Calgary Portfolio Management Trust

FQ3 2025 Report

UNIVERSITY OF CALGARY
HASKAYNE SCHOOL OF BUSINESS

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Dear Stakeholders,

The Calgary Portfolio Management Trust (CPMT) Class of 2025 would like to extend our gratitude to the Board of Trustees for its continued commitment to and engagement with the program. We would also like to sincerely thank the CFA Society of Calgary and the CPMT alumni for their commitment and support. Finally, we would like to thank all of our supporters in the Calgary business community for their vested interest in the program.

A vital component of the CPMT experience is the mentorship program, which provides students with invaluable support ranging from technical expertise to career guidance. The CPMT is grateful for all the professionals who have made themselves available to students for the upcoming year. We have learned an enormous amount from our mentors and look forward to another year of collaborative mentorship.

The speaker series program, where industry professionals take valuable time out of their days to speak with the team, is also a valued component of the CPMT. The Fund is grateful to the professionals who have made the time to meet with us. The knowledge and relationships built through these engagements have greatly contributed to the ongoing improvement and success of the Fund.

After expanding our investment universe three years ago to include U.S. equities, the Fund currently sits at a 40/60 weighting between Canadian and U.S. equities. Following a volatile year in the market, the Fund aims to carry the momentum and rigour of last year's work into continued fruition into the new fiscal year. The CPMT intends to remain focused and agile in the face of continued market volatility and macroeconomic uncertainty, retaining our commitment to a bottom-up approach of allocating funds to high-quality names that fit our investment mandate of: (1) quality management team, (2) sustainable competitive advantage, (3) strong balance sheet, and (4) growing free cash flow. We will continue to evaluate investment decisions in the context of portfolio strategy and our macroeconomic outlook.

Involvement in the CPMT program offers invaluable exposure to a challenging and scholastic environment, creating an unrivaled student experience. We hope that the ongoing effort put forth by our team, along with external support, will continue to develop knowledgeable and skilled graduates from the program. We are eager to continue to improve the program and strive to maintain our commitment to excellence.

Sincerely,

Emmanuel Fikreselassie, Portfolio Manager

Emmanuel Fikreselassie

Jack Demo, Portfolio Manager

Lukas Fairley, Portfolio Manager

Max Konwitschny, Portfolio Manager

Sarah Adamjee, Portfolio Manager

Sohil Agrawal, Portfolio Manager

Sohil Agrawal

Tara Jindal, Portfolio Manager

Class of 2025

Biographies

CPMT CLASS OF 2025

EMMANUEL FIKRESELASSIE
Portfolio Manager
6th Year, Finance / Economics
Emmanuel joined the CPMT in March 2023 as an Investment Analyst with the aim of furthering his knowledge of financial markets, equity research, and portfolio management. He is extremely grateful for the continued support of CPMT's Board of Trustees, mentors, and alumni who make this opportunity possible. Emmanuel is completing degrees in Finance and Economics and has completed work terms in venture capital, sustainable finance, and fintech through internships at Ayrshire, SDTC, and Neo Financial. Emmanuel completed an internship at RBC Capital Markets as an Investment Banking Summer Analyst in its Global Energy Group, where he will be returning full-time upon graduation. In addition to the CPMT, Emmanuel was involved in the CFA Research Challenge and was the Founder of AGB Student Advising. In his leisure time, Emmanuel enjoys playing soccer, basketball, weightlifting, running, and volunteering.

JACK DEMO
Portfolio Manager
4th Year, Finance
Jack joined the CPMT in March 2023 as an Investment Analyst and is looking forward to developing his skills in portfolio management, financial modelling and qualitative analysis. He is thankful for the Board of Trustees and alumni that have given him the opportunity to learn from the program. Jack is currently completing a degree in Finance. In addition to the CPMT, Jack has been involved with the Haskayne Finance Club, Denovo Student Investment Fund, and participated in the National Investment Banking Case Competition. He completed an internship with Suncor Energy as a Downstream Finance and Planning analyst in 2023. Jack completed an internship with BMO Capital Markets as an Investment Banking Summer Analyst in 2024 and is returning full-time upon graduation. In his free time, Jack enjoys fitness, golf, hockey, and podcasts.

LUKAS FAIRLEY
Portfolio Manager
5th Year, Finance / Economics
Lukas joined the CPMT in March 2023 as an Investment Analyst. He is looking forward to developing knowledge in portfolio management, financial markets, and financial modelling. He is thankful for the Board of Trustees and the alumni base that continues supporting the program. Lukas is currently working towards degrees in Finance and Economics. In addition to the CPMT, Lukas has been involved with the Haskayne Students' Association, JDC West as an Accounting Delegate, and the DeNovo Student Investment Fund as a Portfolio Manager. Lukas completed an internship at TD Securities as an Investment Banking Summer Analyst in its Global Energy team, where he will be returning full-time upon graduation. Previously, Lukas was a Corporate Development Summer Student at Enbridge and a Crude and Condensate Supply and Trading intern at Plains Midstream Canada. In his spare time, Lukas enjoys golf, hiking, and basketball.

MAX KONWITSCHNY
Portfolio Manager
4th Year, Finance
Max joined the CPMT in March 2023 as an Investment Analyst and is looking forward to further developing his knowledge in equity research and portfolio management. He greatly appreciates the continued support from the CPMT's Board of Trustees, mentors, and alumni in making this opportunity possible. In addition to the CPMT, Max has been involved in the 2024 McGill International Portfolio Challenge, 2023 and 2024 Van Berkom Small Cap Case Competitions, and bp trading competitions. Previously, Max has completed work terms at BMO Capital Markets as an Investment Banking Fall Analyst in the Energy group and at Inter Pipeline as a Corporate Development Summer Analyst. In his spare time, Max enjoys astronomy, espresso, and hockey.

SARAH ADAMJEE
Portfolio Manager
4th Year, Finance

Sarah joined the CPMT in March 2023 as an Investment Analyst and looks forward to developing her knowledge in equity research, financial modelling, and portfolio management throughout the course of the program. She is thankful for the Board of Trustees and the alumni base that continues supporting the program. Sarah is currently working towards a degree in Finance. In addition to the CPMT, Sarah has been involved with the Haskayne Finance Club and JDC West as a Business Strategy Delegate. Previously, Sarah completed an internship with Dream as a Financial Planning and Analysis Intern. Sarah recently completed an internship with National Bank Financial as an Investment Banking Summer Analyst. Upon graduation, Sarah will be joining CPP Investments full-time as a Rotational Analyst. In her free time, Sarah enjoys cooking, playing guitar, and hiking.

SOHIL AGRAWAL
Portfolio Manager
5th Year, Finance / Data Science (Minor)

Sohil joined the CPMT in March 2023 as an Investment Analyst and looks forward to continuing to develop his skills in financial analysis and modelling. He is thankful for the Board of Trustees and the alumni base that continues to support the program. Sohil is in his final year of a Bachelor of Commerce degree in Finance, with a minor in Data Science and a Certificate in Entrepreneurial Thinking. With previous experience in consulting and private equity, he has applied the skills learned through CPMT in his role as an Investment Banking Analyst with BMO Capital Markets, and he looks forward to returning there full-time upon graduation. Apart from CPMT, Sohil has competed in numerous international case competitions throughout the past three years, most recently the Inter-Collegiate Business Competition. In his free time, Sohil enjoys basketball, badminton, golf, and hiking.

TARA JINDAL
Portfolio Manager
4th Year, Finance

Tara joined the CPMT in March 2023 as an Investment Analyst. She is excited to develop her skills pertaining to equity research, portfolio management, and financial modelling over the course of the program. Tara is currently working towards a degree in Finance. In addition to CPMT, Tara has been involved with the CFA Research Challenge, University of Calgary Trading Team, Rotman International Trading Competition, and JDC West as an Accounting Delegate and VP Finance. Tara has completed internships in Investment Banking, Private Equity, and Natural Gas Trading. In summer 2025, Tara is looking forward to joining Morgan Stanley as an Investment Banking Summer Analyst. In her spare time, Tara enjoys listening to music, fitness, playing piano and badminton.

CPMT CLASS OF 2026

CAITLIN HEGGERUD
Investment Analyst
3rd Year, Finance / Actuarial Science

Caitlin joined the CPMT in February 2024 as an Investment Analyst and is excited to further develop her skills in financial modelling, portfolio management, and qualitative analysis. She is thankful for the Board of Trustees and the alumni base that continues supporting the program. Caitlin is currently working towards a dual degree in Finance and Actuarial Science. In addition to the CPMT, Caitlin has been involved in JDC West, Haskayne Commerce Undergraduate Society, and Science Ambassadors. Caitlin has previously completed an internship at Saskatchewan Government Insurance and has passed two Society of Actuaries exams. In summer 2025, Caitlin is looking forward to joining BP as a Trading and Shipping Intern. In her free time, Caitlin enjoys long-distance running, camping, skiing, and graphic design.

CLAYTON LILLACE
Investment Analyst
3rd Year, Finance

Clayton joined the CPMT in February 2024 as an Investment Analyst and is looking forward to developing his knowledge in portfolio management, financial modelling, and capital markets. He would like to thank the Board of Trustees and the alumni base that continues to support the program. Clayton is currently working towards completing his degree in Finance, to build on his previous experiences gained from working in industry. Previously, he worked for eight years as a project manager in the automotive restoration industry and continues to consult part-time while finishing his degree. In addition to the CPMT, Clayton is involved with the Haskayne Finance Club. In summer 2025, Clayton will be joining TD Securities as an Investment Banking Summer Analyst in its Global Energy team. In his spare time, Clayton enjoys rock climbing, working on cars, and cooking.

CONNOR BOT
Investment Analyst
3rd Year, Finance

Connor joined the CPMT in February 2024 as an Investment Analyst. He is thankful for the work of the Board of Trustees and alumni and their continued support of the program. Connor is looking forward to further developing his skills in equity research, financial modelling, and portfolio management. In addition to the CPMT, Connor has previously been involved with the University of Calgary Consulting Association and JDC West as an International Business delegate and finished as a finalist in the McGill International Portfolio Challenge. Connor has previously completed an internship at PwC's Assurance practice and is currently completing an internship with BMO Capital Markets' Energy group as an Investment Banking Winter Analyst this coming winter. In his free time, Connor enjoys weightlifting, piano, and running.

DYLAN WESTLAKE
Investment Analyst
4th Year, Finance

Dylan joined the CPMT in February 2024 as an Investment Analyst. He is thankful for the Board of Trustees and the alumni base that provides continued support of the program. He is excited to further develop skills in equity research, portfolio management, and financial modelling throughout his time with the program. Dylan is currently working towards completing a degree in Finance. In addition to the CPMT, Dylan has been involved with the CFA Research Challenge, the DeNovo Student Investment Fund, and JDC West. Dylan has previously completed internships in Corporate Development, Equity Research, and Accounting. In summer 2025, Dylan looks forward to joining J.P. Morgan as an Investment Banking Summer Analyst. In his free time, Dylan enjoys hiking, hockey, skiing, and weightlifting.

JAMES ALTAMIRANO
Investment Analyst
3rd Year, Finance

James joined the CPMT in February 2024 as an Investment Analyst and is excited to further develop his equity research, portfolio management, and financial modelling skills during his time in the program. James is grateful for the Board of Trustees and the alumni base that provide continued support of the program. Currently, James is working towards completing a degree in Finance. Along with his role at the CPMT, James has also been involved with the DeNovo Student Investment Fund, UCalgary Racing, and has competed in multiple business case competitions. James previously completed an internship at the McLean Family Office as an Equity Research intern. In summer 2025, James will be joining National Bank Financial as an Investment Banking Summer Analyst. In his free time, James enjoys racing shifter karts, watching F1, fishing, playing poker and reading.

JOSHUA OLSON
Investment Analyst
5th Year, Finance

Joshua joined the CPMT in February 2024 as an Investment Analyst and is looking forward to developing his skills in portfolio management, financial modelling, and qualitative analysis. He is thankful for the Board of Trustees and the alumni base that provide continued support of the program. Joshua is currently working towards completing a degree in Finance. In addition to the CPMT, Joshua has been involved with the Haskayne Finance Club Equity Research program both as a competition participant and as a coach. Joshua has previously completed internships in Corporate Development and Accounting with Pivotal Energy Partners and Burnet Duckworth & Palmer LLP. In summer 2025, Joshua will be joining National Bank Financial as an Investment Banking Summer Analyst. In his spare time, Joshua enjoys golfing, cooking, travelling, and video games.

SMRITI SEWAK
Investment Analyst
3rd Year, Finance

Smriti joined the CPMT as an Investment Analyst in February 2024 and is excited to develop her skills in financial modelling, portfolio management, and qualitative analysis. She is grateful to the Board of Trustees and alumni who continue to support the program. Smriti is currently pursuing a degree in Finance. In addition to the CPMT, Smriti has collaborated with the DeNovo Investment Fund and the Haskayne Student Association. In Fall of 2024, she completed an internship at BMO Capital Markets as an Investment Banking Fall Analyst. In summer 2025, Smriti will be joining J.P. Morgan as an Investment Banking Summer Analyst in the Energy, Renewables, Power, and Mining Group. In her spare time, Smriti enjoys reading, photography, baking, and playing badminton.

TARO LAKRA
Investment Analyst
3rd Year, Finance / Economics (Minor)

Taro joined the CPMT as an Investment Analyst in February 2024 and is looking forward to developing his skills in equity research, financial modelling, and portfolio management. He is grateful to the Board of Trustees and the alumni base for providing him with this valuable learning opportunity. Taro is currently pursuing a degree in Finance with a minor in Economics. Beyond CPMT, he won a gold medal in debate at the Inter-Collegiate Business Competition (ICBC), finished as a finalist at the McGill International Portfolio Competition (MIPC), and is actively involved with Scholars Academy and the MIT Sloan Sports Analytics Mentorship Program. During summer 2024, Taro interned in Montreal with KisoJi Biotechnology, an AI-integrated antibody discovery company. In his free time, Taro enjoys tennis, poker, travel, and watching sports. He is also currently learning to kitesurf.

Portfolio Strategy and Sector Views

OVERVIEW

During FY2025, the CPMT aims to supplement pitches and the analysis of new companies with a holistic view of the portfolio. This page provides a summary of the CPMT's outlook on each sector, which will help shape future capital allocation decisions. The CPMT investment philosophy is centred on intrinsic value combined with systematic investment selection. A systematic approach ensures discipline in purchase and sale decisions, focuses on owning high-quality businesses and reduces the probability of errors. The Portfolio Managers seek investments that offer quality management, competitive advantages, strong balance sheets, and growing free cash flow, all while at an attractive valuation. We continue to monitor the U.S. and Canadian yield curves, credit spreads, labour market, and corporate profits to measure economic activity and believe that our efforts will lead to outperformance over the next year. The lasting macroeconomic impacts of COVID-19 affecting central bank interest rates and supply chains globally, along with the threat of U.S. tariffs, will be a continued area of consideration for us as we evaluate potential names, placing increased importance on mandate fit.

COMMUNICATION SERVICES

The CPMT's Communication Services sole holding is Alphabet (NASDAQ: GOOGL). The Fund is currently 1.3% underweight relative to the blended benchmark. The CPMT will continue to closely monitor its current position in GOOGL, as ongoing antitrust proceedings may impact the Company's operations. Alongside this name, the Fund will evaluate other telecommunication and media names that meet our mandate and provide risk-adjusted returns relative to the benchmark.

CONSUMER DISCRETIONARY

The CPMT's Consumer Discretionary weighting is currently 2.8% overweight relative to the blended benchmark. The performance of companies in this sector rebounded after facing pressure during 2023, as consumer health remained relatively resilient in 2024. The U.S. personal savings rate has fallen to 3.8% in December 2024 from 4.1% in September 2024; as such, the Fund believes this drop may slowly decrease consumer spending in 2025. With U.S. unemployment marginally decreasing to 4.0%, the Fund believes a relatively healthy labour market should continue to boost retail sales. Moving forward, companies will need to invest heavily in fulfillment capabilities and focus on customer retention. The CPMT is confident in our current Consumer Discretionary holdings, Amazon (NASADAQ: AMZN), Aritzia (TSX: ATZ) and Lowe's Companies (NYSE: LOW).

CONSUMER STAPLES

The CPMT's Consumer Staples weighting is currently 7.3% overweight relative to the blended benchmark. The Fund views the sector favourably going forward into a possible recessionary environment, given its defensive nature and historical outperformance during times of market uncertainty. We will continue to monitor further opportunities in the space, but are confident in our Consumer Staples holdings, Costco Wholesale (NASDAQ: COST), Alimentation Couche-Tard (TSX: ATD), and Dollarama (TSX: DOL), given each company's dominant market share, proven management teams, and industry-leading margins.

ENERGY

The CPMT is currently 2.6% underweight in Energy relative to the blended benchmark. The sector is shifting to returning capital to its shareholders versus growing production organically. This has benefited capital-disciplined companies that are achieving net debt targets among lower regional and global crude prices. Natural gas remains under pressure, though LNG offtake in Europe and Asia, continued infrastructure buildout, and new domestic energy demand sources such as data centres have incentivized WCSB Montney gas production. The CPMT believes the shift towards producers monetizing infrastructure, government-incentivized decarbonization, and continued high netbacks will drive strong returns to shareholders in the near term. The Fund holds companies with distinct competitive advantages and the ability to generate free cash flow throughout various commodity price cycles and will continue to monitor the mandate fit of our current energy holdings, Canadian Natural Resources (TSX: CNQ), Enbridge (TSX: ENB), Enterprise Products Partners (NYSE: EPD) and Tourmaline (TSX: TOU).

FINANCIALS

The CPMT is confident in the quality of its financial holdings, JPMorgan Chase (NYSE: JPM), Royal Bank of Canada (NYSE: RY), and Brookfield Asset Management (TSX: BAM). We view strong underlying credit quality and high deposit levels as tailwinds to the performance of larger banks. Over the past two years, the space has been tempered by increasingly negative investor sentiment due to the recent downfall of several banks, the large credit spreads on subprime consumer loans, and geopolitical tensions. However, the easing of monetary policy in G7 countries is poised to stimulate capital markets activity, soften margins, and deliver superior returns. Currently, the Fund is assessing additional weighting in its financials holdings, as the CPMT is 9.8% underweight in the sector.

HEALTH CARE

The CPMT is currently 0.5% overweight in Health Care, as we believe growth opportunities in the sector will persist post-pandemic, as ever-evolving health concerns continue to drive demand for technological and product innovation of treatment methods. The rise of Artificial Intelligence (AI) is improving diagnostic accuracy, streamlining administrative tasks, and personalizing patient care. The sector's historically low beta and non-discretionary nature allow it to remain defensive during recessionary periods, a trend that the Fund has primarily capitalized on through Thermo Fisher Scientific (NYSE: TMO) and McKesson (NYSE: MCK). The Fund will continue to monitor developments in the sector to ensure its holdings remain aligned with advancements and demand shifts within the industry.

INDUSTRIALS

The CPMT is currently 2.0% overweight in Industrials relative to the blended benchmark, as we view sector trends in nearshoring and sensitivity to GDP growth as favourable for our holdings. High interest rates and valuations continue to pressure growth through infrastructure expansions or M&A, though pricing realizations on transportation and physical products have kept up with inflation. The CPMT is principally invested in companies with distinct competitive advantages in critical industries to weather high commodity prices and interest rates while generating consistent free cash flow. The Fund currently holds Canadian National Railway (TSX: CNR), Canadian Pacific Kansas City (TSX: CP), Cargojet (TSX: CJT), Cintas (NASDAQ: CTAS), and Waste Connections (TSX: WCN).

INFORMATION TECHNOLOGY

The CPMT is 1.9% underweight in Information Technology relative to its blended benchmark. The Fund has actively monitored the performance of Information Technology sector valuations amidst a cooling interest rate environment coupled with the emerging trend of AI. The CPMT remains optimistic about the growth opportunities of its Information Technology holdings, which include Microsoft (NASDAQ: MSFT), Apple (NASDAQ: AAPL), Visa (NYSE: V), and Constellation Software (TSX: CSU). The Fund sees outperformance over the medium term, driven by the increasing trend in AI, strong market share, and resilience of our holdings.

MATERIALS

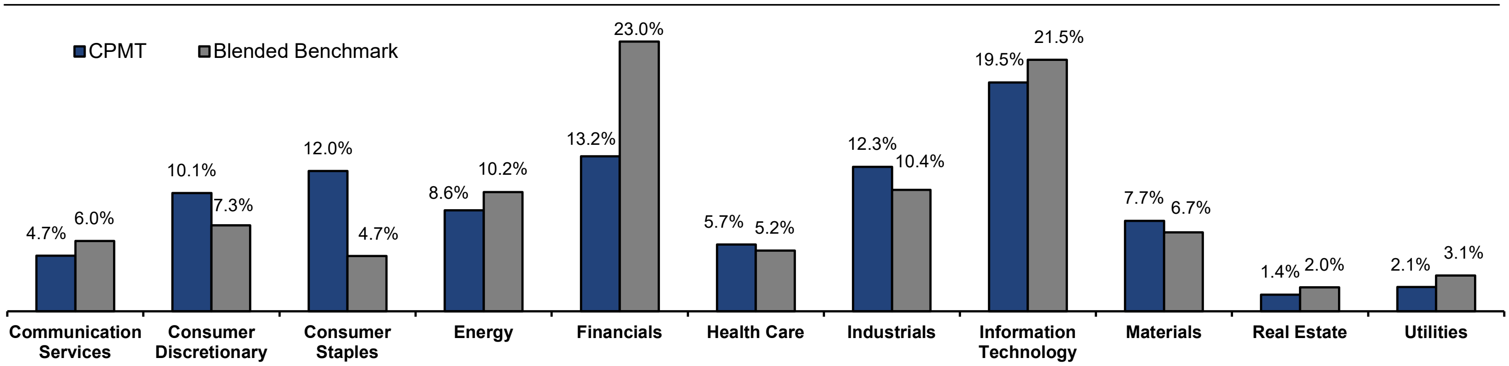
The CPMT is currently 1.0% overweight in Materials relative to the blended benchmark. The sector has seen increasing demand for green industrial gases, electrification minerals, and construction products, and are expected to be key catalysts for growth. Although high interest rates labour shortages, and supply chain constraints have hindered the recent momentum experienced by major operators, the CPMT's Materials holdings are well-suited to mitigate inflation effects through pricing power. Given the ongoing risk of U.S. tariffs, the Fund will continue to closely monitor its holdings and seek companies with revenue diversification beyond North America or those that have control over their supply chains. The CPMT will continue to assess the impact of these developments on its Materials portfolio, which includes CCL Industries (TSX: CCL.B), CRH (NYSE: CRH), and Linde Plc (NYSE: LIN).

REAL ESTATE

The CPMT is currently 0.6% underweight in Real Estate relative to the blended benchmark. In FY2023, the Fund initiated a position in Prologis (NYSE: PLD), which remains the sole holding in the sector. The CPMT maintains a strong view of the warehousing industry due to nearshoring trends and e-commerce penetration. Additionally, PLD's global presence and organic growth strategy will allow the Company to capitalize on expansion opportunities. The Fund will continue to monitor developments throughout the sector, including changes in the interest rate environment and supply chain disruptions.

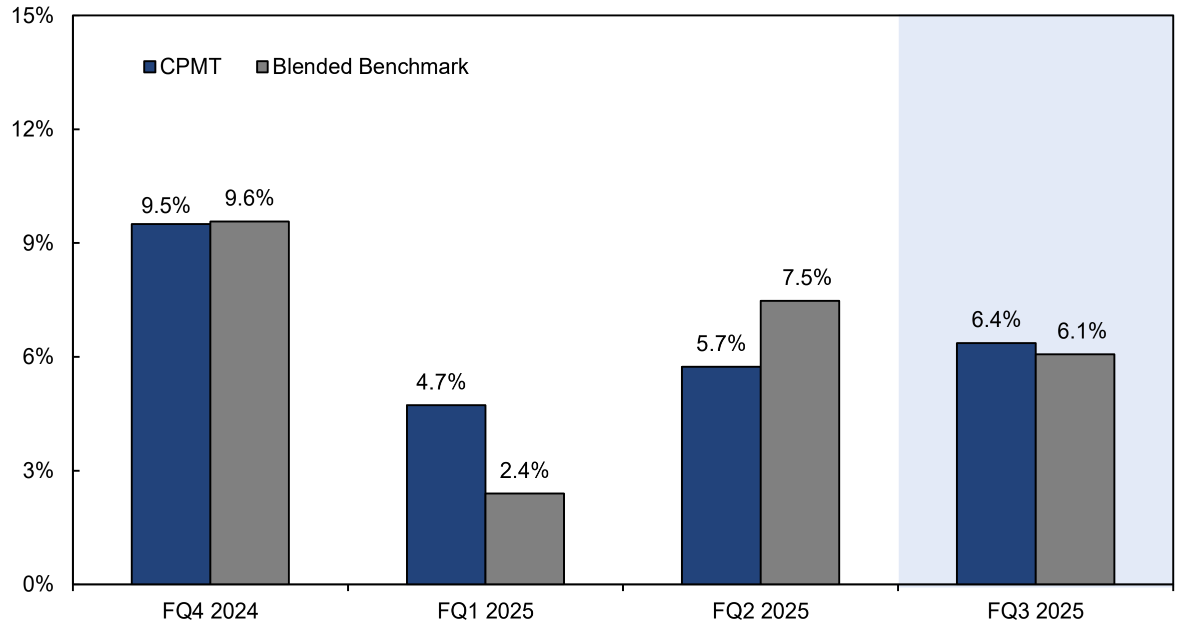
UTILITIES

The CPMT is currently 1.0% underweight in Utilities relative to the blended benchmark, with Capital Power (TSX: CPX) as the sole holding. In Q3 2025, the Fund initiated a position in Capital Power. The CPMT views CPX as a premium operator of natural gas generation assets, which are increasingly critical for grid stability and well-positioned to benefit from growing and constrained electricity markets in the U.S. Additionally, the Fund believes CPX will transition into a leading pure-play natural gas IPP. Overall, the CPMT views continued rate cuts into 2025 as a tailwind for utilities and expects outperformance in the sector as more favourable rates will enable these companies to refinance and extended maturities.

