

INCREASE YOUR FUTURE WEALTH POTENTIAL

J ZECHNER ASSOCIATES CANADIAN UNION PARTNERSHIP FUND



PORTFOLIO MANAGERS: JOHN ZECHNER, MA, CFA AND DAX LETHAM

Despite continued interest rate increases and the collapse of some major regional banks in the U.S., the stock market was surprisingly resilient in the first quarter. The heavier weight in Financials and Energy were a drag on stocks in Canada in the first quarter as the S&P/TSX Index lagged most global markets with a gain of only 3.7%. Bonds rallied as the FTSE Bond Index had a first quarter gain of 2.89%, helping to reduce some of 2022's sharp loss of 11.7%, its worst on record. The U.S. Federal Reserve raised interest rates by another 25 basis points in March and warned that rates would stay at those elevated levels for an extended time, but the Bank of Canada held firm on interest rates and indicated that any future moves would be 'data dependent.' But investors focused on banking sector problems and the increasing probability that they would weaken the economy more quickly and force central banks to begin easing their policies.

The JZA Canadian Union Partnership Fund had another strong quarter to start 2023, staying ahead of the Fund benchmark with a gain of 4.71%, ahead of the 3.91% return on the Fund benchmark. We were able to generate that performance even though technology stocks lead the upside during the quarter and the Fund has no holdings in that sector as those companies are generally not employers of unionized labour. These results support the strategy of this Fund to focus on labour-friendly companies. Similarly, the Fund was able to protect investors in weak markets, dropping only 0.83% over the past year versus a 3.43% decline in the Fund benchmark. Longer-term returns also remain strong, with a 3-year annualized gain of 14.07% versus a gain of 7.96% in the Funds benchmark index.

In terms of individual stock impacts in the quarter, the winners came from many sectors. Notable gains came from North American Construction (up 25%) and Cameco (up 15%) in the energy sector, where there were very few gains as the sector was down 3.6% in the quarter. Stelco, Algoma Steel and SNC Lavalin were big winners in the Industrials sector, gaining 18%, 28% and 39%, respectively. Martinrea rose another 30% in the quarter as the supply chain

shortages in the auto sector eased somewhat. On the downside, most names in the energy sector were 5-10% lower in the quarter while there were small losses in the Telcom and Basic Material sector holdings. New 'union friendly' names added to the portfolio in the quarter included CCL Industries, which supplies manufacturing services and specialty packaging products for the non-durable consumer products market and NFI Group, which designs and manufactures heavy-duty transit buses.

While we are seeing more opportunities in stocks on the recent selling, we are still underweight equities in general and carrying a larger cash position than normal, particularly since cash returns have risen so much. Of course, a few more volatile months like March and we might have to re-assess this outlook. For now, we still see economic weakness ahead and expect North America to be in recession before year end. Stocks are already reflecting a lot of potential bad news, so we think the downside risk is limited to the lows of last October. But are reluctant to move back to an overweight position in stocks until we see clearer evidence that interest rates are coming down and the growth slowdown has been fully priced into stocks. We do however maintain a full market weight of 40% in bonds as we see room for interest rates to head lower.

March 31 st 2023	INVESTMENT RETURNS		
	Quarter	One Year	Three Year*
JZA Canadian Union Partnership Fund*	+4.71%	-0.85%	+14.07%
Fund Benchmark**	+3.91%	-3.43%	+7.96%

Notes:

- *Returns are Gross of Fees.
 - ** Benchmark is 50% SP/TSX TR & 50% FTSE Universe Overall
 - *All indices are total return.
 - *Past performance is not indicative of future results.
 - *Index returns are shown for comparative purposes only.
- Securities held in the portfolio do not replicate the index. No guarantee is given that performance will match the index indicated.

Categorization: Canadian Neutral Balanced

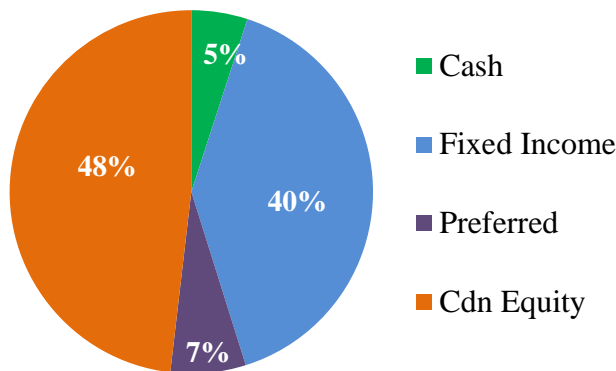
The Fund has been categorized according to the Canadian Investment Funds Standards Committee criteria.

Fund Objective: Long-Term Growth at Moderate Risk

The Fund is designed to generate consistent returns that are commensurate with a moderate degree of investment risk. The manager focuses on global indicators to assess macro-economic trends in global stock, fixed income and commodity markets that are most impacted by those trends. The Fund is suitable for pension funds, health and welfare trust funds, general and corporate accounts. It is diversified and will only hold securities that make the “union friendly” qualification. Over time, investors should experience a moderate degree of risk and volatility.

Investment Strategy: ESG/SRI: Canadian Focus

J Zechner Associates Inc. has introduced the first fund of its kind in Canada. One that is focused entirely on investing in Canadian publicly traded corporations and government entities that employ a meaningful number of Canadian unionized workers. This pro-Canadian union fund is focused on supporting the Canadian unions and the companies that employ them. The fund is actively managed using a proprietary screen of eligible stocks and bonds and rigorous fundamental analysis in determining the asset mix and security selection.



Top 5 Stock Holdings:

Securities	Stock Sector	Weight
SNC-Lavalin Group	Industrials	2.39%
Bell Canada Enterprises Inc.	Telecom	2.21%
Cameco Corp	Energy / Pipelines	2.12%
TC Energy Corp.	Energy / Pipelines	2.11%
Teck Resources Ltd.	Basic Materials	2.05%

Benefits of our Pooled Funds

The J Zechner Associates Pooled Funds offer professional money management, varied investment choices, the potential for above average returns and lower management fees so you keep more of your accumulated wealth.

A pooled fund is a unit trust that operates like a mutual fund but is not required to have a prospectus under securities law. A pooled fund is sold through an Offering Memorandum.

J Zechner Pooled Funds are available only to Canadian investors and require a minimum investment of \$150,000; unless the investor is an Accredited Investor. Units of the Funds are qualified investments for certain registered plans.

Solid Partnership Foundation

Eligibility for Investment

The Fund will only invest in securities that will be qualified investments under the Income Tax Act (Canada) for a trust governed by a registered retirement savings plan (an “RRSP”), registered retirement income fund (a “RRIF”), or tax-free savings account (a “TFSA”).

Performance Disclosures

Performance data quoted represents past performance and does not guarantee future results. Investment returns and principal value will fluctuate so that when withdrawals are made by the investor the shares or units may be worth less than their original cost. Unless specified, all performance quoted is gross of fees and expenses.

Benchmarks: Index returns are provided for comparative purposes only to show how the companies returns compare to a broad-based index of securities. As the indices do not have costs, fees or other expenses associated with their performance. In addition, securities held in the indices may not be similar to securities held in the composite’s accounts.

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