



### SECTOR-SNAPSHOT<sup>(1)</sup>:

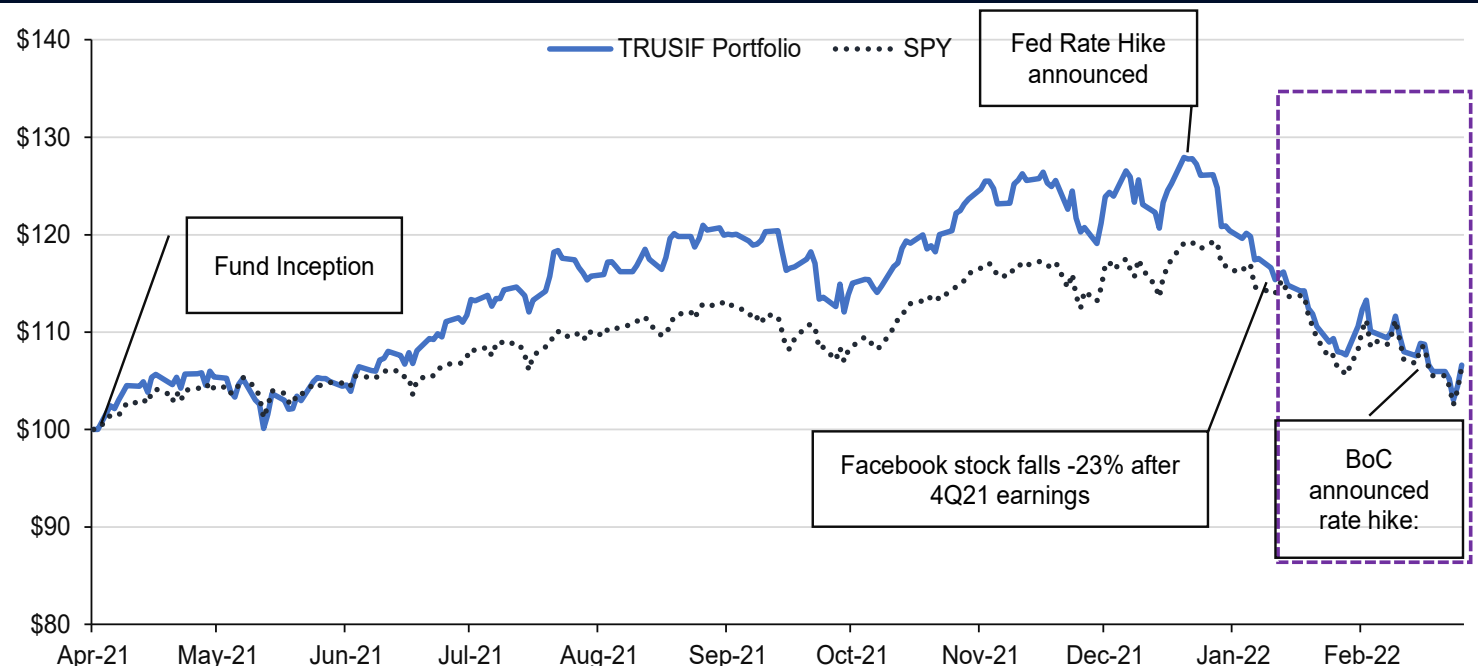
Consumer	-0.6%	> Disc. (-4.1% m/m) lagged the sector over February with Staples (-1.4% m/m) slightly offsetting losses
Financials	-1.1%	> Financials outperformed the market; Credit Suisse's Financials Conference outlined economic optimism
Industrials	-0.5%	> Industrials down on Auto's & Building Material but offset by Defence, Fertilizers and Trucking
Retail	0.1%	> Retail up modestly m/m on ambiguity with covid lockdowns and inflation concerns
TMT	-1.2%	> Internet/Services dragged the sector down as flight from growth and geopolitical tensions continue

### MACRO-SNAPSHOT:

Article	> The Bank of Canada sets the stage with its first 2022 rate hike of 0.25%, inline with predictions
Macro	> Russia's attack on the Ukraine has left investors straching their heads; sanctions are ramping up against the Kremlin
Article	> On the Ukraine conflict, commodity prices are soaring with WTI/Crude north of \$100/Bbl; record backwardated curves
Macro	> Interest rates were higher over Feb, yields were volatile on Ukraine tension and higher inflation; 10-year touched 2.06%
Article	> US banks are bullish on the macro and broader operating environment, pointing to strength in the US economy

