Calgary Portfolio Management Trust

FQ2 2025 Report

UNIVERSITY OF CALGARY
HASKAYNE SCHOOL OF BUSINESS

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Dear Stakeholders,

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

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

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

After expanding our investment universe three years ago to include U.S. equities, the Fund currently sits at a 42/58 weighting between Canadian and U.S. equities. Following a volatile year in the market, the Fund aims to carry the momentum and rigour of last year's work into continued fruition into the new fiscal year. The CPMT intends to remain focused and agile in the face of continued market volatility and macroeconomic uncertainty, retaining our commitment to a bottom-up approach of allocating funds to high-quality names that fit our investment mandate of: (1) quality management team, (2) sustainable competitive advantage, (3) strong balance sheet, and (4) growing free cash flow. We will continue to evaluate investment decisions in the context of portfolio strategy and our macroeconomic outlook.

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

Sincerely,

Emmanuel Fikreselassie, Portfolio Manager

Emmanuel Fikreselassie

Jack Demo, Portfolio Manager

Lukas Fairley, Portfolio Manager

Max Konwitschny, Portfolio Manager

Sarah Adamjee, Portfolio Manager

Sohil Agrawal, Portfolio Manager

Sohil Agrawal

Tara Jindal, Portfolio Manager

Class of 2025

Biographies

CPMT CLASS OF 2025

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

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

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

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

SARAH ADAMJEE
Portfolio Manager
4th Year, Finance

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

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

Sohil joined the CPMT in March 2023 as an Investment Analyst and looks forward to continuing to develop his skills in financial analysis and modelling. He is thankful for the Board of Trustees and the alumni base that continues to support the program. Sohil is in his final year of a Bachelor of Commerce degree in Finance, with a minor in Data Science and a Certificate in Entrepreneurial Thinking. With previous experience in consulting and private equity, he has applied the skills learned through CPMT in his role as an Investment Banking Analyst with BMO Capital Markets, and he looks forward to returning there full-time upon graduation. Apart from CPMT, Sohil has competed in numerous international case competitions throughout the past three years, most recently the Inter-Collegiate Business Competition. In his free time, Sohil enjoys basketball, badminton, golf, hiking, and watching F1.

TARA JINDAL
Portfolio Manager
4th Year, Finance

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

CPMT CLASS OF 2026

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

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

CLAYTON LILLACE
Investment Analyst
3rd Year, Finance

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

CONNOR BOT
Investment Analyst
3rd Year, Finance

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

DYLAN WESTLAKE
Investment Analyst
4th Year, Finance

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

JAMES ALTAMIRANO
Investment Analyst
3rd Year, Finance

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

JOSHUA OLSON
Investment Analyst
5th Year, Finance

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

SMRITI SEWAK
Investment Analyst
3rd Year, Finance

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

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

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

Calgary Portfolio Management Trust

Portfolio Strategy and Sector Views

OVERVIEW

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

COMMUNICATION SERVICES

The CPMT's Communication Services holdings are Alphabet (NASDAQ: GOOGL). The Fund is currently 1.9% underweight relative to the blended benchmark. The CPMT will continue to closely monitor its current position in GOOGL, as ongoing antitrust proceedings may impact the company's operations. Alongside this name, the Fund will evaluate other telecommunication and media names that meet our mandate and provide risk-adjusted returns relative to the benchmark.

CONSUMER DISCRETIONARY

The CPMT's Consumer Discretionary weighting is currently 1.5% underweight relative to the blended benchmark. The performance of companies in this sector rebounded after facing pressure in FY2025 as consumer health remained relatively resilient in 2024. The U.S. personal saving rate has risen to 4.6% in September 2024 from 3.4% in June 2024; as such, the Fund believes these renewed savings will slowly increase consumer spending in 2024. With U.S. unemployment staying flat at 4.1%, the Fund believes a relatively healthy labour market should continue to boost retail sales. Moving forward, companies will need to invest heavily in fulfillment capabilities and focus on customer retention. While Hershey (NYSE: HSY) has recently been impacted by higher cocoa prices, The CPMT is confident in its holding Aritzia (TSX: ATZ) due to its cash flow resilience and strong market share.

CONSUMER STAPLES

The CPMT's Consumer Staples weighting is currently 7.6% overweight relative to the blended benchmark. The Fund views the sector favourably going forward into a possible recessionary environment, given its defensive nature and historical outperformance during times of market uncertainty. We will continue to monitor further opportunities in the space but are confident in our Consumer Staples holdings, Costco Wholesale (NASDAQ: COST), Alimentation Couche-Tard (TSX: ATD), and Dollarama (TSX: DOL), given each Company's dominant market share, proven management teams, and industry-leading margins.

ENERGY

The CPMT is currently 2.3% underweight in Energy relative to the blended benchmark. The sector is shifting to returning capital to its shareholders versus growing production organically. This has benefited capital-disciplined companies that are achieving net debt targets among lower regional and global crude prices. Natural gas remains under pressure, though LNG offtake in Europe and Asia, continued infrastructure buildout, and new domestic energy demand sources such as data centres have incentivized WCSB Montney gas production. The CPMT believes the shift towards producers monetizing infrastructure, government-incentivized decarbonization, and continued high netbacks will drive strong returns to shareholders in the near term. The Fund holds companies with distinct competitive advantages and the ability to generate free cash flow throughout various commodity price cycles and will continue to monitor the mandate fit of our current energy holdings, Canadian Natural Resources (TSX: CNQ), Enbridge (TSX: ENB), Enterprise Products Partners (NYSE: EPD) and Tourmaline (TSX: TOU).

FINANCIALS

The CPMT is confident in the quality of its financial holdings, JPMorgan Chase (NYSE: JPM), Royal Bank of Canada (NYSE: RY), Brookfield Corporation (TSX: BN), and Brookfield Asset Management (TSX: BAM). We view strong underlying credit quality and high deposit levels as tailwinds to the performance of larger banks. Over the past two years, the space has been tempered by increasingly negative investor sentiment due to the recent downfall of several banks, the large credit spreads on subprime consumer loans, and geopolitical tension. However, the easing of monetary policy in G7 countries is posed to stimulate capital markets activity, soften margins, and deliver superior returns. Currently, The Fund is assessing additional weighting in its financials holdings, as the CPMT is 9.3% underweight in the sector.

HEALTH CARE

The CPMT is currently 1.2% overweight in Health Care as we view growth opportunities in the sector will persist post-pandemic, as ever-evolving health concerns continue to drive demand for technological and product innovation of treatment methods. The sector's historically low beta and non-discretionary nature allow it to remain defensive during recessionary periods, a trend that the Fund has primarily capitalized on through Thermo Fisher Scientific (NYSE: TMO), McKesson (NYSE: MCK), and Zoetis (NYSE: ZTS). The Fund will continue to monitor developments in the sector to ensure its holdings remain aligned with advancements and demand shifts within the industry,

INDUSTRIALS

The CPMT is currently 4.9% overweight in Industrials relative to the blended benchmark, as we view sector trends in nearshoring and sensitivity to GDP growth as favourable for our holdings. High interest rates and valuations continue to pressure growth through infrastructure expansions or M&A, though pricing realizations on transportation and physical products have kept up with inflation. The CPMT is principally invested in companies with distinct competitive advantages in critical industries to weather high commodity prices and interest rates while generating consistent free cash flow. The Fund currently holds Canadian National Railway (TSX: CNR), Canadian Pacific Kansas City (TSX: CP), Cargojet (TSX: CJT), Cintas (NASDAQ: CTAS), and Waste Connections (TSX: WCN).

INFORMATION TECHNOLOGY

The CPMT is 0.6% overweight in Information Technology relative to its blended benchmark. The Fund has actively monitored the performance of Information Technology sector valuations amidst a cooling interest rate environment coupled with the emerging trend of Artificial Intelligence (AI). The CPMT remains optimistic about the growth opportunities of its Information Technology holdings, which include Microsoft (NASDAQ: MSFT), Apple (NASDAQ: AAPL), Visa (NYSE: V), Constellation Software (TSX: CSU), and Topicus.com (TSXV: TOI). The Fund sees outperformance over the medium term, driven by the increasing trend in AI, strong market share, and stickiness of our holdings.

MATERIALS

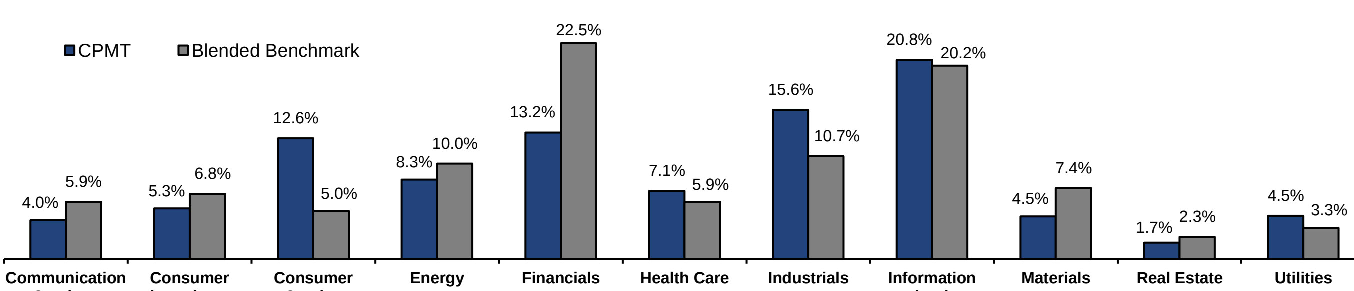
The CPMT is currently 2.9% underweight in Materials relative to the blended benchmark. The sector has seen increasing demand for green industrial gases, electrification minerals, and construction products, and are expected to be key catalysts for growth. Although high interest rates labour shortages, and supply chain constraints have hindered the recent momentum experienced by major operators, the CPMT's Materials holdings are well-suited to mitigate inflation effects through pricing power. The Fund will continue to monitor the impact of these developments on its Materials portfolio, which includes CCL Industries (TSX: CCL.B) and Linde Plc (NYSE: LIN).

REAL ESTATE

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

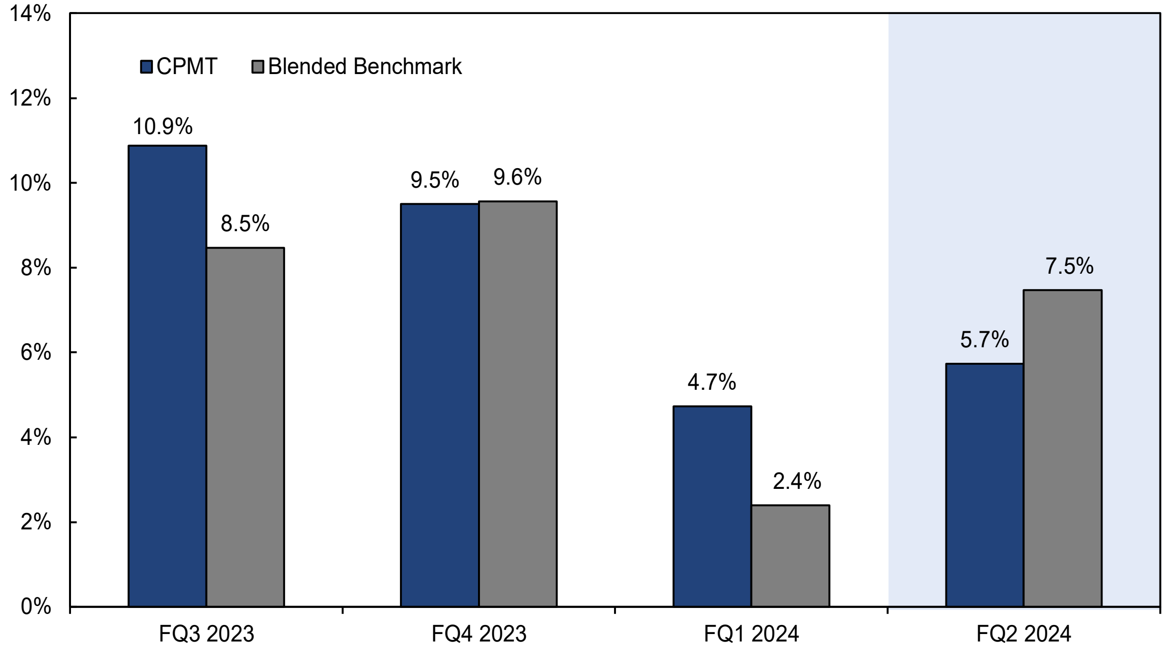
UTILITIES

The CPMT is currently 1.2% overweight in Utilities relative to the blended benchmark, with NextEra Energy (NYSE: NEE) as the sole holding. The CPMT favours NEE's focus on reinvestment and best-in-class assets with long-dated PPAs. With interest rates expected to lower heading into 2025, levered utility companies are expected to benefit in a more favourable refinancing environment. The Fund is currently assessing several names as additions to its utilities portfolio, as interest rates are expected to soften in the coming year and growth in regional power demand increases.

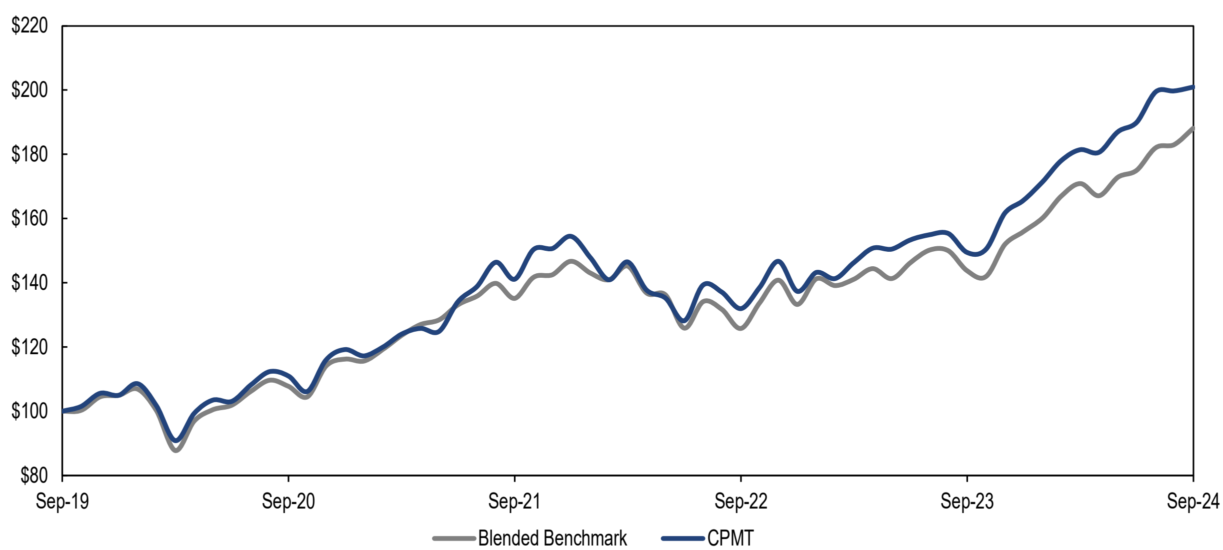


Quarterly Snapshot - FQ2 2025

CPMT and Benchmark Total Return (TTM)



Value of $100 (since September 30, 2019)

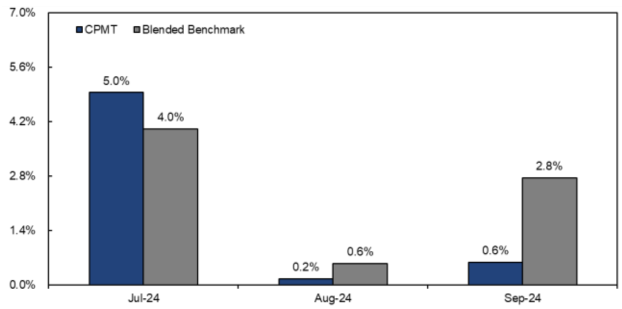


Fund Universe

	FQ2 2025	1 Year	3 Year	5 Year	10 Year
CPMT	5.73%	34.44%	12.49%	15.35%	10.10%
Blended Benchmark	7.47%	30.80%	11.64%	13.46%	9.27%
Blended Benchmark Difference	(1.74%)	3.64%	0.85%	1.89%	0.83%

Quarter in Review

QUARTER RETURN



NOTE TO STAKEHOLDERS

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

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

OVER THE QUARTER

The Fund returned 5.73% over the quarter, 174 bps below the Blended Benchmark's return of 7.47%. The underperformance can be largely attributed to the Health Care and Financials sectors, which was offset by outperformance in both the Energy and Consumer Discretionary sectors. The Fund currently has a 42/58 Canada/U.S. equity exposure. We are comfortable being overweight U.S. names due to the quality and growth profiles of our U.S. holdings and will continue to seek companies with a mandate fit in both Canada and the U.S.

In early September, the current class of Investment Analysts presented pitches on prospective portfolio additions as the final component of the CPMT's summer training program. Through this process, the Fund decided to move forward with three promising investments on which we plan to conduct further due diligence: Amazon.com (NASDAQ: AMZN), Capital Power (TSX: CPX), and Eaton (NYSE: ETN).

The Fund also had full pitches on the following names: BlackRock (NYSE: BLK), CRH (NYSE: CRH), and Lowe's Companies (NYSE: LOW). The Fund will explore entering a position into these names following further discussion. Moving forward, members of the Fund will continue to conduct due diligence and evaluate current holdings to ensure alignment with our investment mandate.

