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Dear Investor,

Welcome to a whole new ball game with geopolitical and tariffs front and center for investors. After two fantastic years of performance in the equity markets, investors in 2025 are feeling cautious and uncertain of what lies ahead. President Trump has made it clear that he wants lower interest rates and has signalled that we are in for some short-term pain to incentivize the American manufacturing base to onshore production to power America ahead into the future. The Presidents use of tariffs with trading partners has motivated executive teams in corner offices worldwide to reevaluate how they are doing business in our economy with highly connected supply chains. The directive from the President has been clearly telegraphed, stating that he wants the American manufacturing base to expand and be insulated from outside forces. I suspect we will see dramatically increased investment in America through various sectors and industries due to the use of tariffs and subsidies. You can be certain that Canadian and Mexican companies will be feeling the force of tariffs on their economies. In contrast, American companies will benefit from subsidies to expand their manufacturing capabilities.

"The rumors of the demise of the U.S. manufacturing industry are greatly exaggerated."

Elon Musk – Founder & Chairman of Tesla

President Trump has repeatedly stated he wants lower interest rates to help re-finance the $36 trillion in debt owed by the American people to its creditors. So far, during his second term in office, he has been able to convince the market to bring down the 10-year treasury from 4.43%, when President Trump entered office, to 4.20% as the end of the first quarter. This dramatic reduction resulted from the announced tariffs, which are to reduce the velocity of money in the economy, as bond market participants are betting on a slower growth environment going forward. Although President Trump cannot directly influence the Federal Reserve to lower interest rates at the short end of the curve, Trump is successfully putting pressure on the Fed to at least consider dropping interest rates with projections of a slower growth environment in the future. According to the Economic Conference Board, GDP growth in the American economy has been revised downward to 1.8% in 2026 and inflation is projected to have steadied at 2.2%. This projected slower growth environment would likely reduce market participant's enthusiasm for risk on-investments and in response, we have positioned the Standard Wealth portfolio accordingly.

"Despite elevated levels of uncertainty, the U.S. economy continues to be in a good place. The labor market is solid."

Jerome Powell – Chairman of the U.S. Federal Reserve

With respect to the dual nature mandate of full employment and a 2% target for inflation by the Federal Reserve, inflation has been holding near 2.8%, and unemployment has been at hovering around 4.1%. We do expect the unemployment rate to trend higher due to the DOGE effects of reducing the Federal workforce along with tariffs.

The United States enjoys the incredible privilege of being the world's reserve currency, however, fiscal deficits continue to play out in Washington. It cannot be assured that the USA will hold this highly desirable position as the world's reserve currency indefinitely. When an economy spends $6.8 trillion a year and brings in $4.9 trillion in tax revenue, lenders will eventually demand a higher interest rate to compensate for the additional risk of default. If the USA is unable to create a roadmap to a balanced budget, the only way to pay back previous lenders will be for the Department of the Treasury to print more currency and inflate away the debt. Investors should be keenly aware of the risks that fixed-coupon bonds provide no protection against an inflating currency. An important question to consider for investors is the real rate of return offered to investors **after** factoring in inflation, taxes and fees. Some quick math at the time of publication:

10-year Treasury yield of 4.20%, minus taxes of 2%, minus 2.8% inflation = Negative 0.6% real rate of return before fees.

Standard Wealth recognizes the risks of owning fixed-coupon bonds, which is why we own none. However, we own a share of over 4,500 loans to sponsor-backed, private-equity owned businesses in the United States, that are floating rate in nature. Since these loans are priced off of the Secured Overnight Financing Rate (SOFR) (currently 4.4%) plus a spread of 500-700 basis points, our investors are able to earn a double-digit annualized yield without taking duration risk. Whether rates go up, down or stay the same, we are off the belief that senior secure private credit loans will remain at the top of the fixed income yield for investors to access through the Accelerate Diversified Credit Income Fund (TSX:INCM). Our team at Accelerate analyzes each quarterly 10-Q and annual 10-K of every private credit manager's pool of loans to understand the quality of the loan portfolio, along with each loan's terms and valuations. For a fixed income ETF, this portfolio solution solves quite a few pain points for investors.

Equity markets have had a rocky start to the year, and the sell-off in technology stocks has been almost all due to multiple contractions, which has helped reduce their frothy valuations. This reduction in stock prices has allowed the market to cool in an orderly fashion and reduced the risk of a stampede for the exits should further selling by investors play out. Helping to de-risk investment in the technology space is the increased year over year earnings being generated by these tech companies. As technology stock prices have retreated to more reasonable levels and earnings per share have trended higher, these two forces have reduced the risk to investors in purchasing shares.