<sup>(1)</sup> Sector returns are based on TRUSIFs' holdings contribution to the overall portfolio

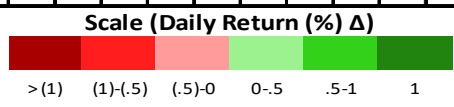
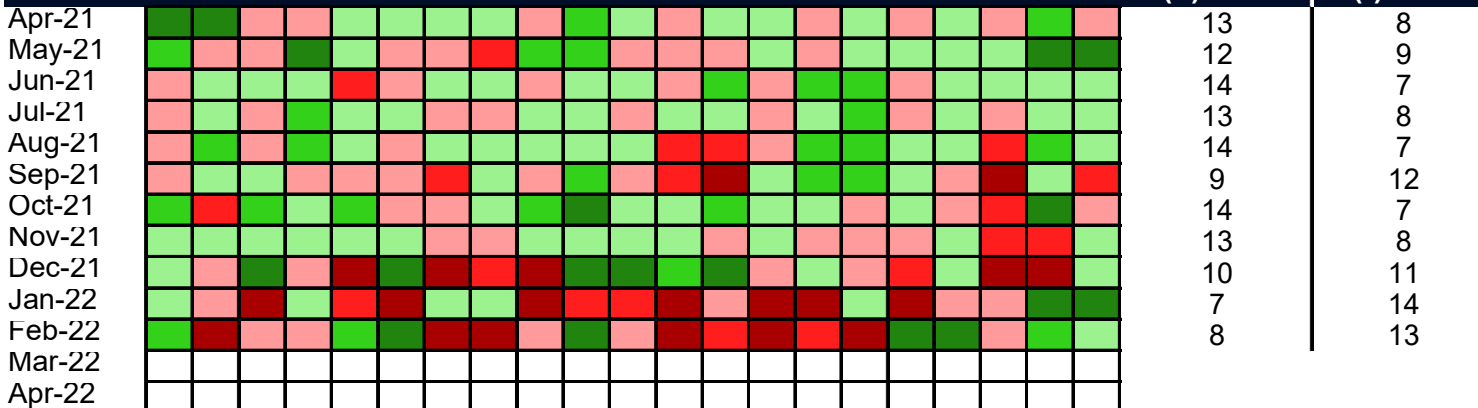
### CUMULATIVE RETURNS: TRUSIF vs. SPY<sup>(1)</sup> (INDEXED TO \$100)