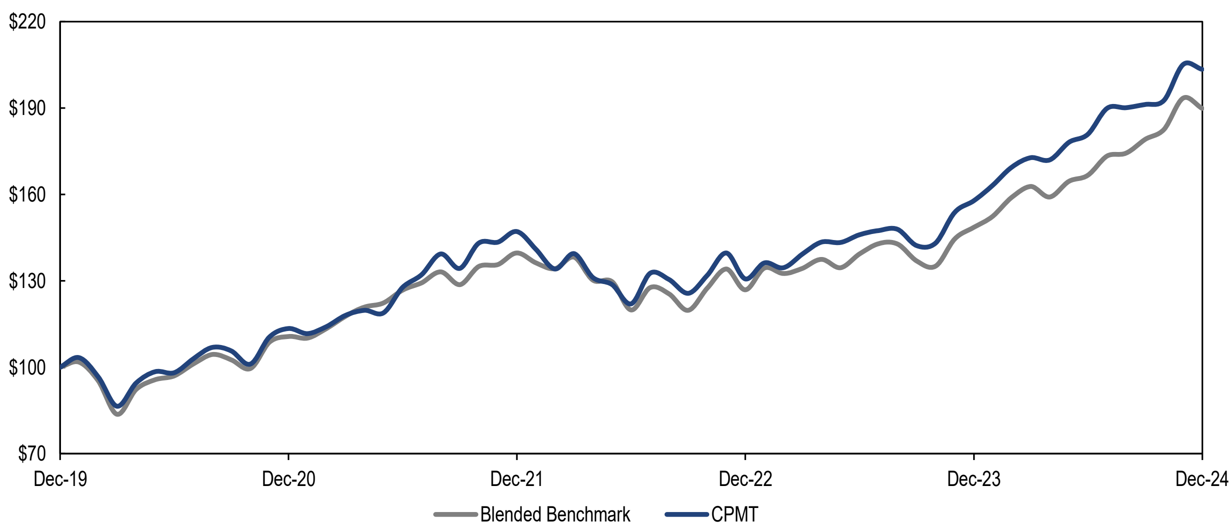


Quarterly Snapshot - FQ3 2025

CPMT and Benchmark Total Return (TTM)



Value of $100 (since December 31, 2019)

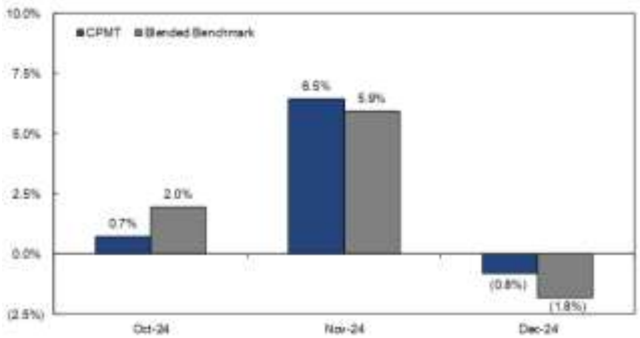


Fund Universe

	FQ3 2025	1 Year	3 Year	5 Year	10 Year
CPMT	6.37%	28.96%	11.41%	15.65%	11.02%
Blended Benchmark	6.07%	27.89%	10.78%	13.69%	10.08%
Blended Benchmark Difference	0.30%	1.07%	0.63%	1.95%	0.94%

Quarter in Review

QUARTER RETURN



NOTE TO STAKEHOLDERS

The CPMT Class of 2025 would like to extend our gratitude to the Board of Trustees, the CFA Society of Calgary, and CPMT alumni for their continued involvement and support of the program. We would like to thank all of our supporters in the Calgary business community for their vested interest in the program and the professionals who have volunteered their time to be a part of the mentorship program. This mentorship provides students with invaluable support, ranging from technical expertise to career guidance and more.

Involvement in the CPMT program offers unique exposure to a challenging, rewarding, and scholastic environment, creating an unrivalled student experience. The goal of the Fund is to succeed long into the future and support student opportunities. This goal is driven by our commitment to research within the Fund as well as donating 4% of the 3-year trailing AUM annually in support of collaborative financial research.

OVER THE QUARTER

The Fund returned 6.37% over the quarter, 30 bps above the Blended Benchmark's return of 6.07%. Overperformance in the Communication Services and Health Care sectors was slightly offset by relative underperformance in both Real Estate and Consumer Discretionary. The Fund currently has a 40/60 Canada/U.S. equity exposure. We are comfortable being overweight U.S. names due to the quality and growth profiles of our U.S. holdings and will continue to seek companies with a mandate fit in both Canada and the U.S.

Over the quarter, the Fund initiated positions in the following names:

Amazon (NASDAQ: AMZN): In December, the Fund initiated a position in AMZN at a 2 conviction. The CPMT believes that the Company's dominant market position postures it well to capitalize on secular tailwinds, such as increased cloud adoption and e-commerce penetration. Additionally, outsized growth in AMZN's high margin AWS and advertising segments, as well as continued cost reduction efforts, are expected to drive strong margin expansion and earnings growth.

Capital Power (TSX: CPX): With the ongoing shift towards renewable energy, which is often limited by intermittent electricity generation, the demand for complementary flexible power generation will grow. CPX is well-positioned to meet this need with its extensive fleet. The CPMT also believes that the Company will continue to drive incremental operating improvements and increasingly favourable contracting terms at its facilities, further improving CPX's potential as a vehicle for growing and consistent returns.

CRH (NYSE: CRH): In November, the CPMT entered a position in CRH at a 2 conviction. The Fund favours the Company's dominant position in the U.S. and Europe's heavy building materials and infrastructure development market. CRH's vertical integration and strategic assets in key growth regions in the U.S. stand to significantly outperform peers in the current public infrastructure investment environment.

Lowes Companies (NYSE: LOW): In November, the Fund entered a position in LOW at a 1 conviction. The CPMT favours LOWs' focus on Pro-customer growth and growing operating margins. Additionally, the Company remains committed to its capital return program supported by its omnichannel business model that offers protection against short-term do-it-yourself headwinds. LOW's is positioned to outperform peers as it improves its existing U.S. asset base compared to international expansion.

The CPMT also increased its conviction in Brookfield Asset Management (TSX: BAM).

To fund these trades, the CPMT divested its positions in Brookfield Corporation (TSX: BN), NextEra Energy (NYSE: NEE), and Zoetis (NYSE: ZTS).

The Fund also trimmed its positions in Cintas (NYSE: CTAS), Constellation Software (TSX: CSU), and Costco (NASDAQ: COST).

NEW RECOMMENDATIONS

	COMPANY	IMPLIED RETURN
OUTPERFORM	UnitedHealth Group	32 %
	Manulife Financial	26 %
	Veeva Systems	11 %
	Emerson Electric	10 %
PERFORM	Brookfield Asset Management	9 %
	Topaz Energy	9 %
	CAE	6 %
UNDERPERFORM	Prologis	(5)%

*Note: Reflects implied upside as of December 31, 2024.

TRANSACTION LOG

COMPANY	OLD AUM	NEW AUM
Capital Power	0.0%	2.0%
Brookfield Asset Management	0.9%	4.0%
amazon	0.0%	4.0%
CONSTELLATION SOFTWARE INC.	6.5%	5.9%
COSTCO WHOLESALE	6.9%	6.1%
zoetis	1.6%	0.0%
NEXTera ENERGY	4.0%	0.0%
Brookfield	4.0%	0.0%

*Note: AUM is reflected as of the time of transaction.

Calgary Portfolio Management Trust

Brookfield Asset Management

Financials
TSX: BAM
Market Perform | Hold

Brookfield Asset Management

December 31, 2024

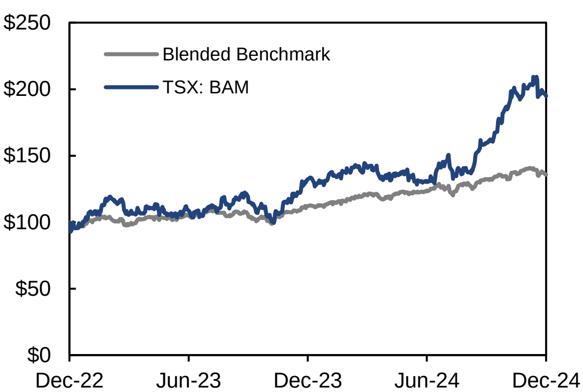
Sohil Agrawal, Portfolio Manager
Dylan Westlake, Investment Analyst
Joshua Olson, Investment Analyst

Return on Investment	
Current Share Price	$77.96
Target Price	$83.00
Dividend Yield	2.73%
Implied Return	9%
Conviction Rating	2

Market Profile	
52-Week Range	$51.14 - $84.17
Market Capitalization ($B)	$127.5
Net Debt ($B)	$0.3
Enterprise Value ($B)	$127.8
Beta (5-Year Monthly)	1.37

Metrics	2024E	2025E	2026E
DE (US$mm)	$2,821	$3,417	$4,008
FBC (US$B)	$534	$625	$733
DE/share	$1.73	$2.09	$2.45
P/DE	26.1x	22.2x	18.9x

Holding Period Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: Corporate Restructuring Agreement

Entity	Existing Ownership	Proposed Ownership
Brookfield Asset Management *(TSX: BAM)*	*27% ownership of the BAM ULC*	*BAM to own 100% of the BAM ULC*
Brookfield Corporation *(TSX: BN)*	*73% ownership of the BAM ULC*	*BN to own 73% of BAM via publicly traded shares*
Brookfield Asset Management ULC	*73% BN and 23% BAM ownership*	*BAM to own 100% of the BAM ULC*

Source: Company Filings

Business Description

Brookfield Asset Management (TSX: BAM) is a global alternative asset manager with investments across infrastructure, real estate, private equity, credit, and renewable power and transition. As of Q3 2024, the Company's Assets Under Management (AUM) and Fee-Bearing Capital (FBC) totalled ~$1T and ~$539B, respectively. BAM's offerings are structured through three main categories: (1) Long-term Private Funds, (2) Permanent Capital Vehicles and Perpetual Strategies, and (3) Liquid Strategies. These products comprised 48%, 39%, and 13% of the Company's FBC, respectively.

Recent Developments

On October 31, 2024, BAM entered a corporate restructuring agreement with its parent company, Brookfield Corporation (TSX: BN). Under this agreement, the Company will own 100% of the asset management business, while BN will indirectly own 73% of the business through its stake in BAM's publicly traded shares. By simplifying its organizational structure, BAM is positioned for broader equity index inclusion, which has historically resulted in a valuation boost and multiple expansion for corporations due to increased demand from passive institutional investors.

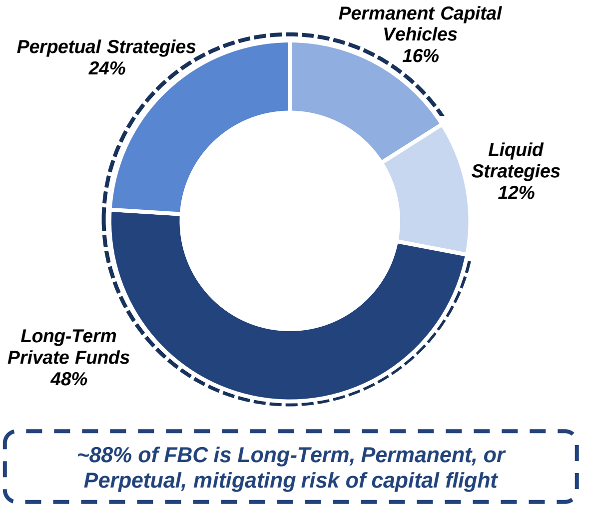
Industry Overview

The alternative asset management industry has outpaced broader asset management industry growth over the past 20 years, growing ~$23T from 5% to 15% of global AUM. Despite recent challenging market conditions, the alternatives sector is expected to benefit in the near term from increased monetization activity, driven by easing inflation and lower interest rates. The industry is dominated by leading global firms such as Apollo (NYSE: APO), Blackstone (NYSE: BX), KKR (NYSE: KKR), and The Carlyle Group (NYSE: CG), with each firm having a distinct asset allocation strategy and investing style. Among these, firms with a stronger focus on credit and infrastructure are expected to benefit from several tailwinds.

Accelerating Growth in Credit: Following the Great Financial Crisis, widespread regulatory reforms such as the Dodd-Frank Act and the Volcker Rule introduced stricter capital requirements and risk-weighting for banks. These reforms reduced banks' capacity to lend to middle-market and high-risk borrowers, creating a gap in the lending market. Since 2009, private credit has grown nearly tenfold, reaching ~US$2T by 2023, establishing itself as one of the fastest-growing asset classes. Despite its rapid expansion in recent years, private credit is poised for further acceleration. Record levels of private equity dry powder, totalling ~US$2.6T as of H1 2024, alongside an increasingly favourable rate environment are anticipated to drive leveraged buyout (LBO) activity in the short term. This is particularly advantageous for private credit, as recent regulatory changes, which feature stricter capital requirements and risk-weighting reforms, have limited traditional banks' lending capacity. As a result, private credit participation in the LBO debt issuance market has increased.

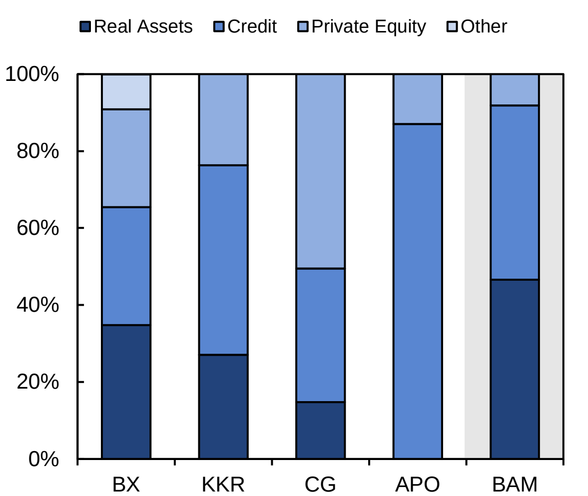
Infrastructure Supercycle: The global demand for infrastructure investment is projected to exceed ~$94T by 2040, driven by digitalization, decarbonization, and deglobalization. (cont.)

Figure 2: 2024E Fee-Bearing Capital Segmentation



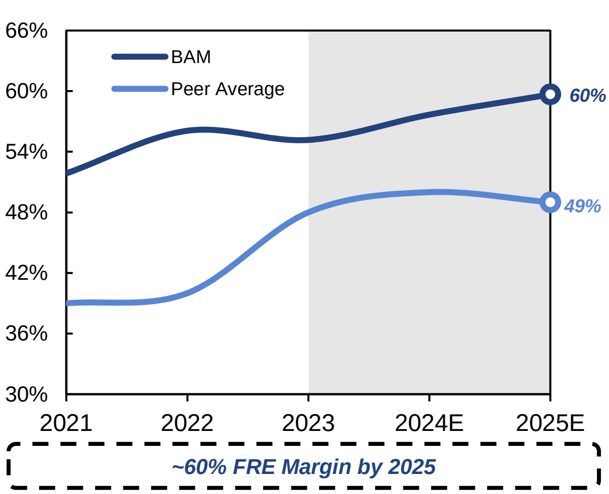
Source: Company Filings

Figure 3: Fee-Bearing Capital Mix vs Peers



Source: Bloomberg, Company Filings

Figure 4: FRE Margin vs Peers



Source: Bloomberg, Company Filings

Specifically, increased demand for data centres and renewable energy, alongside trends of grid modernization and domestic manufacturing has driven significant investment within the sector. As governments and corporations face budget constraints and rising debt levels, private capital plays a critical role in bridging an estimated ~US$500B annual funding gap. As a result, this surge in infrastructure demand presents alternative asset managers with substantial long-term growth opportunities, due to their critical nature and ability to generate stable, inflation-protected cash flows.

Mandate Fit

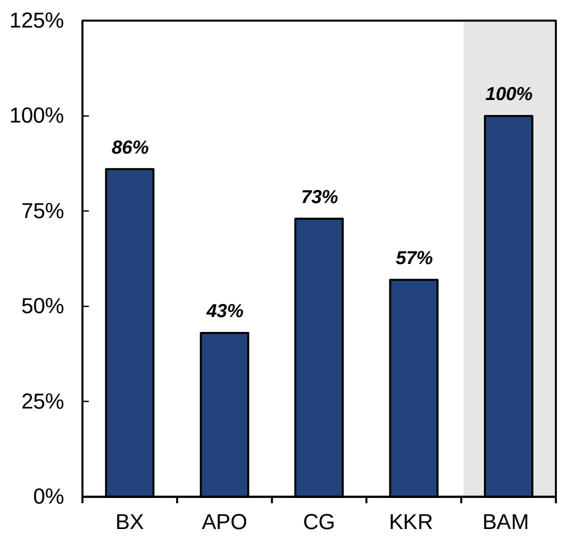
Quality Management: Bruce Flatt has served as the CEO of both BAM and BN since 2002. Since joining in 1990, Flatt has been pivotal in shifting BAM's investment focus from cyclical resource-based businesses to stable, cash-flow-generating assets. Connor Teskey, who has been with BN for over 11 years, serves as President of BAM and CEO of Brookfield Renewable Partners (TSX: BEP-R). Under Teskey's leadership, BAM has shifted focus to the energy transition, establishing the $15B Brookfield Global Transition Fund in 2021. This was the largest ever private capital pool dedicated to net-zero initiatives. As of FY2023, at-risk compensation for the CEO and NEOs is ~88% and ~79%, respectively.

Competitive Advantage: BAM's unique position in the BN ecosystem facilitates global expansion through BN's extensive resources while preserving its capital-light business model, allowing 100% of its earnings to be derived from predictable, fee-related activities. The Company can implement new strategies, engage in large-scale deals, leverage operational efficiencies, utilize investment expertise, and improve deployment and exit opportunities, all while keeping its balance sheet debt-free. The resulting stability supports an ~90% distributable earnings (DE) payout ratio, higher than the peer average of ~85%. BAM's scale further solidifies its competitive edge by reducing fundraising and operational costs, alongside boasting a higher quality underlying asset base compared to peers. This has allowed the Company to excel in fundraising momentum and investor demand in a difficult environment, as the Company raised US$93B in capital, with an additional US$143B in commitments in FY2023. This is driven by access to BN's long-standing network of large, sophisticated institutional investors that provide substantial, highly flexible, and predominantly perpetual capital, a feature achieved by only a select few peers. Lastly, the firm benefits from an asset allocation that favours private credit, renewable power, and infrastructure (~70% of the firm's FBC), all of which are supported by secular tailwinds. Through early investments into renewables, AI infrastructure, nuclear energy, and semiconductor manufacturing, the Company has established itself as a leader with deep expertise in sectors which are experiencing multi-decade investment cycles.

Strong Balance Sheet: BAM operates a debt-free, capital-light balance sheet, enhancing operational flexibility. The Company maintains a strong liquidity position, with $2.1B in deployable capital as of Q3 2024, including $1.3B in cash and financial assets and access to $0.8B in undrawn credit facilities. This liquidity enables the Company to fund strategic transactions, seed new investment products, and maintain its ~90% DE payout ratio.

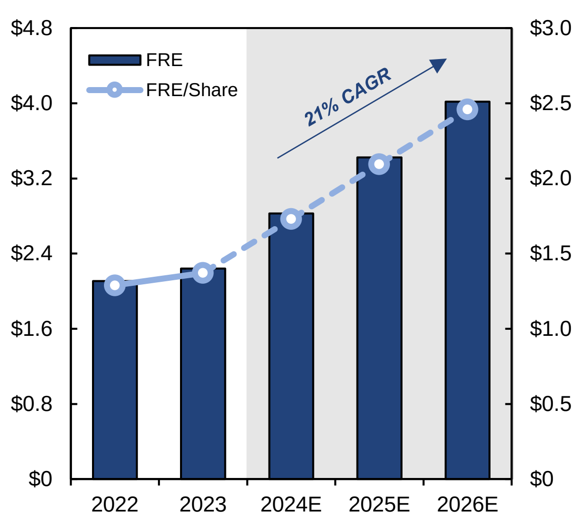
Growing Free Cash Flow: BAM benefits from a stable and predictable earnings base, with ~88% of its FBC being long-term or perpetual, driving ~95% of its fee revenue. The Company has grown fee-related earnings (FRE) and FBC at a five-year CAGR of ~10% and ~13%, respectively. This growth is supported by BAM's (cont.)

Figure 5: DE as a % of FRE vs Peers



Source: Company Filings

Figure 6: LHS FRE (US$B) vs RHS FRE/Share



Source: Company Filings, CPMT Estimates

fundraising capabilities, which generated ~$135B in new capital commitments over the last 12 months. Over the long term, the Company's earnings are positioned to benefit from significant growth in carry-eligible capital, which is forecasted to increase from ~$80B today to ~$465B by 2029. As a result, annual carried interest realizations are expected to reach ~$2B by 2029 and ~$8B by 2033, enhancing BAM's FRE margin and earnings potential.

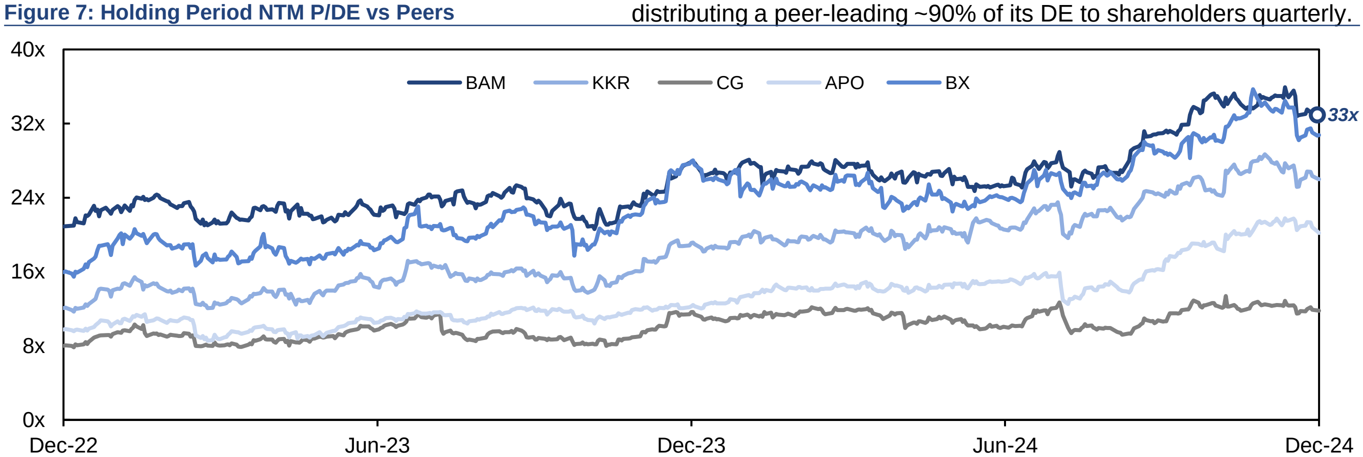
Risks

Alternative asset classes typically face challenges in high-interest-rate environments, as elevated borrowing costs limit leverage and compress exit multiples. For instance, in 2023, rising interest rates and macro uncertainty widened the valuation gap between buyers and sellers, leading to a ~44% decline in buyout-backed exits. This, coupled with a subdued IPO market, has placed increased pressure on GPs. Recent poor distribution-to-paid-in ratios reflect the difficulty in returning capital to LPs, further complicating fundraising efforts. Additionally, higher rates also constrain liquidity and the ability to refinance, potentially limiting BAM's ability to achieve targeted returns on investments. Lastly, the companies that BAM manage are also sensitive to market fluctuations. Broader market decline will drive lower market capitalizations on BN subsidiaries and lower NAV valuations for Brookfield Property Partners (NASDAQ: BPYPP), lowering the fees that BAM collects.

Investment Thesis and Valuation

BAM was valued at $83 per share using a P/DE multiple of 21x on 2028E DE. The fund favours the Company's capital-light, streamlined capital structure, and higher quality reporting over BN's more complex and capital-intensive nature, while still benefiting from its large scale and extensive resources. BAM continues to exhibit strong fundraising momentum in difficult market conditions, driven by long-standing institutional relationships. This also drives perpetual FBC, reducing the risk of forced asset sales during economic downturns. The Company stands out against peers due to industry-leading DE and FRE's margin, with the added advantage of zero debt on its balance sheet. Management's projection of mid-teens FRE growth, with a unique owner-operator structure, justifies BAM's premium valuation. Furthermore, the Fund believes broader index inclusion will serve as a catalyst for multiple expansion, with analysts forecasting an increase of 0.5x - 1.0x. BAM's higher multiple is warranted through inclusion of realized carried interest realizations beginning in 2027, alongside strong continued monetization activity. Lastly, the CPMT favours the Company's capital allocation strategy, distributing a peer-leading ~90% of its DE to shareholders quarterly.

