体 CPI 已明显放缓（2023 年 12 月为 3.4%）。核心 CPI（CPI，不包括波动较大的食品和能源部分）也放缓至 3.9%。
- PCE Inflation (FED's preferred inflation measure) has shown a similar trend. Headline PCE was 2.6% in December, and Core PCE was 2.9% (lowest reading since March 2021). In particular, the so-called Super Core Service PCE (Core Service PCE ex. Housing; the sticky part of the inflation) was 3.3%, down from ~5% for much of 2022 and early part of 2023.
  PCE通胀（美联储偏好的通胀指标）也呈现类似的趋势。12 月份的总体 PCE 为 2.6%，核心 PCE 为 2.9%（2021 年 3月以来的最低值）。特别是，所谓的超级核心服务 PCE（除住房外的核心服务 PCE；通胀的粘性部分）为3.3%，低于 2022 年大部分时间和 2023 年早期的 ~5%。
- Goods inflation has come down quite some time ago, but service inflation has been sticky. Wage, a big driver of service costs, and shelter cost, the biggest component of the inflation basket (~30% of headline inflation and ~40% of core inflation) are the two key indicators to watch.
  商品通胀率已经回落了一段时间，但服务通胀率却一直处于胶着状态。工资是服务成本的主要驱动因素，而住房成本是通胀篮子中最大的组成部分（约占总体通胀的 30%，约占核心通胀的 40%），这两个关键指标值得关注。
    - As shown in the following graph, wage cost has come down in recent months. With job market gradually cooling down in 2024, we expect wage cost continue to trend down.
      如下图所示，近几个月工资成本有所下降。随着 2024 年就业市场逐渐降温，我们预计工资成本将继续呈下降趋势。
    - Shelter cost remains at high level. In December, shelter cost was up 6.2% YoY, accounting for over 50% of overall CPI increase. However, as shown in the following graph, CPI shelter cost has lagged real-time market data. Zillow Rent index peaked in mid-2022, while CPI shelter cost only peaked in Q2, 2023 and still way above the Zillow Index. We expect shelter cost to continue to follow the real time data down.
      住房成本居高不下。12 月份，住房成本同比上涨 6.2%，占整体 CPI 涨幅的 50%以上。然而，如下图所示，CPI 住房成本滞后于实时市场数据。Zillow 房租指数在 2022 年年中达到顶峰，而 CPI 住房成本在 2023 年第二季度才达到顶峰，且仍远高于 Zillow 指数。我们预计住房成本将继续跟随实时数据下降。
- While certain events (e.g. higher oil price due to conflicts in the Middle East, Red Sea conflict to impact shipping cost) may cause some volatility along the way, we expect inflation to continue its recent downward trend in the coming months, along with the weakening economy and labor market, and the deceleration of shelter cost.
  虽然某些事件（如中东冲突导致油价上涨、红海冲突影响航运成本）可能会引起一些波动，但我们预计，随着经济和劳动力市场的疲软以及住房成本的下降，通胀率在未来几个月将继续保持近期的下降趋势。
- In its most recent economic forecasts (December 2023), FED revised its inflation expectation (PCE) for 2024 from 2.5% to 2.4% (core PCE from 2.6% to 2.4%), getting closer to its target of 2%.
  在其最新的经济预测（2023 年 12 月）中，美联储将 2024 年的通胀预期（PCE）从 2.5% 下调至 2.4%（核心 PCE 从 2.6% 下调至 2.4%），更加接近其 2% 的目标。

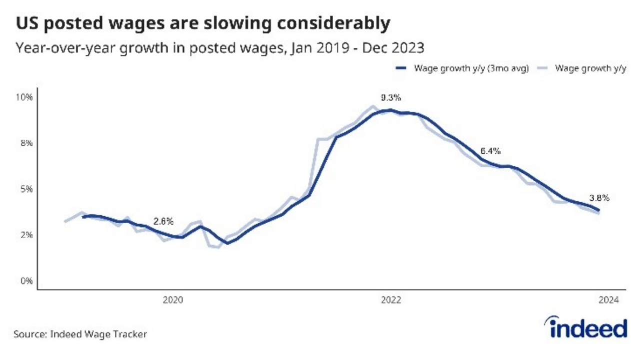
Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

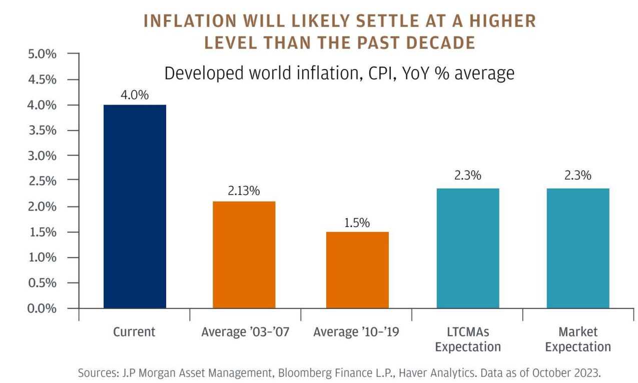
PART II: Market Outlook 市场展望

- However, longer term inflation will likely be higher than what we experienced before the pandemic, likely driven by deglobalization, regional conflicts, and energy transition. This may result in overall higher interest rates (vs. ultra-low rates in the last decade).
  然而，在去全球化、地区冲突和能源转型的推动下，长期通胀可能会高于疫情之前的水平。这可能会导致整体利率上升（与过去十年的超低利率相比）。



Source: Purpose Investment





- **Economy – much stronger than expected in 2023; Soft landing or mild recession in 2024?**
  经济--2023 年远比预期强劲；2024 年软着陆还是温和衰退？
  - We believe in 2024, inflation concerns will give away to economic growth concerns.
    我们认为，在 2024 年，对通货膨胀的担忧将让位于对经济增长的担忧。
  - The US economy has been much more resilient than market expectations. At the beginning of 2023, most economists expected a recession possibly in Q2 and Q3. That never materialized. US GDP registered above 2% growth in both Q1 and Q2, a robust 4.9% in Q3 and 3.3% in Q4. For the year, GDP growth was 2.5% (for reference, in its December 2022 projection, the FED expected GDP to grow at 0.5% in 2023).
    美国经济的韧性远超市场预期。2023 年初，大多数经济学家预计第二季度和第三季度美国经济可能出现经济衰退。但这一预期并未实现。美国第一季度和第二季度的 GDP 增长率都超过了 2%，第三季度强劲增长 4.9%，第四季度增长3.3%。全年国内生产总值增长 2.5%（作为参考，美联储在其 2022 年 12 月的预测中预计 2023 年美国国内生产总值增长 0.5%）。
  - We think the strong performance was driven by 1) robust job market; 2) excess savings accumulated through the pandemic by consumers now being put into use; 3) large scale fiscal stimulus; 4) less sensitivity to interest rate hikes both on the consumer side (e.g. 30-year fixed mortgage) and corporate side (e.g. better balance sheet).
    我们认为，经济表现强劲的原因包括：1）就业市场强劲；2）消费者在疫情期间积累的超额储蓄被投入使用；3）大规模财政刺激政策；4）消费者（如 30 年期固定抵押贷款）和企业（如资产负债表改善）对利率上调的敏感度降低。

Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

PART II: Market Outlook 市场展望

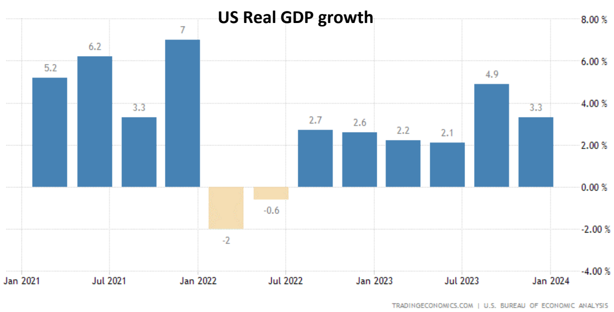
- Contrary to 2023, economists are now more optimistic. More of them expect a soft landing instead of a recession in 2024 (in the latest NABE survey, 91% of respondents assigned a less than 50% probability for US entering a recession over the next 12 months).
  与 2023 年相反，经济学家们现在更加乐观。更多的经济学家预计 2024 年美国经济将软着陆，而非衰退（在最新的 NABE 调查中，91% 的受访者认为未来 12 个月美国进入衰退的可能性低于 50%）。
- However, we still think there is a higher probability of a recession potentially in Q2 and Q3, 2024. The main reasons are:
  不过，我们仍然认为 2024 年第二季度和第三季度可能出现经济衰退的可能性较大。主要原因如下：
    - A deeply inverted yield curve and negative Leading Economic Indicator (both reliable indictors to predict recessions in the past) continue to point to a recession. The LEI has declined 21 months in a row, the third-longest streak on record. A recession occurred after every other streak of similar magnitude.
      深度倒挂的收益率曲线和负的领先经济指标（这两个指标在过去都是预测经济衰退的可靠指标）继续指向经济衰退。领先经济指标已连续 21 个月下降，是有记录以来第三长的连续下降。每一次类似程度的连跌之后都会出现经济衰退。
    - Although the impact of interest rate hikes has been relatively muted so far, it will eventually be felt. High rates and tighter lending conditions will eventually take a toll on the economy. Historically, the start of a recession lagged the first rate hike by 27 months on average. FED hiked interest rate in March 2022, so a recession in Q2 2024 still falls into the historical norm.
      尽管迄今为止，加息的影响相对较小，但最终还是会显现出来。高利率和贷款条件的收紧最终会对经济造成影响。从历史上看，经济衰退的开始平均比首次加息滞后 27 个月。美联储于2022 年 3 月加息，因此 2024 年第二季度的经济衰退仍符合历史规律。
    - Two big drivers of 2023 surprises (consumption and fiscal spending) are waning:
      2023 年惊喜的两大驱动力（消费和财政支出）正在减弱：
        - Excess savings by consumers are largely tapped out (it is estimated that of the $2.1 trillion excess savings, only $290 billion remains). There are also signs that consumers are increasingly relying on credit cards to support their spendings. A weakening labor market will also impact consumer sentiment and their willingness to spend.
          消费者的超额储蓄已基本用尽（据估计，在 2.1 万亿美元的超额储蓄中，只剩下 2,900 亿美元）。还有迹象表明，消费者越来越依赖信用卡来支持他们的消费。劳动力市场的疲软也将影响消费者的情绪和消费意愿。
        - The US fiscal deficit is at a high level (~6% to GDP), and further increase in government spending may be difficult given 1) record level of government debt; and 2) the difficulty of pushing big spending bills during an election year.
          美国的财政赤字处于较高水平（约占 GDP 的 6%），进一步增加政府支出可能比较困难，因为：1）政府债务达到创纪录的水平；2）在大选年推动大额支出法案比较困难。
- However, we think a recession, if happens, should be a relatively short and mild one. The main reasons are:
  不过，我们认为，即使发生经济衰退，也应该是一个相对短暂和温和的衰退。主要原因如下：
    - While the job market is weakening, it still generates a healthy number of new jobs (216,000 in December) and the unemployment rate remains low at 3.7%. With 70% of U.S. GDP coming from consumption, the magnitude and length of the recession may be limited if the job market can soften at a gradual pace.
      虽然就业市场正在疲软，但它仍然创造了健康的新增就业岗位（12 月份为 21.6 万个），失业率也保持在 3.7% 的低水平。由于美国国内生产总值的 70% 来自消费，如果就业市场能够逐步走软，经济衰退的幅度和时间也会是有限的。
    - The current economic cycle emerging from the pandemic is a bit unique in that “asynchronous recessions” may have already been underway. For example, the manufacturing sector was likely in a recession for much of 2023, and it is the service sector and public spending that carried the economy. As those weaken in 2024, the manufacturing sector may start to emerge from the recession, offset some of the slowdown in those areas.
      疫情引发的当前经济周期有点特殊，因为 "非同步衰退 "可能已经开始。例如，在 2023 年的大部分时间里，制造业可能处于衰退之中，而支撑经济的是服务业和公共支出。随着服务业和公共支出在 2024 年走弱，制造业可能会开始走出衰退，从而抵消这些领域的部分放缓。

