

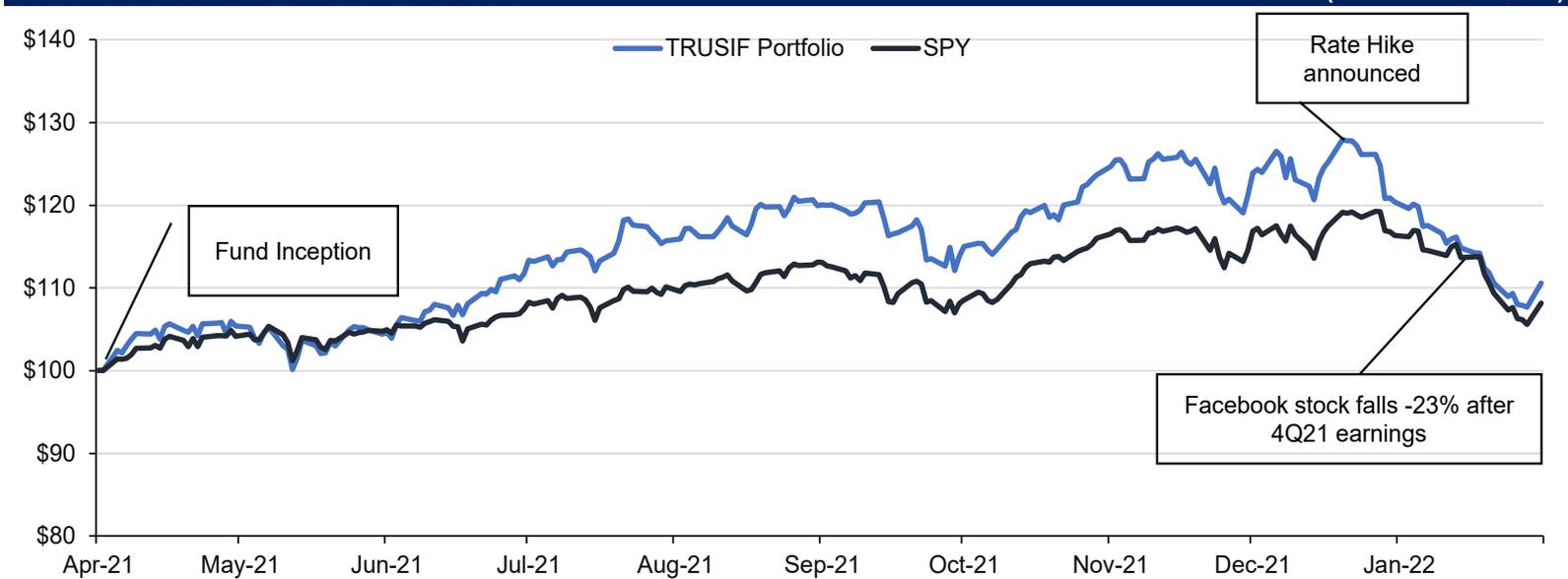


TRUSIF FUND UPDATE: JANUARY 2022

HIGHLIGHTS / COMMENTARY

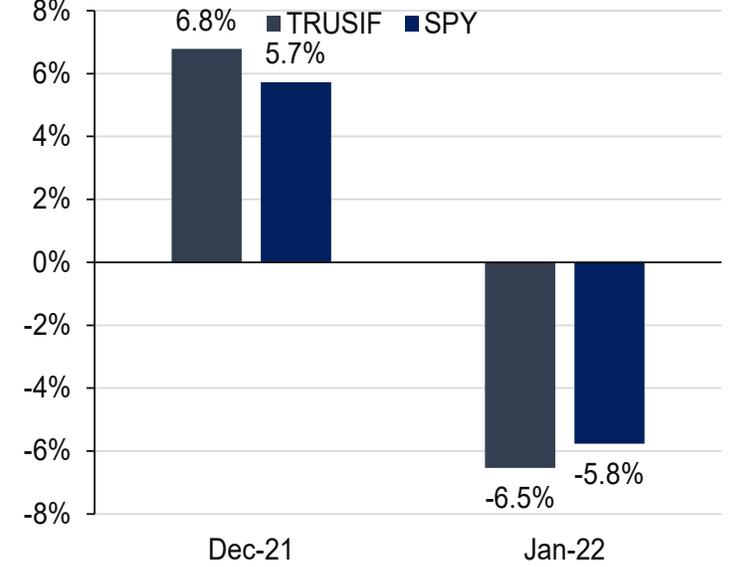
Article	> All eyes are on the Fed ending BPP, Goldman forecasted five rate hikes in through cal22, more to come
Article	> U.S. added 467,000 jobs in January, although unemployment rate was little changed at 4.0%
Article	> US10yr spiked (+25 Bps); Fed Fund Futures are pricing in a 90% likelihood of a bold rate hike
Article	> January CPI: 0.6% m/m vs 0.4% expected and 7.5% y/y vs expected 7.2%; highest monthly inflation since March 1982
Factset	> Growth outperformed value in January with the S&P 500 down (0.83%) and the Nasdaq up +0.25%
Apx. 2	> FB down (20%) on EPS/DAU miss & IOS update; Reported EPS/DAU: \$3.7 & 1.93bln (vs. street: \$3.84 & 1.95bln)