Figure 7: Holding Period NTM P/DE vs Peers



Source: S&P Capital IQ

CAE

Industrials
TSX: CAE
Market Perform | No Action

December 31, 2024

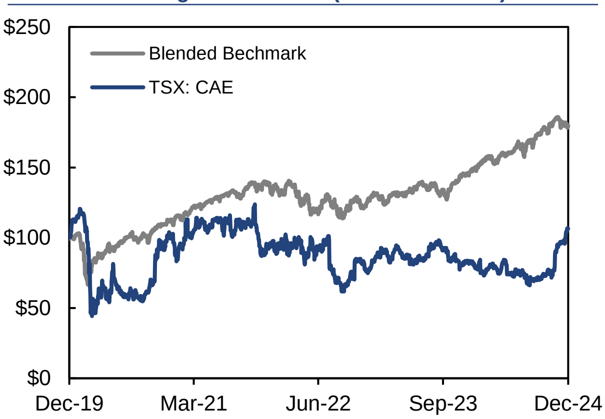
Lukas Fairley, Portfolio Manager
Max Konwitschny, Portfolio Manager
James Altamirano, Investment Analyst

Return on Investment	
Current Share Price	$36.50
Target Price	$38.50
Dividend Yield	0.00%
Implied Return	5%
Conviction Rating	N/A

Market Profile	
52-Week Range	$22.28 - $36.68
Market Capitalization (US$mm)	$10,830
Net Debt (US$mm)	$3,147
Enterprise Value (US$mm)	$13,977
Beta (5-Year Monthly)	1.91

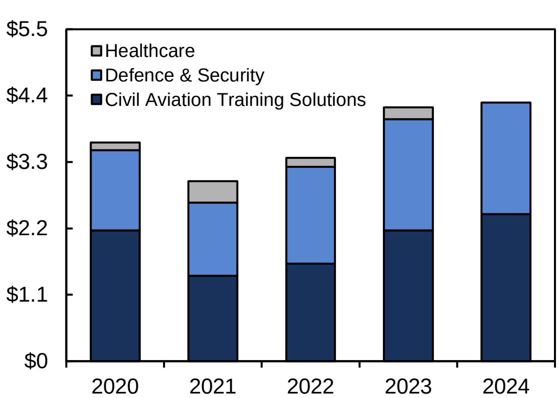
Metrics	**2024A**	**2025E**	**2026E**
Revenue (US$mm)	$4,283	$4,516	$4,867
Adj. EBITDA (US$mm)	$918	$1,065	$1,329
Adj. EPS	$0.87	$1.17	$1.39
EV/EBITDA	15.2x	13.1x	10.5x

Historical Trading Performance (Indexed to $100)



Source: Bloomberg

Figure 1: Revenue Segmentation ($B)



Source: Bloomberg, Company Fillings

Business Description

CAE (TSX: CAE) is an aviation technology company that designs, manufactures, and markets flight simulation and pilot training technology for government and commercial use. The Company operates through two business units: (1) Civil Aviation, and (2) Defence and Security, targeting private and public sector customers.

Civil Aviation: The Civil Aviation business unit provides training equipment and courses for pilots, cabin crews, maintenance technicians, air traffic controllers, and ground personnel. It is the largest provider of flight simulation training in the world, with ~1.3mm instructional hours delivered in FY2024. CAE's simulators are designed for commercial and general aviation pilots, spanning various airframes and roles. Large-scale airlines purchase simulators for in-house pilot training, which is offered to new hires and for regulated, recurring training. In addition to simulator sales, CAE operates in-house training facilities in over 65 locations globally.

Defence and Security: The Defence and Security segment is one of the world's leading defence training and simulation providers. CAE provides training and mission support equipment for air, land, maritime, space, and cyber operations. Additionally, it is the only pure-play, platform-independent simulation provider. The Company solidified its presence in the defence space through its acquisition of L3Harris' (NYSE: LHX) military training business in 2021. CAE operates in-house training facilities in over 65 locations globally, training ~135,000 aviation professionals annually.

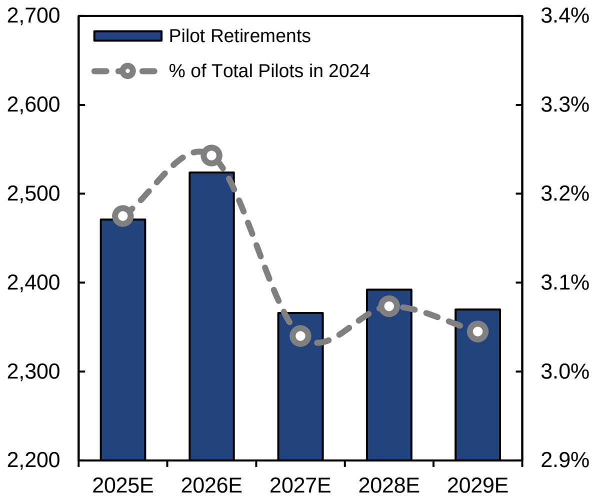
Health Care Divestment

In Q1 2024, CAE completed the divestment of its healthcare segment to Madison Industries for a total consideration of $311mm. The divestiture enables the Company to focus on its core simulation and training markets, reallocating resources to capitalize on growth opportunities while using sale proceeds for deleveraging and technology advancements.

Industry Overview

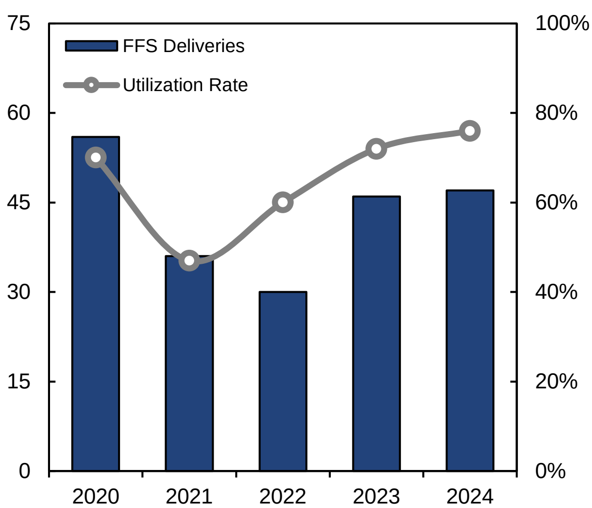
The training and simulation market within the civil and defence aviation industries is largely dominated by CAE, with the Company delivering more Full Flight Simulators (FFS) in 2024 than all its competitors combined. Civil aviation training yields recurring revenue due to stringent regulations that require pilots to undergo annual simulator training. Additionally, many airlines opt to train their pilots semi-annually to improve safety and efficiency. Commercial airlines and government bodies use FFSs in conjunction with other training services for pilot education, certification, and evaluation. These FFSs are installed at training centers owned by simulator manufacturers and aircraft original equipment manufacturers (OEMs), such as Airbus (EPA: AIR) and Boeing (NYSE: BA). As simulators are highly complex, capital-intensive, and low-volume products, manufacturers offset costs by providing high-margin training services on owned FFSs. Over the past two decades, simulator manufacturers have rapidly expanded within this market, supplying simulators to in-house, large-scale training centers in partnership with commercial airlines. This has significantly increased the barriers to entry within the industry, as entrants must compete on a technological (cont.)

Figure 2: LHS Pilot Retirements vs RHS % of 2024 Pilots



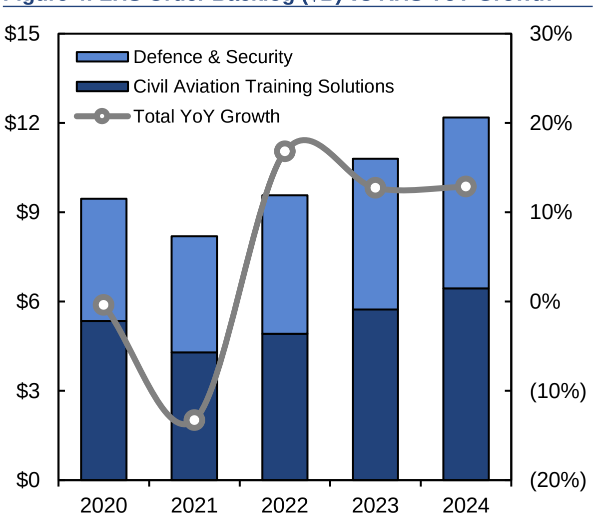
Source: Bloomberg

Figure 3: LHS FFS Deliveries vs RHS Utilization Rate



Source: Company Fillings

Figure 4: LHS Order Backlog ($B) vs RHS YoY Growth



Source: Bloomberg, Company Fillings

and commercial basis against incumbents with close relationships to OEMs. CAE's largest competitor, FlightSafety, also employs this strategy, and specializes in regional and business jet training, maintaining a smaller presence in commercial aviation. Competitors such as LHX and Lockheed Martin (NYSE: LMT) have divested their commercial aviation segments, as tighter margins and higher aircraft licensing costs pressure smaller-scale operators. Consequently, low-volume FFS manufacturers have specialized in niche verticals and regions to remain competitive, including Axis and Sim International.

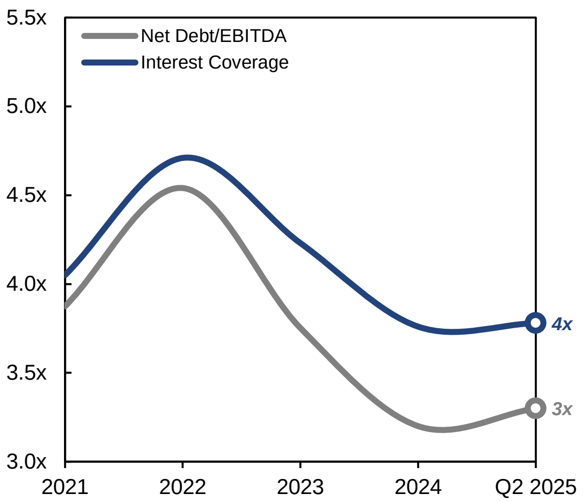
Post COVID-19, the aviation training industry has seen several major shifts in the supply and demand for simulator hardware and software. Pandemic-induced early retirement, increasingly stringent pilot certification and recurrency training processes, and regulatory overhauls have caused a substantial shortfall in the number of pilots in North America. Additionally, industry-wide aircraft shortages from BA and AIR due to supply and labour challenges have cascaded into aviation technology sectors, placing a bottleneck on the demand for training and simulation services. These factors, combined with the rebound in global air travel demand following COVID-19, present a significant opportunity for incumbent training operators, which aim to capitalize on the growing backlog of untrained pilots. The defence simulator market has seen similar shifts in the form of accelerated NATO rearmament initiatives following the invasion of Ukraine. Member countries are expanding defence budgets, with global defence spending rising by 7.0% in 2023 to $2.4T due to heightened geopolitical tensions. This has increased demand for simulator-based training, driven by substantial savings in maintenance, labour, and fuel costs, as well as reduced risk compared to live training exercises. Efficiency pressures and recruitment challenges are also prompting defence forces to outsource training, creating opportunities for recurring business in training and support services.

Mandate Fit

Quality Management: Marc Parent was appointed CEO of CAE in 2009, after serving in several leadership roles within the Company since joining in 2005. Throughout his tenure, Parent led multiple acquisitions, contributing to significant expansion in CAE's civil aviation and defence training networks. Last quarter, the Company announced that Parent would be leaving CAE in August 2025. The Company's Board has yet to find a successor but has retained an executive search firm to find a replacement. Executive compensation is aligned with shareholder interests and is determined by measures, such as adjusted EPS, adjusted order intake, CFFO, and adjusted ROCE. As of FY2024, at-risk pay represented 86% and 68% of total compensation for the CEO and NEOs, respectively.

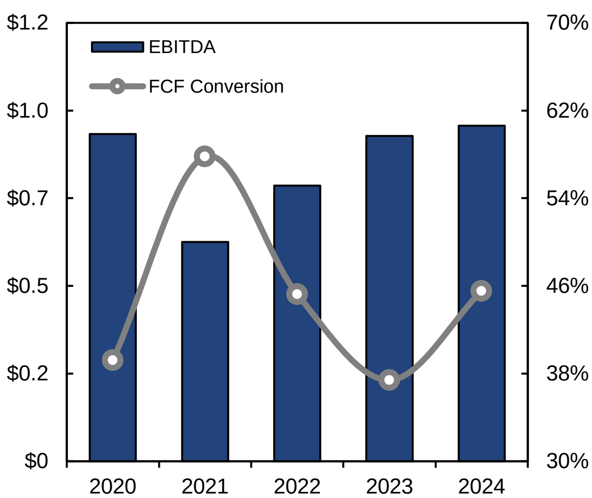
Competitive Advantage: CAE's competitive advantage stems from its leading product offerings, industry expertise, and its first mover advantage in various sub-sectors. This has led to the creation of longstanding relationships with institutional customers, who are unlikely to switch to competitors due to their high degree of integration with the Company. CAE also benefits from its best-in-class global network for regulated training, allowing pilots across the world to access the Company's facilities. CAE also boasts the largest market share amongst its peers, facilitating a competitive position in different jurisdictions across the globe. The Company was able to quickly scale its operations from its acquisitions of Textron's (NYSE: TXT), LHX's, and LMT's simulator businesses. All three of these acquisitions provided CAE with new service offerings, as well as access to new markets and customers. The Company offers the largest variety of flight simulators for various applications and (cont.)

Figure 5: Net Debt/EBITDA vs Interest Coverage



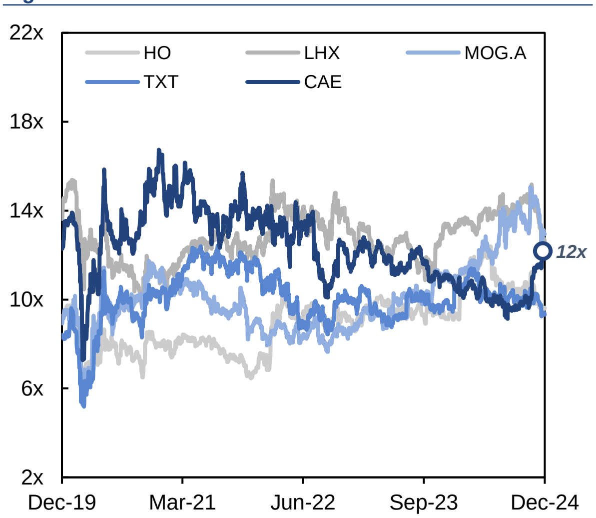
Source: Bloomberg

Figure 6: LHS EBITDA ($B) vs RHS FCF Conversion



Source: Bloomberg, Company Fillings

Figure 7: NTM EV/EBITDA vs Peers



Source: Bloomberg

aircraft types. Additionally, with its scale and operational excellence, CAE is able to lifecycle training services through its network. The Company has signed various commercial agreements with high-profile airlines and government agencies, including a 25-year pilot training contract with the Royal Canadian Airforce and a 20-year authorized training provider agreement with Bombardier (TSX: BBD), among other global airlines, governments, and manufacturers. In addition to its robust contract portfolio, CAE boasts a 70% training facility utilization rate, demonstrating its ability to efficiently train new pilots and fulfill its contractual duties with customers.

Strong Balance Sheet: As of Q2 2025, CAE's Net Debt/EBITDA ratio was 3.3x, down from its peak of 4.5x in FY2022**.** This elevated leverage can be attributed to the Company's acquisition of LHX's military training business. However, CAE has committed to further debt reduction, targeting a sub-3.0x Net Debt/EBITDA ratio by the end of FY2025. CAE holds a BBB- credit rating from S&P due to the recurring nature of the Company's revenues and strong secular growth opportunities in the industry. However, this rating hinges on CAE's ability to continue to reduce its leverage in the coming years. The Company's debt maturity schedule does not concern the CPMT, with only 29% of the Company's debt maturing between 2025 and 2028 and the remainder reaching maturity after 2032.

Growing Free Cash Flow: CAE's FCF growth has been suppressed in recent years by significant capex focused on the buildout of its training network. This has resulted in a modest FCF CAGR of ~5% since 2019. Despite this, the Company's cash flows are highly contracted and recurring, as airline and government-contracted initiation and recurrence training services can have multi-decade tenures. As such, sustained FCF growth has allowed CAE to further strengthen its competitive advantage through strategic acquisitions that expand the Company's aircraft licensing and contract base. Management anticipates FY2025 capex to exceed FY2024 levels by $50 - 100mm. ~75% of these expenditures are expected to be related to organic growth investments, including expanding simulator capacity, supported by multi-year training contracts. Additionally, incremental capital is anticipated to be returned to shareholders through share repurchases on CAE's recently reactivated NCIB. The Fund expects the Company to continue allocating capital to organic growth initiatives, driven by increased OEM outsourcing opportunities, as airlines seek to optimize fixed costs or upgrade their fleets.

Investment Thesis

The CPMT favours CAE's status as the world's dominant aviation training & simulation operator, as well as its long-term, high-profile contract portfolio. The Company has been able to effectively scale its business through its prudent capital allocation, as well as capitalize on secular tailwinds in pilot shortages, pilot retirements, and reduced flight hour requirements.

CAE was valued using a 2029E EV/EBITDA multiple of 12x and discounted with a WACC of 10%, resulting in a target price of $39. The Company's share price has been resilient following the gradual completion of its legacy defence contracts and the announcement of its CEO succession plan. The Fund believes that margin recovery in the Company's defense business, and the passing of short-term headwinds in training business point toward material upside. However, due to uncertainty surrounding CAE's ability to sufficiently decrease leverage, the CPMT currently does not believe that the Company meets our investment criteria and will continue to monitor the name for improvements in liquidity and operational execution.

Calgary Portfolio Management Trust

Emerson Electric

Industrials
NYSE: EMR
Market Outperform | No Action

December 31, 2024
Smriti Sewak, Investment Analyst

Return on Investment

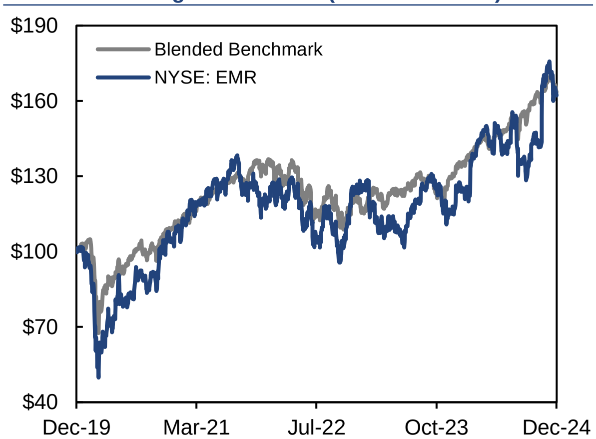
Current Share Price	$123.93
Target Price	$133.89
Dividend Yield	1.70%
Implied Return	10%
Conviction Rating	N/A

Market Profile

52-Week Range	$90.03 - $134.33
Market Capitalization ($mm)	$72,346
Net Debt ($mm)	$4,099
Minority Interest	$5,873
Enterprise Value ($mm)	$82,319
Beta (5-Year Monthly)	1.29

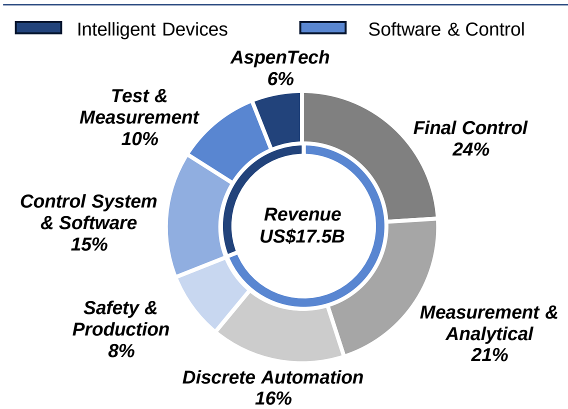
Metrics	2024A	2025E	2026E
Revenue ($mm)	$17,492	$18,867	$20,039
EBITDA ($mm)	$4,197	$4,216	$4,803
EPS	$3.46	$5.33	$5.88
EV/EBITDA	19.6x	19.5x	17.1x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: FY2024 Segmented Revenue



Source: Company Filings

Business Description

Emerson Electric (NYSE: EMR) is a leading global technology and software company headquartered in St. Louis, Missouri. The Company specializes in automation solutions, offering innovative technologies and services that optimize operations, enhance safety, and support sustainability for a diverse range of industries. EMR operates in 170 countries and serves customers within the chemical processing, power generation, life sciences, automotive, food & beverage, and semiconductor industries.

EMR's operations are organized into seven segments under two categories: Intelligent Devices and Software and Control. Intelligent Devices consists of four segments focused on hardware solutions, including (1) Final Control, (2) Measurement & Analytical, (3) Discrete Automation, and (4) Safety & Productivity. Software and Control consists of three segments delivering advanced software and systems including (1) Control Systems & Software, (2) Test & Measurement, and (3) AspenTech. This structure enables the Company to offer integrated hardware and software solutions for industrial automation and innovation.

Portfolio Transformation

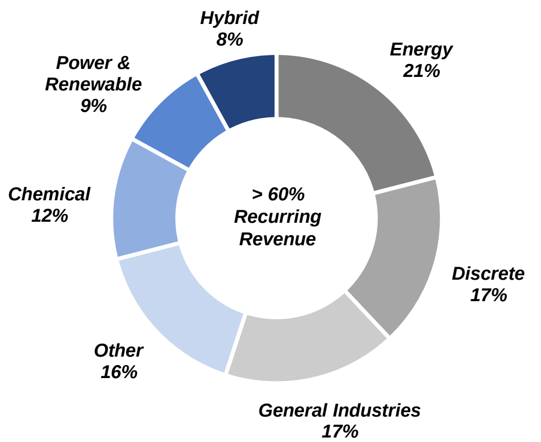
In recent years, EMR has undergone a significant portfolio transformation aimed at increasing its focus on high-growth and high-margin markets such as automation, software, and disruptive technologies. This transformation involved strategic acquisitions and divestitures that have redefined the Company's structure and market positioning. In FY2023, EMR acquired National Instruments (NI) for ~US$8B, integrating its expertise in software-connected automated test and measurement systems. This acquisition bolstered the Company's ability to deliver solutions that accelerate product development cycles and reduce costs for customers. Additionally, through a partnership with AspenTech, EMR has expanded its software capabilities in asset optimization, leveraging advanced analytics to maximize industrial performance. After initially acquiring a majority stake in AspenTech in 2022, the Company announced plans to purchase the remaining shares in FY2024. EMR divested its Climate Technologies segment in 2023 for US$14B to streamline its operations and focus on automation and industrial software. Other non-core businesses, such as InSinkErator and Therm-O-Disc, were also divested to focus on the Company's core portfolio.

Industry Overview

EMR operates in several specialized sectors, including valve manufacturing, copier and optical machinery manufacturing, and power conversion equipment manufacturing. The Company's largest market share is in the power conversion equipment manufacturing industry, where it holds ~16.3% of industry revenue. Key competitors in this space include Exide Technologies, and Schneider Electric (EPA: SU).

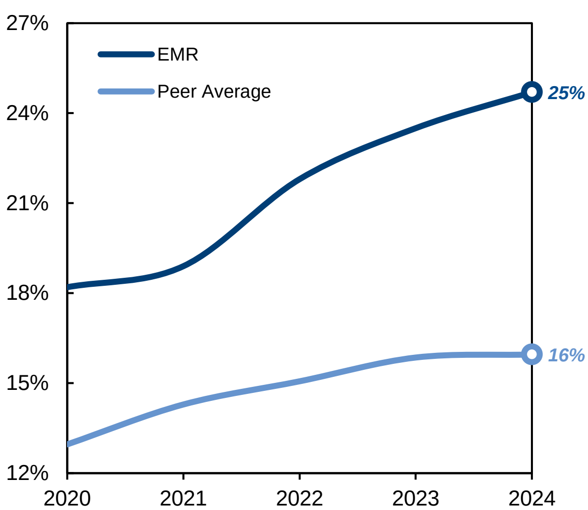
The power conversion equipment manufacturing industry has experienced steady growth, with a CAGR of 3.3% from 2019 to 2024, bringing total industry revenue to $24.1B in FY2024. However, this growth rate is expected to slow in the coming years, with a projected 1.6% CAGR from 2024 to 2029. The slowdown (cont.)

Figure 2: EMR End Markets



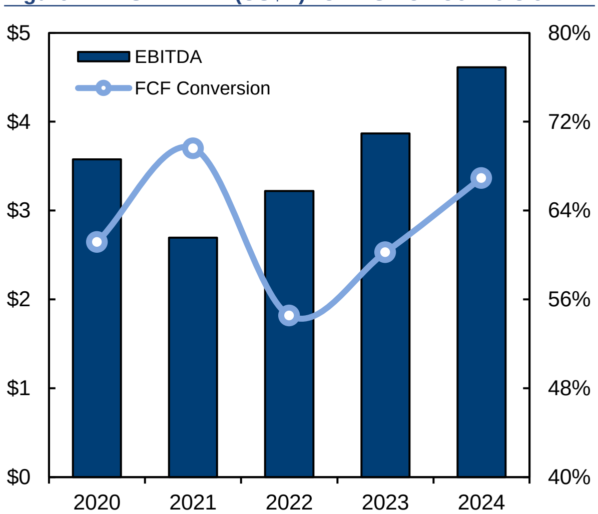
Source: Company Fillings

Figure 3: Operating Margin vs Peers



Source: S&P Capital IQ

Figure 4: LHS EBITDA (US$B) vs RHS FCF Conversion



Source: Company Fillings

in the industry is primarily due to global supply chain disruptions, increased demand for critical components, and manufacturing capacity constraints. Over FY2024, revenue growth was 0.7%, a moderate slowdown after a period of robust expansion.