The number one factor we must pay absolute attention to as value investors is the price we pay for future earnings from a company. If you pay too much, you are embedding risk into your investments where all the upside has already been baked into the share price. Our duty as cautious and astute investors is to understand where we are in the market cycle and act accordingly. If we can know where we have been and where we are today, this will serve us well to navigate an uncertain future. Understanding the market environment and if investors are cautious or bold, greedy or fearful, optimistic or pessimistic and where we are in the interest rate cycle, sets the investing philosophy for Standard Wealth, with an overarching principle of being a defensive value investor. If we can protect our investors on the downside, the upside will certainly take care of itself.

"Be alert to what's going on around you with regard to the supply/demand balance for investable funds and the eagerness to spend them."

Howard Marks – Co-Founder & Co-Chairman of Oaktree Capital Management

When markets are expensive, which we consider so in the current market, we are methodically trimming back positions and taking profits. With the S&P 500 having a consensus 21x forward P/E projection, historically, returns for investors have been poor when buying at this elevated price level. In response to current valuations, we have implemented prudent risk management by reducing leverage and exited positions that are fully valued. We are patiently waiting for the next opportunity, which may arrive this quarter due to the tariffs being implemented to buy companies that are on sale during times of despair and panic, while at the same time being fully invested to not miss out on potential gains ahead.

It is not easy being a contrarian investor, and it can be quite lonely to sit on the sidelines while the latest fad or speculative investments continue to make all time highs. However, Standard Wealth investors can rest assured that we are patiently waiting for a reversal in the markets optimism that can swing quickly to pessimism and despair, as we will be ready to buy the companies that we know well and will now be trading at a discount to intrinsic value.

Over the past couple of years, we have been asked what is our "edge" for investing and why/how we have achieved a 14.7% compounded growth rate per year after fees for Standard Wealth investors. We have three distinct competitive advantages which help generate generational wealth for Standard Wealth clients.

First, our investors do not wish to participate in the latest fad or mania which helps us keep true to our internal North Star of value investing. Our job is to be the steward of generational capital and the first principle we must keep mind of is to protect capital and invest with a margin of safety. Investing has many cycles, and understanding where you are today is critical, as the future is always vague and uncertain. Looking backwards to understand today's economy and market environment is a key point we strive to intimately feel to navigate current market cycles accordingly. If we are not attentive to notice that prices are too high and investors are too optimistic, we will surely pay too high a price for a share of future earnings. This practice of "buying at the top" is a surefire way to lose money. We are ever so cautious that we make informed and vigorously researched allocations to companies in the portfolio that give us a satisfactory margin of error.

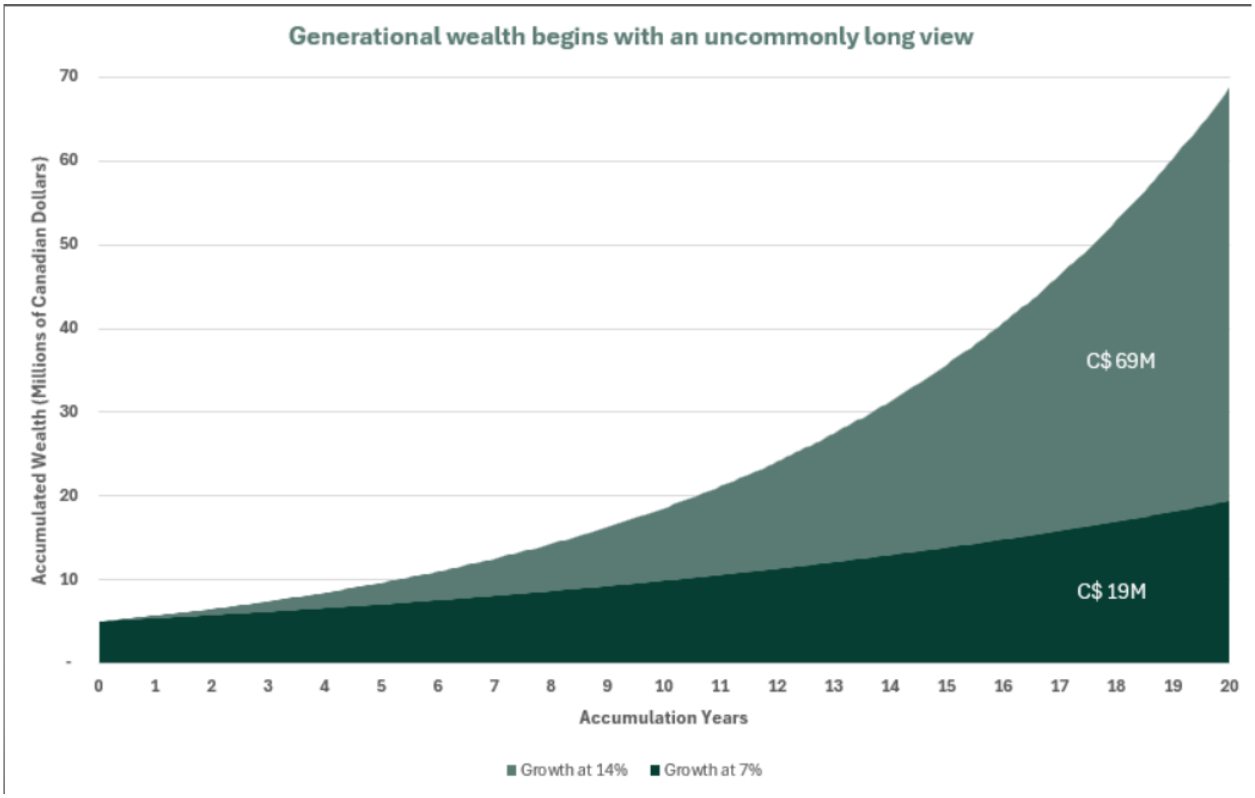
"There are recurring cycles, ups and downs, but the course of events is essentially the same, with small variations. It has been said that history repeats itself. This is perhaps not quite correct; it merely rhymes."