<sup>(1)</sup> SPDR S&P 500 ETF Trust ("SPY") is TRUSIFs' current benchmark

Source: TRUSIF Research; FactSet

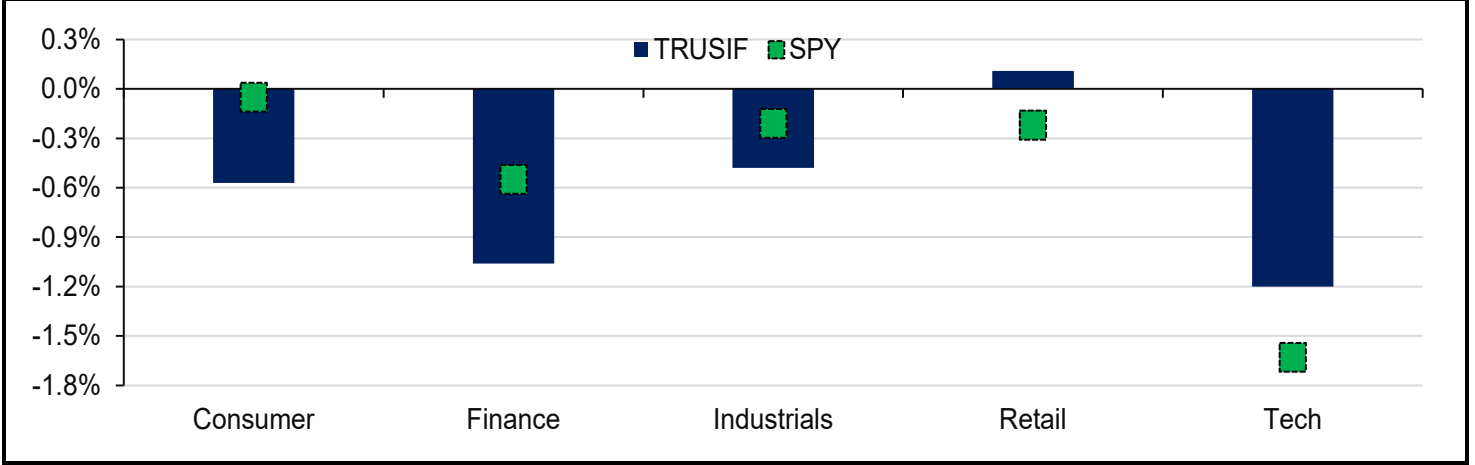
### TRUSIF PORTFOLIO RETURNS HEATMAP



Source: TRUSIF Research; FactSet

## TRUSIF VS. BENCH SECTOR RETURNS

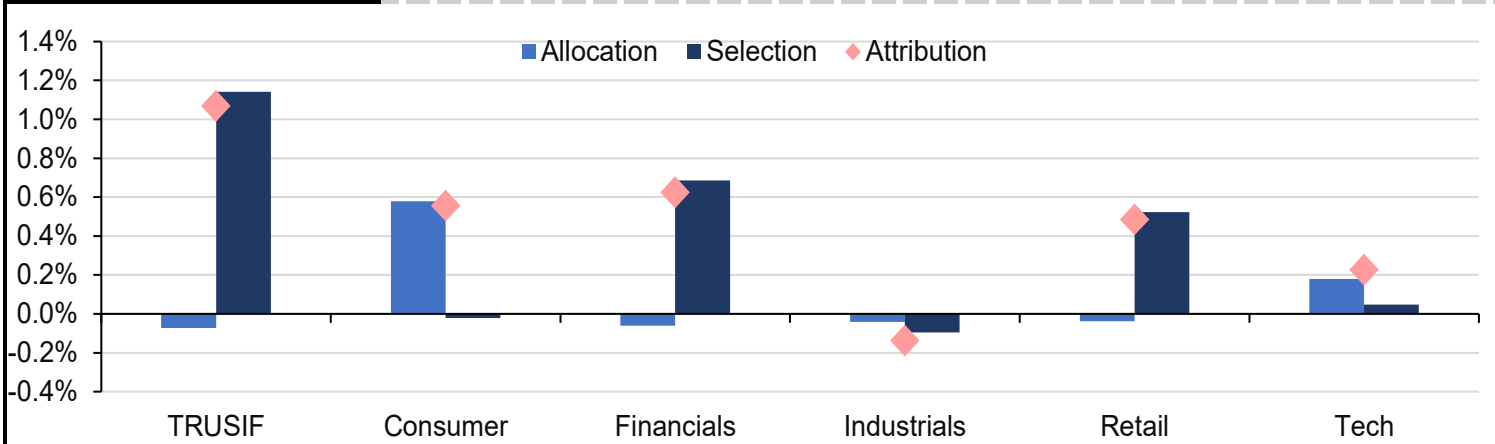
	TRUSIF	Bench		+/- Bench
<b>Total</b>	<b>-3.20%</b>	<b>-3.66%</b>	↑	<b>0.46%</b>
Consumer	-0.57%	-0.05%	↓	(0.52%)
Finance	-1.06%	-0.55%	↓	(0.51%)
Industrials	-0.48%	-0.21%	↓	(0.27%)
Retail	0.11%	-0.22%	↑	0.33%
Tech	-1.20%	-1.63%	↑	0.43%



Source: TRUSIF Research; FactSet

## ATTRIBUTION ANALYSIS

	ALLOCATION	SELECTION		ATTRIBUTION
<b>TRUSIF</b>	<b>2.99</b>	<b>-2.43</b>	●	<b>0.56</b>
Consumer	1.4	-1.15	●	0.25
Financials	-0.2	-0.12	●	-0.32
Industrials	0.48	-0.75	●	-0.27
Retail	0.1	-0.05	●	0.04
Tech	0.03	-0.35	●	-0.32



Source: TRUSIF Research; FactSet



# TRUSIF SECTOR COMMENTARY

## CONSUMER

M/M Δ: ↓ (0.6%)

### SECTOR TRENDS & OUTLOOK

- > Consumer discretionary up on economies reopening and summer arriving; strength seen in staples on inflation/Ukraine conflict concerns
- > Investors likely underappreciating the impact of inflation on demand and the likelihood of merchandise margin contraction
- > Main theme of 2022 will be the reversal of margin boosting pricing power due to retailers overstocking inventory
- > TRUSIF holdings were led by COST (+2.8% m/m) on strong consumer spending as summer months arrive