EMR holds a leading position in the valve manufacturing sector, accounting for 6.2% of industry revenue in 2024, the largest market share amongst all operators in this vertical. The Company offers a comprehensive range of valves for industries such as energy, water treatment, and industrial automation, with a focus on high-performance, reliable products. While its competitor, Applied Industrial Technologies (NYSE: AIT) primarily specializes in maintenance, repair, and operations products, EMR distinguishes itself by offering a more diversified portfolio. Lastly, the Company's peer, Parker-Hannifin, (NYSE: PH) is known for its hydraulic, pneumatic, and motion control technologies, with a smaller emphasis on valve solutions. This has led to a relative decrease in its market share in this segment.

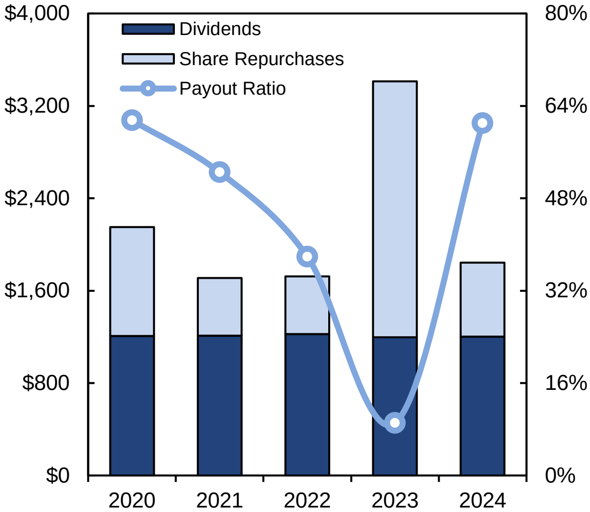
EMR is well-positioned to benefit from ongoing trends in electrification, digitalization, and the global energy transition. These shifts are expected to drive long-term demand for the Company's products, particularly in industries like power generation, industrial automation, and energy-efficient systems. Government infrastructure initiatives also provide a favourable environment, supporting growth in U.S. greenfield industrial projects.

Mandate Fit

Quality Management: Lal Karsanbhai, President and CEO of EMR, has led the Company since 2021 following a highly successful tenure in various leadership roles since joining in EMR in 1995. Under Karsanbhai's leadership, EMR has significantly expanded its software and digital transformation business, transitioning from previously single-digit annual growth to achieving through-cycle growth. Executive compensation is tied to specific operational and financial targets including operating profit, FCF, and total shareholder returns, with at-risk pay representing 93% and 84% for the CEO and NEOs, respectively.

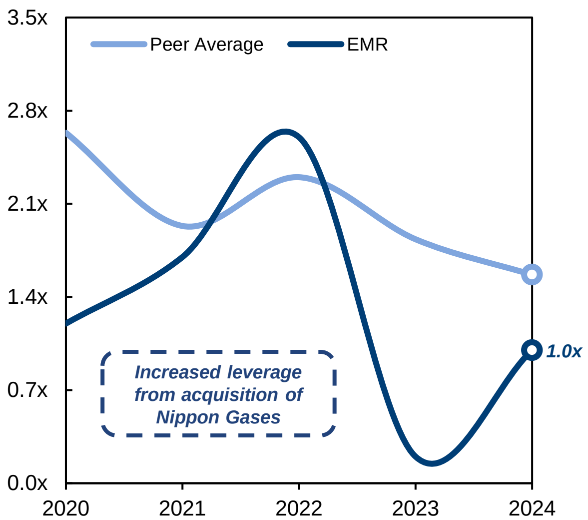
Competitive Advantage: EMR's profitability stems from its strategic focus on high-margin automation and software markets, supported by its comprehensive portfolio of intelligent devices and advanced software. The Company holds a significant competitive edge with an industry-leading operating margin of 25%, compared to a peer average of 16% in FY2024. Unlike its peers, EMR provides all-in-one solutions, such as combining Fisher valves, Rosemount instrumentation, and AspenTech software, enabling customers to achieve seamless process optimization. The Company's diversified portfolio and cross-selling capabilities enhance customer value while creating a one-stop shop for automation solutions. EMR's global presence in over 170 countries has enabled it to drive significant EBITDA margin expansion, increasing from a low of 18% a high of 25% over the past five years. The Company's scale has enhanced its ability to streamline its supply chain, which has further improved operational efficiency and boosted margins. With annual revenues exceeding US$20B, EMR leverages its global scale to negotiate better pricing with suppliers and optimize production processes. This scale not only reduces per-unit costs but also allows for significant economies of scale in logistics, contributing to a gross margin of ~45% in recent years, compared to an industry average of ~35%. Its strategic sourcing and supply chain efficiencies have helped reduce lead times by 20%, further enhancing the Company's ability to maintain competitive pricing and improve profitability.

Figure 5: LHS Dividends (US$mm) vs RHS Payout Ratio



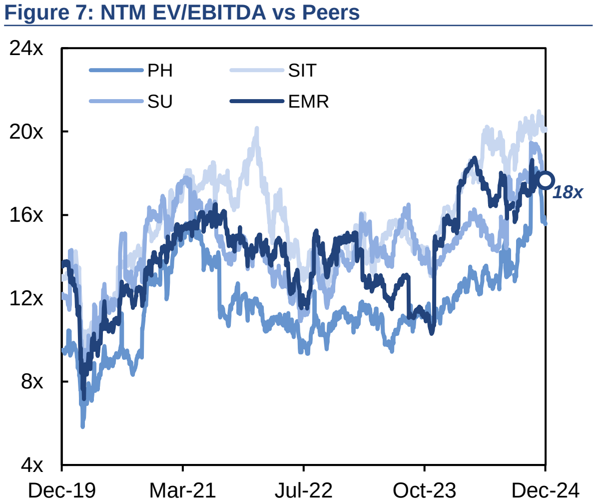
Source: Company Fillings, S&P Capital IQ

Figure 6: Net Debt/EBITDA vs Peers



Source: S&P Capital IQ

Figure 7: NTM EV/EBITDA vs Peers



Source: S&P Capital IQ

Strong Balance Sheet: EMR holds a Net Debt/EBITDA ratio of 1.0x and an interest coverage ratio of 16.9x, compared to peer averages of 1.6x and 20.8x, respectively. While the Company's interest coverage ratio is slightly lower than its peers, it reflects a more conservative approach to debt issuance or a relatively higher proportion of non-debt financing. Despite this, EMR generates a FCF of US$3.6B, which is sufficient to cover its interest payments. The Company also holds a credit rating of A from S&P.

Growing Free Cash Flow: EMR has grown its FCF at a five-year CAGR of 15.7%. The Company has executed over US$18.0B in M&A transactions, acquiring assets with high margins and consistent 2 - 4% growth, leading EMR to generate US$3.1B of FCF in FY2024. Additionally, EMR has consistently returned capital to shareholders through 68 consecutive years of increasing dividends and a five-year CAGR of 1.4%. In FY2025, the Company intends to allocate US$2B for share repurchases and ~US$400mm to capex, accounting for 14% of its FCF.

Risks

Recent Acquisitions: The US$8.2B acquisition of NI presents potential integration risks. EMR must successfully merge NI's operations, culture, and technologies with its existing business to realize expected synergies and growth. Additionally, the Company has proposed an acquisition of the remaining outstanding shares of AspenTech for US$240 per share (implying a US$15.3B market cap) carrying execution risks, including potential shareholder resistance and regulatory scrutiny.

Divestiture Impacts: The sale of a majority stake in the Climate Technologies business and subsequent divestiture of the remaining 40% stake in August 2024 for US$1.5B represents a significant shift in EMR's portfolio.

Previous M&A integrations have been smaller in scale or involved companies with more similar operational models, making those processes potentially smoother. In contrast, these acquisitions and divestitures introduce new complexities, including regulatory scrutiny, and the potential for unforeseen operational hurdles. Additionally, the divestiture of key businesses like Climate Technologies and the potential sale of the Safety & Productivity segment could disrupt EMR's revenue streams and market position, leading to heightened financial volatility. These risks underscore the importance of precise execution and strategic planning in safeguarding EMR's future growth.

Investment Thesis and Valuation

EMR was valued at US$134 using a five-year DCF with a WACC of 8.5%. The target price was derived using an 80/20 blend of (1) the Gordon Growth method, using a 2.0% terminal growth rate, and (2) an EV/EBITDA exit multiple of 16.0x.

As a result of the current uncertainties surrounding the Company's potential M&A activity and the associated risks, the CPMT does not recommend a buy. While EMR has demonstrated strong operational efficiencies, a robust competitive advantage, a strong balance sheet, and compounding annual FCF, the complexity and scale of the proposed acquisitions introduce significant execution risks. These factors create potential obstacles to realizing expected synergies and growth, which could impact the Company's financial performance in the near term. Until there is greater clarity regarding the success of these integrations and how they will shape into EMR's portfolio, the CPMT will continue to monitor the name and perform further due diligence as required.

Manulife Financial

Financials
NYSE: MFC | TSX: MFC
Market Outperform | Buy

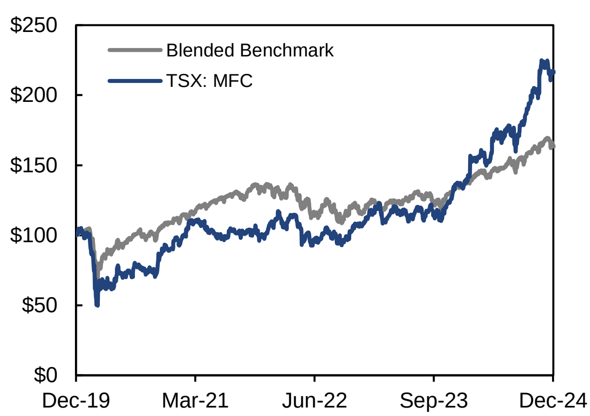
December 31, 2024
Caitlin Heggerud, Investment Analyst

Return on Investment	
Current Share Price	$44.16
Target Price	$53.86
Dividend Yield	3.64%
Implied Return	26%
Conviction Rating	2

Market Profile	
52-Week Range	$28.06 - $46.42
Market Capitalization ($mm)	$76,630
Net Debt ($mm)	$3,119
Enterprise Value ($mm)	$80,028
Beta (5-Year Monthly)	1.07

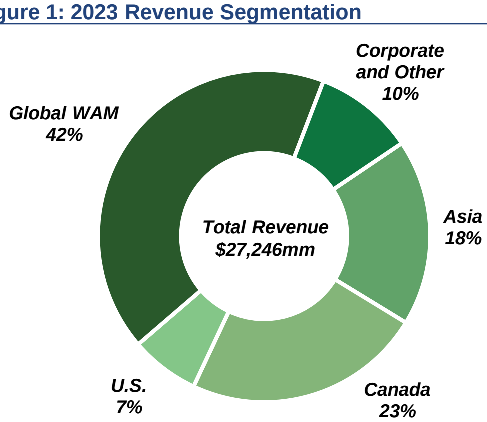
Metrics	2023A	2024E	2025E
Revenue ($mm)	$27,246	$30,140	$31,328
EBIT ($mm)	$6,452	$6,520	$6,777
EPS	$2.62	$3.25	$3.77
P/E	11.7x	10.6x	9.8x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: 2023 Revenue Segmentation



Source: Company Filings

Business Description

Manulife Financial (TSX: MFC) is a global provider of financial services for individual and institutional customers. The Company reports through five segments: (1) Asia, (2) Canada, (3) U.S., (4) Global Wealth and Asset Management (Global WAM), and (5) Corporate and Other. The Asia, Canada, and U.S. segments provide insurance and insurance-based wealth accumulation products in their respective operating areas. These segments leverage the assets and management expertise from the Global WAM segment to accumulate capital from the collected premiums. The Global WAM segment also offers investment advice for retail, retirement, and institutional clients globally. The Corporate and Other segment is primarily comprised of MFC's returns on asset backed capital, Property and Casualty (P&C) reinsurance business, and run-off reinsurance business lines.

Industry Overview

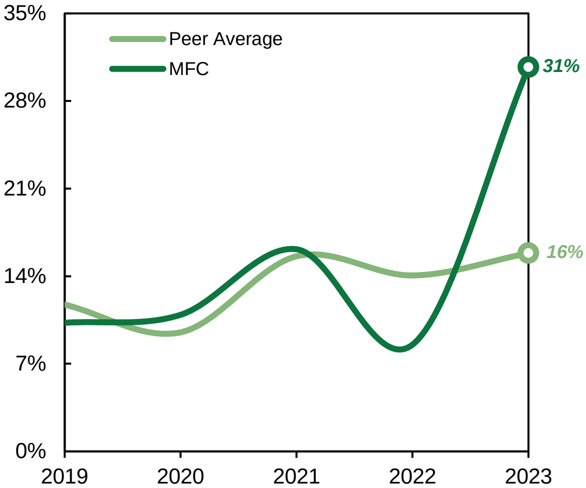
The insurance industry has three main sectors: (1) Life and Health (L&H) insurance, (2) P&C insurance, and (3) Reinsurance. L&H insurance protects individuals against personal risks, while P&C insurance covers damage to assets. Reinsurance is a process in which an insurance company transfers a portion of its risk to another insurer to reduce the financial impact of large claims and increase its capacity to underwrite additional risks. MFC primarily operates in the L&H sector which is dominated by established global players including Aflac (NYSE: AFL), Great-West Lifeco (TSX: GWO), MetLife (NYSE: MET), Prudential Financial (NYSE: PRU), and Sun Life Financial (TSX: SLF).

The L&H insurance sector includes life, health, disability, and long-term care insurance products, as well as retirement solutions and group insurance policies. Retirement solutions consist of structured settlements, capital market products, and pension risk transfers. L&H companies compete based on pricing, product variety, customer service, underwriting flexibility, financial stability, and investment performance. Due to COVID-19, customers became increasingly sensitive to insurers' pricing, customer service, and underwriting flexibility. COVID-19 increased uncertainty regarding customers receiving claims due to processing issues, coverage denials, and difficulty reaching customer service. As a result, ~17% of customers switched their life insurance products after being impacted by COVID-19. The primary reasons cited for switching life insurance policies were ~40% due to price, ~18% due to customer service, and ~12% due to product offerings.

COVID-19 pressured the margins of insurance companies, as most companies opted not to raise premiums or reduce policy offerings to remain competitive, despite the heightened mortality risk. Mortality risk surged during the pandemic but stabilized to an excess ~6% in 2023. It is projected that excess mortality risk due to COVID-19 will decrease to 3% by 2033. This anticipated reduction in mortality risk, combined with the expectation that premiums and policy offerings will remain stable, will improve margins for life insurance companies.

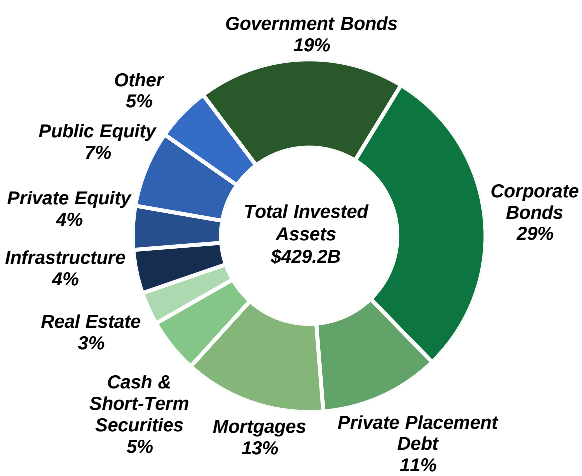
The industry anticipates the most growth in Asia due to outpace in GDP growth, an expanding middle class, significant protection gaps, and a rapidly aging population. Vietnam, China, and the (cont.)

Figure 2: EBITDA Margin vs Peers



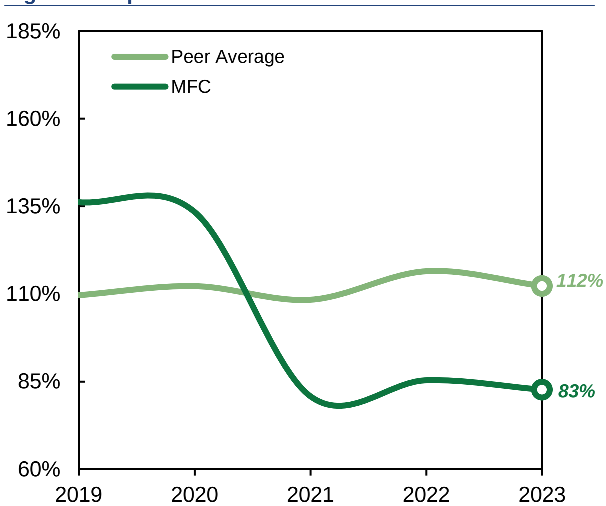
Source: S&P Capital IQ

Figure 3: Q3 2024 Asset Mix



Source: Company Filings

Figure 4: Expense Ratio vs Peers



Source: S&P Capital IQ

Philippines are viewed as the primary emerging markets. Life premiums for Vietnam, China, and the Philippines are expected to grow from 2022 to 2032 at CAGRs of 12%, 10%, and 9%, respectively. This is attributable to rising prices and greater market penetration. In Canada, the L&H insurance industry is expected to expand due to private health care expenses increasing. Over the past 40 years, Canada's public sector share has decreased from 76% to 70% and is expected to continue to decline, driving greater reliance on insurance products. Meanwhile, in the U.S., growth is anticipated from increasing demand for life insurance to address unmet needs for protection and wealth transfer.

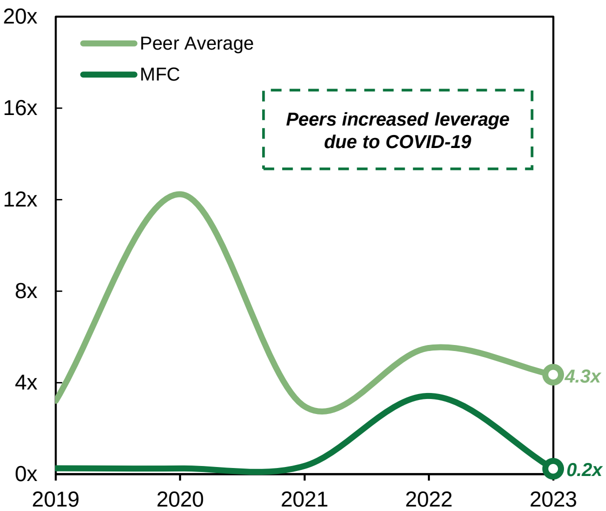
Mandate Fit

Quality Management: MFC is currently led by President and CEO Roy Gori, who assumed the role in 2017 after serving as the President and CEO of the Asia division. In November 2024, Gori announced his intention to retire in May 2025. Philip Witherington, the current President and CEO of MFC's Asia division, will succeed Gori as President and CEO. Witherington brings over 25 years of global experience in insurance and financial services across both developed and emerging markets in Asia. Witherington has been part of the Company's executive leadership team since 2017, serving as MFC's CFO for five years. To ease the transition, Gori will remain with the Company as an advisor until the end of August 2025. In 2023, at-risk compensation for Gori and Witherington was 90% and 86%, respectively.

Competitive Advantage: MFC's competitive advantage stems from its Asian market share, complementary business lines, diversified asset mix, and operational efficiencies. The Company has 10 exclusive bancassurance partnerships and ~13mm customers in Asia. MFC's services are primarily focused in the highest growth areas in the region such as Vietnam, China, and the Philippines. In contrast, the Company's largest peer in Asia, PRU, has ~16mm customers in Asia, but is primarily located in Japan where GDP is expected to grow at a 1% CAGR from 2023 to 2029.

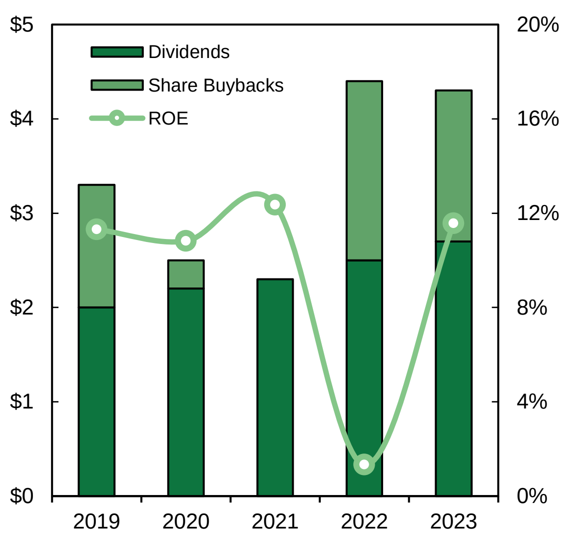
MFC's Global WAM segment has ~19mm customers across 19 countries with access to ~75% of the world's investable assets. The Company's AUM has grown at a five-year CAGR of 5%, compared to the industry average of 4%. Most of this growth is organic upside with five-year net inflows of $44B. This highlights MFC's asset management strategy, which is complementary to its insurance business. The Company's Global WAM segment, along with its global diversification and strong performance, helps grow customers' premiums before they make claims on their policies. MFC manages risk effectively through diversifying across different asset classes and reinsuring its business to reduce the impact of market fluctuations and large claims on the overall business. Since 2018, the Company has reinsured ~$11B of its business. Notable transactions include reinsuring its U.S. variable annuities to Venerable Holdings, Canadian universal life to Reinsurance Group of America (NYSE: RGA), and Japanese long-term care structured settlement and life liabilities to Global Atlantic Financial Group, a subsidiary of KKR. These reinsurance companies all have a proven track record of handling large claims. MFC also operates more efficiently than its peers, with an expense ratio of 82.7%, significantly lower than the peer average of 112.3%. This demonstrates that the Company's policy benefit expenses are effectively managed, remaining lower than the premiums it earns. Management achieves this through its scale and long-standing presence in key operating areas, enabling access to extensive data. This data-driven insight allows for more informed decision making.

Figure 5: Net Debt/EBITDA vs Peers



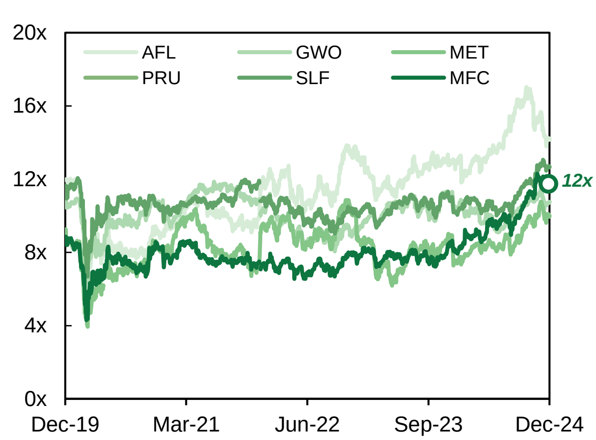
Source: S&P Capital IQ

Figure 6: LHS Return to Shareholders ($B) vs RHS ROE



Source: S&P Capital IQ

Figure 7: NTM P/E vs Peers



Source: Bloomberg

Strong Balance Sheet: MFC has a Net Debt/EBITDA ratio of 0.2x, significantly below the peer average of 4.3x. The Company also has available liquidity through $22.9B of cash on hand and a favourable current ratio of 34.1x compared to the industry average of 19.0x. MFC's management has a disciplined approach to capital structure, with a total debt-to-equity of 43.5% compared to the peer average of 84.0%, and a weighted average interest rate on total debt of 3.1%. The Company holds investment grade credit ratings of AA- and A1 from S&P and Moody's, respectively.

Growing Free Cash Flow: MFC has maintained strong FCF growth with a five-year FCF CAGR of 11.3%. This growth is primarily attributable to improved operational efficiency, favourable market conditions, and strong investment performance. In 2022, ROE declined sharply due to rising interest rates and under performance of assets. However, ROE rebounded in 2023, driven by improved diversification and stronger market conditions. In Q3 2024, the Company's LTM ROC reached 7.4%, in line with the peer average of 7.3%. MFC has returned $16.8B to shareholders over the past five years through dividends and share repurchases. The Company has also consistently maintained or increased its dividend evidenced by a dividend per share CAGR of 8.2% over the last 14 years.

Risks

Low-Interest Rate Environment: In a low-interest rate environment, margins tend to be lower, which can impact overall profitability. Additionally, MFC's relatively lower leverage compared to its peers means the Company may not fully capitalize on the advantages of a lower rate environment.

Regulatory Risk: MFC faces significant regulatory risks due to heavy government oversight in the industry and unique regulatory requirements from the Company's international operations. These regulations are designed to ensure financial stability and consumer protection but introduce operational complexities and expenses.

Liquidity Risk: Insurance companies are subject to minimum capital reserve requirements to cover the possibility of large, unexpected payouts. However, large claims can strain capital and MFC's ability to meet short-term debt obligations. The Company reduces its exposure to this risk through reinsuring its business.

Foreign Exchange Rate Exposure: MFC operations outside of Canada are recorded in Canadian dollars. A stronger Canadian dollar would negatively impact reported earnings, leading to weaker financial performance. The Company mitigates foreign exchange risk by hedging and maintaining operations in many geographies to reduce the overall risk from exchange rate fluctuations.

Investment Thesis and Valuation

MFC was valued at $54 using a 10-year DCF with a WACC of 8.5%. The terminal value was determined using a 50/50 blend of (1) the Gordon Growth method, using a terminal growth rate of 2.0%, and (2) a P/E exit multiple of 12.0x.

The CPMT believes that MFC is well-positioned to capitalize on growth opportunities in Asia due to its strong presence in key emerging markets. Additionally, the Company's continually expanding Global WAM segment complements its insurance business, fostering growth and enhancing efficiency by leveraging the strengths of both areas. MFC's margins have significantly improved since the pandemic and are expected to sustain this momentum. The Fund remains confident in management's proven track record of capital allocation and discipline in maintaining its dividend during COVID-19.

