Calgary Portfolio Management Trust

FQ3 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 five 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

Jacob Kemp, Portfolio Manager

Jeevan Gill, Portfolio Manager

João Vitor Beani, Portfolio Manager

Joel Homersham, Portfolio Manager

Lucas Frame, Portfolio Manager

Rebecca Butler, Portfolio Manager

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 and at National Bank Financial as a Project Finance Summer Analyst. Daniel is currently interning at National Bank Financial in its Project Finance team where he will be returning full time upon graduation. In his spare time, Daniel enjoys disc golf, golf, hiking, and watching F1.

JACOB KEMP
Portfolio Manager
5th Year, Finance / Economics (Minor)
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 degree in Finance with a minor in Economics. In addition to the CPMT, Jacob is involved with the Haskayne Finance Club. Jacob has previously completed internships in Investment Banking, Private Credit, Private Equity, Equity Research, and Oil and Gas with TD Securities, SAF Group, Macritchie, Acumen Capital Partners, and TAQA. Jacob will be joining Alberta Investment Management Corporation as an analyst upon graduation. 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 previously completed an internship in summer 2022 as a Staff Accountant at Deloitte in its Audit Public group. Jeevan recently completed an internship at Bank of America as an Investment Banking Summer Analyst in its Global Natural Resources & Energy Transition Group, where he will be returning full time upon graduation. 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. João completed a part-time internship at Pivotal Capital Advisory Group and Summer Internships at Stone Co. as a Corporate M&A Analyst and at IGC Partners as an Investment Banking 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. Joel completed an internship at RBC Capital Markets as an Investment Banking Summer Analyst in the Global Energy Group, where he will be returning full time upon graduation. Previously, Joel completed internships in Private Equity and Energy Services with the Ayrshire Group and West Earth Sciences. 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 their continued support in making this opportunity possible. Rebecca looks 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 two co-op terms at Fidelity Investments as a Calgary Advisor Sales Intern and a Financial Analyst out of Fidelity’s Toronto office. Rebecca recently completed an internship at National Bank Financial as an Investment Banking Summer Analyst in the firm’s Energy Group, where she will be returning full-time upon graduation. 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 completed an internship at BMO Capital Markets as an Investment Banking Summer Analyst in the Energy group, where he will be returning full time upon graduation. 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

Jack joined the CPMT in March 2023 as an Investment Analyst and is looking forward to developing his skills in portfolio management, financial modelling, and qualitative analysis. He is thankful for the Board of Trustees and alumni that have given him the opportunity to learn from the program. Jack is currently completing a degree in Finance. In addition to the CPMT, Jack has been involved with the Haskayne Finance Club, Denovo Student Investment Fund, and participated in the National Investment Banking Case Competition. He completed an internship with Suncor Energy as a Downstream Finance and Planning analyst in 2023. 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. In 2023 Lukas completed an internship at Plains Midstream Canada as a Crude Supply 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 looking forward to further developing his knowledge in equity research and portfolio management. He greatly appreciates the continued support from the CPMT's Board of Trustees, mentors, and alumni in making this opportunity possible. In addition to the CPMT, Max has been involved in the 2023 and 2024 Van Berkom Small Cap Case Competition and bp Trading Competitions. Previously, Max has completed work terms at Inter Pipeline as a Financial Planning and Analysis Intern, and most recently at BMO Capital Markets as an Investment Banking Fall Analyst in the Energy group. In summer 2024, he will be returning to Inter Pipeline as a Corporate Development Intern. In his spare time, Max enjoys astronomy, espresso, and playing 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 Entrepreneurial 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 Markets 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, hiking, watching F1, and is learning golf.

TARA JINDAL
Investment Analyst
3rd Year, Finance / Data Science (Minor)

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 Competition 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 winter 2024, Tara will complete an internship with Ontario Teachers' Pension Plan in its Private Capital, Global Funds 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 FY 2024, 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 contribute 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 0.9% 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 2.6% underweight relative to the blended benchmark. The performance of companies in this sector faced pressure in FY 2023 as consumer purchasing power continued to erode from high inflation and elevated interest rates. While the U.S. personal savings rate fell to 3.7% in December 2023 after rising to a high of 5.3% in May 2023, consumer spending has not experienced a pronounced impact. Real PCE has increased 2.0% since May 2023 and 2.2% since the beginning of the year. With U.S. unemployment at 3.7% and the labour participation at 62.5%, the Fund believes a relatively healthy labour market should continue to boost retail sales and support PCE growth. 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 The Hershey Company (NYSE: HSY) due to their cash flow resilience and strong market share.

CONSUMER STAPLES

The CPMT's Consumer Staples weighting is currently 8.4% 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), Dollarama Inc. (TSX: DOL), 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 equally weighted 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 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 holds 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), and Brookfield Corporation (TSX: BN). 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 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 9.5% 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 headwinds will compress margins in the U.S. Health Care industry given the Inflation Reduction Act, patent cliff, and rising concerns about Health Care pricing. The Fund holds Thermo Fisher Scientific (NYSE: TMO), Zoetis (NYSE: ZTS), and McKesson (NYSE: MCK) in the sector. The CPMT is 0.3% overweight in Health Care, with a positive outlook on the drug distribution, animal care, and life sciences segments. Given the sector's historically low beta, non-discretionary nature, and its ability to remain defensive during recessionary periods, the Fund is actively looking for new Health Care names.

INDUSTRIALS

The CPMT expects 2024 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), Canadian Pacific Kansas City (TSX: CP) Cintas (NASDAQ: CTAS), and Waste Connections (TSX: WCN) within the sector and is equally weighted 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 2024.

INFORMATION TECHNOLOGY

The CPMT is 5.0% overweight in Information Technology relative to its blended benchmark. The Fund has actively monitored the performance of Information Technology sector valuations amidst the artificial intelligence developments. The CPMT currently hold Microsoft (NASDAQ: MSFT), Apple (NASDAQ: AAPL), Adobe (NASDAQ: ADBE), Visa (NYSE: V), Constellation Software (TSX: CSU), and Topicus.com (TSXV: TOI). Although the Fund sees outperformance of the sector over the medium term, it is reassessing its holdings in light of the rapid increase in valuations.

MATERIALS

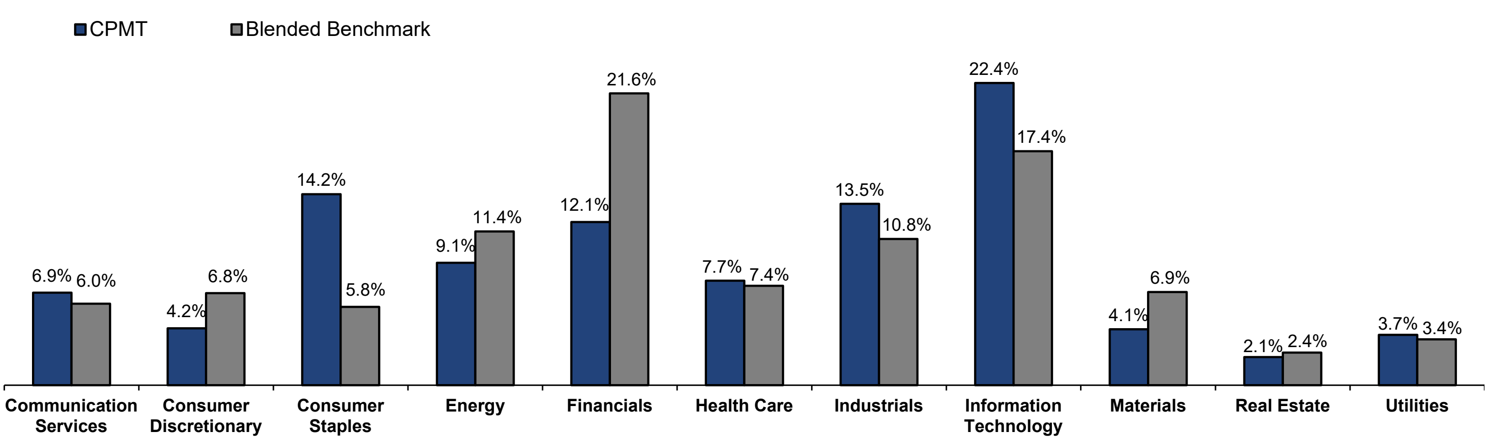
The CPMT is currently 2.8% underweight in Materials relative to the blended benchmark. Companies within the sector have experienced major shifts in scalability and profitability due to streamlined operations. The increasing demand for industrial gases, electrification, and construction/renovation products 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).

REAL ESTATE

The CPMT is currently 0.3% underweight in Real Estate relative to the blended benchmark. In FY 2023, the Fund initiated a position in Prologis (NYSE: PLD), which remains the sole holding in the sector. The CPMT maintains a strong view of the warehousing industry due to nearshoring trends and e-commerce penetration. Additionally, PLD's global presence and organic growth strategy will allow the Company to capitalize on expansion opportunities. The Fund will continue to monitor developments throughout the sector, including changes in the interest rate environment, and supply chain disruptions.

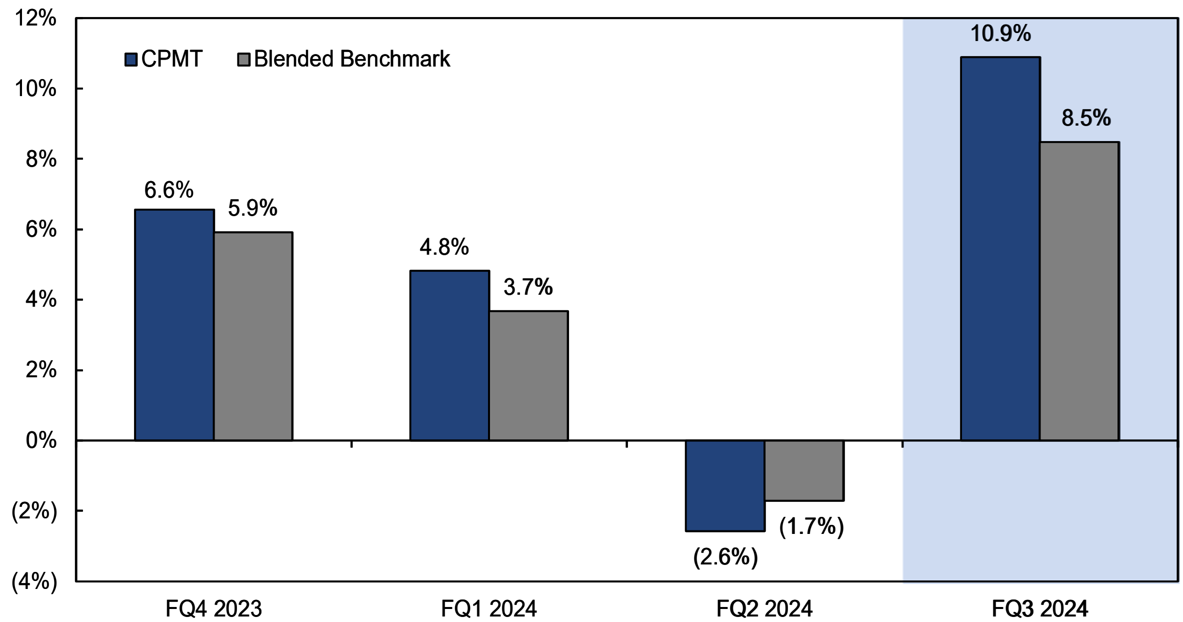
UTILITIES

The CPMT's sole utility holding is NextEra Energy (NYSE: NEE) and is 0.3% overweight in the sector. A high interest rate environment has raised concerns about being overweight due to the inverse relationship between utility stocks and yields. While yields have fallen from their peak, the CPMT favours NEE's regulated stable cashflow business with reinvestment in renewable assets with long-dated PPAs. The Fund recently sold its position in Brookfield Renewable Partners (NYSE: BEP) due to the decrease in the share of cash flows generated by its high-return Hydro segment of the business. Overall, the CPMT views the possible rate cuts in 2024 as a tailwind for utilities and expects outperformance in the sector as the transition to green fuels continues globally.

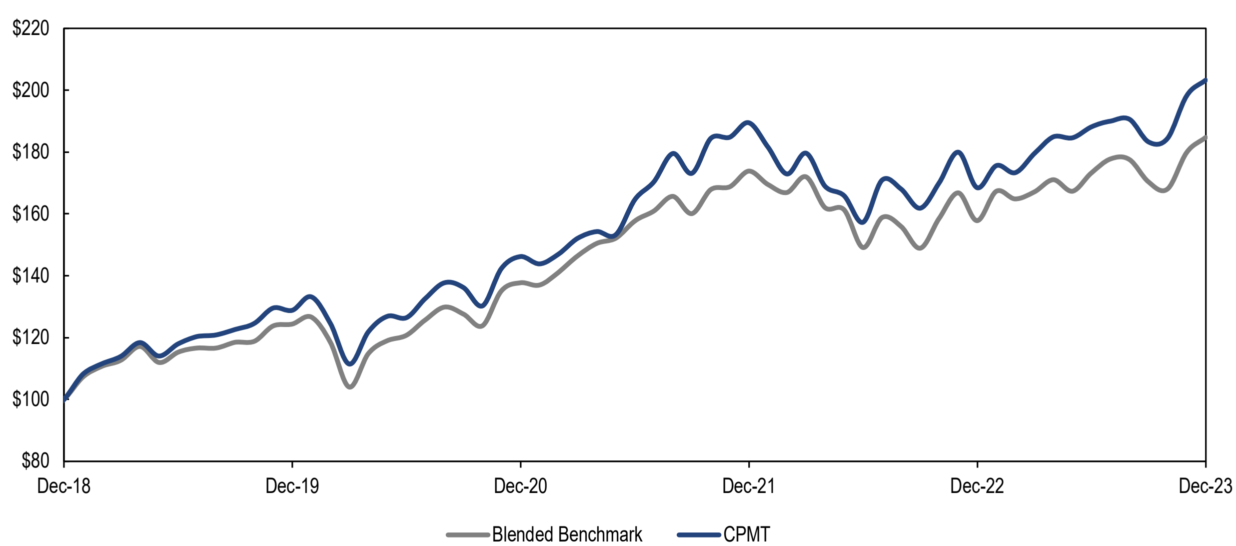


Quarterly Snapshot - FQ2 2024

CPMT and Benchmark Total Return (TTM)



Value of $100 (since December 31, 2018)

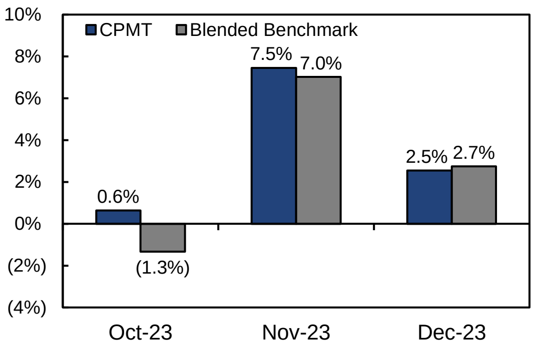


Fund Universe

	FQ3 2024	1 Year	3 Year	5 Year	10 Year
CPMT	10.88%	20.66%	12.23%	15.62%	9.14%
Blended Benchmark	8.47%	17.07%	10.29%	13.06%	8.48%
Blended Benchmark Difference	2.41%	3.59%	1.94%	2.56%	0.66%

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 the professionals who have volunteered their time to be a part of the mentorship program. This mentorship provides students with invaluable support, ranging from technical expertise to career guidance and more.

