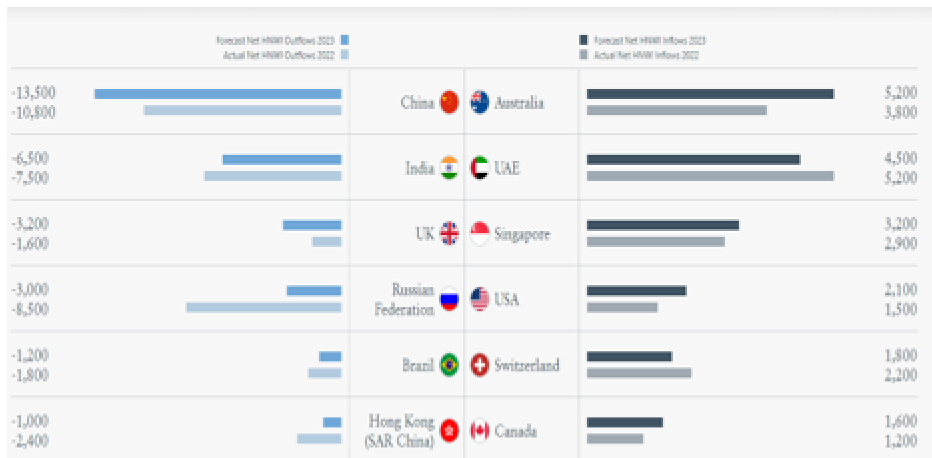
DV DIVIDEND VALUE PARTNERS | RAYMOND JAMES®

The Dividend Value Discipline™
2nd Quarter 2023

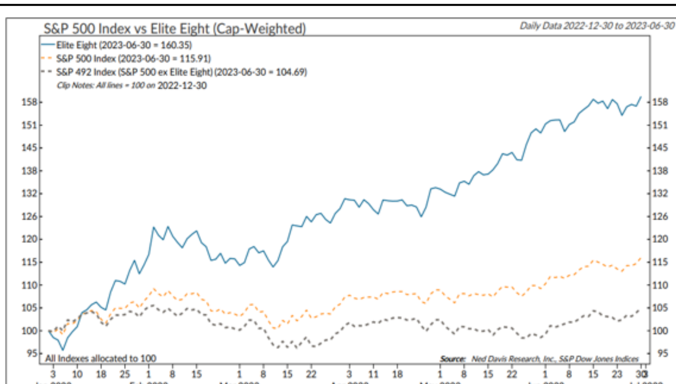
Quarterly Commentary

Millionaire Migration



Source: New World Wealth, Henley Private Wealth Migration June 2023

A new report by the leading international residence and citizenship advisory firm Henley & Partners highlighted Canada as one of the top countries in the world for attracting new millionaires. The report uses New World Wealth data focused on individuals with at least $1.0mil USD of investable assets living in a new country. Canada ranks sixth overall behind Switzerland, US, Singapore, UAE, and Australia. The migration of millionaires has seen steady growth over the past 10 years with Australia claiming the top spot for net inflows. China, India, and the UK saw the largest number of net outflows. China loses the largest number of millionaires, a trend that has been in place for a decade, and the number of new millionaires within that country is slowing. Surprisingly the UK ranked worse than Russia for an exodus of wealth; it turns out Brexit was very bad for attracting new money. Interestingly, the US is losing its appeal among high-net-worth individuals with an 80% decline since 2019. Overall, political stability is the key metric for those selecting where they want to live, together with low taxation and personal freedom.



Ticker	Name
META	Meta (Facebook)
AMZN	Amazon.com
NFLX	Netflix
MSFT	Microsoft
AAPL	Apple
GOOGL	Alphabet
TSLA	Tesla
NVDA	Nvidia

Index (Cap-Weighted)	Gain/Annum % 2022-12-30 to 2023-06-30	YTD % 2022-12-30 to 2023-06-30
Elite Eight	157.79	60.35
S&P 500 Index	34.46	15.91
S&P 492 Index (S&P 500 ex Elite Eight)	9.62	4.69