Prologis

Real Estate
NYSE: PLD
Market Underperform | Sell

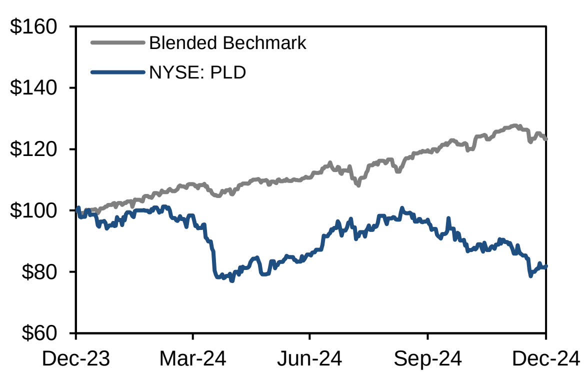
December 31, 2024
Sarah Adamjee, Portfolio Manager
Tara Jindal, Portfolio Manager
James Altamirano, Investment Analyst

Return on Investment	
Current Price	$105.63
Target Price	$97.00
Dividend Yield	3.51%
Implied Return	(5%)
Conviction Rating	0

Market Profile	
52-Week Range	$100.82 - $135.76
Market Capitalization (US$mm)	$97,897
Net Debt (US$mm)	$29,068
Minority Interest (US$mm)	$4,592
Enterprise Value (US$mm)	$131,557
Beta (5-Year Monthly)	1.07

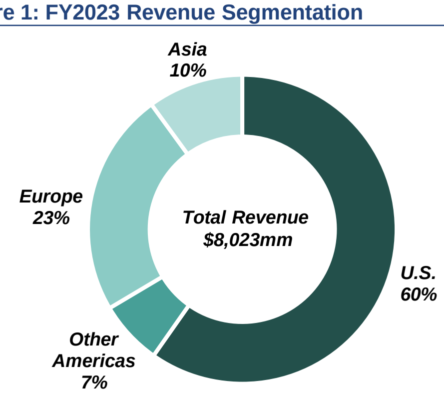
Metrics	2024E	2025E	2026E
Revenue (US$mm)	$8,202	$8,464	$9,010
EBITDA (US$mm)	$7,162	$6,558	$7,078
FFO/Share	$5.56	$5.76	$6.28
P/FFO	19.0x	18.3x	16.8x

Holding Period Trading Performance (Indexed to $100)



Source: Bloomberg

Figure 1: FY2023 Revenue Segmentation



Source: Company Fillings

Business Description

Prologis (NYSE: PLD) is a self-managed, self-administered real estate investment trust (REIT) that owns and operates logistics facilities across 20 countries. The Company manages ~5,600 buildings, amounting to ~1.2B leasable sqft. In addition to operating a portfolio of land and logistics facilities, PLD offers clients in-house leasing and property management solutions. The Company operates under two main segments: (1) Real Estate and (2) Strategic Capital. The Real Estate segment encompasses rental and development revenues within the U.S., which comprise 85 - 90% of total annual revenues. The Strategic Capital segment involves international investment conducted by PLD, in conjunction with institutional investors, representing 10 - 15% of total annual revenues. Majority of the Company's international investments are funded through two public vehicles (Nippon and Fibra Prologis), and long-term joint ventures with institutional investors.

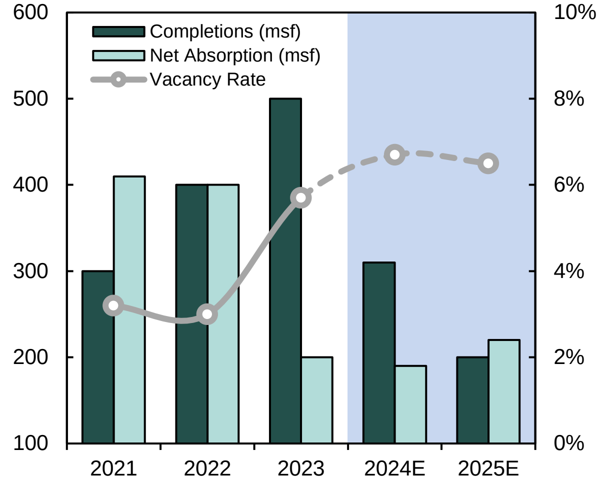
Industry Overview

The U.S. industrial REIT sector is highly fragmented, with large, well-capitalized REITs commanding significant market share. These players benefit from economies of scale, strong tenant relationships, and greater access to capital. Smaller REITs serve niche markets or specific geographic areas, and therefore, have a focused strategy that targets infills in urban areas or secondary markets. Private equity firms and institutional investors hold a substantial share of industrial space, but do not impact the industry's fragmentation due to the outsized nature of larger REITs.

The primary operators in the U.S. industrial REIT sector include PLD, EastGroup Properties (NYSE: EGP), First Industrial Realty Trust (NYSE: FR), STAG Industrial (NYSE: STAG), and Terreno Realty (NYSE: TRNO). This sector is characterized by high barriers to entry and large capital requirements. High barriers to entry stem from limited land availability near urban centres and transportation systems. Additionally, long-standing players have amassed significant land portfolios, providing both economies of scale and an advantage in tenant relationships with key companies, such as Amazon (NASDAQ: AMZN), Home Depot (NYSE: HD) and FedEx (NYSE: FDX). Success in the industry is largely driven by factors such as asset quality, rental rates, and occupancy growth, alongside the ability to scale a portfolio. This scalability enables companies to improve profitability, diversify tenants, and mitigate geographic risks.

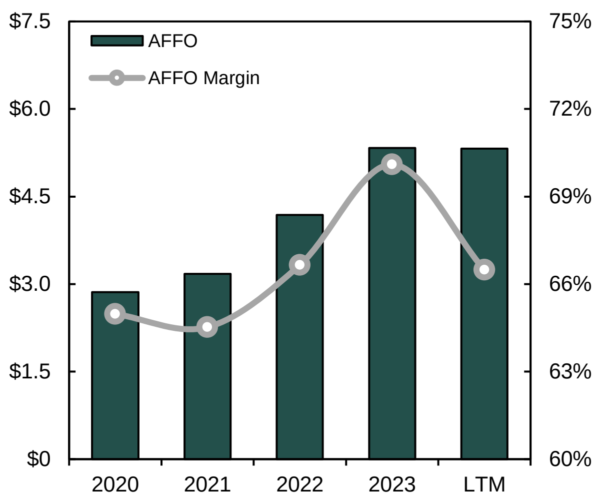
During the COVID-19 pandemic, the U.S. warehousing industry experienced prolific demand and growth, driven by a surge in e-commerce penetration that prompted companies to expand their warehousing capabilities. To meet this heightened demand, warehouse construction across the U.S. saw a substantial increase. Consumer behaviour has since normalized and e-commerce penetration has plateaued at ~23%, reducing the immediate need for warehousing space, with newly constructed spaces remaining unoccupied. A greater amount of space available in comparison to the amount being leased pushes vacancy rates up. Currently, net absorption stands at 29.4mm sqft (msf), reflecting a 35% reduction from the previous quarter. In the U.S., vacancy rates have increased to ~7% from historic lows of ~3% seen in 2022. (cont.)

Figure 2: LHS Absorption & Completions vs RHS Vacancy



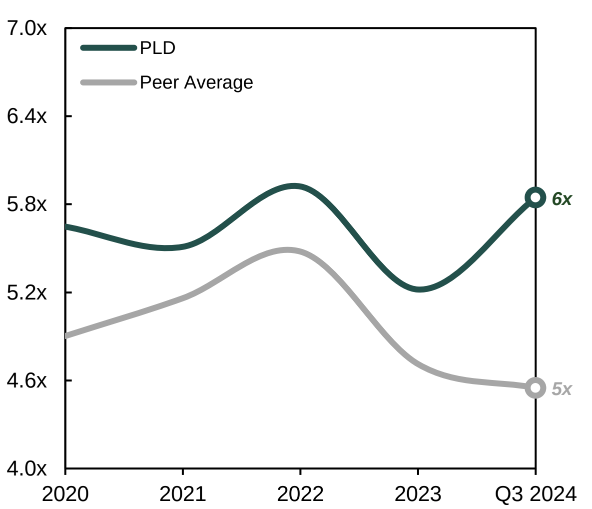
Source: Company Filings

Figure 3: LHS AFFO (US$B) vs RHS AFFO Margin



Source: Bloomberg, Company Fillings

Figure 4: Net Debt/EBITDA vs Peers



Source: Bloomberg, Company Fillings

The combination of rising vacancy rates, decreasing net absorptions, and declining warehousing starts has created an oversupplied market. As a result, REITs are expected to see rent growth slow over the course of 2025, which will negatively impact leasing spreads and decrease same-store (SS) NOI growth.

Mandate Fit

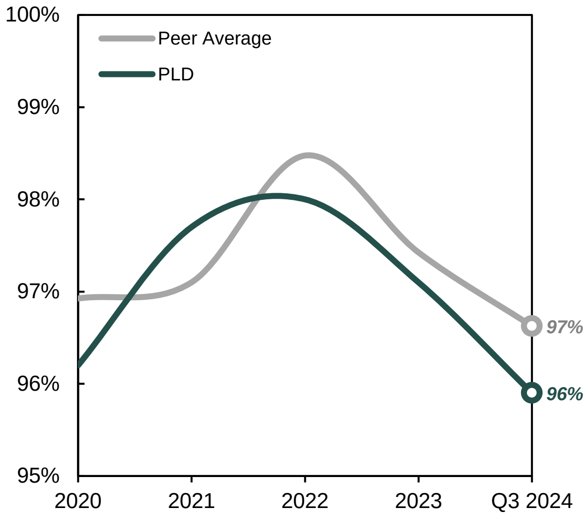
Quality Management: Hamid Moghadam, PLD's co-founder, has served as the Company's CEO since its inception in 2011. Under Moghadam's leadership, PLD has grown into the largest logistics real estate firm in North America through acquisitions and geographic expansion. Executive compensation is aligned with shareholder interests, with 100% of CEO compensation considered at-risk. However, shareholders have voiced concerns surrounding the CEO's outsized pay, with Moghadam's total compensation exceeding US$50mm in FY2023. As a result, the Company capped Moghadam's compensation at US$25mm for FY2024 onwards.

Competitive Advantage: PLD's competitive advantage stems from its position as a global leader in logistics real estate through its international portfolio of ~5,600 properties and its ~US$41B land bank value. The Company's acquisition strategy remains robust due to its ability to acquire facilities in areas with high barriers to entry, near extensive transportation networks, and in areas with high population density. This contrasts against its peers that primarily focus on secondary markets, infills, and lack the economies of scale to achieve a first-mover advantage. As a result, PLD's superior asset quality results in a customer retention rate of ~76%, compared to the peer average of ~65%, and a diversified client base, with its top 10 customers contributing only 15% of net effective rent. However, the Company's operating metrics are under pressure despite international diversification due to increasing supply concerns in the U.S. warehousing industry, which comprises ~86% of PLD's total NOI. The supply concerns in conjunction with regional macroeconomic headwinds have resulted in declining occupancy rates and suppressed SS NOI growth. Although the Company's reported occupancy rate of ~96% is in line with peers, it has declined by ~200 bps YoY. Similarly, SS NOI growth currently sits at ~7%, a strong recovery from its trough in FY2023, but still below the peer average of ~8%. The CPMT does not anticipate warehousing supply concerns and macroeconomic headwinds to ease in the short term, suggesting that PLD's performance metrics will remain suppressed in the foreseeable future.

Strong Balance Sheet: PLD's Net Debt/EBITDA has increased YoY from 4.8x to 5.1x. This upward trend is concerning given shifting industry and demand dynamics. The Company's debt profile reflects a weighted average interest rate of 3.1%, a weighted average term of 9.2 years, and no significant debt maturities until 2026. Additionally, no more than 6.1% of PLD's debt matures in any given year before 2030. Although the Company maintains a strong interest coverage ratio of 8.7x and possesses a substantial real estate portfolio, these factors fail to mitigate concerns regarding increasing leverage amidst growing market uncertainty.

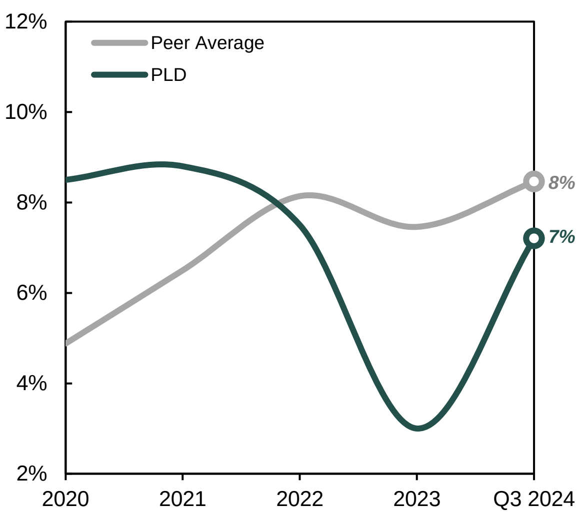
Growing Free Cash Flow: PLD remains an industry leader with a five-year FFO/Share CAGR of 12% compared to the peer average of 10%. The Company's exposure to Southern California at ~20% of total NOI serves as a strong driver of FCF generation, due to its position as a prominent industrial hub with little shortage of demand for space. PLD's remaining portfolio in the U.S. comprises a range of 5 - 10% of total NOI. The Company has a five-year dividend CAGR of 13% compared to the peer average of 12%.

Figure 5: Occupancy Rate vs Peers



Source: Bloomberg, Company Fillings

Figure 6: Same-Store NOI Growth vs Peers



Source: Bloomberg, Company Fillings

Risks

Elevated Interest Rates: Higher interest rates impede PLD's returns on properties if refinancing is required at unfavourable rates. Additionally, if the Company's yield does not increase at the same rate as treasury yields, capital may shift from REITs to higher yielding, more secure instruments. Finally, rising rates increase cap rates, as investors demand greater compensation for a higher level of risk, thus inflating the value of PLD's portfolio. However, industrial REITs like the Company are generally resilient against rising rates due to strong underlying demand factors.

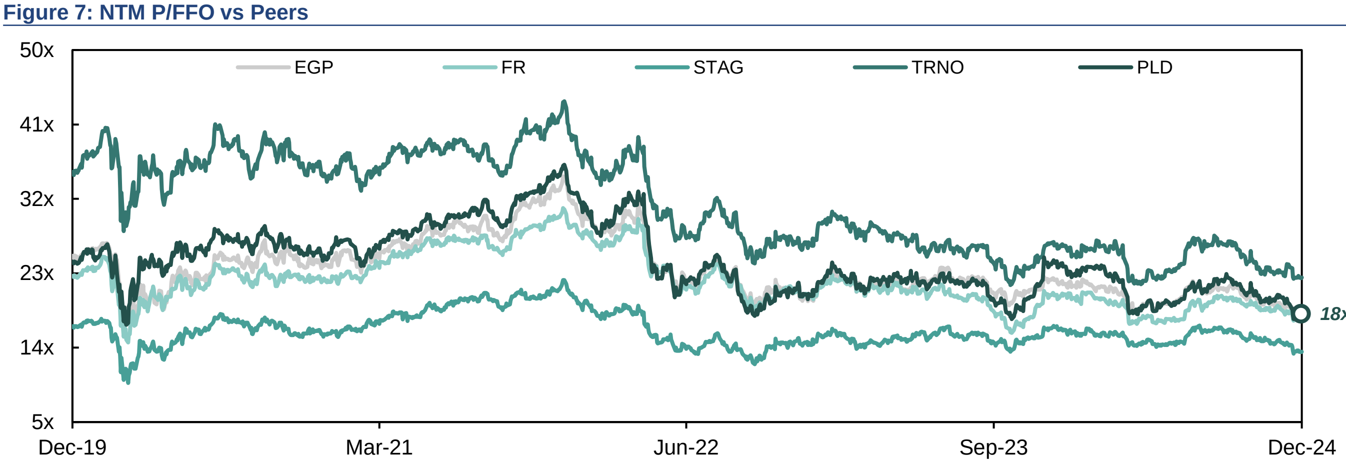
Retail Slowdown: Shifts in logistics trends impacted by consumer spending patterns have resulted in major retail and e-commerce players like AMZN and HD to slow warehouse expansion. This is driven by a focus on streamlined and localized distribution systems as opposed to expansive warehouse chains. The change in logistics strategy could slow demand for warehousing and reduce construction starts, which are key drivers of the Company's growth.

Declining Completions: During the pandemic, e-commerce demand rose significantly. This led to the rapid buildout of e-commerce logistics networks, with PLD's largest customer, AMZN, doubling the size of its fulfillment network from 2020 - 2022. However, stagnation in e-commerce demand during 2023 and 2024 resulted in excess logistics capacity, which subsequently led to higher vacancy rates. Therefore, growth is unlikely to be driven by new completions moving forward due to the existing, vacant infrastructure on the market.

Investment Thesis and Valuation

PLD was valued at US$97 using a 2025E P/FFO multiple of 18.2x, representing an implied return of ~(5%) inclusive of its LTM dividend yield of ~4%. The CPMT entered a position in the Company in December 2023, based on the thesis of PLD continuing its global acquisition strategy, strong NOI growth, and high occupancy rates. While the Company maintains a strong position as a global leader in the logistics REIT space, declining warehousing demand continues to put pressure on occupancy rates and SS growth. Likewise, both operating metrics remain suppressed against peers. Additionally, PLD's increasing leverage poses a concern against a muted macroeconomic and industry backdrop. The Fund is confident in its decision to divest its position in the Company, as warehousing supply concerns and other macroeconomic headwinds facing PLD are not expected to subside in the foreseeable future.

Figure 7: NTM P/FFO vs Peers



Source: Bloomberg

Topaz Energy

Energy
TSX: TPZ.TO
Market Perform | No Action

December 31, 2024

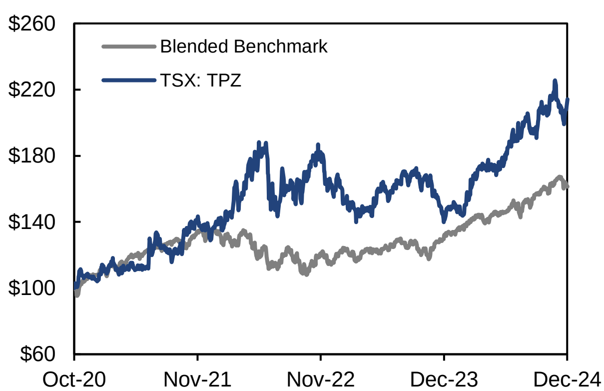
Jack Demo, Portfolio Manager
Clayton Lillace, Investment Analyst

Return on Investment	
Current Share Price	$27.71
Target Price	$29.00
Dividend Yield	4.70%
Implied Return	9%
Conviction Rating	N/A

Market Profile	
52-Week Range	$18.59 - $29.51
Market Capitalization ($mm)	$4,349
Net Debt ($mm)	$420
Enterprise Value ($mm)	$4,769
Beta (5-Year Monthly)	0.49

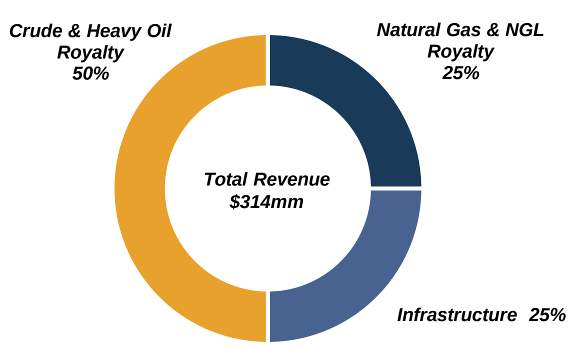
Metrics	2023A	2024E	2025E
Revenue ($mm)	$321	$314	$391
EBITDA($mm)	$316	$306	$367
EPS	$0.33	$0.39	$0.44
EV/EBITDA	15.1x	15.6x	13.0x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: 2024E Revenue Segmentation



Source: Company Filings

Business Description

Topaz Energy (TSX: TPZ.TO) is a royalty and infrastructure company that operates across the Western Canadian Sedimentary Basin (WCSB). The Company has a strategic relationship with Canada's largest natural gas producer, Tourmaline Oil (TSX: TOU), an investment-grade senior Canadian exploration and production (E&P) company. A Governance Agreement between TOU and the Company provides TOU with a 21.3% ownership of TPZ's common shares as of December 31, 2024. The Company operates through two segments: (1) Royalty Assets, and (2) Infrastructure Assets. Royalty Assets consist of royalty interests on ~6mm gross acres, of which over ~60% are undeveloped. TPZ generates royalty production revenues based on the associated gross production of natural gas, crude oil, and natural gas liquids from these interests. Among its royalty interests, TPZ's revenue streams are derived through fee title mineral and gross royalty trust interests on Company-owned lands, as well as Gross Overriding Royalties (GORR) on production across its counterparty's land bases.

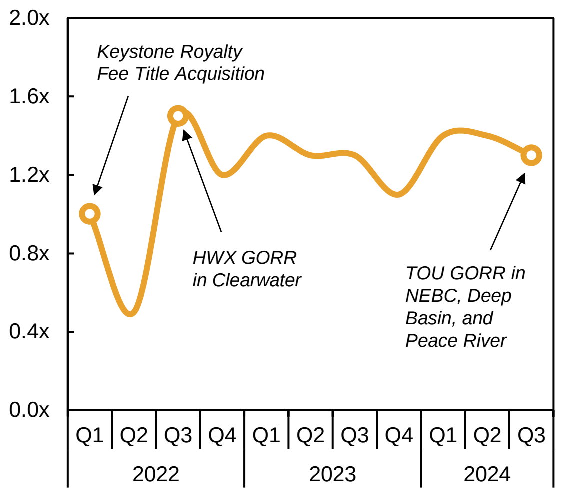
The Company's infrastructure segment consists of non-operating ownership interests in six natural gas processing plants with a cumulative processing capacity of ~225 MMcf/d, one oil battery with ~750 bbl/d of processing capacity, and water management infrastructure. From these assets, TPZ earns processing revenues from customers on a fee-for-service basis. The majority of these revenues are contracted under long-term, fixed-fee, take-or-pay (ToP) agreements. TPZ has a contractual interest in a portion of third-party revenue generated from facilities owned and operated by TOU through fee-for-service agreements with third parties.

TPZ maintains strategic relationships with high-quality counterparties across the WCSB, focusing on medium-to-large-scale, low-cost, and reliable business models with significant growth potential. The Company seeks alignment with operators who possess substantial land holdings and long-term growth prospects in top-quartile production regions. The Company's operator segments include: (1) High-Growth Acreage, consisting of operators such as TOU, Advantage Energy (TSX: AAV), Tamarack Valley Energy (TSX: TVE), and Headwater Exploration (TSX: HWX), and (2) Moderate-Growth Acreage**,** with operators including Whitecap Resources (TSX: WCP) and Strathcona Resources (TSX: SCR).

Industry Overview

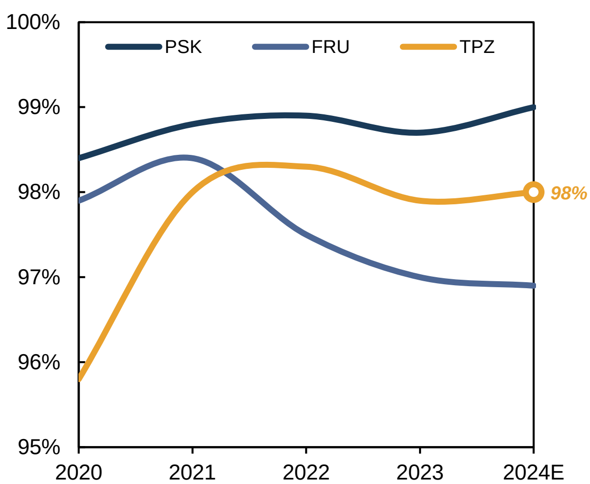
The WCSB royalty industry is dominated by TPZ, Freehold Royalties (TSX: FRU) and PrairieSky Royalty (TSX: PSK). These companies earn revenue from the leasing of (1) Fee Lands, where the lessees pay royalties to the lessor, and (2) the GORR lands, where E&P operators pay royalties based on production. Royalty companies do not conduct any drilling activity and are not responsible for any capital expenditure. Through GORR contractual agreements, royalty companies can collect revenue based on the physical delivery of their royalty share of production. Royalty companies focus on acquiring interests in plays with proven reserves and high potential for future drilling. The industry is sensitive to operators' capital expenditure plans, which establish the inventory that will be drilled. Operators may hold production back in the form of (cont.)

Figure 2: Total Debt/EBITDA and Acquisition Timeline



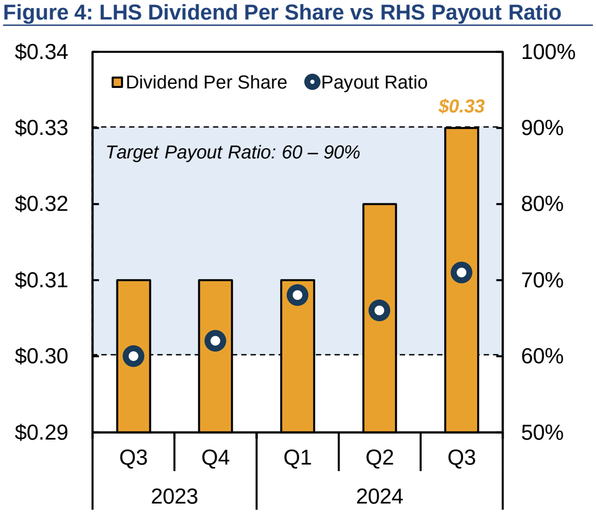
Source: Company Filings

Figure 3: Operating Margin vs Peers



Source: S&P Capital IQ

Figure 4: LHS Dividend Per Share vs RHS Payout Ratio



Source: Company Filings

drilled uncompleted (DUC) wells which may come on stream when the commodity price improves. In 2023, E&P operators who act as royalty companies' counterparties, spent ~$26.4B on capital expenditures, with ~$2.4B of the total spending, or ~9%, being expended on TPZ's lands. In 2024, the Company's share of capital expenditure spent on its lands is expected to reach ~$2.5B. Industry players are consistently seeking interests in high-growth regions where they will benefit from increased production, increased booked reserves, and potential future development.