NEW RECOMMENDATIONS

	COMPANY	IMPLIED RETURN
OUTPERFORM	Capital Power	27 %,
	Amazon	18 %
	Blackrock	13 %
	Eaton	12 %
	CRH	10 %
	Lowe's Companies	10 %
PERFORM	Carrier Global	3 %

*Note: Reflects implied upside as of September 30, 2024

TRANSACTION LOG

COMPANY	OLD AUM	NEW AUM
COSTCO WHOLESALE	7.0%	6.4%

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

Amazon.com

Consumer Discretionary
NASDAQ: AMZN
Market Outperform | Buy

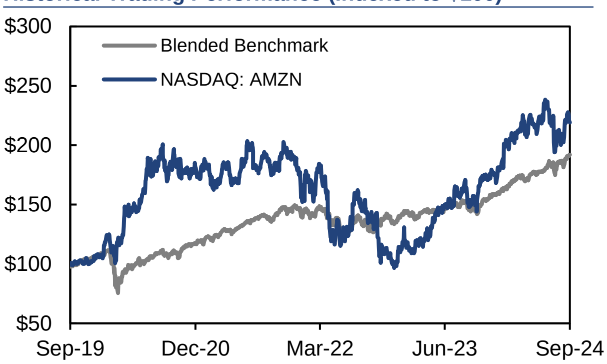
September 30, 2024	
James Altamirano, Investment Analyst	

Return on Investment	
Current Share Price	$186.33
Target Price	$219.42
Dividend Yield	N/A
Implied Return	18%
Conviction Rating	1

Market Profile	
52-Week Range	$119.57 - $200.00
Market Capitalization (US$B)	$1,956
Net Debt (US$B)	$61
Enterprise Value (US$B)	$2,017
Beta (5-Year Monthly)	1.10

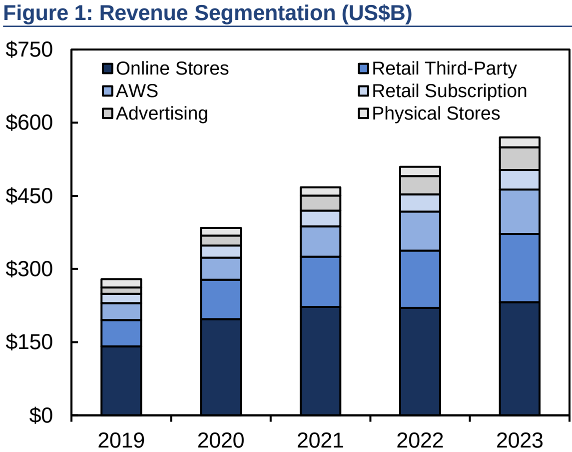
Metrics	**2023**	**2024E**	**2025E**
Revenue (US$B)	$575	$637	$704
EBITDA (US$B)	$86	$116	$137
EPS	$2.90	$4.73	$5.93
EV/EBITDA	23.6x	17.4x	14.7x

Historical Trading Performance (Indexed to $100)



Source: Bloomberg

Figure 1: Revenue Segmentation (US$B)



Source: Bloomberg, Company Fillings

Business Description

Amazon.com (NASDAQ: AMZN) is a multinational e-commerce information technology firm that provides digital retail shopping services. The products sold on the Company's e-commerce platform are supplied both by AMZN and its third-party affiliates. The Company's retail e-commerce service is complemented by a range of offerings provided through AMZN's subscription-based Amazon Prime ecosystem. These services include same-to-two-day shipping on millions of items, free streaming access to a variety of digital content, and affordable access to prescription medications. The Company is organized into three main operating segments: (1) North America, (2) International, and (3) Amazon Web Services (AWS).

The North America and International segments include revenues from the retail sales of products and subscriptions within AMZN's respective geographical operations. The Company's AWS segment provides an on-demand cloud computing platform for individuals and organizations within private and public sectors. AWS offers computational power, storage, and database services on a pay-as-you-go basis, making the services significantly more cost-efficient and scalable than on-premises substitutes.

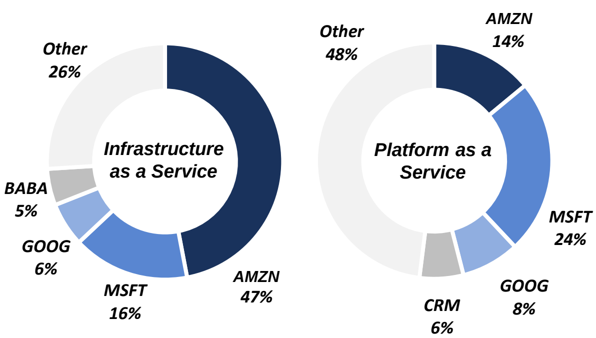
Industry Overview

Over the past two decades, e-commerce has rapidly gained traction and disrupted the retail space due to its superior convenience and lower prices compared to brick-and-mortar retail channels. Currently, AMZN dominates the U.S. e-commerce market, with 37.6% of revenue market share, followed by Walmart (NYSE: WMT) at 6.4%. However, the industry is becoming increasingly competitive, with newer entrants to the U.S. market, such as Alibaba (NYSE: BABA) and Temu (NASDAQ: PDD), offering lower prices with the tradeoff of longer delivery times. Overall, e-commerce penetration is expected to continue to expand, driving U.S. e-commerce sales to grow at a five-year CAGR of ~10.5%

The cloud computing industry allows customers to utilize on-demand computational power and data storage without substantial upfront investment in hardware and infrastructure. The industry operates on a pay-as-you-go basis, facilitating a highly flexible and cost-efficient structure for customers. Additionally, cloud computing platforms often offer a variety of tools for data analytics and the development of artificial intelligence (AI) models, allowing customers to extract greater value from their data and drive efficiency within their organizations. In 2006, AMZN gained its first-mover advantage in the cloud infrastructure space with AWS. In the following years, Microsoft (NASDAQ: MSFT) and Google (NASDAQ: GOOGL) entered the market with Microsoft Azure and Google Cloud Platform (GCP). These three firms now hold a dominant stake in the market, with AMZN maintaining the largest market share at ~31%.

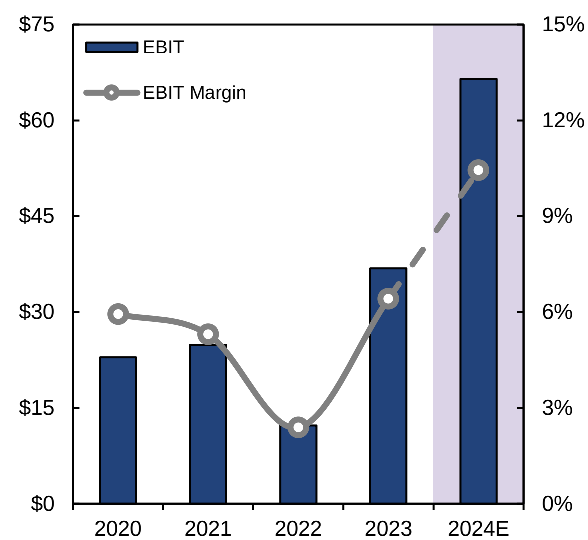
The transition to cloud computing is still developing, as ~85% of workloads remain on-premises. This generates strong growth opportunities, as organizations continue to migrate to the cloud. Despite certain headwinds slowing the rate of cloud adoption, such as a lack of internal expertise and complex migration processes, increased use cases for large language models have proven to be a significant catalyst for cloud migration. This can be attributed (cont.)

Figure 2: 2023 Cloud Computing Market Share



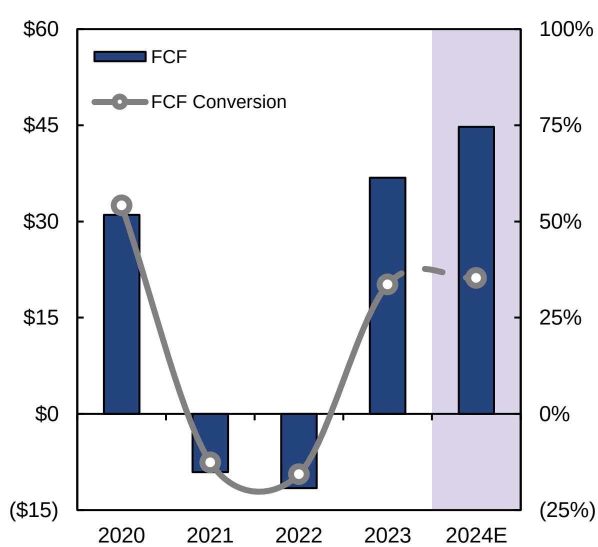
Source: Bloomberg, Company Filings

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



Source: Bloomberg, Company Filings, CPMT Estimates

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



Source: Bloomberg, Company Fillings, CPMT Estimates

to the significant capital and expertise required to develop and maintain scalable, on premises infrastructure for AI applications. This will further contribute to a strong growth runway in cloud computing, as enterprises continue to seek AI efficiency gains.

Mandate Fit

Quality Management: Andy Jassy serves as AMZN's CEO, assuming the role in 2021 after Jeff Bezos transitioned to Executive Chair of the Board. Jassy joined the Company in 1997 after graduating with an MBA from Harvard Business School. Throughout his tenure at AMZN, Jassy has proven to be an excellent innovator and operator, co-founding AWS and guiding it to its dominant market position in the cloud computing space.

AMZN's management team governs with a customer-centric focus and a prioritization of long-term thinking. These core principles are reflected in the Company's operational strategy, which includes continuous reinvestment to improve delivery speeds, decrease prices, and expand the range of services offered through Amazon Prime. Specifically, over the last five years, AMZN introduced free one-day and same-day shipping for Prime members and launched Amazon Pharmacy and Amazon Health.

Furthermore, the Company's long-term focus is reinforced by its compensation structure, with 96% of NEO compensation at-risk. This at-risk compensation is solely derived from stock awards with long, backend-weighted vesting periods rather than short-term incentives.

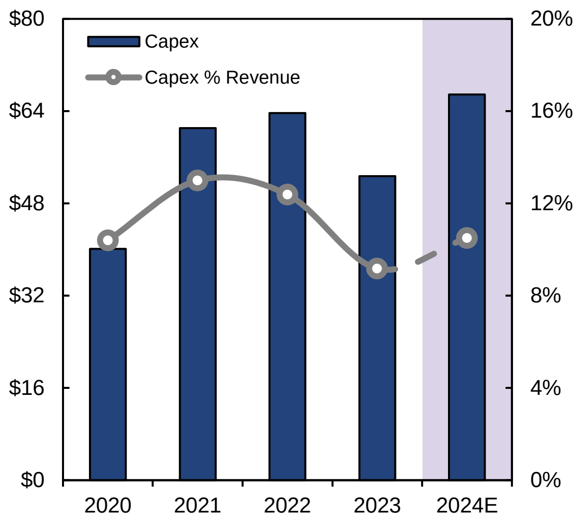
Competitive Advantage: AMZN's e-commerce business benefits from its expansive scale and robust logistics network. This allows the Company to provide customers with unmatched variety, low prices, and convenience. Moreover, the growing prevalence of Amazon Basics has assisted AMZN with capturing share in the non-discretionary market from brick-and-mortar retailers. This end market is characterized by more consistent, frequent purchases, highlighting the Company's priority of incentivizing habitual shopping behaviour. The Prime ecosystem further drives customer retention, with Prime members spending two times more on average than nonmembers.

AMZN's AWS segment benefits from high switching costs due to its extensive integration with its clients' key operations. Migrating between cloud providers requires operational downtime, staff retraining, and becomes more cumbersome for clients with high amounts of integration with their provider. Moreover, AWS' open-source model provides clients with a high degree of customizability and the broadest depth of cloud-based features available on the market, further driving customer dependence on the platform.

Strong Balance Sheet: AMZN prioritizes low, strategic leverage and strong capital discipline. Throughout FY2021 and FY2022, the Company invested significantly in its data centres and doubled the size of its logistics network, causing Net Debt/EBITDA to peak at 1.5x in Q1 2023. During the remainder of the year, management committed to deleveraging. Net Debt/EBITDA currently sits at 0.5x, in line with AMZN's 10-year average. Furthermore, the Company has strong short-term liquidity, with a quick ratio of ~0.9x, a current ratio of 1.1x, and a large cash position of US$89.1B. Management's dedication to maintaining low leverage, along with the Company's robust cash flows, results in an AA credit rating from S&P.

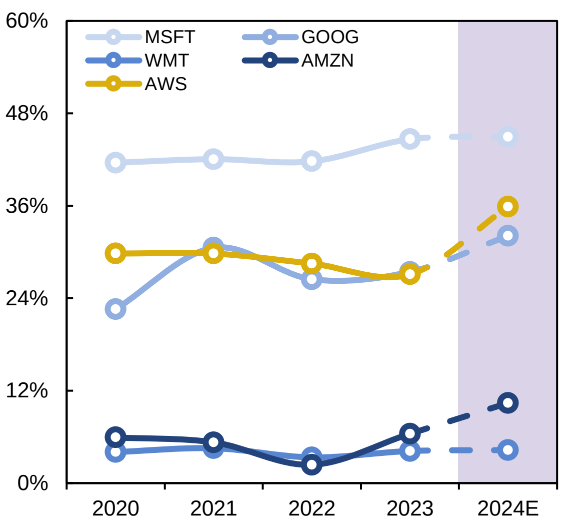
Growing Free Cash Flow: Outside of the two consecutive years of negative FCF in FY2021 and FY2022 due to substantial capital investments, AMZN has seen significant FCF growth, with a 10-year CAGR of 33.6%. More recently, the Company's FCF growth has been driven by margin expansion and capex moderation.

Figure 5: LHS Capex (US$B) vs RHS Capex % of Revenue



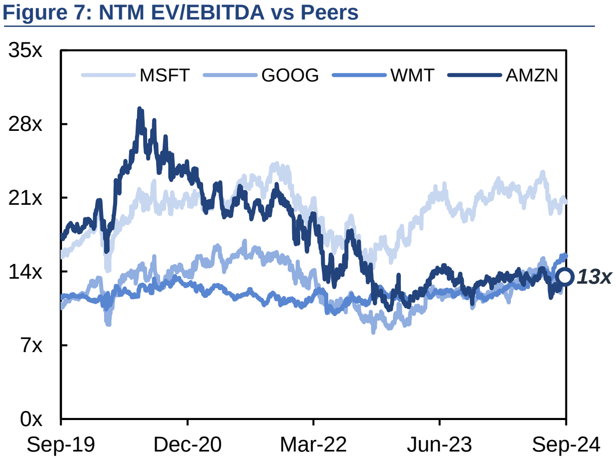
Source: Bloomberg, Company Filings, CPMT Estimates

Figure 6: Operating Margin vs Peers



Source: Bloomberg, Company Filings, CPMT Estimates

Figure 7: NTM EV/EBITDA vs Peers



Source: Bloomberg

AMZN is experiencing rapid growth in its high-margin services, notably AWS, which reported an operating margin of 36.5% in H1 2024 versus 10.3% on an aggregate basis. This is further supported by the improving profitability of the Company's e-commerce business, driven by the ongoing regionalization of its fulfillment network. As a result, consolidated operating margins have increased from 5.3% in 2021 to 9.0% in the LTM. Additionally, capex as a percentage of revenue has decreased from its peak of 13.0% in FY2021 to 9.9% in the LTM. Although capex is expected to remain elevated over the next few years due to significant investments in data centres and generative AI, the CPMT expects this to be offset by strong topline growth and continued margin expansion.

Risks

Consumer Uncertainty: Shifts in consumer demand and spending patterns pose a risk to AMZN's retail business. Over the past year, weakening consumer sentiment has led to a sales mix shift towards non-discretionary items with lower average selling prices. This has proven to be a slight headwind for the Company due to the lower margins and less favorable economics from shipping low-cost products. However, these headwinds were partially offset by increased volumes due to more habitual purchases.

AWS' Macroeconomic Sensitivity: AWS has enjoyed double-digit growth over the last five years. However, recent macroeconomic headwinds, including inflation and rising interest rates, led to reduced enterprise spending on cloud services. From FY2022-FY2023, companies prioritized cost optimizations over new workload deployments in the midst of an uncertain economic landscape. This led AWS' revenue growth to slow from 28.8% to 13.3% over the same period. Although AWS is sensitive to the prevailing macroeconomic environment, the CPMT believes that the secular growth opportunities in the industry should mitigate this risk.

Supply Chain Disruptions: AMZN's supply chain is vulnerable to disruptions from various factors, including transportation bottlenecks, geopolitical events, and natural disasters. These events could lead to delays in product availability and increased shipping costs, which could have a material impact on the Company.

Investment Thesis and Valuation

AMZN was valued at $219 using a 10-year DCF and a WACC of 8.3%. The terminal growth rate was derived using a 70/30 blend of (1) the Gordon Growth method, assuming a terminal growth rate of 2.5%, and (2) and EV/EBITDA exit multiple of 13.0x. This provides an implied return of ~17.8%

The CPMT believes that AMZN is poised for margin expansion and is well-positioned to capture secular growth opportunities in the e-commerce and cloud industries due to its leading logistics network and data centre investments. AMZN's efforts to decrease its cost to serve, such as the regionalization of its fulfillment network, will help to lift e-commerce margins and expand its product offerings. Additionally, the Company's fastest growing operating segments, AWS and advertising, have the highest margins, indicating a positive revenue mix shift. AMZN's e-commerce business is set to benefit from the growing share of online retail volumes, with e-commerce expected to comprise 30% of total retail sales in 2028 versus 23% in 2023. The Company's AWS business is also positioned for significant growth, with the rising prevalence of generative AI accelerating the shift towards cloud computing. Furthermore, the segment has substantial growth runway, with the cloud industry only seeing ~10% of IT expenditures.

BlackRock

Financials
NYSE: BLK
Market Outperform | Buy

September 30, 2024

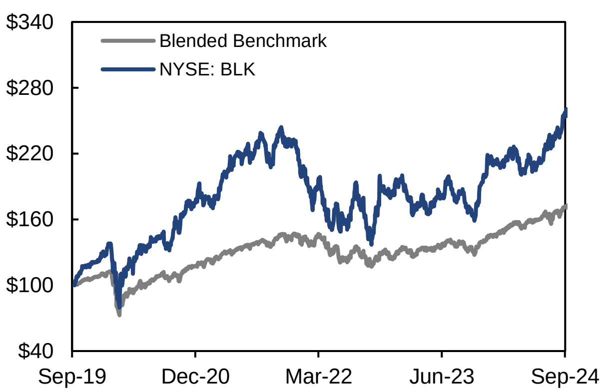
Emmanuel Fikreselassie, Portfolio Manager
Clayton Lillace, Investment Analyst

Return on Investment	
Current Share Price	$949.51
Target Price	$1,056.00
Dividend Yield	2.15%
Implied Return	13%
Conviction Rating	1

Market Profile	
52-Week Range	$596.18 - $952.75
Market Capitalization (US$B)	$141
Net Debt (US$B)	$1
Minority Interest (US$B)	$2
Enterprise Value (US$B)	$144
Beta (5-Year Monthly)	1.32

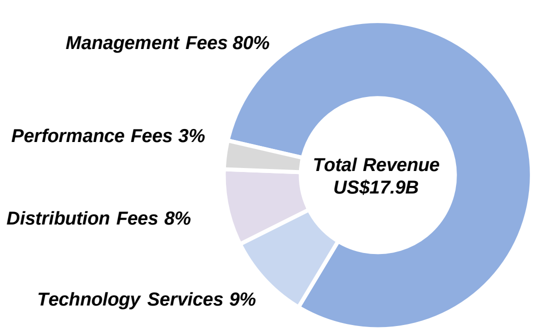
Metrics	2023A	2024E	2025E
Revenue (US$mm)	$17,859	$18,988	$21,916
EBITDA (US$mm)	$7,383	$7,838	$9,363
Average AUM (US$B)	$9,302	$11,353	$12,263
EV/EBITDA	19.5x	18.4x	15.4x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: 2023 Revenue Segmentation



Source: Company Filings

Business Description

BlackRock (NYSE: BLK) is a diversified institutional and retail asset manager that manages equity and fixed income securities through ETFs, Mutual Funds, and Institutional Accounts. As of Q2 2024, the Company's Assets Under Management (AUM) was US$10.6T, with 9% of assets managed on behalf of retail clients, 47% for institutional clients, and 36% through ETF products. BLK generates ~81% of its revenue from asset-management fees, and ~8% from its technology services segment, primarily through risk-management software.

