

### PORTFOLIO ACTIVITY

In DM Canadian Equity, we trimmed weights in recent winners Nutrien and Methanex and added resulting capital to the portfolio's cash balance. In DM Foreign Equity, we sold Becton Dickinson and boosted our allocation to HCA Healthcare Inc.

### FEATURE STOCK

#### DRI Healthcare Trust (DHT.UN)

DRI holds a diversified portfolio of pharmaceutical royalty streams, with a plan to opportunistically add to these assets over time. The company's approach is attractive to inventors, academic institutions, and life science companies looking to monetize their efforts, fund additional capital projects, and/or bridge cash flow needs. At the same time, DRI gains exposure to the economically attractive stage of a drug's life cycle, without taking on the significant cost and risk associated with research and development. By establishing this position in our Canadian equity mandates, our goal was to improve diversification into an area which is not well-represented in the TSX and to leverage the execution ability of DRI's management team. Now, with inflation galloping ahead, DRI may prove to be a useful portfolio hedge, as makers of pharmaceutical products tend to enjoy relatively high levels of pricing power.

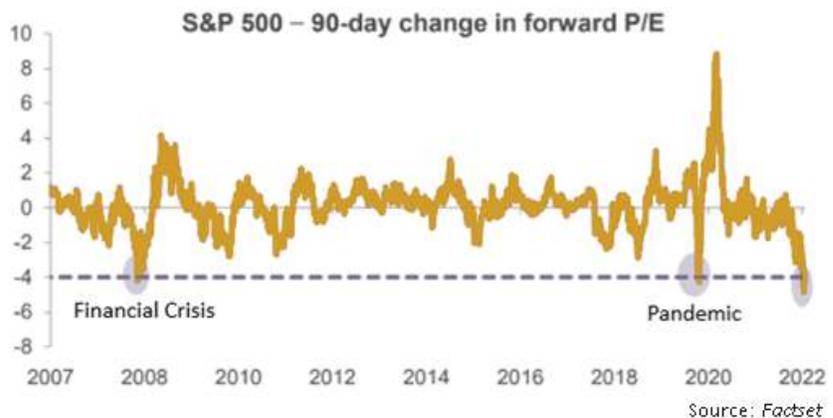
### SENTIMENT & FUNDAMENTALS RECALIBRATE

To the second Monday in June, the S&P 500 had posted its worst start to a calendar year since 1940, a decline which caused both equity fundamentals and investor sentiment to undergo significant resets. As the first chart shows, net bullishness is now lower than it was at the pandemic trough and just barely above where it sat during the worst of the great financial crisis of 2008/09.



Source: American Assoc. of Individual Investors

The second graphic illustrates how quickly stock valuations have compressed in recent weeks, a move which is also on par with the retrenchments experienced around past bear market bottoms.



Source: Factset

Though neither of these indicators will be enough to lift markets on their own, they can be important building blocks as equities begin to establish a base. When investor mood is at its worst, it's often also the case that selling has been largely exhausted; at the same time, lower valuations make the math of equity ownership more compelling and tend to bring bargain hunters and fresh capital to the market. Despite the uncertainty that remains for stocks, indicators such as these are beginning to show signs that the worst may be behind us.