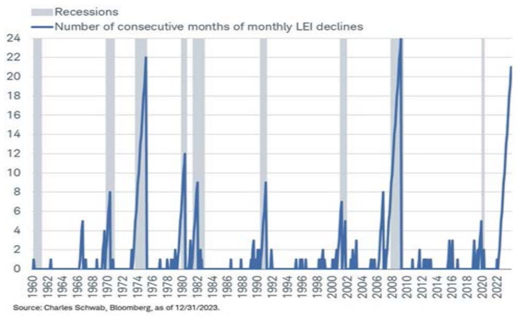
Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

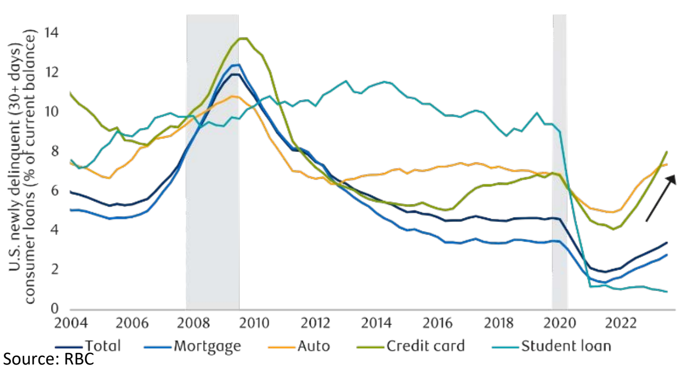
PART II: Market Outlook 市场展望

- With inflation moderating, and FED funds rate at 5%+, there is ample room for FED to loosen its policy to support the economy if needed.
  随着通胀放缓，美联储的基金利率目前在 5%以上的高位，美联储有足够的空间在必要时放松政策以支持经济。

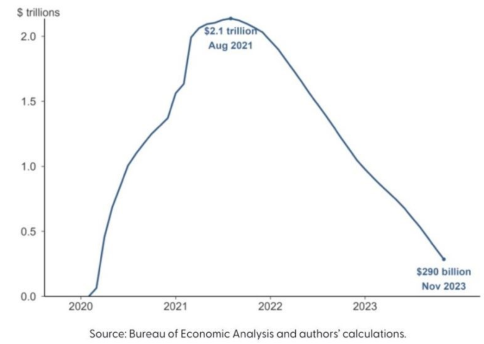
- In its latest economic forecasts (December 2023), the FED expects GDP growth of 1.4% in 2024 (down from 1.5% in its September forecast), and 1.8% in 2025 (no change). Current market consensus expects a 1.4% GDP growth in 2024.
  在其最新的经济预测（2023 年 12 月）中，美联储预计 2024 年 GDP 增长率为 1.4%（低于 9 月份预测的 1.5%），2025 年为 1.8%（不变）。目前的市场共识是 2024 年国内生产总值增长 1.4%。

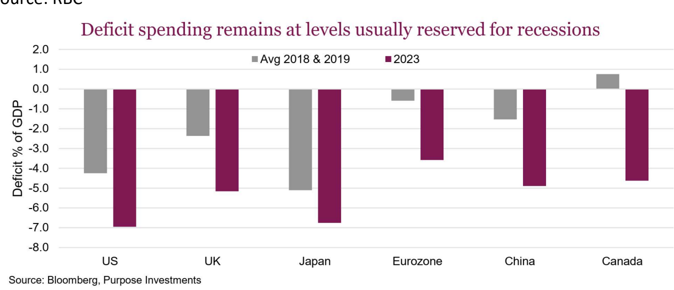






Source: RBC





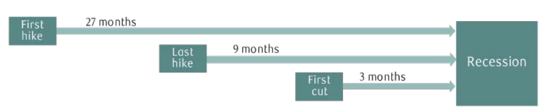
Market cycle indicators

Grouping	Metric	Bull	Bear	Better/ Worse
Rates				1 / 2
	Net Cuts		✓	+
	Yield Curve		✓	-
	Yield Curve 3m	✓		-
US Economy				6 / 14
	Leading Ind (3m)		✓	-
	Leading Ind (6m)		✓	+
	Phili Fed Coincident		✓	-
	Credit (3m)	✓		-
	Recession Prob (NY Fed)		✓	+
	Recession Prob (Clev Fed)		✓	-
	Citi Eco Surprise	✓		+
	GPD Now (Atlanta Fed)		✓	+
	US Unemployment		✓	-
	Consumer Sentiment (3m)		✓	-
Manufacturing	PMI		✓	-
	PMI New Orders		✓	-
	Energy Demand (YoY)		✓	-
	Truck Demand (YoY)	✓		+
	Rail (YoY)		✓	+
Housing	Starts (6m)		✓	-
	Months Supply (6m)	✓		-
	Home Sales		✓	-
	New Home Sales	✓		-
	NAHB Mkt Activity		✓	-
Global Economy				5 / 3
	Global PMI	✓		-
	Copper (6m)	✓		+
	DRAM (3m)	✓		+
	Oil (3m)		✓	-
	Commodities (3m)		✓	-
	Baltic Freight (3m)	✓		+
	Kospi (2m)		✓	+
	EM (2m)	✓		+
Fundamentals				8 / 4
	US: PE		✓	-
	US: EPS Growth	✓		+
	US: EPS 2FY v 1FY	✓		+
	US: 3m EPS Revision	✓		-
	Canada: PE	✓		-
	Canada: EPS Growth	✓		+
	Canada: EPS 2FY v 1FY	✓		+
	Canada: 3m EPS Revision	✓		+
	International: PE	✓		-
	Int: EPS Growth		✓	+
	Int: EPS 2FY v 1FY	✓		+
	Int: 3m EPS Revision	✓		+

Source: Purpose Investments, Bloomberg

Signal	Indicating U.S. recession?
2yr-10yr curve inverts	Yes
3m-10yr curve inverts	Yes
Fed short-term curve inverts	Yes
Inflation spike	Yes
Duncan leading indicator falls	Yes
Financial conditions tighten	Yes
Lending standards tighten	Yes
Monetary tightening cycle	Likely
Google "recession" news trend	Maybe
RBC GAM recession model	Maybe
Oil price spike	Maybe
Unemployment increase	Maybe
Jobless claims jump	No

Source: RBC



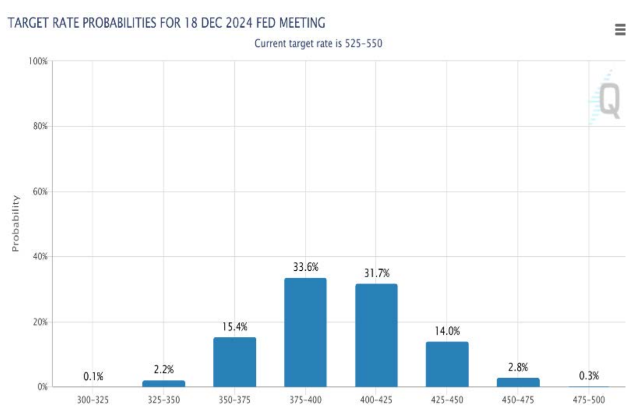
First rate hike	First rate hike to recession (# of months)	Last rate hike	Last rate hike to recession (# of months)	First rate cut	First rate cut to recession (# of months)	Recession start
Median	27	Median	9	Median	3	
Apr 1955	29	Aug 1957	0	Nov 1957	-3	Aug 1957
Sep 1958	20	Sep 1959	8	Jun 1960	-1	Apr 1960
Nov 1967	25	May 1968	20	Aug 1969	5	Dec 1969
Jan 1973	11	Aug 1973	3	Sep 1973	3	Nov 1973
Aug 1977	30	Mar 1980	-1	Apr 1980	-2	Jan 1980
Aug 1980	12	Dec 1980	8	Jun 1981	2	Jul 1981
Mar 1988	28	Feb 1989	17	Jun 1989	14	Jul 1990
Jun 1999	21	May 2000	10	Jan 2001	3	Mar 2001
Jun 2004	42	Jun 2006	18	Sep 2007	3	Dec 2007
Dec 2015	50	Dec 2018	14	Jul 2019	7	Feb 2020
Mar 2022	Jun 2024?	Jul 2023	Apr 2024?			Spring 2024?

Source: RBC

Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

PART II: Market Outlook 市场展望

- **FED Policy – tightening cycle done, but market expectation of rapid cuts may be too optimistic**
  美联储政策--紧缩周期已结束，但市场对快速降息的预期可能过于乐观
  - At its December meeting, the FED sent out a dovish message. With inflation moderating, the FED is done its tightening and rate cutting is on the table. In its December economic update, the FED changed its 2024 year-end funds rate target from 5.1% (September update) to 4.6%. Compared to 2023 year-end rate of 5.25-5.5%, this implies 3 interest rate cuts (25bps each) in 2024. This is clearly more dovish than the message delivered in September (“Hawkish Pause/Hold” and “Higher for Longer”).
    在其 12 月份的会议上，美联储发出了鸽派信息。随着通胀放缓，美联储的紧缩政策已经结束，降息已经摆上桌面。在 12 月经济更新中，FED 将 2024 年年末基金利率目标从 5.1%（9 月更新）改为 4.6%。与2023年年末利率 5.25-5.5% 相比，这意味着 2024 年将降息 3 次（每次 25 个基点）。这显然比 9 月份传递的信息（"鹰派暂停/按兵不动 "和 "长期走高"）更为鸽派。
  - The market has taken on the message and now expects quite aggressive policy loosening in 2024. Based on the CME FED Watch Tool, first rate cut is now expected in as early as March and in total 6-7 cuts (25bps each) will be delivered in 2024 (vs. expectation of 2-3 cuts in total back in October 2023).
    市场已经接受了这一信息，现在预计 2024 年将出现相当激进的政策放松。根据 CME 美联储观察工具，目前预计最早将于 3 月首次降息，2024 年将总共降息 6-7 次（每次 25 个基点）（相比之下，2023 年 10 月时预计总共降息 2-3 次）。
  - Given our view of moderating inflation and potential economic recession, we agree that the tightening cycle is done. However, we think the market is a little ahead of itself on rate cuts, especially considering the current consensus of a soft landing of the economy. With inflation still above the FED target and uncertainties still around, we believe the FED will be cautious if the economy is running well. If the US economy can achieve a soft landing as the market expects, we believe 3-4 cuts are more likely (in fear of inflation reacceleration like in the 1970’s). On the other hand, if we get 6-7 cuts, that probably is the result of a much weaker economy. In essence, it is not very likely we will get both (benign economy and aggressive rate cuts).
    鉴于我们对通胀放缓和潜在经济衰退的看法，我们同意紧缩周期已经结束。然而，我们认为市场在降息问题上有些超前，特别是考虑到当前经济软着陆的共识。由于通胀率仍高于美联储的目标，不确定因素依然存在，我们认为，如果经济运行良好，美联储将会谨慎行事。如果美国经济能像市场预期的那样实现软着陆，我们认为削减 3-4 次的可能性更大（美联储会担心通胀会像 20 世纪 70 年代那样重新加速）。另一方面，如果确实降息6-7 次，那可能是经济更加疲软的结果。从根本上说，我们不太可能同时获得这两种结果（良好的经济和快速的降息）。
  - The FED so far has done a good job controlling the inflation without hurting the economy too much. However, it remains challenging to maintain a delicate balance of inflation and economy. The timing is going to be tricky as well, and monetary policy actions remain a big uncertainty for 2024.
    迄今为止，美联储在控制通胀方面做得很好，没有对经济造成太大伤害。然而，保持通胀与经济之间的微妙平衡仍具有挑战性。时机选择也很棘手，2024 年的货币政策行动仍存在很大的不确定性。
  - Despite the uncertainty of the timing and magnitude of rate cuts, the policy bias is clear, which will provide a positive backdrop for the market in the medium term. The market may need to temper its expectations though in the meantime, which may cause some short-term volatility.
    尽管降息的时间和幅度存在不确定性，但政策倾向是明确的，这将为中期市场提供一个积极的背景。与此同时，市场可能需要缓和其预期，这可能会造成一些短期波动。