Source: NDR.com, DAVIIS230C, June 30th, 2023

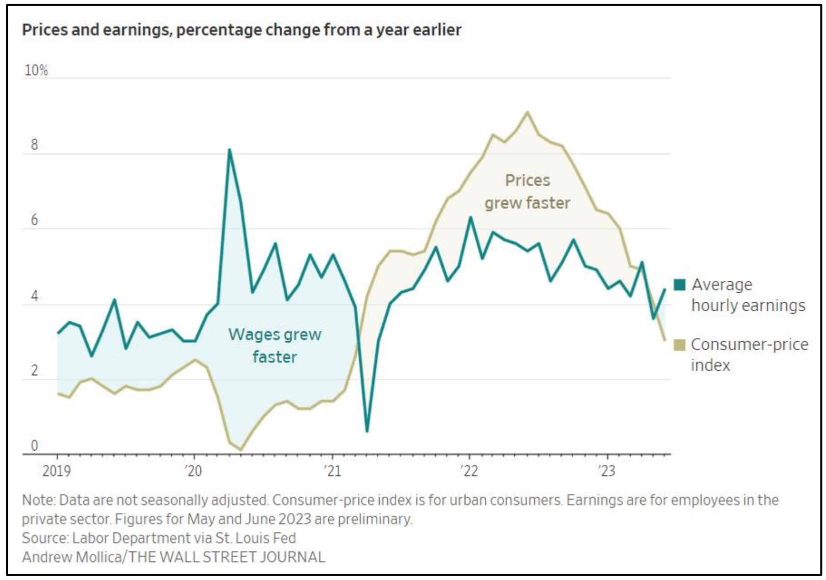
The Elite Eight

We've seen many iterations of the big technology names over the years. It began in 2013 with FANG (Facebook, Amazon, Netflix, and Google). Then Apple was added, so we had FAANG. After a couple of name changes and additions we had MAMAA (Meta, Apple, Microsoft, Amazon, and Alphabet). And now we have the Elite Eight which isn't so catchy but maybe we're just running out of creative acronyms. The Elite Eight includes Meta, Amazon, Netflix, Microsoft, Alphabet, Apple, Tesla, and Nvidia. These eight stocks generated a 60.3% return for the year-to-date, which elevated the overall S&P500 index return to 15.9% for the year. The other 492 stocks generated a modest return of 4.7%. The majority of the

Elite Eight would not qualify as value stocks in our estimation, but we do hold three of the best (Apple, Alphabet, and Microsoft) which have certainly helped our overall performance this year.

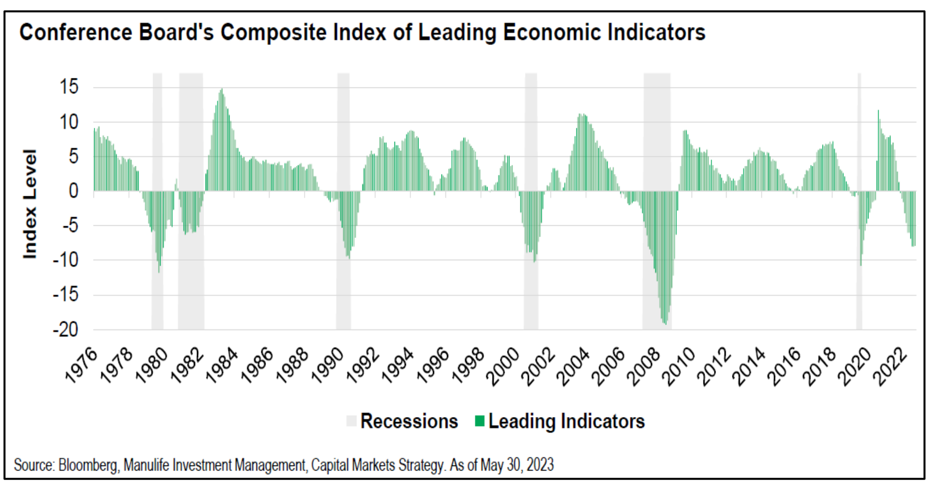
Wage Growth Relief

For the first time in nearly two years, growing paychecks surpassed the rate of inflation. Since 2021 inflation has been outpacing wage growth leaving less and less for consumers at the end of the day. The tide seems to be turning now and if this trend continues it will provide some financial relief for the employed. A healthy consumer leads to a healthy economy, and with nearly full employment this can be a positive force. Falling inflation, with full employment and a stable economy would be a dream come true for the Bank of Canada and US Federal Reserve. This is the "soft-landing" scenario they are hoping for but has never been achieved in the past. Will this time be different? Only time will tell.



A Cloudy Crystal Ball

Markets have been resilient this year and are continuing to improve after a very difficult 2022. Despite the recovery, leading indicators suggest all is not well. Leading Economic Indicators (LEIs) continued to decline this June which marks the 15th straight month of consecutive declines. It was led by weaker expectations for business, declines in manufacturing new orders and building permits, and a pickup in jobless claims. Markets seem to be ignoring recessionary concerns, but whenever the LEI has been this low in the past the economy has entered into a recession. The current stock market performance is at odds with the weaker growth outlook in the second half. Both our Raymond James Canadian and US investment strategists believe growth will slow and the current market levels seem optimistic. Until we see evidence of more positive factors that can accelerate corporate earnings and therefore support higher market levels our investment stance remains cautious. During these times of uncertainty our preference is to remain defensive and focus on sectors that will fare better during times of slower economic growth.