Within BLK's suite of investment vehicles, 31% of AUM fee revenue is generated by equity ETFs, 14% from active equity products, and 13% from active fixed income product fees. The Company's shift to equities and ETFs is a result of its 2009 acquisition of Barclays Global Investors (BGI), and BGI's iShares product line. In Q1 2024, BLK announced its US$12.5B acquisition of Global Infrastructure Partners (GIP), materially expanding the Company's alternative asset product offerings.

Industry Overview

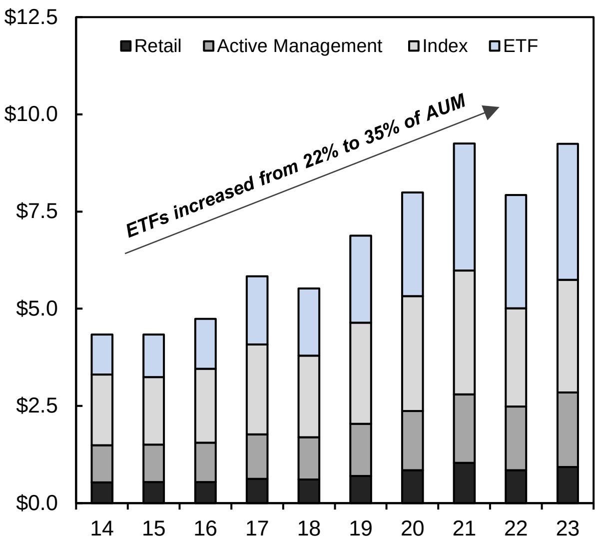
BLK competes against traditional and alternative asset managers, banks, and insurance companies for investor capital. Firms within the industry specialize in asset classes, investment styles, and clientele. BLK's peers include Fidelity, Franklin Resources (NYSE: BEN), Invesco (NYSE: IVZ), State Street (NYSE: STT), T-Rowe Price Group (NASDAQ: TROW), and Vanguard. BLK, Vanguard, and STT dominate the ETF market with ~32%, ~29%, and ~14% of market share by AUM, and earn ~29%, ~10%, and ~9% of total ETF market revenue, respectively. The ETF market currently accounts for US$11T of AUM and has grown at a ten-year CAGR of ~15%.

Demand for lower fees, greater risk-adjusted returns, and investor autonomy has driven rapid change and competition within the traditional asset management industry. The growth of passive ETF investing, pension clients' preference for defined contribution retirement accounts, and increased retail participation has served as tailwinds for passive managers within the industry. Increased competition has also led many traditional managers to venture into alternative asset classes for higher yields and product diversity. recently, BLK has grown its alternatives AUM at a five-year CAGR of ~14%, outpacing total alternatives AUM market growth by ~2%.

Mandate Fit

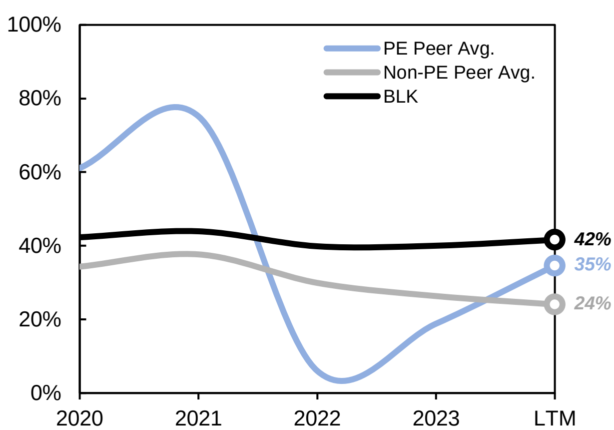
Quality Management: Laurence Fink, Chairman and CEO of BLK, originally co-founded the Company in 1988. During his tenure, Fink has successfully navigated the evolving demands of asset management clients, which has been foundational to BLK's multi-decade outperformance. Under Fink's leadership, BLK transitioned away from fixed income funds to ETFs, through the 2006 acquisition of Merrill Lynch Investment Managers, and the 2009 acquisition of BGI. The Company is governed by its board of directors, alongside an executive and operating committee, providing a comprehensive review process informed by multiple industry perspectives. Executive compensation is also aligned with shareholder interests, with ~90% of CEO and NEO compensation at-risk, tied to financial, operational, and organizational targets.

Figure 2: 10-Year Investment Vehicle AUM Growth (US$T)



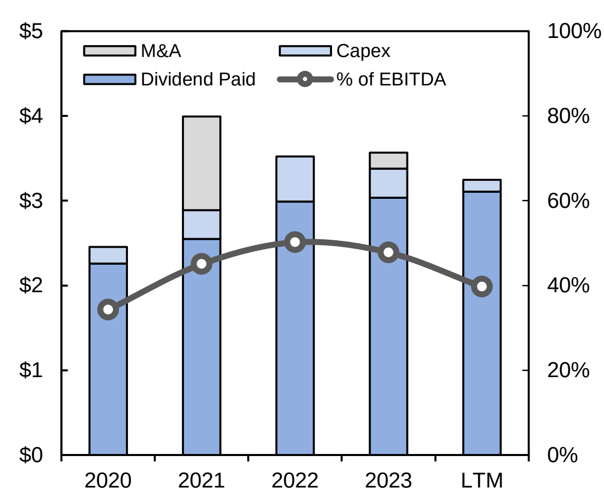
Source: Company Filings

Figure 3: EBITDA Margin vs Peers



Source: FactSet

Figure 4: LHS Cap. Allocation vs RHS % of EBITDA (US$B)



Source: Company Filings, FactSet

Competitive Advantage: BLK's competitive advantage stems from its diverse suite of unique investment vehicles, providing clients with specialized solutions at a commercial scale. This diversity is attributable to the Company's product development initiatives, which target unique indexable securities to create global, tailored, portfolio-like ETFs. Furthermore, BLK's primary ETF competitors, STT and Vanguard, significantly lack product diversity. STT focuses on simple ETF offerings, with a primary focus on growing custodial capital. Vanguard's main strategy prioritizes reduction of management fees, which limits capital allocation towards product offering expansion. As of Q2 2024, BLK offered 434 unique ETFs, significantly above STT's 143 and Vanguard's 86.

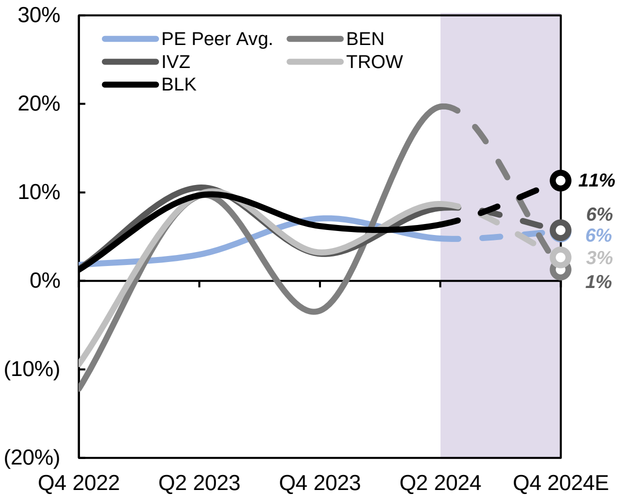
BLK's management fees are considerably higher than peers, with the Company's ETF Average Expense Ratio (AER) being 16 bps, compared to 11bps at STT, and 5bps at Vanguard. BLK also outpaces peer AUM inflows, as investors continue to demand specialized ETFs. In the last five years, the Company's ETF AUM has grown at a ~15% CAGR, slightly increasing from the 10-year CAGR of ~14%. The Company's higher AER also aids in maintaining BLK's five-year EBITDA margin, further protecting cash flow generation while peers face continuous margin erosion, attributable to industry-wide fee compression. Over the past five years, the peer average EBITDA margin has declined from ~34% to ~24%, while BLK's has stayed flat at ~42%.

Strong Balance Sheet: BLK and its peers operate asset-light business models, allowing them to maintain conservative balance sheets, with BLK's Net Debt/EBITDA matching the peer average of 0.1x. The Company currently has US$10.0B in outstanding debt with a weighted average interest rate of 3.5%, and a weighted average maturity of 9.8 years. BLK issued US$3.0B in senior unsecured notes for the acquisition of GIP and was recently rated AA- by S&P and Aa3 by Moody's. Strong EBITDA margins provide BLK greater opportunity to utilize leverage for strategic growth opportunities, while benefitting the Company with a lower cost of capital. BLK demonstrates an industry-leading ability to operate and scale with conservative leverage, utilize debt to fund successful growth initiatives, and return debt to targets.

Growing Free Cash Flow: BLK's dual focus on its core index-tracking products and its development of new investment vehicles has allowed the Company to mitigate industry-wide margin compression faced by peers. BLK has continuously generated consistent cash flows in a volatile industry, with UFCF margins ranging from 23 - 32% over the last 10 years, and FCF growing at a five-year CAGR of 5.9%. The Company continues to prove its ability to generate FCF regardless of macroeconomic conditions and has consistently returned capital to shareholders through dividends and share buybacks over the last the last 20 years.

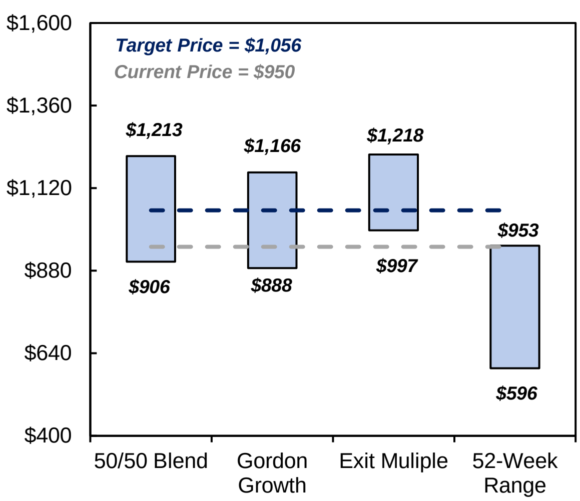
BLK's alternatives platform has also significantly contributed to FCF growth, with the segment revenue yield being 2.7x larger than equity ETF offerings. Sub-segments such as infrastructure have also experienced significant expansion, growing at a five-year CAGR of 20.4%. The US$12.5B GIP acquisition aims to capitalize on these developments, offering BLK the opportunity for continued alternatives growth. The long-term, inflation-linked asset class aligns with the demands of the Company's core institutional client base, while the upsized yields offers BLK the opportunity to scale, further improving margins and FCF generation. GIP is the third largest global infrastructure asset manager with US$116B in AUM, specializing in Energy, Communication Services, (cont.)

Figure 5: Bi-annual AUM Growth Rates



Source: FactSet

Figure 6: Valuation Football Field (US$)



Source: CPMT Estimates

Transportation, and Hydro. The transaction triples BLK's infrastructure AUM, creating the second largest global infrastructure asset manager, transacting at ~25 - 29x 2024E P/FRE, compared to peer's trading at ~25 - 35x.

Risks

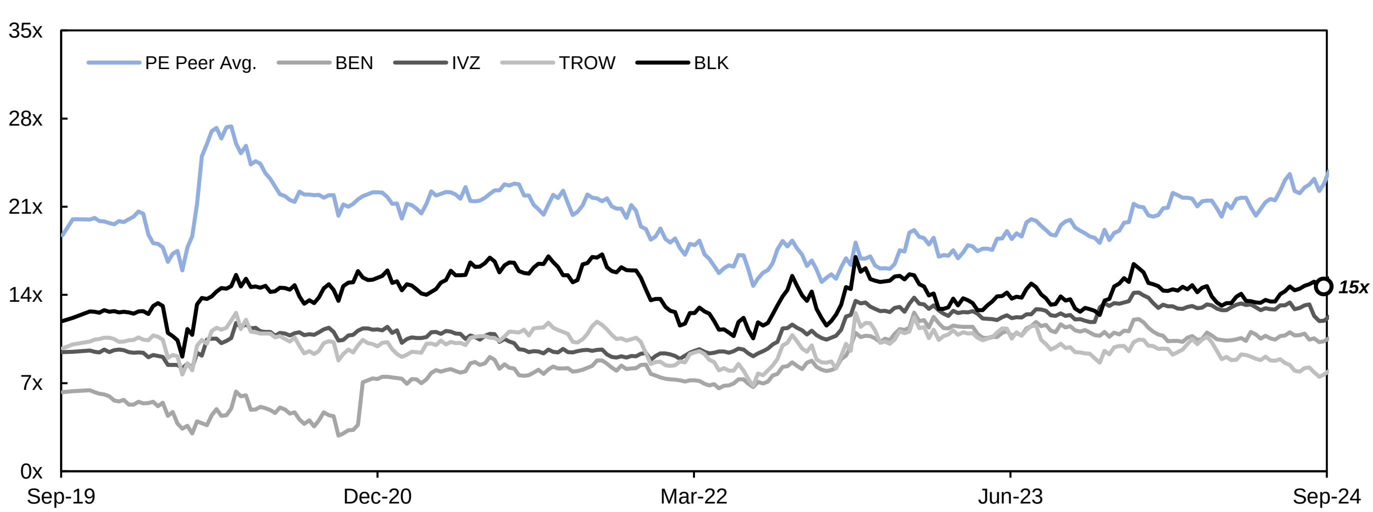
Risks include exposure to market-driven AUM volatility, reputational risk due to potential underperformance, and continued fee compression within the competitive landscape. As a greater selection of investment vehicles come to market, clients are increasingly exposed to alternative investment solutions, potentially impacting the stickiness of BLK's AUM. The Company also faces secondary risks including operational and technology risks, litigation risks, regulatory risks, and liquidity risks. As BLK continues to grow as the world's largest asset manager, future hurdles may also arise from the sheer scale of operations, including diminishing inflows, and lack of high-quality investments due to the vast amounts of required capital deployment.

Investment Thesis and Valuation

The CPMT valued BLK at US$1,056, implying a return of 11.2%, using a five-year DCF with a WACC of 9.8%. The terminal value was derived using a blend of (1) the Gordon Growth Method, using a terminal growth rate of 2.0%, and (2) an EV/EBITDA exit multiple of 16.8x. The base case valuation accounts for annual AUM growth of 9.9%, revenue yield growth of (0.6%), and a 10.4% increase in alternatives allocation over the five-year period. Alternatives AUM growth and revenue yield protection are the largest value drivers between the cases. The target price of US$1,056 is a 55/30/15 weighted average of the bull, base, and bear DCF scenarios.

BLK has continued to lead the ETF market with the Company's differentiated product suite, leading to continuous growth and unmatched margin retention. The CPMT believes management is committed to maintaining market leadership through the consistent development of high-quality asset management products. BLK has proven its ability to scale its alternatives and infrastructure product suite in various market environments and through the acquisition of GIP, the Company has created opportunities for margin expansion, greater growth, and more stable cash flows. Due to these factors, the Fund believes that BLK will experience continued growth in its public and private product lines, and the name justifies a premium valuation closer to that of PE peers.

Figure 7: NTM EV/EBITDA vs Peers



Source: FactSet

Capital Power

Utilities
TSX: CPX
Market Outperform | Buy

September 30, 2024

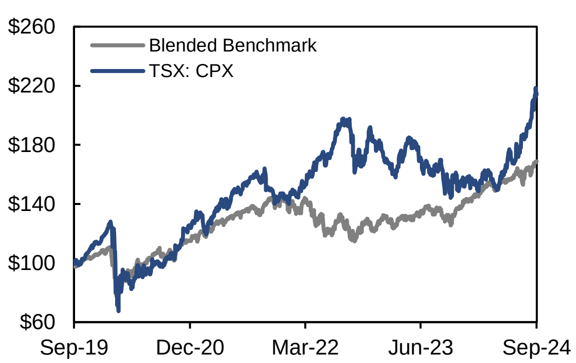
Caitlin Heggerud, Investment Analyst
Connor Bot, Investment Analyst

Return on Investment	
Current Share Price	$49.17
Target Price	$60.00
Dividend Yield	5.30%
Implied Return	27%
Conviction Rating	1

Market Profile	
52-Week Range	$35.20 - $50.86
Market Capitalization ($mm)	$6,595
Net Debt ($mm)	$5,395
Enterprise Value ($mm)	$11,990
Beta (5-Year Monthly)	0.64

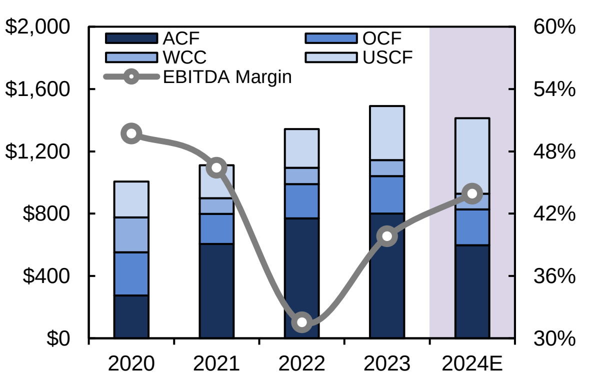
Metrics	2023A	2024E	2025E
Revenue ($mm)	$4,068	$3,168	$3,313
EBITDA ($mm)	$1,619	$1,266	$1,325
EPS	$6.04	$6.00	$5.24
EV/EBITDA	5.3x	8.6x	8.2x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: LHS EBITDA Segmentation ($mm) vs RHS Margin



Sources: Company Filings, CPMT Estimates

Business Description

Capital Power (TSX: CPX) is an independent power producer (IPP) that develops, acquires, owns, and operates power generation facilities in the U.S. and Canada. The Company utilizes ~7,800 MW of net natural gas thermal power generation as its primary source, representing 84% of its owned capacity. CPX also boasts a net capacity of ~1,500 MW from wind and solar energy. The Company owns ~9,300 MW of total power generation capacity across 32 facilities, serving industrial and commercial clients, independent system operators, and government-owned or sponsored entities. CPX operates under four segments: (1) Alberta Commercial Facilities (ACF), (2) Western Canada Contracted (WCC), (3) Ontario Contracted Facilities (OCF), and (4) U.S. Contracted Facilities (USCF). The ACF segment is primarily uncontracted merchant power generation, while the remaining segments are contracted.

