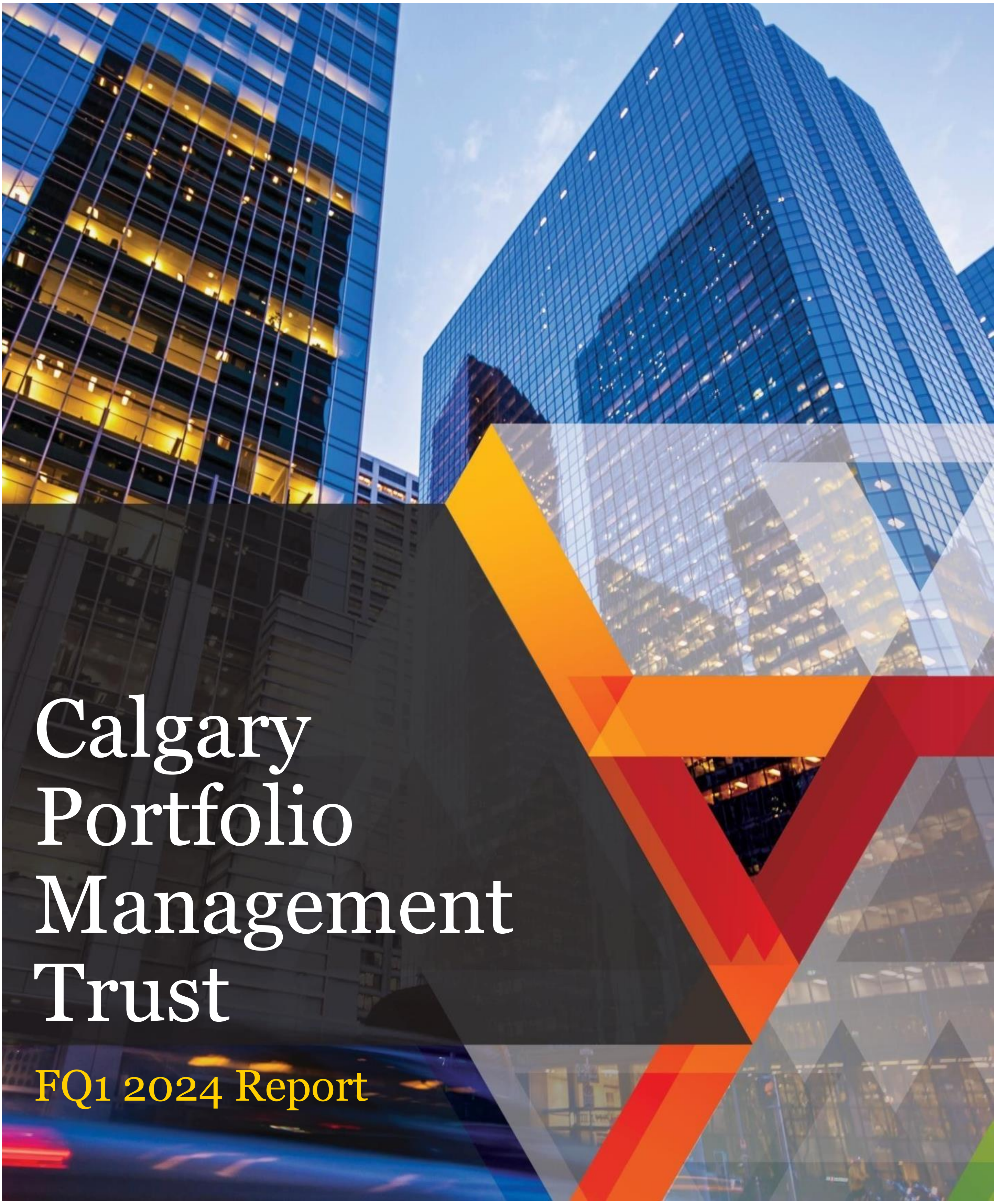

Calgary Portfolio Management Trust

FQ1 2024 Report

UNIVERSITY OF CALGARY
HASKAYNE SCHOOL OF BUSINESS

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Dear Stakeholders,

The Calgary Portfolio Management Trust (CPMT) Class of 2024 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 that 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 37/63 weighting between Canadian and U.S. equities. Following a volatile year in the market, the Fund aims to carry the momentum and rigor 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) high caliber 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,

Daniel Krapiwin, Portfolio Manager

Daniel K

Jacob Kemp, Portfolio Manager

Jeevan Gill, Portfolio Manager

Jeevan Gill

João Vitor Beani, Portfolio Manager

João Vitor Beani

Joel Homersham, Portfolio Manager

Lucas Frame, Portfolio Manager

Frame

Rebecca Butler, Portfolio Manager

RButler

Ryan Crisalli, Portfolio Manager

Class of 2024

Biographies

CPMT CLASS OF 2024

DANIEL KRAPIWIN
Portfolio Manager
5th Year, Finance
Daniel joined the CPMT in March 2022 as an Investment Analyst. He is thankful to the Board of Trustees, mentors, and alumni for the continued support in making this opportunity possible. He looks forward to developing a deeper understanding of financial markets, portfolio management, and equity research. Daniel is currently working towards a degree in Finance. In addition to the CPMT, Daniel has been involved with the University of Calgary Consulting Association, JDC West as an International Business Delegate, the McGill International Portfolio Challenge, and the DeNovo Student Investment Fund as both a Portfolio Manager and the VP of Marketing. Daniel has completed two internships at BluEarth Renewables as a Finance Student. Daniel is currently interning at National Bank Financial in its Credit Capital Markets team. In his spare time, Daniel enjoys disc golf, golf, hiking, and watching F1.

JACOB KEMP
Portfolio Manager
5th Year, Finance / Economics
Jacob joined the CPMT in March 2022 as an Investment Analyst. He is thankful for the Board of Trustees and the alumni base that provide continued support of the program. He is excited to further develop skills in portfolio management, financial modelling, and valuation throughout his time with the program. Jacob is currently working towards completing a dual degree in Finance and Economics. In addition to the CPMT, Jacob is involved with the Haskayne Finance Club. Jacob has previously completed internships in Private Credit, Private Equity, Equity Research, and Oil and Gas with SAF Group, Macritchie, Acumen Capital Partners, and TAQA. Jacob is currently interning at TD Securities as an Investment Banking Summer Analyst in the Global Energy Group. In his free time, Jacob enjoys weightlifting, golf, hockey, skiing, and reading.

JEEVAN GILL
Portfolio Manager
5th Year, Finance / Music (Minor)
Jeevan joined the CPMT in March 2022 as an Investment Analyst. He is excited to develop his skills in equity research, portfolio management, and financial modelling over the course of the program. Jeevan is currently working towards completing a degree in Finance and a minor in Music. In addition to the CPMT, Jeevan was involved with the DeNovo Student Investment Fund, the CFA Research Challenge, and the McGill International Portfolio Challenge. Jeevan is also an active musician in Calgary's jazz community and has performed as a drummer with ensembles such as the University of Calgary Jazz Orchestra and the Calgary Youth Jazz Orchestra. Jeevan completed an internship in summer 2022 as a Staff Accountant at Deloitte in its Audit Public group. Jeevan is currently completing an internship at Bank of America as an Investment Banking Summer Analyst in its Global Natural Resources & Energy Transition Group. In his free time, Jeevan enjoys practicing his drumming, listening to music, and watching basketball.

JOÃO VITOR BEANI
Portfolio Manager
4th Year, Finance / Economics (Minor)
João joined the CPMT in March 2022 as an Investment Analyst, and would like to thank the Board of Trustees, mentors, and alumni for the continued support in making this opportunity possible. João is looking forward to developing a deeper understanding of financial markets, valuation, portfolio management, and equity research throughout the program. João is an international student from Brazil currently working towards a degree in Finance with a minor in Economics. Previously, João completed a part-time internship at Pivotal Capital Advisory Group and a Summer Internship at Stone Co. in the Software M&A division. João is currently interning at IGC Partners as an Investment Banking Summer Analyst. In summer 2024, he will join RBC Capital Markets as an Investment Banking Summer Analyst in the Global Energy Group. In his spare time, João enjoys soccer, tennis, and music.

JOEL HOMERSHAM
Portfolio Manager
5th Year, Finance / Economics

Joel joined the CPMT in March 2022 as an Investment Analyst, and would like to thank the Board of Trustees, mentors, and alumni for the continued support in making this opportunity possible. He is excited to further develop his skills pertaining to portfolio management, equity research and financial modelling throughout his time with the program. Joel is currently working towards a dual degree in Finance and Economics. In addition to the CPMT, Joel is involved with the Haskayne Finance Club and most recently served as the Director of Equity Research. Joel has completed internships in the Private Equity and Energy Services with the Ayrshire Group and West Earth Sciences. Joel is currently interning at RBC Capital Markets as an Investment Banking Summer Analyst in the Global Energy Group. In his free time, Joel enjoys playing golf, hockey, and reading.

LUKE FRAME
Portfolio Manager
5th Year, Honours Finance / Computer Science

Luke joined the CPMT in March 2022 as an Investment Analyst with the goal of continuing to develop his skills in and understanding of financial analysis and modeling. Over the next year, he is determined to make a positive contribution to the program and help the University to continue to be a major player in Canadian business academia. Luke recently joined Peters & Co. Limited as a full-time Equity Research Associate but remains committed to the CPMT and looks forward to mentoring and collaborating with the new analyst class. Previously, he completed two summer internships in Equity Research and Institutional Equity Sales & Trading at Peters & Co., in addition to a Winter internship at SAF Group, where he worked as an Investment Analyst. In his free time, Luke enjoys hockey, golf, skiing, mountain biking and camping.

REBECCA BUTLER
Portfolio Manager
5th Year, Finance

Rebecca joined the CPMT in March 2022 as an Investment Analyst, and would like to thank the Board of Trustees, mentors, and alumni for the continued support in making this opportunity possible. Rebecca is looking forward to developing a deeper understanding of financial markets, valuation, portfolio management, and equity research throughout the program. Rebecca is currently working towards a degree in Finance and an embedded certificate in Sustainability Studies. In addition to the CPMT, Rebecca teaches piano and music theory. Previously, Rebecca completed her first co-op term at Fidelity Investments as a Calgary Advisor Sales Intern, and her second term as a Financial Analyst out of Fidelity's Toronto office. Rebecca is currently interning at National Bank Financial in Calgary as an Investment Banking Summer Analyst. In her spare time, Rebecca enjoys fitness, skiing, wake surfing, music, and coffee.

RYAN CRISALLI
Portfolio Manager
5th Year, Finance

Ryan joined the CPMT in March 2022 as an Investment Analyst, and would like to thank the Board of Trustees, mentors, and alumni for the continued support in making this opportunity possible. Ryan is eager to further develop his skills in financial modelling, equity research, and portfolio management during his time with the program. Ryan is currently working towards a degree in Finance with a minor in Economics. In addition to the CPMT, Ryan is a part of the University of Calgary Trading Team. He has previously completed internships in Commodity Trading, Private Equity, and Oil and Gas with CNOOC International, Caldwell Investment Management, and TAQA. Ryan is currently completing an internship at BMO Capital Markets as an Investment Banking Summer Analyst in the Energy group. In his free time, Ryan enjoys hockey, golf, snowboarding, music and traveling.

CPMT CLASS OF 2025

EMMANUEL FIKRESELASSIE
Investment Analyst
5th 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. In summer 2024, Emmanuel will be joining RBC Capital Markets as an Investment Banking Summer Analyst in its Global Energy Group. In addition to the CPMT, Emmanuel was involved in the CFA Research Challenge and is the Founder of AGB Student Advising. In his leisure time, Emmanuel enjoys playing soccer, basketball, weightlifting, running, and volunteering.

JACK DEMO
Investment Analyst
3rd Year, Finance / Economics

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 and Economics. 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. In summer 2024, he will be joining the BMO Capital Markets Team as an Investment Banking Summer Analyst. In his free time, Jack enjoys fitness, golf, hockey and podcasts.

LUKAS FAIRLEY
Investment Analyst
4th 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 modeling. 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. Currently, Lukas is working at Plains Midstream Canada as a Crude and Condensate Supply and Trading Intern. In summer 2024, Lukas will be joining TD Securities as an Investment Banking Summer Analyst in its Global Energy team. Previously Lukas was a Corporate Development Summer Student at Enbridge. In his spare time, Lukas enjoys golf, hiking, and basketball.

MAX KONWITSCHNY
Investment Analyst
3rd Year, Finance

Max joined the CPMT in March 2023 as an Investment Analyst and is excited to further develop his equity research and financial modeling skills. He would like to thank the Board of Trustees, mentors, and alumni for their continued support in making this opportunity possible. In addition to the CPMT, Max has been involved in the Van Berkom Small Cap Case Competition and bp Trading Competitions. He is currently working at Inter Pipeline as a Financial Planning & Analysis Intern, and in the fall of 2023, is joining BMO Capital Markets as an Investment Banking Fall Analyst. In his spare time, Max enjoys astronomy, espresso, and hockey.

SARAH ADAMJEE
Investment Analyst
3rd 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 University of Calgary Consulting Association and JDC West as a Business Strategy Delegate. Previously, Sarah completed an internship with Dream as a Financial Planning and Analysis Intern. In summer 2024, Sarah will be interning with National Bank Financial as an Investment Banking Summer Analyst. In her free time, Sarah enjoys fitness, listening to music, and hiking.

SOHIL AGRAWAL
Investment Analyst
4th 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 modeling. He is thankful for the Board of Trustees and the alumni base that continues to support the program. Sohil is current completing a degree in Finance, with a minor in Data Science and Certificate in Entreprenurial Thinking. With previous experience in consulting and private equity, he is looking forward to applying his skills learned through CPMT in his role as Investment Banking Analyst with BMO's Capital Market Group in summer 2024. 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, hiking, and watching F1.

TARA JINDAL
Investment Analyst
3rd 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 with a minor in Data Science. In addition to CPMT, Tara has been involved with the CFA Research Challenge, University of Calgary Trading Team, Rotman International Trading Competiton and JDC West as an Accounting Delegate and VP Finance. During summer 2023, Tara interned at CIBC World Markets as an Investment Banking Summer Analyst in the Energy, Infrastructure and Transition group. In summer 2024, Tara is looking forward to interning at BP as a Commercial Energy Trading Intern. In her spare time, Tara enjoys music, fitness, and F1.

Portfolio Strategy and Sector Views

OVERVIEW

During FY2024, 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 centered 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 the extent of the economic recovery 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 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 holdings are Alphabet (NASDAQ: GOOGL), and Telus (TSX: T). The Fund is currently 0.8% overweight relative to the blended benchmark. The CPMT will continue to closely monitor its current positions in GOOGL and T, while evaluating 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 1.4% underweight relative to the blended benchmark. The performance of companies in this sector faced pressure in FY2023 as consumer purchasing power continued to erode from high inflation and elevated interest rates. However, the U.S. personal saving rate has risen to 4.6% in February 2023 after falling to a low of 2.7% in June 2022; as such, the Fund believes these renewed savings will slowly increase consumer spending in 2023. With U.S. unemployment at 3.5% and labour participation at 60.4%, 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 its holdings Aritzia (TSX: ATZ) and lululemon athletica (NASDAQ: LULU) due to their cash flow resilience and strong market share.

CONSUMER STAPLES

The CPMT's Consumer Staples weighting is currently 5.9% overweight relative to the blended benchmark. The Fund views the sector favourably going forward into a 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 Darling Ingredients (NYSE: DAR), given each Company's dominant market share, proven management teams, and industry-leading margins.

ENERGY

The CPMT's Energy weighting is currently 1.1% underweight relative to the blended benchmark. The sector has benefitted from increased production activity, positive oil strip pricing, and improved demand for oil due to lifted travel restrictions. Recently, natural gas prices have decreased due to warmer weather in Europe and North America, but prices continue to remain high. The CPMT believes that the shift towards asset optimization, government support for decarbonization, pipeline, and margin expansion projects, and positive price realizations for E&P firms will drive valuations forward. The Fund is exposed to energy through companies with distinct competitive advantages and the ability to generate free cash flow throughout various commodity price cycles. Moving forward, we 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), Brookfield Corporation (TSX: BN), and ALLY Financial (NYSE: ALLY). We view strong underlying credit quality and high deposit levels as tailwinds to the performance of larger banks. However, the Fund's favourable view of the space is tempered by increasingly negative investor sentiment due to the recent downfall of several banks, the impact of rising credit spreads on subprime consumer loans, and geopolitical tension. The Fund has observed softened capital markets activity largely due to expanding credit spreads, primarily in low-rated tranches, as a function of recessionary concerns. Currently 8.2% underweight in the sector, the CPMT is exploring the addition of several names to diversify its holdings and become more in-line with its blended benchmark.

HEALTH CARE

The CPMT believes that growth opportunities in the Health Care sector will persist post-pandemic, as ever-evolving health concerns continue to drive demand for technological and product innovation of treatment methods. 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 its holding, Thermo Fisher Scientific (NYSE: TMO). Furthermore, Zoetis (NYSE: ZTS) has been a strong source of diversification within the sector, with its focus on animal healthcare. Nonetheless, both names have reached their respective target prices and offer little additional alpha; as a result, the CPMT has trimmed TMO and is currently looking to sell ZTS. The Fund remains 3.7% underweight in the sector but is actively searching for other names that better fit the CPMT mandate.

INDUSTRIALS

The CPMT expects 2023 to remain volatile, emphasizing our view on holding companies with a distinct competitive advantage in critical industries to weather inflation and generate cash flow. The Fund currently holds Canadian National Railway (TSX: CNR), Cintas (NASDAQ: CTAS), and Waste Connections (TSX: WCN) within the sector and is 0.1% overweight relative to the blended benchmark. Recession risk remains, but these effects should be mitigated by the oligopolistic nature of each of the CPMT's Industrials holdings. As a result, the CPMT remains confident about its positioning moving into 2023.