The Dividend Value Discipline Portfolio

The Dividend Value model portfolio returned +1.9% for the second quarter of 2023, and +4.9% for the year-to-date (net of fees). At the end of June, the rolling average returns for the model portfolio are: 1 year +6.9%, 3 year +7.9%, and 5 year +4.7%.

Canada's S&P/TSX index lagged most other major markets in Q2, but this is more in sync with a slower growth outlook. Market breadth is slowly starting to improve. It's clear inflation is falling after two years of upward pressure, but any relief from lower interest rates is not yet on the horizon for the Bank of Canada or the US Federal Reserve. It seems a bit too soon to expect consistently strong markets.

Equities

	Currency	Level	1 Mo	3 Mo	6 Mo	YTD
Canada						
S&P/TSX Comp	CAD	20,155	3.0%	0.3%	4.0%	4.0%
S&P/TSX Comp TR	CAD	79,486	3.4%	1.1%	5.7%	5.7%
S&P/TSX 60 Comp	CAD	1,215	3.2%	0.7%	3.9%	3.9%
S&P/TSX Small Cap	CAD	677	0.2%	-5.2%	-1.6%	-1.6%
United States						
S&P 500 Comp	USD	4,450	6.5%	8.3%	15.9%	15.9%
S&P 500 Comp TR	USD	9,560	6.6%	8.7%	16.9%	16.9%
Dow Jones Ind Avg	USD	34,408	4.6%	3.4%	3.8%	3.8%
NASDAQ Comp	USD	13,788	6.6%	12.8%	31.7%	31.7%
S&P 600 Small Cap	USD	1,216	8.0%	2.9%	5.1%	5.1%
International						
Euro Stoxx 50	EUR	4,399	4.3%	1.9%	16.0%	16.0%
FTSE 100 (UK)	GBP	7,532	1.1%	-1.3%	1.1%	1.1%
CAC 40 (France)	EUR	7,400	4.2%	1.1%	14.3%	14.3%
DAX (Germany)	EUR	16,148	3.1%	3.3%	16.0%	16.0%
IBEX 35 (Spain)	EUR	9,593	6.0%	3.9%	16.6%	16.6%
CSI 300 (China)	CNY	3,842	1.2%	-5.1%	-0.8%	-0.8%
HANG SENG (Hong Kong)	HKD	18,916	3.7%	-7.3%	-4.4%	-4.4%
NIKKEI 225 (Japan)	JPY	33,189	7.5%	18.4%	27.2%	27.2%
TOPIX (Tokyo)	JPY	2,289	7.4%	14.2%	21.0%	21.0%
KOSPI (S. Korea)	KRW	2,564	-0.5%	3.5%	14.7%	14.7%
S&P/ASX 200 (Australia)	AUD	7,203	1.6%	0.4%	2.3%	2.3%
BOVESPA (Brazil)	BRL	118,087	9.0%	15.9%	7.6%	7.6%
BOLSA (Mexico)	MXN	53,526	1.5%	-0.7%	10.4%	10.4%
S&P BSE Sensex (India)	INR	64,719	3.3%	9.7%	6.4%	6.4%
ETFs						
World	USD		5.0%	5.8%	14.0%	14.0%
All Country World	USD		4.7%	5.2%	13.0%	13.0%
EAFE	USD		2.6%	1.4%	10.5%	10.5%
Emerging Markets	USD		3.6%	0.3%	4.4%	4.4%
Europe	USD		2.2%	1.0%	11.6%	11.6%

Source: FactSet, Morningstar, Raymond James Ltd as of June 30th, 2023

The Canadian side of the portfolio was relatively flat this quarter (-0.2%) and the year-to-date performance is also flat (+0.05%). Of the three main sectors (Financials, Energy, and Materials), only the Financials managed to remain positive. Slowing demand in China has negatively affected the energy and resource sectors in Canada. This led to weakness in Suncor (SU-6.2%) and Nutrien (NTR -21%). Finning International (FTT +21.7%) and Canadian Apartment Reit (CAR.un +8.1%) were two of the positive standouts. There were no changes to the Canadian stocks.

Our US stocks in the portfolio returned +8.8% in Q2, helped by the strong performance of our technology names Apple (+16.9%), Alphabet (+16.3%), and Microsoft (+18.3%). The prospects for artificial intelligence continue to develop and those companies are at the forefront of delivering the benefits to customers. We saw noticeable outperformance from Molson/Coors (TAP +28%) as well which is benefiting from a shift in consumer demand. In general, the US portfolio did very well, only Abbvie (ABBV -16.5%) and Disney (DIS -12.9%) detracted from performance. The US dollar weakened this quarter (-2.0%), which was a drag on overall performance. We trimmed profits from both Apple (AAPL) and Microsoft (MSFT) as prices were near all-time highs.