CUMULATIVE RETURNS: TRUSIF vs. SPY⁽¹⁾ (INDEXED TO \$100)



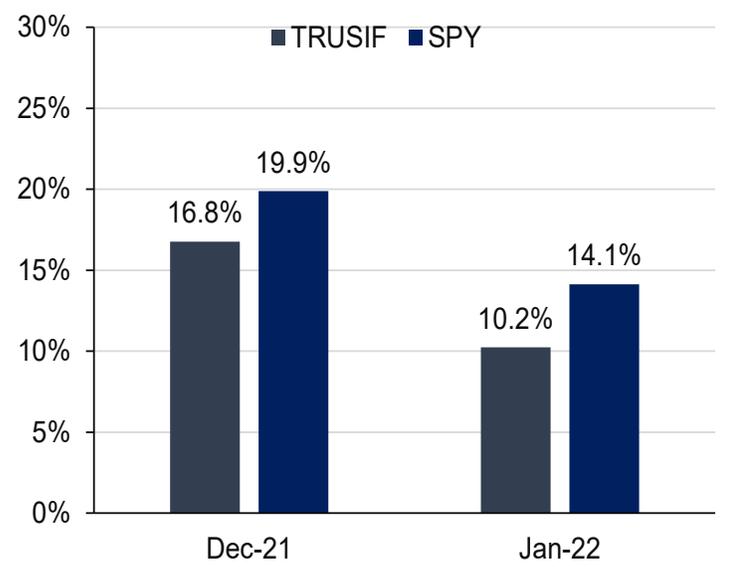
Source: TRUSIF Research, FactSet
⁽¹⁾ SPDR S&P 500 ETF Trust ("SPY") is TRUSIFs' curent bench mark