INFORMATION TECHNOLOGY

The CPMT is 9.3% overweight in Information Technology relative to its blended benchmark. The Fund has actively monitored the performance and decline of Information Technology sector valuations amidst the rising rates environment. The CPMT remains optimistic about the growth opportunities of its Information Technology holdings, which include Microsoft (NASDAQ: MSFT), Apple (NASDAQ: AAPL), Adobe (NASDAQ: ADBE), Visa (NYSE: V), Constellation Software (TSX: CSU), and Topicus.com (TSXV: TOI). The Fund sees outperformance over the medium term, driven by the sector's ability to partially insulate from rising rates due to limited debt exposure and the stickiness of our holdings.

MATERIALS

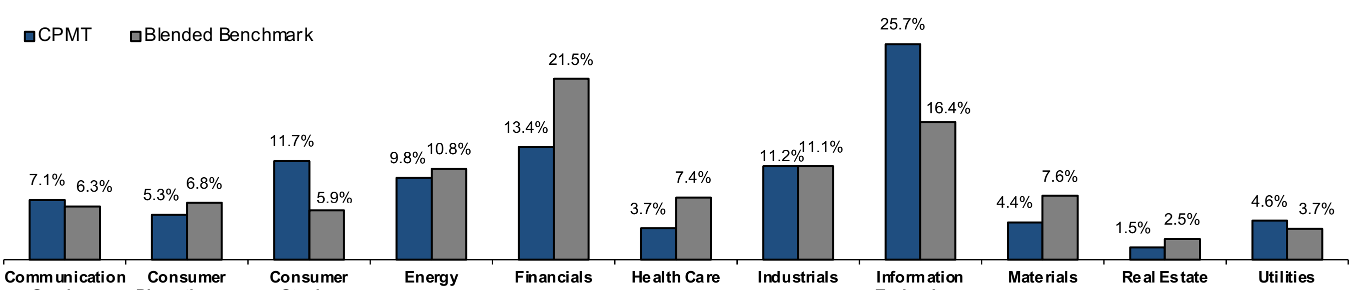
The CPMT is currently 3.2% underweight in Materials relative to the blended benchmark. Companies within the sector have experienced major shifts in scalability and profitability due to streamlined operations. The increasing demand for industrial gases, electrification, and construction/renovation products are expected to be key catalysts for growth. Although fluctuating commodity prices, rising input costs due to labour, and ongoing supply chain issues have hindered the recent momentum experienced by major players, the CPMT's Materials holdings are well-suited to mitigate inflation effects through pricing power. The Fund will continue to monitor the impact of these developments on its Materials portfolio, which includes CCL Industries (TSX: CCL.B), Linde Plc (NYSE: LIN), and Teck Resources (NYSE: TECK).

REAL ESTATE

The CPMT is currently 1.0% underweight in Real Estate relative to the blended benchmark. In FY2021, the Fund initiated a position in American Tower (NYSE: AMT), which remains the sole holding in the sector. The CPMT maintains a strong view of telecommunication REITs due to the industry's high lease renewal rates, high operating margins, and low maintenance expenses. Additionally, AMT's international asset base and acquisition strategy remain key drivers of our thesis on the name. The Fund will continue to monitor developments throughout the sector, including changes in the interest rate environment, and material input costs.

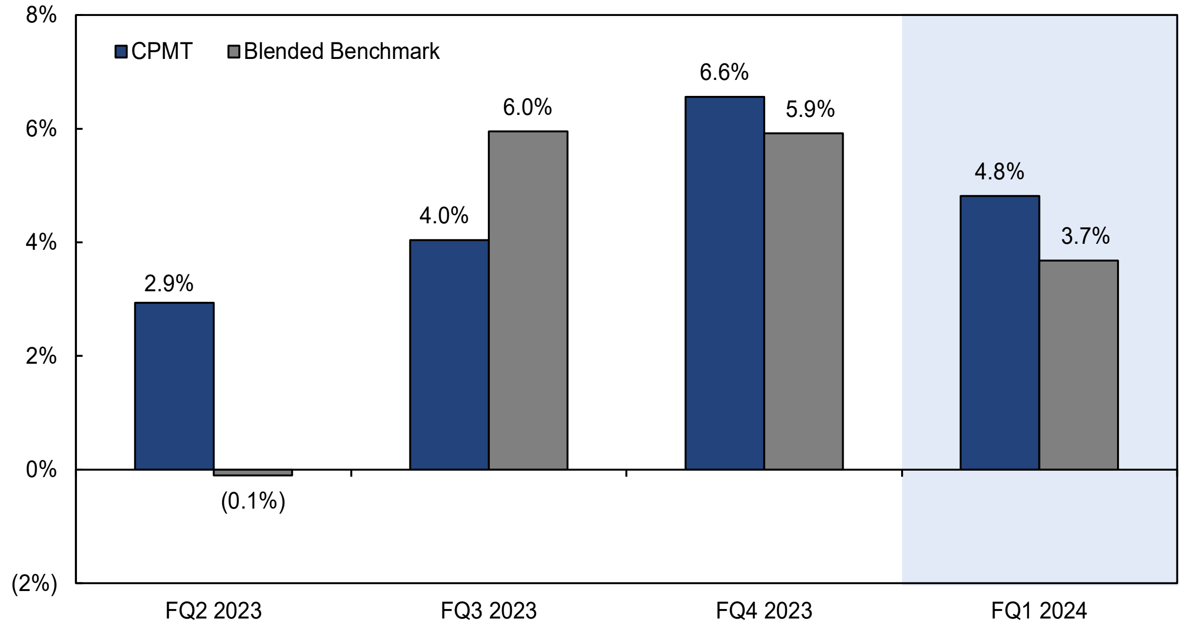
UTILITIES

The CPMT holds NextEra Energy (NYSE: NEE) and Brookfield Renewable Partners LP (TSX: BEP.UN). Rate hikes maintain concerns about being 0.9% overweight the sector because of utility stocks' historical inverse relationship with yields. While yields have fallen from their peak, the CPMT favours BEP's and NEE's focus on reinvestment and best-in-class assets with long-dated PPAs, so the Fund has decided to remain invested in both companies but is exploring a trim in its Utilities holdings over the near- to medium-term.

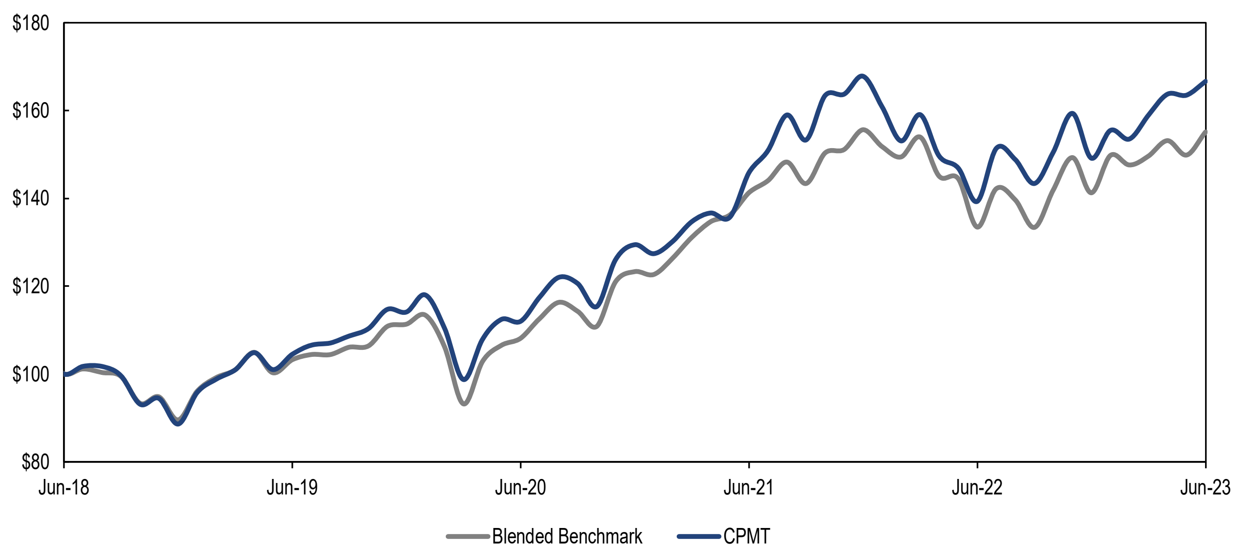


Quarterly Snapshot - FQ1 2024

CPMT and Benchmark Total Return (TTM)



Value of $100 (since June 30, 2018)

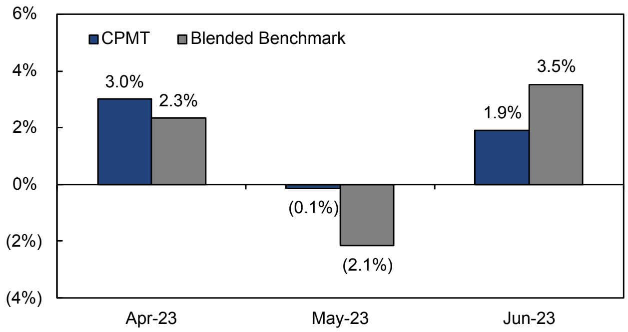


Fund Universe

	FQ1	1 Year	3 Year	5 Year	10 Year
CPMT	4.82%	19.62%	14.80%	11.12%	9.52%
Blended Benchmark	3.68%	16.23%	12.80%	9.18%	9.21%
Blended Benchmark Difference	1.14%	3.39%	2.00%	1.94%	0.31%

Quarter in Review

QUARTER RETURN



NOTE TO STAKEHOLDERS

The CPMT Class of 2024 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 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 unrivaled 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 4.82% over the quarter, 114 bps above the Blended Benchmark's return of 3.68%. The outperformance can be largely attributed to the Health Care, IT, and Financials sectors but was offset by underperformance in Consumer Discretionary and Industrials. The Fund currently has a 37/63 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 but will continue to seek companies with a mandate fit in both Canada and the U.S.

This quarter marks the beginning of a new fiscal year for the Fund. In April 2023, the Portfolio Managers and Investment Analysts of the Class of 2023 and 2024 presented a number of pitches during our Annual Pitch Day. These pitches resulted in the execution of multiple trades to align the portfolio with the Fund's current outlook and strategy amid the shifting macroeconomic backdrop.

The Fund initiated positions in the following names:

ALLY Financial (NYSE: ALLY): In April, the fund entered a 1 conviction position in ALLY, a finanical services company with a focus on digital banking and automotive finance. The Company is uniquely positioned as the largest U.S. fully digital bank and can continue to benefit from diversification of its loan book relative to its automotive lending business. ALLY's strong relationship with its dealership partners provides the Company with a stable source of lease originations that provides consistent profits across the entire lease lifecycle.

Enterprise Products Partners (NYSE: EPD): In April, the fund entered a 1 conviction position in EPD, which operates a portfolio of North America energy midstream services. At the core of EPD's asset base is its industry leading fully integrated NGL value chain, which is highly complemented by the Company's robust petrochemical segment. The CPMT believes the strong diversity of EPD's asset portfolio provides significant exposure to incremental growth opportunities, and its integrated NGL network provides a competitive edge throughout its full-service capabilities. The CPMT also favors EPD's ability to access global markets through its owned and operated export terminals.

To fund these trades, the CPMT made the decision to divest our position in Teck Resources (TSX: TECK) due to price volatility stemming from a series of rejected takeover bids as well as uncertainty regarding the Company's proposed spinoff of its coal business. The Fund also decided to trim its position in Enbridge (TSX: ENB) to achieve equal exposure to the Canadian and U.S. midstream markets.

Moving forward, members of the fund will continue to conduct due diligence and evaluate current holdings to ensure alignment with our investment mandate. The Fund looks forward to our annual IA Pitch Day in September, during which the new class of Investment Analysts will be presenting preliminary pitches on prospective portfolio additions as the final component of the summer training program.

NEW RECOMMENDATIONS

New Recommendations

	COMPANY	IMPLIED RETURN
OUTPERFORM	Tourmaline Oil	29.8 %
	Aritzia	22.3 %
	Brookfield Renewable Partners	12.0 %
PERFORM	Cintas	7.9 %
	lululemon athletica	1.8 %
	Visa	(3.6)%

*Note: Reflects implied upside as of June 30, 2023

TRANSACTION LOG

COMPANY	OLD AUM	NEW AUM
Enterprise Products Partners L.P.	0.0%	2.0%
ally	0.0%	2.0%
Teck	2.7%	0.0%
ENBRIDGE	3.7%	2.0%

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

Aritzia

Consumer Discretionary
TSX: ATZ
Market Outperform | Hold

June 30, 2023

Sarah Adamjee, Investment Analyst

Return on Investment

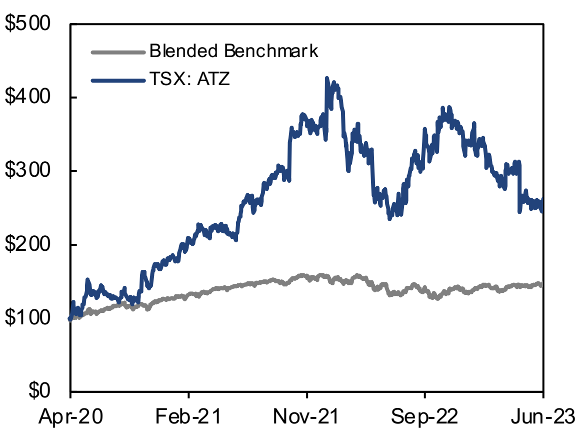
Current Share Price	$36.78
Target Price	$45.00
Dividend Yield	0.00%
Implied Return	22%
Conviction Rating	2

Market Profile

52-Week Range	$54.21 - $33.64
Market Capitalization ($mm)	$4,222
Net Debt ($mm)	$691
Enterprise Value ($mm)	$4,913
Beta (5-Year Monthly)	1.62

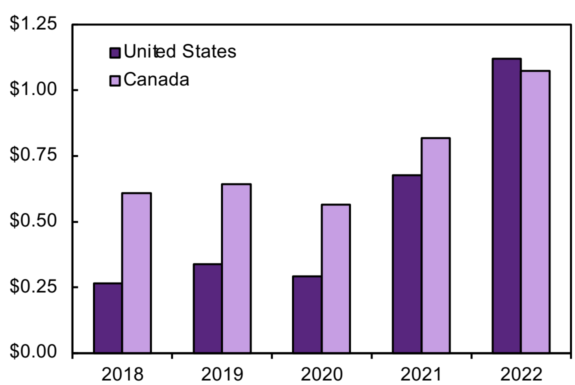
Metrics	2024E	2025E	2026E
Revenue ($mm)	$1,873	$1,944	$2,033
EBITDA ($mm)	$489	$672	$724
EPS ($)	$1.68	$1.85	$2.03
EV/EBITDA	10.1x	7.3x	6.8x

Holding Period Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: Revenue by Geography ($B)



Source: Company Filings

Business Description

Aritzia (TSX: ATZ) focuses on the design, production, marketing, and distribution of women's fashion apparel and accessories in North America. ATZ was founded in 1984 as an innovative design house and fashion retailer and is headquartered in Vancouver, Canada.

The Company's operational focus resides in the U.S. and Canada, representing ~51% and ~49% of LTM total revenue, respectively. ATZ targets its products toward women aged 15 to 45 through in-store boutiques and its eCommerce platform. In FY 2022, eCommerce revenue comprised 65% of total revenue, with the remainder from boutiques. ATZ boutiques are designed by an in-house team of architects and designers, with 114 store locations averaging ~6,000 square feet (sqft). ATZ earns ~$1,300/sqft, exemplifying its retail productivity, compared to the peer average of ~$1,000/sqft. ATZ is positioned to service boutiques and eCommerce clients through three distribution centers in Canada and the U.S. The Company's portfolio comprises exclusive brands supported by in-house design teams, representing ~97% of total revenue in 2022. ATZ brands include Wilfred, Wilfred Free, Super World, Reigning Champ, Babaton, Ten by Babaton, The Group by Babaton, Sunday Best, Tna, TnAction, and Denim Forum. Globally, the Company's major brands possess over 500 trademarks in more than 300 domains.

Industry Overview and Competitive Landscape

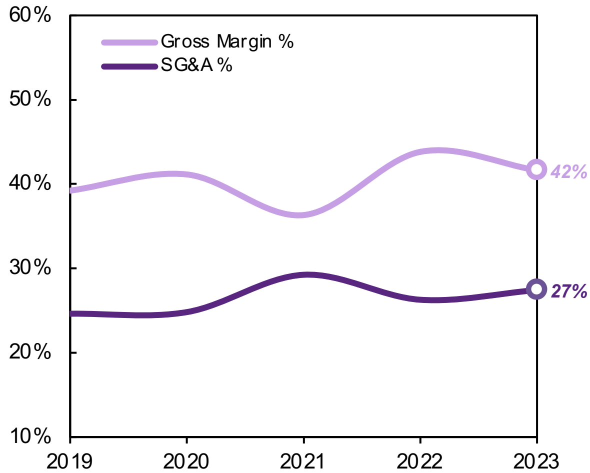
The women's apparel industry is highly competitive and fragmented, with competition surrounding brand image, marketing, quality, and overall customer service. The industry consists of retailers specializing in women's clothing, with the top five players holding 7% of the market share in the U.S. and 30% in Canada. This includes lululemon (TSX: LULU), Abercrombie & Fitch (NYSE: ANF), Revolve Group (NYSE: RVLV), and Tapestry (NYSE: TPR). Over the next five years, the women's apparel industry is expected to grow at a 2.6% CAGR to US$76.7B. Though the industry is threatened by competition from larger, affordable retailers, a significant focus on omnichannel capabilities is expected to disrupt brick-and-mortar competition between retailers. Technological investments in eCommerce optimization allow companies to position themselves strategically within the landscape of women's apparel. Additionally, women's fashion has shifted, favouring sustainable retailers over fast fashion alternatives; this allows competitors with socially responsible product offerings to further benefit from premium pricing.