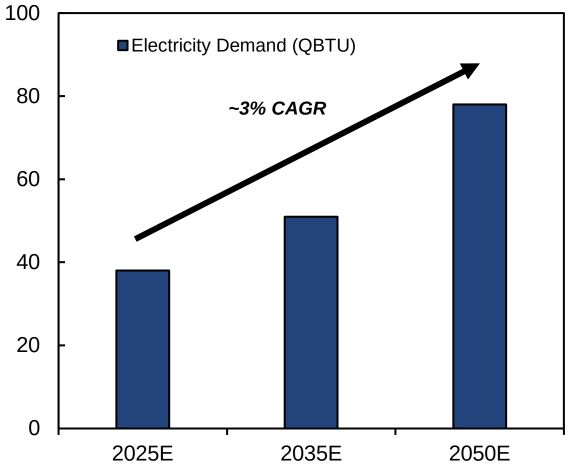
Industry Overview

CPX's core asset base is in Alberta, where the Company primarily competes with TransAlta (TSX: TA) in the Alberta regulated electricity market (REM). The Alberta REM operates as an energy-only market. This enables dispatchable generators to strategically engage in economic withholding, where IPPs intentionally limit their electricity supply by offering price-quantity pairs at elevated prices, increasing their realized power prices. The Alberta Energy System Operator stated that the current market design lacks sufficient incentives to attract investment in dispatchable generation, which is increasingly becoming needed in the market, indicating that regulations could change to encourage more predictable generation.

North America's gross electricity demand is expected to grow through 2040 at a CAGR of ~3%, supported by onshoring, industrial electrification, population growth, and the expansion of data centres. As the energy mix shifts, installed capacity is predicted to be dominated by renewables such as wind and solar generation. The nature of renewable power generation necessitates the use of dispatchable generation sources, such as natural gas, to meet power demand during peak consumption and maintain grid stability. This is particularly crucial for critical infrastructure that requires a reliable and predictable power supply. Following recent acquisitions and facility upgrades, CPX is now North America's fifth-largest generator of electricity from natural gas. North American electrical transmission grids are aging, with ~30% of infrastructure nearing its end-of-life. As regulated utilities take time to modernize grids, IPPs are positioned to benefit from strained reserve margins and corresponding capacity pricing in key markets, such as the Midcontinent Independent System Operator (MISO) and U.S. Western Electricity Coordinating Council (WECC) regions, where the Company holds 12% and 26% of its generation capacity, respectively. The MISO and WECC regions include a mix of energy-only and capacity markets. In capacity markets, generators are compensated for the electricity they produce and for maintaining available capacity to meet future demand, particularly during periods of peak demand.

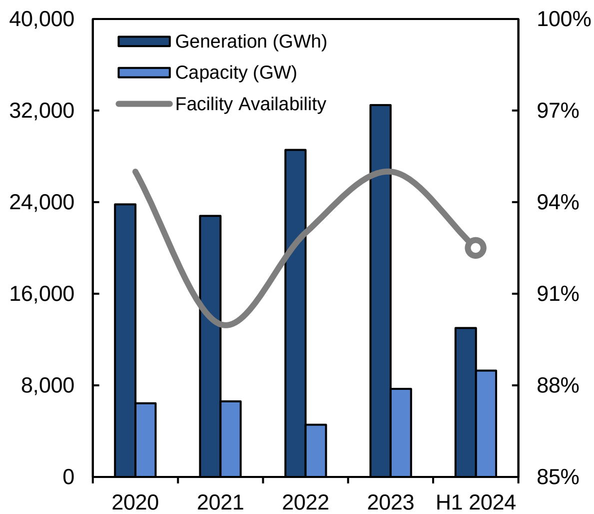
With interest rates expected to continue declining through 2025, IPPs are positioned for financial relief and better access to capital, attracting investors who seek predictable growth and (cont.)

Figure 2: North American Electricity Demand (QBTU)



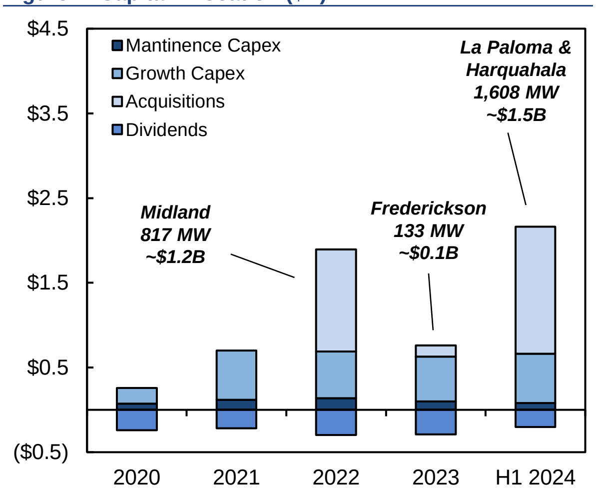
Source: Company Filings

Figure 3: LHS Generation & Capacity vs RHS Availability



Sources: Bloomberg, Company Filings

Figure 4: Capital Allocation ($B)



Source: Company Filings

reliable capital return in a low-rate environment. U.S. IPPs have returned 30% YTD, while Canadian utilities have risen 11%.

Mandate Fit

Quality Management: Avik Dey has been the President and CEO of CPX since 2023, following the planned retirement of Brian Vaasjo. Dey was previously the co-head of Carlyle International Energy Partners and the head of CPPIB's Energy & Natural Resources group, in which he oversaw the deployment of ~$10B of capital from the group's 2014 inception. Dey has overseen the deployment of over $12B of capital in the energy and power spaces throughout his career prior to joining CPX, and brings a wealth of experience in sourcing, acquiring, integrating, and operating assets in the North American power space. CEO and NEO compensation are 79% and 63% at-risk, respectively, ensuring alignment between management and shareholders. Additionally, 20% of incentives for executive and management are linked to the Company's ESG targets.

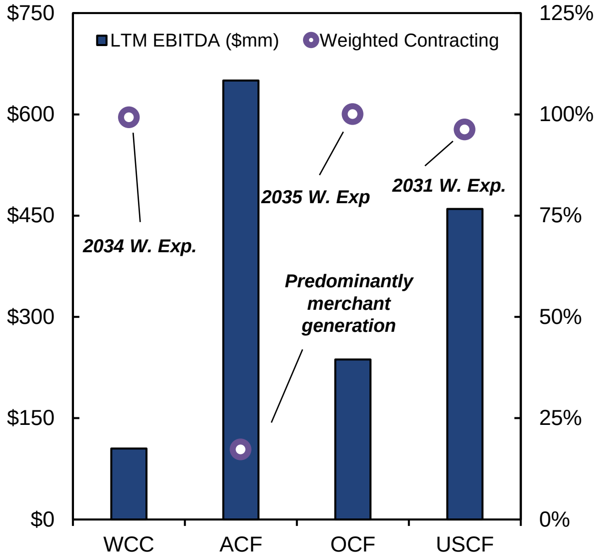
Competitive Advantage: CPX is one of the few predominantly pure-play natural gas IPPs in North America, with significant dispatchable capacity in key markets. The Company, as a significant owner of natural gas flexible generation capacity, is positioned to capitalize on these assets as the North American grid increasingly requires more stable power generation to supplement intermittent renewables. This increased need also raises the likelihood of favourable recontracting terms. CPX maintains operational excellence at its thermal generation plants, exemplified by its 91% plant availability in Q2 2024, a metric in which the Company outperforms its peer, TA. The Company's reliable, heavily contracted natural gas operations allow it to also be a significant renewable operator and developer, with an additional 3.4 GW of renewable solar and wind capacity under development. CPX has a history of accretive acquisitions for natural gas power generation infrastructure in key areas, which it further improves upon by integrating into the Company's network and streamlining plant operations. This was recently exemplified through CPX's acquisitions of the La Paloma and Harquahala plants as well as the Fredrickson plant, which transacted at 4.8x and 6.7x EV/EBITDA, respectively.

CPX acquires assets in electricity markets in which it foresees upcoming grid strain, dispatchable generation need, and growing grid load. The Company is positioned to capitalize on these factors, coupled with its operational expertise and the scarcity of flexible generation assets. As the North American power generation landscape shifts to favour generation with low carbon intensity, natural gas is predicted to be a key variable power source to supplement renewable base generation at times of peak electricity demand. CPX is well-positioned to continue expanding its fleet across North America, making a presence in key electricity markets in which dispatchable generation is a vital support to renewable baseload and critical to evolving electricity needs.

Strong Balance Sheet: CPX maintains a strong balance sheet and low leverage relative to peers, with a Net Debt/EBITDA ratio of 3.1x versus the peer average of 4.6x. The Company holds a BBB- credit rating from S&P, which it has consistently maintained since 2012. This stability is notable considering the significant price restructuring in the Alberta REM in 2021 and CPX's acquisitions and upgrades post-COVID, signaling the Company's financial resiliency.

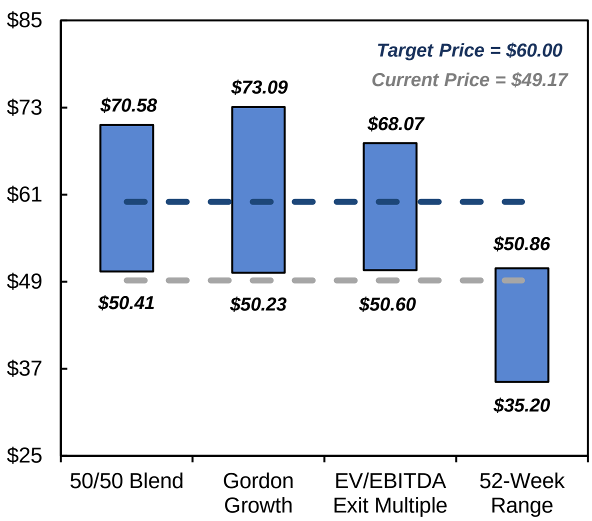
CPX has net debt of $4.8B, which has increased by $1.8B over the last two years on the back of acquisitions and plant upgrades. The Company's interest coverage ratio is 1.9x as of Q2 2024, which is significantly derisked due to the highly contracted nature of (cont.)

Figure 5: LTM EBITDA ($mm) & Contract Weighting[1]



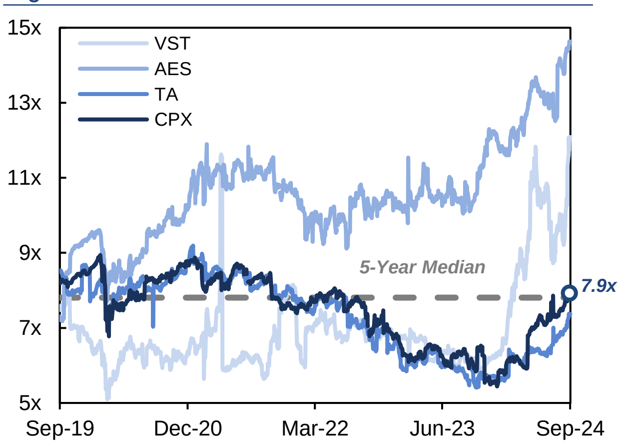
Source: Company Filings

Figure 6: Football Field Valuation



Source: CPMT Estimates

Figure 7: NTM EV/EBITDA vs Peers



Source: S&P Capital IQ

CPX's cash flows and the Company's hedges against natural gas price volatility. The Company has no significant maturity hurdles until 2026, which it has ample liquidity to redeem, with most of its obligations spread throughout the late 2020s and early 2030s.

Growing Free Cash Flow: CPX has shown strong financial performance through both inorganic and organic growth. EBITDA has grown to $,619mm from 2018 to 2023, representing a five-year CAGR of 21.2%. The Company's EBITDA margin for 2023 was 39.8%. Between 2018 and 2023, FCF saw a modest contraction from $90mm to $58mm, hampered by significant capital investment; FCF in 2022 was $232mm. CPX's cash flow profile is highly contracted with investment-grade counterparties. ~75% of EBITDA is secured through predictable take-or-pay agreements, providing a stable revenue foundation. CPX has close to 100% of its EBITDA contracted in all geographies, with the exception of its ACF segment, where it engages in merchant generation and intentionally avoids contracting. The Company is highly-hedged against its natural gas costs, further mitigating risks associated with its cash flows from commodity exposure. CPX reduces exposure to natural gas prices through hedging and power purchase agreements, allowing it to take advantage of the natural gas-electricity differential. The Company has grown its dividend at a five-year CAGR of 6% and expects to continue growing its dividend per share by 6% through 2026.

Risks

Regulatory Changes: Regulatory changes in electricity markets have the potential to reduce CPX's realized electricity price. Although this cannot be avoided, effects can be mitigated through geographic diversification between electricity markets. Changes in pricing regimes have the potential to harm revenues and profitability in the long-term given the sticky nature of power generation assets.

M&A: Although CPX has utilized M&A as a key driver of growth, poorly executed transactions, particularly overpaying for assets, can erode value by eroding returns and contributing to underperformance. Additionally, integration challenges may arise post-acquisition, including recontracting issues, operational inefficiencies, and portfolio misalignments. Although the Company's acquisitions have proven to be key drivers for its expansion and profitability, assets must be continually evaluated for suitability.

Investment Thesis and Valuation

CPX was valued at $60 using a five-year DCF with a WACC of 5.7%. The terminal value was derived from a 50/50 blend of (1) the Gordon Growth method, using a 2.0% terminal growth rate, and (2) an EV/EBITDA exit multiple of 9.0x. The Company currently trades at 7.9x EV/EBITDA, compared to a peer average of 11.0x EV/EBITDA. The CPMT believes that the Company should trade at a premium multiple to its current valuation due to positive tailwinds for CPX's dispatchable generation assets as well as its operational excellence. The Fund believes that the Company will become increasingly attractive as it expands its presence in key markets and its acquisitions and capital investments drive returns.

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

(1) Callouts signify weighted average PPA expiry in years

Carrier Global

Industrials
NYSE: CARR
Market Perform | No Action

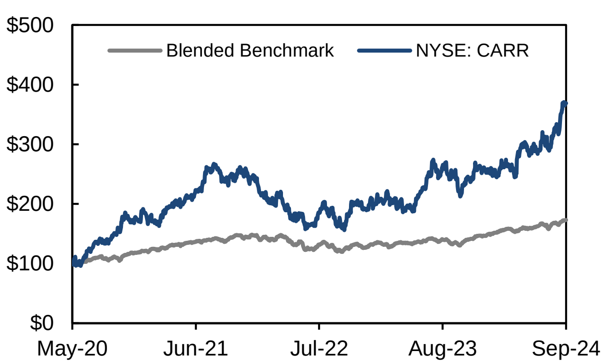
September 30, 2024
Lukas Fairley, Portfolio Manager
Sarah Adamjee, Portfolio Manager
Joshua Olson, Investment Analyst

Return on Investment	
Current Share Price	$80.48
Target Price	$82.00
Dividend Yield	1.10%
Implied Return	3%
Conviction Rating	0

Market Profile	
52-Week Range	$34.06 - $80.88
Market Capitalization (US$mm)	$72,657
Net Debt (US$mm)	$3,216
Minority Interest (US$mm)	$328
Enterprise Value (US$mm)	$76,201
Beta (5-Year Monthly)	1.19

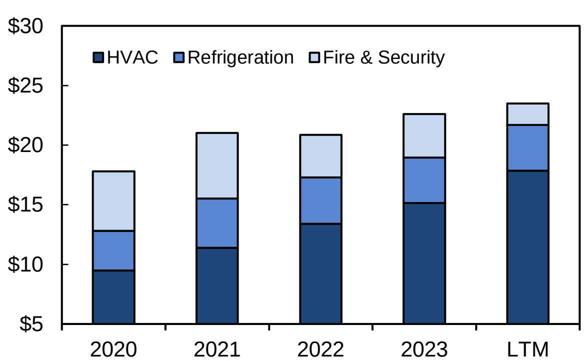
Metrics	2023A	2024E	2025E
Revenue (US$mm)	$22,098	$23,543	$25,087
EBITDA (US$mm)	$4,480	$5,100	$5,377
EPS	$1.61	$3.96	$4.39
EV/EBITDA	17.0x	14.9x	14.2x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: Revenue Segmentation (US$B)



Source: S&P Capital IQ

Business Description

Carrier Global (NYSE: CARR) is a leading Heating, Ventilation, and Air Conditioning (HVAC) company which designs, manufactures, sells, and installs HVAC equipment for both residential and commercial applications. The Company previously operated in the Commercial Refrigeration equipment and solutions, and Fire & Security (F&S) segments, however, due to the business transformation in 2023, CARR has now restructured into a pure-play HVAC company. In addition to new equipment, the Company has an extensive aftermarket service department which performs maintenance, repair, and replacement services for its products. CARR serves customers in the commercial, residential, and property sectors around the world, selling directly to the end customer and through sales representatives and distributors. Founded in 1908 by Willis Carrier, the inventor of modern air conditioning, the Carrier brand began as a subsidiary of the Buffalo Forge Company and has since expanded globally.

Business Transformation

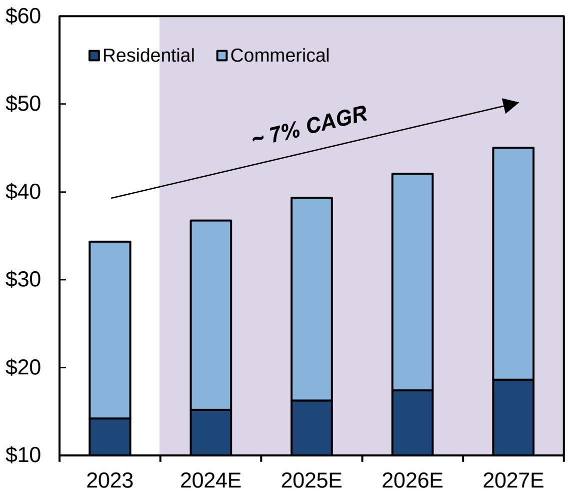
In April 2023, CARR announced a significant business transformation aimed at enhancing its operational efficiency and re-focusing the Company as a pure-play HVAC player. This process involved several components centered around portfolio optimization and strategic realignment, with its transformation completed in Q3 2024. The transformation included the acquisition of Viessman Climate Solutions (VCS) for €12B. VCS offers premium-tier integrated home energy management systems, with operations focused across Europe. The acquisition supports CARR's transformation as a global climate and energy solutions provider, allowing the ability to capitalize on the European heat pump segment and other energy solutions. VCS uniquely positions CARR to take advantage of integrated management systems, providing a competitive edge against low-cost players in Europe while diversifying product offerings through bundled packaging.

An additional aspect of its portfolio optimization included the divestures of CARR's residential and commercial F&S business, as well as its commercial refrigeration business. On December 8, 2023, CARR announced it had entered into a definitive agreement to sell its Global Access Solutions (GAS) business segment to Honeywell (NASDAQ: HON). GAS was global leader in advanced access, security, and e-locking systems. The Company received US$5.0B and was sold at a 17.0x EV/EBITDA multiple.