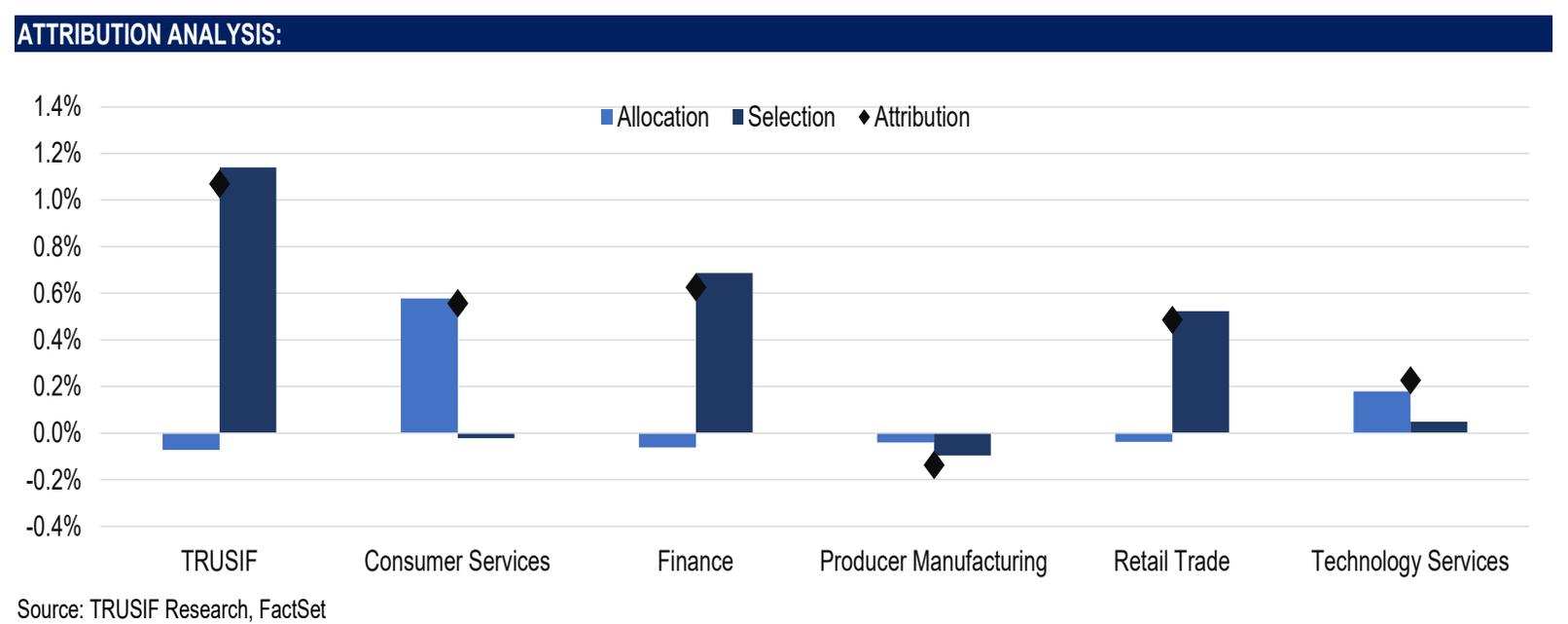
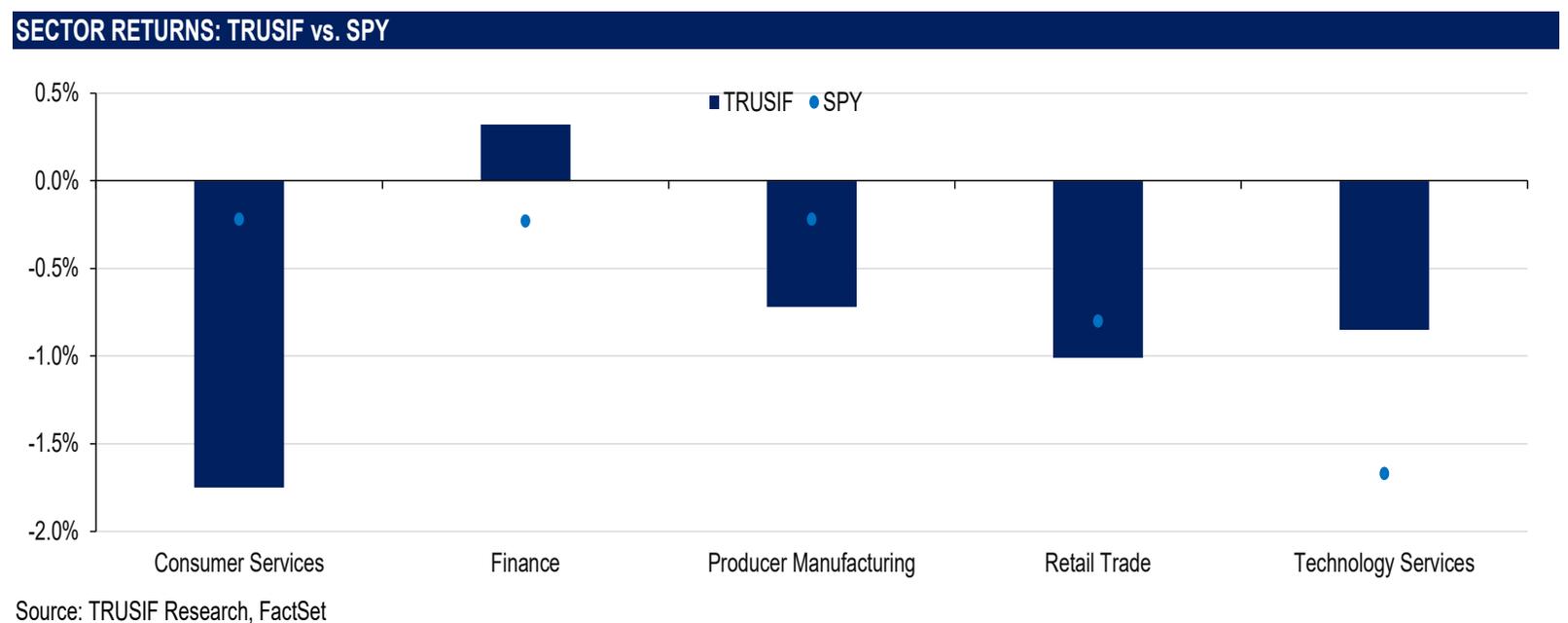
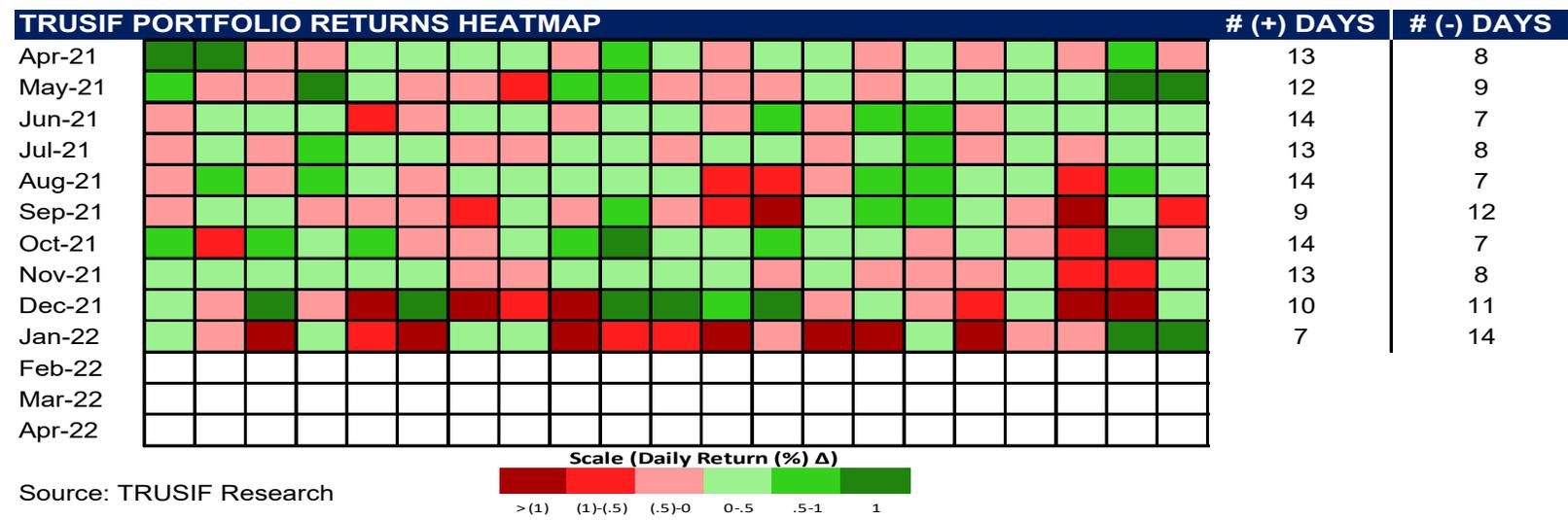
MONTHLY RETURNS: TRUSIF vs. SPY