Although disposable income has remained strong amidst an inflationary environment, the women's apparel industry and the consumer discretionary sector are expected to experience revenue instability in the near term. Specifically, this applies to boutiques servicing niche markets. Supply chain disruption from the pandemic and uncertain economic conditions have resulted in higher operating costs for manufacturers and retailers. In the short-term, profitability is expected to slow due to suppressed margins and excess inventory.

Mandate Fit

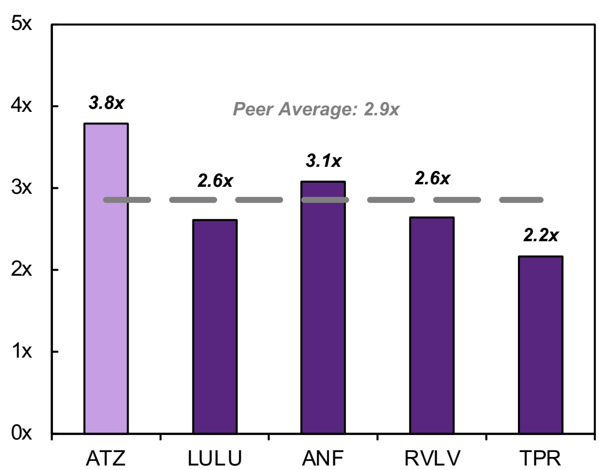
Quality Management: ATZ's CEO, Jennifer Wong, entered the position in May 2022. Wong began her career at ATZ (cont.)

Figure 2: LTM Gross Margin and SG&A Margin



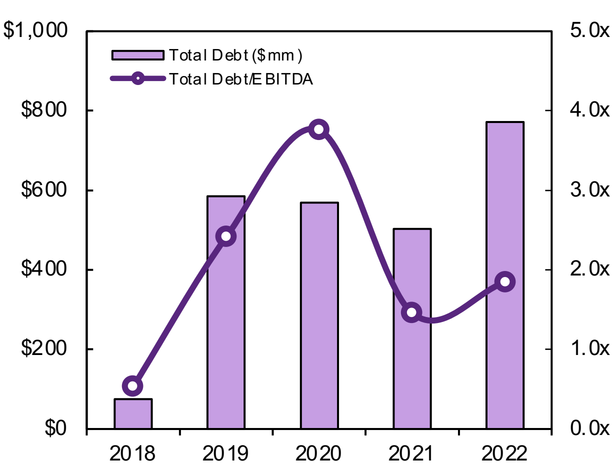
Source: Company Filings, S&P Capital IQ

Figure 3: FY 2023 Inventory Turnover vs Peers



Source: Company Filings, S&P Capital IQ

Figure 4: LHS Total Debt vs RHS Total Debt/EBITDA



Source: Company Filings, S&P Capital IQ

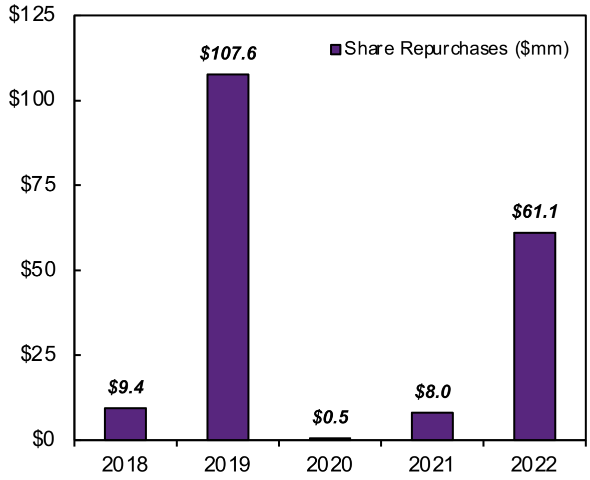
35 years ago and has gradually progressed through senior management positions. Wong gained extensive industry experience during her time as President in 2007 and COO in 2015. In 2023, Wong successfully led ATZ towards 2027 expansion targets by increasing U.S. clientele by ~54% and enabling growth in eCommerce revenue by ~35%. CEO compensation currently consists of a 25% base salary, with the remaining allocated towards incentive-based pay and stock options. Prior to 2022, ATZ Founder Brian Hill served as CEO for 38 years. His corporate vision remains core to the Company through his role as Executive Chair of the Board. ATZ's Board of Directors consists of 80% independent directors, of which 30% are women.

Competitive Advantage: ATZ's competitive advantage resides in its brand reputation as a best-in-class fashion retailer with a unique market position in "Everyday Luxury". The Company's product portfolio is differentiated from competitors such as LULU, ANF, RVLV, and TPR by appealing to diverse segments of clients across lifestyles and life stages. ATZ has accumulated customer loyalty through its multi-brand strategy, with its active client base increasing by ~100% and ~50% in 2021 and 2022, respectively. An extensive boutique network in high-traffic real estate locations further enhances the Company's customer engagement. ATZ's uniquely designed boutiques possess superior store economics, with an average payback period of 12 to 18 months upon opening, greater than the peer average of 18 months. The Company's vertical integration optimizes retail operations by providing inventory flexibility and quality control for its marketed products. In FY 2023, ATZ reported inventory turnover of 3.8x, compared to its peer average of 2.6x. ATZ has a 42% gross margin versus the peer average of ~59%. Though ATZ is witnessing lower margins due to higher warehousing costs, the Company's revenue growth supports an SG&A margin of 27%, versus the peer average of ~47%. ATZ's three distribution facilities in Canada and the U.S. allow the Company to adapt to multi-channel and omni-channel demand.

Strong Balance Sheet: ATZ possesses a Total Debt/EBITDA of 1.8x, versus the peer average of 1.2x. ATZ has achieved a leverage ratio lower than its peers due to its ability to continuously meet expansion targets. ATZ demonstrates its ability to meet debt obligations with an interest coverage ratio of 13.4x, versus the peer average of 10.8x. The Company's $175mm revolving credit facility provides ATZ with financial flexibility, which remains undrawn in 2023. Due to the Company's significant growth targets, ATZ holds a current ratio of 1.5x, compared to the peer average of 1.8x.

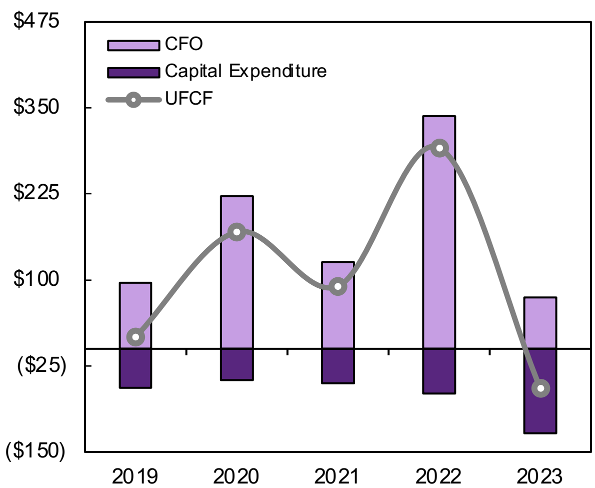
Growing Free Cash Flow: ATZ experienced significant FCF growth from FY 2018 to FY 2022, with a CAGR of ~64%. Growth during this period was primarily driven by boutique expansion and eCommerce penetration through aritzia.com. In FY 2023, cash flows were negatively impacted by operating constraints related to higher inventory purchases and increased income tax payments. Net working capital changes and cash taxes paid were $269.7mm and $123.4mm, respectively; this contributed to negative FCF in FY 2023. ATZ's capital allocation strategy focuses on funding operations, investing in expansion, and returning capital to shareholders. Management expects FY 2024 capital expenditures to equal ~$220mm, representing an ~80% increase from FY 2023. Overall, the Company has earned attractive returns on capital compared to peers, with ATZ possessing a LTM ROC of 14.4%, versus the peer median of 11.4%.

Figure 5: Return of Capital to Shareholders



Source: Company Filings, S&P CapIQ

Figure 6: Free Cash Flow Generation ($mm)



Source: Company Filings, S&P Capital IQ

Risks

To meet elevated demand levels, ATZ implemented new store inventory management strategies, resulting in higher inventory to meet store growth. Due to increased excess inventory at the end of the period, ATZ experienced suppressed FCF. Furthermore, efficient inventory management is required to optimize FCF levels in 2023 and beyond. Though ATZ maintains inventory to meet growth targets and higher demand levels, the impact of weakening consumer spending could damage the Company's ability to generate FCF. In addition to rising inventory levels, ATZ has witnessed margin pressures in relation to markdowns and warehouse costs. As top-line growth stagnates and cost inflation increases due to macroeconomic pressures, decreasing margins will materially impact operations.

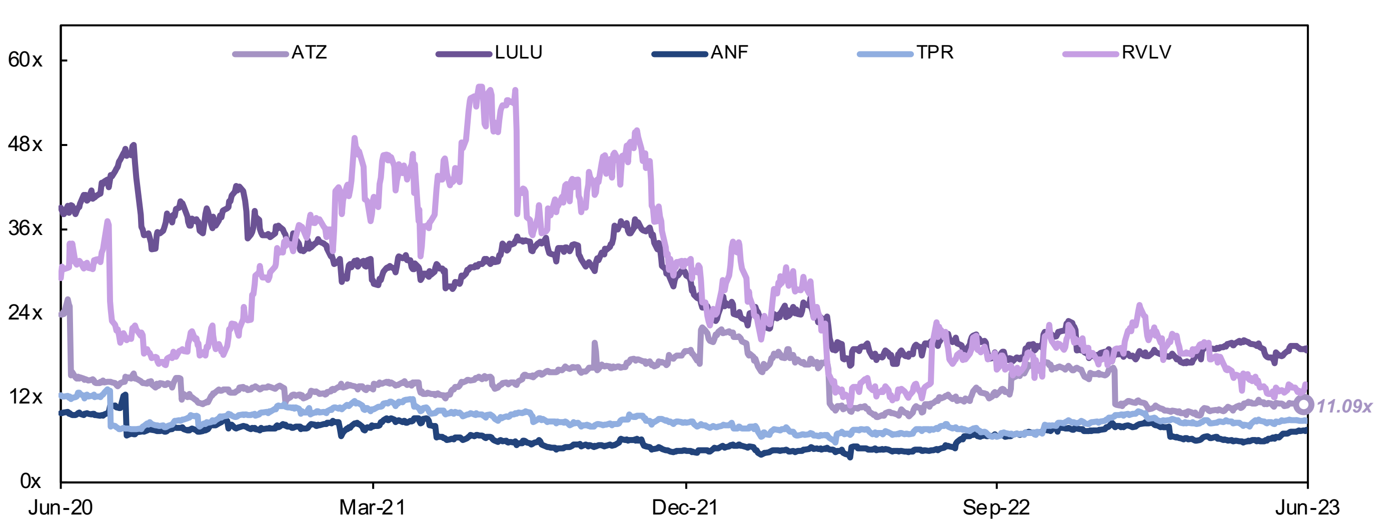
On a macroeconomic scale, potential threats stem from fluctuating consumer sentiment resulting from economic instability. Suppressed consumer spending will likely the effect profitability of boutiques compared to other consumer goods. The outlined risks are likely to impact margins and short-term revenue growth.

Valuation and Investment Thesis

The CPMT valued ATZ at $47, implying a return of 22%, using a five-year DCF with a WACC of 9.44%. The target price was derived using a 50/50 blend of (1) the Gordon Growth method with a 2% terminal growth rate and (2) an 8x EV/EBITDA exit multiple.

The CPMT initially invested in ATZ in January 2017, a position that was fully divested the following year due to concerns surrounding the Company's competitive edge in the e-commerce landscape. Subsequent to ATZ's execution of online growth targets and customer retention, the Fund re-entered its position in April 2020. The CPMT is confident in the Company's long-term growth strategy given its continued expansion and successful penetration into the U.S. market. The Fund remains confident in ATZ's tenured management team and operational excellence in a niche segment. The Company's brand has been rewarded with a loyal customer base and is expected to continue providing an elevated experience as it navigates store growth targets. Ongoing evaluation regarding ATZ's capital allocation and FCF profile will ensure that the name continues to execute on the CPMT mandate while navigating macroeconomic headwinds in the consumer discretionary sector.

Figure 7: NTM EV/EBITDA vs Peers



Source: S&P Capital IQ

Brookfield Renewable Partners

Calgary Portfolio Management Trust

Utilities
TSX: BEP.UN | NYSE: BEP
Market Outperform | Hold

June 30, 2023

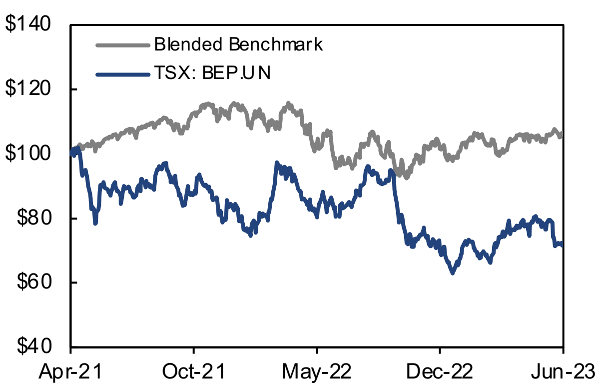
Jack Demo, Investment Analyst

Return on Investment	
Current Share Price	$39.06
Target Price	$42.00
Dividend Yield	4.47%
Implied Return	12%
Conviction Rating	1

Market Profile	
52-Week Range	$32.58 - $53.09
Market Capitalization ($mm)	$19,033
Net Debt ($mm)	$23,074
Minority Interest ($mm)	$16,694
Preferred Equity ($mm)	$584
Enterprise Value ($mm)	$59,385
Beta (5-Year Monthly)	0.74

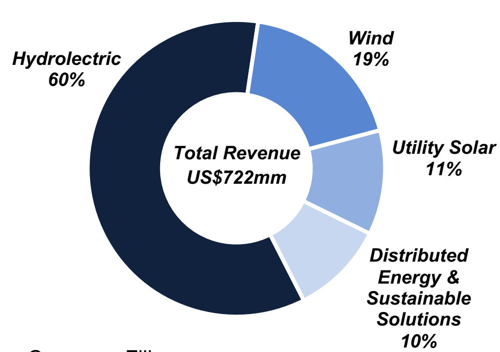
Metrics	2023E	2024E	2025E
Revenue ($mm)	$5,322	$5,781	$5,960
EBITDA ($mm)	$2,267	$2,446	$2,538
EPS	($0.05)	$0.44	$0.56
EV/EBITDA	26.2x	24.3x	23.4x

Holding Period Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: Q1 2023 Revenue Segmentation



Source: Company Filings

Business Description

Brookfield Renewable Partners (TSX; BEP.UN; BEP), formerly Brookfield Energy Partners, operates one of the largest renewable energy platforms that generates, transmits, and distributes energy to consumers across North America. The Company's portfolio has ~24 gigawatts (GW) of capacity and an annualized long-term average (LTA) generation of ~61,000 gigawatt-hours (GWh). The Company has over 8,000 power generation facilities comprising Hydro, Wind, Utility-Solar, Distributable Energy, and Sustainable Solution assets. BEP's focus is on North American, Europe, South America, and Asian markets, with a goal of continuing to establish relationships in Australia, India, and China.

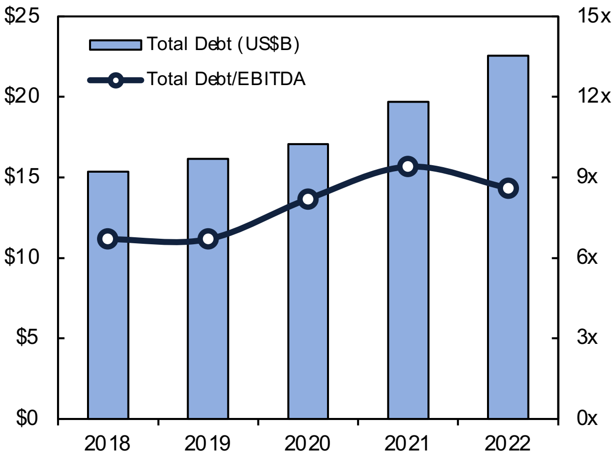
Industry Overview

The utilities industry is segmented into: (1) electric power transmission and distribution, (2) electric power generation, (3) natural gas distribution, and (4) water, sewage and other. BEP operates in the electric power generation segment and competes with peers such as Northland Power (TSX: NPI), NextEra Energy Partners (TSX: NEP), TransAlta (TSX: RNW), and Algonquin (TSX: AQN). As society transitions its energy supply to sustainable resources to meet net-zero targets, demand for clean energy projects such as LNG and renewable power has increased. Across the industry, power prices have risen slower than inflation due to a surge in renewable assets decreasing the levelized cost of energy, putting pressure on sponsors when developing projects and has caused cost overruns. As a result, it has been more difficult for smaller companies with lower access to capital to compete on an international scale. However, with the introduction of the *U.S. Inflation Reduction Act* (IRA), renewable power projects have been heavily incentivized through investment and production tax credits, accelerating the transition and driving the industry forward.