Industry Overview

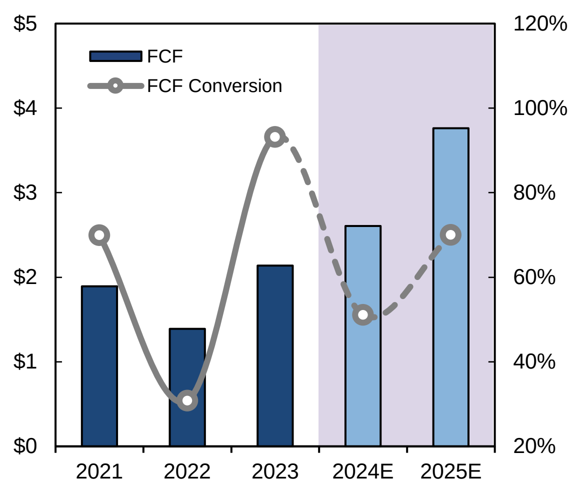
The HVAC industry is characterized by two main segments, encompassing both residential and commercial product offerings. Residential HVAC includes heating and air conditioning, as well as water heating. Commercial HVAC involves large-scale heating and ventilation units for warehouses, factories, skyscrapers, and other large buildings. Commercial HVAC usually requires custom-built units and consultation with the client. Firms in the industry consist of a few large, established competitors that have histories of consolidating amongst smaller players, in addition to many smaller mom-and-pop HVAC shops. Besides CARR, large, international players consist of Johnson Control (NYSE: JCI), (cont.)

Figure 2: HVAC Market Size (US$B)



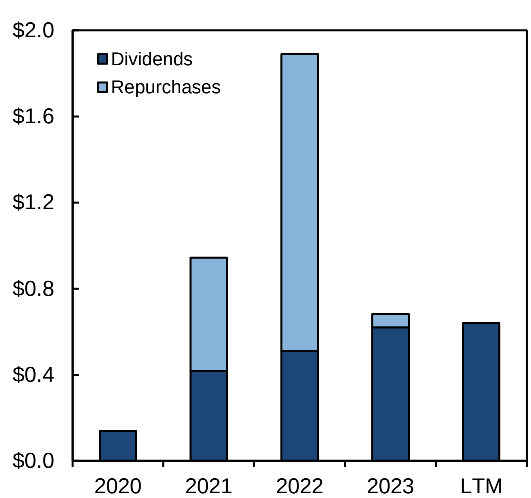
Source: IBIS World, Street Research

Figure 3: LHS FCF (US$B) vs RHS FCF Conversion



Sources: CPMT Estimates, S&P Capital IQ

Figure 4: Shareholder Returns (US$B)



Source: S&P Capital IQ

Lennox International (NYSE: LII), and Trane Technologies (NYSE: TT). This continued trend of consolidation is primarily driven by (1) an industry knowledge barrier and (2) broadening product offerings. Firms are differentiated by their patents and industry knowledge, and usually operate within specific regional climates serving either residential or commercial clients. Product offerings are limited by region, with many being segmented by jurisdiction due to local weather, environment, or regulatory codes. Technology improvements are also a main differentiator, especially on the industrial level where many clients seek energy efficiency and long-term cost savings when making purchasing decisions. Many HVAC solutions are highly specialized and patented, requiring a consolidation of knowledge to continuously improve technology and products. Additionally, this has the result of impacting demand, particularly in the residential space where climate results in different product demand. In the U.S., the Inflation Reduction Act (IRA) funding approvals have acted as a catalyst for the industry, with 24 states having joined the program, and another three pending approval for over US$4.4B in committed capital. For personal residences, the High-Efficiency Electric Home Rebate Act has provided additional rebates at the point of sale for energy-efficient HVAC units, up to US$14,000 per household.

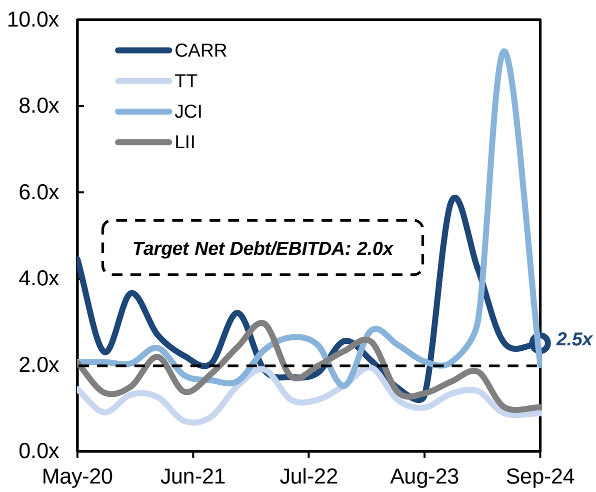
Mandate Fit

Quality Management: David Gitlin became the Chairman and CEO of the Company in 2021, after serving as President and CEO for two years. Prior to joining CARR, Gitlin served as the President & COO of Collins Aerospace (now RTX corp. (NYSE: RTX)), where he led the successful acquisition of Goodrich Corp. During Gitlin's tenure, the Company's EPS has grown by a five-year CAGR of 10%. Executive compensation is tied to specific operational and financial targets including operating profit, FCF, and total shareholder returns, with at-risk pay representing 91% and 80% for the CEO and NEOs, respectively. Management currently prioritizes share repurchases and dividend per share growth within its existing return of capital framework, further demonstrated by a five-year dividend per share CAGR of ~22%.

Competitive Advantage: CARR's competitive advantage stems from its digitization, patent portfolio, and service offerings. Since 2020, the Company has offered paid subscriptions to Lynx and Abound, which provides customers with real-time data analytics and metrics around sustainability, energy efficiency, and operational life. Lynx is a partnership with AWS, which provides advanced analytics and intelligence, tailored for refrigerated food transportation, while Abound is an app that provides mobile security credentials to a user's mobile wallet, facilitating secure entry into keycard protected buildings. These paid subscriptions generate recurring aftermarket revenue for CARR, offering a continuous revenue stream that peers do not receive with their integrated solutions. Additionally, the Company holds over 14,000 active patents involving process systems, digitization, and energy-efficient technology. Compared to its peers, CARR has the largest product portfolio spanning climate-specialized units, along with product solutions across its customers needs. In addition, the Company has secured the largest market share among its peers in Europe and the Americas, with a strong presence in Europe, the Middle East, and Asia across both residential and commercial HVAC sales. Globally, CARR holds a 24.5% market share, with LII second with a market share of 17.3%.

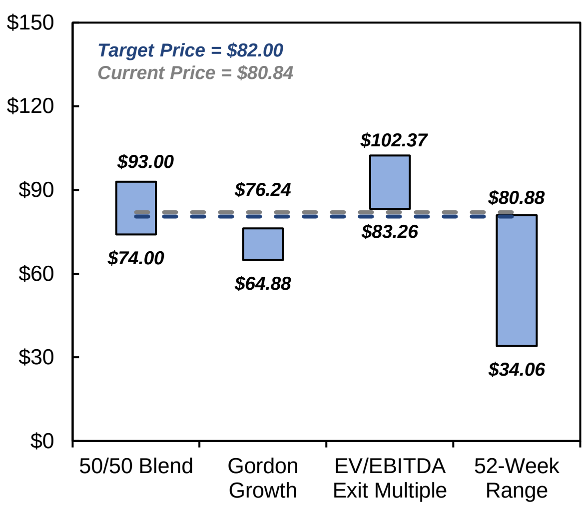
Strong Balance Sheet: CARR's Net Debt/EBITDA sits at 2.6x, above the peer average of 1.3x. However, management has stated an intention to deleverage through its divestures, (cont.)

Figure 5: Net Debt/EBITDA vs Peers



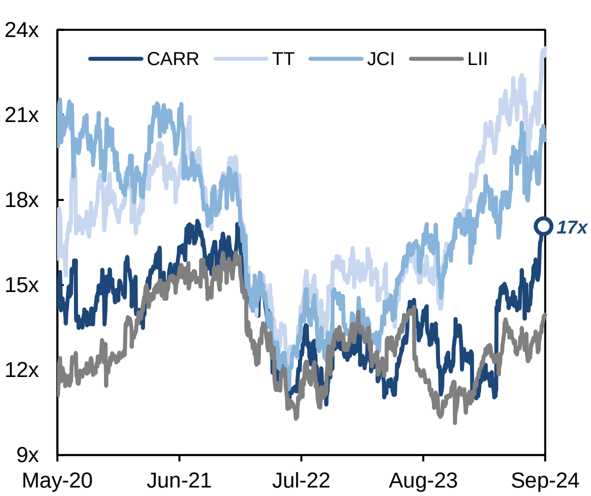
Source: Company Filings

Figure 6: Valuation Football Field (US$)



Sources: CPMT Estimates

Figure 7: NTM EV/EBITDA vs Peers



Source: S&P Capital IQ

anticipating a ~US$5.0B debt reduction in Q2 2024, with the remaining ~US$1.0B proceeds set to be allocated towards share repurchases once Net Debt/EBITDA returns to 2.0x. Proceeds from CARR's recent GAS business exit are anticipated to be ~US$4.0B, with the majority being allocated towards debt repayment. CARR demonstrates a strong ability to meet debt obligations with credit ratings of BBB and Baa2 from S&P and Moody's, respectively. The Company supports a strong liquidity profile, with a cash balance currently sitting at ~US$3.0B and ~64% of debt obligations maturing after 2028.

Growing Free Cash Flow: CARR continues to demonstrate a superior FCF generation ability relative to peers, as exemplified by a FCF conversion ratio of 93%, above the peer average of 33%. The Company's ability to grow and sustain FCF is demonstrated by a five-year FCF CAGR of ~11%. CARR's capital allocation strategy, derived from its strong CFO generation and expected US$10B gross proceeds from the business transformation divestitures, will be allocated towards debt reduction and share buybacks. CARR anticipates to repurchase 58mm shares equivalent to ~6.5% of shares outstanding by the end of 2025.

Risks

R&D: CARR's business relies on R&D and new technologies to remain competitive. The Company holds several patents related to its state-of-the-art technology and process systems. Should CARR systems become obsolete and the Company is unable to supplement its technology through additional R&D spending, CARR's competitive advantage may erode against its peers and will lag behind competitors.

Regulatory: Much of CARR's recent revenue growth stems from government grants to consumers for the purchase and installation of energy-efficient technology. The Company's recent R&D has been geared towards this technology and developing other green and energy-efficient HVAC systems. In the event the U.S. government ceases consumer-level energy efficiency grants, consumer demand for CARR's commercial and residential products may fall.

Integration: CARR's VCS acquisition supports a long growth runway for future European expansion, particularly because of the rapid growth in Europe's energy transition space. Although VCS previously had a strong brand and customer base in Europe, CARR's takeover of VCS could result in consumer sentiment shifting from VCS to favor locally-owned, European-based HVAC providers.

Investment Thesis and Valuation

CARR was valued at US$82 using a five-year DCF, with a WACC of 8.0%. The target price was derived using a 50/50 blend of (1) the Gordon Growth Method, assuming a terminal growth rate of 2.5% and (2) an EV/EBITDA exit multiple of 17.0x.

The CPMT believes CARR's existing high-margin business, coupled with growth prospects in European markets, position the Company to outperform its peers through the long term. CARR holds a significant international market share and has been able to out-compete its competitors through additional service offerings across its customer base, patented energy-efficient technology, and superior customer relationships. CARR's recent business transformation synergizes its revenue and cost structures. The VCS acquisition adds new direct-to-installer relationships and a long-term growth strategy supported by global electrification and energy efficiency regulations. CARR's current valuation has proved in-line with estimates and will be closely monitored for a potential entry should its growth prospect increase.

CRH

Materials
NYSE: CRH
Market Outperform | Buy

September 30, 2024

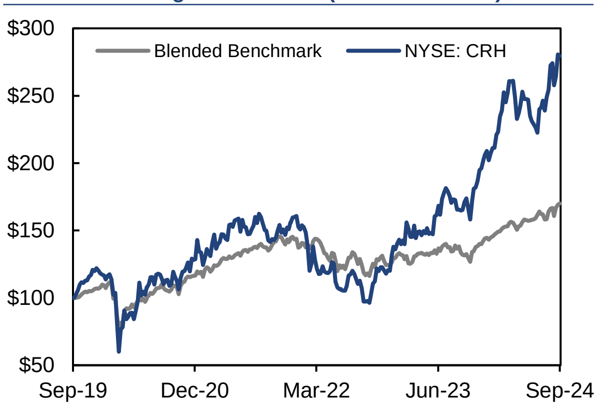
Max Konwitschny, Portfolio Manager
Tara Jindal, Portfolio Manager
Taro Lakra, Investment Analyst

Return on Investment	
Current Share Price	$92.74
Target Price	$101.00
Dividend Yield	1.50%
Implied Return	10%
Conviction Rating	1

Market Profile	
52-Week Range	$51.59-$94.14
Market Capitalization (US$mm)	$63,535
Net Debt (US$mm)	$11,572
Enterprise Value (US$mm)	$75,833
Beta (5-Year Monthly)	1.38

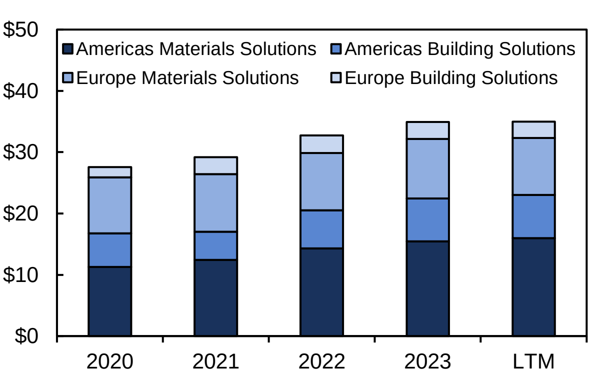
Metrics	2023A	2024E	2025E
Revenue (US$mm)	$34,949	$38,115	$41,622
EBITDA (US$mm)	$6,123	$6,485	$7,009
EPS	$4.33	$5.05	$5.51
EV/EBITDA	12.4x	11.7x	10.8x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: Revenue Segmentation (US$B)



Source: Company Filings

Business Description

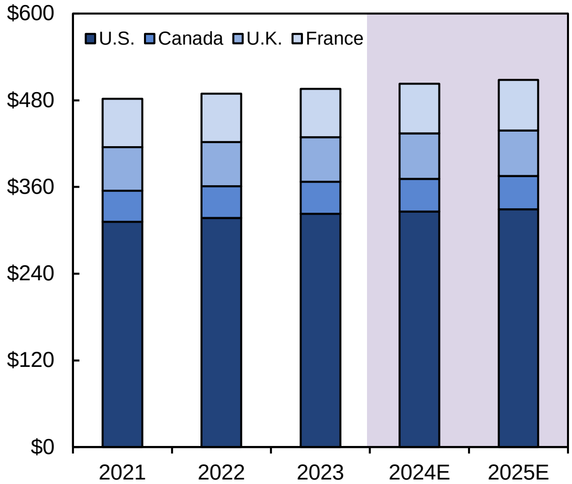
CRH plc (NYSE: CRH) is a leading global provider of building materials solutions, with operations in 28 countries across four continents, headquartered in Dublin, Ireland. The Company is one of the largest manufacturers and distributors of aggregates, cement, concrete, asphalt, and other heavy building materials, as well as a major contractor of public infrastructure projects. CRH operates through four segments: (1) Americas Materials Solutions, (2) Americas Building Solutions, (3) Europe Materials Solutions, and (4) Europe Building Solutions. The Materials Solutions segment provides solutions for the construction and maintenance of public infrastructure and commercial and residential buildings. The Building Solutions segment combines materials, products, and services for use in the building and renovation of utility infrastructure, commercial and residential buildings, and outdoor living spaces. These two functional methods of operation are further subdivided by geography.

Industry Overview

CRH's core business is in the manufacturing and distribution of heavy construction materials, competing primarily with North American aggregate and concrete producers. Major operators in North America, including Eagle Materials (NYSE: EXP), Martin Marietta (NYSE: MLM), Summit Materials (NYSE: SUM), and Vulcan Materials (NYSE: VMC), produce cement aggregate by quarrying sand, gravel, and crushed limestone and granite.

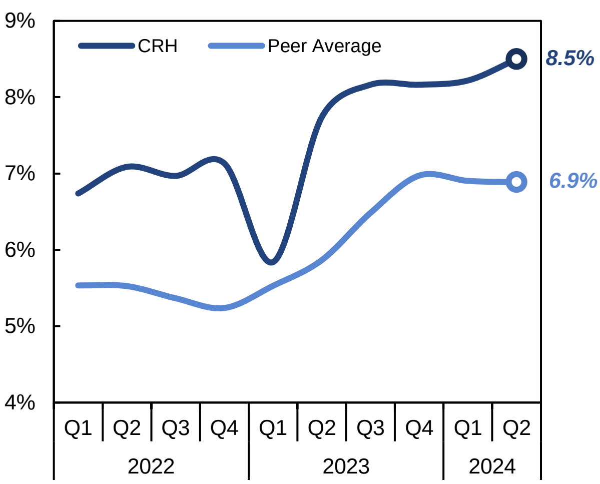
Aggregate pricing is sensitive to public and private infrastructure spending, as well as commercial and residential construction rates. Consequently, pricing fluctuates by region, creating heavy incentives to diversify operations and buy into competitive construction markets. Since aggregate producers are price takers, major operators must compete on a pricing basis to remain regionally competitive and frequently engage in M&A to achieve economies of scale and access strategic distribution locations. Acquisition activity has reached peak levels in 2024, as major operators have increasingly focused on bolstering existing infrastructure with both geographically diverse and synergistic assets. Aggregates are combined with cement and water to produce concrete, with ready-mix concrete being the most commonly used type in construction. CRH, CEMEX (NYSE: CX), Holcim Group (SWX: HOLN), and Heidelberg Materials (ETR: HEI), are some the largest producers of concrete in North America and Europe, and vertically integrate all levels of the value chain to maintain pricing power and market share. CRH is one of the only vertically-integrated majors to also provide infrastructure building solutions to end markets, competing with operators such as Aecom (NYSE: ACM) and Sterling Infrastructure (NASDAQ: STRL) over contracted infrastructure developments, such as critical utilities (water, energy, and telecommunications), road infrastructure, and maintenance solutions. Vertical integration in this sector remains highly competitive, as cyclical exposure in end markets such as residential and commercial construction have placed high pressure on smaller operators to streamline business lines. This has allowed major operators to acquire assets at accretive valuations and realize benefits from country-wide high aggregates and concrete pricing.

