

Market Commentary: Over the 12 months ending January 31, 2025, the Canadian fixed income market underperformed relative to the broader equity market, as reflected in the TSX 60's strong 25.17% total return. The iShares Aggregate Bond ETF (XBB.TO) delivered a modest 6.98% return, highlighting the headwinds faced by fixed-income securities amid interest rate volatility and inflation concerns. Income-oriented sectors outside of Financials struggled to keep pace with the broader market. Utilities returned just 13.90%, and REITs declined 2.18%, both weighed down by higher borrowing costs and sensitivity to rising interest rates. Even traditionally defensive sectors like Consumer Staples posted only moderate gains of 18.46%. In contrast, Financials delivered a robust 33.16% return, benefiting from stable economic conditions and strong earnings, but this was an outlier among income-generating assets. The overall picture suggests that while equities surged, particularly in growth-oriented sectors like Materials and Technology, income-focused securities—excluding Financials—faced significant challenges, contributing to the relatively lower performance of income-oriented portfolios in Canada.

Portfolio Context: The Tactical Income Portfolio delivered an 11.33% return over the 12 months ending January 31, 2025, reflecting solid performance but trailing the broader equity markets. As a balanced model with a minimum 20% allocation to bonds, the portfolio faced headwinds from the challenging fixed-income environment and underperformance in income-oriented sectors. While the portfolio benefited from exposure to strong-performing financials, other rate-sensitive sectors like utilities and REITs struggled relative to the broader TSX 60. Year-to-date, the portfolio is up 0.54%, reflecting a cautious start amid ongoing interest rate volatility. The portfolio's defensive positioning and focus on income preservation helped mitigate downside risks, though the relative underperformance of non-financial income assets weighed on overall returns.

Notable Holdings: It's worth highlighting BMO EQL WGT US BK C\$ ETF's recent performance, exhibiting a healthy 7.6% over the past 30 days. Given the broader macro-economic landscape, the potential catalysts could range from positive sentiment in the banking sector to a robust earnings season. While it's important to note we're not dealing in certainties or predicting future performance here, there is value in considering how current dynamics could shape the path forward. In conclusion, an active and mindful approach to portfolio management can navigate the ebb and flow of market conditions. By understanding portfolio dynamics and the tactical positioning of assets, we can navigate the evolving tide of market events to attune to our investment strategies. Compliance standards and analytical rigor remain the cornerstone of the investment approach, as we continue to pursue a strategic and balanced approach to generate returns.

This commentary is generated by the Evans Family Wealth Digital Analytics Engine and reviewed by our investment team. By leveraging advanced AI technology, we deliver timely portfolio insights while maintaining our commitment to personalized wealth management. All data from YCharts.

Performance Growth



Top 10 Holdings

Description	Symbol	MV%	30D Return
BROMPTON TECH LEADERS ETF	TLF.TO	5.73%	2.77%
CDN NATURAL RESOURCES LTD	CNQ.TO	5.41%	-0.52%
BMO EQL WGT US BK C\$ ETF	ZUB.TO	5.32%	7.57%
NATIONAL BANK OF CDA	NA.TO	5.24%	-1.56%
BMO ULTRA S/T BND FND ETF	ZST.TO	5.24%	0.38%
BMO MID FEDL BND INDX ETF	ZFM.TO	4.65%	1.48%
BMO FLOATING RATE H/Y ETF	ZFH.TO	4.57%	1.20%
HARVEST HLTHCRE LDR-A ETF	HHL.TO	4.50%	6.79%
TFI INTERNATIONAL INC	TFII.TO	4.50%	-1.39%
NORTH WEST VR VTG&COM VTG	NWC.TO	4.46%	-5.46%

Performance Metrics

YTD 0.54%	1Y 11.33%
3M -0.91%	6M 2.67%
3Y 4.01%	Since Inception 8.87%

The above returns represent the tracking of a lead model account from August 2011, gross of fees. Wellington-Altus Private Wealth ("WAPW") has made every effort to ensure the accuracy of the information provided but this is not an official statement from WAPW. Please refer to your official WAPW statement for your specific performance results. Please note that past performance is not indicative of future returns. The information contained herein has been provided for information purposes only. The information has been drawn from sources believed to be reliable. Graphs, charts and other numbers are used for illustrative purposes only and do not reflect future values or future performance of any investment. 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. This does not constitute a recommendation or solicitation to buy or sell securities of any kind. Market conditions may change which may impact the information contained in this document. Wellington-Altus Private Wealth Inc. (WAPW) does not guarantee the accuracy or completeness of the information contained herein, nor does WAPW assume any liability for any loss that may result from the reliance by any person upon any such information or opinions. Before acting on any of the above, please contact your financial advisor. © 2025, Wellington-Altus Private Wealth Inc. ALL RIGHTS RESERVED. NO USE OR REPRODUCTION WITHOUT PERMISSION.