Mandate Fit

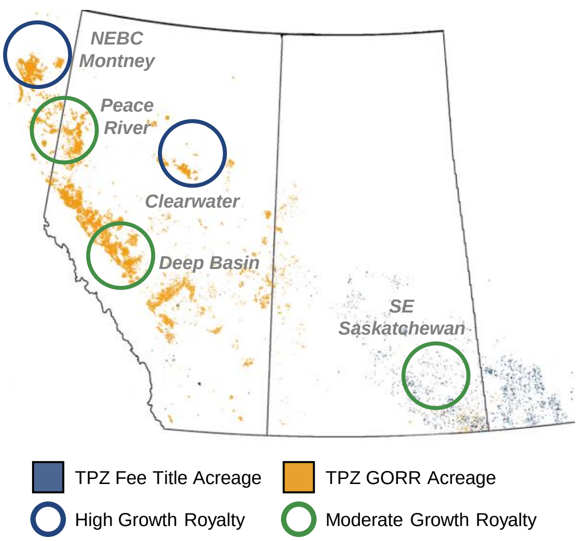
Quality Management: Marty Staples has served as TPZ's President and CEO since the Company's inception in April 2020. Prior to his current role, he spent 10 years in various leadership and business development roles at TOU. Staples has been instrumental in TPZ's accretive acquisition growth strategy, executing ~$2.6B in M&A, significantly increasing and diversifying the Company's asset portfolio and driving ~3.4x of EBITDA growth over his tenure. Cheree Stephenson has served as TPZ's VP of Finance and CFO since April 2020 and played an integral role in the Company's IPO. Stephenson's involvement has also been highly valuable in TPZ's M&A execution, which has generated over ~1.7x in dividend growth since its IPO. The Company's Chairman, Mike Rose, has been TOU's Chairman and CEO since founding TOU in 2008. Executive compensation is highly aligned with shareholder interests, with CEO and NEO compensation 87% and 85% at-risk, respectively.

Competitive Advantage: TPZ's competitive advantage stems from the Company's industry-leading concentration of tier-1 GORRs. These GORRs generate higher organic reserve growth and more stable revenues than peers, attributable to management's strategy of prioritizing partnerships with 10 - 20 high-quality, financially stable producers. In 2023, ~90% of royalty revenue was generated from five producers, limiting exposure to low-quality producers with inadequate capital for acreage development. TPZ also benefits from GORR prioritization over its 8% fee title weighting, yielding increasingly stable revenues and minimizing land management requirements. In contrast, PSK has a 53% fee title acreage weighting, resulting in increased partnerships with lower-quality producers to utilize unleased fee title acreages. PSK lease rates also range from 15 - 18%, burdening lessees with narrow netbacks and high capital requirements for land development, significantly increasing the risk of operator default. TPZ's 50% royalty position in TOU's acreage provides a significant growth runway within TOU's five-year organic capital expenditure plan.

Strong Balance Sheet: As of Q3 2024, TPZ had Net Debt of $381mm, and a Net Debt/EBITDA ratio of 1.3x, compared to the peer average of 0.6x. TPZ's above-average Net Debt/EBITDA ratio is a result of its recent accretive acquisitions has enabled substantial growth compared to peers. The Company has favourable debt commitments and ample excess FCF to return to shareholders. Management plans to allocate excess FCF towards debt reduction and additional acquisitions while maintaining a Net Debt/EBITDA ratio of less than 1.5x. TPZ's $1B credit facility also remains largely undrawn, with $520mm of available capacity at a 6.8% interest rate. The Company currently holds a credit rating of B+ from S&P.

Growing Free Cash Flow: TPZ's low-cost operational model allows for substantial cash flow generation, with a 2023 FCF margin of 70%. The Company's non-operated infrastructure segment provides further stability against commodity price volatility, with infrastructure revenue covering 50% of TPZ's dividend, while only (cont.)

Figure 5: TPZ WCSB GORR and Fee Title Acreage Map



Source: Company Filings

Figure 6: TPZ Asset Portfolio

TPZ Royalty Area	Operator Level Economics	
	Average Payout (Years)	Average DCET ($mm)
NEBC Montney	**0.8 – 1.0**	**$5.0 – 7.5**
Clearwater	**0.5 – 0.9**	**$1.7 – 1.8**
Deep Basin Peace River	**0.7 – 1.2**	**$4.5 – 6.0**
Central AB SE Saskatchewan	**0.6 – 1.5**	**$1.1 – 1.6**

High Growth Royalty
Moderate Growth Royalty

Source: Company Filings

representing 25% of total revenue. The Company's royalty segment provides supplementary FCF to maintain stable annual payout ratios of 60 - 90%, with remaining cyclical cash influxes being used for countercyclical acquisitions and debt reduction. During FY2023, TPZ generated $243mm in FCF and paid $176mm in dividends, providing substantial shareholder returns. The Company's remaining FCF was used towards debt reduction following the TPZ's recent ~$279mm acquisition of TOU GORRs. Management remains committed to long-term dividend growth and has grown its dividend per share at a five-year CAGR of 45%.

Risks

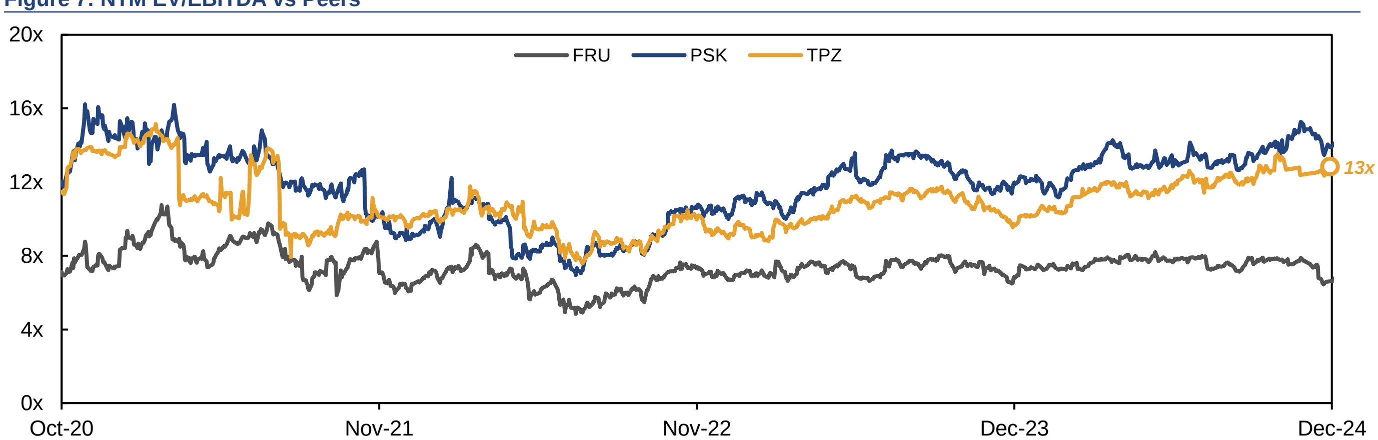
TPZ faces risks due to commodity price volatility, partially mitigated through commodity hedging, royalty diversification, and ToP infrastructure revenue. Due to the Company's exclusive partnerships with high-quality, financially stable, tier-1 producers, operator performance represents a lower risk compared to peers. TPZ faces significant competition for royalty acquisitions, due to minimal service-offering differentiation between peers, and competitors operating with comparable financial and operational metrics. Lastly, TPZ also faces regulatory and environmental risks associated with increasingly strict emissions policies and land use regulations. These factors apply pressure to both the Company and its operators, potentially reducing royalty streams.

Investment Thesis and Valuation

TPZ was valued at $29 using a 14x 2026E EV/EBITDA exit multiple, implying a return of ~9%, inclusive of the Company's LTM dividend yield of ~5%.

The CPMT is confident that TPZ will continue to acquire interests across the WCSB with a greater focus on high-growth natural gas plays that are primarily situated across the Montney, and NEBC regions. TPZ's GORR focus and partnerships with tier-1 producers provide reserve growth and revenue stability, additionally, the Company's low leverage and ample liquidity support future acquisitions and dividend growth. However, the Fund views its current TOU holding as a primary benefactor due to their relationship with a royalty entity through their Governance Agreement. TPZ allows TOU to use its equity as a cost-effective funding vehicle for growth and infrastructure projects. The CPMT is confident in TOU's advantage as a diversified, low-cost, natural gas E&P operator that has an advantage with a royalty partner relative to its competitors across North America, positioning it for continued growth from consolidation and higher natural gas prices.

Figure 7: NTM EV/EBITDA vs Peers



Source: S&P Capital IQ

UnitedHealth Group

Health Care
NYSE: UNH
Market Outperform | Buy

UNITEDHEALTH GROUP®

December 31, 2024
Taro Lakra, Investment Analyst

Return on Investment

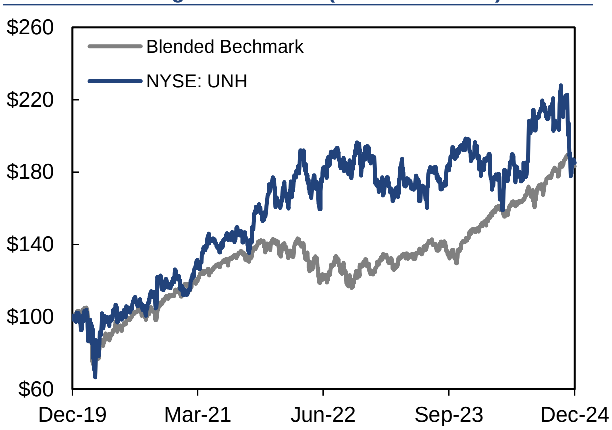
Current Share Price	$505.86
Target Price	$658.00
Dividend Yield	1.60%
Implied Return	32%
Conviction Rating	2

Market Profile

52-Week Range	$436.38 - $630.78
Market Capitalization ($mm)	$487,539
Net Debt ($mm)	$47,791
Enterprise Value ($mm)	$534,967
Beta (5-Year Monthly)	0.63

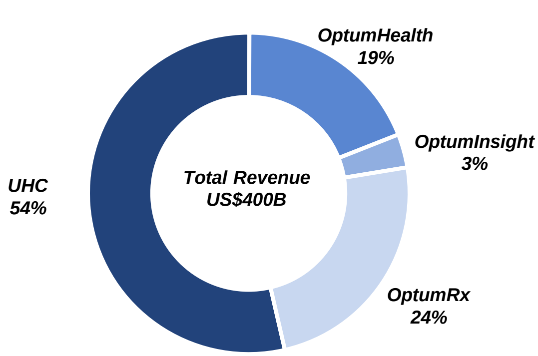
Metrics	2023A	2024E	2025E
Revenue ($mm)	$371,622	$400,424	$438,832
EBITDA ($mm)	$36,330	$38,819	$42,158
EPS	$23.86	$26.10	$28.59
EV/EBITDA	14.7x	13.8x	12.7x

Historical Trading Performance (Indexed to $100)



Source: Bloomberg

Figure 1: 2024 Revenue Segmentation



Source: Company Filings

Business Description

UnitedHealth Group (NYSE: UNH) is a leading diversified healthcare company with a global footprint spanning the U.S., Latin America, Europe, and Asia-Pacific. The Company operates through two primary segments: (1) UnitedHealthcare (UHC) and (2) Optum. UHC is the health benefits and insurance segment, whereas Optum focuses on healthcare services, technology, and pharmacy benefits management (PBM). This vertically integrated structure enables UNH to manage both the financing and provision of care.

UHC offers health benefit plans and services for individuals, employers, and government programs in the U.S. and internationally. UHC is one of the largest providers of Medicare Advantage and Medicaid plans, while also serving commercial health plans through employer-sponsored and individual markets. UHC operates in four key areas, including (1) Employer and Individual, (2) Medicare & Retirement, (3) Medicaid, and (4) Global, offering comprehensive coverage to over 50mm members worldwide.

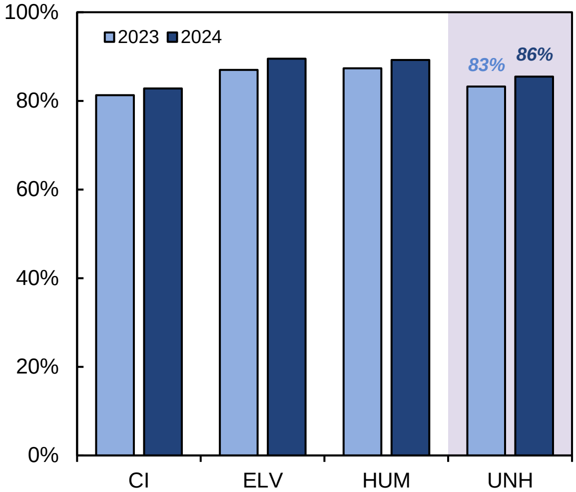
Optum, the Company's healthcare services platform, is organized into three sub-segments: (1) OptumHealth, which delivers direct care through clinics, urgent care centers, and telehealth services; (2) OptumInsight, which provides data analytics, technology, and consulting to healthcare providers and payers; and (3) OptumRx, one of the largest PBMs in the U.S., managing pharmacy benefits and specialty medications for health plans and employers. Optum focuses on improving healthcare outcomes while reducing costs, leveraging advanced data analytics and its network of healthcare professionals, including ~1.8mm physicians and ~7,200 hospitals.

Industry Overview

The healthcare industry is a highly regulated sector, encompassing a wide array of participants. UNH's main insurance competitors include Cigna (NYSE: CI), Elevance Health (NYSE: ELV), and Humana (NYSE: HUM), while its Optum segment competes with CVS Health (NYSE: CVS) and Express Scripts, amongst other PBMs. These companies compete on cost efficiency, breadth and flexibility of coverage plans, provider network quality, and innovative solutions such as telemedicine and digital tools. Additionally, the industry competes on regulatory compliance, brand reputation, and customer experience, leveraging technology to improve service delivery. UNH's analytics-driven solutions also face competition from non-traditional entrants such as AMZN, which leverages its omnichannel presence and consumer trust to gain market share.

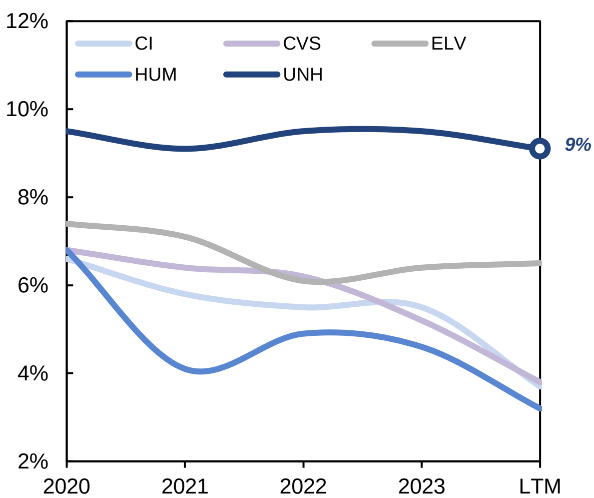
Healthcare insurance in the U.S. operates through employer-sponsored plans, government programs, and personal insurance policies. Employer-sponsored insurance dominates the space by providing coverage to much of the working population. Government programs include Medicare for individuals aged 65 and older and Medicaid for low-income populations, with benefits varying by state. Personal insurance policies, purchased through marketplaces under the Affordable Care Act (ACA), cover those without access to employer or government programs. Together, these systems provide a patchwork of coverage options, with varying levels of cost-sharing and accessibility. The industry has recently been experiencing a shift from volume-based to value-based care, where providers are (cont.)

Figure 2: Medical Loss Ratio vs Peers



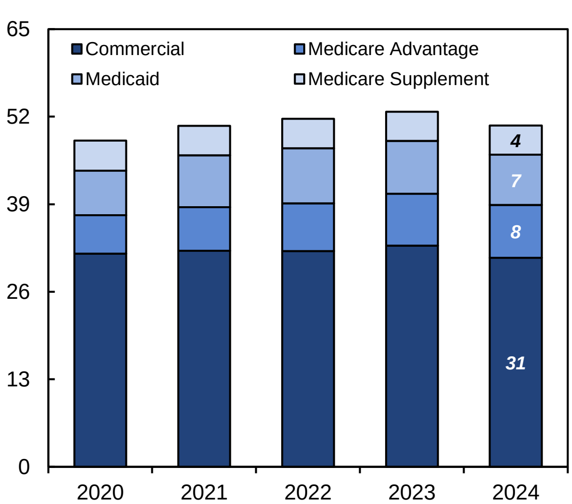
Source: Company Filings

Figure 3: EBITDA Margin vs Peers



Source: S&P Capital IQ

Figure 4: UHC Enrolled Members by Segment (mm)



Source: Company Filings

incentivized to improve patient outcomes rather than maximize service volume. This transition is supported by government programs, including Medicare Advantage and Medicaid Managed Care Organizations (MCOs). In the Medicare Advantage and Medicaid MCO markets, competition is driven by the ability to provide affordable, high-quality coverage that meets government requirements, combined with strong provider networks and community-focused care management programs. Companies also focus on outreach efforts, patient engagement, and tailoring plans to specific populations, including low-income and aging individuals.

The Trump administration is expected to impact the health insurance market significantly, with policy changes affecting both Medicare Advantage and Medicaid programs. While traditional Medicare is funded by the government, Medicare Advantage allows for capitated payments per individual sent to a private insurer, and consequently a clearer budget outlook from a government perspective. As a result, Medicare Advantage is expected to grow significantly due to increased privatization of U.S. healthcare. Conversely, Medicaid MCOs face ambiguity, as block grants and per capita caps may pressure state budgets, leading to lower Medicaid reimbursement rates, tighter eligibility requirements, and reduced enrollment.

Mandate Fit

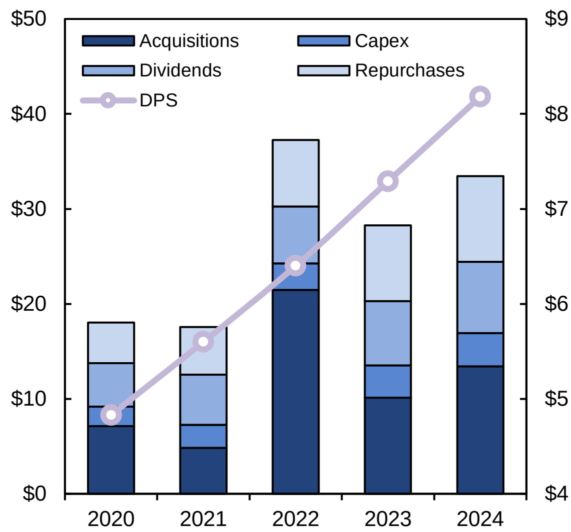
Quality Management: Sir Andrew Witty assumed the role of CEO in 2021. Prior to joining UNH as Optum CEO in 2018, Witty served as the CEO of GlaxoSmithKline (LON: GSK), where he was recognized for his philanthropy in treating geographies in need. Witty was also involved with the World Health Organization during COVID-19, where he was instrumental in vaccine development. Under Witty's leadership, UNH has executed several key acquisitions, highlighted by the purchase of LHC Group in 2022 for US$5.4B. The Company has grown its dividend for 15 consecutive years and is committed to returning capital to shareholders, as demonstrated by US$9B in share repurchases throughout 2024. At-risk compensation for Witty and CFO John Rex is 94% and 93%, respectively.

In addressing recent challenges, including the tragic and untimely loss of UHC CEO Brian Thompson, the Company has yet to name a successor. UNH has publicly reinforced its commitment to strong succession planning to ensure stability amidst these difficult times.

Competitive Advantage: UNH's competitive advantage stems from its dual-business model, combining the rapidly expanding Optum segment and its stable UHC business. Optum's ability to deliver clinical and operational efficiencies, spanning PBM, direct care services, and data-driven insights, set it apart from competitors like ELV's health services division and CI's Evernorth platform, which lack the same degree of integration and operational scale. This scale is central to UNH's strategy, as it grants the Company unparalleled negotiating power, allowing UNH to secure cost advantages and pass savings to customers on a larger scale than competitors.

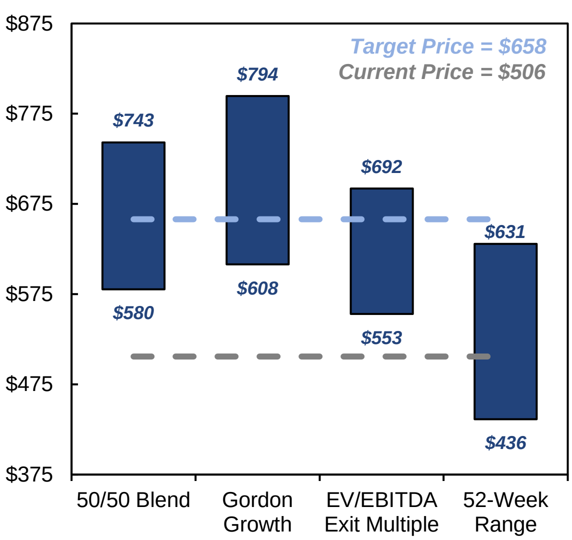
UNH is also poised to capitalize as the healthcare industry continues to evolve. Specifically, the Company holds a leading market share in the Medicare Advantage segment at ~29%, compared to ~9% in Medicaid MCOs, which are dominated by single-state plans. This exposure profile positions UHC to benefit from political tailwinds far more than competitors. UHC plans also often include AI tools from Optum, which place the Company ahead of competitors who have been slower to scale similar initiatives. As the industry transitions to value-based care, these features will work to reduce hospitalizations, enhance preventive care, and optimize resource allocation, offering diversified revenue streams to offset market volatility.

Figure 5: LHS Capital Allocation (US$B) vs RHS DPS



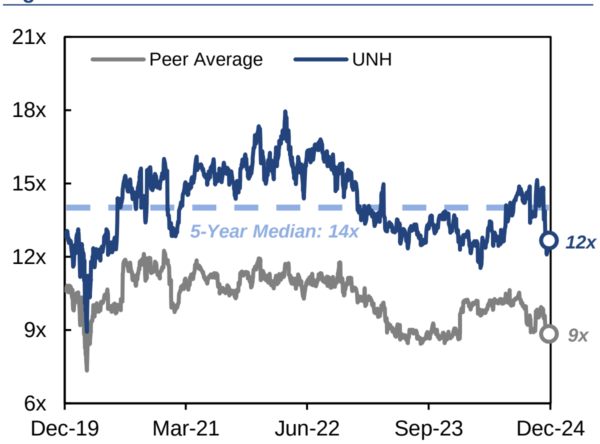
Source: S&P Capital IQ

Figure 6: Valuation Football Field



Source: CPMT Estimates

Figure 7: NTM EV/EBITDA vs Peers



Source: S&P Capital IQ

Strong Balance Sheet: UNH has a Net Debt/EBITDA ratio of 1.3x, a Total Debt/EBITDA ratio of 2.1x, and an interest coverage ratio of 9.8x, compared to peer averages of 2.3x, 3.2x, and 7.4x, respectively. The Company maintains ample liquidity, as evidenced by its US$18.0B in undrawn revolving credit facilities. UNH also has access to a US$18.0B commercial paper program, of which only US$1.2B is currently outstanding. The Company holds A+ stable and A2 stable ratings from S&P and Moody's, respectively.

Growing Free Cash Flow: Since 2018, UNH has grown its FCF at a five-year CAGR of 12%, driven by FCF growth of ~120% in the Optum segment over the period. FCF decreased ~13% YoY in FY2024, which is largely attributable to state-driven Medicaid member redeterminations, as well as the impact of a cyberattack on subsidiary Change Healthcare during Q1. Additionally, the minimum medical loss ratio mandated by the ACA limits the Company's flexibility to allocate premium revenues, which can constrain FCF generation by capping profit margins. Despite these challenges, management expects growth to return to prior levels for FY2025. Moving forward, UNH intends to be active with capital deployment, with a target ROE of ~20% and a target ROIC of ~15%, an increase from current levels of 15% and 14%, respectively.

Risks

UNH's business model is heavily susceptible to regulatory and policy changes, due to the Company's heavy reliance on government programs like Medicare Advantage and Medicaid MCOs. Despite political tailwinds, other recent U.S. government initiatives, such as discussions around drug pricing reform, increased scrutiny of healthcare insurance plans, and proposals to reduce reimbursement rates for Medicare Advantage could pressure margins and disrupt the Company's growth trajectory. Stricter antitrust scrutiny of vertical integration in healthcare further adds to the regulatory challenges, as policymakers focus on ensuring competitive practices in the sector.

Reputational risks amplify and underscore these challenges, as high-profile incidents can magnify public dissatisfaction with claims denials and perceived prioritization of profits over patient care. This is of specific concern as of late, as the recent assassination of Brian Thompson caused widespread public discourse with prominent anti-UNH messaging. Such incidents erode consumer trust and could lead to heightened regulatory oversight, further complicating the Company's operating environment. Negative publicity from these situations also increases stock price sensitivity for a naturally defensive company, deterring investors and exacerbating volatility.

Investment Thesis and Valuation

UNH was valued at $658 using a five-year DCF with a WACC of 7.5%. The terminal value was determined using a 50/50 blend of (1) the Gordon Growth method, using a terminal growth rate of 1.5%, and (2) an EV/EBITDA exit multiple of 14.0x.