Source: TRUSIF Research, FactSet

CUMULATIVE RETURNS: TRUSIF vs. SPY





TRUSIF SECTOR COMMENTARY:

CONSUMERS:

Sector Trends & Outlook

- > In January, consumer indices mixed against the broader market
- > Investors are 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
- > Holiday sales for retailers were generally strong, but decelerating trends at the end of December and into January
- > Analysts have mixed perspectives when it comes to how much inflation, labor and Covid variants will weigh on performances

Company Trends & Outlook

- > SBUX: Downgraded to sector perform from outperform at RBC Capital Markets, citing valuation and FY22 margin outlook
- > COST: Reports December net sales of \$22.24bln, +16.2% y/y
- > MCD hit by inflation, warns costs could rise further

Team: Abhijay Manhas (Investment Analyst); Elham Kahlili (Research Analyst)

TECHNOLOGY & TELECOMMUNICATIONS

Sector Trends & Outlook

- > IT Index underperformed the broader market after spending most of the session in positive territory
- > Growth names took a hit due to inflation fears on the internet sector
- > Inflation has 'direct correlation' with America's chip shortage
- > Artificial Intelligence trends and leading stocks

Company Trends & Outlook

- > MSFT acquiring ATVI for \$95/sh and reports that suitors are in talks to acquire CTXS
- > Apple nears first product launch of 2022, with 5G iPhone SE and new iPad
- > GOOG; advertisers say Google is breaking EU Law by removing third-party cookies from Chrome
- > Meta's Workplace touts upcoming WhatsApp integration for frontline workers

Team: Adam Burke (Portfolio Manager); Yanchak Lam (Research Analyst)

INDUSTRIALS

Sector Trends & Outlook

- > December nonresidential construction spending (0.7%) m/m, +3.9% y/y as private +9.1% y/y, public (2.8%) y/y
- > January 2022 U.S. Manufacturing PMI registered 57.6%, (1.2%) m/m
- > January 2022 U.S. Services PMI registered 59.9%, (2.4%) m/m