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

OVER THE QUARTER

The Fund returned 10.88% over the quarter, 241 bps above the Blended Benchmark's return of 8.47%. 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 38/62 Canada/U.S. equity exposure. At this time, 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.

The Fund initiated positions in the following names:

Canadian Pacific Kansas City (TSX: CP): CP owns and operates freight railway networks across Canada, the U.S., and Mexico, transporting a variety of commodities, and industrial, consumer, and retail products. Following the Company's merger with Kansas City Southern, CP gains significant market share as it is the only North American rail operator whose network spans the entire continent. The Fund favours management's commitment to de-levering and improving the Company's operating ratio. In October, the CPMT entered a position in CP at a 1 conviction.

Dollarama (TSX: DOL): DOL is Canada's leading dollar store retail chain with a growing international footprint in Latin America. The Company provides all consumer classes with brand-name consumables and general merchandise goods at a discount to larger retailers. The Company's large growth runways combined with its defensive properties position it to perform well in all economic conditions. In December, the CPMT entered a position in DOL at a 1 conviction.

The Hershey Company (NYSE: HSY): HSY is a global leader in chocolate and non-chocolate confectionary products, holding 45% of the market share in the U.S. chocolate industry. The Fund is confident in management's expansion strategy into the non-confectionary snack food market and its ability to capture a dominant position in the space. This scope expansion, combined with HSY's superior supply chain, will allow the Company to successfully diversify its existing product portfolio. In November, the CPMT entered a position in HSY at a 1 conviction.

McKesson Corp (NYSE: MCK): MCK is a global healthcare service provider focusing on drug distribution. The Fund has a positive long-term outlook for the drug distribution industry, driven by an aging population, increased utilization of prescription drugs, and margin enhancement opportunities. The CPMT favours MCK's recent international segment divestiture developments within the industry, enabling streamlining of its core business and sustainable core distribution growth. The Company also possesses the most advanced healthcare value-added services platform against its peers, further allowing for margin expansion in a highly competitive industry. In December, the CPMT entered a position in MCK at a 2 conviction.

Prologis (NYSE: PLD): PLD is a self-administered REIT that focuses on managing and acquiring logistics facilities within the U.S. and internationally. The Fund views the warehousing industry trends favourably, driven by nearshoring and e-commerce penetration. PLD's global presence and organic growth strategy will allow the Company to capitalize on sustainable industry growth trends. In December, the CPMT entered a position in PLD at a 1 conviction.

The CPMT also increased its conviction in NextEra Energy (NYSE: NEE) due to the Company's ability to consistently use its stable regulated utility operations to fund its attractive renewable growth platform better than its competitors.

To fund these trades, the CPMT divested its position in ALLY Financial (NYSE: ALLY) due to an ineffective competitive advantage from the Company seeking automotive loans through intermediaries, as well as ALLY experiencing significant net interest margin compression as a result of high interest rates.

The Fund divested its position in American Tower (NYSE: AMT) due to uncertainty regarding the Company's ability to maintain financial health given higher expected interest rate payments and an inability to simultaneously grow its dividends and reduce debt levels.

Brookfield Renewable Partners (TSX: BEP.UN; NYSE: BEP) was divested due to a decrease in its Hydro cash flows compared to total cash flows. The Fund views this as a deterioration in the Company's competitive advantage and believes that BEP has matured, providing less attractive opportunities for growth moving forward.

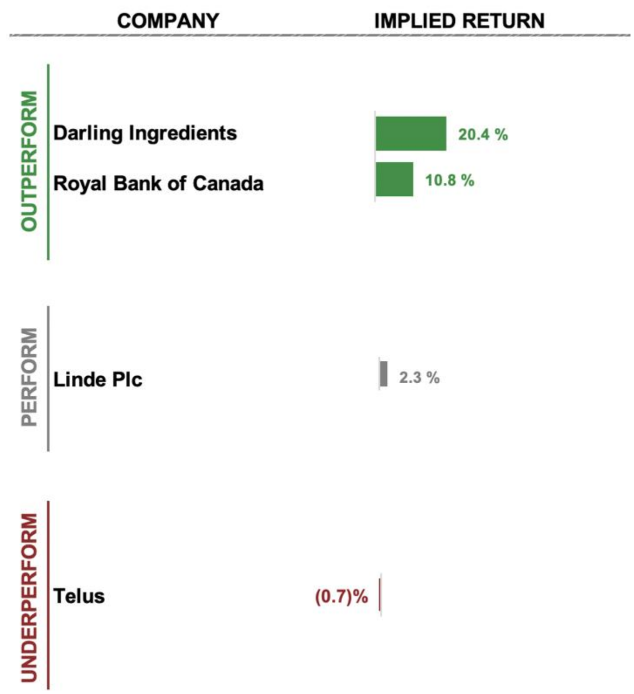
The Fund divested its position in lululemon athletica (NASDAQ: LULU) due to ongoing concerns with its entrance and, most recently, exit from Connected Fitness. Furthermore, increased skepticism regarding management's ability to execute strategic M&A and identify high-growth opportunities in the discretionary space adversely impacted confidence in the holding.

The Fund also trimmed its positions in Adobe (NYSE: ADBE), Apple (NASDAQ: APPL), and Canadian Natural Resources (TSX: CNQ).

Lastly, the Fund would like to thank Brandon Koepke, Canada Infrastructure Bank, Ian Cooke, Invico Capital, Julian Klymochko, Longbow Capital, QV Investors, Travis Chernichen, and Werklund Family Office for hosting Speaker Series over the quarter.

Moving forward, members of the Fund will continue to conduct due diligence and evaluate current holdings to ensure alignment with our investment mandates.

NEW RECOMMENDATIONS



*Note: Reflects implied upside as of December 31, 2023

TRANSACTION LOG

COMPANY	OLD AUM	NEW AUM
Adobe	5.6%	2.0%
	5.5%	5.2%
ally	2.1%	0.0%
AMERICAN TOWER	1.5%	0.0%
Brookfield Renewable	1.1%	0.0%
Canadian Natural	4.6%	4.0%
CPKC	0.0%	2.0%
DOLLARAMA	0.0%	2.0%
HERSHEY	0.0%	2.0%
	2.1%	0.0%
MCKESSON	0.0%	4.0%
NEXTera ENERGY	2.5%	3.6%
PROLOGIS	0.0%	2.0%

Darling Ingredients

Consumer Staples
NYSE: DAR
Market Outperform | Hold

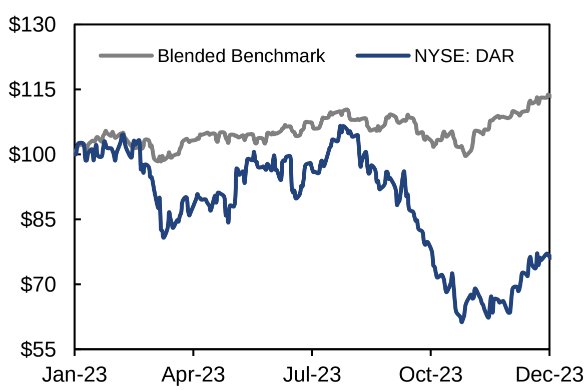
December 31, 2023
Jacob Kemp, Portfolio Manager
Joel Homersham, Portfolio Manager
Lukas Fairley, Investment Analyst
Sarah Adamjee, Investment Analyst

Return on Investment	
Current Share Price	$49.84
Target Price	$60.00
Dividend Yield	0.00%
Implied Return	20%
Conviction Rating	2

Market Profile	
52-Week Range	$38.97 - $71.60
Market Capitalization (US$mm)	$8,084
Net Debt (US$mm)	$4,288
Enterprise Value (US$mm)	$12,372
Beta (5-Year Monthly)	1.30

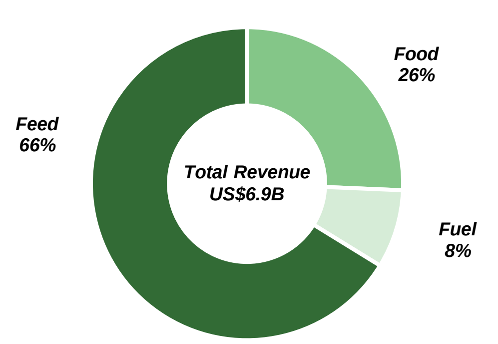
Metrics	2024E	2025E	2026E
Revenue (US$mm)	$6,870	$7,070	$7,277
EBITDA (US$mm)	$1,169	$1,203	$1,238
EPS	$4.31	$5.16	$5.51
EV/EBITDA	10.6x	10.3x	10.0x

Holding Period Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: LTM Segmented Revenue



Source: Company Filings

Business Description

Darling Ingredients (NYSE: DAR) is a global developer, marketer, and producer of specialty ingredients for both edible and inedible products. DAR operates a network of ~260 facilities across five continents, servicing pharmaceutical, feed, fuel, and fertilizer industries. The Company's core operations comprise the collection of recycled oils and conversion into feed ingredients. Additionally, DAR collects and transforms animal by-products into specialty ingredients, such as collagen, edible fats, fertilizers, and fuel feedstock. The Company reports under three main segments:

(1) Feed Ingredients: Consists of operations that convert animal by-products into non-food grade oil and proteins. This segment comprises ~70% of 2022 revenue.

(2) Food Ingredients: Includes the process of rendering collagen and gelatin from animal parts. Overall, the Food segment generates ~20% of 2022 revenue.

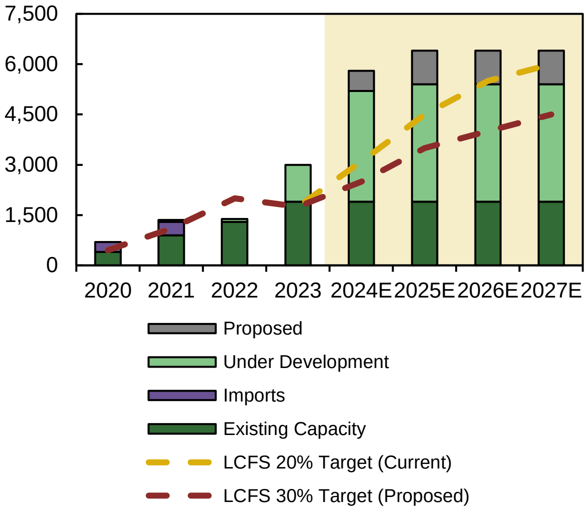
(3) Fuel Ingredients: Process of converting animal fats and recycled greases into biodiesel and other energy sources, accounting for ~10% of 2022 revenue. This segment comprises DAR's joint venture with Valero (NYSE: VLO) and its investment in Diamond Green Diesel (DGD).

Industry Overview

The agricultural product industry and associated renewable fuels businesses have had a challenging last 12 months from an investor sentiment perspective. The industry-wide sell-off was primarily driven by the sector's rate-sensitive balance sheet, declining renewable fuel performance seen in 2022, and year-end tax-loss selling. Fundamentally, Renewable Identification Numbers (RIN) and Low Carbon Fuel Standard (LCFS) markets are expected to remain oversupplied in 2024, resulting in continued pricing pressure. The RIN market is expected to be oversupplied by ~2.6B gallons in 2024, followed by extensive rebalancing via a combination of reduced imports and utilization. Previously, DAR benefited from the cellulosic waiver credit (CWC), which allowed renewable diesel (RD) producers who did not acquire sufficient RINs for their cellulosic biofuel renewable volumetric obligation to earn extra tax credits. This was at the greater value of $0.25 or $3.00 per gallon metric, less the wholesale price of gasoline. The retirement of the CWC has compressed producer margins, yet marginal capacity remains online.

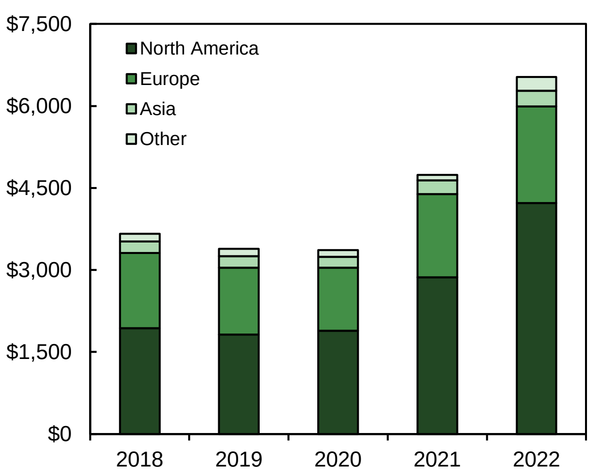
California's revised carbon intensity proposal for fuels is expected to tighten supply in 2025, following the oversupply of credits in 2024. The proposed amendments to the California LCFS are expected to support credit pricing of US$140/T in 2025 relative to the expected market clearing price of US$80/T in 2024 Despite negative short-term sentiment and oversupplied credit markets, DAR is positioned to benefit from tailwinds in 2025 and beyond.. Furthermore, the shift from the flat (US$1/gal) Blenders Tax Credit to the Inflation Reduction Act (IRA) Production Tax Credit (PTC), which is carbon-intensity weighted, will likely afford DGD the highest tax credit amongst its North American (NA) Peers. The IRA PTC requires RD to be produced domestically to qualify, which should eliminate any remaining imports serving as a conduit to more robust credit pricing.

Figure 3: NA RD Supply & Demand (mmGal/Year)



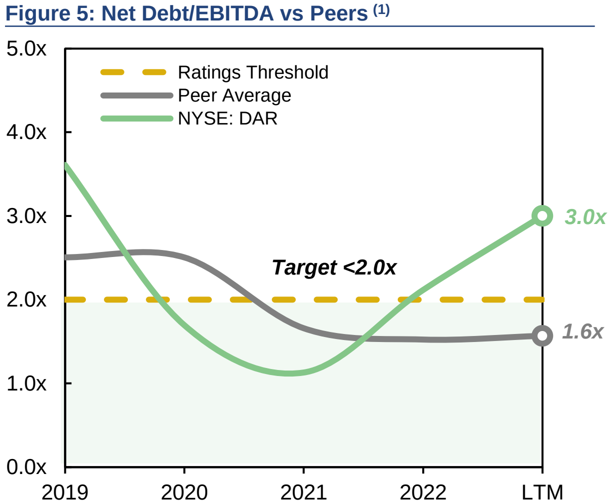
Source: Bloomberg

Figure 4: Geographical Segmentation Over Time



Source: Company Filings

Figure 5: Net Debt/EBITDA vs Peers (1)



Source: S&P Capital IQ

Mandate Fit

Quality Management: Randall Stuewe has served as DAR's CEO since 2003. Prior to entering this role, he served as the President of ConAgra Foods (NYSE: CAG). With over 25 years of experience in agricultural processing, Stuewe has enabled DAR to emerge as a leader in the sustainable ingredients space. Under Stuewe's leadership, the Company has seamlessly integrated over 20 acquisitions into its operating portfolio, solidifying DAR's position as an international operator. Furthermore, 82% of CEO salary and 66% of NEO salary is classified as at-risk pay, comprised of both short-term and long-term incentives.