Source: CME Group

FED September Economic Projections

Percent

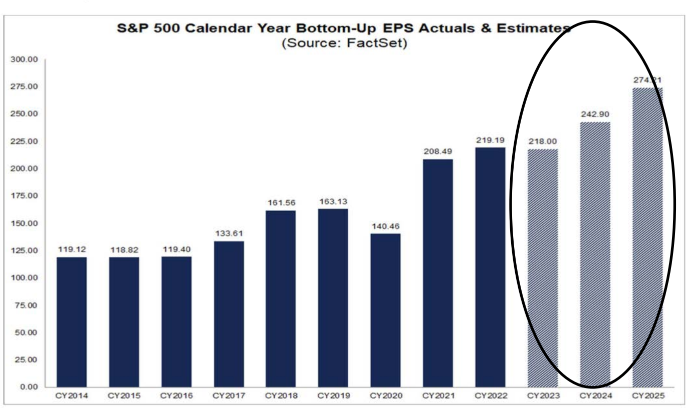
Variable	Median[1] 2023	2024	2025	2026	Longer run
Change in real GDP	2.6	1.4	1.8	1.9	1.8
September projection	2.1	1.5	1.8	1.8	1.8
Unemployment rate	3.8	4.1	4.1	4.1	4.1
September projection	3.8	4.1	4.1	4.0	4.0
PCE inflation	2.8	2.4	2.1	2.0	2.0
September projection	3.3	2.5	2.2	2.0	2.0
Core PCE inflation[4]	3.2	2.4	2.2	2.0	
September projection	3.7	2.6	2.3	2.0	
Memo: Projected appropriate policy path					
Federal funds rate	5.4	4.6	3.6	2.9	2.5
September projection	5.6	5.1	3.9	2.9	2.5

Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

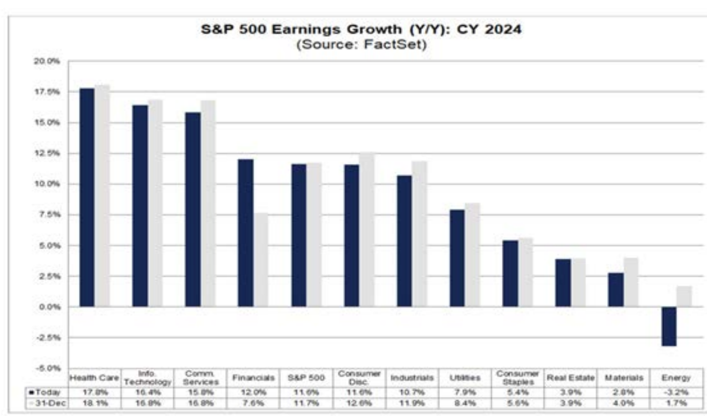
PART II: Market Outlook 市场展望

- **Earnings growth – some risks in 2024 earnings estimates**
  盈利增长--市场2024 年的盈利预期存在一些风险
  - The market advance in 2023 was entirely driven by valuation. Now that valuations have returned to relatively high levels; investors will turn their attention to earnings growth. Market returns will largely depend on how resilient corporate earnings are.
    2023 年的市场上涨完全是由估值驱动的。现在，估值已恢复到相对较高的水平；投资者将把注意力转向盈利增长。市场回报在很大程度上将取决于企业盈利的韧性。
  - Consensus earnings estimates (S&P 500) for 2023 have fallen significantly over the course of 2023 (from $240/share in October 2022 to $218/share currently). The current 2023 EPS estimate of $218 represents a -1% decline over 2022 despite strong economic growth (real GDP of 2.5%).
    市场2023 年的盈利预期（标普 500 指数）在 2023 年期间大幅下降（从 2022 年 10 月的 240 美元/股降至目前的 218美元/股）。尽管经济增长强劲（实际 GDP 为 2.5%），但目前的 2023 年每股收益预期（ 218 美元）比 2022 年下降了-1%。
  - For 2024, consensus estimate is currently $242.9 (vs. $247.1 at the end of October 2023), implying a 11.4% growth over 2023. we think the current estimate may be too optimistic given our base case assumption of a mild recession. Given that earnings were flattish in 2023 under strong economic growth, it may be difficult for companies to register a double-digit earnings growth amid an economic slowdown. Historically, average earnings decline during recessions is about 8.4% (excluding Great Depression). Therefore, we believe there is some risk of further downward revision if the economy does fall into a recession. Also, with consensus sales growth at 5.4%, and earnings growth at 11.4%, the market expects meaningful margin expansion, which may again prove difficult amid an economic slowdown.
    对于 2024 年，目前的市场预期是 242.9 美元（与 2023 年 10 月底的 247.1 美元相比），意味着盈利会比 2023 年增长 11.4%。鉴于 2023 年在经济强劲增长的情况下企业盈利持平，在经济放缓的情况下，企业可能很难实现两位数的盈利增长。从历史上看，经济衰退期间的平均盈利降幅约为 8.4%（大萧条除外）。因此，我们认为，如果经济真的陷入衰退，则盈利存在进一步下调的风险。此外，由于市场预期销售增长率为 5.4%，盈利增长率为 11.4%，这暗示市场预期利润率将大幅扩张，这在经济放缓的情况下可能会再次证明是困难的。
  - That being said, since we assume a mild recession and a quick recovery, we don't expect overly aggressive downward revisions. Continued earnings growth from tech companies, cost cuttings, and share buybacks could provide some support.
    尽管如此，由于我们假定经济会温和衰退并迅速复苏，我们预计不会出现过于激进的下调。科技公司的持续盈利增长、成本削减和股票回购可能会提供一些支撑。
  - On sector level, based on consensus estimates, Healthcare, IT, Communication Services, Financials will have better growth in 2024, while Energy, Materials, Real Estate, Utilities, Staples, and Industrials will have below average growth.
    在行业方面，根据市场预期，医疗保健、信息技术、通信服务和金融行业在 2024 年将有较好的增长，而能源、材料、房地产、公用事业、必需消费品和工业行业的增长将低于平均水平。

Bottom-Up EPS Estimates: Current & Historical



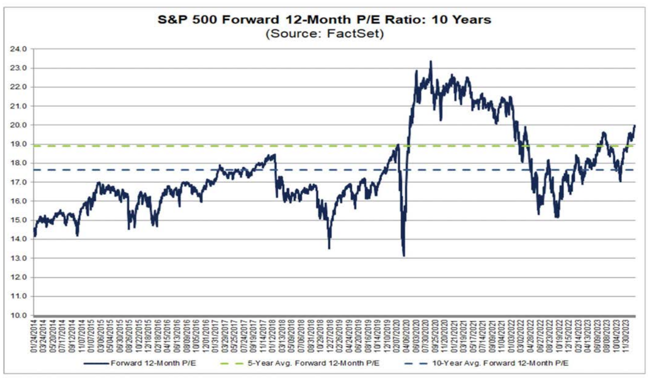
CY 2024: Growth

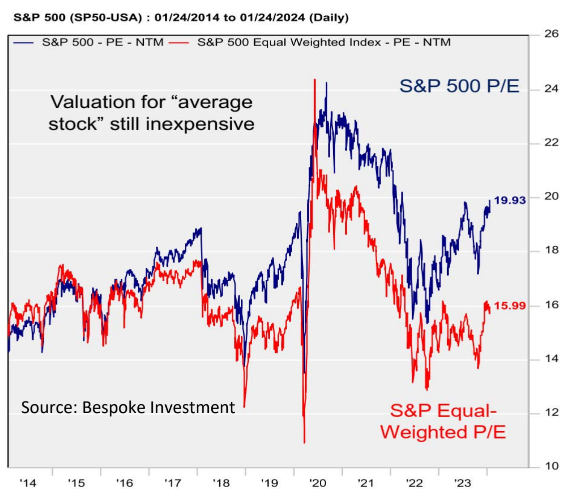


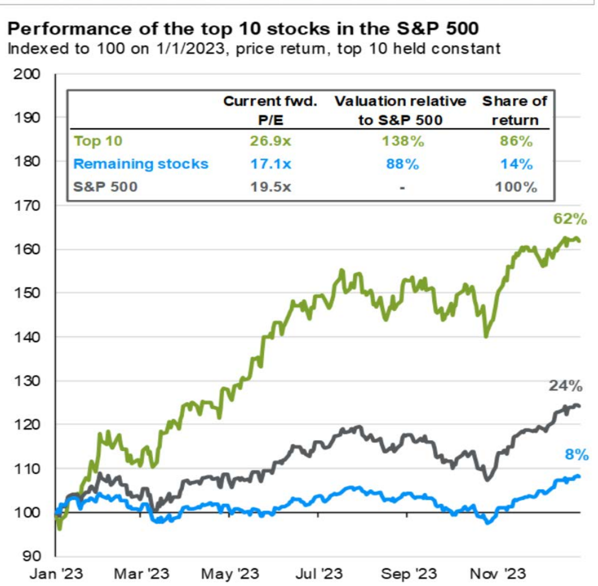
Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

PART II: Market Outlook 市场展望

- **Valuation – expensive for certain tech names, reasonable for non-tech sectors**
  估值--某些科技公司估值昂贵，非科技领域估值合理
  - With the recent market rally, valuation has become more expensive. The 12-month forward P/E ratio of S&P 500 is now ~20x, above both the 5-year average (18.9x) and the 10-year average (17.6x). The market advance in 2023 was entirely driven by P/E multiple expansion (as earnings declined by 1%).
    随着近期市场的反弹，估值变得更加昂贵。标普 500 指数 12 个月的动态市盈率目前约为 20 倍，高于 5 年平均水平（18.9 倍）和 10 年平均水平（17.6 倍）。2023 年市场的上涨完全是由市盈率扩张所推动的（因为盈利下降了 1%）。
  - However, given the uneven performance of the market in 2023 and so far in 2024 (i.e. tech stocks performed much stronger than other sectors), valuations on growth companies and traditional industries have diverted. As shown in the following graph, forward P/E of equal weighted S&P500 index is close to 16x currently, slightly below 10-year average of 17x, while the top 10 stocks (most of them mega tech names) have a valuation of 27x P/E (vs. 10-year average of 22.5x). While those tech names do have better growth potential, the market is clearly paying a big valuation premium for it.
    然而，鉴于 2023 年和 2024 年迄今为止市场表现的不均衡（即科技股表现远强于其他行业），成长型公司和传统行业的估值已出现分化。如下图所示，等权重标普 500 指数的远期市盈率目前接近 16 倍，略低于 10 年平均水平的 17 倍，而排名前 10 的股票（其中大部分是大型科技股）的市盈率为 27 倍（10 年平均水平为 22.5 倍）。虽然这些科技股确实具有更好的增长潜力，但市场显然为此付出了很大的估值溢价。
  - Overall, from a P/E perspective, the valuation is divided. It is expensive for certain tech names, but reasonable for most non-tech sectors. This creates some opportunities for sector and stock positioning.
    总体而言，从市盈率的角度来看，估值存在分歧。某些科技公司的市盈率偏高，而大多数非科技类公司的市盈率则比较合理。这为行业和股票选择创造了一些机会。