Development Pipeline/Acquisitions

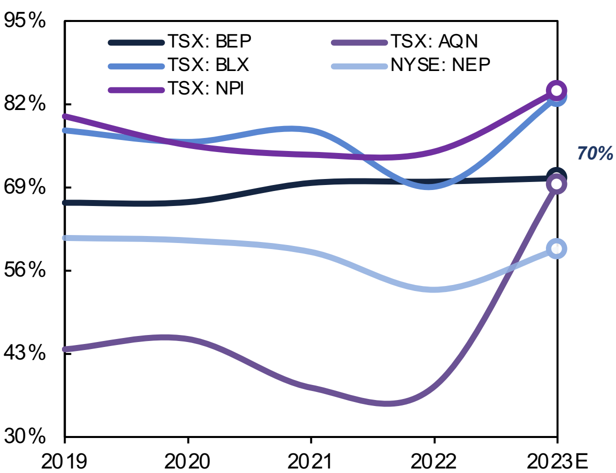
BEP's acquisition of Origin's (ASX: ORG) Energy Market business add to the Company's strategic platform in Australia. The transaction leverages BEP's expertise, enabling the development of up to 14 GW of renewable generation projects and storage facilities. The Company's investment in clean generation will lead to the retirement of Australia's largest coal-fired power-pant and help the country achieve Net-Zero targets. BEP is in a particularly advantageous position given its substantial partner capital that will aid in acquiring the remaining 50% of X-Elio's sustainable energy development projects. This transaction adds ~12,000 MW to its development pipeline with land or grid connection secured. The Company's focus on establishing growth in global markets is reinforced by its investment in India. BEP agreed to invest up to US$360mm to acquire a 55% stake in CleanMax, a leading commercial and industrial loan platform based in India with ~4,500 MW of operating and development pipeline. On June 12, 2023, BEP announced an agreement to acquire Duke Energy Renewables (NYSE: DUK). This acquisition will add 6,100 MW of development pipeline and provide recognition of near-term synergies, such as the opportunity to share platform costs and leverage relationships with the largest commercial buyers of clean power to secure high-value contracts.

Figure 2: LHS Debt vs RHS LTM Total Debt/EBITDA



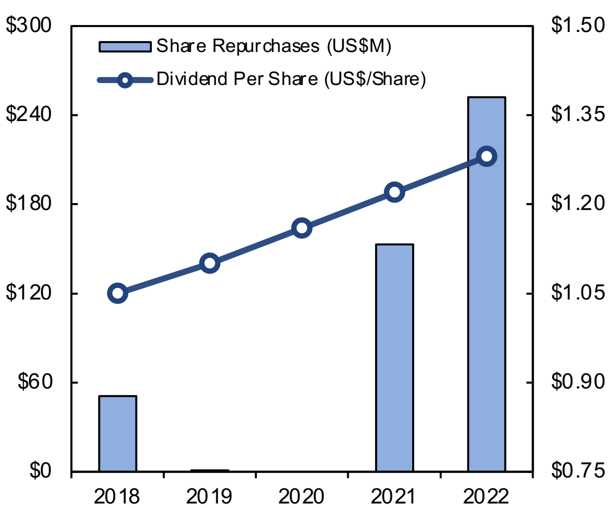
Source: Company Filings

Figure 3: Gross Profit Margin vs Peers



Source: Company Filings

Figure 4: LHS Share Repurchases vs RHS DPS



Source: Company Filings

Mandate Fit

Quality Management: BEP is owned through a majority ownership stake (~60%) by Brookfield Corporation (NYSE: BN), a high-quality asset manager and parent company of various Brookfield investment vehicles. BEP's board and executive team have a track record of capital discipline and execution. The current CEO, Connor Teskey, has been with BEP for over 10 years. His vision is anchored in growing the business on an investment-grade basis and supporting the transition to fulfill increasing clean energy demand. However, since some members of BEP's leadership holds board seats on other Brookfield companies, this poses agency risks to investors.

Competitive Advantage: BEP's competitive advantage lies within its size and scale. The Company's leadership in all major renewable technologies positions it to capitalize on future growth opportunities. BEP offers stable, diversified, and high-quality cash flows through long-term purchase power agreements with a weighted average contract duration of 14 years. The Company's Hydro assets generally garner premium valuations because of its perpetual nature, low maintenance and operating costs, and ability to store power to capture better pricing. BEP's global scale, multi-technology capabilities and strategic relationship with BN allow the Company to maintain access to both small and large-scale M&A opportunities. With a renewable power development pipeline now at 126 GW, BEP is poised to outperform its peers.

Strong Balance Sheet: BEP has a Net Debt/EBITDA of 7.7x versus a peer average of 4.7x and has adequate liquidity with US$511mm of cash on hand. The Company's high leverage its results from its ambitious growth plans to acquire renewables energy business to gain market share and increase its development pipeline. It also has $2.53B available under its revolving credit facilities and an additional US$601mm under subsidiary credit facilities. The Company boasts an overall strong balance sheet compared to its peer group and holds an investment grade credit rating of BBB+ from S&P. This allows the Company to take on attractive acquisitions and developments when opportunities arise.

Growing Free Cash Flow: The Company has increased its FCF at a five-year CAGR of 6%. The Company has also grown its annual distributions over the last ten years at a 6% CAGR, which aligns with its internal forecasted future growth of 5-9%**.** FCF growth can be attributed to the Company's extensive pipeline which continues to grow with ~$12B in capital having been committed to be deployed across the next five years.

Valuation & Investment Thesis

The CPMT valued BEP at $42, which was derived using a 24x EV/EBITDA multiple, implying a return of 12%, which includes the Company's 4.47% dividend yield. BEP is North America's largest pure play renewable operator and faces industry tailwinds from decarbonization and tax incentives from the IRA. Additionally, BEP has an excellent operational and financial track record leading the CPMT to believe that the Company's management team is well suited to take advantage of the energy transition and return value to shareholders. The Fund is confident that the Company can continue leveraging its access to capital markets to grow its asset base through acquisitions that solidify BEP as a dominant player in the renewable power generation space. Given tailwinds within the renewable energy industry, the CPMT views BEP as a name that can benefit from changing clean energy regulation, which provides strong diversification among the Fund's holdings.

Cintas

Industrials
NASDAQ: CTAS
Market Perform | Hold

June 30, 2023

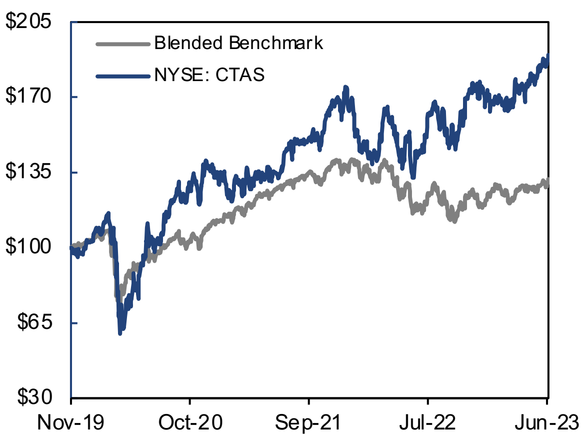
Max Konwitschny, Investment Analyst

Return on Investment	
Current Share Price	$497.08
Target Price	$532.00
Dividend Yield	0.90%
Implied Return	8%
Conviction Rating	2

Market Profile	
52-Week Range	$363.59 - $497.97
Market Capitalization (US$mm)	$49,837
Net Debt (US$mm)	$2,829
Enterprise Value (US$mm)	$52,665
Beta (5-Year Monthly)	1.09

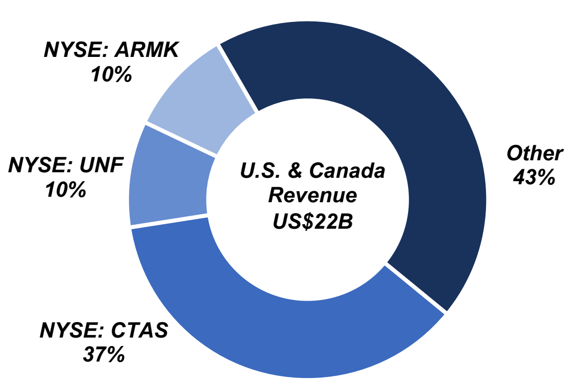
Metrics	2024E	2025E	2026E
Revenue (US$mm)	$9,423	$10,147	$10,955
EBITDA (US$mm)	$2,403	$2,589	$2,851
EPS (US$)	$14.29	$15.88	$17.81
EV/EBITDA	21.9x	20.3x	18.5x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: Industrial Laundry & Linen Supply Market Share



Source: IBIS World

Business Description

Cintas (NASDAQ: CTAS) is a leading uniform rental company that designs, manufactures, and distributes workplace uniforms. The Company also provides various ancillary products and services, such as floor care, restroom supplies, doormats, first aid, safety products, fire extinguishers, and safety training. CTAS services over 1mm businesses, predominantly in North America, with additional services in Latin America, Europe, and Asia. The Company reports through three primary segments: (1) Uniform Rental and Facility Services, (2) First Aid and Safety Services, and (3) All Other. CTAS' core segment is Uniform Rental and Facility Services, which comprises ~80% of the Company's revenue.

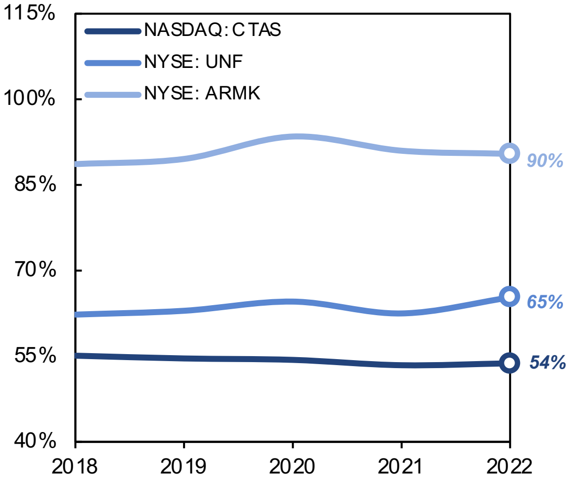
Industry Overview

CTAS dominates the highly fragmented U.S. industrial laundry and linen supply industry with the leading market share, exceeding its closest competitors by ~27%, with the other largest players holding only ~10% of the total market share. Companies within the industry have historically achieved economies of scale through M&A activity, diversifying product and service offerings, as well as expanding the number of routes available for product delivery. Larger and more diversified operators have a greater capacity to pivot operating models to accommodate changing industry trends, which creates natural barriers to entry.

The industrial laundry and linen supply industry is driven by downstream markets, which include manufacturers, healthcare organizations, hotels, and food service establishments. During the COVID-19 pandemic, operators experienced drastic declines in demand for uniform and laundry services, particularly from the food and hospitality industries, while demand from the healthcare services industry significantly increased. Top-line growth of companies without diversified customer bases were negatively impacted by this trend. Following the end of the pandemic, steady demand is expected by healthcare facilities due to additional healthcare employees, while a slower recovery may be experienced by food services and hospitality industries due to a reduced number of end customers. A further catalyst for demand growth in the industry is businesses continuing to outsource laundry and uniform rental services as a means of lowering operating costs and combating inflationary pressure.

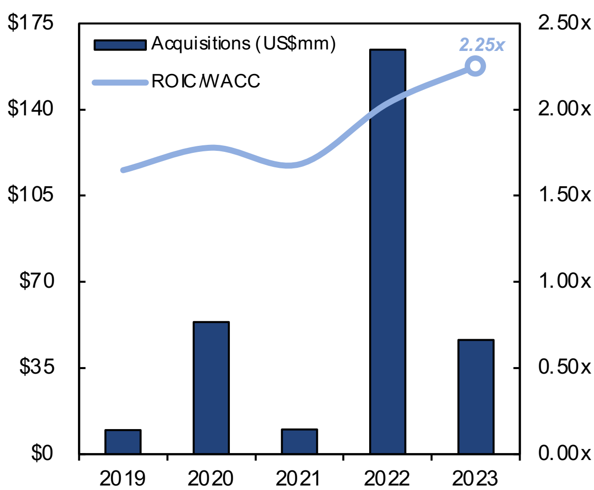
Implementation of new technology in the industrial laundry and linen supply industry has historically been dependent on company size and market share. Larger operators can afford to invest capital into the development of proprietary technologies that can optimize operating expenses and overall margins. This acts as a barrier to entry for smaller firms in the industry, which have benefited in the past from implementing cost-effective and mature technologies. Recently, larger players such as CTAS have achieved operating cost advantages by implementing technologies such as automation, RFID, and A.I. systems. The extensive capital required to develop these systems leaves small companies with low R&D budgets at a considerable disadvantage. This allows for the largest companies in the industrial linen industry to continue to expand market shares.

Figure 2: COGS as a Percentage of Revenue vs Peers



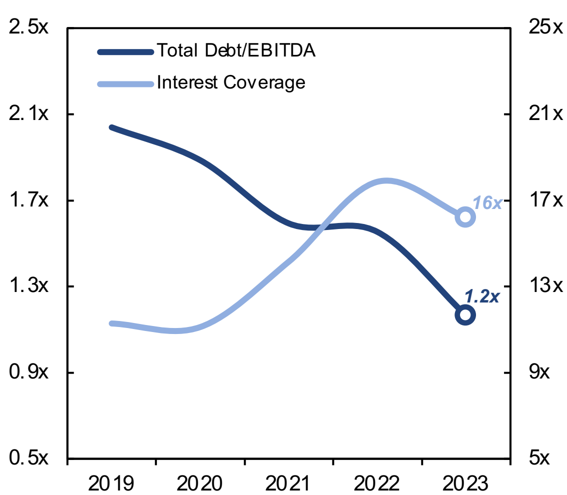
Source: S&P Capital IQ

Figure 3: LHS Acquisitions vs RHS ROIC/WACC



Source: Bloomberg

Figure 4: LHS Total Debt/EBITDA vs RHS Interest Coverage



Source: S&P Capital IQ

Mandate Fit

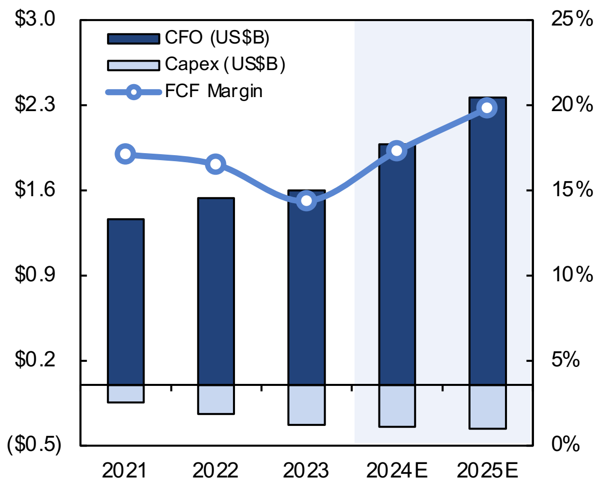
Quality Management: CTAS possesses a highly experienced management team led by President and CEO Todd Schneider. He has over 30 years of experience with the Company and has held various executive positions within CTAS' rental division. Schneider assumed the role in 2021 from Scott Farmer, the son of former CEO Dick Farmer and grandson of founder Doc Farmer. Schneider has played a crucial role in the strong performance of the Company's flagship uniform division, as well as the successful acquisition integration of G&K's uniform operations in 2017. CTAS continues to benefit from operational insights from the Farmer family, given Scott Farmer's current role as Executive Chairman.

CTAS' management has a strong track record of consistently returning value to shareholders through share repurchases and dividends. The Company has also demonstrated successful tuck-in acquisition integration with a proven history of delevering after M&A activity. The transition from Farmer's leadership to Schneider has so far been seamless, and the CPMT is confident that Schneider will continue to demonstrate the same strong capital discipline as the Farmer family. CTAS' executive compensation structure is also favourable, as ~87% of CEO and 76% of NEO compensation is incentive-based.

Competitive Advantage: CTAS' primary competitive advantage is derived from its leading market share within the industrial laundry and linen supply industry, in addition to its diverse customer base. The Company's wide array of end markets provided stable revenue growth during COVID-19, while competitors operating in niche markets experienced revenue declines. Additionally, no single customer composes more than 1% of CTAS' total revenue, so customer turnover does not materially impact top-line growth. The Company has successfully completed acquisitions to expand its customer base and the number of delivery routes. CTAS can continue leveraging this strategy to complete tuck-in acquisitions as the laundry services and linen supply industry is largely fragmented. CTAS' size and operational scale have also allowed the Company to achieve vertical integration, providing CTAS with more control over its supply chain, as well as the opportunity to earn recurring revenue from restocking and inspection of equipment. As the number of delivery routes available to the Company expands, CTAS can continue to strive to lower restocking and inspection costs. This is accomplished by optimizing routes and route density and providing multiple products and services to customers with only a single delivery trip. The Company boasts a 95% customer retention rate, with a 99% retention rate for national account customers, who usually sign multi-year contracts at the national level. This enhances CTAS' opportunity to earn recurring revenue and upsell current customers on multiple product offerings, cementing the Company as a one-stop shop for uniform and ancillary products and services.

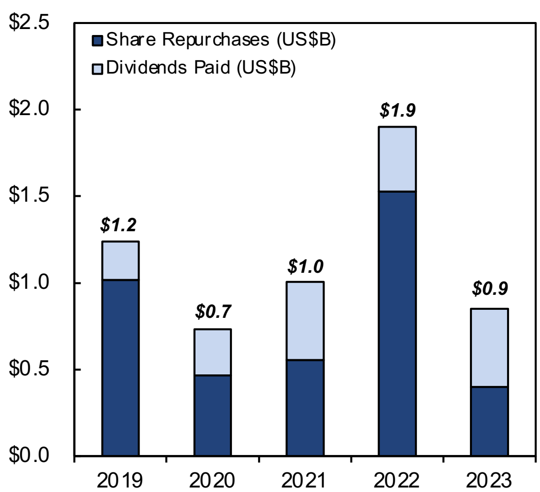
As margin efficiency is a key driver of expanding operations and growing market share in the industry, CTAS has invested in multiple technologies, such as A.I. and cloud-based software. For instance, CTAS' proprietary software, *SmartTruck,* reduces fuel costs by optimizing route density and reducing overall drive and idle times. The Company has also implemented SAP software into its operations to improve pricing and cross-selling opportunities. Specifically, CTAS can gather pricing information in real-time and adjust its prices to undercut competitors, which aids in market penetration and cross-selling. SAP also provides visibility in storage rooms and enables automatic order placement from (cont.)

