

Verecan - Trade Update From Typewriters to AI



January 26th, 2024

Recently, we trimmed our position in IBM by 0.82% and added the proceeds to our broad-based global stock investment, the Vanguard Global All Cap ETF.

When we first purchased shares of IBM, one of the team quipped, “Don’t they make typewriters?” What this comment represented was a commonly held misconception that IBM was a tired business. Through our research, we found instead that they have made significant inroads in cloud computing and, perhaps the buzziest word in finance today, AI. Investors seem to be catching on and the price has run up from \$126.22 when we last purchased shares in April 2023 to \$188.35 when we sold some of our position on January 26th, 2024. We feel there is less upside and so we are taking some profits but maintaining a small 0.50% position because the business appears to have strong momentum. Also, our AI bots told us to sell (just kidding!).

The Verecan Global Equity Fund portfolio as of January 26th is to the right.

 Current Verecan Global Equity Fund Portfolio	
Holdings *	Weight
Mawer Global Equity	20.5%
Capital Group Global Equity	19.5%
EdgePoint Global Portfolio	12.6%
iShares MSCI Minimum Volatility Canada ETF	10.0%
NBI Active Global Equity	7.8%
Vanguard FTSE Global All Cap ex Canada ETF	6.8% (+0.82%)
IA Clarington Canadian Small Cap	4.9%
BMO US Banks ETF	2.6%
BMO MSCI World High Quality ETF	1.8%
Intel	1.7%
Shopify	1.7%
Baxter International	1.5%
Skechers	1.2%
Cognizant Technology Solutions	1.1%
Algonquin	1.1%
Cash	1.0%
CCL Industries	0.9%
Saputo	0.8%
Hanesbrands	0.7%
American Tower	0.6%
Generac	0.6%
IBM	0.5% (-0.82%)

Verecan Capital Management Inc. is registered as a Portfolio Manager in all provinces across Canada (except Manitoba). This material is for informational purposes only. Information, figures, and charts are summarized for illustrative purposes only and are subject to change without notice. All investments are subject to risk, including the possible loss of principal.

The current holdings represent a snapshot of the Verecan Global Equity Fund's investments as of the date of this document. The Fund's investments may change over time.

*This chart represents the fund's holdings at date of trade, indicated at the top of this document.

This document is for information purposes only and is not intended as a recommendation, an offer, or a solicitation for the purchase or sale of any securities. The information provided here is an overview for the convenience of sharing with the clients of Verecan Capital Management Inc. and is not intended to be comprehensive, so it shouldn't be solely relied upon. The information contained herein is accurate on the publication date and is subject to change. Any investment in a fund is subject to risks listed in the fund's disclosure document. If you have questions or require a more detailed understanding of these risks, please discuss them with your Verecan advisor and/or consult the fund's offering memorandum.

The content in this document offers general information about the fund, but it is essential to note that this information may change or be adjusted to match the fund's operating environment. The information in this document should not be considered legal, tax, investment, financial or other professional advice and should only be used in conjunction with a discussion with your Verecan advisor. This will ensure that your own circumstances have been considered properly and that action is taken on the latest available information. The information contained herein has been obtained from sources believed to be reliable at the time obtained, but Verecan cannot guarantee its accuracy or completeness. Past performance does not guarantee future returns, and conclusions or opinions expressed here do not ensure future events or performance.

This information is intended for individuals residing in provinces where Verecan is registered as a portfolio manager.