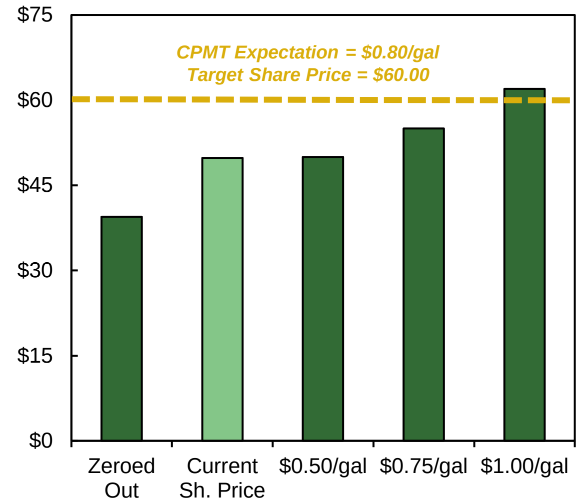
Competitive Advantage: DAR's competitive advantage stems from its position as a vertically integrated first-mover in all segments of animal by-product use cases. The Company focuses on inorganic growth through acquisitions within its Feed and Food segments to achieve economies of scale, further positioning itself as a low-cost producer in these unsubsidized markets. DAR boasts strong customer relationships exemplified by positioning operating facilities near customers, allowing the company to secure off-take contracts more efficiently. Additionally, DAR's M&A strategy provides a more diversified and predictable cash flow profile relative to regionally focused peers, such as Neste (HLSE: NESTE). This is achieved by limiting geographic dependence, increasing the diversity of end markets, and improving feedstock security. In the Fuels segment, the Company's scale presents a structural cost advantage in RIN generation ($0.20/gal advantage) and feedstock pricing ($0.30/gal advantage). Further supplementing the cost advantage is DAR'S CI score of ~23, the lowest among its peer group. With the introduction of the IRA, the new PTC is structured such that lower carbon intensity producers, on a per unit basis, will receive incrementally higher credit prices. The CPMT expects the margin advantages stemming from the PTC will allow DAR to capture additional market share in the Fuels segment moving forward.

Strong Balance Sheet: Historically, DAR has been acquisitive to fortify a dominant market position within NA rendering, which has forced the Company to take on incremental leverage. However, DAR has completed most of its large-scale M&A pipeline, and management will focus on bringing the Company's Net Debt/EBITDA ratio below 2.0x. Currently, DAR holds a LTM Net Debt/EBITDA ratio of 3.0x, compared to the peer average of 1.6x. Rating agencies have indicated that 2.0x leverage is the threshold for the Company to gain its investment-grade credit rating, which is currently a BB+ from both Fitch and S&P Global.

Growing Free Cash Flow: DAR boasts a three-year FCF CAGR of 8.0%, attributable to organic and inorganic growth, specifically within its Feed segment. The CPMT views the cash flow profile of the Food and Feed segments as a stable source of capital to fund the Fuel segment's growth. Within the Food segment, management is focused on shifting the weight of its production mix to higher-margin, non-commoditized collagen products to improve unit economics, improving FCF generation moving forward. However, higher input costs have slowed FCF generation in DAR's Feed segment. From a capex perspective, the completion of its DGD 2 facility turnaround is expected to lower DAR's capex into H2 2024. In the Fuels segment, DAR has received US$62.2mm in cash dividends from its DGD fuel joint venture YTD. In 2024, the CPMT expects improved distributions from DGD due to higher production volumes, lower capex guidance, and lower working capital requirements as the drag on current assets from the four previous quarters has abated.

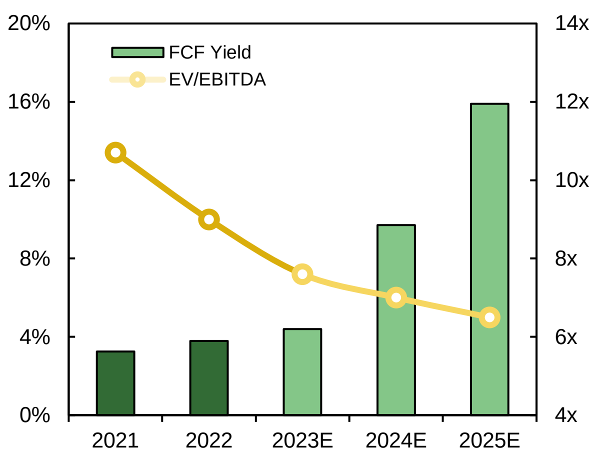
(1) Peer group includes NYSE: ADM, NYSE: BG, BVMS: JBSS3, HEL: NESTE, NYSE: TSN, NYSE: VLO

Figure 6: Valuation Sensitivity to DGD EBITDA



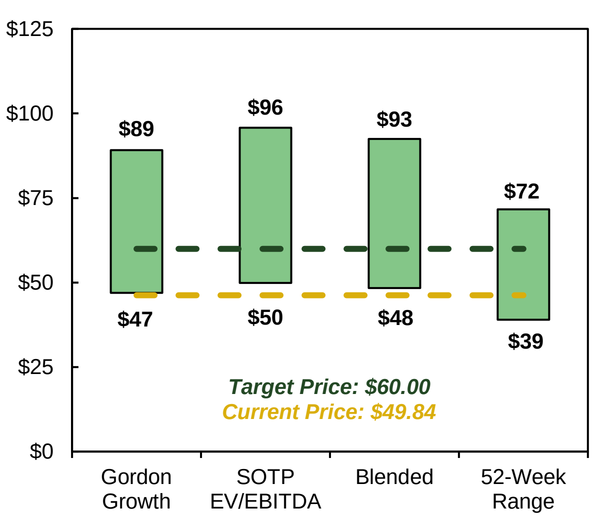
Source: Company Filings

Figure 7: LHS FCF Yield vs RHS EV/EBITDA



Source: FactSet

Figure 8: Valuation Football Field



Source: CPMT Estimates, FactSet

Risks

Acquisition Integration: DAR's recent acquisitions of Valley Protein (US$1.1B), FASA (US$542.6mm), and Gelnex (US$1.2B) provide a foundation for an acquisition-light 2024; this excludes its €110.0mm acquisition of a Polish rendering company that is expected to close in Q1 2024. Given the volume, frequency, and geographical spread brought on by acquisitions, the CPMT is cautious of management's ability to successfully integrate all new business lines simultaneously.

Maintenance of Competitive Advantage: A further risk for DAR is its ability to successfully build on current RD and rendering first-mover advantages to maintain market share. An inability to correct the operational difficulties in the future could potentially narrow the competitive advantage gap that DAR has established. The Company is also significantly exposed to evolving biofuel legislation, suggesting that unfavourable decisions at the federal and state levels will negatively impact margins.

Commodity Price Sensitivity: The business is exposed to potential compression in its Fuel segment margins as feedstock cost inflation remains persistent throughout 2023. Regarding business output, higher-for-longer fat prices and other commodity output prices can uniformly impact margins to the downside. However, DAR historically mitigates this through pricing premiums and lower turnaround times.

Investment Thesis and Valuation

Despite the current market sentiment and operational headwinds, DAR's legacy Feed and Food business lines provide advantages for the Company's growing RD business. This drives meaningful and underappreciated business line integration value over the long term while also representing a robust standalone business. The current valuation trough for DAR represents 7.0x EV/EBITDA, similar to traditional fuel refining businesses. DAR's valuation is materially below both its five-year average and YE 2022 multiple of 14.9x and 12.4x, respectively. The Fund believes this valuation is justified given regulatory headwinds, and further provides the foundation for mean reversion as the operating environment improves. However, the CPMT believes the valuation should reflect the legacy business lines more closely while simultaneously acknowledging the present value of growth opportunities within renewable fuel operations. RD and sustainable aviation fuel production represents a growth driver for DAR and its industry peers, all while the Company's upstream business lines provide strategic positioning in the longer term.

The derived target price is US$60, implying a return of 20% and 8.2x EV/EBITDA. The CPMT used a sum-of-the-parts (SOTP) analysis to value DAR, which separately analyzed the three main operating segments alongside its equity stake in DGD on a 2025E EV/EBITDA. The legacy Feed and Fuels segments are valued at 7.0x EV/EBITDA, which is a slight discount to similar agriculture product peers to reflect DAR's current capital requirements and operational difficulties over the past calendar year. The Food segment is valued at 9.0x EV/EBITDA, which is in-line with comparable companies based on operating margins. DAR's current stake in DGD is valued at 6.0x EV/EBITDA, a slight discount to comparable biofuels producers to reflect infantry of the infrastructure and un-proved execution to date.

Linde Plc

Materials
NASDAQ: LIN
Market Perform | Hold

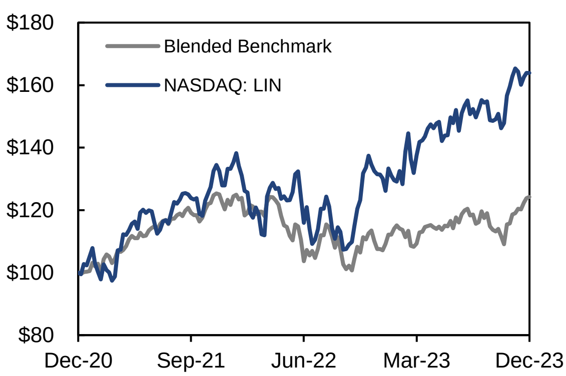
December 31, 2023
Daniel Krapiwin, Portfolio Manager
Lucas Frame, Portfolio Manager
Jack Demo, Investment Analyst
Tara Jindal, Investment Analyst

Return on Investment	
Current Share Price	$410.71
Target Price	$415.00
Dividend Yield	1.26%
Implied Return	2%
Conviction Rating	1

Market Profile	
52-Week Range	$318.88 - $434.21
Market Capitalization (US$mm)	$179,564
Net Debt (US$mm)	$14,109
Minority Interest (US$mm)	$1,340
Enterprise Value (US$mm)	$195,013
Beta (5-Year Monthly)	0.93

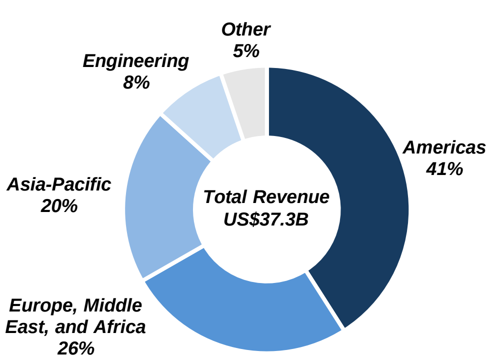
Metrics	2023E	2024E	2025E
Revenue (US$mm)	$35,044	$36,655	$38,270
EBITDA (US$mm)	$10,470	$11,721	$12,276
EPS (US$)	$14.10	$15.46	$17.03
EV/EBITDA	18.6x	16.6x	15.9x

Holding Period Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: 2023 Revenue Segmentation



Source: Company Filings

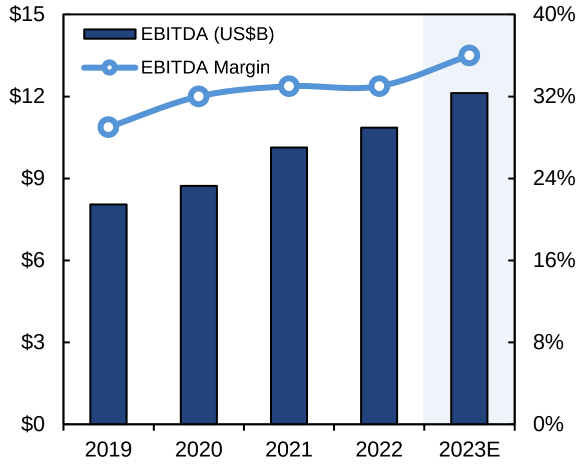
Business Description

Linde Plc (NASDAQ: LIN) merged with Praxair in 2018 to form the world's largest industrial gas company and technological innovator within its industry. The Company's primary products within its industrial gas distribution operations include atmospheric gases (oxygen, nitrogen, argon, and rare gases) and process gases (carbon dioxide, helium, hydrogen, electronic gases, and specialty gases). LIN operates through the following reportable segments: Americas, Europe, Middle East, Asia (EMEA), Asia-Pacific (APAC) and Engineering. LIN's operations are geographically diverse, as 68% of its sales stem from outside of the U.S. Products are distributed through three methods: (i) on-site or tonnage, (ii) merchant or bulk liquid, and (iii) packaged or cylinder gases. The Company's revenue by distribution mode is divided into 27% on-site, 26% merchant, 33% packaged, and 14% other. Through its engineering designs, LIN builds equipment that produces industrial gases and offers customers a wide range of processing facilities, including natural gas and air separation plants. These products and services are provided to diverse industries, including healthcare, chemicals and energy, manufacturing, mining, food and beverage, and electronics. The Company plans to add clean energy to its portfolio of products in the coming years, including green and blue hydrogen, as well as carbon capture solutions.

Industry Overview

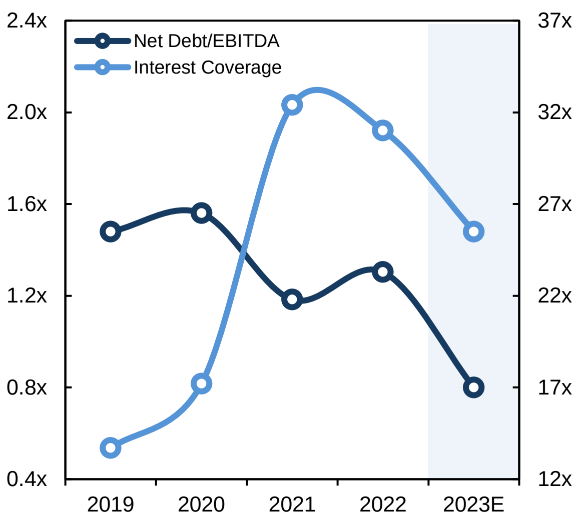
The global industrial gas industry is highly concentrated, with a few major competitors, such as Air Liquide (ENXTPA: AI) and Air Products and Chemicals (NYSE: APD). LIN holds a market share of ~32%, with AI and APD, holding a 31% and 12% market share, respectively. The industrial gases industry is divided into consumer-related and industry-related products. Historically, LIN's consumer-related end products, including healthcare, food and beverage, and electronic products, perform more defensively. In contrast, industrial-related products used in manufacturing, metals and mining, and energy perform cyclically. The industry's distribution modes are separated into the following: 1) on-site, 2) merchant, and 3) packaged, creating an integrated supply model for each business. On-site contracts range from 15 - 20 years, with take-or-pay agreements serving local and national geographies. Merchant contract lengths vary from 3 - 7 years, which creates network density due to carbon dioxide being the primary product transported via merchant contracts. Packaged contracts range from 1 - 3 years and comprise bundle offerings and services serving the global market. The industrial gas market is expected to experience tailwinds from the growing need for alternative energy sources, increasing demand from the healthcare sector, industrial growth in APAC, and flexibility to meet environmental regulations. The industrial gas market is expected to reach 1.67B tons in 2024 and grow at a CAGR of ~3% to reach 2.07B tons by 2029. Compared to the broader chemical industry, the industrial gas market tends to be more defensive due to long-term supply contracts and diverse end markets. In addition to limited commodity price risk, companies pass on raw material cost inflation to customers through pricing and tolling arrangements, ensuring stable profit margins.