Figure 2: U.S. & Europe Infrastructure Spend (US$B)



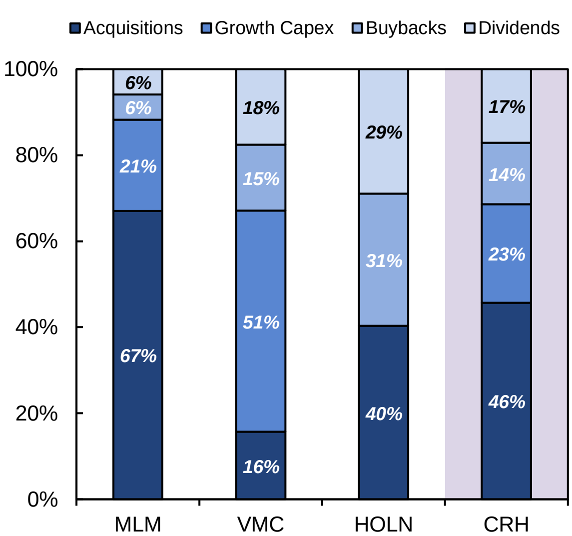
Source: G20 Global Infrastructure Outlook

Figure 3: ROIC vs Peers



Source: S&P Capital IQ

Figure 4: Capital Allocation Outlook vs Peers



Source: Company Filings

Major infrastructure investment programs in the U.S. and Europe, such as the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), and the European Green Deal, have contributed to significant increases in construction and maintenance backlogs for major international operators. In the U.S., the IIJA and IRA represent over US$800B in new-build funding and over US$600 in planned funding for critical infrastructure and energy transition initiatives. The vast majority of funding allocated to Department of Transportation projects in states with increasingly high infrastructure loads, due to EV's and population growth, has sparked a "golden age" for U.S. heavy materials contractors. This has fueled intense commercial competition among operators for the capital, with major operators with proven track-records poised to benefit the most.

Acquisition Strategy

In July 2024, CRH completed the acquisition of a majority stake in Adbri, a leading building materials business previously listed on the Australian Securities Exchange. The Company acquired 57% of Adbri at a 9.0x EV/EBITDA multiple, with the remaining ownership retained by the private Barro Group company. This acquisition is expected to create additional avenues for growth and development in CRH's existing Australian business.

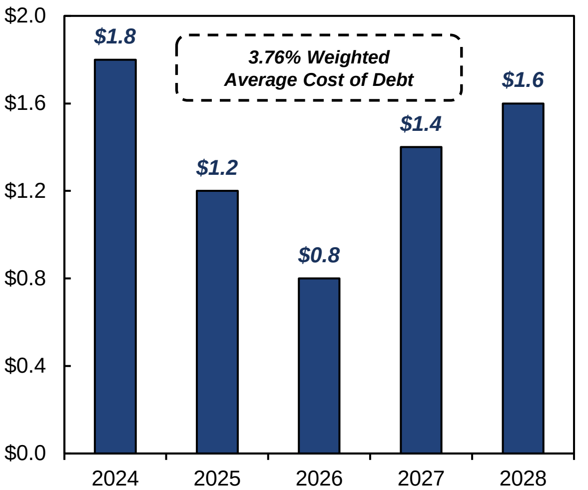
During Q1 2024, CRH acquired Hunter, a portfolio of cement and ready-mixed concrete assets and operations in Texas, for total consideration of ~US$2.2B. The Company also made seven smaller acquisitions to expand exposure toward developing its integrated solutions strategy in the areas of road infrastructure, critical utility infrastructure, and outdoor living.

Mandate Fit

Quality Management: Albert Manifold assumed the role of CEO in 2014 after 16 years with CRH, during which he held a variety of senior positions. Although Manifold is set to retire at the end of 2024, CRH has a strong succession plan in place, with current CFO Jim Mintern set to take the CEO role in 2025. Mintern has over 30 years of experience in the building materials industry and 22 years with CRH, during which he led the 2023 transition of the Company's primary listing to the NYSE. CRH intends to ease the transition by keeping Manifold on as a strategic advisor to the Company for one year after his departure. Manifold and Mintern's 2023 compensation were 85% and 83% at-risk, respectively.

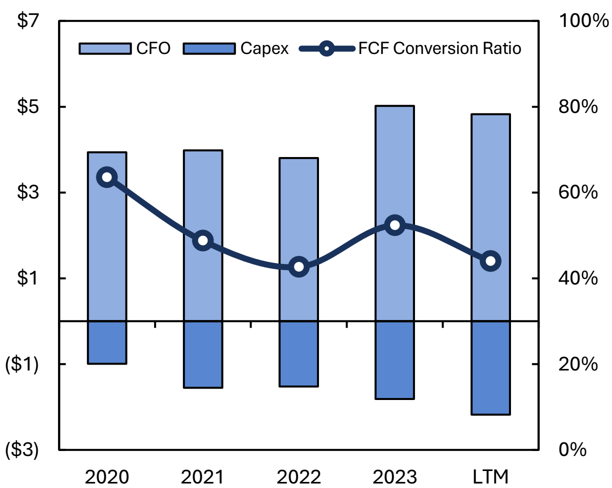
Competitive Advantage: CRH's competitive advantage is driven by its vertically integrated, end-to-end, solutions-based business model. In contrast to many heavy materials producers and infrastructure developers, who split the contracting process into materials, engineering, and construction, CRH is uses its scale as the largest aggregate producer, asphalt paver, and concrete producer in the U.S. to provide one-stop-shop solutions for state and federal transport and infrastructure projects. As such, the Company has achieved significant operational expertise in transportation contracting, and has built out a dominant position of assets in both the U.S. and Europe. This has rewarded CRH with a historically premium ROIC vs pure-play peers. CRH has also established leading positions in high-growth markets in the U.S., particularly Texas and Florida, which have experienced a major influx of interstate migration from high cost-of-living geographies. Among the Company's North American peers, CRH stands to benefit the most from both the necessary increase in public infrastructure spend and increase in residential construction in high-growth states. Additionally, aging transportation and utility infrastructure (cont'd)

Figure 5: Debt Maturity Schedule (US$B)



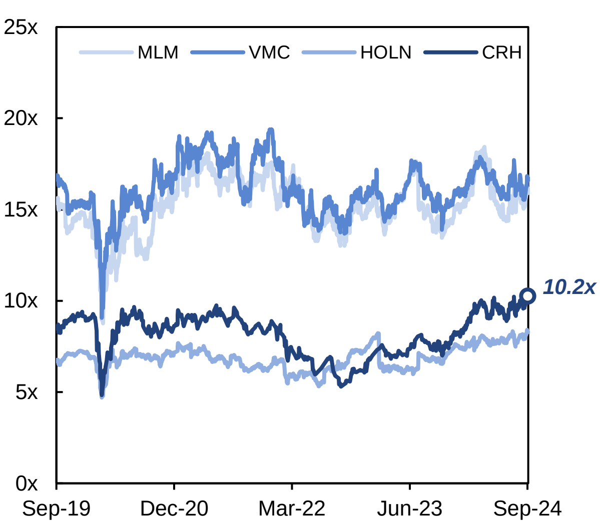
Source: Bloomberg, Company Filings

Figure 6: LHS CFO & Capex (US$B) vs RHS FCF Conversion



Source: S&P Capital IQ

Figure 7: NTM EV/EBITDA vs Peers



Source: S&P Capital IQ

across the U.S. are poised for replacement and heavy subsidization by the IRA and IIJA acts. By facilitating the raw materials and building materials production, logistics, design, and construction of infrastructure developments, CRH simplifies the public-private contracting process by being a one-stop-shop contractor.

Strong Balance Sheet: CRH possesses a Net Debt/EBITDA ratio of 1.6x and an interest coverage ratio of 13.7x, relative to peer averages of 2.1x and 12.3x, respectively. The Company ended Q2 2024 with ~$US3B in cash and equivalents, which is sufficient to meet all maturing debt obligations within the next year. CRH also has ~US$4B in undrawn credit facilities which are available through 2028. The Company possesses BBB+ stable and Baa stable credit ratings from S&P and Moody's, respectively.

Growing FCF: CRH has demonstrated a robust track record of financial discipline, with a FY2023 FCF conversion ratio of 53%. The Company's US$35B five-year capital allocation plan includes up to US$24B, or ~70%, allocated towards acquisitions and growth capex. The remaining 30%, or US$11B, is expected to be distributed to investors through dividends and share buybacks. In FY2023, CRH returned over US$3B to shareholders via buybacks and is on track to repurchase over US$1B in FY2024.

Risks

Regional Cyclicality: As infrastructure development is regionally and nationally cyclical, CRH's end-to-end development model is exposed to fluctuations in public infrastructure and private construction spending. Aggregates, cement, and concrete cannot be transported on a cost-effective basis over long distances, so contracted work is subject to regional economics. CRH mitigates this through high geographic diversification across North America and Europe, across a multitude of critical infrastructure end-markets.

Public Infrastructure Spending: Federal and State government spending on infrastructure projects is a key driver of CRH's financial performance. Political shifts causing reductions in critical infrastructure spending or delays in government-funded programs could lower demand for CRH's base materials and contracted services. Recent major allocations of government funding for public infrastructure programs includes the relevant elements of the IIJA, IRA, and CHIPS act in the U.S., as well as European initiatives.

Investment Thesis

CRH was valued at US$101 using a five-year DCF with a WACC of 8.5%. The terminal value was determined using a 50/50 blend of (1) the Gordon Growth method, using a terminal growth rate of 2.5%, and (2) an EV/EBITDA exit multiple of 12.0x.

The CPMT favours CRH's dominant position in the U.S. and Europe's heavy building materials and infrastructure development market. The Company's vertical integration and strategic assets in key growth regions in the U.S. stand to significantly outperform peers in the current public infrastructure investment environment. Structural population shifts into CRH-dominant markets, North American nearshoring trends, and increased state and federal funding for critical infrastructure serve as strong tailwinds for the Company. The Fund believes that CRH's building materials and infrastructure solutions are undervalued at the current NTM EV/EBITDA multiple of 10.2x relative to U.S. aggregate peers at 15x. As such, the CPMT believes CRH's strong capital allocation strategy, clean balance sheet, and dominant asset base will realize significant multiple expansion in the long-term.

Eaton

Industrials
NYSE: ETN
Market Outperform | Buy

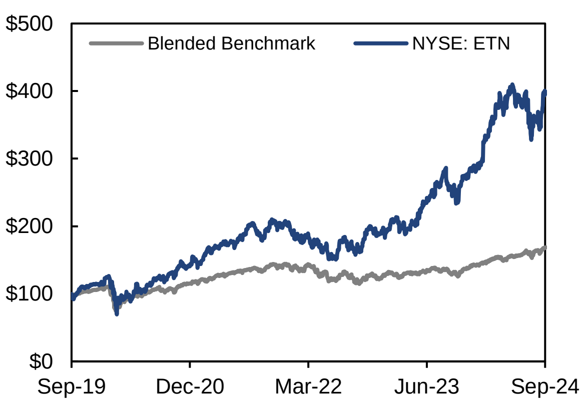
September 30, 2024
Dylan Westlake, Investment Analyst

Return on Investment	
Current Share Price	$331.44
Target Price	$369.00
Dividend Yield	1.08%
Implied Return	12%
Conviction Rating	1

Market Profile	
52-Week Range	$193.99 - $340.89
Market Capitalization (US$B)	$132
Net Debt (US$B)	$10
Enterprise Value (US$B)	$142
Beta (5-Year Monthly)	1.01

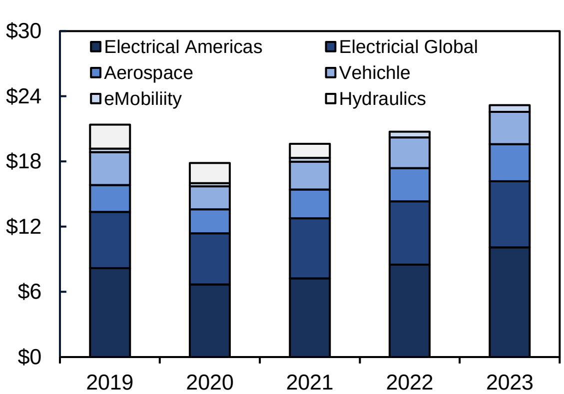
Metrics	2023A	2024E	2025E
Revenue (US$B)	$23	$26	$29
EBITDA (US$B)	$5	$6	$6
EPS	$8.08	$9.51	$10.60
EV/EBITDA	28.3x	25.2x	22.6x

Historical Trading Performance (Indexed to $100)



Source: Bloomberg

Figure 1: Revenue Segmentation (US$B)



Source: Company Filings

Business Description

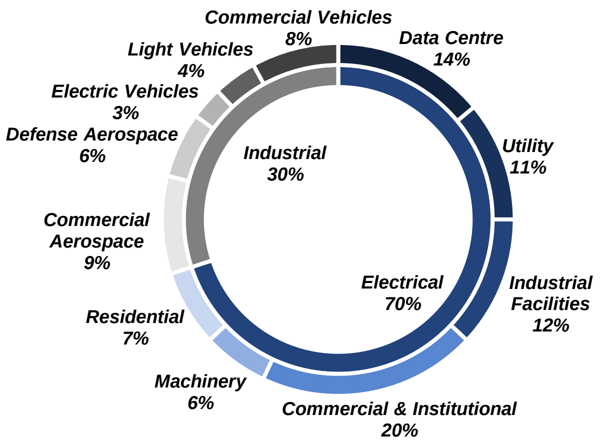
Eaton (NYSE: ETN) manufactures power management products and systems. The Company serves customers in over 160 countries through 206 manufacturing facilities worldwide. ETN's products are marketed by distributors and manufacturing representatives across various end markets, including aerospace, commercial buildings, data centres, industrials, machinery, residential buildings, utilities, and vehicles. In addition to its products, the Company offers project management, aftermarket services, preventative maintenance, and installation services. ETN's portfolio of solutions is divided into five segments: (1) Electrical Americas, (2) Electrical Global, (3) Aerospace, (4) Vehicles, and (5) eMobility.

Industry Overview

The electrical components industry is highly fragmented due to a wide array of specialized products for electrical distribution and control. Manufacturers typically specialize in one of three categories: (1) active components, (2) passive components, or (3) electro-mechanical components. Within product verticals, competition amongst players is primarily predicated on product quality, customer service, and pricing. Globally, ETN competes with other major multi-industry companies, including ABB (NYSE: ABBNY), Generac Holdings (NYSE: GNRC), Hubbell (NYSE: HUBB), Legrand (EPA: LR), nVent Electric (NYSE: NVT), Schneider Electric (EPA: SU), and Vertiv Holdings (NYSE: VRT). These larger firms solidify their market presence and achieve economies of scale through M&A, targeting smaller manufacturers that offer innovative products or access to niche markets. Beyond M&A, these firms benefit from strong brand recognition built over decades of operations, along with barriers to entry such as complex manufacturing processes and high initial capital requirements. Despite these advantages, large multi-industry players encounter fierce competition from numerous smaller companies that command a larger market share. These smaller component manufacturers benefit from deep specialization in niche product categories given their inability to cover a wider range of market verticals.

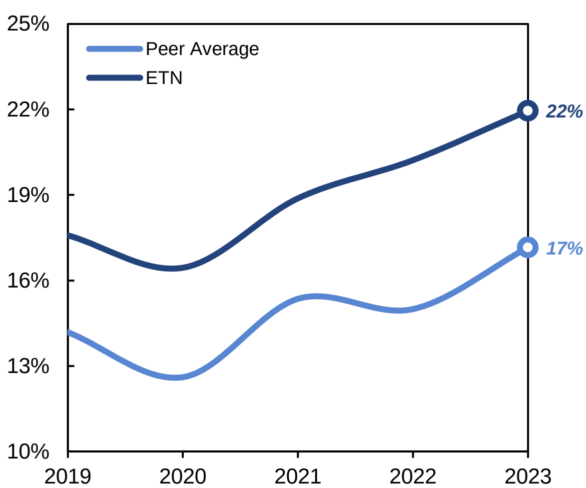
Over the past decade, U.S. power demand has remained largely stagnant, despite increases in population and economic activity, primarily due to improved efficiencies. However, this trend is projected to change, with power demand expected to grow at a 2.4% CAGR from 2022 to 2030. This anticipated growth is fueled by several secular trends, including electrification, digitalization, and the energy transition. Consequently, the electrical components industry is well-positioned to benefit from this, as demand for essential components needed to control, distribute, and manage the anticipated increase in power supply is expected to rise. Additionally, government initiatives, such as the IRA and the IIJA, along with the trend of onshoring, have triggered a significant increase in U.S. greenfield industrial megaprojects. The total addressable market for these projects is currently estimated at ~US$1.4T, with ~54% funded by government infrastructure spending and only ~18% currently under construction. As a result, these greenfield megaprojects present substantial near-term growth opportunities for electrical component manufacturers, as ~5% of the capex for these facilities is dedicated to electrical content.

Figure 2: ETN End Markets



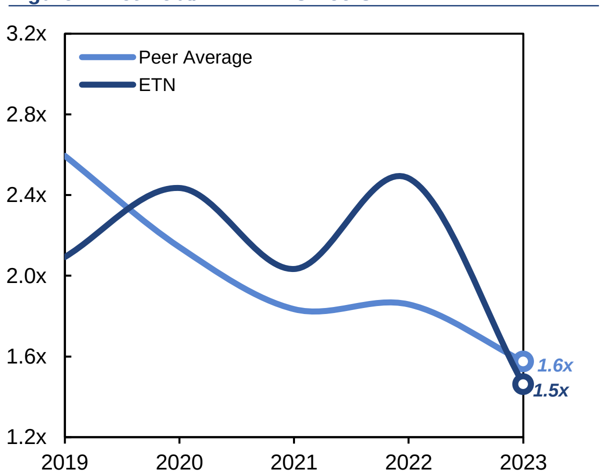
Source: Company Filings

Figure 3: Operating Margin vs Peers



Source: Bloomberg

Figure 4: Net Debt/EBITDA vs Peers



Source: Bloomberg

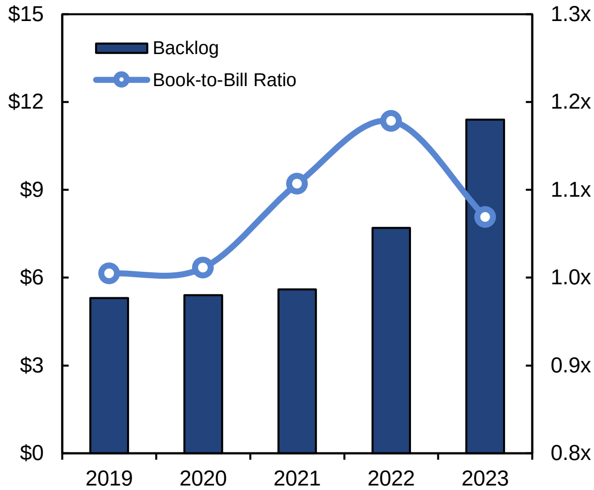
Mandate Fit

Quality Management: Craig Arnold has served as CEO and Chairman of ETN since 2016. Previously, Arnold served as the COO of the Company's Industrial Sector for six years and has been with ETN since 2000. Arnold has played a crucial role in directing key M&A activities that have de-risked the Company's portfolio and positioned ETN for significant organic growth and margin expansion. For instance, in 2020, ETN divested its Hydraulics business to Danfoss A/S for ~US$3.3B, reflecting a 13.2x EV/EBITDA multiple. This divestiture aimed to shift away from a more cyclical, lower-margin business. Since 2016, management has invested ~US$7B in acquisitions, with acquired businesses growing on average at a ~7% CAGR with ~27% operating margins. Meanwhile, divestitures have generated ~US$5B in proceeds from businesses growing on average at a ~2% CAGR with ~12% operating margins. Additionally, compensation for the CEO and NEOs consists of ~90% and ~77% at-risk pay, respectively.