Company Trends & Outlook

- > MMM: Reports annual EPS of \$10.12, +8.0% y/y and revenue of \$35.4bln, +9.9% y/y
- > MMM hit with \$110mln verdict in latest U.S. military earplug trial

Team: Daiman Mather (Investment Analyst); Manish Bohra (Research Analyst)

FINANCIALS

Sector Trends & Outlook

- > Financials Index was up +1.7%; Banking Index was up +2.0%; Bitcoin down (41%) from its peak in Nov-21
- > Card issuers outperformed on account of rate hikes; MA +7.5%, AXP +9.9%, V +4.4%
- > Consumer credit increased at a seasonally adjusted annual rate of +6.6% in Q4 and +5.1% in December

Company Trends & Outlook

- > V: Reports annual EPS of \$1.83, +29% y/y and revenue of \$7.1bln, +24% y/y
- > January trend: U.S. payment volume +13% y/y and cross-border transactions volumes +14% y/y
- > V acquired Currencycloud for \$957mln; will further FX and international payments domain

Team: Shayan Shekarikiani (Fund Manager); Piyush Kumar Merwal (Research Analyst)

REAL ESTATE

Sector Trends & Outlook

- > R. Estate underperformed the broader market in January; S&P500 REIT Index (8.6%) vs S&P500 Index (5.3%)
- > December existing-home sales clocked in at (4.6%); despite the drop, 2021 y/y sales ended +8.5%
- > Timber was lower as housing market sentiment was tepid during the month on housing data
- > December residential construction spending +1.1% m/m, +14.7% y/y as private +15.0% y/y, public (3.4%) y/y

Company Trends & Outlook

- > Equity REITs YTD gainers: Hotel, Health Care & Office (2.02%), (2.57%), & (3.49%) respectively
- > Mortgage REITs YTD gainers: Multi-Type (0.21%); Residential (0.56%); Commercial (3.50%)
- > On the M&A side, data centers are still one of the most active in the space - TRUSIF will be looking to data center REITs

Team: Jacob Lawrence (Portfolio Manager); Sara Lawrence (Research Analyst)

APPENDIX 1: TRUSIF PERFORMANCE DETAILS

	1 month	3 month	6 month	YTD
Annualized Return				
TRUSIF	6.79	9.98	10.03	10.24
Benchmark	5.72	12.01	12.77	14.13
Annualized Volatility				
TRUSIF	0.32	1.04	1.59	2.27
Benchmark	0.22	0.78	1.20	1.77
Sharpe				
TRUSIF ^{(1) (2)}	2.35	2.16	1.96	1.85
Benchmark	7.54	6.31	5.74	5.21

(1) $R_p = 4\%$

(2) $R_f = 1.5\%$

Source: TRUSIF Research

APPENDIX 2: TRUSIF HOLDINGS TABLE

Financials	Market Value (CAD)	Portfolio Weighting (%)	Target Price		Avg. Price	Latest Close ⁽²⁾	Total Return	
			Prior	Current				
Visa	\$5,809	4%	\$275	▬	\$275	\$214	\$228	7%
Tech & Tel. Comm								
Facebook	1,922	1%	415	▲	450	320	302	(6%)
Microsoft	3,927	3%	370	▼	360	309	308	(0%)
Consumer Discretion								
Starbucks	3,915	3%	125	▬	125	97	102	5%
McDonald's	6,524	5%	275	▲	370	259	256	(1%)
Consumer Staples								
Costco	4,384	3%	545	▬	545	511	492	(4%)
Healthcare								
IEB⁽¹⁾								
3M	4,571	3%	195	▲	260	176	163	(7%)
Real Estate								
Utilities								
ETFs								
Vanguard Total Mrkt	17,880	12%				229	223	(3%)
Vanguard Canada All Cap	63,447	44%				41	43	4%

(1) IEB = Industrials Energy Basic Materials

(2) Latest Close = Last trading price of the reporting month

APPENDIX 3: TRUSIF ACCOUNT ACTIVITY

Ticker	Date	Action	Shares	Cost	Sale Price	FX	Total Cost (CAD)	Capital Gain (CAD)	Return (%)
FQ1 2021									
FQ2 2021									
FB	Apr-21	Buy	5	\$301.94					
COST	Apr-21	Buy	7	\$374.00					
FQ3 2021									
MSFT	Jul-21	Buy	10	\$281.07					
VCN	Aug-21	Buy	1,150	\$41.49					
VTI	Aug-21	Buy	111	\$228.95					
FQ4 2021									
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					