The CPMT favours UNH's scale and vertically integrated business model and sees avenues for both organic and inorganic growth. As healthcare continues its transformation to value-based care, UNH's ability to combine its data-driven Optum division with its expanding UHC segment will allow the Company to continue to grow. Specifically, the CPMT values UNH's exposure to Medicare Advantage relative to Medicaid MCOs, especially amidst secular tailwinds. Coupled with a strong management team, de-levered balance sheet, track record of growing FCF, and attractive valuation, the CPMT is confident UNH will deliver on its targets, manage regulatory headwinds, and expand its market position.

Veeva Systems

Health Care
NYSE: VEEV
Market Outperform | No Action

December 31, 2024

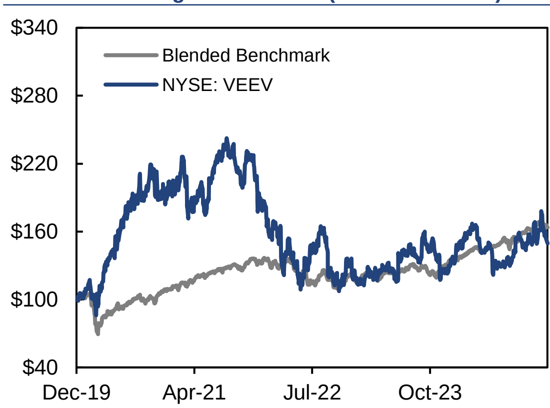
Emmanuel Fikreselassie, Portfolio Manager
Joshua Olson, Investment Analyst

Return on Investment	
Current Share Price	$210.25
Target Price	$233.34
Dividend Yield	0.00%
Holding Period Return / Implied Return	11%
Conviction Rating	N/A

Market Profile	
52-Week Range	$171.41 - $250.45
Market Capitalization (US$mm)	$34,930
Net Debt (US$mm)	($4,991)
Enterprise Value (US$mm)	$29,939
Beta (5-Year Monthly)	0.81

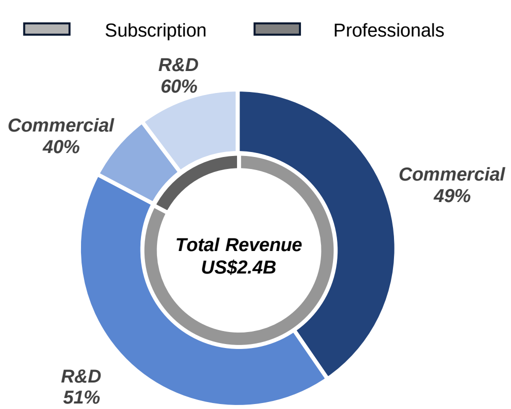
Metrics	2023A	2024E	2025E
Revenue (US$mm)	$2,155	$2,364	$2,701
EBITDA (US$mm)	$871	$859	$1,073
EPS	$2.94	$3.16	$3.79
EV/EBITDA	34.4x	34.8x	27.9x

Historical Trading Performance (Indexed to $100)



Source: FactSet

Figure 1: 2024E Revenue Segmentation



Source: Company Filings

Business Description

Veeva Systems (NYSE: VEEV) is a leading global life science enterprise software provider. Founded in 2007, VEEV offers cloud solutions that aid pharmaceutical, biotechnology, and medical technology companies across their clinical, regulatory, safety, and quality management functions. The Company operates in two segments: (1) Subscription Services and (2) Professional Services, further categorized between R&D and Commercial activities.

Subscription Services: VEEV's three core enterprise software product offerings include: (1) Veeva Development Cloud, (2) Veeva Commercial Cloud, and (3) Veeva Data Cloud. The Company's commercial subscription service segment is comprised of its Commercial and Data Cloud offerings, which provide life science companies with streamlined workflows and third-party data to facilitate sales and marketing efforts. VEEV's R&D subscription segment consists of its Development Cloud, which supports clients with data, clinical trial process, and regulatory management.

Professional Services: VEEV's professional services segment is comprised of product support and business consulting divisions. The Company's product support division helps clients implement and optimize VEEV's product suite. Its business consulting division leverages the Company's access to propriety data and industry expertise to help clients improve R&D and commercial functions.

Industry Overview

VEEV principally serves companies that engage in the design, trial, regulation, and marketing of health products including drugs, vaccines, and medical devices. The life science value chain is complex, unique, and highly-regulated, requiring constant engagement with third-parties, comprehensive documentation, and strict adherence to regulatory processes across all business functions. The highly collaborative and regulated nature of the industry results in firms diverting immense amounts of human capital from core operations to engage with and enforce compliance standards across internal and external parties.

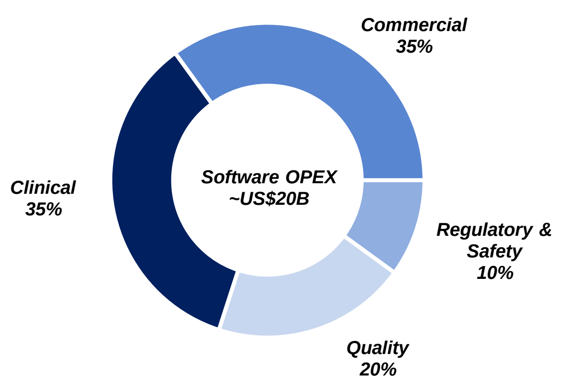
During the drug development process, drug sponsors must engage with clinical trial sites, regulators, managed care organizations, insurers, healthcare professionals, and contract research organizations using several siloed applications due to the modular structure of the life science enterprise software industry. The software providers that VEEV competes with include: Dassault Systèmes (EPA: DSY), IQVIA Holdings (NYSE: IQV), and Oracle (NYSE: ORCL). Life science companies currently spend ~US$20B annually on industry-specific enterprise software with higher spend a result of specialized software for specific business functions, industry verticals, or phases of a drug's lifecycle. Due to intense market specialization, the industry is highly fragmented with no vendor offering a product suite that competes with the entirety of VEEV's product line. Secular headwinds such as upcoming patent cliffs, increased complexity of clinical trials, and regulatory uncertainty has resulted in increased R&D costs throughout the industry. This has put pressure on growth and margins for drug sponsors, leading management teams to put a greater emphasis on R&D productivity and cost efficiency initiatives. The 'Top 20' biopharmaceutical (cont.)

Figure 2: Select Life Science Peer Product Comparison

	Veeva	IQVIA	ORACLE
Clinical	• *eTMF* • *CTMS* • *EDC*	• *eTMF* • *CTMS* • *EDC*	• *Clinical One*
Regulatory	• *Registrations* • *Submissions* • *Publishing* • *Archive*	• *RIM Smart*	• *Argus Safety*
Quality & Manufacturing	• *QMS* • *QualityDocs* • *Training*	• *eQMS*	• *N/A*
Medical	• *MedComms* • *MedInquiry*	• *MIM* • *MCM*	• *Empirica*
Sales & Marketing	• *CRM* • *PromoMats* • *Align* • *Nitro*	• *OCE*	• *N/A*

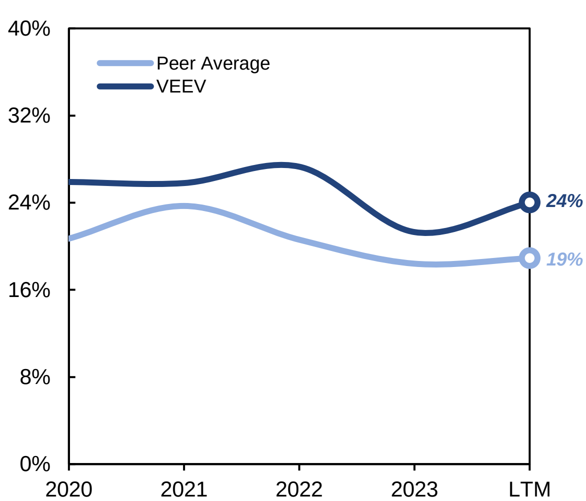
Source: Company Filings

Figure 3: 2024 Global Life Science Software Expenditure



Source: Company Filings

Figure 4: Operating Margin vs Peers



Source: S&P Capital IQ

firms will collectively face revenue losses of up to ~US$180B due to patent losses on blockbuster drugs expiring between 2025 and 2030.

Mandate Fit

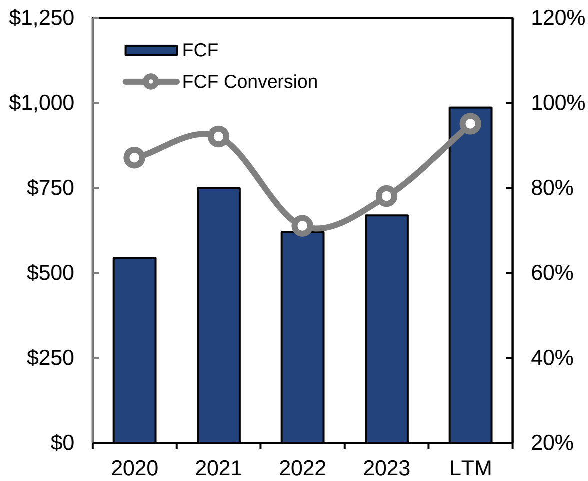
Quality Management: VEEV is led by CEO and founder Peter Gassner. Prior to founding the Company, Gassner held management roles at Salesforce (NYSE: CRM) and ORCL. Founding VEEV in 2007, Gassner has grown the Company's revenue to ~US$2.7B and is now servicing 19 of the 'Top 20' biopharmaceutical companies in the industry. Gassner currently owns ~9% of VEEV's fully diluted shares outstanding, opting for a reduced, cash-only compensation package. The remainder of NEO pay is 89% at-risk, with all officers receiving the same cash salary. The Company is a certified Public Benefit Corporation, ratifying VEEV's fiduciary duty to shareholders, employees, and customers.

Competitive Advantage: VEEV is a market leader in the life science enterprise software industry with deep-rooted relationships across all verticals of the industry, holding over ~11% of life-science software market share. High switching costs and significant barriers to entry result in sticky customer relationships that protect the Company's market position. VEEV's enterprise suite is the only fully integrated solution that supports the entire life science value chain from design to commercialization, significantly differentiating its offerings relative to peers. The Company's pure-play software strategy and end-to-end platform has resulted in an LTM operating margin of 24% versus its peer average of 19%. VEEV's competitors either specialize within specific phases of drug development or offer siloed applications that lack interoperability. VEEV's comprehensive product offering and superior market positioning allow the Company to build strong partnerships with dominant players in the industry, translating to more meaningful growth relative to peers.

Strong Balance Sheet: VEEV's pure-play life science enterprise software model affords the Company the ability to operate with lower leverage than its peers who have greater exposure to more capital-intensive business lines. VEEV's peer average Net Debt/EBITDA ratio stands at 2.7x compared to the Company's positive net cash balance. VEEV's cash balance of approximately ~US$5B provides ample liquidity to significantly invest or scale its operations without additional financing needed. VEEV's debt-free capital structure also allows the Company to deploy larger amounts of capital towards internal growth initiatives. Historically, VEEV has invested more heavily towards R&D initiatives than its peers resulting in a more comprehensive product suite. The Company currently holds credit ratings of BBB and Baa2 from S&P and Moody's, respectively.

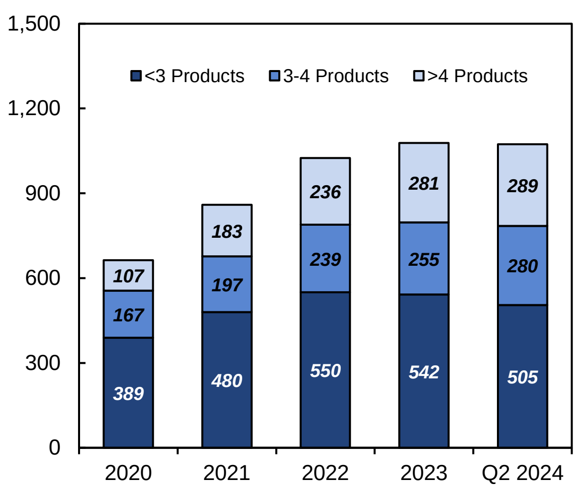
Growing Free Cash Flow: VEEV has grown its revenue at a five-year CAGR of ~31%, yielding EBITDA margins of ~41%, and an average FCF conversion of ~85% over the same period. The Company generates revenue predominantly from recurring subscriptions where VEEV's customers can opt for either individual software modules or entire product suites. The Company's twelve-year track record of double-digit revenue growth is driven by new customer additions and cross-selling efforts toward existing clients, resulting in above 100% revenue retention rates. VEEV has grown its user base at a five-year CAGR of ~14% while growing its product utilization at a five-year CAGR of ~5%. The Company has currently penetrated ~11% of total pharmaceutical software expenditures while engaging with 1,432 clients across the industry, representing over 50% of the total market. Given VEEV's extensive market breadth, the CPMT expects further growth will be derived from cross-selling and gaining greater market depth across its product suite.

Figure 5: LHS FCF (US$mm) vs RHS FCF Conversion



Source: Company Filings

Figure 6: R&D Subscription Service Product Utilization



Source: Company Filings

Risks

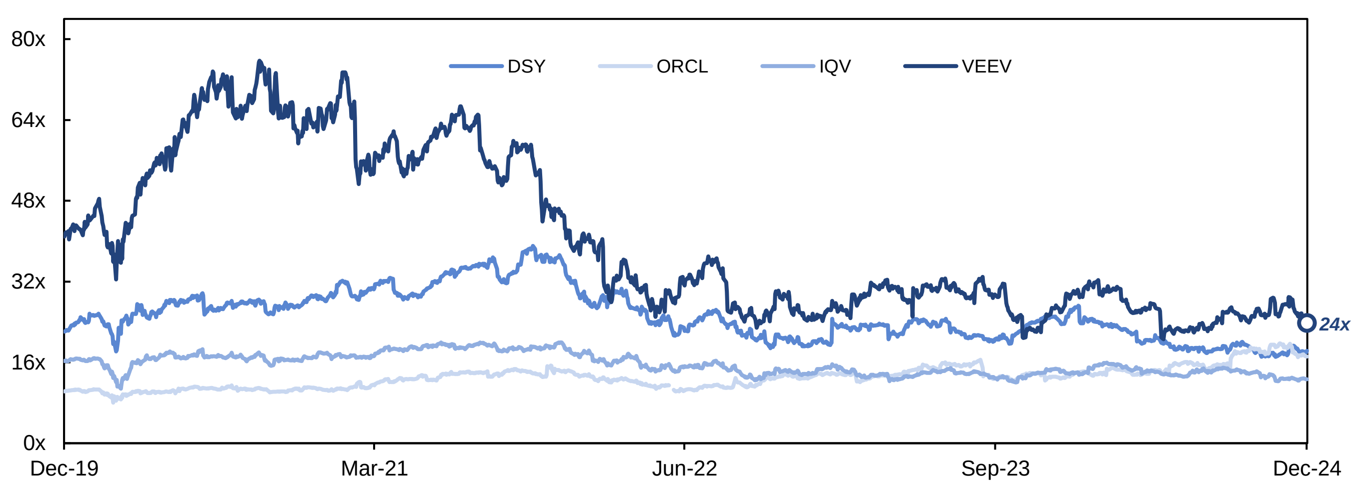
Cost constraints remain a risk in the life science industry as companies face concentrated patent expiration, increased drug development costs, and heightened demand for more efficient pipelines. This disincentivizes firms from allocating attention to digital transformation initiatives. Additionally, VEEV has announced its customer relationship management platform will be migrating from CRM to Veeva Vault. This transition will take place between 2025 and 2030 and will require existing clients to either transition to the Company's proprietary platform or stay in the CRM ecosystem as CRM plans to launch a similar application before 2030. Currently, four of the 'Top 20' biopharmaceuticals have undergone migration with VEEV having lost only one customer to CRM.

Investment Thesis and Valuation

VEEV was valued at US$233 using a five-year DCF with a WACC of 8.0%. The terminal value was derived using a 50/50 blend of (1) the Gordon Growth Method, using a terminal growth rate of 2.0% and (2) an NTM EV/EBITDA multiple of 23.3x.

The CPMT favours VEEV's dominant market position as the largest pure-play life science enterprise software provider. The Company has successfully captured market breadth, engaging in recurring subscriptions with 1,432 life science companies. VEEV plans to continue expansion through cross-selling initiatives that aim to consolidate its existing client base's remaining software onto the Company's platform. VEEV is advantageously positioned to do so, as it offers the most comprehensive product suite relative to peers, resulting in minimized switching costs and immediate realized benefits upon consolidation. The CPMT believes the Company's relationship-based sales model, and its end-to-end product suite will translate to continued increases in product utilization and customer additions. Additionally, the Fund favours the Company's high-margin, asset-light business model and positive net cash position as key drivers that will continue to support long-term growth. VEEV has historically traded at a ~16x NTM EV/EBITDA premium relative to peers driven by the Company's robust margin and growth profile. The CPMT believes the current ~8x premium to be unjustified given the industry-wide headwinds and company-specific risks VEEV faces suppressing the likelihood of comparable future performance. The Fund will actively monitor the name and take action to invest when the valuation presents a more favourable opportunity.

Figure 7: NTM EV/EBITDA vs Peers

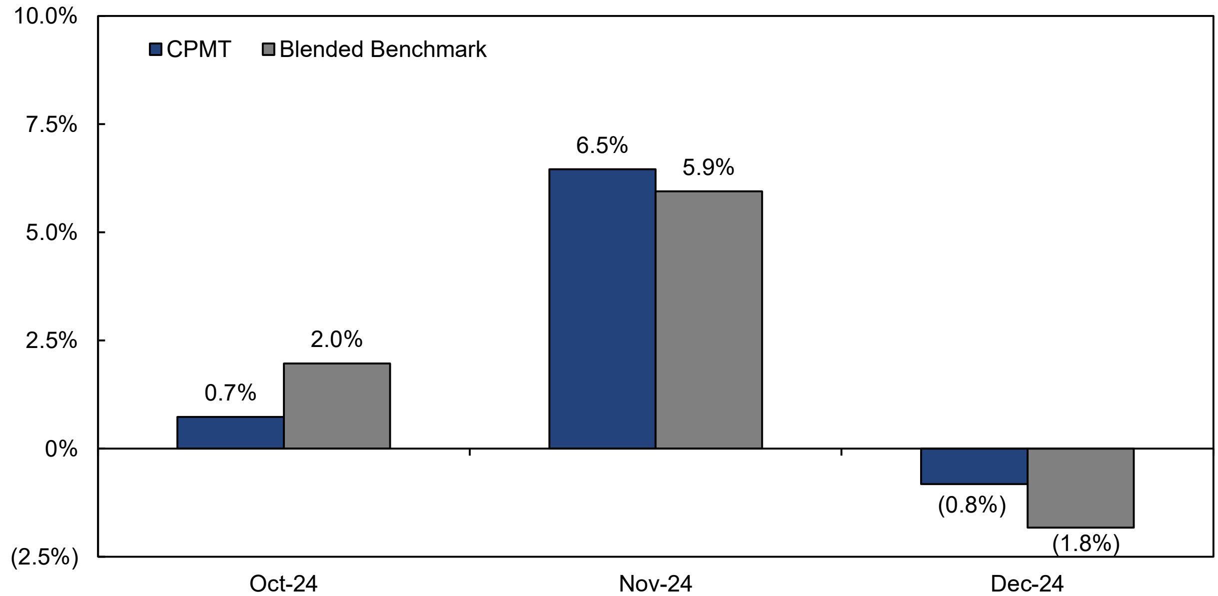


Source: S&P Capital IQ

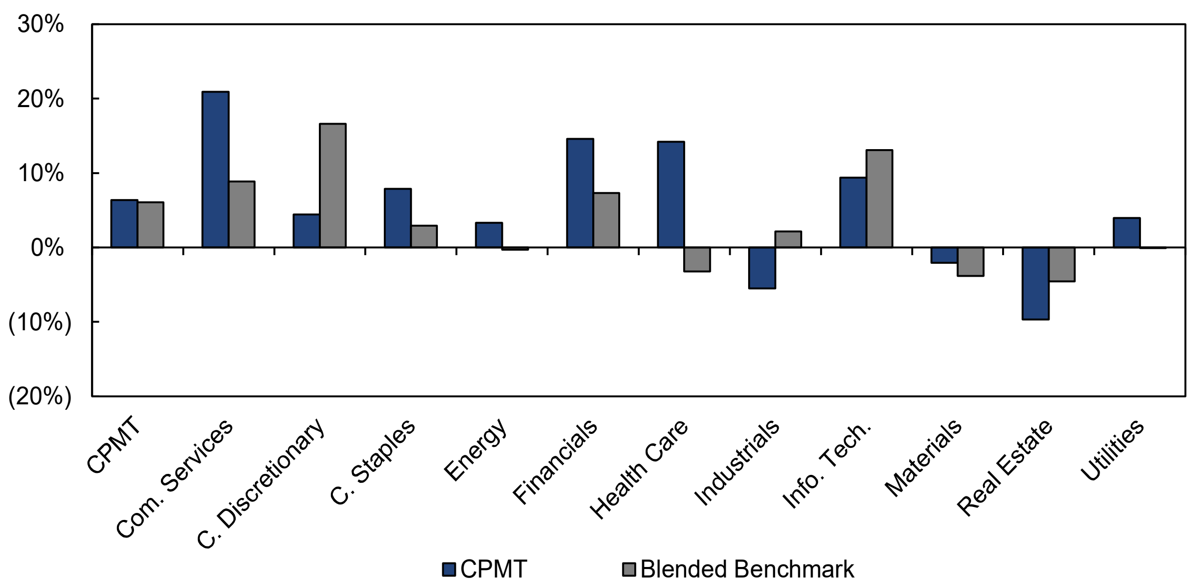
Compliance and Performance

QUARTERLY PERFORMANCE

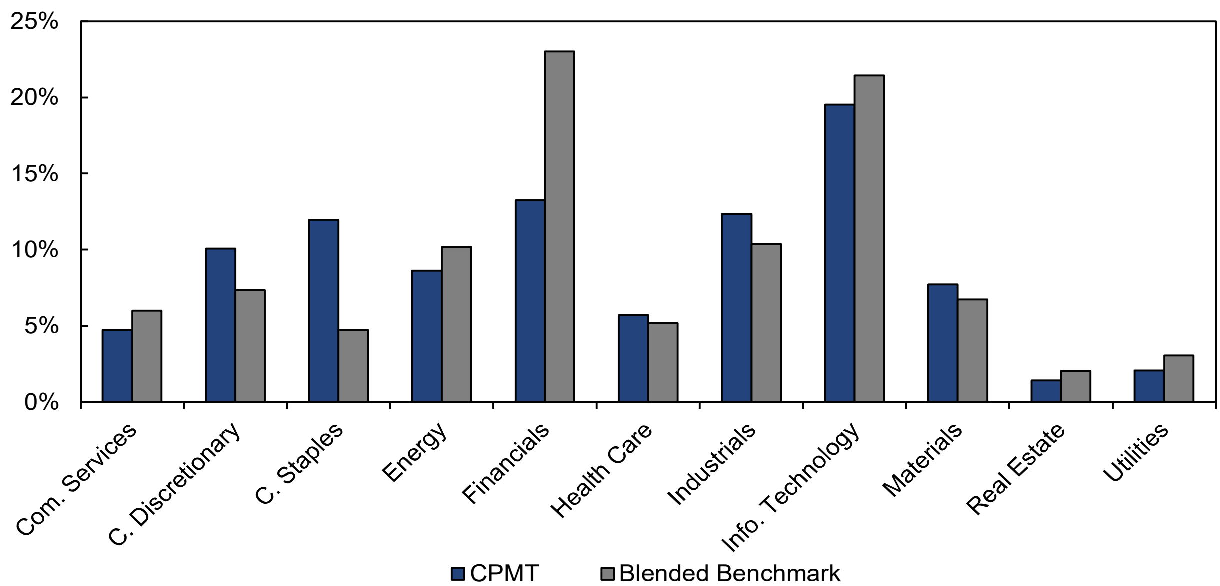
CPMT and Blended Benchmark Monthly Returns



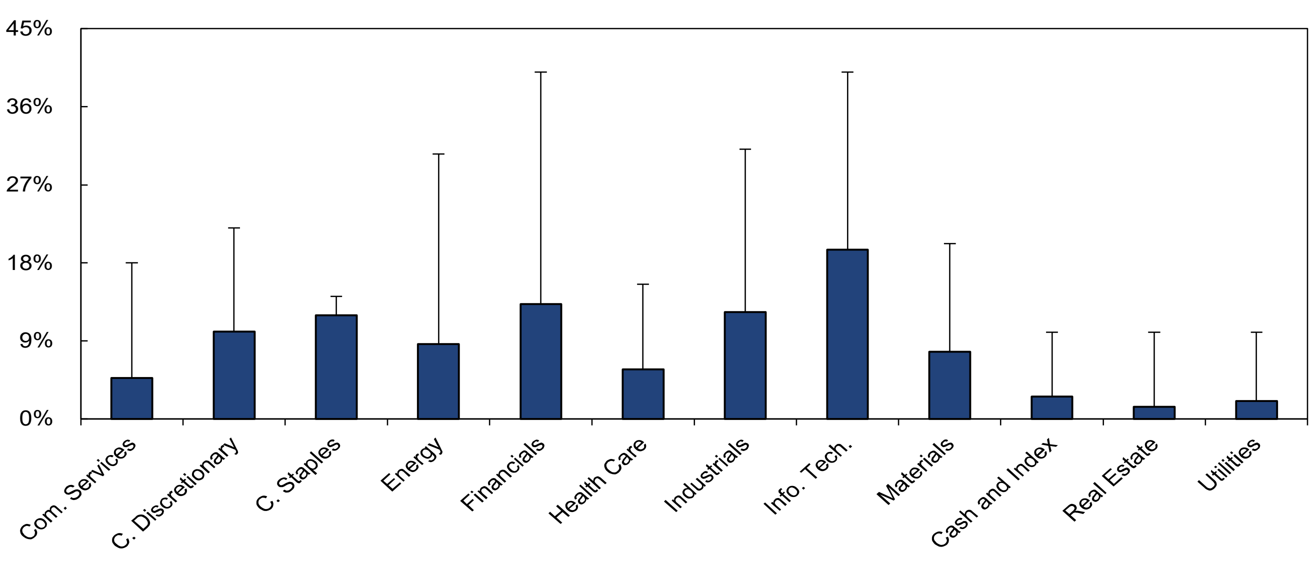
CPMT and Blended Benchmark Quarterly Sector Returns



