JZechner ASSOCIATES INC.

INCREASE YOUR FUTURE WEALTH POTENTIAL

J ZECHNER ASSOCIATES FIXED INCOME FUND

PORTFOLIO MANAGER: JEFFREY HEROLD

For much of March bonds traded in a relatively narrow but choppy range as investors waited details on U.S. tariffs that were pushed back to April 2nd. Conflicting comments by U.S. President Trump and by his various competing aides made it difficult to anticipate what the tariff policy would ultimately be. However, it appeared that Trump was determined to impose significant tariffs despite their negative impact on the U.S. economy and the economies of its trading partners. The resultant economic uncertainty made investors risk averse causing sharp declines in equity markets. The S&P/TSX declined 1.87%, while the U.S. S&P 500 fell 5.75% and the tech-heavy NASDAQ dropped 8.21% in the month, which put pressure on corporate bond spreads. Also in the month, the Bank of Canada reluctantly made a reduction in its interest rates while the U.S. Federal Reserve chose to leave its interest rates unchanged. The Bloomberg Canada Aggregate and FTSE Canada Universe indices returned -0.29% and -0.28%, respectively, in the month.

Much of the Canadian economic data received during March referred to activity prior to Trump's early February tariff threats. That data tended to show the Canadian economy was performing well, offering some hope that it would have resilience once the tariffs were imposed.

In the United States, the economic data was more current and indicated businesses and individuals were becoming cautious about investing and purchasing before the impact of the tariffs was known. Expectations for future inflation rose, although the actual inflation rate declined to 2.8% from 3.0% the previous month. The U.S. trade deficit, which is being targeted by Trump, jumped substantially higher because of companies front running potential tariffs. The Fed believed the U.S. economy was performing well and left its interest rates unchanged. Fed Chair Jerome Powell said he thought the inflationary impact of tariffs might be transitory, but some of his colleagues were less optimistic.

Internationally, the European Central Bank lowered its interest rates by 25 basis points while the Bank of England, Bank of Japan, and Sweden's Riksbank each decided to leave their respective rates unchanged.

This outlook is being written following Trump's rambling Rose Garden speech in which he imposed 10% tariffs on virtually all U.S. imported goods, as well as "reciprocal" tariffs on 60 countries. The rates of the reciprocal tariffs were based on a formula that divides a country's trade surplus with the U.S. by its total exports. Concepts such as relative advantage were not considered. Nor was size of the country or its trade surplus, as reciprocal tariffs were applied to the French archipelago St. Pierre and Miquelon in the Gulf of St. Lawrence, as well as the Falkland Islands. Canada and Mexico were spared (for now) any reciprocal tariffs, but the earlier tariffs on steel, aluminum and autos still apply. Goods that qualify under the USMCA free trade agreement (also known as NAFTA 2.0) will still be tariff free and companies that have not completed the paperwork to register those goods now have a strong incentive to do so. Estimates of the percentage of Canadian exports currently registered under USMCA are in the 38% to 40% range, but new registrations could take that to 80% or more.

The full impact of the tariffs will depend on how countries respond, including retaliatory tariffs on U.S. goods and services.

Given the economic uncertainty and market volatility, we are keeping portfolio durations close to benchmark levels. Long term bond yields are not attractive given current levels of inflation, but investors such as pension funds have ongoing needs to hedge their long term liabilities. We also acknowledge the potential for a flight-to-safety bid for bonds developing if equity markets react negatively to the trade war.

The widening of corporate yield spreads since the start of the year has not been enough to make them attractive. The uncertain impact of the trade war, in our opinion, has not been properly reflected in the risk premiums/corporate spreads. We also believe corporate yield spreads may widen if equity markets experience significant weakness as a result of the needless trade war. Accordingly, we are cautious about adding corporate bonds. Indeed, we anticipate the allocation to the corporate sector will decline somewhat in the next few months as corporate maturities are reinvested in government bonds.

31- March 2025	INVESTMENT RETURNS			
	Q1 2025	1 Year	3 Years	5 years
Fixed Income Fund[1]	2.18%	8.10%	3.23%	1.93%
FTSE TMX Universe	2.02%	7.65%	2.50%	0.88%

Notes:
*Returns are Net of Fees.
*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. All returns are expressed in CAD

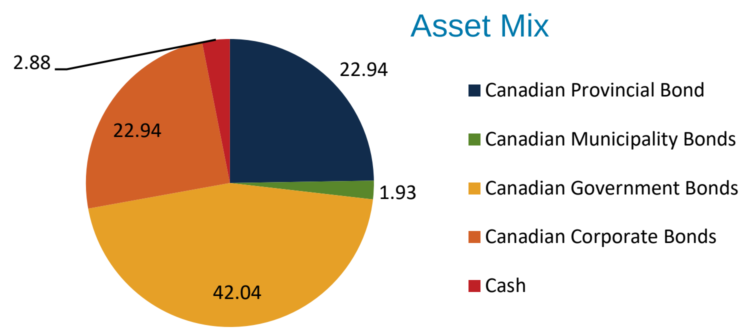
Categorization: Canadian Fixed Income

Funds have been categorized according to the Canadian Investment Funds Standards Committee criteria.

Fund Objective: Income and Capital Preservation

Investors in the Fund will find a portfolio that is seeking capital preservation and long term returns consistent with a diversified portfolio invested in a broad range of high quality Canadian Fixed Income securities.

Strategic Allocation:



Top 5 Holdings:

Bonds	
Canada Housing Trust 3.55% Sept 15, 2032	12.80%
Canada 3.0% Feb 1. 2017	9.94%
Canada 3.50% Dec. 1, 2057	6.86%
Canada 2.75% June 1, 2033	6.30%
Ontario 3.45% June 2, 2045	5.87%

(as of March 31, 2025)

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.

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

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.