Competitive Advantage: ETN's competitive advantage is derived from its diverse customer base, comprehensive product portfolio, and vast operational scale, granting the Company a leading market share in the U.S. electrical components industry. ETN's broad diversification enables the Company to capitalize on opportunities across multiple sectors, strengthening its resilience and positioning ETN for sustained growth. No single customer or end market contributes more than ~10% and ~20% of revenue, respectively, which helps reduce the effects of customer churn and individual end market downturns. The Company's comprehensive product portfolio serves as a one-stop-shop for electrical component solutions, contributing to significant organic growth, with ETN realizing a trailing three-year organic growth CAGR of ~12%. Through M&A, the Company has effectively consolidated the markets in which it competes, enabling ETN to offer integrated solutions that leverage its legacy products. As a result, the Company has been able to continuously improve pricing power and profitability. ETN's offerings span nearly all electrical verticals, positioning the Company as one of the most scaled players in the industry. Unlike large-ticket items that lack differentiation and are typically sold through highly competitive project bids, ETN prioritizes smaller-ticket products sold through distribution channels. This business model, along with significant revenue from ETN's wide array of services, reduces reliance on price competition, allowing for more consistent revenue generation. Additionally, the Company's extensive product portfolio allows it to bundle products and develop modularized solutions to better target specific end markets. For instance, ETN has made a strategic investment in NordicEPOD AS, enhancing its presence in the European data centre market. By co-investing with CTS Nordics, the Company aims to streamline the design and assembly of standardized power modules, which customers increasingly favour for their ability to reduce complexity, costs, and lead times. ETN's competitive advantage is reinforced by its scale, helping the Company expand its operating margin by ~400bps over the last five years to ~22%, above the peer average of ~17%. As a result of its operational size and scale, ETN can procure raw materials at a lower cost and reduce supply chain inefficiencies.

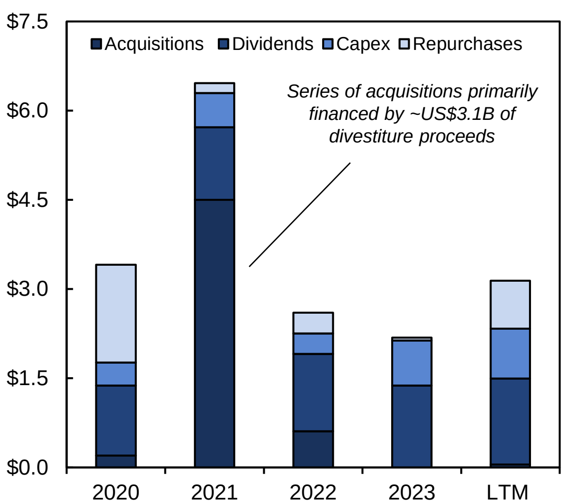
Strong Balance Sheet: ETN maintains a strong balance sheet with a Net Debt/EBITDA of 1.5x, slightly under the peer average of 1.6x. The Company has ample liquidity, demonstrated by its current ratio of 1.5x, and is supported by ~US$2B in cash on hand and ~US$3B available in undrawn credit facilities. ETN has credit ratings of A- and A3 from S&P and Moody's, respectively.

Figure 5: LHS Backlog (US$B) vs RHS Book-to-Bill Ratio



Source: Company Filings

Figure 6: Capital Allocation (US$B)



Source: Company Filings

Growing Free Cash Flow: ETN has grown FCF at a ~22% CAGR over the last three years. The Company's balanced mix of long, mid and short-cycle projects provides ETN with highly visible, recurring, and consistent FCF. Historically, the Company allocated a significant portion of its FCF to M&A, reducing leverage, conducting share repurchases, and issuing dividends. Moving forward, ETN aims to prioritize organic growth by investing in manufacturing capacity expansions to meet rising demand. The Company plans to increase capacity by ~40% for transformers and voltage regulators, targeting an operational utilization rate of ~85%, with the flexibility to ramp up to ~100% through overtime. This strategic expansion is crucial in a market facing supply shortages, as indicated by long lead times and rapidly growing backlogs. Additionally, any excess FCF will be allocated toward either bolt-on acquisitions or share repurchases.

Risks

Rising Input Prices: Copper, iron, nickel, and aluminum are key inputs for ETN's products, leaving its margins sensitive to price fluctuations influenced by global demand and mining production.

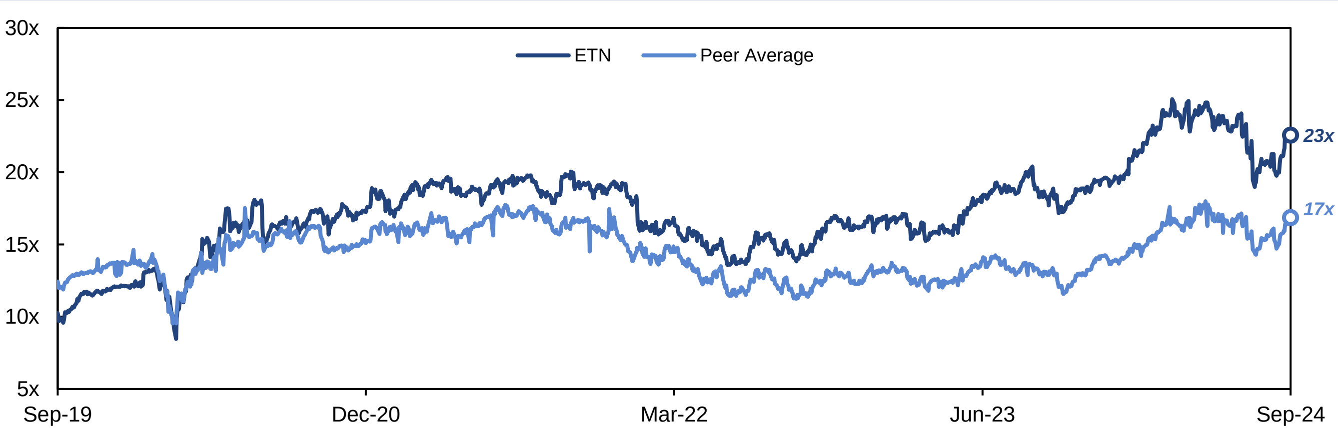
CEO Transition: ETN's upcoming CEO transition from Craig Arnold to current COO Paulo Ruiz in 2025 may alter the Company's strategic direction and operational management. This shift carries risks, including potential disruptions to expansion initiatives and impacts on investor confidence, which could affect performance.

Currency Exposure: ETN derives ~50% of its revenues from international markets, which exposes the company to significant foreign currency fluctuation risk.

Investment Thesis and Valuation

ETN was valued at US$369 using a five-year DCF with a WACC of 7.5%. The target price was derived using a 50/50 blend of (1) the Gordon Growth method, using a 3.0% terminal growth rate, and (2) an EV/EBITDA exit multiple of 22.0x. The CPMT favours ETN's dominant market position within the U.S. electrical components industry and extensive product portfolio, which have enabled the Company to achieve strong FCF growth and pricing power compared to peers. ETN's significant scale, combined with its diverse customer base, allows it to capitalize on secular trends such as electrification, digitalization, the energy transition, and reindustrialization. However, the CPMT believes that the market recognizes ETN's strengths, which is reflected in its premium multiple. Despite this, the Fund is confident in ETN's ability to drive consistent FCF growth over time given its strong competitive advantage and alignment with secular tailwinds.

Figure 7: NTM EV/EBITDA vs Peers



Source: Bloomberg

Lowe's Companies

Consumer Discretionary
NYSE: LOW
Market Outperform | Buy

September 30, 2024

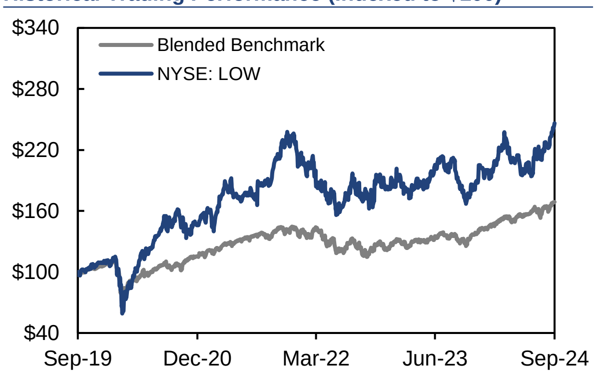
Jack Demo, Portfolio Manager
Sohil Agrawal, Portfolio Manager
Caitlin Heggerud, Investment Analyst

Return on Investment	
Current Share Price	$270.85
Target Price	$293.00
Dividend Yield	1.46%
Implied Return	10%
Conviction Rating	1

Market Profile	
52-Week Range	$181.85 - $270.85
Market Capitalization (US$B)	$152
Net Debt (US$B)	$36
Enterprise Value (US$B)	$188
Beta (5-Year Monthly)	1.06

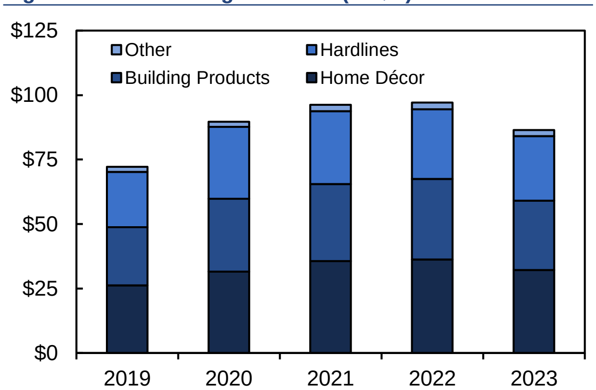
Metrics	2023A	2024E	2025E
Revenue (US$B)	$86.37	$91.23	$96.10
EBITDA (US$B)	$12.40	$13.27	$13.99
EPS (US$)	$13.20	$14.22	$15.66
EV/EBITDA	15.2x	14.2x	13.5x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: Revenue Segmentation (US$B)



Source: Company Filings

Business Description

Lowe's Companies (NYSE: LOW) is the second largest home improvement retailer globally, operating 1,746 stores and outlets in the U.S. The Company offers a wide range of products for repair, remodel, home décor, and property maintenance. LOW operates through three main segments: (1) Home Décor, (2) Building Products, and (3) Hardlines. The Home Décor segment accounts for 37% of revenues and features a variety of products, including appliances, décor items, flooring, kitchen and bath essentials, and paint. The Building Products segment makes up 31% of revenues and encompasses a wide selection of materials, including building supplies, electrical components, lumber, millwork, and rough plumbing. The Hardlines segment represents 29% of revenues and includes hardware, lawn and garden products, seasonal and outdoor living items, and tools. LOW also provides installation services through independent contractors, as well as extended protection plans and repair services.

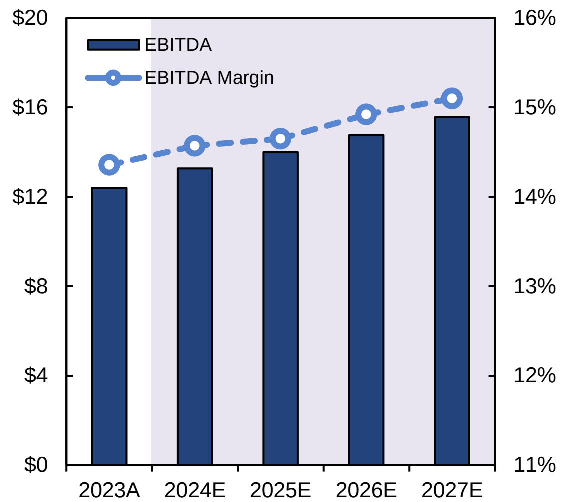
LOW sells its home improvement products through three channels: (1) In-Store, (2) Online, and (3) On-Site. The In-Store channel represents ~195mm square feet of retail space, with each location offering similar products and services. The Online channel offers buying guides and how-to videos designed to empower customers to undertake home improvement projects. Lastly, the On-Site channel features specialists available for retail and professional customers (Pro customers) in selecting the right products and services for their projects. LOW's Pro sales managers meet with Pro customers at their place of business or on their job sites to ensure the highest quality of service.

Industry Overview

The U.S. home improvement industry is highly fragmented. LOW holds the second largest market share at 12%, behind The Home Depot (NYSE: HD), which leads at 17%. These companies compete on product offerings, market focus, pricing strategies, and store locations. The home improvement industry serves a diverse range of customers, including Pro customers, individual homeowners, and renters. Pro customers encompass three primary categories: (1) tradespeople, (2) repaid and remodelers, and (3) property managers. These customers complete a variety of projects, including do-it-yourself (DIY) and do-it-for-me (DIFM). DIY projects require staff who can provide advice on minor project execution details, whereas DIFM projects prioritize personalized services and expert specialist assistance. DIY projects are more price sensitive, while DIFM projects demand professional quality. LOW's focus is on DIY customers, and accounts for ~75% of the Company's revenue. Additionally, LOW faces competition from online retailers such as AMZN, where pricing strategies are more competitive because of the convenience of direct price comparisons.

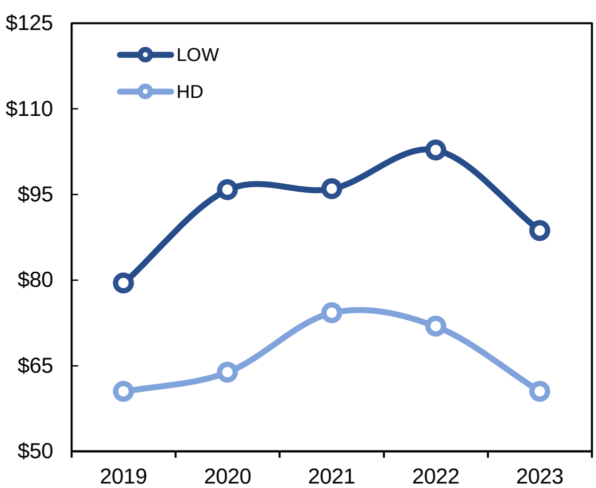
The home improvement industry is strategically positioned to capitalize on a surge in consumer spending on maintenance and remodeling, driven by the aging housing stock. Currently, U.S. housing stock has a median age of 42 years, with 13% of remodeling spending for homes aged between 35 and 44. Additionally, home-improvement retailers are positioned to benefit from a 5% (cont.)

Figure 2: LHS EBITDA (US$B) vs RHS EBITDA Margin



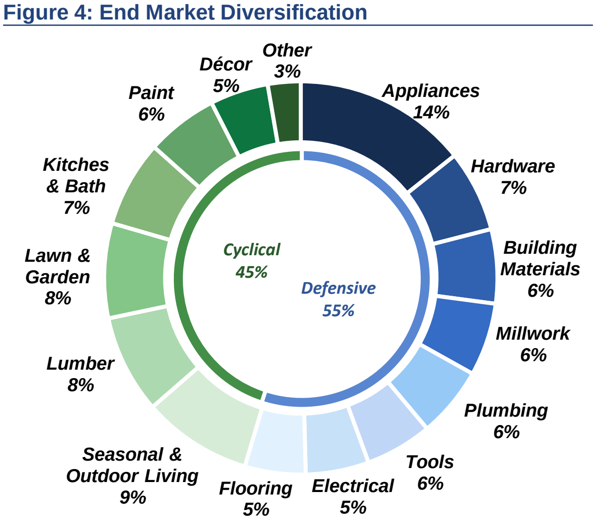
Source: Company Filings

Figure 3: NOI per Retail Square Foot vs HD (US$)



Source: S&P Capital IQ

Figure 4: End Market Diversification



Source: Company Filings

YoY increase in real disposable income. With Fed rate cuts underway, home-related names should soon see a fundamental recovery with 30-year fixed mortgage rates approaching the 6% threshold for the first time in 30 months. The industry is expected to benefit from a record of US$32.5T home equity, which may support a recovery in big-ticket remodeling early into 2025.

Mandate Fit

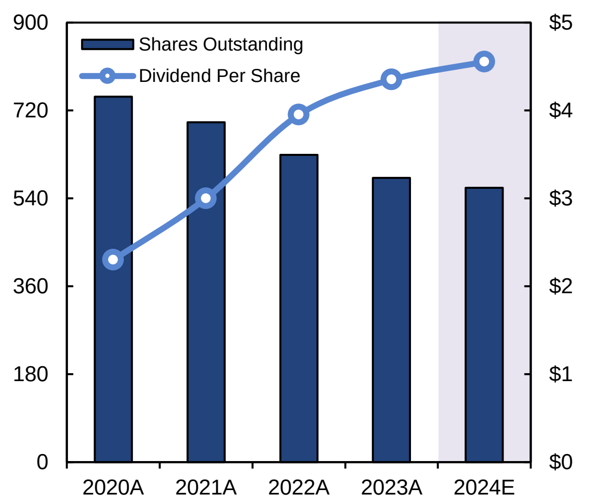
Quality Management: LOW is led by its Chairman and CEO, Marvin Ellison. Ellison has more than 35 years of retail leadership and operational experience, most recently serving as CEO of J.C. Penny Co. Since joining the Company in 2018, Ellison increased LOW's ROIC from 19% to 30%, and its operating margin from 9% to 13%. This improvement has been driven by Ellison's divestment from Canada and Mexico, increasing focus on the U.S. business. He also emphasized improving customer service through Pro sales managers, installed services, and introduction of omnichannel retailing. The Company's CEO compensation consists of 77% long-term incentives, 8% base salary, and a 15% annual target incentive. NEO compensation consists of, 68% long-term, 16% base salary, and a 16% annual target incentive.

Competitive Advantage: LOW's competitive advantage stems from its strong DIY and DIFM market positioning, operational strategies, and customer-focused initiatives. The Company benefits from its economies of scale, which provides significant pricing power for bulk material purchases and streamlined supply chain operations across the U.S. LOW serves as a one-stop-shop for DIY homeowners and professional contractors, which allows for cross-selling opportunities with its diverse assortment of products. The Company has also invested in enhancing customer experience, providing omnichannel capabilities such as same-day delivery partnerships. LOW's higher mix of DIY customers in comparison to HD makes the Company more responsive to housing turnover improvements and early-stage recovery for home projects. LOW's strategic focus on its Pro customer base has driven substantial growth, with the segment now accounting for ~25% of sales. Customers with ongoing business activities who rely on the Company's products benefit from competitive bulk pricing and improved job-site delivery, which helps establish strong brand loyalty. These factors enable LOW to maintain a competitive edge in the home improvement sector. The Company also owns and operates more than 120 supply chain facilities in its network. This allows LOW to efficiently serve its stores and meet customer expectations for fast fulfillment and delivery. In contrast, HD leases 97% of its warehouses and distribution centers, leading to higher fixed costs.