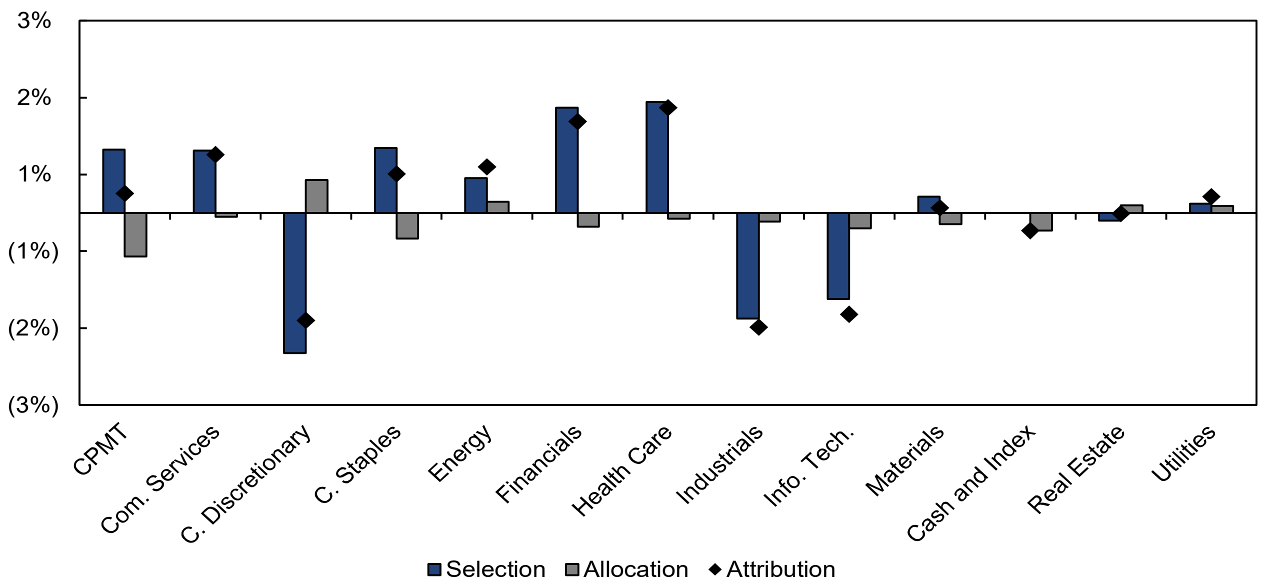
CPMT and Blended Benchmark Sector Weightings



CPMT Sector Weights vs Maximum Weight



Attribution Analysis (FQ3 2025)



CPMT Attribution Analysis

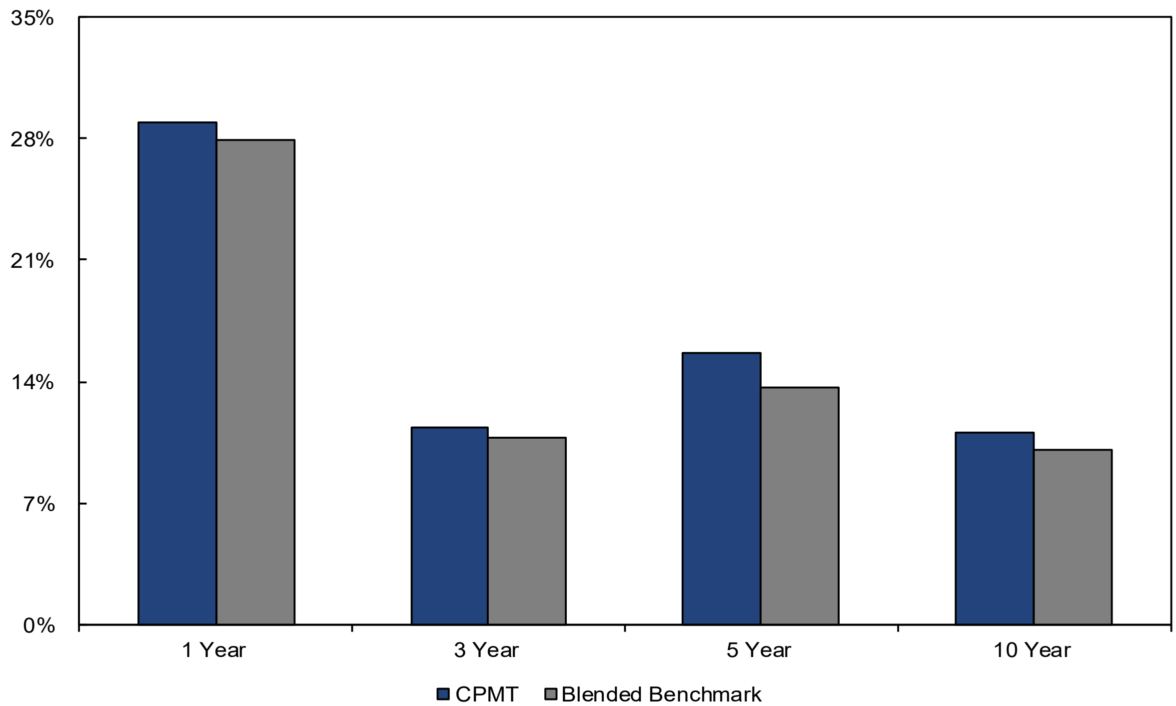
FQ3 2025	Attribution	Allocation	Selection
CPMT	0.31%	(0.68%)	0.99%
Communication Services	0.91%	(0.06%)	0.97%
Consumer Discretionary	(1.68%)	0.51%	(2.19%)
Consumer Staples	0.61%	(0.40%)	1.01%
Energy	0.72%	0.17%	0.54%
Financials	1.43%	(0.22%)	1.64%
Health Care	1.64%	(0.09%)	1.73%
Industrials	(1.79%)	(0.14%)	(1.65%)
Information Technology	(1.59%)	(0.24%)	(1.34%)
Materials	0.08%	(0.17%)	0.25%
Other	(0.28%)	(0.28%)	0.00%
Real Estate	(0.01%)	0.11%	(0.12%)
Utilities	0.25%	0.11%	0.14%

1 Year	Attribution	Allocation	Selection
CPMT	3.64%	(0.01%)	3.65%
Communication Services	0.42%	(0.07%)	0.49%
Consumer Discretionary	0.69%	0.24%	0.45%
Consumer Staples	0.68%	(0.45%)	1.13%
Energy	(0.01%)	0.12%	(0.13%)
Financials	1.77%	0.25%	1.52%
Health Care	0.68%	(0.04%)	0.72%
Industrials	0.48%	(0.08%)	0.56%
Information Technology	(1.76%)	0.23%	(1.99%)
Materials	0.64%	0.08%	0.56%
Other	(0.31%)	(0.31%)	0.00%
Real Estate	(0.10%)	0.08%	(0.18%)
Utilities	0.45%	(0.06%)	0.51%

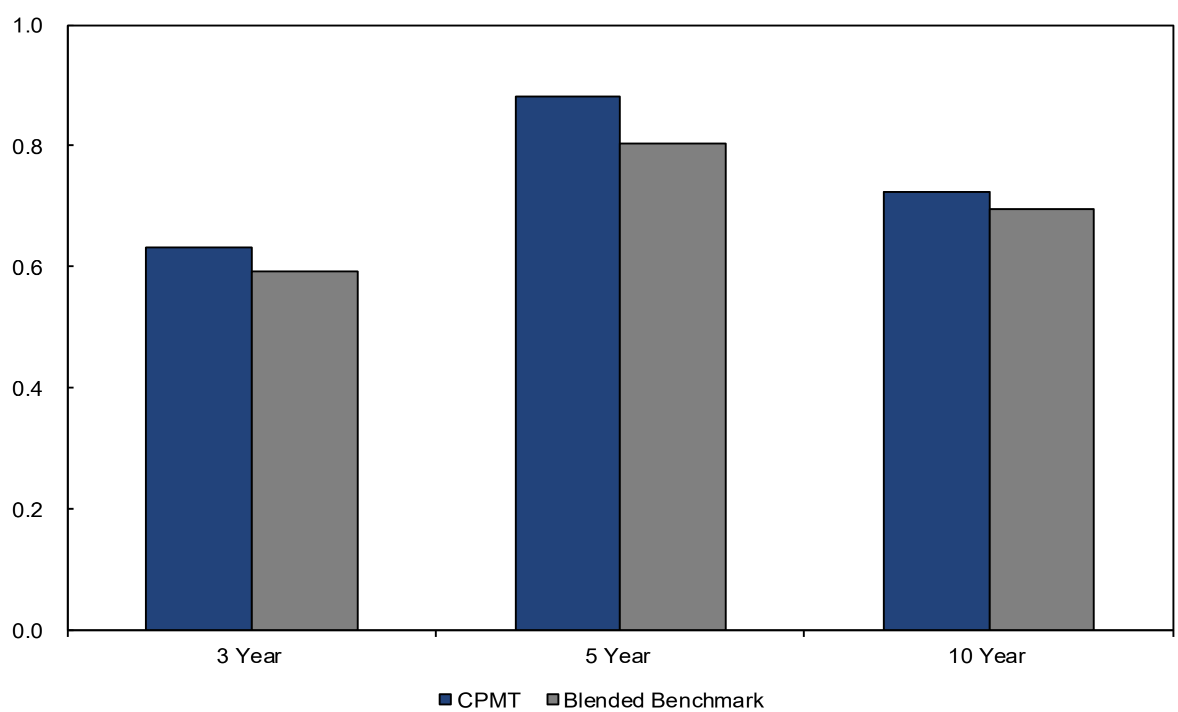
Compliance and Performance

LONG-TERM PERFORMANCE

CPMT and Blended Benchmark Total Return (Annualized)



CPMT and Blended Benchmark Composite Index Sharpe Ratios



The CPMT Long-Term Performance Targets

Absolute Returns (annualized)		1 Year		3 Year		5 Year		10 Year
CPMT [1]	✔	28.96%	✔	11.41%	✔	15.65%	✔	11.02%
Relative Returns (bps)								
Blended Benchmark [2]	✔	107	✖	63	✔	195	✖	94
Risk Adjusted Returns (bps)								
Blended Benchmark [3]	✔	394	✖	100	✔	175	✖	91

(1) Performance target of 7.0% annual returns.

(2) Performance target to exceed the Blended TSX & S&P 500 Benchmark by 100 bps.

(3) Performance target to exceed the Blended TSX & S&P 500 Benchmark by 100 bps on a risk adjusted basis.

CPMT Long-Term Performance Details

Annualized Return	1 Year	3 Year	5 Year	10 Year
CPMT	28.96%	11.41%	15.65%	11.02%
Blended Benchmark	27.89%	10.78%	13.69%	10.08%
Annualized Volatility				
CPMT	7.59%	13.08%	14.55%	12.39%
Blended Benchmark	7.97%	12.94%	14.17%	11.83%
Sharpe				
CPMT	2.92	0.63	0.88	0.73
Blended Benchmark	2.68	0.59	0.80	0.70

APPENDICES

Appendix 1: CFA Code of Ethics

The following is the CFA Code of Ethics to be complied with at all times by Portfolio Managers:

- To act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.
- To place the integrity of the investment profession and the interests of clients above personal interests.
- To use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- To practice and encourage others to practice in a professional and ethical manner that will reflect credit on ourselves and the profession.
- To promote the integrity and viability of the global capital markets for the ultimate benefit of society.
- To maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals.

Appendix 2: Account Activity

CPMT Transactions Log (2024-2025)

FQ1 2025	Date	Action	Shares	Purchase Price	Sale Price	Currency	Capital Gain (CAD)	Return
CJT	30-Apr-24	Buy	130	$124.27				
ADBE	30-Apr-24	Sell	20	$524.10	$467.57	USD	-$1,130.57	-10.79%
Total							-$1,130.57	-10.79%

FQ2 2025	Date	Action	Shares	Purchase Price	Sale Price	Currency	Capital Gain (CAD)	Return
COST	12-Jul-24	Sell	4	$217.56	$845.12	USD	$2,510.24	288.45%
Total							$2,510.24	288.45%

FQ3 2025	Date	Action	Shares	Purchase Price	Sale Price	Currency	Capital Gain (CAD)	Return
AMZN	02-Dec-24	Buy	130	$212.16				
CPX	02-Dec-24	Buy	300	$61.45				
ZTS	02-Dec-24	Sell	61	$165.10	$174.79	USD	$590.79	5.87%
NEE	02-Dec-24	Sell	347	$60.31	$77.19	USD	$5,857.36	27.99%
COST	02-Dec-24	Sell	6	$217.56	$972.45	USD	$4,529.34	346.98%
CSU	02-Dec-24	Sell	1	$428.79	$4,713.15	CAD	$4,284.36	999.17%
BN	02-Dec-24	Sell	443	$30.16	$86.45	CAD	$24,934.30	186.62%
BAM	02-Dec-24	Buy	362	$79.61				
Total							$40,196.14	87.21%

Appendix 2: Account Activity (Continued)

Dividend Summary

January, 2024			
Equity	**Date**	**DPS**	**Credit (CAD)**
T	02-Jan-24	$0.38	$259.96
CNQ	05-Jan-24	$1.00	$401.00
CSU	11-Jan-24	$1.33	$18.66
COST	12-Jan-24	$15.00	$825.00
TMO	16-Jan-24	$0.35	$5.95
CPKC	29-Jan-24	$0.19	$23.39
JPM	31-Jan-24	$1.05	$150.15
Total			**$1,684.11**

February, 2024			
Equity	**Date**	**DPS**	**Credit (CAD)**
DOL	02-Feb-24	$0.07	$10.62
EPD	14-Feb-24	$0.52	$190.55
AAPL	15-Feb-24	$0.24	$35.04
COST	16-Feb-24	$1.02	$56.10
RY	23-Feb-24	$1.38	$219.07
Total			**$511.38**

March, 2024			
Equity	**Date**	**DPS**	**Credit (CAD)**
ENB	01-Mar-24	$0.92	$228.75
WCN	13-Mar-24	$0.39	$50.29
TOU	21-Mar-24	$0.50	$100.00
BAM	28-Mar-24	$0.51	$56.48
BN	28-Mar-24	$0.11	$47.74
CCL.B	28-Mar-24	$0.29	$58.00
CNR	28-Mar-24	$0.85	$126.75
TOI	28-Mar-24	$2.27	$240.53
TOU	28-Mar-24	$0.30	$60.00
Total			**$968.54**

April, 2024			
Equity	**Date**	**DPS**	**Credit (CAD)**
CNQ	05-Apr-24	$1.05	$374.85
ATD	15-Apr-24	$0.18	$75.25
CSU	15-Apr-24	$1.36	$17.62
CP	23-Apr-24	$0.19	$10.45
Total			**$478.17**

May, 2024			
Equity	**Date**	**DPS**	**Credit (CAD)**
DOL	03-May-24	$0.09	$13.80
TOU	16-May-24	$0.50	$100.00
WCN	23-May-24	$0.39	$50.88
Total			**$164.68**

June, 2024			
Equity	**Date**	**DPS**	**Credit (CAD)**
ENB	03-Jun-24	$0.92	$228.75
BAM	28-Jun-24	$0.52	$57.48
BN	28-Jun-24	$0.11	$48.72
CCL	28-Jun-24	$0.29	$58.00
CNR	28-Jun-24	$0.85	$126.75
TOU	28-Jun-24	$0.32	$64.00
Total			**$583.70**

Appendix 2: Account Activity (Continued)

Dividend Summary

July, 2024			
Equity	Date	DPS	Credit (CAD)
MCK	02-Jul-24	$0.86	$41.96
CNQ	05-Jul-24	$0.53	$374.85
CJT	05-Jul-24	$0.31	$40.90
CSU	11-Jul-24	$1.37	$17.81
TMO	15-Jul-24	$0.54	$9.16
ATD	19-Jul-24	$0.18	$75.25
CP	29-Jul-24	$0.19	$27.82
JPM	31-Jul-24	$1.59	$227.11
Total			**$814.86**

August, 2024			
Equity	Date	DPS	Credit (CAD)
DOL	02-Aug-24	$0.09	$13.80
COST	09-Aug-24	$1.60	$76.90
EPD	14-Aug-24	$0.50	$185.10
AAPL	15-Aug-24	$0.35	$50.41
TOU	21-Aug-24	$0.50	$100.00
WCN	22-Aug-24	$0.39	$50.90
RY	23-Aug-24	$1.43	$308.43
Total			**$785.54**

September, 2024			
Equity	Date	DPS	Credit (CAD)
CTAS	03-Sep-24	$2.15	$92.64
V	03-Sep-24	$0.72	$35.91
ENB	03-Sep-24	$0.92	$228.75
ZTS	04-Sep-24	$0.60	$36.39
MSFT	12-Sep-24	$1.04	$87.01
NEE	16-Sep-24	$0.71	$246.81
GOOGL	16-Sep-24	$0.28	$44.19
HSY	16-Sep-24	$1.89	$104.06
LIN	18-Sep-24	$1.92	$67.19
CCL.B	27-Sep-24	$0.29	$58.00
BN	27-Sep-24	$0.11	$48.17
ATD	27-Sep-24	$0.18	$75.25
TOU	27-Sep-24	$0.35	$70.00
CNR	27-Sep-24	$0.85	$126.75
BAM	27-Sep-24	$0.52	$56.79
PLD	30-Sep-24	$1.33	$116.67
Total			**$1,494.58**

October, 2024			
Equity	Date	DPS	Credit (CAD)
MCK	01-Oct-24	$0.71	$48.05
CJT	04-Oct-24	$0.35	$45.50
CNQ	04-Oct-24	$0.53	$374.85
CSU	10-Oct-24	$1.36	$17.63
TMO	15-Oct-24	$0.39	$9.16
CP	28-Oct-24	$2.13	$27.75
JPM	31-Oct-24	$1.73	$246.86
Total			**$769.80**

November, 2024			
Equity	Date	DPS	Credit (CAD)
DOL	01-Nov-24	$0.09	$13.80
EPD	14-Nov-24	$0.53	$268.27
AAPL	14-Nov-24	$0.25	$50.41
COST	15-Nov-24	$1.16	$76.90
WCN	21-Nov-24	$0.44	$56.78
RY	22-Nov-24	$1.42	$308.43
TOU	26-Nov-24	$0.50	$143.28
Total			**$917.87**

December, 2024			
Equity	Date	DPS	Credit (CAD)
ENB	02-Dec-24	$0.92	$228.75
ATD	18-Dec-24	$0.20	$83.85
CCL.B	30-Dec-24	$0.29	$58.00
CNR	30-Dec-24	$0.85	$126.75
BAM	31-Dec-24	$0.54	$59.79
TOU	31-Dec-24	$0.35	$99.50
V	02-Dec-24	$0.59	$40.74
ZTS	03-Dec-24	$0.43	$36.39
MFST	12-Dec-24	$0.83	$96.29
CTAS	13-Dec-24	$0.39	$66.79
GOOGL	16-Dec-24	$0.20	$44.19
NEE	16-Dec-24	$0.52	$246.81
LIN	17-Dec-24	$1.39	$67.19
CRH	18-Dec-24	$0.35	$130.51
PLD	31-Dec-24	$0.96	$116.67
Total			**$1,502.21**

CPMT Holdings - December 31, 2024	Market Cap	Conviction	Position Size			Target Price		Currency	Stock Price	Total Return	
Financials			Current	Target	Difference	Prior	Current			QTD	TTM
Brookfield Asset Management	Large	2	3.96%	4.00%	0.04%	N/A	$83.00	CAD	$78.83	23.29%	49.41%
Brookfield Corporation	Large	0	0.00%	0.00%	0.00%	$60.00	$60.00	CAD	$82.43	14.76%	55.24%
JPMorgan Chase & Co.	Large	2	5.29%	4.00%	(1.29%)	$208.00	$208.00	USD	$347.60	22.02%	56.51%
Royal Bank of Canada	Large	2	3.99%	4.00%	0.01%	$143.00	$143.00	USD	$174.22	3.39%	30.30%
Information Technology											
Apple Inc.	Large	3	5.73%	6.00%	0.27%	$165.00	$165.00	USD	$368.38	17.03%	43.42%
Constellation Software Inc.	Large	3	5.79%	6.00%	0.21%	$3,075.00	$3,075.00	CAD	$4,534.73	3.06%	39.64%
Microsoft Corporation	Large	3	5.55%	6.00%	0.45%	$287.00	$287.00	USD	$620.52	6.74%	24.86%
Topicus.com Inc.	Mid	0	0.00%	0.00%	0.00%	$129.00	$129.00	CAD	$119.45	(6.40%)	27.18%
Visa Inc.	Large	1	2.44%	2.00%	(0.44%)	$240.00	$240.00	USD	$459.28	23.65%	33.96%
Materials											
CCL Industries inc.	Large	1	1.58%	2.00%	0.42%	$82.00	$82.00	CAD	$74.21	(9.99%)	24.30%
Linde PLC	Large	1	2.27%	2.00%	(0.27%)	$415.00	$415.00	USD	$609.64	(5.37%)	11.87%
CRH	Large	2	3.88%	4.00%	0.12%	$101.00	$101.00	USD	$134.88	2.56%	2.56%
Energy											
Canadian Natural Resources Limited	Large	2	3.31%	4.00%	0.69%	$110.00	$110.00	CAD	$43.48	(3.18%)	0.56%
Enbridge inc.	Large	1	1.60%	2.00%	0.40%	$53.00	$53.00	CAD	$60.30	9.76%	26.10%
Enterprise Products Partners LP	Large	1	1.76%	2.00%	0.24%	$30.00	$30.00	USD	$44.78	13.87%	29.42%
Tourmaline Oil Corp.	Large	1	1.96%	2.00%	0.04%	$80.00	$80.00	CAD	$63.91	1.75%	7.65%
Consumer Discretionary											
Aritzia Inc.	Mid	2	3.72%	4.00%	0.28%	$45.00	$45.00	CAD	$53.72	5.69%	90.43%
Lowe's Companies	Large	1	1.91%	2.00%	0.09%	$293.00	$293.00	USD	$357.93	(2.83%)	(2.83%)
Amazon.com	Large	2	4.46%	4.00%	(0.46%)	$201.00	$201.00	USD	$322.49	8.03%	8.03%
Consumer Staples											
Alimentation Couche-Tard Inc	Large	2	3.67%	4.00%	0.33%	$70.00	$70.00	CAD	$80.14	7.18%	5.42%
Costco Wholesale Corporation	Large	3	6.06%	6.00%	(0.06%)	$610.00	$610.00	USD	$1,354.39	13.09%	52.00%
Dollarama Inc.	Large	1	2.24%	2.00%	(0.24%)	$111.00	$111.00	CAD	$140.21	1.21%	48.86%
Hershey Company	Large	0	0.00%	0.00%	0.00%	$275.00	$275.00	USD	$247.56	(4.45%)	2.23%
Telecommunications											
Alphabet Inc.	Large	2	4.73%	4.00%	(0.73%)	$221.00	$221.00	USD	$277.82	24.00%	48.00%
Healthcare											
McKesson Corporation	Large	2	4.34%	4.00%	(0.34%)	$508.00	$508.00	USD	$831.11	24.43%	37.92%
Thermo Fisher Scientific Inc.	Large	1	1.37%	2.00%	0.63%	$570.00	$570.00	USD	$758.22	(9.27%)	8.02%
Zoetis Inc.	Large	0	0.00%	0.00%	0.00%	$177.00	$177.00	USD	$237.24	(10.12%)	(8.29%)
Industrials											
Canadian National Railway Company	Large	2	2.35%	4.00%	1.65%	$163.00	$163.00	CAD	$147.02	(7.17%)	(11.26%)
Canadian Pacific Kansas City	Large	1	1.64%	2.00%	0.36%	$138.00	$138.00	CAD	$104.58	(9.59%)	(0.79%)
Cargojet Inc.	Large	1	1.45%	2.00%	0.55%	$146.00	$146.00	CAD	$104.46	(24.39%)	(15.94%)
Cintas Corporation	Large	2	3.49%	4.00%	0.51%	$532.00	$532.00	USD	$264.29	(4.98%)	33.87%
Waste Connections, Inc.	Large	2	3.42%	4.00%	0.58%	$189.00	$189.00	CAD	$247.06	2.20%	26.41%
Real Estate											
Prologis Inc.	Large	0	1.42%	2.00%	0.58%	$131.00	$97.00	USD	$151.68	(11.09%)	(13.65%)
Utilities											
NextEra Energy, Inc.	Large	0	0.00%	0.00%	0.00%	$75.00	$75.00	USD	$103.93	(8.99%)	31.11%
Capital Power	Large	1	2.05%	2.00%	(0.05%)	$66.00	$66.00	CAD	$64.25	4.56%	4.56%