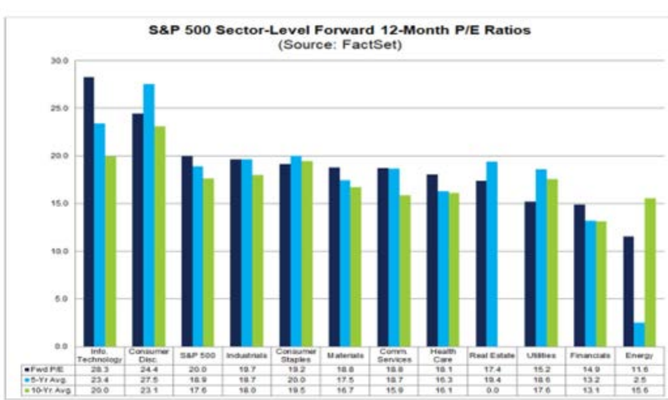




	Current fwd. P/E	Valuation relative to S&P 500	Share of return
Top 10	26.9x	138%	86%
Remaining stocks	17.1x	88%	14%
S&P 500	19.5x	-	100%

Source: Stifel

Forward 12M P/E Ratio: Sector Level



	Info. Technology	Consumer Disc	S&P 500	Industrials	Consumer Staples	Materials	Comm. Services	Health Care	Real Estate	Utilities	Financials	Energy
Fwd P/E	28.3	24.4	20.0	19.7	19.2	18.8	18.8	18.1	17.4	15.2	14.9	11.6
5-Yr Avg.	23.4	27.5	18.9	19.7	20.0	17.5	18.7	16.3	19.4	18.6	13.2	2.5
10-Yr Avg.	20.0	23.1	17.6	18.0	19.5	16.7	15.9	16.1	0.0	17.6	13.1	15.6

Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

PART II: Market Outlook 市场展望

- **View on the Market 市场观点**
  Against the macro and micro backdrop we discussed above, we have the following expectations for 2024:
  根据上述宏观和微观背景，我们对 2024 年有如下预期：

- On the positive side: 1) inflation will trend down towards the FED's target over 2024; 2) despite the uncertainty on timing and magnitude, the FED will start cutting rates in 2024; 3) the market is forward looking so it could respond ahead of actual rate cuts and the eventual economic recovery; 4) liquidity is ample (close to $6 trillion currently in Money Market funds, which could transition into equity and fixed income if cash interest rates come down).
  积极的一面是：1）通胀率将在 2024 年趋于下降，接近美联储的目标；2）尽管在时间和幅度上存在不确定性，但美联储将在 2024年开始降息；3）市场具有前瞻性，因此会在实际降息和最终经济复苏之前做出反应；4）流动性充裕（目前货币市场基金中的资金接近 6 万亿美元，如果现金利率下降，这些资金可能会转投到股票和固定收益产品）。
- On the negative side: 1) there is uncertainty around the economy (soft landing or recession, how severe and how long the recession will be if so); 2) earnings expectation is optimistic; 3) valuation is at high level; 4) geopolitical issues will be present (elections, regional conflicts, US/China relationship, etc.)
  消极方面：1）经济存在不确定性（软着陆还是衰退，衰退的严重程度和持续时间）；2）盈利预期过于乐观；3）估值处于较高水平；4）地缘政治问题（选举、地区冲突、中美关系等）。
- Overall, we believe the positives will likely outweigh the negatives, and therefore we have a positive view on the market (including equity and fixed income) for the year. We believe it would require some big changes of direction (e.g. another big increase in energy prices, meaningfully higher bond yields, surging inflation and renewed interest rate hikes from the FED, etc.) to push the market materially lower.
  总体而言，我们认为积极因素可能会多于消极因素，因此我们对今年的市场（包括股票和固定收益产品）持积极看法。我们认为，需要一些重大的方向性变化（如能源价格再次大幅上涨、债券收益率大幅上升、通胀飙升以及美联储再次加息等）才能推动市场大幅走低。
- However, in the short-term, we also believe current market expectations are too optimistic, whether it is the economy (soft landing), rate cuts (6-7 cuts) or earnings growth (12% growth in 2024 and another 13% growth in 2025). This is somewhat reflected in the recent rally and current high valuation. If any of those expectations fails to materialize, market could suffer some setbacks. In addition, technically, S&P500 is in an overbought territory (RSI at 75) now. As a result, we are cautious in the near term (3-6 months) and expect the market to experience some volatility and potential technical corrections in H1 before it can embark on a more sustainable rally in H2. Key things to watch are: 1) earnings growth trend; and 2) whether the market can broaden out beyond tech.
  不过，从短期来看，我们也认为目前的市场预期过于乐观，无论是经济（软着陆）、降息（6-7 次降息）还是盈利增长（2024 年增长 12%，2025 年再增长 13%）。近期的反弹和当前的高估值在一定程度上反映了这一点。如果其中任何一个预期未能实现，市场可能会遭受一些挫折。此外，从技术上看，标普500 目前处于超买区域（RSI 为 75）。因此，我们对近期（3-6 个月）持谨慎态度，预计上半年市场将经历一些波动和技术性调整，然后才能在下半年开始更持久的反弹。重点关注 1）盈利增长趋势；以及 2）市场上涨是否能拓展至科技行业之外。
- To gauge potential downside and upside of the market, we did a quick valuation analysis on S&P 500 (please refer to the top left graph):
  为了衡量市场潜在的下跌和上涨空间，我们对标普 500 指数进行了快速估值分析（请参阅左上图）：
  - For 2024 year-end target, under the Base Case scenario, with consensus 2025 earnings of $274 and an 18.5x P/E (5-year historical average), S&P 500 could end the year at 5073, a 2.9% increase from the current level or 6.4% from the closing price of 2023. The Bear Case, however, assumes a 5% reduction to the consensus earnings and a 17.5x P/E (10-year historical average), which results in a year-end target of 4559, a 7.5% decline from the current level. The Bull Case assumes a 5%upside to the consensus earnings and a 19.5x P/E, which results in a year-end target of 5614, a 13.9% upside from the current level (given our view on the economy, we don't think the Bull case is likely).
    对于 2024 年的年终目标，在基本情况下，2025 年市场的盈利预期为 274 美元，假设市盈率为 18.5 倍（5 年历史平均值），标普 500 指数的年终目标为 5073 点，比当前水平高 2.9%，比 2023 年的收盘价高 6.4%。而 "悲观情况 "则假设共识盈利预期下降 5%，市盈率为 17.5 倍（10 年历史平均水平），年末目标价为 4559，比当前水平要低 7.5%。而 "乐观情况 "则假设共识盈利预期上升 5%，市盈率为 19.5 倍，年底目标为 5614，这比当前水平要高 13.9%（鉴于我们对经济的看法，我们认为 "乐观情况 "不太可能出现）。
  - It is noted that this is not an actual predication of index levels, but an exercise to gauge the potential range the market could trade at.
    需要注意的是，这并不是对指数水平的实际预测，而是为了衡量市场可能的交易范围。
  - The range is roughly in line with current Wall Street estimates (high of 5200, low of 4200, and average of 4880).
    该范围与华尔街目前的估计值（最高 5200，最低 4200，平均 4880）基本一致。
- Historically, after S&P 500 had a 15%+ annual gains, subsequent calendar year returns decelerated 93% of the time. The median S&P 500 price return in the year after a 15%+ gain was 9%, consistent with the long-term average return of 8%. Therefore, after a strong 2023, don't expect another outsized return. Instead, 2024 would more likely be a "normal" year (e.g. mid to high single digits return).
  从历史上看，在标普 500 指数取得 15%以上的年度涨幅后，93% 的情况下随后的历年回报率都会下降。标普 500 指数在取得15%以上涨幅后一年的价格回报率中位数为 9%，与 8%的长期平均回报率一致。因此，在强劲的 2023 年之后，不要指望会再次出现超额回报。相反，2024 年更有可能是 "正常 "的一年（如中到高个位数的回报率）。

Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

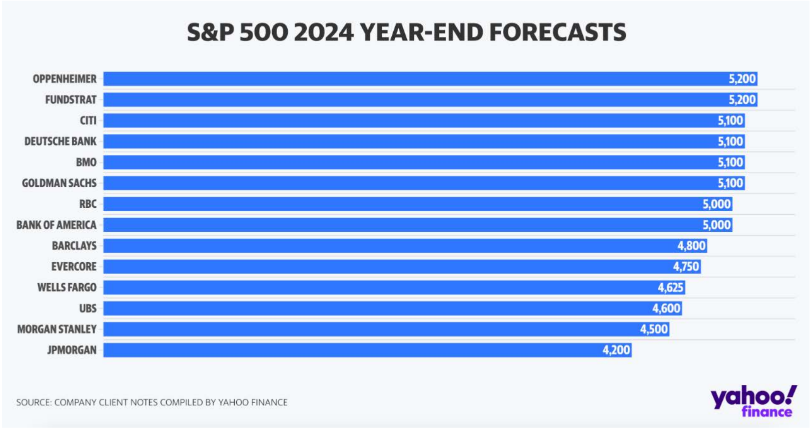
PART II: Market Outlook 市场展望

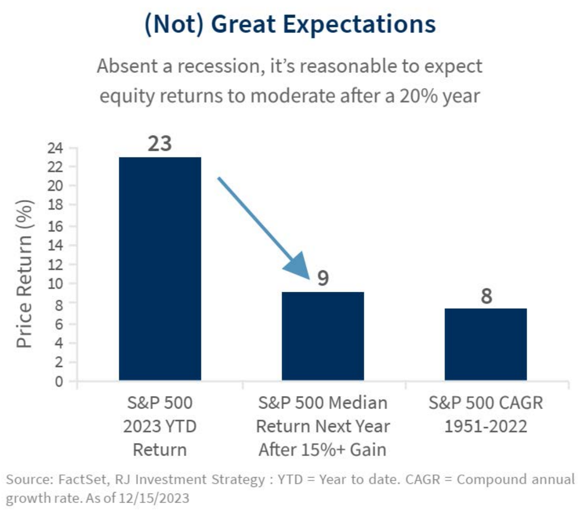
	Bear case*	Base case*	Bull case*
2025 EPS	260	274	288
Growth over 2024	7.2%	12.9%	18.5%
Growth over 2023	19.5%	25.8%	32.1%
Valuation (P/E)	17.5x	18.5x	19.5x
S&P500 2024 Year-end price target**	**4,559**	**5,073**	**5,614**
2023 YE Price	4,770	4,770	4,770
Current price (Jan. 29, '24)	4,928	4,928	4,928
Upside/(Downside) vs. 2023 YE price	-4.43%	6.35%	17.71%
Upside/(Downside) vs. current price	-7.49%	2.94%	13.93%
S&P500 P/E - 10-yr ave.	17.6		
S&P500 P/E - 5-yr ave.	18.9		

* Base case earnings estimates are based on consensus earnings by FactSet

Bear case assumes a 5% downside to base case earnings; Bull case assumes 5% upside to base case earnings

** For illustration purpose only; not a predication or recommendation

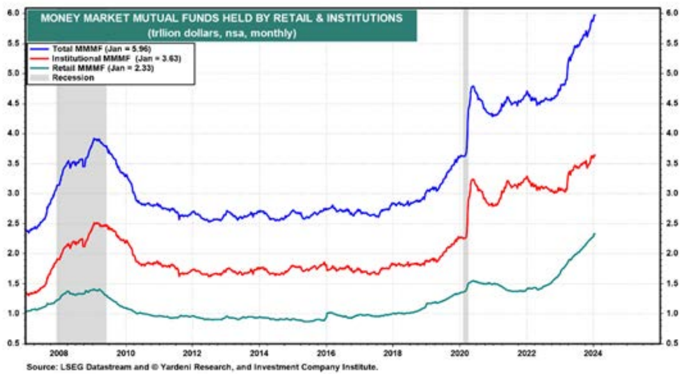




SPX Performance After the First Cut (1970 - Current)