Holdings	M/M Δ	TARGET Δ	HPR (%)	P/E	EV/EBITDA
MCD	-5.7%	▼ (1.8%)	2.6%	31.3x	15.1x
SBUX	-6.6%	No Change	-12.0%	32.1x	12.9x
COST	2.8%	No Change	2.6%	47.2x	24.5x

### CONSUMER TRADING ACTIVITY



TEAM: ABHIJAY MANHAS (INVESTMENT ANALYST); ELHAM KAHLILI (RESEARCH ANALYST)

## TECHNOLOGY & TELECOMMUNICATIONS

M/M Δ: ↓ (1.2%)

### SECTOR TRENDS & OUTLOOK

- > Tech, though provided a strong 4Q21 earnings score cards, has had a poor start to 2022 on an expected rise in interest rates
- > Russia partially restricts Facebook access, accusing it of censoring some state-run media; Texas sues FB over facial recognition
- > Tech investors await market sentiment around the Ukraine invasion and higher interest rates, perhaps marking the end of techs bull run
- > FB (irrationally) pumbled after its 4Q21 for a modest EPS miss; sector strength held by MSFT resilience, though supply bottlenecks apparent

Holdings	M/M Δ	TARGET Δ	HPR (%)	P/E	EV/EBITDA
FB	-32.6%	▼ (22.2%)	-6.2%	18.1x	7.9x
MSFT	-3.9%	▼ (2.7%)	-6.0%	43.4x	19.6x

### TMT TRADING ACTIVITY



TEAM: ADAM BURKE (FUND MANAGER); YANCHAK LAM (RESEARCH ANALYST)

## INDUSTRIALS

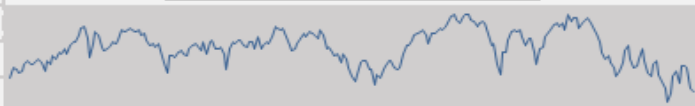
M/M Δ: ↓ (0.5%)

### SECTOR TRENDS & OUTLOOK

- > January nonresidential construction spending +1.3% m/m and +3.7% y/y; private +1.8% m/m, public 3.6% m/m
- > February 2022 U.S. Services PMI and Manufacturing PMI at 58.6% and 56.5% (+1% & -3.4% m/m) respectively
- > Industrials underperformed during 2020/21, but with recession signs and uncertainty around the Ukraine crisis, this could change in 2022
- > MMM downgraded; Melius Research moved to hold, Morgan Stanley and Bank of America moved to a underweight rating, citing legal risks

Holdings	M/M Δ	TARGET Δ	HPR (%)	P/E	EV/EBITDA
MMM	-10.5%	▲ 14.4%	-9.1%	18.0x	10.6x

### INDUSTRIALS TRADING ACTIVITY



TEAM: DAIMAN MATHER (INVESTMENT ANALYST); MANISH BOHRA (RESEARCH ANALYST)

## FINANCIALS

M/M Δ: ↓ (1.1%)

### Sector Trends & Outlook

- > Financial Index (1.5%); Banking Index (2.6%); Bitcoin +12.3%; U.S. 10-Yr Note +9bps at +1.85%
- > Ukrainian central bank suspends electronic cash transfers, bolstering the use case for crypto; Ukraine 'War bonds' attract Foreign Investors
- > World Bank: War in Ukraine an 'Economic Catastrophe'; cuts global economic growth forecasts; Fitch: Russia's debt default 'imminent'
- > Visa(V): U.S. payments volume 175% of 2019, up 5 points from Jan; suspends Russian operations ~ 4% of net revenue impacted

Holdings	M/M Δ	TARGET Δ	HPR (%)	P/E	EV/EBITDA
V	-4.4%	No Change	-19.5%	41.8x	20.5x
TSU	-19.2%	No Change	0.9%	25.1x	14.8x
MFC	-3.0%	No Change	-0.8%	10.0x	4.3x

### FINANCIALS TRADING ACTIVITY



TEAM: PIYUSH KUMAR MERWAL (RESEARCH ANALYST)

## REAL ESTATE

M/M Δ: NA

### SECTOR TRENDS & OUTLOOK

- > Real Estate underperformed the broader market in February; S&P500 Real Estate Index (5.09%) m/m vs S&P500 Index (3.17%) m/m
- > Building permits in the U.S. rose by +0.53% m/m and +0.64% y/y
- > Existing-home sales in the U.S. +6.73% m/m and (2.26%) y/y; new home sales in the U.S. +1.25% m/m
- > January residential construction spending +1.3% m/m and +13.2% y/y; private +1.3% m/m, public +3.6% m/m