Figure 5: LHS CFO and Capex vs RHS FCF Margin



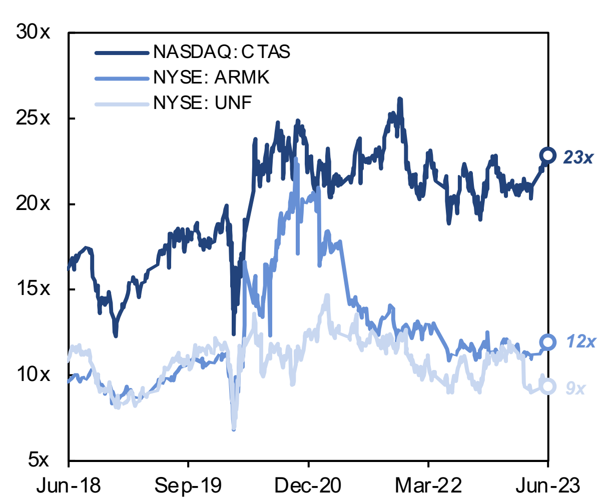
Source: CPMT Estimates, S&P Capital IQ

Figure 6: Return of Capital



Source: S&P Capital IQ

Figure 7: NTM EV/EBITDA vs Peers



Source: S&P Capital IQ

distribution centers which creates more efficient inventory tracking. The Company has also increased its focus on automation. In the laundry services segment, CTAS has integrated machines that automatically sort and group clothing for customers after they have been laundered, identify clothing needing repair, and machines that attach personalized accessories to uniforms, such as tags or bar codes. Automation of these processes lowers the number of employees required to operate this segment, which reduces wage expenses. Lastly, CTAS has partnered with Google (NASDAQ: GOOGL) to move client and vendor data to cloud-based infrastructures, which creates additional opportunities to lower operating costs.

Strong Balance Sheet: CTAS holds a strong balance sheet position, with a Total Debt/EBITDA ratio of 1.2x and a Net Debt/EBITDA ratio of 1.1x, compared to the peer averages of 3.1x and 2.6x, respectively. The Company paid down its senior notes that matured in 2023 as well as the outstanding amount of its commercial paper for a total consideration of ~US$249mm. As a result, CTAS does not hold any variable debt, which allows the Company to divert FCF allocation away from higher interest expense and towards capex and returning value to shareholders. Additionally, in 2022, CTAS amended the credit agreement supporting its commercial paper program, expanding the capacity of its revolving credit facility from US$1B to US$2B, The new agreement is currently undrawn., which provides ample liquidity for capex spending. CTAS also has A- and A3 credit ratings from S&P Global and Moody's, respectively.

Growing Free Cash Flow: CTAS has grown FCF at a 10% five-year CAGR. The Company has historically allocated a significant portion of its FCF to M&A, paying down outstanding long-term debt, conducting share repurchases, and paying dividends. As a result of CTAS paying down its 2023 senior notes, management has stated the Company will continue to search for strong M&A opportunities or conduct significant share repurchases as a possible alternative if valuations are unfavorable.

Investment Thesis and Valuation

CTAS was valued at US$532 using a five-year DCF with a WACC of 8.61%. The terminal value was determined through a 50/50 blend of (1) the Gordon Growth method, using a 3.00% terminal growth rate, and (2) an EV/EBITDA exit multiple of 23x. The Company has historically traded at a premium to its peers, which the CPMT believes is justified given CTAS' operational excellence and competitive advantage.

The CPMT views CTAS favorably, given its dominant market share, diverse customer base, industry-leading margins, and vertical integration. Given the Company's strong balance sheet position, CTAS is poised to take on new acquisition opportunities to grow its market share as well as expand its customer base and number of delivery routes. The Fund is confident that CTAS will continue to demonstrate capital and operational discipline when completing M&A, in addition to continued dividend payments and share repurchases. The Company can also continue introducing technology and A.I. initiatives into its operations to streamline workflow processes and further lower operating costs. However, the Fund believes that the market understands and appreciates the features that make CTAS such a strong company, which is reflected in the relatively low implied return. Thus, while the CPMT maintains conviction that CTAS will return its cost of equity, the Fund recognizes this as an opportunity to search for new names with higher alpha.

lululemon athletica

Consumer Discretionary
NASDAQ: LULU
Market Perform | Hold

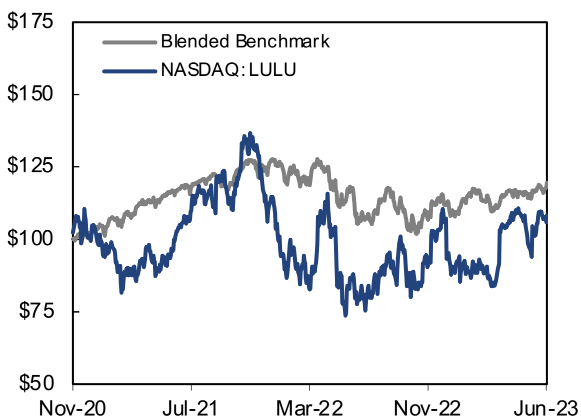
June 30, 2023
Emmanuel Fikreselassie, Investment Analyst

Return on Investment	
Current Share Price	$378.50
Target Price	$365.00
Dividend Yield	0.00%
Implied Return	(4%)
Conviction Rating	1

Market Profile	
52-Week Range	$263.38 - $386.71
Market Capitalization (US$mm)	$48,090
Net Debt (US$mm)	$148
Enterprise Value (US$mm)	$48,238
Beta (5-Year Monthly)	1.43

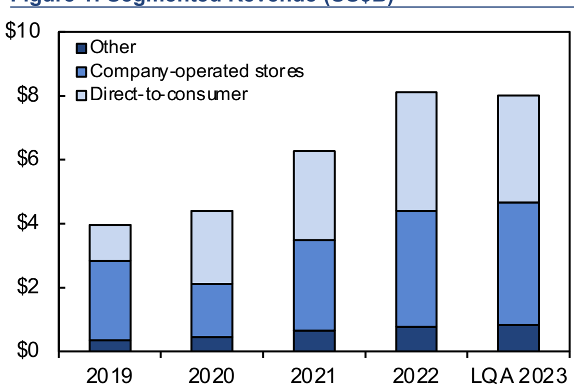
Metrics	2023E	2024E	2025E
Revenue (US$mm)	$6,969	$8,420	$9,692
EBITDA (US$mm)	$1,872	$2,214	$2,604
EPS (US$)	$8.35	$9.86	$11.60
EV/EBITDA	25.8x	21.8x	18.5x

Holding Period Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: Segmented Revenue (US$B)



Source: Company Filings and S&P Capital IQ

Business Description

lululemon athletica (NASDAQ: LULU) is a designer, distributor, and retailer of athletic apparel, footwear, and related accessories. The Company reports in three segments: (1) Company-operated stores, (2) Direct-to-consumer, and (3) Other. As of Q1 2023, the Company operates 662 stores in 18 countries, with ~53% of its retail locations in the U.S., ~18% in China, and ~11% in Canada. LULU's direct-to-consumer segment includes sales from its e-commerce website and mobile app. All other revenues, including sales from outlets, temporary locations, wholesale, lululemon Studio, Recommerce, and license arrangements are captured through LULU's "Other" segment.

Industry Overview and Competitive Landscape

LULU operates within the retail apparel industry and has developed a niche in the activewear vertical. The Company directly competes with several publicly-traded companies (NYSE: NKE, UAA, VFC; XTRA: ADS, PUM) as well as direct-to-consumer brands, such as Gymshark, Alo Yoga, and Sweaty Betty. Expenses incurred by firms within the industry are primarily concentrated around procuring input materials, labour, and logistical services. In 2022, the cost of logistical services and input materials, such as cotton, increased significantly, resulting in suppressed margins across the industry. In recent months, freight rates and cotton prices have decreased materially, and the Fund believes this will allow retail apparel manufacturers such as LULU to improve margins.

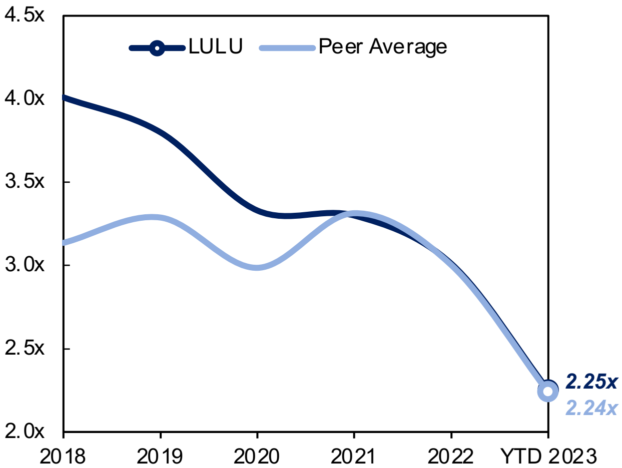
LULU has recently expanded into leisure and workplace apparel, benefiting substantially from the increase in the popularity of athleisure fashion. Athleisurewear consists of apparel designed with comfortable material typically used in activewear yet, appears professional enough to be worn in office settings. The COVID-19 pandemic positively impacted the activewear industry as individuals prioritized comfort and had less need for formal attire; however, in a post-pandemic environment activewear brands such as LULU may not be able to realize a level of growth comparable to what was experienced during the COVID-19 pandemic.

Mandate Fit

Quality Management: CEO Calvin McDonald joined LULU in 2018 and has led the Company through immense growth domestically and internationally. During his tenure as CEO, LULU's North American and international revenues have grown at five-year CAGRs of 38% and 24%, respectively. In April 2019, McDonald introduced the Company's "Power of Three" strategy that aimed to double men's and e-commerce revenue as well as quadruple international revenue by 2023; management was able to successfully implement its strategy and achieve targets ahead of schedule. In April 2022, the Company announced its "Power of Three x2" strategy that aims to replicate the same level of growth achieved via the "Power of Three" campaign announced in 2018. Management has shown alignment with shareholders through its executive team compensation structure, with 84% of executive compensation being at-risk.

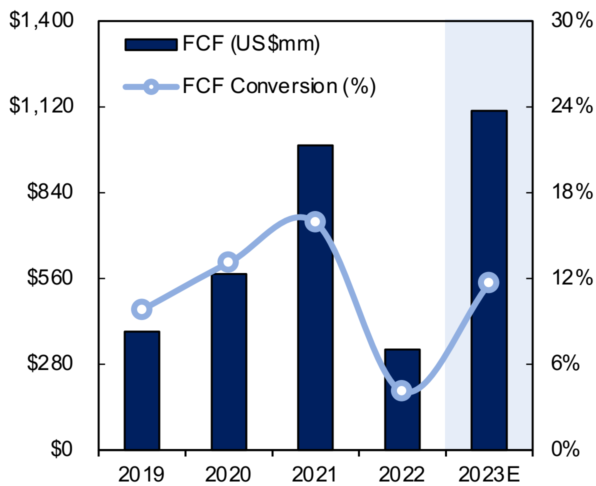
Competitive Advantage: LULU is uniquely positioned within the activewear segment to capitalize on the menswear (cont.)

Figure 2: Inventory Turnover vs Peers



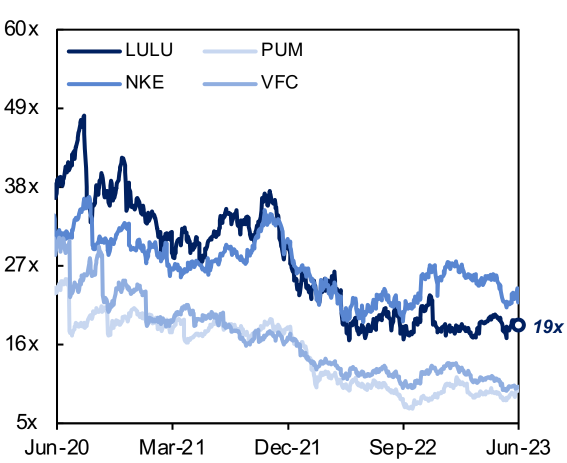
Source: S&P Capital IQ

Figure 3: LHS FCF vs RHS FCF Margin



Source: Company Filings

Figure 4: Holding Period NTM EV/EBITDA vs Peers



Source: S&P Capital IQ

athleisure movement. Prior to the rise of athleisure fashion during the COVID-19 pandemic, LULU commanded very little market share within men's fashion; however, did retain a strong brand identity across genders. The Fund believes this has benefited the Company immensely as LULU's brand identity has allowed it to develop a niche within menswear and emerge as a leader in men's athleisure fashion. Other brands, such as NKE and ADS, have well-defined niches within men's apparel, making it much more difficult for these companies to become market leaders in men's athleisurewear. The Fund believes that LULU's North American brand loyalty will also aid the Company in achieving international growth, as North American culture tends to trend globally.

Strong Balance Sheet: LULU has no debt in its capital structure and has not raised equity investment in recent years. LULU's account payable days outstanding is the lowest amongst peers, with an average days payable outstanding of 28 compared to the peer average of 60. The onset of the COVID-19 pandemic and supply chain distributions over the last two years has resulted in inventory turnover diminishing across industry bringing LULU's inventory turnover in-line with peers.

Growing Free Cash Flow: Between 2018 and 2021, the Company grew FCF at a CAGR of 24%. In 2022, LULU saw FCF decrease 67% YoY as the Company incurred US$664mm in capital expenditures as a result of building purchases and developments. While 2022 FCF was suppressed due to capital reinvestment, FY 2022 CFO was 45% higher than pre-pandemic levels, illustrating LULU's attractive growth profile. LULU's ROIC for Q1 2023 was 25.1%, with its peer group averaging a ROIC of 7.9%.

Risks

The success of LULU's international growth strategy is highly dependent on its Chinese market, as 18% of the Company's stores are in the PRC. China's post-pandemic recovery has stagnated and is likely to negatively impact LULU's international growth strategy if the trend continues. The Company has been positively impacted by recent fashion trends, such as the increased popularity of athleisure; however, as fashion trends evolve, an inherent risk facing the Company is its ability to maintain relevancy as trends change.

Original Investment Thesis

In November 2020, the CPMT initiated a position in LULU as it believed the Company maintained robust fundamentals, was a well-established brand, and had potential for market growth. The Fund held a positive view of LULU's distinct brand identity, a wide range of products, and focus on innovation. Additionally, the Fund viewed LULU's e-commerce platform favourably as it aided the Company in navigating the challenges posed by the COVID-19 pandemic. Overall, the CPMT considered LULU a strong player in the market and a compelling addition to its consumer discretionary holdings.

Revised Investment Thesis and Valuation

LULU was valued at US$365 using a five-year DCF with a WACC of 9.2%. The terminal value was determined through a 50/50 blend of (1) the Gordon Growth method, using a 4.0% terminal growth rate, and (2) an EV/EBITDA exit multiple of 17.5x. The CPMT believes LULU trades at a premium to its peers due to its track record of delivering outsized growth in both the top-line and operating margin. The CPMT stands by its view of LULU being a high-quality name but has not yet come to a definitive view on intrinsic value. In turn, the Fund intends to launch a broader strategic review of the name to determine its future as a holding.

Tourmaline Oil

Energy
TSX: TOU
Market Outperform | Hold

June 30, 2023

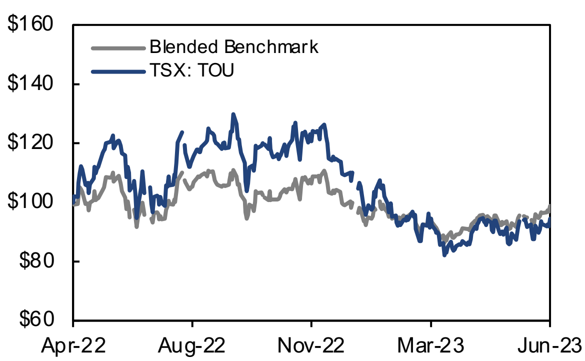
Lukas Fairley, Investment Analyst

Return on Investment	
Current Share Price	$62.42
Target Price	$80.00
Implied Return	28%
Dividend Yield	1.67%
Conviction Rating	2

Market Profile	
52-Week Range	$53.24 - $84.19
Market Capitalization ($mm)	$21,173
Net Debt ($mm)	$351
Enterprise Value ($mm)	$21,524
Beta (5-Year Monthly)	1.62

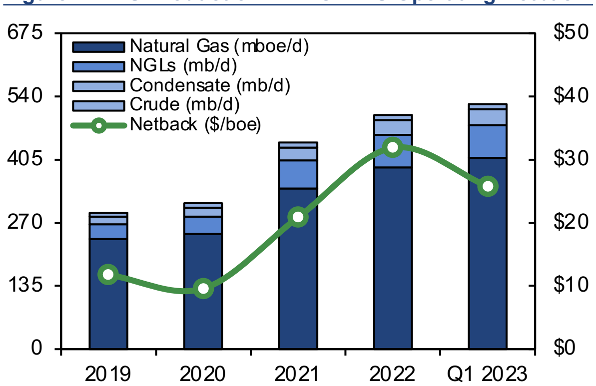
Metrics	2023E	2024E	2025E
Production (boe/d)	530,120	562,200	580,670
Revenue ($mm)	$6,925	$7,392	$7,842
Debt Adj. Cash Flow ($mm)	$4,362	$4,739	$5,242
EV/DACF	4.9x	4.5x	4.1x

Holding Period Trading Performance (Indexed to $100)



Source: FactSet

Figure 1: LHS Production Mix vs. RHS Operating Netback



Source: Company Filings

Business Description

Tourmaline Oil (TSX: TOU) is a Canadian senior oil and natural gas producer primarily focused on the exploration, development, and acquisition of energy production assets. The Company's primary operations are located within the Western Canadian Sedimentary Basin (WCSB), with a significant presence in the Alberta Deep Basin, Northeast British Columbia Montney, and Peace River Oil Complex. TOU began its operations in 2008 through a series of acquisitions, allowing the Company to build an extensive inventory of undeveloped land and infrastructure assets. In 2022, 91.4% of TOU's production comprised natural gas products, with the remaining 8.6% comprising light and heavy crude oil. The Company has an aggregate of 4.5B boe of proven plus probable reserves including 20.7 tcf of natural gas reserves.