First Cut	1M	3M	6M	12M	18M	24M
9/3/1973	4.35%	-9.93%	-8.36%	-32.35%	-20.35%	-17.48%
7/1/1974	-8.45%	-26.31%	-20.30%	10.27%	4.85%	20.43%
4/1/1980	3.21%	12.48%	24.42%	33.66%	14.58%	11.36%
6/1/1981	-1.99%	-7.09%	-4.77%	-15.66%	4.77%	22.76%
10/2/1984	2.34%	1.09%	10.36%	12.51%	44.09%	42.99%
6/5/1989	-0.43%	9.48%	8.56%	13.85%	2.45%	19.58%
7/6/1995	0.89%	5.14%	11.32%	18.67%	34.96%	65.51%
9/29/1998	3.52%	18.38%	24.89%	20.91%	43.80%	36.94%
1/3/2001	0.14%	-17.89%	-8.39%	-13.53%	-29.21%	-32.58%
9/18/2007	1.34%	-4.26%	-12.44%	-20.61%	-47.73%	-29.71%
7/31/2019	-1.81%	1.92%	8.23%	9.76%	24.62%	47.47%
Average	0.28%	-1.55%	3.05%	3.41%	6.98%	17.03%
Pct. Pos.	63.6%	54.5%	54.5%	63.6%	72.7%	72.7%
Avg. ex-Rec.	-0.42%	-0.42%	6.57%	15.59%	31.92%	41.47%

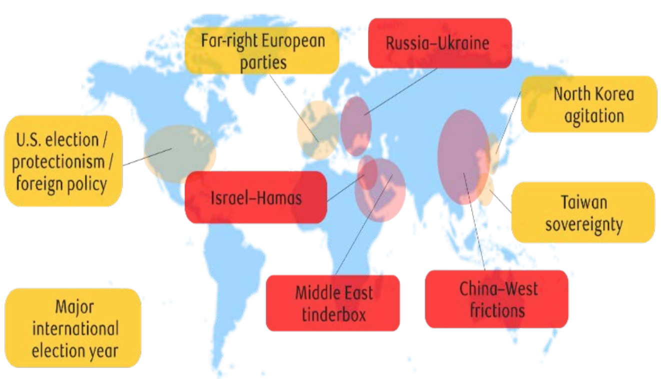
Source: themarketear.com



Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

PART II: Market Outlook 市场展望

- **Risks 风险**
  - Beyond the macro/micro uncertainties we discussed above (e.g. current high expectations on inflation, economy, FED policies and earnings growth), geopolitical risks are also present. These include: 1) the ongoing Russia/Ukraine war; 2) Isarel/Hamas and potential conflicts involving more Middle Eastern countries; 3) Elections: countries with half of world's population (and GDP) will go to elections in 2024. These include Pakistan, India, UK, EU, Taiwan, Mexico, Russia and most importantly the US (and a divisive one); 4) US/China relationship (which could involve North Korea, Taiwan).
    除了上文讨论的宏观/微观不确定性（如当前对通胀、经济、美联储政策和盈利增长的高预期），地缘政治风险也同样存在。这些风险包括 1）正在进行的俄罗斯/乌克兰战争；2）以色列/哈马斯以及涉及更多中东国家的潜在冲突；3）选举：拥有全球一半人口（和 GDP）的国家将在 2024 年举行大选。这包括巴基斯坦、印度、英国、欧盟、中国台湾、墨西哥、俄罗斯以及最重要的美国（将是一个割裂的选举）；4）中美关系（可能涉及朝鲜、中国台湾）。
  - These events can impact the economy and market in many ways, including energy/commodity prices, global supply chain and shipping costs, and potential major policy changes. We will monitor those closely, but so far, we believe most of those issues are contained and will likely not cause major global impact. It is also noted that historically, regional conflicts usually don't have lasting impact on the market.
    这些事件会对经济和市场产生多方面的影响，包括能源/商品价格、全球供应链和运输成本，以及潜在的重大政策变化。我们将密切关注这些事件，但到目前为止，我们认为大多数问题还在可控范围之内，可能不会对全球造成重大影响。我们还注意到，从历史上看，区域性的冲突通常不会对市场产生持久影响。



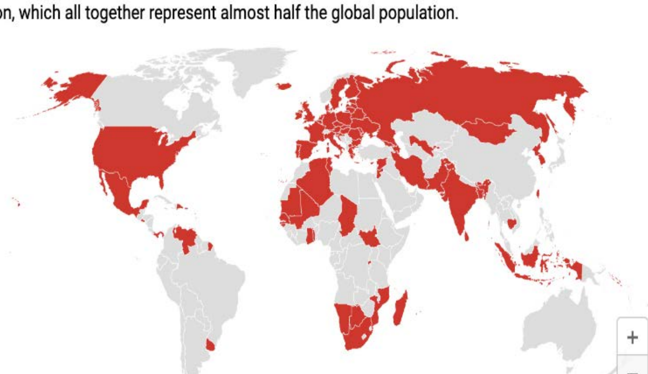
Source: RBC

EVENT	LIKELIHOOD	MARKET IMPACT
U.S.-China Competition	10	7
The New Cold War	8	8
Emerging Market (EM) Political Uncertainty	8	5
Cyberattacks	8	5
Washington D.C. Gridlock	7	7
Financial Instability	7	7
Major Terror Attacks	7	4
Climate Policy Error	6	7
South China Sea Military Conflict	6	7
European Fragmentation	6	6
Structurally Higher Inflation	5	8
Middle East Conflict	5	7
North Korea Conflict	5	4
Russia-West Conflict	4	8

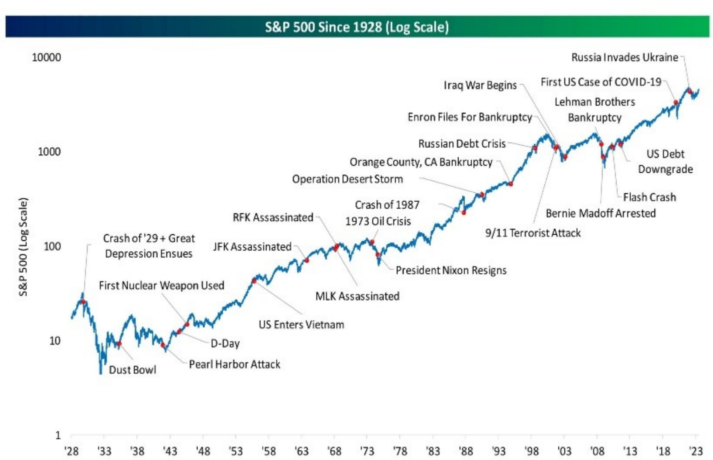
Source: Stifel

2024: The Ultimate Election Year Around the World

National elections are scheduled or expected in at least 64 countries, as well as the European Union, which all together represent almost half the global population.



Source: Time Magazinel



Source: Fidelity

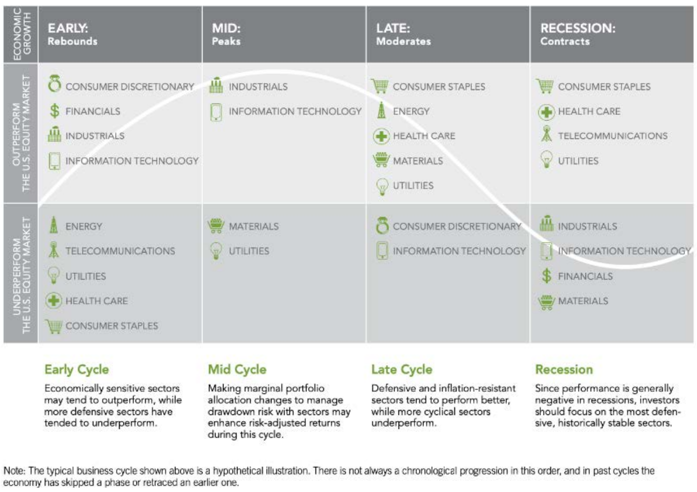
PART III: 建议

Our detailed recommendations are as follows: 我们的详细建议如下

- Asset mix 资产组合:
  - We largely maintain our asset mix (some small adjustments to the Income Focus Mandate and the Balanced Mandate). While we are wary of some near-term volatility, we continue to maintain a slight overweight to equities as we believe equities offer better long-term growth and returns. Within Fixed Income, we move moderately toward longer duration bonds (higher leverage to lower interest rates). We continue to focus on quality over yield (defensive). We maintain our weighting in alternative investments.
    我们的资产组合基本保持不变（对 "收入型 "和 "平衡型 "组合进行了一些小幅调整）。虽然我们对近期的一些波动保持警惕，但我们继续保持股票的小幅超配，因为我们相信股票能提供更好的长期增长和回报。在固定收益方面，我们适度偏向于久期较长的债券（对利率下降更为敏感）。我们继续注重质量而非高收益（防御性）。我们维持另类投资的比重。
  - It is noted that asset allocation for each of the mandates is within the min/max range as stated in the Investment Policy Statement (IPS).
    每个投资组合内的资产分配都在投资政策声明（IPS）规定的最小/最大范围内。
- Markets 市场:
  - Within Equity markets, we are largely equal weight in Canadian equities (more vulnerable to economic weakness but at cheaper valuation and attractive yield), and slightly overweight in US equities (despite higher valuation, US equities offer better long-term growth). We underweight international equities, in particular Emerging Market equities (China remains a risk; however, EM will benefit from lower US interest rates and US$, so we could increase its weight as the year progresses).
    在股票市场中，我们对加拿大股票（更容易受到经济疲软的影响，但估值较低，股息率吸引人）等配，对美国股票（尽管估值较高，但美国股票提供了更好的长期增长）略微高配。我们低配国际股票，尤其是新兴市场股票（中国仍然是一个风险；不过，新兴市场将受益于美国利率和美元走低，因此随着时间的推移，我们可能会增加新兴市场股票的比重）。
- Sector 行业:
  - The bifurcated sector performance in 2023 provides opportunities for sector and stock positioning. Some of the laggards in 2023 may outperform in 2024.
    2023 年分化的行业表现为行业和股票定位提供了机会。一些在 2023 年表现落后的行业可能会在 2024 年跑赢大盘。
  - Overall, given our view of weaker economic growth in the coming quarters, we recommend a slightly defensive tilt to sector allocation in Q1. Of the 11 sectors, we overweight Healthcare (defensive and secular growth; muted performance in 2023 and strongest earnings growth potential in 2024), Communication Services (defensive and yield), Utilities (defensive and yield), and Consumer Staples (defensive and reasonable valuation). We equal weight Energy (cheap valuation and potential upside on oil prices if conflicts escalate) and Financials (cheap valuation and yield). We underweight Consumer Discretionary (consumption weakening), Industrials and Materials (cyclical) and Tech slightly (valuation; but longer term, we still like tech given its secular growth potential, and will not hesitate to increase our weighting if we see some meaningful correction).
    总体而言，鉴于我们认为未来几个季度的经济增长较为疲软，我们建议第一季度的行业配置略微偏向防御性。在 11 个行业中，我们高配医疗保健（防御性和长期增长；2023 年表现平平，2024 年盈利增长潜力大）、通信服务（防御性和股息率）、公用事业（防御性和股息率）和必需消费品（防御性和合理估值）。我们对能源类（估值低，如果冲突升级，油价有上行潜力）和金融类（估值低，股息率高）等配。我们略低配非必需消费品（消费减弱）、工业和材料类（周期性）和科技类（估值；但长期来看，鉴于科技类的长期增长潜力，我们仍然看好科技类，如果出现较大的调整，我们会毫不犹豫地增加权重）。
  - The market will continue to be volatile in the short term, but things look better in the longer term. We need to be patient during this transition phase. As the year progresses, we anticipate to gradually shift away from defensive sectors into more cyclical sectors.
    短期内，市场将继续波动，但从长远来看，情况会更好。在这个过渡阶段，我们需要保持耐心。随着时间的推移，我们预计将逐渐从防御性行业转向周期性行业。
- Stock Selection 股票选择:
  - We continue to focus on companies with strong pricing power, visible earnings growth, reasonable valuation, and robust balance sheets.
    我们将继续关注定价能力强、盈利增长明显、估值合理、资产负债表稳健的公司。
  - It is noted that sector allocation and individual stock weightings are within the limits as stated in the Investment Policy Statement (IPS).
    行业配比和个股权重都在投资政策声明（IPS）规定的范围之内。
- Diversification (across asset classes and sectors) is key to building strong and resilient portfolios, especially in times like these. Market dynamics change quickly, so we also need to be nimble to take advantage of potential opportunities when volatility is high. This recommendation is obviously for the current quarter, and we will adjust our stance if one or more of the variables change over the quarter (in particular, inflation picture, market expectation of rate cuts).
  分散投资（跨资产类别和行业）是建立稳健而富有韧性的投资组合的关键，尤其是在当前这样的时期。市场动态瞬息万变，因此我们也需要在波动较大时灵活把握潜在机会。这一建议显然是针对本季度的，如果一个或多个变量在本季度发生变化（尤其是通胀形势、市场对降息的预期），我们将调整我们的立场。

Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

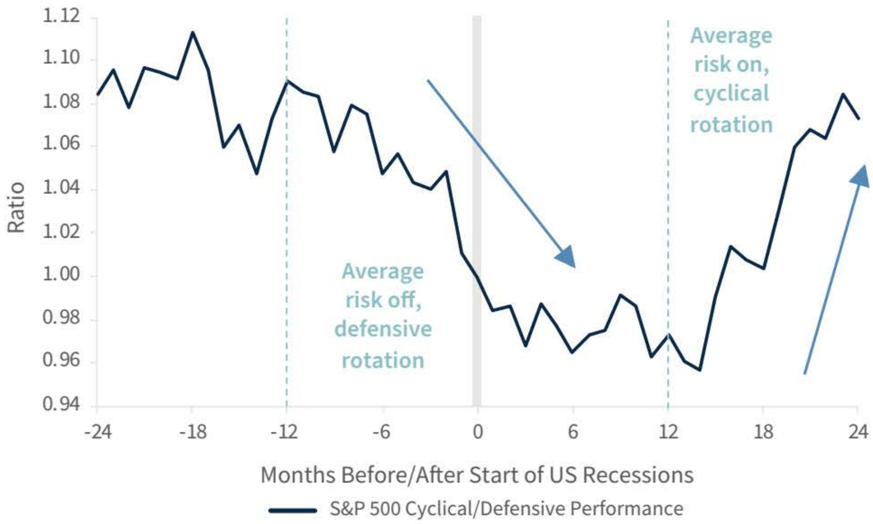
PART III: 建议



Source: Fidelity Investments

First Half 2024: Defensive Rotation, Second Half 2024: Risk-On Recovery Trade

We foresee a defensive rotation next year, followed by a risk-on recovery trade heading into 2025



CYCLICALS	DEFENSIVES
• Consumer Discretionary • Energy • Financials • Industrials • Technology • Materials	• Consumer Staples • Health Care • Communication • Utilities

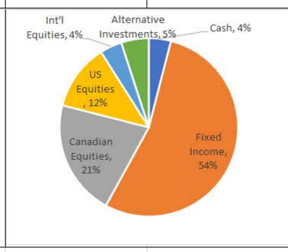
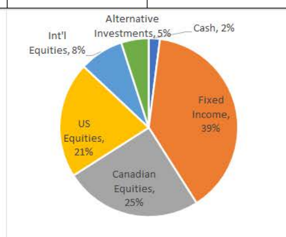
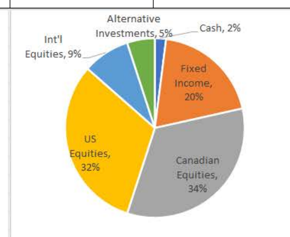
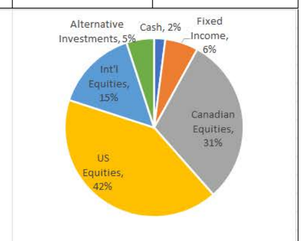
Source: FactSet, RJ Investment Strategy, as of 12/15/2023
Real Estate sector not included in table due to lack of data. Real Estate became its own GICS sector in 2016.

Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

Managed Account Mandates - Asset Allocation 中薇投资组合 – 资产配置

Based on our assessment of the economy, interest rates, and the outlook for the equity and fixed income markets, we moderately increase our allocation to fixed income to provide a measure of income and stability and decrease cash weighting slightly for Income Focus and Balanced mandates. We continue to have an overweight in equities as we believe equities offer better long-term returns. Within equities, we have equal weight in Canada and overweight in US equities.
根据我们对经济、利率以及股票和固定收益市场前景的评估，我们适度增加了固定收益的配置，以提供一定的收入和稳定性，并略微降低了收入型和平衡型组合的现金权重。我们继续超配股票，因为我们相信股票能提供更好的长期回报。在股票投资中，我们对加拿大股票等配，而对美国股票略高配。

Recommended Asset Allocation

	Income Focus		Balanced		Growth		High Growth	
	Target Asset Allocation	*Tactical Asset Allocation*	*Target Asset Allocation*	*Tactical Asset Allocation*	*Target Asset Allocation*	*Tactical Asset Allocation*	*Target Asset Allocation*	*Tactical Asset Allocation*
Asset Allocation Mix (Bonds/Equities)	65%/35%	58%/42%	45%/55%	41%/59%	25%/75%	22%/78%	10%/90%	8%/92%
Risk Profile	Low to Medium		Medium		Medium to High		High	
Tactical Asset Allocation Pie Chart								
Description	For investors with intermediate-term time horizons who are sensitive to short-term losses yet want to participate in the long-term growth of financial markets. The portfolio, which fixed-income securities tend to make up the largest proportion of holdings, seeks to keep investors well ahead of the effects of inflation while maintaining some principal stability. The portfolio has characteristics that may deliver returns lower than that of the broader market with lower levels of risk and volatility.		For investors seeking a balance between capital preservation and capital growth. This portfolio, which is a split between fixed-income securities and equities, seeks to keep investors well ahead of the effects of inflation while maintaining some principal stability. With roughly half of the portfolio invested in a diversified mix of Canadian and international equities, investors should be comfortable with moderate fluctuations in the portfolios.		For investors with long-term time horizons who are not sensitive to short-term losses and want to participate in the long-term growth of the financial markets. This portfolio, which has a higher weighting in equities, seeks to keep investors well ahead of the effects of inflation with principal stability as a secondary consideration.		For investors with long-term time horizons who are not sensitive to short-term losses and want to participate in the long-term growth of the financial markets. This portfolio, which is primarily invested in equities, seeks to keep investors well ahead of the effects of inflation with little regard for maintaining principal stability. The portfolio may deliver returns comparable to those of the broader equity market with similar levels of risk and volatility.	

Income Focus

	Target	Apr '22	July '22	Oct '22	Jan '23	Apr '23	Jul '23	Oct '23	Jan '24
Cash	5.0%	5.0%	9.0%	6.0%	5.0%	5.0%	5.0%	4.5%	4.0%
Fixed Income	60.0%	55.0%	50.0%	52.0%	53.0%	53.0%	53.0%	53.5%	54.0%
Canadian Equities	20.0%	24.0%	20.0%	21.0%	21.0%	20.5%	20.5%	20.5%	21.0%
US Equities	10.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.5%	12.5%	12.0%
Int'l Equities	5.0%	4.0%	4.0%	4.0%	4.0%	4.5%	4.0%	4.0%	4.0%
Alternative Investn	0.0%	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Balanced

	Target	Apr '22	July '22	Oct '22	Jan '23	Apr '23	Jul '23	Oct '23	Jan '24
Cash	0.0%	2.0%	6.0%	5.0%	4.0%	3.0%	3.0%	2.5%	2.0%
Fixed Income	45.0%	38.0%	34.0%	36.0%	37.0%	38.0%	38.0%	38.5%	39.0%
Canadian Equities	25.0%	28.0%	25.0%	25.0%	25.0%	24.5%	24.5%	25.0%	25.0%
US Equities	20.0%	25.0%	22.0%	21.0%	21.0%	21.0%	21.5%	21.0%	21.0%
Int'l Equities	10.0%	7.0%	8.0%	8.0%	8.0%	8.5%	8.0%	8.0%	8.0%
Alternative Investn	0.0%	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Growth

	Target	Apr '22	July '22	Oct '22	Jan '23	Apr '23	Jul '23	Oct '23	Jan '24
Cash	0.0%	2.0%	6.0%	5.0%	4.0%	2.5%	2.5%	2.0%	2.0%
Fixed Income	25.0%	18.0%	16.0%	17.0%	18.0%	19.0%	19.0%	19.5%	19.5%
Canadian Equities	35.0%	37.0%	31.0%	33.0%	33.0%	32.5%	32.5%	33.0%	33.5%
US Equities	30.0%	32.0%	33.0%	32.0%	32.0%	32.0%	32.5%	32.0%	31.5%
Int'l Equities	10.0%	11.0%	9.0%	8.0%	8.0%	9.0%	8.5%	8.5%	8.5%
Alternative Investn	0.0%	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

High Growth

	Target	Apr '22	July '22	Oct '22	Jan '23	Apr '23	Jul '23	Oct '23	Jan '24
Cash	0.0%	2.0%	6.0%	5.0%	4.0%	2.0%	2.0%	2.0%	2.0%
Fixed Income	10.0%	8.0%	4.0%	5.0%	5.0%	6.0%	6.0%	6.0%	6.0%
Canadian Equities	30.0%	33.0%	29.0%	30.0%	30.0%	30.0%	30.0%	30.5%	30.5%
US Equities	40.0%	42.0%	42.0%	41.0%	41.5%	42.0%	42.5%	42.0%	41.5%
Int'l Equities	20.0%	15.0%	14.0%	14.0%	14.5%	15.0%	14.5%	14.5%	15.0%
Alternative Investn	0.0%	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

vs. Target — Income Focus

		Apr '22	July '22	Oct '22	Jan '23	Apr '23	Jul '23	Oct '23	Jan '24
Cash		0.0%	4.0%	1.0%	0.0%	0.0%	0.0%	-0.5%	-1.0%
FI		-5.0%	-10.0%	-8.0%	-7.0%	-7.0%	-7.0%	-6.5%	-6.0%
CE		4.0%	0.0%	1.0%	1.0%	0.5%	0.5%	0.5%	1.0%
US E		2.0%	2.0%	2.0%	2.0%	2.0%	2.5%	2.5%	2.0%
I. E		-1.0%	-1.0%	-1.0%	-1.0%	-0.5%	-1.0%	-1.0%	-1.0%
AI		0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

vs. Target — Balanced

	Target	Apr '22	July '22	Oct '22	Jan '23	Apr '23	Jul '23	Oct '23	Jan '24
Cash		2.0%	6.0%	5.0%	4.0%	3.0%	3.0%	2.5%	2.0%
FI		-7.0%	-11.0%	-9.0%	-8.0%	-7.0%	-7.0%	-6.5%	-6.0%
CE		3.0%	0.0%	0.0%	0.0%	-0.5%	-0.5%	0.0%	0.0%
US E		5.0%	2.0%	1.0%	1.0%	1.0%	1.5%	1.0%	1.0%
I. E		-3.0%	-2.0%	-2.0%	-2.0%	-1.5%	-2.0%	-2.0%	-2.0%
AI		0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

vs. Target — Growth

	Target	Apr '22	July '22	Oct '22	Jan '23	Apr '23	Jul '23	Oct '23	Jan '24
Cash		2.0%	6.0%	5.0%	4.0%	2.5%	2.5%	2.0%	2.0%
FI		-7.0%	-9.0%	-8.0%	-7.0%	-6.0%	-6.0%	-5.5%	-5.5%
CE		2.0%	-4.0%	-2.0%	-2.0%	-2.5%	-2.5%	-2.0%	-1.5%
US E		2.0%	3.0%	2.0%	2.0%	2.0%	2.5%	2.0%	1.5%
I. E		1.0%	-1.0%	-2.0%	-2.0%	-1.0%	-1.5%	-1.5%	-1.5%
AI		0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

vs. Target — High Growth

	Target	Apr '22	July '22	Oct '22	Jan '23	Apr '23	Jul '23	Oct '23	Jan '24
Cash		2.0%	6.0%	5.0%	4.0%	2.0%	2.0%	2.0%	2.0%
FI		-2.0%	-6.0%	-5.0%	-5.0%	-4.0%	-4.0%	-4.0%	-4.0%
CE		3.0%	-1.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.5%
US E		2.0%	2.0%	1.0%	1.5%	2.0%	2.5%	2.0%	1.5%
I. E		-5.0%	-6.0%	-6.0%	-5.5%	-5.0%	-5.5%	-5.5%	-5.0%
AI		0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