Figure 2: LHS EBITDA vs RHS EBITDA Margin



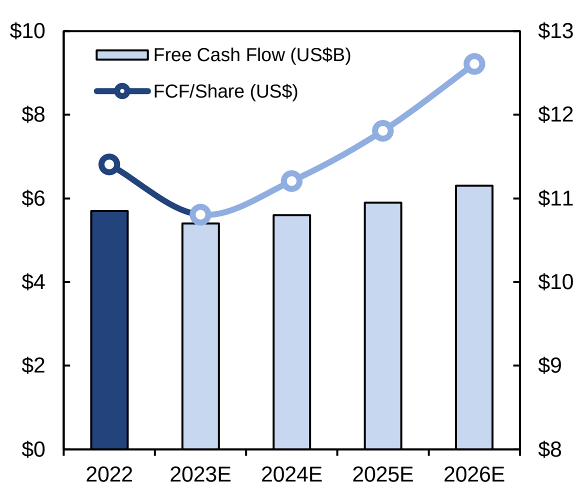
Source: S&P Capital IQ

Figure 3: LHS Net/Debt EBITDA vs RHS Interest Coverage



Source: S&P Capital IQ

Figure 4: LHS Free Cash Flow vs RHS FCF/Share



Source: CPMT Estimates

Mandate Fit

Quality Management: Sanjiv Lamba was appointed CEO of LIN in March 2022 and has three decades of experience with the Company. Prior to being appointed as CEO, Lamba served as COO and EVP of APAC. CEO compensation consists of 10% base salary, while the remaining 90% is at-risks. Executive performance-based compensation consists of thresholds and targets such as Return on Capital, Total Shareholder Return benchmarked against a blend of S&P 500 companies, cash flow, and sales figures to maximize shareholder value and alignment. 80% of LIN's board is comprised of independent directors while 28% and 12% of the board are female and ethnically diverse, respectively. The CPMT believes the Company's board lacks diversity and female representation but has a positive outlook on LIN's goal to increase females on the board to at least 30% by the end of 2024.

Competitive Advantage: LIN's scale allows it to implement superior automation programs within its supply chain, translating to cost efficiencies and margin expansion. LIN's EBITDA margin has increased 4.3% over the last three years to 36.2%, whereas its competitors have seen an average margin contraction of 5.1% over the same period. LIN's active productivity and automation program has kept SG&A costs stable, compared to rising costs for peers. Due to its diversified operations and geographies, LIN can shift its production capabilities to successfully meet demand in certain regions when opportunities arise. Furthermore, the Company's announcement of clean energy projects in the next few years serves as a potential catalyst for multiple expansion due to LIN strong operating model, economies of scale and in-house expertise.

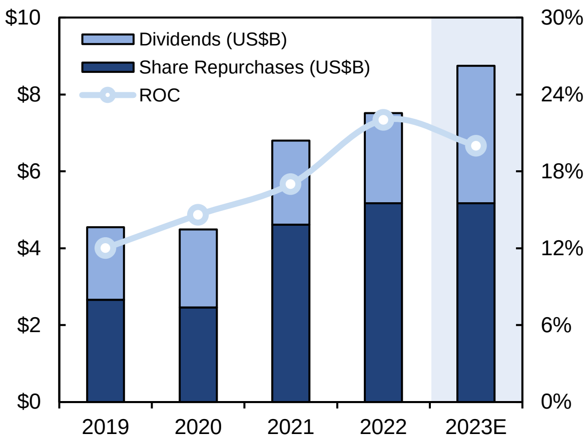
Strong Balance Sheet: LIN has consistently maintained an investment grade balance sheet with a rating of A and A2 from S&P and Moody's, respectively. The Company holds a 1.3x Net Debt/EBITDA ratio compared to the peer average of 1.8x. LIN can maintain low operating costs in an inflationary environment with long-term leases with a weighted average term of eight years and a discount rate of 3.3%. The Company has adequate liquidity with US$3.9B of cash on hand and two undrawn revolving credit facilities of US$1.5B and US$5.0B. LIN's management has a discipled approach to capital structure, with 8.2% being debt, largely consisting of fixed-rate US$ or Euro-denominated notes with an average weighted interest rate of 1.4%. The Company holds moderate refinancing risk, with 32.0% of outstanding notes maturing within the next three years.

Growing Free Cash Flow: As the industry is characterized by diversified long-term contracts, LIN's contracted cash flow reduces the risk profile of its FCF. Contracts can range from 3-20 years with quality customers and fixed fees elements. The Company has grown its FCF at a five-year CAGR of 16.6%. LIN has a strong history of returning capital to shareholders, with share repurchases increasing at a 10-year CAGR of 28%.

Risks

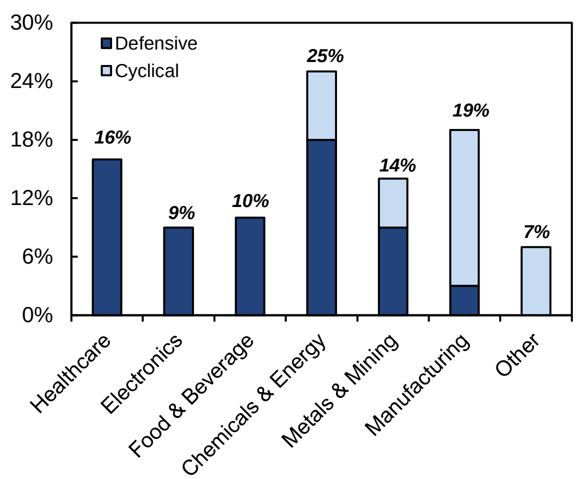
Merchant and Packaged Gas Pricing: LIN's merchant and packaged gas segment is prone to volatility, as witnessed in the recent quarters with elevated power costs in the U.S. While the Company's on-site gas segment provides the basis for a stable revenue stream, the merchant and packaging gas segment exposes LIN to greater economic and pricing uncertainty due to short-term contracts and higher number of transactions. With 59% of the Company's revenue coming from the merchant and packaged (cont.)

Figure 5: LHS Shareholder Returns vs RHS ROC



Source: S&P Capital IQ

Figure 6: 2022 Defensive vs Cyclical Sales by End Market



Source: Company Filings

gas segment, pricing and volume is an ongoing challenge for LIN

China Economic Slowdown: China has experienced stagnant growth through lower steel, manufacturing, and electronics volume. China's Manufacturing Purchasing Managers' Index has been contracting, declining to ~50.6% in September 2023. Management expects volumes to remain flat for 2024 with optimism surrounding the emerging trend of EV production, which is still considered a nascent industry.

Investment Thesis and Valuation

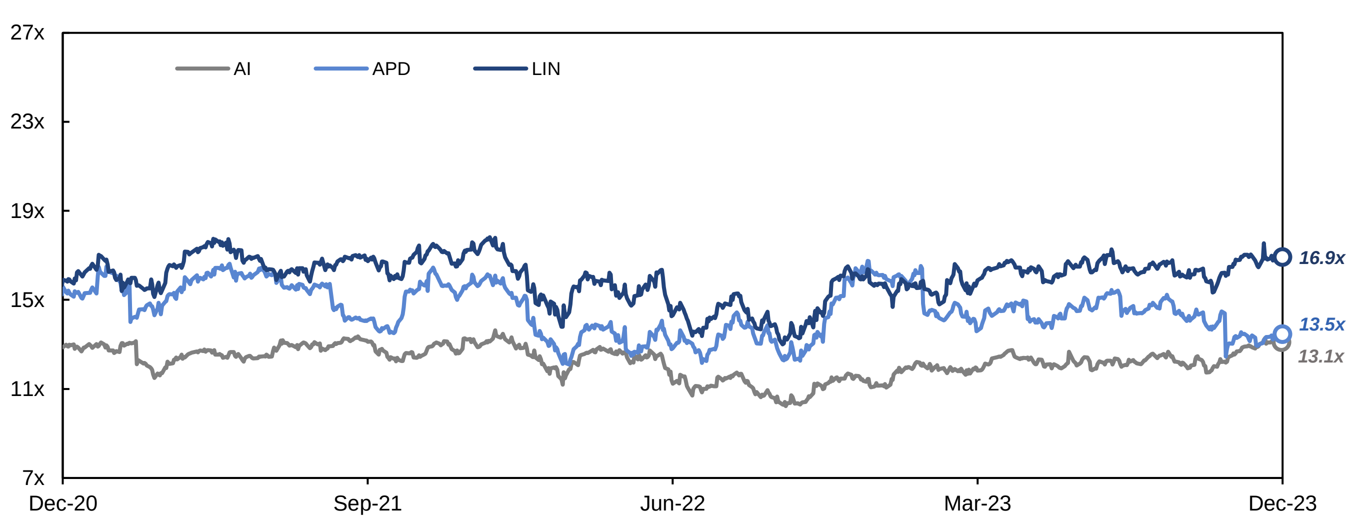
LIN was valued at US$415 using a five-year DCF with a WACC of 7.6%. The terminal value was determined using a 50/50 blend of (1) the Gordon Growth method, using a terminal growth rate of 2.50%, and (2) applying an EV/EBITDA exit multiple of 16x.

The CPMT initiated a position in LIN in December 2020 with the expectation that its integration of Praxair and Linde AG in 2017 would drive significant cost reduction and cross-selling opportunities. Majority of Praxair's executive team joined LIN, which helped it recognize ~US$1.1B in synergies.

LIN's resilient business model earns a premium multiple relative to its industrial gas sector peers, due to strong historical margins, lower project risk, and earnings resilience through cycles. With macroeconomic weakness expected in 2024, LIN's increasing project backlog, continued pricing flexibility, and preemptive cost initiatives will help the Company achieve EPS growth of 10%. The announcement of clean energy projects by LIN could catalyze multiple expansion, given investors' preference for this type of earnings growth. LIN may capitalize on ~US$50B of global clean energy investment opportunities, with ~US$30B directed toward the U.S. LIN expects US$9 - 10B of these projects to be decided within the next few years. Management expects these opportunities will add ~US$1B of net income to earnings, comfortably taking its EPS growth over 10%.

Due to the highly concentrated, oligopolistic nature of the industrial gas industry, the CPMT believes that LIN continues to be well-positioned to take advantage of favorable pricing power and increased industrial gas production around the world.

Figure 7: NTM EV/EBITDA vs Peers



Source: S&P Capital IQ

Royal Bank of Canada

Calgary Portfolio Management Trust

Financials
NYSE: RY | TSX: RY
Market Outperform | Hold

December 31, 2023

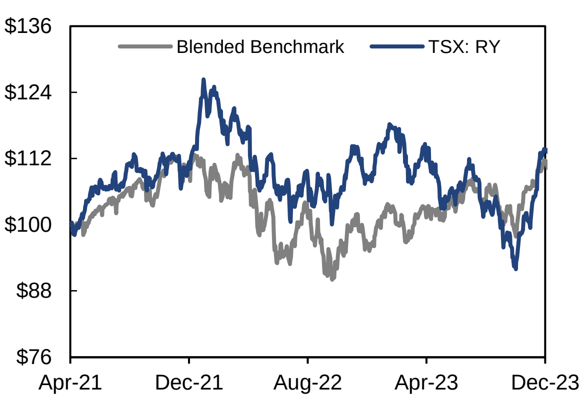
Jeevan Gill, Portfolio Manager
Ryan Crisalli, Portfolio Manager
Max Konwitschny, Investment Analyst
Sohil Agrawal, Investment Analyst

Return on Investment	
Current Share Price	$134.00
Target Price	$143.00
Dividend Yield	4.10%
Implied Return	11%
Conviction Rating	2

Market Profile	
52-Week Range	$107.92 - $140.18
Market Capitalization ($mm)	$188,108
Net Debt ($mm)	$17,898
Enterprise Value ($mm)	$206,006
Beta (5-Year Monthly)	0.83

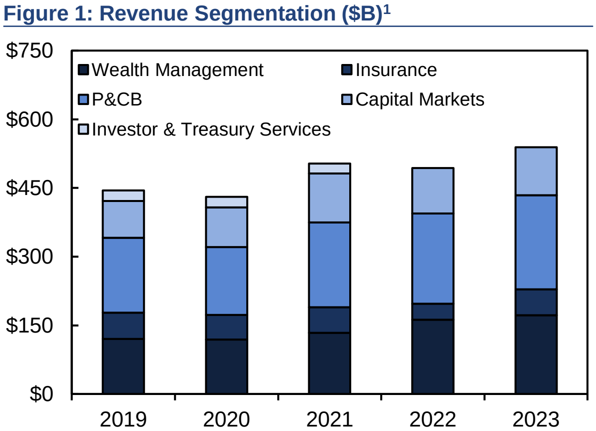
Metrics	**2024E**	**2025E**	**2026E**
Revenue ($mm)	$61,986	$67,756	$74,090
Net Interest Income ($mm)	$29,875	$32,734	$35,794
EPS	$12.27	$13.49	$14.85
P/BV	1.6x	1.4x	1.3x

Holding Period Trading Performance (Indexed to $100)



Source: Bloomberg

Figure 1: Revenue Segmentation ($B)[1]



Source: S&P Capital IQ

Business Description

Royal Bank of Canada (TSX: RY) is a Canadian financial services provider with over 94,000 employees in 29 countries worldwide. RY operates in four service segments: (1) Capital Markets, (2) Insurance, (3) Personal & Commercial Banking (P&CB), and (4) Wealth Management. RY is the largest Canadian bank and the 23rd largest in the world, measured by total assets.

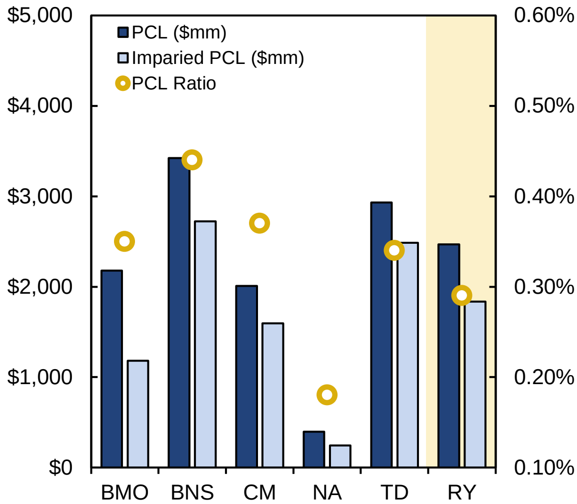
Industry Overview

The Canadian banking industry is comprised of six major players: Bank of Montreal (TSX: BMO), Bank of Nova Scotia (TSX: BNS), Canadian Imperial Bank of Commerce (TSX: CM), National Bank of Canada (TSX: NA), RY, and Toronto Dominion (TSX: TD). The industry operates as a tightly regulated oligopoly, which enables regulators to foster constant collaboration with a small number of banks. As a result, regulators can control domestic competition by influencing market pricing and minimizing the risk of pricing wars to gain market share. This model establishes high barriers to entry, stabilizes product pricing, and raises customer switching costs between banks. Regulators also impose minimum requirements for Common Equity Tier 1 (CET1) ratios, loan-to-value ratios, and debt service coverage ratios for P&CB loans, supported by government subsidies on deposit and mortgage insurance. Lastly, regulators prevent significant foreign competition, further contributing to market share rigidity. Compared to the U.S., which has less stringent regulation, the Canadian regulatory framework enables each bank to provide a wide variety of financial products without the risk of losing significant market share. In turn, this provides each bank with a large scale of operations, robust distribution networks, and diversification of business lines, leading to economies of scale and scope. This also allows banks to spread fixed costs across a larger operating base while achieving lower operating, credit, and regulatory costs, ultimately increasing operational efficiency.