Industry Overview

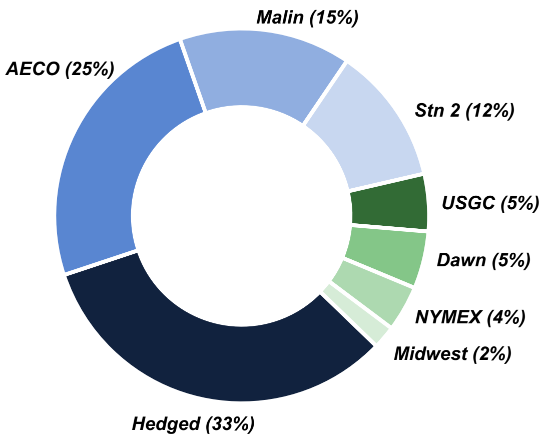
Following the multi-year lows induced by the COVID-19 pandemic in Q2 2020, the global economy's strong rebound has played a vital role in boosting oil consumption, which reached 100.4 mmbbl/d in Q1 2023. Oil supply is expected to fall short of rising demand in H2 2023 with the Energy Information Administration (EIA) forecasting WTI to reach >US$80 per barrel by Q4 2023. In addition, natural gas prices are expected to rise due to increased domestic demand with NYMEX and AECO spot prices projected to reach $2.95 per mmbtu and $3.15 per mmbtu, respectively by Q4 2023. Amid this dynamic landscape, the exploration and production subsector remains highly competitive. In recent years, increasingly supportive commodity prices have led to significant profitability growth throughout the industry which has led to many companies initiating or increasing shareholder return frameworks.

Mandate Fit

Quality Management: Michael Rose founded TOU in 2008 and currently serves as CEO. Rose has 38 years of experience in various roles throughout the oil and gas industry including serving in chief executive roles at the Duvernay Oil Corporation and Berkley Petroleum Corporation. Management continues to focus on the return of capital to TOU shareholders through dividends and share buybacks, making accretive acquisitions and growing its high-quality reserve inventory.

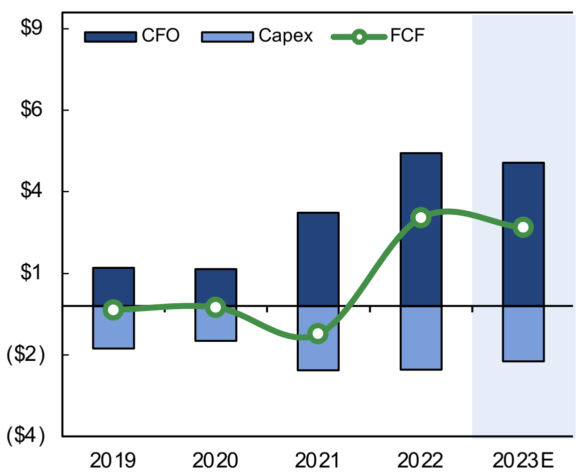
Competitive Advantage: TOU's competitive edge lies in its exceptional margins achieved through continuous operational improvements and well cost reductions over the last decade. Since 2014, operating expenditures have been reduced by ~10% to $4.30/boe in 2022, while capital efficiencies have improved by ~60% to $8,900 boe/d. This efficient cost structure therefore increases the amount of cash flow available for further growth and shareholder returns. As a result of low-cost expansion and operational efficiency, TOU is now the largest natural gas producer in Canada and holds ~30 years of drilling inventory across >5,000 locations which is the largest Tier 1 inventory held in North America. As of Q1 2023 TOU represented ~14% of WCSB receipts, ~20% of operational Canadian gas rigs, and ~50% of aggregate free cash flow generated by the WCSB gas-weighted peer group(1).

Figure 2: 2023 Natural Gas Benchmark Price Exposure



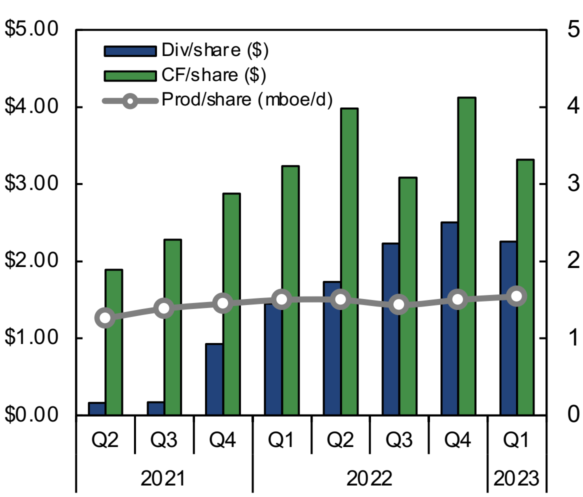
Source: Company Filings

Figure 3: Cash Flow, Capex, and Free Cash Flow



Source: Company Filings

Figure 4: LHS CF and Dividends vs RHS LTM Production



Source: Company Filings

Strong Balance Sheet: As of Q1 2023, TOU had net debt of ~$350 mm and maintained a best in-class D/CF Flow ratio of ~0.2x compared to the gas-weighted peer median of 0.8x(1). The Company currently has a BBB investment grade credit rating and maintains the lowest cost of borrowing among its peers at an effective rate of ~2.3%. Since 2017, TOU has reduced debt by over $1.0B in order to support its growing operations and ongoing development.

Growing Free Cash Flow: TOU generated a record ~$4.9B of FCF in 2022 ($14.27/share) reflecting a 67% increase YoY which was largely driven by strong realized commodity prices. After full-year production of ~500.4 mboe/d on total spending of $1.7B, TOU generated ~$3.2B of FCF and paid ~$2.7B ($7.90/share) in base and special dividends. Since 2017, TOU has improved its full cycle profitability with FCF growing at a ~24% CAGR while also increasing its dividend yield from ~3% to ~11%. As of Q1 2023, the Company was guiding to FY 2023 FCF of ~$3.9B which incorporates weaker near-term strip pricing. The resulting ~$2.2B of FCF will continue to be directed toward shareholder returns with TOU looking to payout 100% of its FCF through both base and special dividends. To-date in 2023, the Company has already increased its base dividend by 4% to $1.04 and paid a $1.50/share quarterly special dividend.

Operations

Exploration & Production: In Q1 2023, TOU's production averaged 525,916 boe/d (~22% liquids) after the curtailment of ~8,000 boe/d due to Alberta wildfire impacts which caused interruptions in the Pembina NGL pipeline system. The Company operated 15 rigs during the quarter and drilled ~71 net wells, completed ~67 net wells, and had ~38 DUCs going into Q2 2023.

Marketing: TOU operates a marketing terminal in Gordondale Alberta for both internally produced and third-party purchased oil, condensate, and NGL volumes. Additionally, TOU has ~140 MMcf/d of natural gas volumes contracted with Cheniere LNG, providing the company exposure to JKM benchmark pricing.

Growth Outlook: TOU's future growth will be primarily driven by the development of its North Montney expansion project at Conroy which the company expects will increase production by ~100 mboe/d. The Company will begin allocating capital toward the project in H2 2024 with Phase 1 to be on stream in 2026 and Phase 2 producing by 2028. When combined with other organic production growth in NE B.C., the Company will increase total production by ~700 mboe/d.

Risks

Variable drilling program results could impede TOU's growth and operational issues or underwhelming results in the Company's drilling and development program could negatively impact its share price. TOU is also subject to commodity price risk which is partially mitigated through its rigorous hedging and marketing programs. Other risks include the impact of government policy and legislation relating to royalties, income taxes, environmental regulation, as well as foreign exchange.

Investment Thesis and Valuation

TOU was valued at $80 using a 2P NAV and 2024E EV/DACF multiple of ~6.0x. The Fund sees this as justifiable due to TOU's strong balance sheet, cost efficiency, robust gas marketing, and solid free cash flow. This positions Tourmaline to offer attractive double-digit cash yields to shareholders. TOU possesses both a unique operational advantage and the financial flexibility required to sustain rapid growth in the long-term.

(1): Peer group includes TSX: ARX, TSX: NVA, TSX: PEY, and TSX: VET

Visa

Information Technology
NYSE: V
Market Perform | Hold

June 30, 2023
Sohil Agrawal, Investment Analyst

Return on Investment

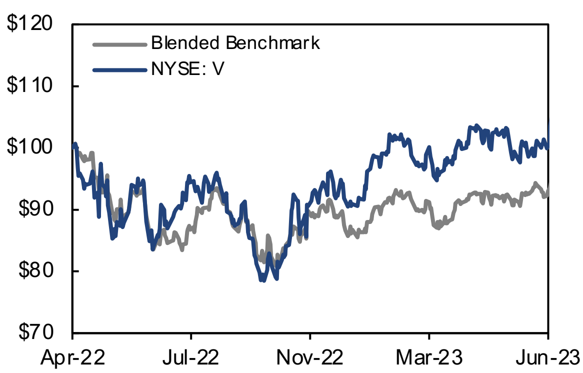
Current Share Price	$237.48
Target Price	$240.07
Dividend Yield	0.75%
Implied Return	2%
Conviction Rating	1

Market Profile

52-Week Range	$174.6 - $245.37
Market Capitalization (US$mm)	$490,647
Net Debt (US$mm)	$6,764
Enterprise Value (US$mm)	$497,411
Beta (5-Year Monthly)	0.97

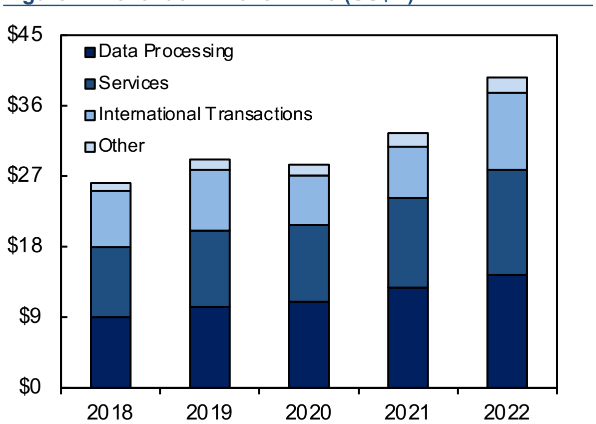
Metrics	2023E	2024E	2025E
Revenue (US$mm)	$32,606	$36,158	$40,309
EBITDA (US$mm)	$22,757	$25,602	$28,517
EPS (US$)	$8.23	$9.64	$11.01
EV/EBITDA	22.1x	19.4x	17.8x

Holding Period Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: Revenue Mix over Time (US$B)



Source: Company Filings, FactSet

Business Description

Visa (NYSE: V) operates a virtual electronic payment network and manages global financial services related to payments and transaction processes. The Company facilitates global commerce among a network of customers, merchants, financial institutions, businesses, strategic partners, and government entities. V offers debit cards, credit cards, prepaid products, and commercial payment solutions. The Company earns revenue from four primary sources: (1) Data Processing, (2) Services, (3) International Transactions, and (4) Other. V is a world leader in digital payments, boasting ~3.9B credit and other payment cards in circulation across 200+ countries.

Industry Overview

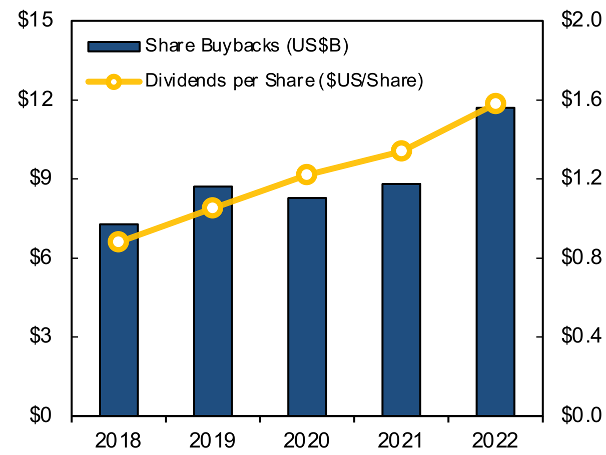
V operates within the global digital payments industry, allowing for seamless integration between financial systems. In recent years, this US$2.1T market has seen significant technological innovation through the adoption of blockchain, cryptocurrencies, and increasing consumer demand for digital payment services expedited by the COVID-19 pandemic. The tight regulatory environment of this industry is evolving through the recent introduction of *FedNow,* the U.S. government's instant payment infrastructure that enables payments between individuals and banks; this service has traditionally been provided by companies such as PayPal (NASDAQ: PYPL). Furthermore, this has contributed to a 75% decrease in PYPL's share performance, posing potential risks to V. The competitive landscape of V is comprised of credit card issuers such as American Express (NYSE: AXP) and Mastercard (NYSE: MA). Additionally, financial institutions such as Discover Financial (NYSE: DFS) and Capital One (NYSE: COF), as well as fintech companies such as Square (NYSE: SQ) and PYPL operate in this market. With a five-year industry CAGR of 13%, the digital payments industry maintains substantial growth prospects through increasing internet penetration, e-commerce growth, and underbanked populations turning to digital solutions.

Growth Strategy

Consumer Payments: V has focused on increasing access to credentials, acceptance of digital payments, and engagement with customers. In terms of expanding access, the Company has seen significant growth in the number of digital tokens, surpassing card credentials. Tap-to-pay transactions have gained traction, with the U.S. surpassing the UK as the largest country for transactions. V has established over 400 partnerships with fintech companies to advance money digitalization. Additionally, the Company has invested over US$10B in technology-enhancing security, successfully preventing ~US$27B in fraud.

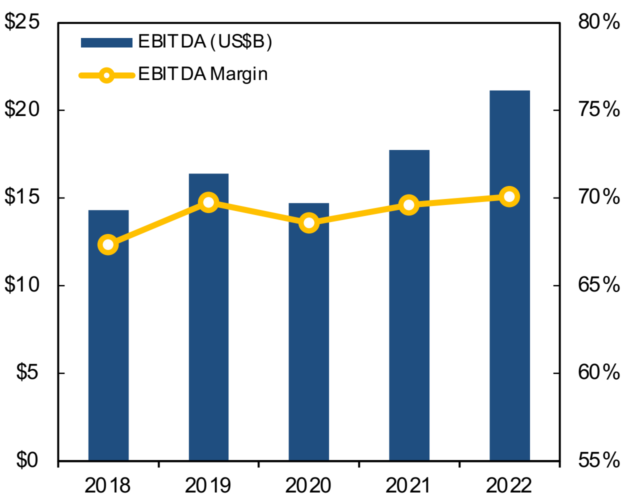
New Flows: V's focus extends beyond consumer payments to encompass various money movement flows, including B2B, B2C, G2C, and P2P. The Company continues to expand its presence by leveraging technologies such as Visa Direct, and partnerships with platforms such as Thunes (a network facilitating cross-border transactions) and Currencycloud (a cloud-based platform for international payments and currency management). In the past year, V's B2B segment recorded ~US$1.5T in payments, while Visa Direct reached 5.9B transactions, ultimately offering faster (cont.)

Figure 2: LHS Buybacks vs RHS DPS



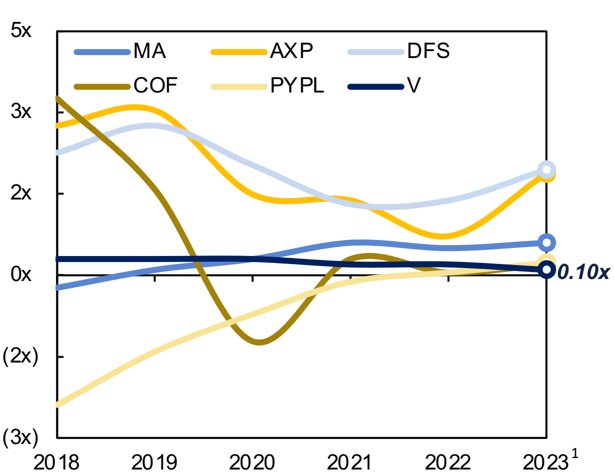
Source S&P Capital IQ

Figure 3: LHS EBITDA vs RHS EBITDA Margin



Source: S&P Capital IQ

Figure 4: LTM Net Debt/EBITDA



Source: Bloomberg

and more convenient payment solutions to its customers.

Value Added Services (VAS): VAS enables secure and efficient money movement for clients. In FY 2022, VAS generated $6B in revenue, with over 50% of its clients using multiple services. The growth strategy includes expanding existing products, introducing new solutions (such as Tink's open banking platform), and expanding VAS globally. Cybersource has onboarded 1mm merchants and partnered with the Bank of New Zealand, while VAS expanded across Europe. V's suite of risk and identity solutions protects against fraud and addresses emerging payment security challenges, including card-not-present fraud.

Mandate Fit

Quality Management: Ryan M. McInerney assumed the role of CEO in 2023, having served as President for 10 years. Prior to joining V, McInerney served as CEO of Consumer Banking for JPMorgan Chase (NYSE: JPM) from 2010 to 2013. CEO compensation is 93% performance-based to incentivize senior management to drive company success. V’s management and board has four females, representing 33% of the board.

Competitive Advantage: V holds a dominant position in the digital payments industry, particularly in a sector where trust plays a pivotal role. In the duopoly shared with MA, V leverages its position to capitalize on higher payment penetration, a factor heavily reliant on partnerships and the ability to capitalize on the electronic payment transition. V's extensive network of over 400 partners globally and its Visa Acceptance Cloud (VAC) enables various connected devices to accept cloud-based payments, granting the Company an edge over MA and other peers. The conjunction of a highly scalable business, elevated barriers to entry, regulatory compliance, and network effects with existing partners provides V with a best-in-class LTM EBITDA margin of 70%, compared to MA’s margin of 60%.