After a strong start in Q1, bond markets took a breather this quarter and our bond portfolio was flat +0.1% in Q2. The FTSE Canada Bond Universe was -0.7% overall while the US Aggregate Bond Universe was +0.1%. We saw a surprise interest rate hike from the Bank of Canada and expect another increase from the US Federal Reserve. The current yields and potential upside for bonds continues to look attractive given the expectation of slower growth ahead. There were no changes to our bond mandates.

We've been pleasantly surprised by the strength in the markets given the uncertainty within the economy. Strong consumer spending and nearly full employment are the bright spots within economic data that would otherwise suggest a slowdown is coming. Markets are building in a more optimistic outcome for the year, yet the probability of a recession for the US is 65%, the UK is 50%, and Europe is 40%, with only Canada looking like it may narrowly skirt a recession. The old adage, "Bull markets climb a wall of worry" is certainly holding true thus far but we'll see if the momentum can be sustained into the second half of the year.

The Dividend Tracker

Fundamentally, we believe that owning strong, stable companies with a track record of consistently growing their dividends is the best way to grow your money. For this reason, we track the number of dividend increases received in our portfolio every quarter and for the year-to-date. In the second quarter, six Dividend Value stocks increased their dividends, and there are twelve for the year-to-date. No dividend cuts were announced this quarter for stocks in your portfolio.

Q2 Dividend Changes (Quarterly)			
Bank of Montreal	Increased from $1.43 to $1.47	***Apple Inc.**	Increased from $0.23 to $0.24
Finning International	Increased from $0.236 to $0.25	***Costco Wholesale**	Increased from $0.90 to $1.02
Telus Corporation	Increased from $0.35 to $0.36	***PepsiCo, Inc.**	Increased from $1.15 to $1.265

Quarterly Performance

Mandate	3-mos	1-yr	3-yr	5-yr	10-yr
Dividend Value Portfolio	1.9%	6.9%	7.9%	4.7%	6.6%
Dividend Value Benchmark	0.9%	8.3%	8.0%	5.0%	6.1%
S&P/TSX Composite Total Return	1.1%	10.4%	12.4%	7.6%	8.4%
DJ Canada Select Value	-0.4%	1.4%	14.1%	3.4%	4.6%
iShares Canadian Dividend Aristocrats	-0.1%	5.2%	14.2%	7.2%	7.0%
FTSE-TMX Universe Bond	-0.7%	3.1%	-3.7%	0.7%	2.1%

The above performance data is current as of June 30th, 2023. Not all portfolios will be alike, given different starting dates, slightly different securities owned, or the timing of funds added or removed. Please see the individual client statements that are being included separately for specific account performance.

DVD Quarterly Transactions

The following securities were bought this quarter:

The following securities were topped-up this quarter:

The following securities were sold this quarter:

The following securities were trimmed this quarter:
Apple (AAPL)
Microsoft (MSFT)

Sincerely, the Dividend Value Partners

Paul Siluch	Lisa Hill	Peter Mazzoni	Sharon Mitchell	Lincoln Jiang
Financial Advisor	Financial Advisor	Financial Advisor	Financial Advisor	Financial Advisor
Raymond James Ltd.	Raymond James Ltd.	Raymond James Ltd.	Raymond James Ltd.	Raymond James Ltd.

This Quarterly Market Comment has been prepared by Paul Siluch, Lisa Hill, Peter Mazzoni, Sharon Mitchell, and Lincoln Jiang and expresses the opinions of the authors and not necessarily those of Raymond James Ltd. (RJL). Statistics and factual data and other information are from sources RJL believes to be reliable but their accuracy cannot be guaranteed. The performance outlined in the report is net of fees. The client account performance may vary from the model portfolio due to several factors, including the timing of contributions and dates invested in model. The performance reported is that of the account that represents the model, not a composite. Performance calculation for the models may be different than the index used as a reference point. It is for information purposes only and is not to be construed as an offer or solicitation for the sale or purchase of securities. This Quarterly Market Comment is intended for distribution only in those jurisdictions where RJL and the author are registered. Securities-related products and services are offered through Raymond James Ltd., member-Canadian Investor Protection Fund.

Company Name	**Disclosure**
Algonquin Power & Utilities Corp.	Raymond James Ltd. has managed or co-managed a public offering of securities within the last 12 months with respect to the subject company. Raymond James Ltd. has provided investment banking services within the last 12 months with respect to the subject company.
Definity Financial Corporation	Raymond James Ltd. has managed or co-managed a public offering of securities within the last 12 months with respect to the subject company. Raymond James Ltd. has provided investment banking services within the last 12 months with respect to the subject company.
Brookfield Infrastructure Corp.	Raymond James Ltd. has managed or co-managed a public offering of securities within the last 12 months with respect to the subject company. Raymond James Ltd. has provided investment banking services within the last 12 months with respect to the subject company.