Performance of Portfolio Mandates

- **Summary**

Portfolio Name (投资组合)	As of Date	1 Month (1个月)	3 Month (三个月; 四季度)	6 Month (六个月)	YTD (今年至今)	1 Year (1年)	Since Inception (Sept. 1, 2021) 自建立起
Income Focus (收入型)**	12/31/2023	**1.61%**	**6.33%**	**4.88%**	**8.91%**	**8.91%**	**6.47%**
Benchmark (对标基准)*	12/31/2023	3.14%	7.90%	4.77%	9.43%	9.43%	0.25%
Outperformance - 超额回报		-1.53%	-1.57%	0.11%	-0.52%	-0.52%	6.23%
* 5% cash, 20% S&P TSX Capped Composite TR, 10% S&P500 TR CAD, 5% MSCI EAFE GR CAD, 60% ICE BoA CA Broad Market TR LOC							
Balanced (均衡型)**	12/31/2023	**1.95%**	**7.28%**	**5.39%**	**11.39%**	**11.39%**	**9.02%**
Benchmark (对标基准)*	12/31/2023	3.09%	8.29%	5.35%	11.85%	11.85%	3.01%
Outperformance - 超额回报		-1.14%	-1.01%	0.04%	-0.46%	-0.46%	6.01%
* 0% cash, 25% S&P TSX Capped Composite TR, 20% S&P500 TR CAD, 10% MSCI EAFE GR CAD, 45% ICE BofA CA Broad Market TR LOC							
Growth (增长型)**	12/31/2023	**2.19%**	**8.30%**	**6.04%**	**14.18%**	**14.18%**	**12.28%**
Benchmark (对标基准)*	12/31/2023	2.96%	8.35%	5.88%	14.04%	14.04%	6.61%
Outperformance - 超额回报		-0.77%	-0.05%	0.16%	0.14%	0.14%	5.67%
* 0% cash, 35% S&P TSX Capped Composite TR, 30% S&P500 TR CAD, 10% MSCI EAFE GR CAD, 25% ICE BofA CA Broad Market TR LOC							
High Growth (高增长型)**	12/31/2023	**2.33%**	**8.91%**	**6.35%**	**16.05%**	**16.05%**	**13.41%**
Benchmark (对标基准)*	12/31/2023	2.66%	8.37%	6.31%	16.38%	16.38%	9.19%
Outperformance - 超额回报		-0.33%	0.54%	0.04%	-0.33%	-0.33%	4.22%
* 0% cash, 30% S&P TSX Capped Composite TR, 40% S&P500 TR CAD, 20% MSCI EAFE GR CAD, 10% ICE BofA CA Broad Market TR LOC							
Source: Morningstar Direct; ** All returns stated in this document are gross returns reflective of an investment's return before expenses or any deductions							

Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

Income Focus 收入型投资组合

Description: this mandate is for investors with intermediate-term time horizons who are sensitive to short-term losses yet want to participate in the long-term growth of financial markets. The portfolio, which fixed-income securities tend to make up the largest proportion of holdings, seeks to keep investors well ahead of the effects of inflation while maintaining some principal stability. The portfolio has characteristics that may deliver returns lower than that of the broader market with lower levels of risk and volatility.

产品描述：这个投资组合产品是为那些对短期损失敏感但希望参与金融市场长期增长的中期投资者而设。该投资组合中，固定收益证券往往占最大的配置比例，力求使投资者在保持一定的本金稳定性的同时能领先于通货膨胀率的负面影响。基于较低的风险和波动水平，该投资组合回报可能低于市场。

Performance 业绩回报:

Portfolio Name （投资组合）	As of Date	1 Month (1个月)	3 Month (三个月; 四季度)	6 Month (六个月)	YTD (今年至今)	1 Year (1年)	Since Inception (Sept. 1, 2021) 自建立起
Income Focus (收入型)**	12/31/2023	**1.61%**	**6.33%**	**4.88%**	**8.91%**	**8.91%**	**6.47%**
Benchmark (对标基准)*	12/31/2023	3.14%	7.90%	4.77%	9.43%	9.43%	0.25%
Outperformance - 超额回报		-1.53%	-1.57%	0.11%	-0.52%	-0.52%	6.23%

* 5% cash, 20% S&P TSX Capped Composite TR, 10% S&P500 TR CAD, 5% MSCI EAFE GR CAD, 60% ICE BoA CA Broad Market TR LOC;
** All returns stated in this document are gross returns reflective of an investment's return before expenses or any deductions.

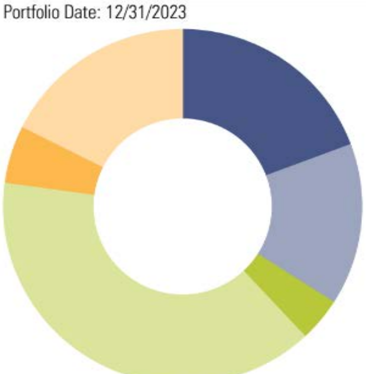
The Income Focus Mandate gained 6.3% in Q4 with positive returns from equity and bond holdings, and dividend and interest income. The mandate underperformed its benchmark (7.9%) largely due to the underperformance of our bond holdings and holdings in Centurion (0% vs. positive equity return). Our underlying US equity holdings performed in line with S&P 500 while our Canadian equity holdings outperformed the TSX index. For 2023, the Income Focus Mandate had a positive return of 8.9%. From inception, the mandate returned 6.5%.

收入型组合在第四季度获得了 6.3%的收益，股票和债券的上涨以及股息和利息收入带来了正收益。该组合的表现低于基准（7.9%）， 主要原因是我们持有的债券和 Centurion 的表现低于股市的回报（0%，而股票回报为正）。我们持有的相关美国股票表现与标普 500 指数一致，而我们持有的加拿大股票表现优于多伦多证券交易所指数。 2023 年，收入型取得了 8.9% 的正回报。自成立以来，该组合的回报率为 6.5%。

Portfolio Characteristics 投资组合关键信息:

Asset Allocation

Portfolio Date: 12/31/2023



	%
Canadian Equity	19.3
U.S. Equity	14.8
International Equity	4.0
Fixed Income	39.1
Cash	5.2
Other	17.6
Total	**100.0**

Risk/Return Analysis - Annualized

Time Period: 9/2/2021 to 12/31/2023

	Portfolio	Benchmark	+/- Benchmark
Return	2.73	0.11	2.62
Alpha	1.42	0.00	1.42
Beta	0.78	1.00	-0.22
Std Dev	7.24	7.90	-0.67
Information Ratio (arith)	0.86		
Best Month %	3.99	5.02	-1.03
Worst Month %	-3.13	-4.00	0.88
Best Quarter %	6.33	7.90	-1.57
Worst Quarter %	-5.39	-7.86	2.48

Top 10 Holdings

	Weight
iShares Core US Aggregate Bond ETF	14.69%
BMO Aggregate Bond ETF	13.77%
iShares Core Canadian Short Term Bd ETF	6.84%
Vanguard Short-Term Corporate Bond ETF	6.69%
BMO Laddered Preferred Share ETF	6.13%
Centurion Apartment Real Estate Inv F	4.80%
iShares 0-5 Year TIPS Bond ETF	4.70%
CASH	4.13%
iShares Core MSCI EAFE IMI ETF	4.06%
Royal Bank of Canada	1.54%

Sector Weightings

	Income Focus Portfolio	Income Focus Benchmark
Basic Materials %	8.34	7.83
Consumer Cyclical %	8.14	7.72
Financial Services %	22.90	24.09
Real Estate %	2.00	2.51
Consumer Defensive %	5.14	4.89
Healthcare %	6.25	5.59
Utilities %	3.45	3.27
Communication Services %	6.67	5.15
Energy %	11.41	11.62
Industrials %	11.02	12.48
Technology %	14.68	14.85

Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

Balanced 均衡型投资组合

Description: this mandate is for investors seeking a balance between capital preservation and capital growth. This portfolio, which is a split between fixed-income securities and equities, seeks to keep investors well ahead of the effects of inflation while maintaining some principal stability. With slightly over half of the portfolio invested in a diversified mix of Canadian and international equities, investors should be comfortable with moderate fluctuations in the portfolios.

产品描述：此投资组合产品是为寻求资本保值和资本增长之间平衡的投资者而打造的。这个投资组合是固定收益证券和股票的组合，力求使投资者在保持本金稳定的同时领先于通货膨胀的影响。由于略高于一半的资金投资于加拿大和国际股票的多元化组合，此产品的投资者应能适应投资组合的适度波动。

Performance 业绩回报:

Portfolio Name	As of Date	1 Month (1个月)	3 Month (三个月; 四季度)	6 Month (六个月)	YTD (今年至今)	1 Year (1年)	Since Inception (Sept. 1, 2021) 自建立起
Balanced (均衡型)**	12/31/2023	**1.95%**	**7.28%**	**5.39%**	**11.39%**	**11.39%**	**9.02%**
Benchmark (对标基准)*	12/31/2023	3.09%	8.29%	5.35%	11.85%	11.85%	3.01%
Outperformance - 超额回报		-1.14%	-1.01%	0.04%	-0.46%	-0.46%	6.01%

* 0% cash, 25% S&P TSX Capped Composite TR, 20% S&P500 TR CAD, 10% MSCI EAFE GR CAD, 45% ICE BofA CA Broad Market TR LOC;
** All returns stated in this document are gross returns reflective of an investment's return before expenses or any deductions.

The Balanced Mandate gained 7.3% in Q4 with positive returns from equity and bond holdings, and dividend and interest income. The mandate underperformed its benchmark (8.3%) largely due to the underperformance of our bond holdings and holdings in Centurion (0% vs. positive equity return). Our underlying US equity holdings performed in line with S&P 500 while our Canadian equity holdings outperformed the TSX index. For 2023, the Balanced Mandate had a positive return of 11.4%. From inception, the Mandate returned 9.0%.

平衡型组合在第四季度获得了 7.3%的收益，股票和债券的上涨以及股息和利息收入带来了正收益。该组合的表现低于基准（8.3%），主要是由于我们持有的债券和 Centurion 的表现低于股市的回报（0%，而股市回报为正）。我们持有的相关美国股票表现与标普 500 指数一致，而我们持有的加拿大股票表现优于多伦多证券交易所指数。2023 年，平衡型组合取得了 11.4% 的正回报。自成立以来，该组合的回报率为 9.0%。

Portfolio Characteristics 投资组合关键信息:

Asset Allocation

Portfolio Date: 12/31/2023

	%
Canadian Equity	23.4
U.S. Equity	23.8
International Equity	7.9
Fixed Income	29.2
Cash	3.2
Other	12.5
Total	**100.0**

Risk/Return Analysis - Annualized

Time Period: 9/2/2021 to 12/31/2023

	Portfolio	Benchmark	+/- Benchmark
Return	3.78	1.28	2.49
Alpha	1.94	0.00	1.94
Beta	0.87	1.00	-0.13
Std Dev	9.68	9.67	0.01
Information Ratio (arith)	0.93		
Best Month %	4.61	5.74	-1.13
Worst Month %	-4.23	-5.15	0.92
Best Quarter %	7.28	8.29	-1.01
Worst Quarter %	-7.29	-9.61	2.32

Top 10 Holdings

	Weight
iShares Core US Aggregate Bond ETF	10.68%
BMO Aggregate Bond ETF	10.61%
iShares Core MSCI EAFE IMI ETF	8.06%
iShares Core Canadian Short Term Bd ETF	4.84%
Centurion Apartment Real Estate Inv F	4.76%
Vanguard Short-Term Corporate Bond ETF	4.74%
iShares 0-5 Year TIPS Bond ETF	3.73%
BMO Laddered Preferred Share ETF	3.04%
CASH	2.27%
Royal Bank of Canada	1.86%

Sector Weightings

	Balanced Portfolio	Balanced Benchmark
Basic Materials %	7.69	7.05
Consumer Cyclical %	8.74	8.39
Financial Services %	21.63	22.13
Real Estate %	1.88	2.52
Consumer Defensive %	5.47	5.36
Healthcare %	7.48	7.06
Utilities %	3.37	3.14
Communication Services %	6.92	5.54
Energy %	10.19	10.08
Industrials %	10.88	12.21
Technology %	15.77	16.52

Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

Growth 增长型投资组合

Description: this mandate is for investors with long-term time horizons who are not sensitive to short-term losses and want to participate in the long-term growth of the financial markets. This portfolio, which has a higher weighting in equities, seeks to keep investors well ahead of the effects of inflation with principal stability as a secondary consideration.