Strong Balance Sheet: V’s total debt is US$22.5B, with only a small portion of this, US$2.2B, due within the following year. This is easily covered by the Company’s US$15B of cash. In addition, V secured a five-year, unsecured US$7B revolving credit facility in May 2023. The company’s Net Debt/EBITDA is ~0.0x, compared to its peer average of 0.6x. An interest coverage ratio of 39.7x further underscores the strength of the Company’s financial position, compared to MA’s 28.4x and PYPL’s 16.9x. These strong fundamentals are reflected in V’s credit ratings of Aa3 and AA- from Moody’s and S&P, respectively.

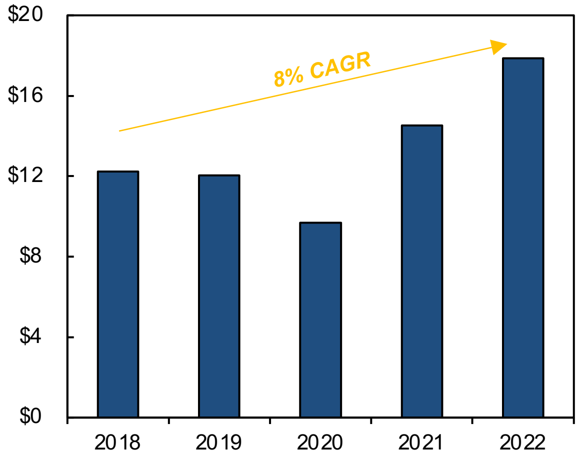
Growing Free Cash Flow: V’s business model is characterized by high incremental margins, low capital expenditures, and significant FCF generation. The Company has grown FCF at a five-year CAGR of 8%. V has a consistent policy for share repurchases, having repurchased US$2.9B in Q3 2023, representing a 21% increase YoY. The Company’s primary cash uses are acquisitions, dividends, share repurchases, and debt repayment.

Recent Acquisitions

Pismo: On June 28, 2023, V announced an agreement to purchase Brazil-based Pismo Soluções Tecnologicas, a cloud-native banking and payment processing platform, for US$1B in cash. The acquisition allows the Company to provide better support for emerging payment infrastructures, such as Brazil's Pix, a platform used by 150mm people. The transaction, which compliments V’s ongoing fintech expansion efforts, will be finalized by the end of 2023, pending regulatory approvals. Pismo’s existing management team will continue to run the company post-acquisition, (cont.)

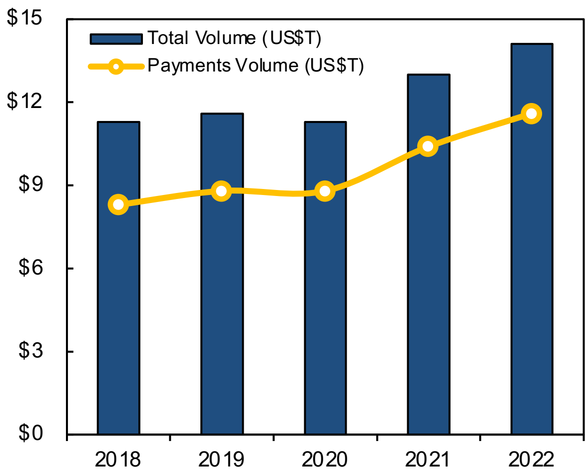
1) As of June 30, 2023

Figure 5: Free Cash Flow (US$B)



Source: Bloomberg

Figure 6: Total Volume and Payments Volume



Source: Company Filings

which benefits V, given its extensive experience operating in international markets.

Tink: On March 10, 2022, V acquired 100% of Tink AB, an open banking platform, for US$1.9B in cash. Tink enables financial institutions, financial technology firms, and merchants to facilitate money transfers and make financial products and services.

Currencycloud: On December 20, 2021, V acquired The Currency Cloud Group Limited for US$893mm. Currencycloud is a leading global platform that facilitates innovative cross-border foreign exchange solutions for financial institutions and fintech companies.

Risks

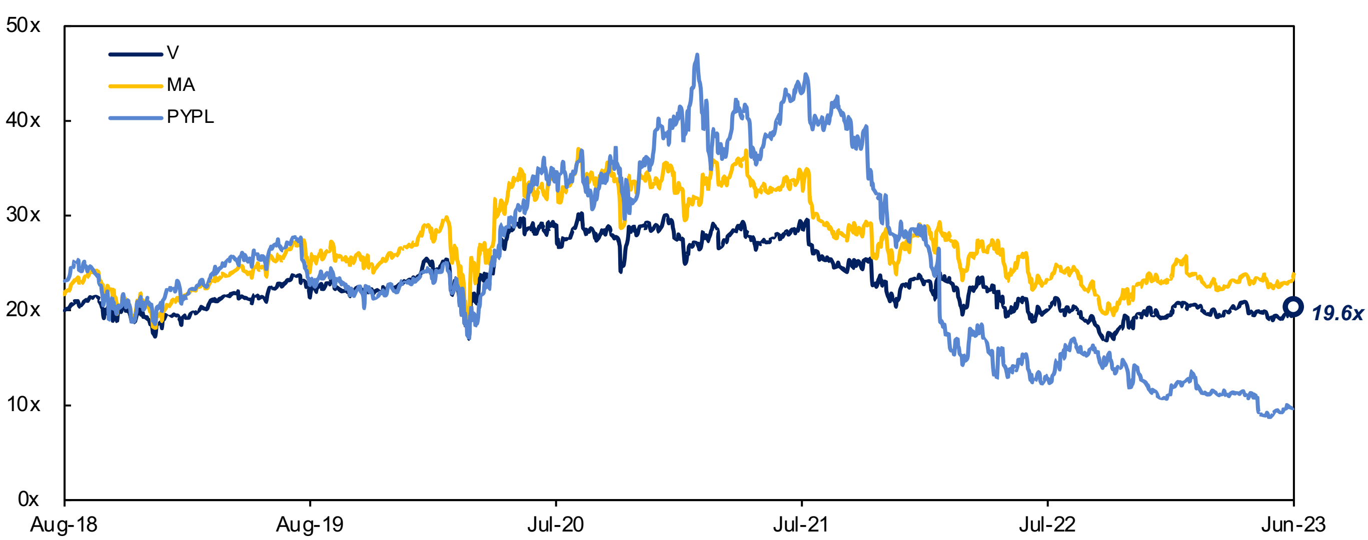
V's global operations require it to adhere to regulations in over 200 countries. Regulators are becoming increasingly critical of interchange reimbursement fees. As a result, in-house payment infrastructure has been created, as seen in the case of *FedNow*. Similar pressure has been put on by merchants, who reference the intense competition in the industry and continually push for lower acceptance costs. These risks pose the potential to further compress margins and ultimately threaten the Company's future profitability.

Investment Thesis and Valuation

V was valued at US$237 using a 10-year DCF with a WACC of 8.8%. The terminal value was determined through a 50/50 blend of (1) the Gordon Growth method, using a 2.0% terminal growth rate, and (2) an EV/EBITDA exit multiple of 20x. V and MA both trade at a premium compared to the industry average. However, V's NTM EV/EBITDA is ~20% lower than that of MA. Since the Fund's initial position in April 2022, the trading gap between the two companies has narrowed by 10%.

The Fund remains confident in V's potential for growth due to increasing customer penetration and strong partnerships. V's evolving growth strategy is evident through its acquisition integration, alongside the global expansion of digital payments, which proves advantageous for companies in the industry.

Figure 7: NTM EV/EBITDA vs Peers

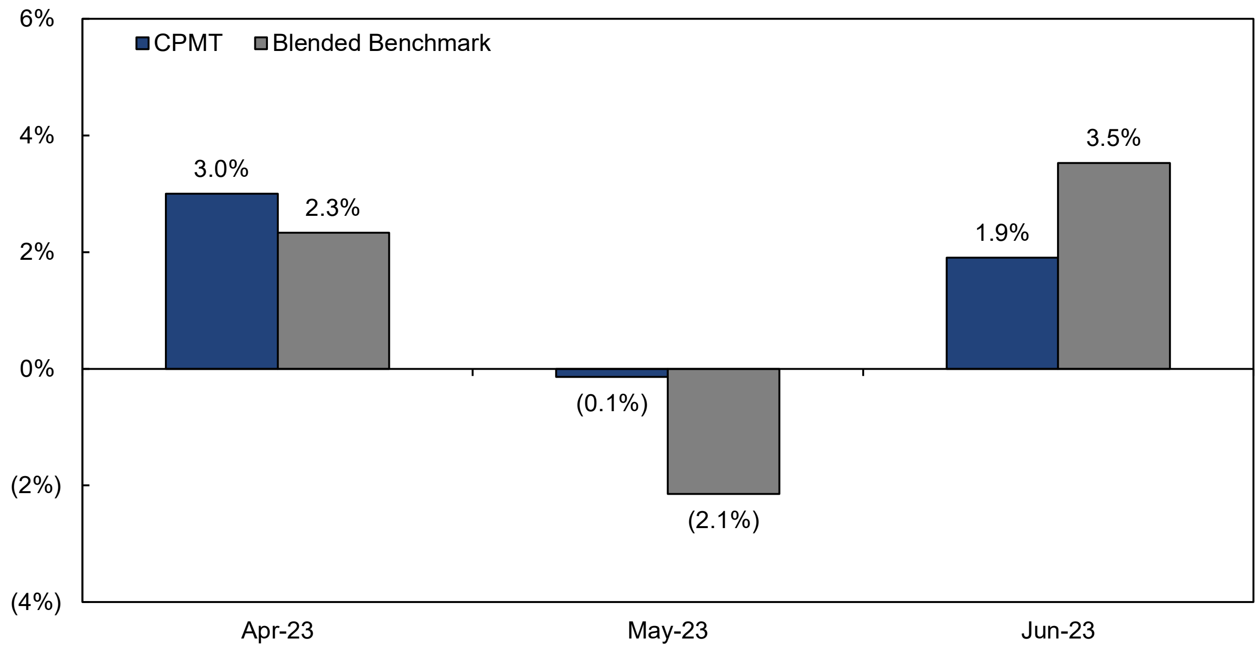


Source: S&P Capital IQ

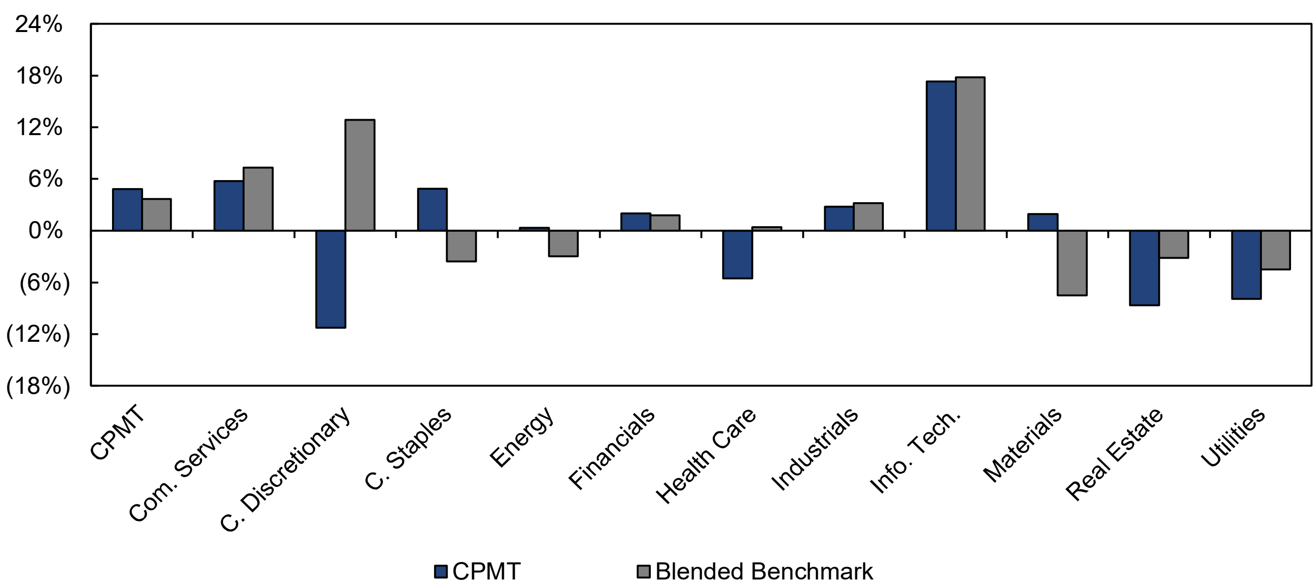
Compliance and Performance

QUARTERLY PERFORMANCE

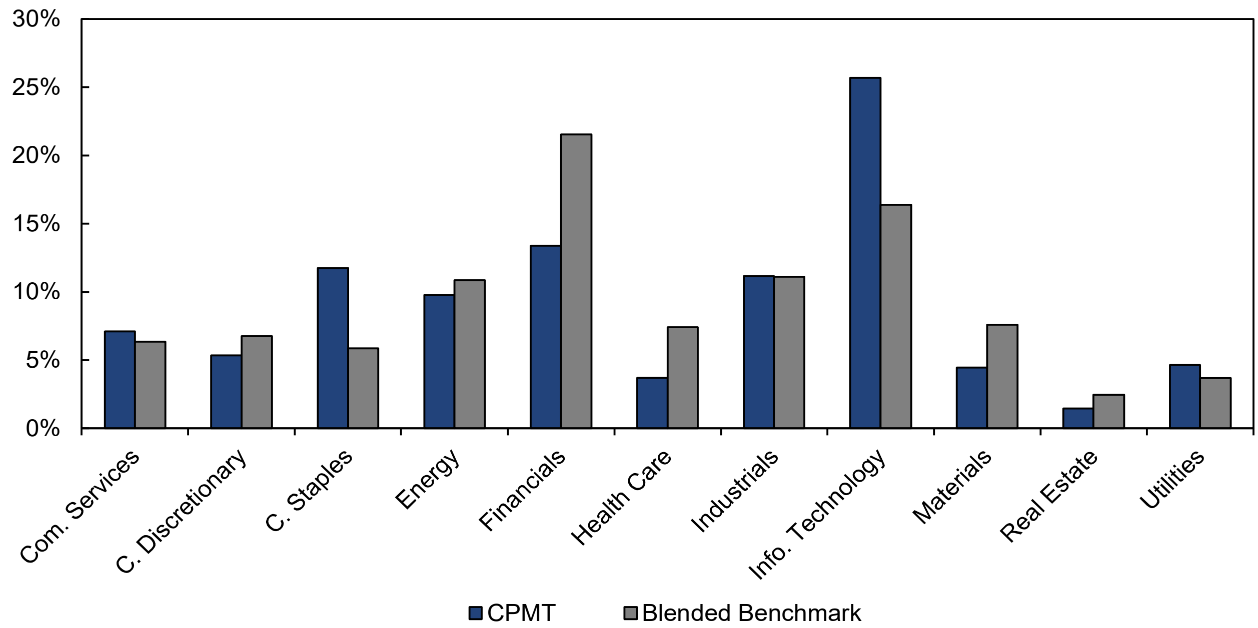
CPMT and Blended Benchmark Monthly Returns



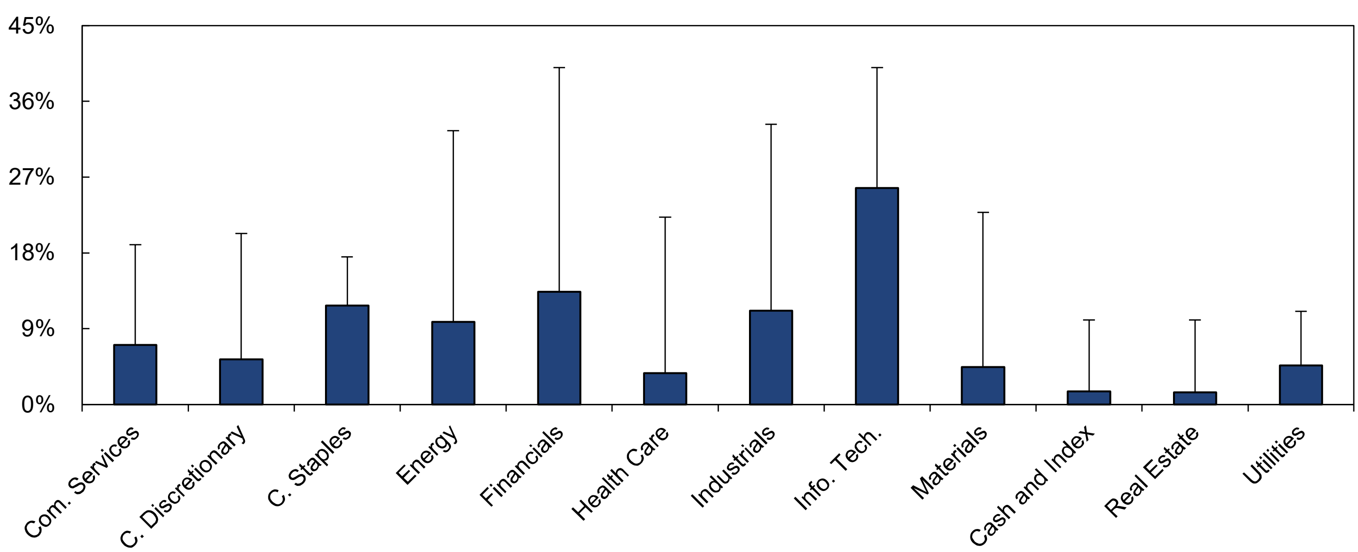
CPMT and Blended Benchmark Quarterly Sector Returns