The Bank of Canada is expected to maintain the overnight rate at 5.00% until H1 2024. Canadian banks are forecasting interest rate cuts to commence in H2 2024, although there is uncertainty regarding the number and magnitude of cuts. As a result, each of the major banks' operating segments is expected to benefit from interest rate movements in 2024. Net Interest Income (NII) and Net Interest Margins (NIM) on P&CB loans are expected to remain stable, offsetting low expected organic loan growth in H1 2024. Additionally, banks are confident that consumers will be able to withstand higher mortgage payments in H1 2024, as seen in the gradual decline in the mortgage delinquency rate from 0.38% in 2013 to 0.15% in 2023. This is further supported by existing regulatory requirements for mortgage issuances, which reduces the risk of banks accepting uncreditworthy customers. Moreover, 58% of Canadians with mortgages indicated a willingness to reduce discretionary spending to cope with rising interest rates, demonstrating consumer discipline in managing household debt. Wealth management segments are expected to continue providing stable earnings growth and high ROE, driven by low capital requirements, rapid growth, and stable performance from strong client retention. Wholesale banking segments are also expected to improve as a declining cost of debt could further stimulate capital markets activity. Although (cont.)

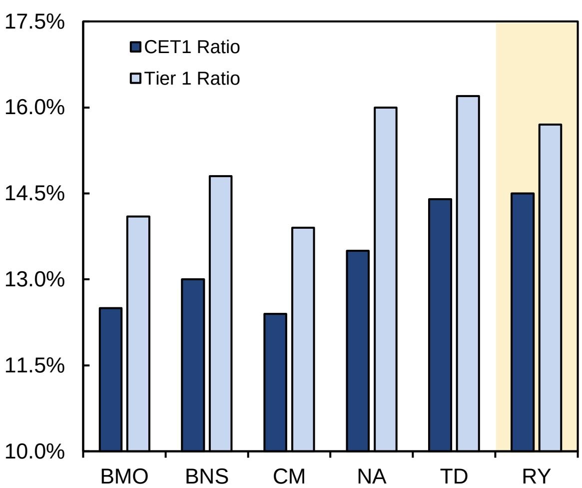
(1) Investor & Treasury Services segment was divided between Wealth Management and Capital Markets in Q1 2022

Figure 2: Q4 2023 PCL vs Peers



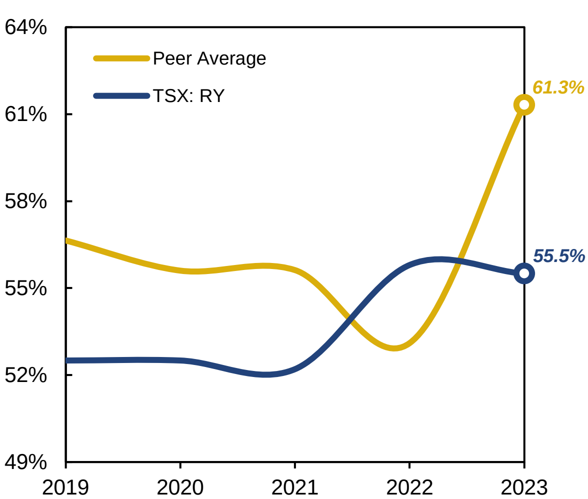
Source: Bloomberg

Figure 3: CET1 & Tier 1 Ratio vs Peers



Source: S&P Capital IQ

Figure 4: Efficiency Ratio vs Peers



Source: Company Filings

Provisions for Credit Losses (PCLs) could increase slightly in H2 2024 due to loan growth, the recovery in non-lending segments of banks is anticipated to offset a decline in earnings. Cost management has also become a major focus for banks as they routinely seek opportunities to enhance operational efficiencies. Altogether, these factors underpin expectations that banks will be able to generate sufficient internal capital to support operations, reducing their reliance on Discounted Dividend Reinvestment Plans (DRIP) to raise capital. Consequently, banks will be positioned to return capital to shareholders through continued dividend increases and share repurchases.

HSBC Acquisition

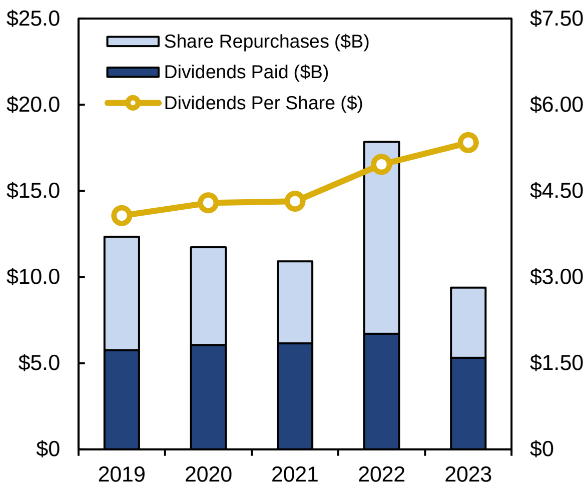
In November 2022, RY announced its acquisition of HSBC's Canadian business unit for $13.5B cash consideration, reflecting a 2024E P/E of 9.4x and a P/BV of 2.5x. The deal was approved by the Competition Bureau in December 2023 and is expected to close in Q1 2024. The deal is estimated to be 6% accretive to RY's 2024 EPS, yield an IRR of 14%, provide pre-tax synergies of ~$740mm, and boost the Company's CET1 ratio to ~12%. The acquisition adds ~770,000 retail and ~12,000 commercial clients to RY's client base. 40% of Canadian retail clients are considered affluent, allowing the Company to cross-sell various financial products to its new client base. The remaining 60% of retail clients are globally connected, which positions RY as the preferred bank by newcomers to Canada. Furthermore, 92% of HSBC Canada's retail lending portfolio is residential mortgages, expanding the Company's portfolio of lower-risk assets and contributing to stable NII and NIM. HSBC Canada's commercial banking portfolio offers diversification through exposure to additional business banking, mid-market, large corporate, and public sector clients. As well, ~80% of commercial clients being long-tenured presents a low probability of turnover, and ~50% of clients being globally connected expands RY's international client base.

Mandate Fit

Quality Management: RY's management team has been consistently recognized for their focus on innovation, international expansion, and sustainable growth strategies amidst global economic uncertainty. Management has identified retention of RY's position as the top financial services provider in Canada and wealth management expansion into the U.S. and Europe as the most compelling opportunities moving forward. David McKay has led the Company as CEO and President since 2014, having held several executive positions since joining in 1983. His recent successes have led to his appointment as Canada's Outstanding CEO of the Year for 2022. McKay has overseen the completion of several successful acquisitions, most notably the City National acquisition, which has paved the way for the successful integration of HSBC Canada. Lastly, RY has a compelling compensation structure, with 89% of CEO pay and 84% of NEO pay classified as at-risk.

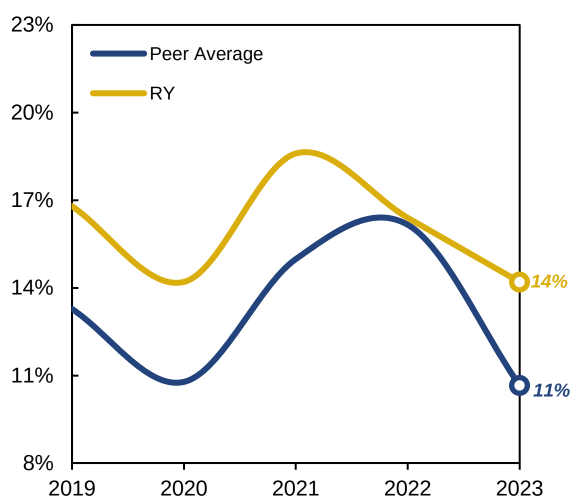
Competitive Advantage: RY's competitive advantage stems from its leading market share and diverse offering in all key retail and business products. The Company has the second largest portfolio of P&CB assets out of its peers at ~$858B, trailing its next largest competitor TD at ~$903B. RY has a higher proportion of non-NII generating segments compared to peers, as only 39% of 2023 revenue was derived from its P&CB segment versus the peer average of 60%. Furthermore, RY's Wealth Management segment has $1.1T in AUM compared to its next largest competitor TD, at $0.4T. This segment generated 31% of the Company's 2023 revenue versus the peer average of 18%. RY holds the leading market (cont.)

Figure 5: LHS Dividends & Repurchases vs RHS DPS



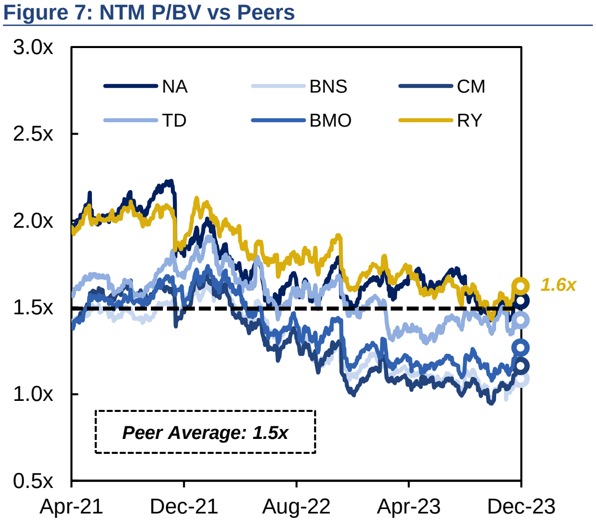
Source: S&P Capital IQ

Figure 6: ROE vs Canadian Peers



Source: S&P Capital IQ

Figure 7: NTM P/BV vs Peers



Source: S&P Capital IQ

share in Capital Markets and is a top-15 player globally. This is demonstrated through the Company's segmented revenue of $11.1B in 2023, versus its next largest Canadian competitor BMO at $6.5B. RY's strategy of U.S. expansion in Capital Markets allows it to grow its high-margin business segments, avoiding competition from peers such as TD and BMO, whose strategy involves expansion into lower-margin segments such as P&CB. RY's market position in higher-margin, fee-based business segments have translated to the Company's consistent generation of strong ROE, reaching 14.2% in 2023 compared to the peer average of 10.7%. RY's revenue profile, in addition to its disciplined cost control, has allowed it to achieve a best-in-class efficiency ratio among peers. The Company's diverse product offering also affords it significant cross-selling opportunities, as 18% of RY's customers hold multiple retail banking products compared to the peer average of 11%. The Company's acquisition of HSBC Canada expands cross-selling opportunities due to complementary capabilities in each company's retail segment, as well as RY gaining exposure to HSBC Canada's trade finance and cash management capabilities. Lastly, the acquisition is expected to grow the Company's total market share by 2%, which is a significant advantage for RY given market share rigidity within the industry.

Strong Balance Sheet: RY has maintained a strong balance sheet and remains an industry leader with a 14.5% CET1 ratio, well above the 11.5% regulatory requirement and the peer average of 13.4%. The Company has committed to sustaining this ratio above 12.0% pro forma the HSBC acquisition. Additionally, RY has an industry-leading position in credit quality, with non-performing loan ratios and net charge-off ratios of 0.13% and 0.40%, respectively. The Company has credit ratings of AA- and Aa1 from S&P and Moody's, respectively, with identical counterparty ratings.

Growing Free Cash Flow: RY continues to outperform peers in profitability and earnings metrics. The Company's FCF has been under pressure by slowing loan growth on the backdrop of unfavourable capital market conditions and expense overruns. Despite this, RY has maintained a FY 2023 efficiency ratio of 55.5%, and ROA of 0.76% which remain well ahead of the peer averages of 60.4%, and 0.59%, respectively. The Company's NII and NIM outlook remains stable for 2024, with expected rate cuts offsetting muted loan growth. As such, RY should see moderate FCF recovery in 2024, on track to meet its 5-year net income CAGR of 3.7%.

Investment Thesis and Valuation

RY was valued at $143 using a 10-year DDM with a Cost of Equity of 7.1%. The terminal value was determined through a 50/50 blend of (1) the Gordon Growth method, using a 2.5% terminal growth rate and (2) an average of a P/BV exit multiple of 1.4x and a P/E exit multiple of 10.3x.

The CPMT favours RY's dominant market share and diverse product offering. The Company's leading position in high-margin segments has allowed RY to consistently generate superior ROE and efficiency ratios compared to peers. Additionally, the Company has remained committed to balance sheet strength, demonstrated by its superior CET1 ratio following its acquisition of HSBC Canada. Furthermore, the Fund is optimistic about management's ability to integrate the acquisition successfully. The incremental market share gained from the acquisition fortifies RY's competitive positioning and allows it to continue its strategy of cross-selling P&CB products to its clients. The CPMT looks forward to the industry's reduced reliance on DRIPs and further shareholder value creation through dividend increases and share repurchases.

TELUS

Communication Services
TSX: T
Market Underperform | Sell

December 31, 2023

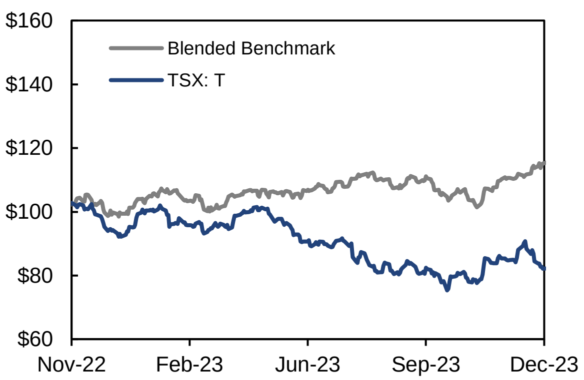
Joao Beani, Portfolio Manager
Rebecca Butler, Portfolio Manager
Emmanuel Fikreselassie, Investment Analyst

Return on Investment	
Current Share Price	$23.58
Target Price	$22.00
Dividend Yield	6.10%
Implied Return	(1%)
Conviction Rating	2

Market Profile	
52-Week Range	$21.26 - $29.00
Market Capitalization ($mm)	$34,568
Net Debt ($mm)	$24,250
Minority Interest ($mm)	$1,189
Enterprise Value ($mm)	$60,007
Beta (5-Year Monthly)	0.68

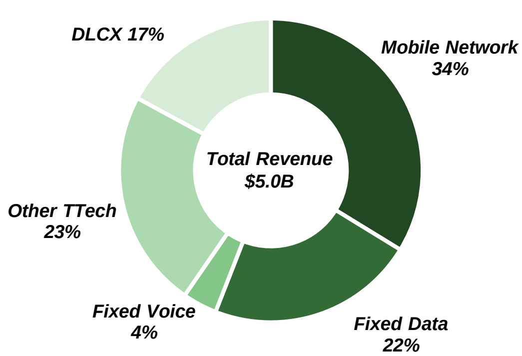
Metrics	**2023E**	**2024E**	**2025E**
Revenue ($mm)	$19,690	$20,325	$20,989
EBITDA ($mm)	$6,104	$6,301	$6,507
EPS	$0.70	$0.80	$0.93
EV/EBITDA	9.8x	9.5x	9.2x

Holding Period Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: Q3 2023 Revenue Segmentation



Source: Company Filings

Business Description

TELUS (TSX: T) owns and operates telecommunication network infrastructure across Canada to facilitate data transmission, internet, voice, television, and security. T's segments comprise TELUS Technology (TTech) and Digitally-Led Customer Experiences (DLCX), generating 85% and 15% of 2022 revenue, respectively. TTech consists of T's Canadian mobile and fixed telecommunication solutions, including home, business, agriculture, consumer goods, and digital health services. The DLCX segment comprises T's 55% stake in Telus International (TSX: TIXT), an IT consulting firm that was carved out via IPO in 2021.