Watchlist	M/M Δ	TARGET Δ	HPR (%)	P/E	EV/EBITDA
SWCH	1.5%	NA	NA	137.5x	18.7x

### REAL ESTATE TRADING ACTIVITY



TEAM: DAIMAN MATHER (INVESTMENT ANALYST)



**APPENDIX 1: TRUSIF PERFORMANCE DETAILS**

	1 month	3 month	6 month	Total
<b>Annualized Returns</b>				
TRUSIF	(5.5%)	(15.0%)	2.5%	7.3%
Benchmark	(3.6%)	(9.2%)	2.0%	6.9%
<b>Annualized Volatility</b>				
TRUSIF	0.25	0.79	2.09	2.54
Benchmark	0.27	0.73	1.75	2.07
<b>Sharpe</b>				
TRUSIF <sup>(1) (2)</sup>	2.95	2.83	1.49	1.66
Benchmark	2.81	3.10	1.79	2.03

<sup>(1)</sup>  $R_p = 4\%$

<sup>(2)</sup>  $R_f = 1.5\%$

Source: TRUSIF Research

**APPENDIX 2: TRUSIF HOLDINGS TABLE**

Financials	Market Value (CAD)	Portfolio Weighting (%)	Target Price (5yr)		Avg. Price	Latest Close <sup>(2)</sup>	Total Return
			Prior	Current			
Visa	\$2,849	5%	\$275	▲	\$275	\$225	\$181 (19%)
Trisura Group Ltd	\$2,537	3%	39	▲	39	30	30 (1%)
Manulife	\$2,425	3%	30	▲	30	25	25 (1%)
<b>Tech &amp; Tel. Comm</b>							
Meta Platforms	\$738	1%	450	▼	350	200	188 (6%)
Microsoft	\$2,203	4%	370	▼	360	298	280 (6%)
<b>Consumer Discretion</b>							
Starbucks	\$1,952	3%	125	▲	125	94	83 (12%)
McDonald's	\$3,568	6%	275	▼	270	254	227 (11%)
<b>Consumer Staples</b>							
Costco	\$2,903	5%	545	▲	545	514	527 (3%)
<b>Healthcare</b>							
<b>IEB<sup>(1)</sup></b>							
3M	\$2,439	4%	195	▲	223	155	141 (9%)
<b>Real Estate</b>							
<b>Utilities</b>							
Fortis	3,678	5%	64	▲	64	61	60 (1%)
Hydro	721	1%	36	▲	36	33	33 (2%)
<b>ETFs</b>							
Vanguard Total Mkt	10,503	17%				229	212 (7%)
Vanguard Canada All Cap	\$40,064	52%				41	44 (5%)

<sup>(1)</sup> IEB = Industrials Energy Basic Materials

<sup>(2)</sup> Latest Close = Last trading price of the reporting month

**APPENDIX 3: TRUSIF ACCOUNT ACTIVITY**

Ticker	Date	Action	Shares	Cost	Sale Price	FX	Total Cost	Capital Gain	Return (%)
<b>FQ2 2021</b>									
FB	Apr-21	Buy	5	\$301.94					
COST	Apr-21	Buy	7	\$374.00					
<b>FQ3 2021</b>									
MSFT	Jul-21	Buy	10	\$281.07					
VCN	Aug-21	Buy	1,150	\$41.49					
VTI	Aug-21	Buy	111	\$228.95					
<b>FQ4 2021</b>									
MCD	Oct-21	Buy	20	\$244.58					
VTI	Dec-21	Sell	48	\$228.95	\$231.00	USD	\$14,067	\$125.95	▲ 0.9%
SBUX	Dec-21	Buy	30	\$111.48					
V	Dec-21	Buy	20	\$195.00					
MMM	Dec-21	Buy	22	\$172.76					
<b>FQ1 2022</b>									
FTS	Mar-22	Buy	41	\$61.00					
H	Mar-22	Buy	74	\$33.35					
MFC	Mar-22	Buy	97	\$25.19					
TSU	Mar-22	Buy	84	\$29.92					
VCN	Mar-22	Sell	229	\$41.49	\$43.45	CAD	\$12,162	\$574.52	▲ 4.7%