产品描述：此投资组合是为具有长期投资理念、对短期损失不敏感并希望参与金融市场长期增长的投资者而打造的。这个投资组合的股票比重较高，力求使投资者领先于通货膨胀的影响，本金稳定是次要考虑。

Performance 业绩回报:

Portfolio Name	As of Date	1 Month (1个月)	3 Month (三个月; 四季度)	6 Month (六个月)	YTD (今年至今)	1 Year (1年)	Since Inception (Sept. 1, 2021) 自建立起
Growth (增长型)**	12/31/2023	**2.19%**	**8.30%**	**6.04%**	**14.18%**	**14.18%**	**12.28%**
Benchmark (对标基准)*	12/31/2023	2.96%	8.35%	5.88%	14.04%	14.04%	6.61%
Outperformance - 超额回报		-0.77%	-0.05%	0.16%	0.14%	0.14%	5.67%

* 0% cash, 35% S&P TSX Capped Composite TR, 30% S&P500 TR CAD, 10% MSCI EAFE GR CAD, 25% ICE BofA CA Broad Market TR LOC;
** All returns stated in this document are gross returns reflective of an investment's return before expenses or any deductions.

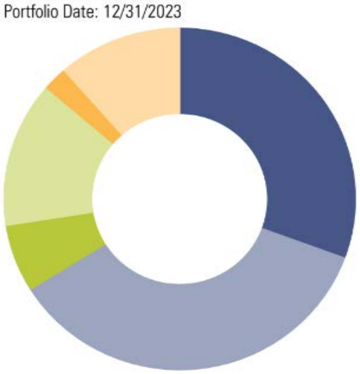
The Growth Mandate gained 8.3% in Q4 with positive returns from equity and bond holdings, and dividend and interest income. The mandate was largely in line with its benchmark (8.4%) with the outperformance of equity holdings, offset by the underperformance of our bond holdings and holdings in Centurion (0% vs. positive equity return). Our underlying US equity holdings performed in line with S&P 500 while our Canadian equity holdings outperformed the TSX index. For 2023, the Growth Mandate had a positive return of 14.2%. From inception, the mandate returned 12.3%.

增长型投资组合在第四季度获得了 8.3%的收益，股票和债券的上涨以及股息和利息收入带来了正收益。该组合与基准（8.4%）表现一致，所持股票有超额表现，但债券和 Centurion 的表现低于股市的回报（0% 与股市正回报相比）抵消了这一优势。我们持有的相关美国股票表现与标普 500 指数一致，而我们持有的加拿大股票表现优于多伦多证券交易所指数。2023 年，增长型组合的回报率为 14.2%。自成立以来，该组合的回报率为 12.3%。

Portfolio Characteristics 投资组合关键数据:

Asset Allocation

Portfolio Date: 12/31/2023



	%
Canadian Equity	30.6
U.S. Equity	35.5
International Equity	6.4
Fixed Income	13.8
Cash	2.3
Other	11.5
Total	**100.0**

Risk/Return Analysis - Annualized

Time Period: 9/2/2021 to 12/31/2023

	Portfolio	Benchmark	+/- Benchmark
Return	5.10	2.79	2.31
Alpha	2.08	0.00	2.08
Beta	0.93	1.00	-0.07
Std Dev	12.34	12.18	0.16
Information Ratio (arith)	1.01		
Best Month %	5.42	6.31	-0.89
Worst Month %	-5.33	-6.24	0.91
Best Quarter %	8.30	8.35	-0.05
Worst Quarter %	-9.04	-11.16	2.12

Top 10 Holdings

	Weight
iShares Core MSCI EAFE IMI ETF	6.48%
iShares Core US Aggregate Bond ETF	5.29%
BMO Aggregate Bond ETF	5.01%
Centurion Apartment Real Estate Inv F	4.71%
Vanguard Short-Term Corporate Bond ETF	2.81%
Microsoft Corp	2.58%
Royal Bank of Canada	2.44%
BMO Laddered Preferred Share ETF	2.01%
Canadian Natural Resources Ltd	1.98%
Enbridge Inc	1.97%

Sector Weightings

	Growth Portfolio	Growth Benchmark
Basic Materials %	7.37	6.89
Consumer Cyclical %	8.79	8.32
Financial Services %	21.39	22.07
Real Estate %	1.67	2.51
Consumer Defensive %	5.33	5.16
Healthcare %	7.65	6.89
Utilities %	3.35	3.12
Communication Services %	7.28	5.70
Energy %	10.13	10.21
Industrials %	10.24	11.87
Technology %	16.81	17.25

Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

High Growth 高增长型投资组合

Description: This mandate is for investors with long-term time horizons who are not sensitive to short-term losses and want to participate in the long-term growth of the financial markets. This portfolio, which is primarily invested in equities, seeks to keep investors well ahead of the effects of inflation with little regard for maintaining principal stability. The portfolio may deliver returns comparable to those of the broader equity market with similar levels of risk and volatility.

产品描述：此组合是为具有长期投资视野的投资者准备的，他们对短期损失不敏 感，希望参与金融市场的长期增长。该投资组合主要投资于股票，力求使投资者远远领先于通货膨胀的影响，而很少考虑保持本金的稳定。该投资组合可提供与更广泛的股票市场相当的回报，同时具有类似的风险和波动水平。

Performance 业绩回报:

Portfolio Name	As of Date	1 Month (1个月)	3 Month (三个月; 四季度)	6 Month (六个月)	YTD (今年至今)	1 Year (1年)	Since Inception (Sept. 1, 2021) 自建立起
High Growth (高增长型)**	12/31/2023	**2.33%**	**8.91%**	**6.35%**	**16.05%**	**16.05%**	**13.41%**
Benchmark (对标基准)*	12/31/2023	2.66%	8.37%	6.31%	16.38%	16.38%	9.19%
Outperformance - 超额回报		-0.33%	0.54%	0.04%	-0.33%	-0.33%	4.22%

* 0% cash, 30% S&P TSX Capped Composite TR, 40% S&P500 TR CAD, 20% MSCI EAFE GR CAD, 10% ICE BofA CA Broad Market TR LOC;
** All returns stated in this document are gross returns reflective of an investment's return before expenses or any deductions

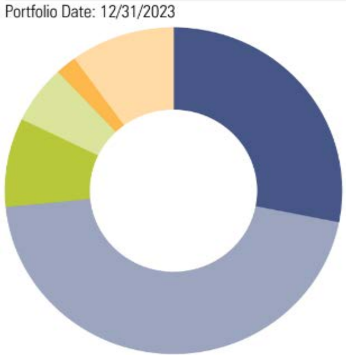
The High Growth Mandate gained 8.9% in Q4 with positive returns from equity and bond holdings, and dividend and interest income. The mandate outperformed its benchmark (8.4%) with the outperformance of our equity holdings, partially offset by the underperformance of our bond holdings and holdings in Centurion (0% vs. positive equity return). Our underlying US equity holdings performed in line with S&P 500 while our Canadian equity holdings outperformed the TSX index. For 2023, the High Growth Mandate had a positive return of 16.1%. From inception, the mandate returned 13.4%.

高增长型投资组合在第四季度获得了 8.9%的收益，股票和债券的上涨以及股息和利息收入带来了正收益。由于我们持有的股票表现优异，该组合的业绩超过了基准（8.4%），我们持有的债券和 Centurion 的表现低于股市的回报（0% 与股票正回报相比）部分抵消了这一业绩。我们持有的相关美国股票表现与标普 500 指数一致，而我们持有的加拿大股票表现优于多伦多证券交易所指数。2023 年，高增长型组合的回报率为 16.1%。自成立以来，该组合的回报率为 13.4%。

Portfolio Characteristics 投资组合关键数据:

Asset Allocation

Portfolio Date: 12/31/2023



	%
Canadian Equity	28.1
U.S. Equity	45.3
International Equity	8.8
Fixed Income	5.8
Cash	2.0
Other	10.0
Total	**100.0**

Risk/Return Analysis - Annualized

Time Period: 9/2/2021 to 12/31/2023

	Portfolio	Benchmark	+/- Benchmark
Return	5.55	3.85	1.70
Alpha	1.60	0.00	1.60
Beta	0.94	1.00	-0.06
Std Dev	14.18	13.90	0.27
Information Ratio (arith)	0.68		
Best Month %	5.82	6.64	-0.82
Worst Month %	-5.61	-6.89	1.28
Best Quarter %	8.91	8.37	0.53
Worst Quarter %	-9.78	-12.15	2.37

Top 10 Holdings

	Weight
iShares Core MSCI EAFE IMI ETF	8.93%
Vanguard FTSE Emerging Mkts All Cap ETF	5.26%
Centurion Apartment Real Estate Inv F	4.69%
Microsoft Corp	3.37%
BMO Aggregate Bond ETF	2.99%
iShares Core US Aggregate Bond ETF	2.87%
Adobe Inc	2.42%
Apple Inc	2.33%
Amazon.com Inc	2.25%
Royal Bank of Canada	2.24%

Sector Weightings

	High Growth Portfolio	High Growth Benchmark
Basic Materials %	6.65	6.25
Consumer Cyclical %	9.37	9.08
Financial Services %	20.10	20.10
Real Estate %	1.48	2.53
Consumer Defensive %	5.61	5.84
Healthcare %	8.87	8.58
Utilities %	3.26	3.01
Communication Services %	7.63	5.95
Energy %	8.94	8.47
Industrials %	9.90	11.92
Technology %	18.19	18.25

Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca

Disclaimer

1. The particulars contained herein were obtained from Raymond James we believe to be reliable but are not guaranteed by us and may be incomplete. The opinions expressed are based upon our analysis and interpretation of these particulars and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein.

2. The securities or sectors mentioned herein are not suitable for all investors and should not be considered advice. Please consult your investment advisor to verify whether this security or sector is suitable for you and to obtain the information, including the risk factor completely.

3. Vered Wealth Management (Canada) Company Limited provides comprehensive investment services, including managed accounts and advisory services. We have access to a wide range of investment products, including mutual funds, stocks, fixed income products, various alternative investment products and more. We offer registered and non-registered investment accounts, such as cash and margin accounts. corporate accounts, RRSPs & RRIFs, LIRAs & LIFs, RESPs and TFSAs.

4. Vered Wealth Management (Canada) Company Limited is a member of the Canadian Investment Regulatory Organization (CIRO) and is registered in BC and ON. Vered is a member of the Canadian Investor Protection Fund (CIPF).

5. The contents herein are not intended and shall not be constructed as a solicitation of customers or business in any jurisdiction in which Vered is not registered as a dealer in securities.

Suite 2500 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
www.canvered.ca | info@canvered.ca