Theodor Reik - Psychoanalyst

The second structural advantage we have is that we have time on our side. One of the major drawbacks to most investors is that they measure results on a 90-day, quarterly statement report. This type of short-term thinking, especially when some factors affecting stock prices are out of company management's control, will force a portion of investors into losses by virtue of not wanting or being able to trail the benchmark by a wide margin. They cannot take the pain of short-term underperformance. These fluctuations create market inefficiencies that long term investors should key in on and be ready to happily buy companies from sellers who cannot underperform the benchmark by too wide a margin for too long. Of course, we aim to outperform the benchmark, but with no risk comes no reward. One of the tools in our toolbox is that time is on our side to allow our management teams to put in place plans that will see the companies' earnings grow over time. Just like management might invest in the newest technologies or restructure an organizational layout, which will incur upfront costs and hurt short term profitability, we have the same philosophical investment premise of skilled management in that we continue to invest in businesses that are long term in thinking and making investments today which will pay dividends far into the future.

With Standard Wealth being a differentiated strategy from the equity indices, we can be expected to underperform or outperform on any short-term investment period. After all, we are aiming to beat the benchmark and to do that, we will need a strategy that is different from the benchmark. With our value investor philosophy, often we are allocating to out of favour companies, and it can take the market quite some time to see the value being created for shareholders through the daily efforts of our management teams and shrewd oversight from the Board of Directors. We are content to sit back and watch the stock price ebb and flow as we meticulously analyze the actions taken by our portfolio companies through our rigorous fundamental analysis.

The third advantage we have for Standard Wealth investors is the amazing compounding nature of this investment vehicle for families looking to steward generational wealth. Slight differences in performance over a few years will lead to minor gains. However, as outperformance in the portfolio compounds over a long period of time, the difference in results can be staggering. Below is an excellent representation of the path we are on for our Standard Wealth clients against a solid rate of return of 7%:



As of March 31, 2025, the Standard Wealth strategy has a dividend yield of 3.6%, with a current portfolio price to earnings ratio of 13.1. In addition, the strategy has a trailing twelve-month return of 12.4%.

We will continue to stay true to our value investing mantra while scanning the markets for opportunities created by the uncertainty of tariffs, geopolitical forces and short-term minded investors. Please reach out if you have any questions or thoughts.

Fred Mannix

Suite 310, 140 10th Ave SE, Calgary, AB, T2G 0R1
Phone: 1-855-892-0740
Email: info@accelerateshares.com

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www.AccelerateShares.com

Fund Performance NET

1 Year Return 12.4%, Net Dividend Yield 3.6% and P/E of 13.1

Standard Wealth Returns*	
2020*	10.8%
2021	34.4%
2022	-11.1%
2023	20.6%
2024	30.3%
2025 YTD	-3.5%
1 Yr	12.4%
3 Yr	9.7%
4 Yr	11.1%
5 Yr	19.6%
Since Inception	14.7%
S&P 500 Index CAD	13.9%
S&P TSX 60 Index	12.5%
S&P 500 / TSX 60 Blended Index	13.3%

* Inception Date: Feb 29, 2020
- all returns are net of fees
- returns for periods greater than 1 year are annualized

Sources:

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"The Unreachables" - Theodor Reik – 1965 essay