Industry Overview

The Canadian telecommunications sector is dominated by three national providers, Bell (TSX: BCE), Rogers (TSX: RCI-B), and T, which account for ~90% of the wireless market. Leading telecom providers distribute costs over a significant subscriber base, deterring smaller entrants from competing on the pricing and quality of service offerings. The sector is subject to regulation from the Canadian Radio-television and Telecommunications Commission (CRTC) and Canada's Competition Bureau, whose ongoing efforts aim to bolster competition among market participants. Competition in Canada is region-specific, as provinces with strong regional operators have seen wireless packages priced at discounts of up to 85%. In regions with heightened competition, incumbents also maintain a premium on service offerings, providing superior network infrastructure and diverse product offerings. Where T, BCE, and RCI-B face little local pressure, they experience less price-based competition, generate higher margins, and mitigate perpetual pricing conflict across geographies and business lines.

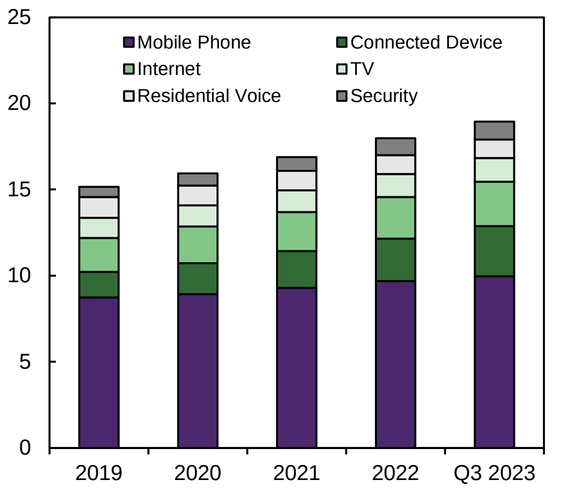
New Era of Canadian Telecom

The $26B merger between RCI-B and Shaw Communications Inc. (TSX: SJR-B) concluded in April 2023 after a series of regulatory hurdles that arose following its announcement in March 2021. To comply with federal regulators, SJR-B completed the sale of Freedom Mobile to Videotron, a subsidiary of Quebecor Inc. (TSX: QBR), for ~$3B. The "Freedom Transaction" establishes QBR as the fourth-largest competitive wireless service provider, increasing concerns about customer churn and limited pricing power for the Big Three providers. With increased competition among market participants, Canada's immigration policy will require telecom providers to compete for additional subscriber growth.

Diversified Growth Assets

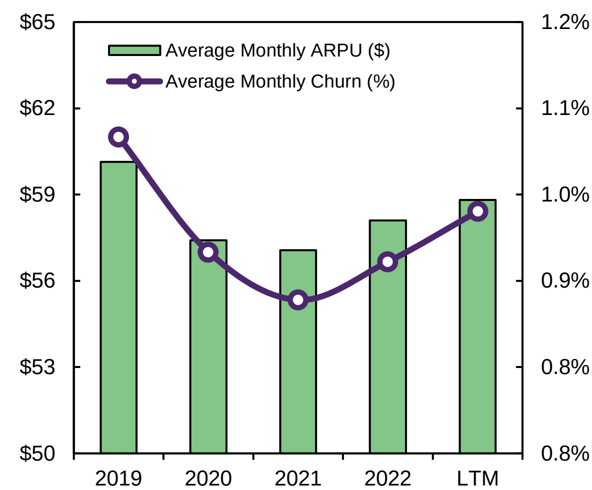
1) TELUS International: T's majority stake in TIXT offers exposure to digital customer experience and digital-enablement transformation solutions, including A.I. and content management. TIXT's largest segments include Technology & Games, and Communication & Media, comprising 46.5% and 23.5% of 2022 revenues, respectively. TIXT's operations span Asia Pacific, Europe, Central America, and North America. There is an expected slowdown in the segment attributed to economic uncertainty, which is pressuring (cont.)

Figure 2: Total Subscribers by Type (mm)



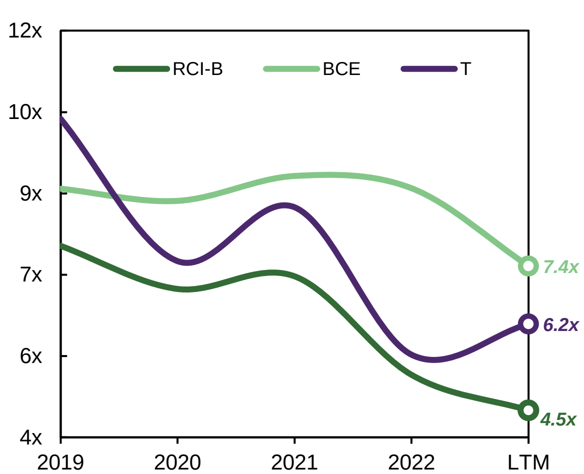
Source: Company Filings

Figure 3: LHS TTech ARPU vs RHS Mobile Churn



Source: Company Filings

Figure 4: Interest Coverage vs Peers



Source: FactSet

IT budgets and suppressing demand for TIXT's services. In response, TIXT has implemented a cost cutting program which resulted in it laying off 2,000 employees, the effects of this program are expected to be reflected in FY2024. Prior to the slowdown, TIXT's growth was driven by a shift to automated call centers and demand for its consulting services.

2) TELUS Health: T's digital health business supports 5.5mm virtual care members and covers ~70mm customers across 160 countries. The business operates through consumer-focused MyCare and employer-subscribed Virtual Care, offering remote patient monitoring, personal emergency response, and health record management. T's $2.3B acquisition of Lifeworks has contributed significant growth since its addition in September 2022. Lifeworks has targeted $100mm in annual revenue synergies and plans to capture $325mm in annualized operating cost synergies from the deal by 2025. Health services revenue accounted for 9.8% of operating revenues in Q3 2023 compared to 5.6% in Q3 2022.

3) TELUS Agriculture & Consumer Goods: T's global data science and digital technology business launched as TELUS Agriculture in 2020. The business unit serves a diverse client base through three segments: 1) agri-business, 2) consumer goods, and 3) animal health. The segment witnessed a 2.4% decline in revenues in Q3 2023 and a 2.0% decline YTD as economic headwinds weigh on demand. The unit's revenue represented 1.9% of operating revenues in Q3 2023 compared to 2.1% in Q3 2022.

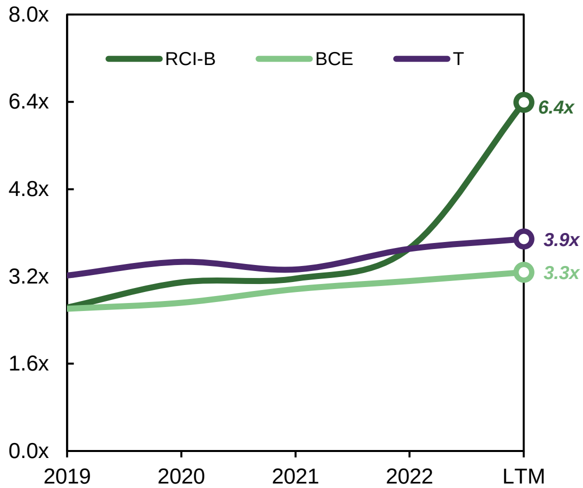
Mandate Fit

Quality Management: T is led by CEO Darren Entwistle, who joined T in 2000 and is the longest serving CEO in the global telecommunications industry. Since Entwistle joined T, the Company has generated total shareholder return of 604%, experienced a $21.9B increase in valuation, and a $4.4B increase in EBITDA. The Company's narrow organizational structure allows it to design and deliver an integrated solution for customers across its diversified product lines. The CPMT believes T's management is uniquely positioned to navigate the Company through current headwinds in the sector, effectively manage the deployment of its 5G infrastructure, and scale T's diversified segments. The Fund believes management's proven track record of growth, strategy execution, and dedication to an integrated strategy will lead T to meeting its corporate objectives.

Competitive Advantage: As the industry moves towards 5G, T's PureFibre network strengthens the core telecom business, with its fibre-to-the-home (FTTH) buildout largely complete. T's retirement of its legacy copper network and transition to PureFibre offers ~68% fewer outside plant repairs, 26% higher margin per household and ~31% lower churn. Additionally, T differentiates itself through diversified growth assets: TIXT, TELUS Health, and TELUS Agriculture and Consumer Goods. Following recent acquisitions, T's peripheral businesses comprise over 20% of 2022 operating revenues and are expected to remain a key component of the Company's outperformance.

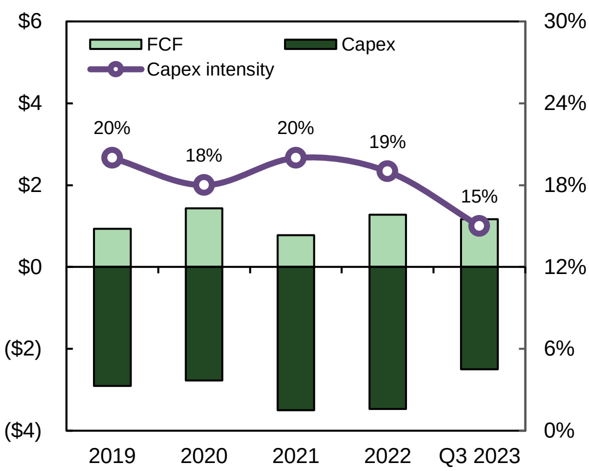
Strong Balance Sheet: T has substantially increased its leverage over the past five years to support infrastructure requirements, spectrum purchases, and peripheral business acquisitions. The Company holds a LTM Net Debt/EBITDA of 3.9x and an interest coverage ratio of 6.2x, compared to RCI-B and BCE at 7.4x and 4.5x, respectively. T possesses adequate liquidity with $2.4B available in revolving credit facilities and $1.2B in cash as of Q3 2023. Additionally, ~85% of T's long-term debt is fixed, (cont.)

Figure 5: Net Debt/EBITDA vs Peers



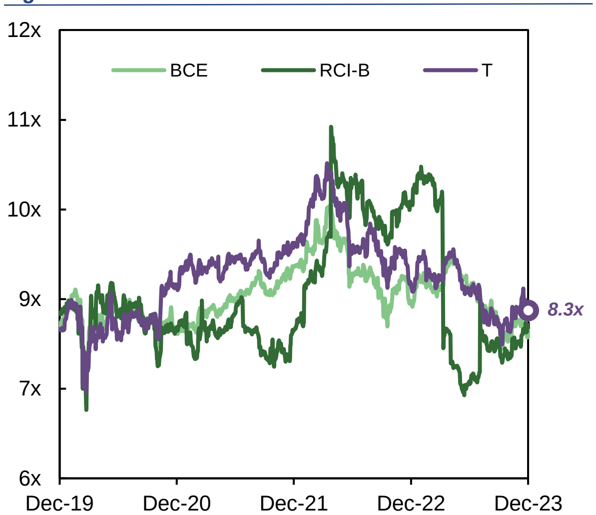
Source: S&P Capital IQ

Figure 6: Free Cash Flow ($B) vs Capex Intensity



Source: S&P Capital IQ

Figure 7: NTM EV/EBITDA vs Peers



Source: Bloomberg

with an average term to maturity of 11.5 years. Since 2018, the Company's increasing leverage has concerned rating agencies, demonstrated by Moody's credit downgrade from Baa1 to Baa2 in 2023. Furthermore, T's consistent Net Debt/EBITDA ratio above management's target of 2.2x to 2.7x has translated to skepticism regarding the Company's commitment to deleveraging. Credit rating agency commentary emphasizes caution regarding 1) increasing wireless and wireline competition, 2) geographic concentration of T's wireline footprint and competitive tensions resulting from the merger between RCI-B and SJR-B, and 4) maintaining shareholders returns along with capital investments.

Growing Free Cash Flow: In 2021, T announced plans to accelerate capital investments in fibre optic networks, 5G wireless networks, and business process improvements. The Company advanced ~$1.5B of incremental capex into 2021 and 2022. The accelerated investment program is set to conclude in 2023, where annual capex is expected to return to a baseline level of ~$2.5B. Additionally, T's spectrum license acquisitions are expected to continue with demand for additional capacity, representing $7.2B of capital deployed since 2013. T's acceleration of its investment in 5G has positioned the Company to cover ~85% of the Canadian population, compared to 51% and 30% coverage by BCE and RCI-B, respectively. Following T's capital-intensive deployment of network infrastructure, sustained FCF growth will significantly rely upon the performance of the Company's FTTH in the upcoming years.

Risks

In 2022, the CRTC introduced a seven-year mandate that compels incumbent operators to share network infrastructure with new entrants. The CRTC's policy lowers barriers to entry, increasing competitive pressure for BCE, RCI-B, and T. In November 2023, the CRTC instituted a similar mandate for broadband operators in Ontario and Quebec. In addition to risks posed by regulators, the merger of QBR and Freedom Mobile creates a fourth national wireless competitor, placing greater pricing pressure on the Big Three. Furthermore, RCI-B's acquisition of Shaw's broadband assets in Western Canada places added pressure on T as it competes with another incumbent for wireline market share in Alberta and B.C. Lastly, T's pursuit of emerging non-core ventures at elevated valuations within its diversified growth assets introduces more significant risks than core services within the telecom sector, even though this strategy offers higher potential upside.