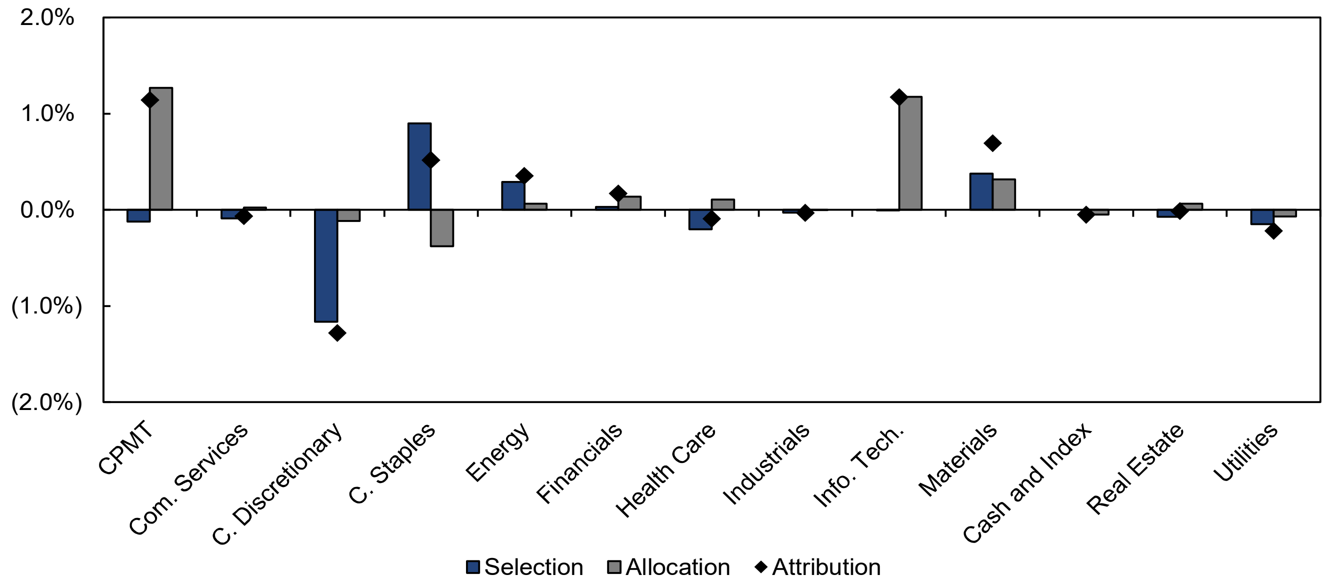
CPMT and Blended Benchmark Sector Weightings



CPMT Sector Weights vs Maximum Weight



Attribution Analysis (FQ1 2024)



CPMT Attribution Analysis

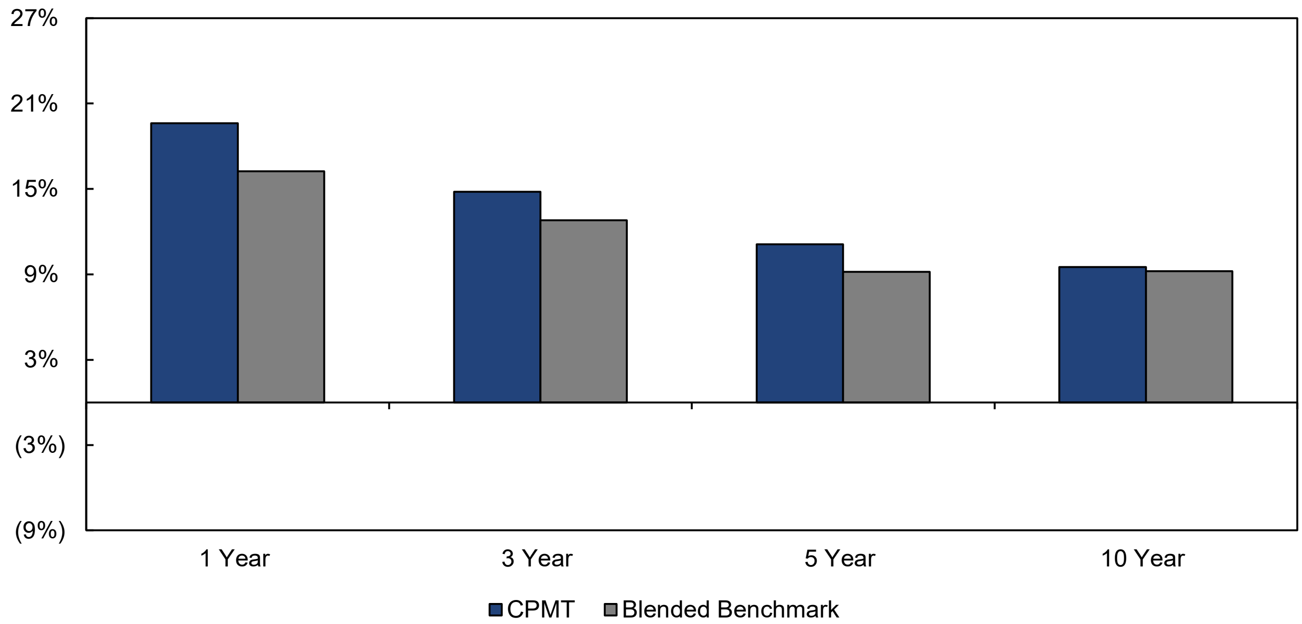
FQ1 2024	Attribution	Allocation	Selection
CPMT	1.14%	1.27%	(0.12%)
Communication Services	(0.07%)	0.03%	(0.09%)
Consumer Discretionary	(1.28%)	(0.12%)	(1.17%)
Consumer Staples	0.52%	(0.38%)	0.90%
Energy	0.35%	0.06%	0.29%
Financials	0.17%	0.14%	0.03%
Health Care	(0.09%)	0.11%	(0.20%)
Industrials	(0.03%)	(0.00%)	(0.03%)
Information Technology	1.17%	1.17%	(0.00%)
Materials	0.69%	0.32%	0.38%
Other	(0.05%)	(0.05%)	0.00%
Real Estate	(0.01%)	0.06%	(0.07%)
Utilities	(0.22%)	(0.07%)	(0.15%)

1 Year	Attribution	Allocation	Selection
CPMT	3.39%	3.05%	0.34%
Communication Services	(0.59%)	0.26%	(0.86%)
Consumer Discretionary	0.30%	(0.18%)	0.48%
Consumer Staples	(0.02%)	(0.33%)	0.31%
Energy	(0.23%)	0.12%	(0.36%)
Financials	1.21%	0.88%	0.34%
Health Care	0.09%	0.32%	(0.22%)
Industrials	0.26%	0.18%	0.08%
Information Technology	1.73%	1.91%	(0.18%)
Materials	0.89%	0.20%	0.69%
Other	(0.17%)	(0.17%)	0.00%
Real Estate	(0.19%)	0.13%	(0.32%)
Utilities	0.12%	(0.25%)	0.38%

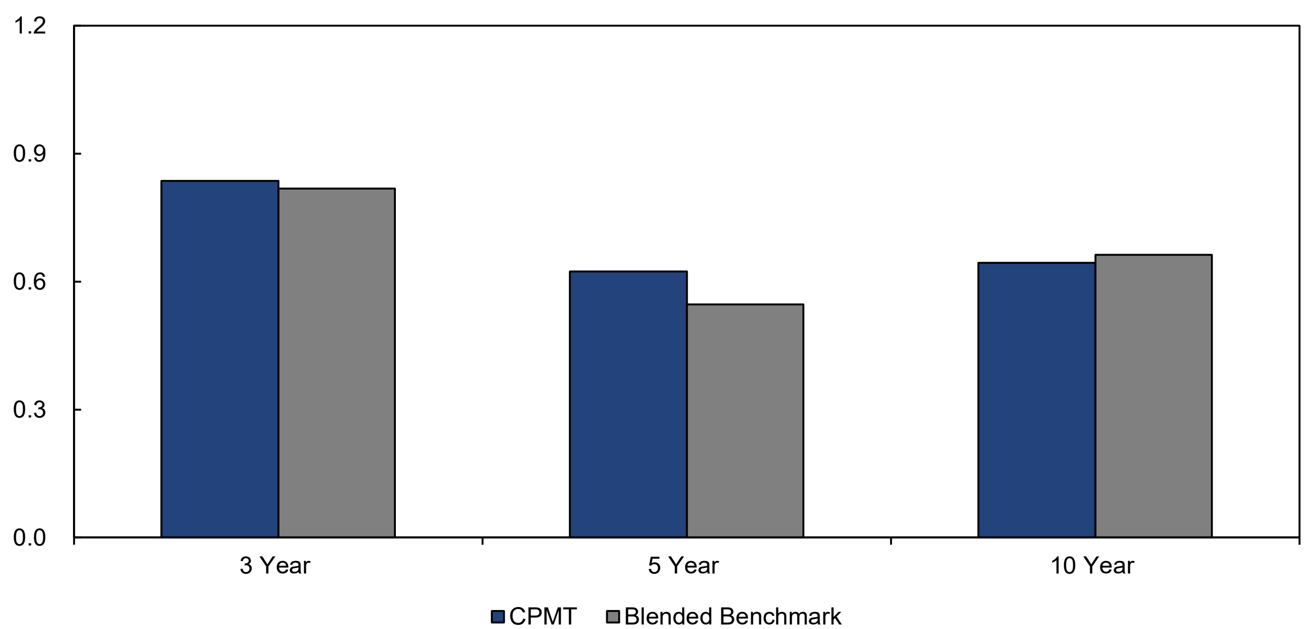
Compliance and Performance

LONG-TERM PERFORMANCE

CPMT and Blended Benchmark Total Return (Annualized)



CPMT and Blended Benchmark Composite Index Sharpe Ratios



The CPMT Long-Term Performance Targets

		1 Year		3 Year		5 Year		10 Year
Absolute Returns (annualized)								
CPMT (1)	✓	19.62%	✓	14.80%	✓	11.12%	✓	9.52%
Relative Returns (bps)								
Blended Benchmark (2)	✓	339	✓	200	✓	194	✗	31
Risk Adjusted Returns (bps)								
Blended Benchmark (3)	✓	359	✓	104	✓	155	✗	26

(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

	1 Year	3 Year	5 Year	10 Year
Annualized Return				
CPMT	19.62%	14.80%	11.12%	9.52%
Blended Benchmark	16.23%	12.80%	9.18%	9.21%
Annualized Volatility				
CPMT	14.43%	14.67%	15.16%	12.13%
Blended Benchmark	14.36%	13.28%	14.53%	11.52%
Sharpe				
CPMT	1.09	0.84	0.62	0.64
Blended Benchmark	0.89	0.82	0.55	0.66

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 (2023-2024)

FQ1 2024	Date	Action	Shares	Purchase Price	Sale Price	Currency	Capital Gain (CAD)	Return
ENB	21-Apr-23	Sell	215	$47.29	$53.23	CAD	$1,277.10	12.56%
TECK	21-Apr-23	Sell	275	$39.49	$47.81	CAD	$2,289.18	21.08%
ALLY	21-Apr-23	Buy	370	$27.66				
EPD	21-Apr-23	Buy	370	$26.81				
Total							$3,566.28	16.96%

Appendix 2: Account Activity (Continued)

Dividend Summary

April, 2023			
Equity	**Date**	**DPS**	**Credit (CAD)**
CNQ	05-Apr-23	$0.90	$360.90
ABT	06-Apr-23	$0.14	$60.20
CSU	14-Apr-23	$1.35	$18.87
AMT	28-Apr-23	$1.56	$82.33
T	03-Apr-23	$0.35	$322.36
TMO	14-Apr-23	$0.35	$8.06
Total			**$852.72**

May, 2023			
Equity	**Date**	**DPS**	**Credit (CAD)**
TOU	19-May-23	$1.50	$300.00
WCN	24-May-23	$0.34	$44.34
JPM	01-May-23	$1.00	$194.10
EPD	12-May-23	$0.49	$246.09
ALLY	12-May-23	$0.30	$150.67
AAPL	15-May-23	$0.24	$50.17
COST	18-May-23	$1.02	$76.15
RY	24-May-23	$1.32	$283.93
Total			**$1,345.44**

June, 2023			
Equity	**Date**	**DPS**	**Credit (CAD)**
ENB	01-Jun-23	$0.89	$221.88
BEP	30-Jun-23	$0.46	$107.89
BAM	30-Jun-23	$0.42	$46.46
BN	30-Jun-23	$0.09	$40.93
CCL.B	30-Jun-23	$0.27	$53.00
CN	30-Jun-23	$0.79	$118.50
TOU	30-Jun-23	$0.26	$52.00
V	01-Jun-23	$0.45	$27.16
ZTS	01-Jun-23	$0.38	$30.31
MSFT	08-Jun-23	$0.68	$75.66
CTAS	15-Jun-23	$1.15	$65.50
NEE	15-Jun-23	$0.47	$143.67
LIN	16-Jun-23	$1.28	$59.12
Total			**$1,042.08**

CPMT Holdings - June 30, 2023	Market Cap	Conviction	Position Size			Target Price		Stock Price	Total Return	
Financials			Current	Target	Difference	Prior	Current	End of Period	QTD	TTM
Ally Financial Inc.	Large	1	1.92%	2.00%	0.08%	N/A	$30.00	$37.43	(4.45%)	(4.40%)
Brookefield Asset Management	Large	0	0.69%	0.00%	(0.69%)	N/A	N/A	$44.27	(2.33%)	33.50%
Brookfield Corporation	Large	2	2.86%	4.00%	1.14%	$60.00	$60.00	$44.03	1.29%	(22.10%)
JPMorgan Chase & Co.	Large	2	3.99%	4.00%	0.01%	$128.00	$128.00	$176.31	9.23%	30.80%
Royal Bank of Canada	Large	2	3.94%	4.00%	0.06%	$132.00	$132.00	$129.32	(2.20%)	0.50%
Information Technology										
Adobe Inc.	Large	2	4.97%	4.00%	(0.97%)	$378.00	$378.00	$521.41	24.19%	36.10%
Apple inc.	Large	2	5.73%	4.00%	(1.73%)	$165.00	$165.00	$223.11	15.12%	43.20%
Constellation Software Inc.	Large	2	5.56%	4.00%	(1.56%)	$2,022.00	$2,022.00	$2,540.91	8.02%	43.60%
Microsoft Corporation	Large	2	5.48%	4.00%	(1.48%)	$287.00	$287.00	$390.07	15.60%	34.50%
Topicus.com Inc.	Mid	1	1.67%	2.00%	0.33%	$92.00	$92.00	$96.58	12.50%	49.60%
Visa Inc.	Large	1	2.28%	2.00%	(0.28%)	$290.00	$290.00	$305.05	3.09%	22.20%
Materials										
CCL Industries inc.	Large	1	1.89%	2.00%	0.11%	$79.00	$79.00	$67.14	(3.01%)	7.00%
Linde PLC	Large	1	2.56%	2.00%	(0.56%)	$313.00	$313.00	$480.91	4.93%	36.90%
Energy										
Canadian Natural Resources Limited	Large	2	4.32%	4.00%	(0.32%)	$84.00	$84.00	$74.79	(0.41%)	7.70%
Enbridge Inc.	Large	2	1.78%	2.00%	0.22%	$53.00	$53.00	$51.53	(4.44%)	(9.40%)
Enterprise Products Partners LP	Large	2	1.87%	2.00%	0.13%	$31.00	$31.00	$36.28	(3.84%)	(3.80%)
Tourmaline Oil Corp.	Large	1	1.81%	2.00%	0.19%	$70.00	$70.00	$56.32	10.83%	(6.70%)
Consumer Discretionary										
Aritzia Inc.	Mid	2	3.46%	4.00%	0.54%	$33.00	$33.00	$43.37	(15.19%)	5.50%
lululemon athletica inc.	Large	1	1.89%	2.00%	0.11%	$426.00	$426.00	$492.75	1.72%	47.30%
Consumer Staples										
Alimentation Couche-Tard Inc	Large	2	4.23%	4.00%	(0.23%)	$70.00	$70.00	$67.95	(0.03%)	7.90%
Costco Wholesale Corporation	Large	3	5.68%	6.00%	0.32%	$610.00	$610.00	$672.27	6.05%	13.60%
Darling Ingredients Inc.	Mid	1	1.83%	2.00%	0.17%	N/A	$97.00	$79.02	6.90%	(3.10%)
Telecommunications										
Alphabet Inc.	Large	2	3.67%	4.00%	0.33%	$133.00	$133.00	$140.35	12.94%	12.90%
Telus Corporation	Large	2	3.43%	4.00%	0.57%	$34.00	$34.00	$26.87	(4.10%)	(9.50%)
Healthcare										
Thermo Fisher Scientific Inc.	Large	1	1.70%	2.00%	0.30%	$570.00	$570.00	$779.83	(11.40%)	(2.40%)
Zoetis Inc.	Large	1	2.01%	2.00%	(0.01%)	$153.00	$153.00	$225.19	1.26%	1.40%
Industrials										
Canadian National Railway Company	Large	2	3.48%	4.00%	0.52%	$163.00	$163.00	$159.47	0.60%	10.80%
Cintas Corporation	Large	2	4.10%	4.00%	(0.10%)	$430.00	$430.00	$626.01	5.15%	35.30%
Waste Connections, Inc.	Large	2	3.56%	4.00%	0.44%	$124.00	$124.00	$188.10	0.65%	18.60%
Real Estate										
American Tower Corporation	Large	1	1.45%	2.00%	0.55%	$279.00	$279.00	$276.47	(7.11%)	(23.00%)
Utilities										
Brookfield Renewable Partners L.P.	Large	1	1.33%	2.00%	0.67%	$51.00	$51.00	$42.60	(8.31%)	(12.70%)
NextEra Energy, Inc.	Large	2	3.30%	4.00%	0.70%	$88.00	$88.00	$104.29	(5.79%)	(5.60%)