Investment Thesis and Valuation

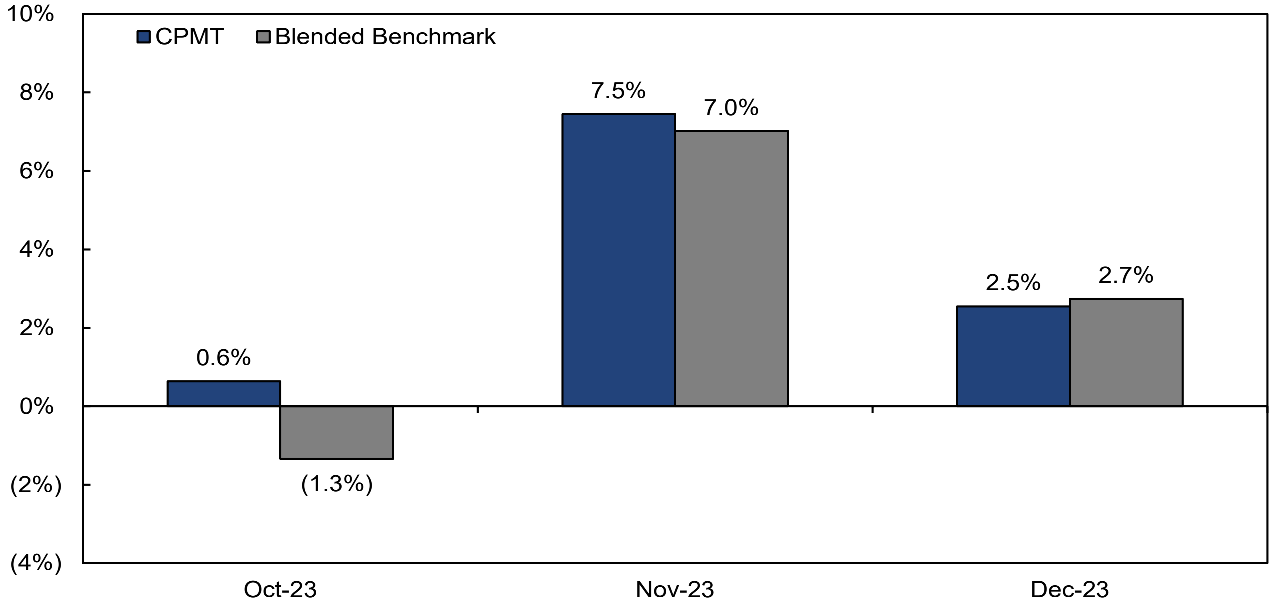
T was valued at $22 using a five-year DCF with a WACC of 7.35%. The terminal value was determined through a 50/50 blend of (1) the Gordon Growth method, using a 1.50% terminal growth rate, and (2) an EV/EBITDA exit multiple of 8.3x.

The CPMT entered its initial investment in T in 2015, which was followed by its divestment in 2021; this was largely due to concerns regarding future growth and balance sheet strength. Since re-entering the position in August 2022, the Fund's optimism surrounding T's diversified growth assets shifted to apprehension towards its core telecom business. Following the merger between RCI-B and SJR-B, and the concurrent Freedom Transaction, the CPMT expects the regulatory environment to continue supporting pricing pressure on the Big Three providers. The CRTC mandating incumbents provide access to transportation facilities in addition to local connections, has led to greater uncertainty for T's incremental wholesale revenue and negatively impacts subscriber growth.

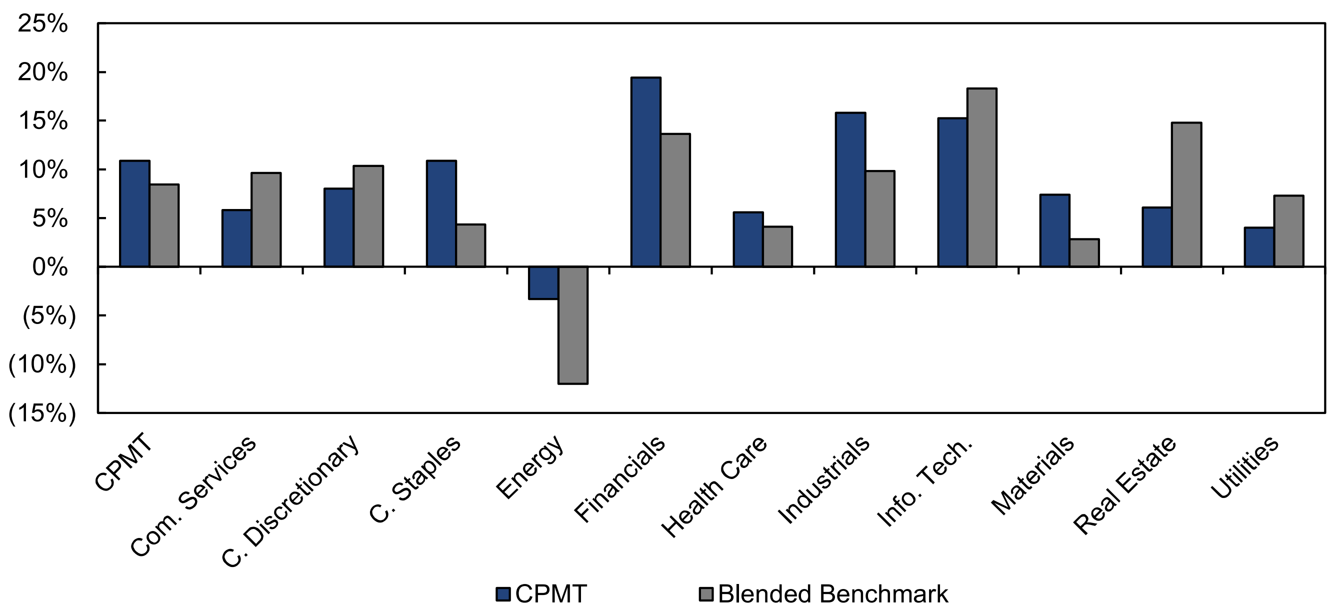
Compliance and Performance

QUARTERLY PERFORMANCE

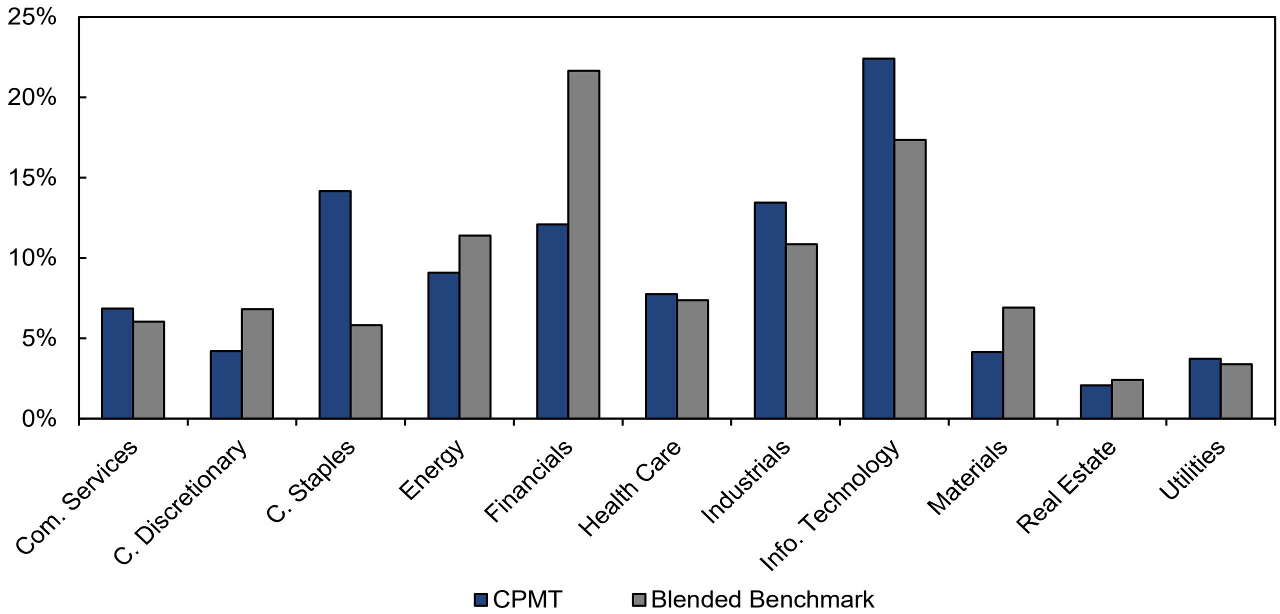
CPMT and Blended Benchmark Monthly Returns



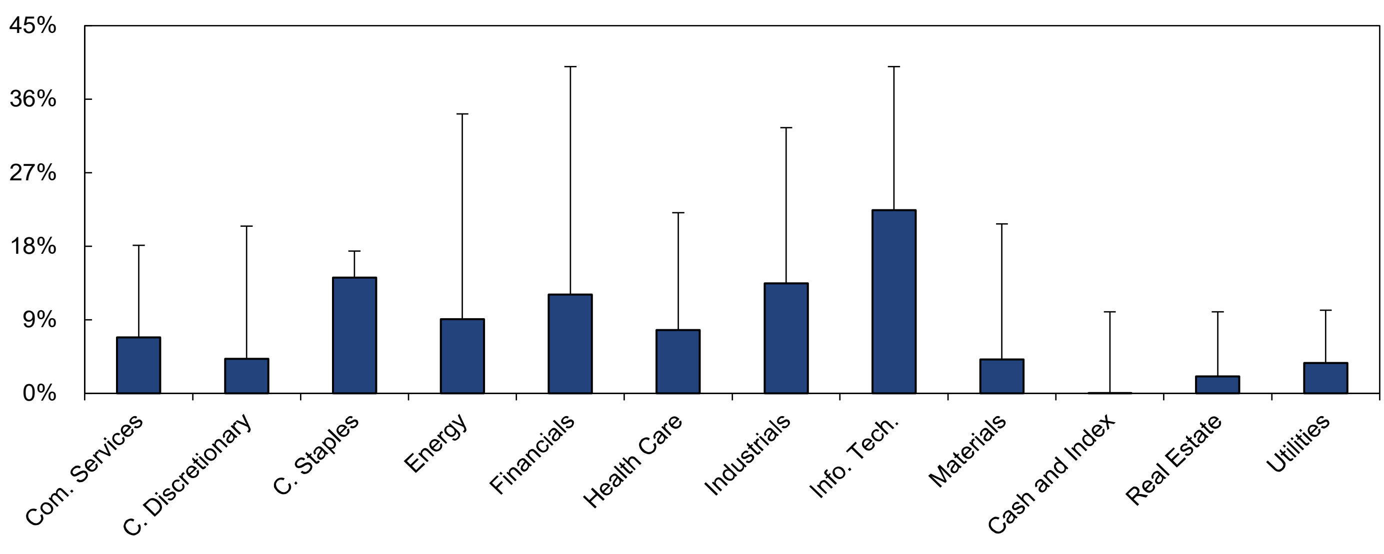
CPMT and Blended Benchmark Quarterly Sector Returns



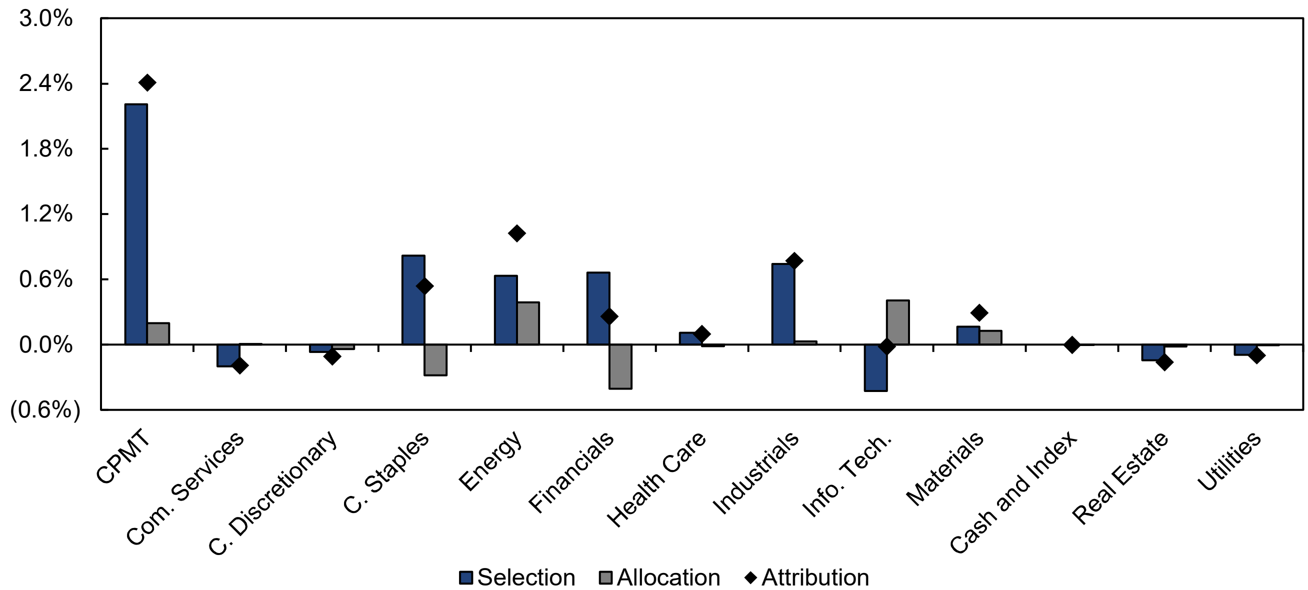
CPMT and Blended Benchmark Sector Weightings



CPMT Sector Weights vs Maximum Weight



Attribution Analysis (FQ3 2024)



CPMT Attribution Analysis

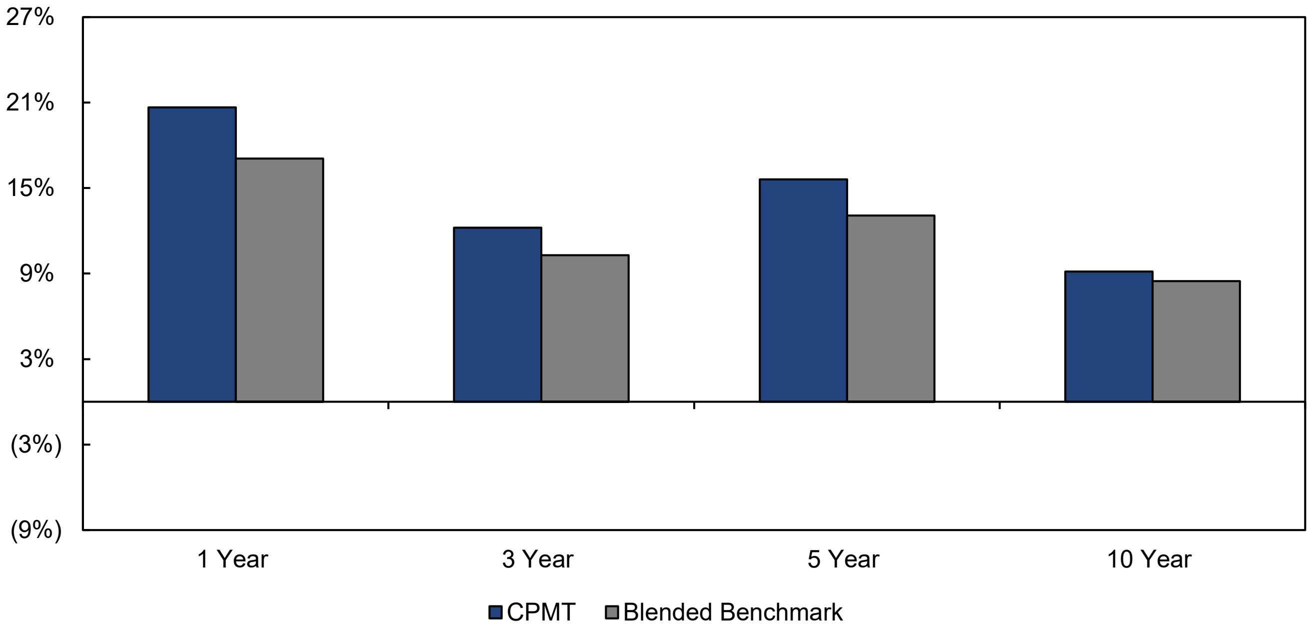
FQ3 2024	Attribution	Allocation	Selection
CPMT	2.41%	0.20%	2.21%
Communication Services	(0.19%)	0.01%	(0.20%)
Consumer Discretionary	(0.11%)	(0.04%)	(0.07%)
Consumer Staples	0.54%	(0.28%)	0.82%
Energy	1.02%	0.39%	0.63%
Financials	0.26%	(0.40%)	0.66%
Health Care	0.10%	(0.01%)	0.11%
Industrials	0.77%	0.03%	0.74%
Information Technology	(0.02%)	0.41%	(0.42%)
Materials	0.29%	0.13%	0.17%
Other	(0.00%)	(0.00%)	0.00%
Real Estate	(0.16%)	(0.02%)	(0.14%)
Utilities	(0.10%)	(0.00%)	(0.09%)

1 Year	Attribution	Allocation	Selection
CPMT	3.59%	3.95%	(0.37%)
Communication Services	(3.12%)	0.08%	(3.20%)
Consumer Discretionary	(1.16%)	(0.55%)	(0.62%)
Consumer Staples	0.94%	(2.42%)	3.35%
Energy	(1.22%)	1.52%	(2.73%)
Financials	2.95%	(0.21%)	3.16%
Health Care	(1.52%)	0.03%	(1.55%)
Industrials	1.08%	0.30%	0.78%
Information Technology	5.83%	4.24%	1.59%
Materials	4.19%	1.78%	2.41%
Other	(0.55%)	(0.55%)	0.00%
Real Estate	(1.12%)	0.49%	(1.60%)
Utilities	(2.71%)	(0.76%)	(1.95%)

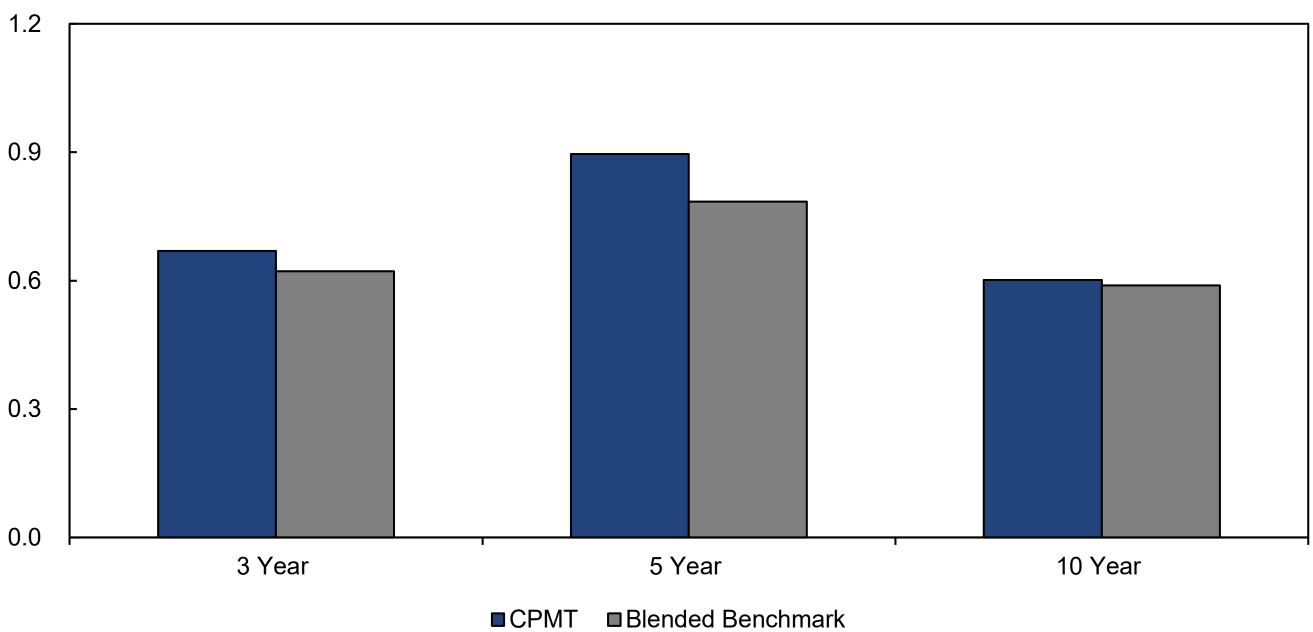
Compliance and Performance

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)	✓	20.66%	✓	12.23%	✓	15.62%	✓	9.14%
Relative Returns (bps)								
Blended Benchmark (2)	✓	359	✓	194	✓	256	✗	66
Risk Adjusted Returns (bps)								
Blended Benchmark (3)	✓	562	✓	131	✓	220	✗	59

(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	20.66%	12.23%	15.62%	9.14%
Blended Benchmark	17.07%	10.29%	13.06%	8.48%
Annualized Volatility				
CPMT	9.63%	13.95%	14.78%	12.34%
Blended Benchmark	11.12%	12.85%	14.35%	11.74%
Sharpe				
CPMT	1.63	0.67	0.90	0.60
Blended Benchmark	1.15	0.62	0.79	0.59

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%

FQ2 2024	Date	Action	Shares	Purchase Price	Sale Price	Currency	Capital Gain (CAD)	Return
No Transactions								

FQ3 2024	Date	Action	Shares	Purchase Price	Sale Price	Currency	Capital Gain (CAD)	Return
CP	10-Oct-23	Buy	55	$99.94				
LULU	08-Nov-23	Sell	26	$347.85	$404.92	USD	$1,483.82	16.41%
HSY	08-Nov-23	Buy	55	$188.55				
BEP	29-Nov-23	Sell	235	$54.05	$33.76	CAD	($4,768.15)	(37.54%)
NEE	29-Nov-23	Buy	115	$58.87				
ALLY	14-Dec-23	Sell	370	$27.66	$30.09	USD	$1,222.78	8.79%
AMT	14-Dec-23	Sell	39	$230.11	$204.80	USD	($1,342.44)	(11.00%)
CNQ	14-Dec-23	Sell	44	$25.62	$83.31	CAD	$2,538.36	225.18%
DOL	14-Dec-23	Buy	150	$98.30				
PLD	14-Dec-23	Buy	88	$122.80				
AAPL	20-Dec-23	Sell	8	$74.26	$197.43	USD	$1,340.09	165.86%
ADBE	20-Dec-23	Sell	33	$524.10	$607.45	USD	$2,750.55	15.90%
MCK	20-Dec-23	Buy	49	$448.30				
Total							$3,225.01	4.84%

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**

July, 2023			
Equity	**Date**	**DPS**	**Credit (CAD)**
T	04-Jul-23	$0.36	$331.60
CNQ	05-Jul-23	$0.90	$360.90
AMT	10-Jul-23	$1.57	$80.92
CSU	11-Jul-23	$1.32	$18.54
TMO	14-Jul-23	$0.35	$7.85
ATD	21-Jul-23	$0.14	$60.20
JPM	31-Jul-23	$1.00	$188.62
Total			**$1,048.63**

August, 2023			
Equity	**Date**	**DPS**	**Credit (CAD)**
EPD	14-Aug-23	$0.50	$244.02
ALLY	15-Aug-23	$0.30	$146.41
AAPL	17-Aug-23	$0.24	$48.75
TOU	22-Aug-23	$1.00	$200.00
RY	24-Aug-23	$1.35	$281.58
WCN	30-Aug-23	$0.34	$44.81
Total			**$965.58**

September, 2023			
Equity	**Date**	**DPS**	**Credit (CAD)**
ENB	01-Sep-23	$0.89	$221.88
V	01-Sep-23	$0.45	$29.68
ZTS	01-Sep-23	$0.38	$30.18
COST	08-Sep-23	$1.02	$74.00
MSFT	14-Sep-23	$0.68	$75.34
CTAS	15-Sep-23	$1.35	$76.57
NEE	15-Sep-23	$0.47	$143.06
LIN	19-Sep-23	$1.28	$58.87
ATD	29-Sep-23	$0.14	$60.20
BEP	29-Sep-23	$0.46	$107.32
BAM	29-Sep-23	$0.43	$47.61
BN	29-Sep-23	$0.09	$41.94
CCL.B	29-Sep-23	$0.27	$53.00
CNR	29-Sep-23	$0.79	$118.50
TOU	29-Sep-23	$0.26	$52.00
Total			**$1,190.16**

Appendix 2: Account Activity (Continued)

Dividend Summary

October, 2023			
Equity	**Date**	**DPS**	**Credit (CAD)**
CNQ	05-Oct-23	$0.90	$360.90
CSU	11-Oct-23	$1.34	$18.79
AMT	27-Oct-23	$1.62	$86.99
Total			**$466.68**

November, 2023			
Equity	**Date**	**DPS**	**Credit (CAD)**
TOU	01-Nov-23	$1.00	$200.00
WCN	28-Nov-23	$0.39	$51.12
Total			**$251.12**

December, 2023			
Equity	**Date**	**DPS**	**Credit (CAD)**
ENB	01-Dec-23	$0.89	$221.88
ATD	21-Dec-23	$0.18	$75.25
CNR	28-Dec-23	$0.79	$118.50
BEP	29-Dec-23	$0.46	$107.72
BAM	29-Dec-23	$0.43	$47.09
BN	29-Dec-23	$0.09	$41.49
CCL	29-Dec-23	$0.27	$53.00
TOU	29-Dec-23	$0.28	$56.00
Total			**$720.93**

CPMT Holdings - September 30, 2023	Market Cap	Conviction	Position Size			Target Price		Currency	Stock Price	Total Return	
Financials			Current	Target	Difference	Prior	Current			QTD	TTM
Ally Financial Inc.	Large	0	0.00%	0.00%	0.00%	$30.00	$30.00	USD	$33.95	27.78%	23.20%
Brookefield Asset Management	Large	0	0.78%	0.00%	(0.78%)	N/A	N/A	CAD	$53.22	17.59%	37.27%
Brookfield Corporation	Large	2	3.16%	4.00%	0.84%	$60.00	$60.00	CAD	$53.15	25.15%	24.82%
JPMorgan Chase & Co.	Large	2	4.31%	4.00%	(0.31%)	$128.00	$128.00	USD	$165.39	14.51%	23.77%
Royal Bank of Canada	Large	2	3.85%	4.00%	0.15%	$132.00	$132.00	USD	$98.33	12.91%	4.96%
Information Technology											
Adobe Inc.	Large	1	2.11%	2.00%	(0.11%)	$378.00	$378.00	USD	$580.10	14.23%	72.98%
Apple Inc.	Large	2	4.98%	4.00%	(0.98%)	$165.00	$165.00	USD	$187.20	9.78%	44.59%
Constellation Software Inc.	Large	2	6.17%	4.00%	(2.17%)	$2,746.00	$3,075.00	CAD	$3,285.27	17.16%	55.41%
Microsoft Corporation	Large	2	5.59%	4.00%	(1.59%)	$287.00	$287.00	USD	$365.64	16.27%	53.00%
Topicus.com Inc.	Mid	1	1.27%	2.00%	0.73%	$92.00	$92.00	CAD	$89.24	(0.53%)	25.53%
Visa Inc.	Large	1	2.30%	2.00%	(0.30%)	$240.00	$240.00	USD	$253.15	10.50%	22.28%
Materials											
CCL Industries inc.	Large	1	1.60%	2.00%	0.40%	$79.00	$79.00	CAD	$59.59	4.53%	3.03%
Linde PLC	Large	1	2.54%	2.00%	(0.54%)	$313.00	$313.00	USD	$399.35	7.68%	22.86%
Energy											
Canadian Natural Resources Limited	Large	2	4.15%	4.00%	(0.15%)	$84.00	$84.00	CAD	$86.81	(1.17%)	15.45%
Enbridge inc.	Large	1	1.60%	2.00%	0.40%	$53.00	$53.00	CAD	$47.70	5.88%	(9.86%)
Enterprise Products Partners LP	Large	1	1.73%	2.00%	0.27%	$30.00	$30.00	USD	$25.62	(6.01%)	(4.09%)
Tourmaline Oil Corp.	Large	1	1.60%	2.00%	0.40%	$80.00	$80.00	CAD	$59.59	(12.82%)	(12.78%)
Consumer Discretionary											
Aritzia Inc.	Mid	2	2.40%	4.00%	1.60%	$45.00	$45.00	CAD	$27.50	16.38%	(41.92%)
lululemon athletica inc.	Large	0	0.00%	0.00%	0.00%	$365.00	$365.00	USD	$497.15	29.44%	55.72%
Consumer Staples											
Alimentation Couche-Tard Inc	Large	2	4.50%	4.00%	(0.50%)	$70.00	$70.00	CAD	$78.03	13.12%	31.14%
Costco Wholesale Corporation	Large	3	6.43%	6.00%	(0.43%)	$610.00	$610.00	USD	$641.82	14.06%	41.09%
Darling Ingredients Inc.	Mid	1	1.32%	2.00%	0.68%	$97.00	$97.00	USD	$48.46	(6.79%)	(24.46%)
Dollarama Inc.	Large	1	1.92%	2.00%	0.08%	$111.00	$111.00	CAD	$95.49	(2.86%)	(2.86%)
Hershey Company	Large	1	1.82%	2.00%	0.18%	$275.00	$275.00	USD	$181.28	(5.36%)	(5.36%)
Telecommunications											
Alphabet Inc.	Large	2	3.96%	4.00%	0.04%	$111.00	$111.00	USD	$135.83	4.21%	54.49%
Telus Corporation	Large	2	2.90%	4.00%	1.10%	$34.00	$34.00	USD	$17.30	6.29%	(10.10%)
Healthcare											
McKesson Corporation	Large	2	4.02%	4.00%	(0.02%)	$508.00	$508.00	USD	$450.17	2.80%	2.80%
Thermo Fisher Scientific Inc.	Large	1	1.60%	2.00%	0.40%	$570.00	$570.00	USD	$516.11	2.37%	(5.95%)
Zoetis Inc.	Large	1	2.13%	2.00%	(0.13%)	$153.00	$153.00	USD	$191.91	10.75%	31.41%
Industrials											
Canadian National Railway Company	Large	2	3.35%	4.00%	0.65%	$163.00	$163.00	CAD	$166.55	13.23%	3.55%
Canadian Pacific Kansas City	Large	1	2.07%	2.00%	(0.07%)	$120.00	$120.00	CAD	$104.84	4.81%	4.81%
Cintas Corporation	Large	2	4.59%	4.00%	(0.59%)	$532.00	$532.00	USD	$585.99	22.32%	30.21%
Waste Connections, Inc.	Large	2	3.45%	4.00%	0.55%	$124.00	$124.00	CAD	$197.86	8.49%	10.24%
Real Estate											
American Tower Corporation	Large	0	0.00%	0.00%	0.00%	$205.00	$181.00	USD	$209.91	28.16%	(0.57%)
Prologis Inc.	Large	1	2.08%	2.00%	(0.08%)	$131.00	$131.00	USD	$176.04	5.34%	5.34%
Utilities											
Brookfield Renewable Partners L.P.	Large	0	0.00%	0.00%	0.00%	$42.00	$42.00	CAD	$34.81	17.96%	1.55%
NextEra Energy, Inc.	Large	2	3.73%	4.00%	0.27%	$88.00	$75.00	USD	$59.06	3.50%	(29.10%)