Strong Balance Sheet: LOW has a Net Debt/EBITDA ratio of 2.7x, slightly above HD at 2.4x. HD's slightly lower ratio is attributed to its maturity in the market, which limits growth opportunities and results in a more conservative approach to leveraging debt. The Company also holds credit ratings of Baa1 and BBB+ from Moody's and S&P, respectively. LOW has US$4.0B in available credit capacity and is currently undrawn with a weighted average interest rate of 4.8%. Additionally, the Company has no imminent debt maturities, with ~45% of long-term debt due post-2034, and has US$4.6B in cash to cover short-term liquidity needs.

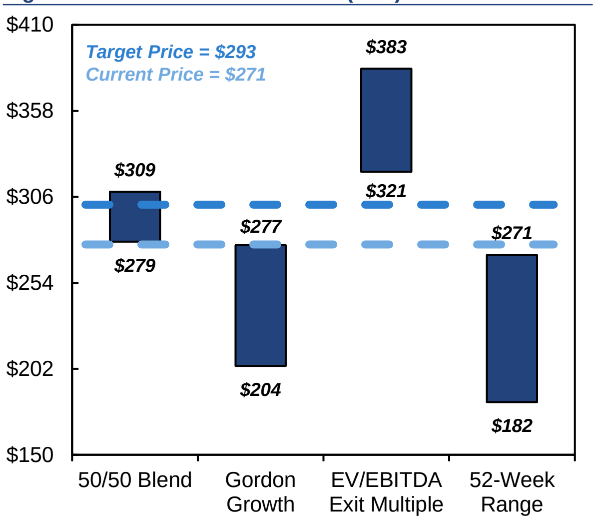
Growing Free Cash Flow: LOW has a five-year FCF CAGR of 9.2%, and in 2023, the Company generated US$5.7B in FCF. LOW has paid a cash dividend every quarter since going public in 1961. The Company has also increased its dividend for over (cont.)

Figure 5: LHS Shares Outstanding (mm) vs RHS DPS (US$)



Source: S&P Capital IQ, CPMT Estimates

Figure 6: Valuation Football Field (US$)



Source: CPMT Estimates

25 consecutive years, achieving a CAGR of 17% from 1998 to 2023. LOW now maintains a dividend payout ratio of 35%. Share repurchases are also projected to amount to ~US$4.0B in FY2024. Since 2020, the Company has implemented two buyback programs, collectively amounting to US$15.3B. In 2020, LOW conducted its first buyback program valued at ~US$8.6B worth of shares. The second buyback program was announced in 2022, and over FY2023 the Company repurchased 47mm shares, representing ~US$6.7B.

Risks

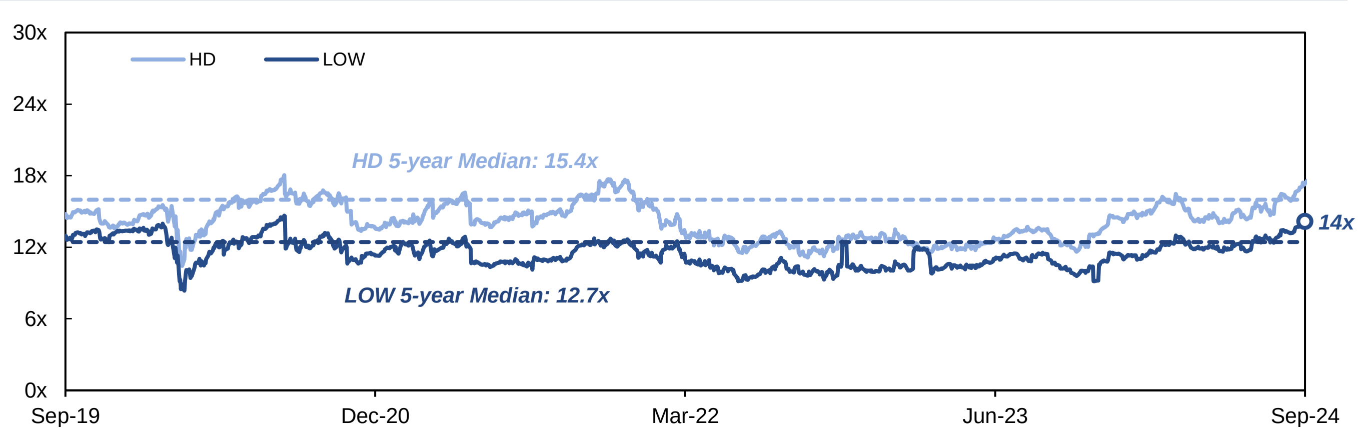
Macroeconomic factors such as inflation, rising interest rates, and housing market fluctuations can significantly impact discretionary consumer spending on home improvement, which is core to the Company's business. LOW's is also susceptible to supply chain disruptions and material shortages due to its reliance on global suppliers. Geopolitical tensions, natural disasters, or shipping delays can directly impact the Company's ability to meet customer demand. Additionally, the home improvement industry is heavily saturated through both e-commerce and brick-and-mortar operators. Constant innovation from HD poses a risk to LOW's position, forcing the Company to continually adapt to differentiate itself against HD.

Investment Thesis and Valuation

LOW was valued at US$293 using a five-year DCF with a WACC of 8.1%. The target price was derived using a 50/50 blend of (1) the Gordon Growth method, using a 1.5% terminal growth rate, and (2) an EV/EBITDA exit multiple of 14.0x.

LOW has historically traded at a discount to its closest peer, HD. The Fund views this discount as an attractive entry point due to LOW's growing operating margins, increasing net operating income per retail square-foot, and a peer leader in customer service. The Company's divestiture of its Canadian business in 2023 shifted LOW's store strategy to concentrate on its U.S. footprint. LOW's emphasis is on improving the productivity within its existing asset base and same-store sales that have grown at a five-year CAGR of 7.4%. The Fund views slowing DIY discretionary spending as a short-term headwind mitigated by Pro customer growth with a focus on small and midsize contractors. While LOW remains committed to its capital return program through share buybacks and quarterly dividends, the CPMT believes its return to shareholders will surpass those anticipated from HD. The Fund views a focus on customer service and DIY customers in an omnichannel environment as a resilient business model for the Company.

Figure 7: NTM EV/EBITDA vs HD

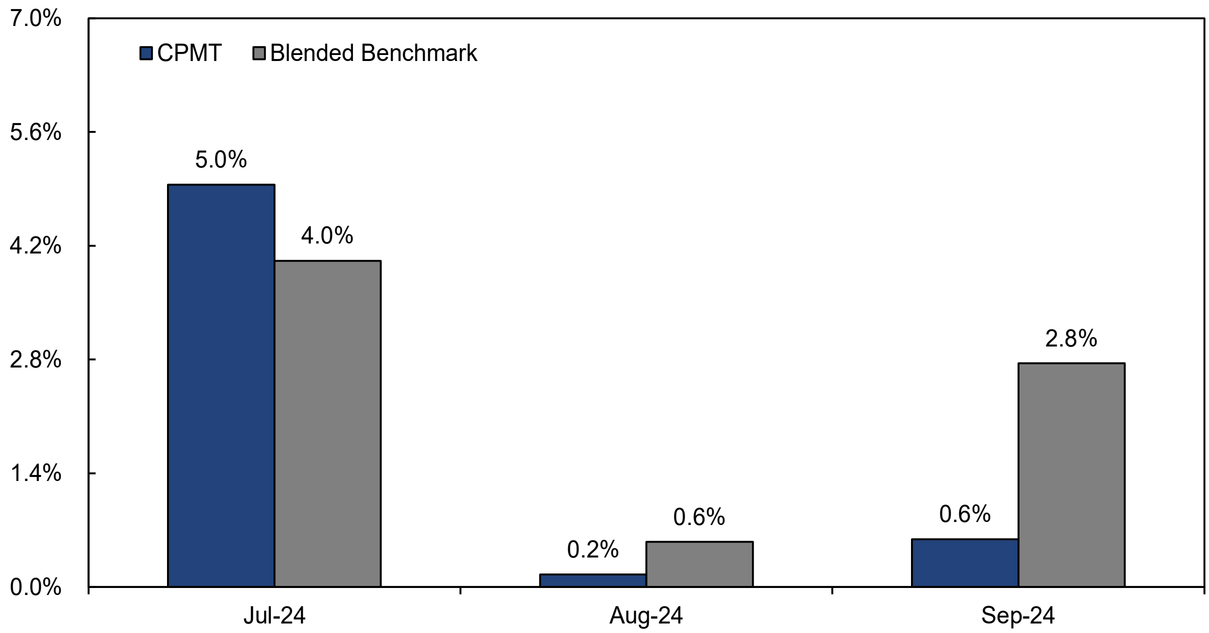


Source: S&P Capital IQ

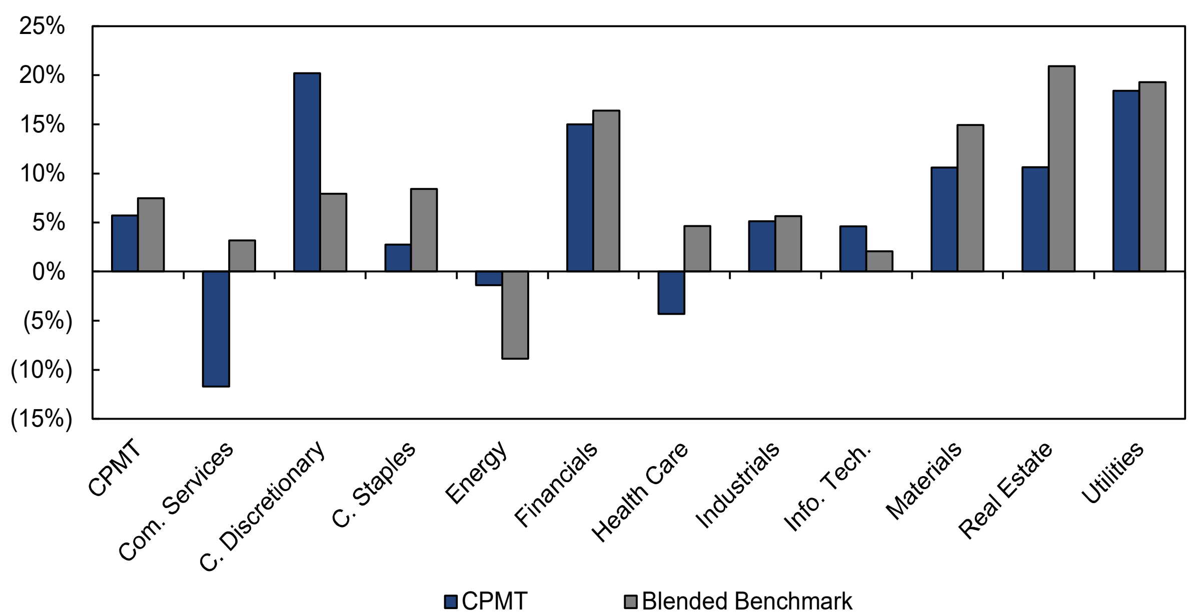
Compliance and Performance

QUARTERLY PERFORMANCE

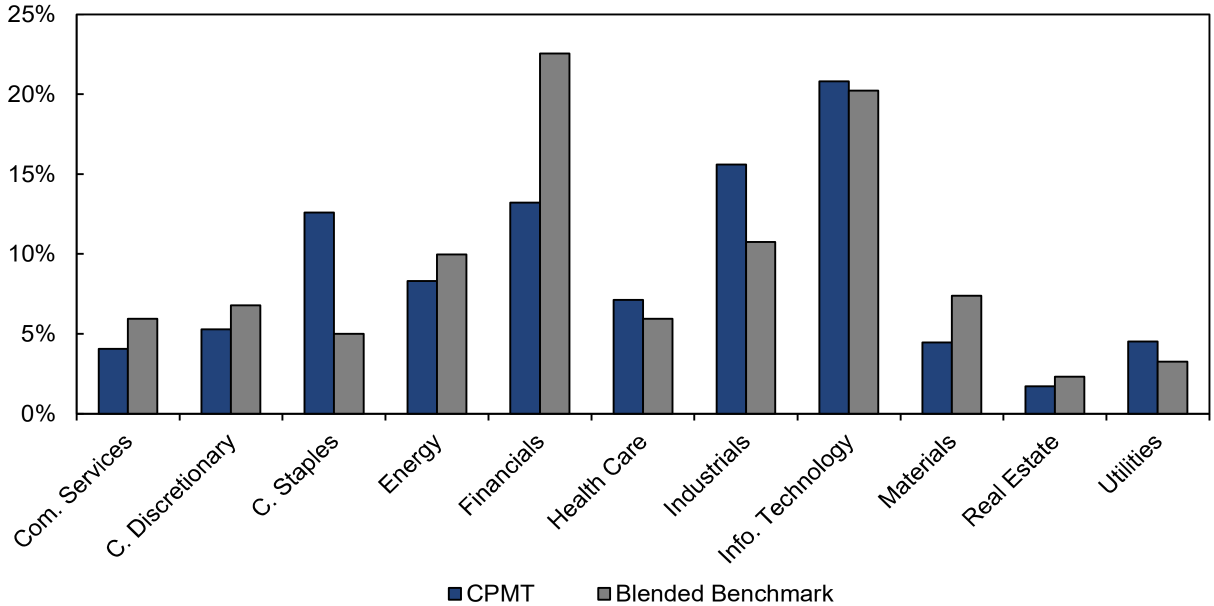
CPMT and Blended Benchmark Monthly Returns



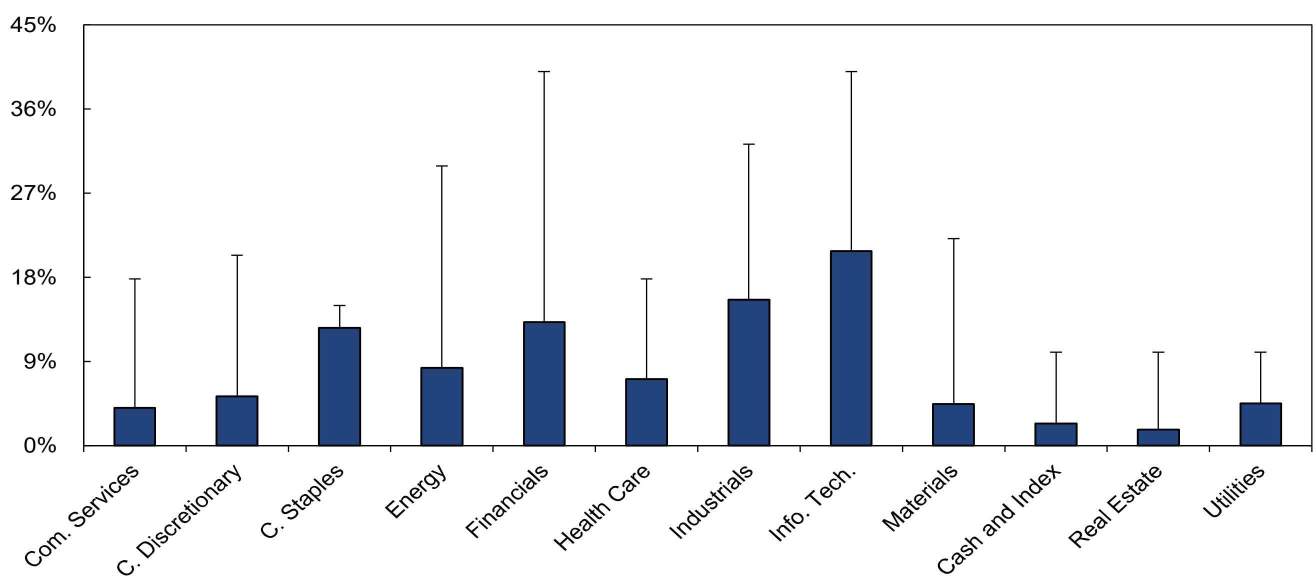
CPMT and Blended Benchmark Quarterly Sector Returns



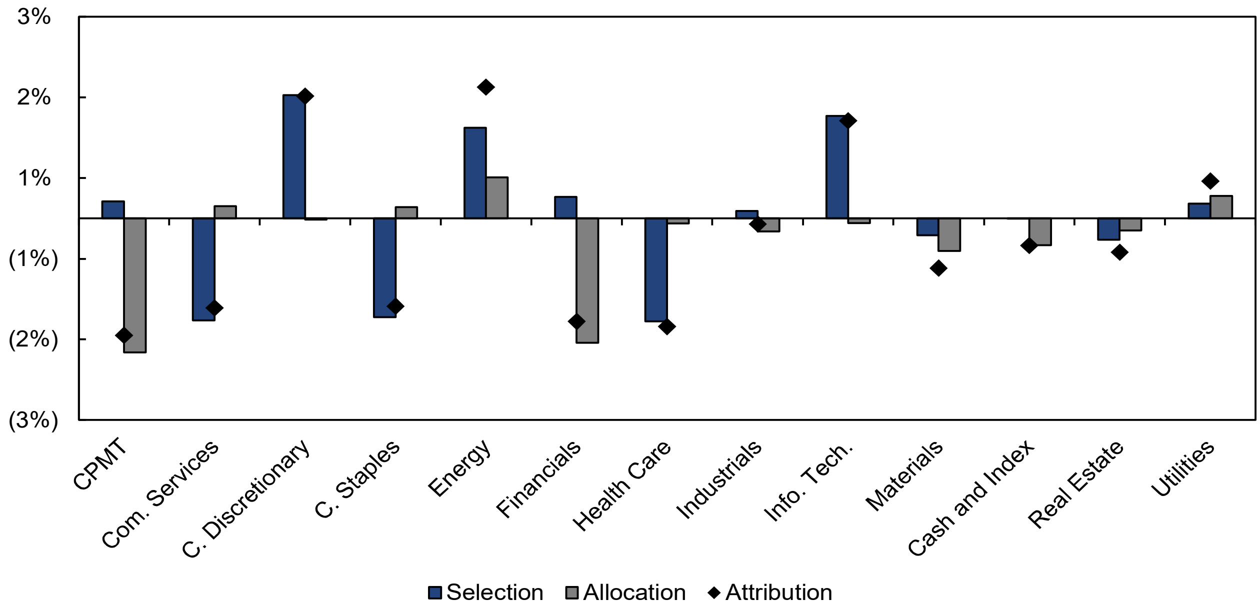
CPMT and Blended Benchmark Sector Weightings



CPMT Sector Weights vs Maximum Weight



Attribution Analysis (FQ2 2025)



CPMT Attribution Analysis

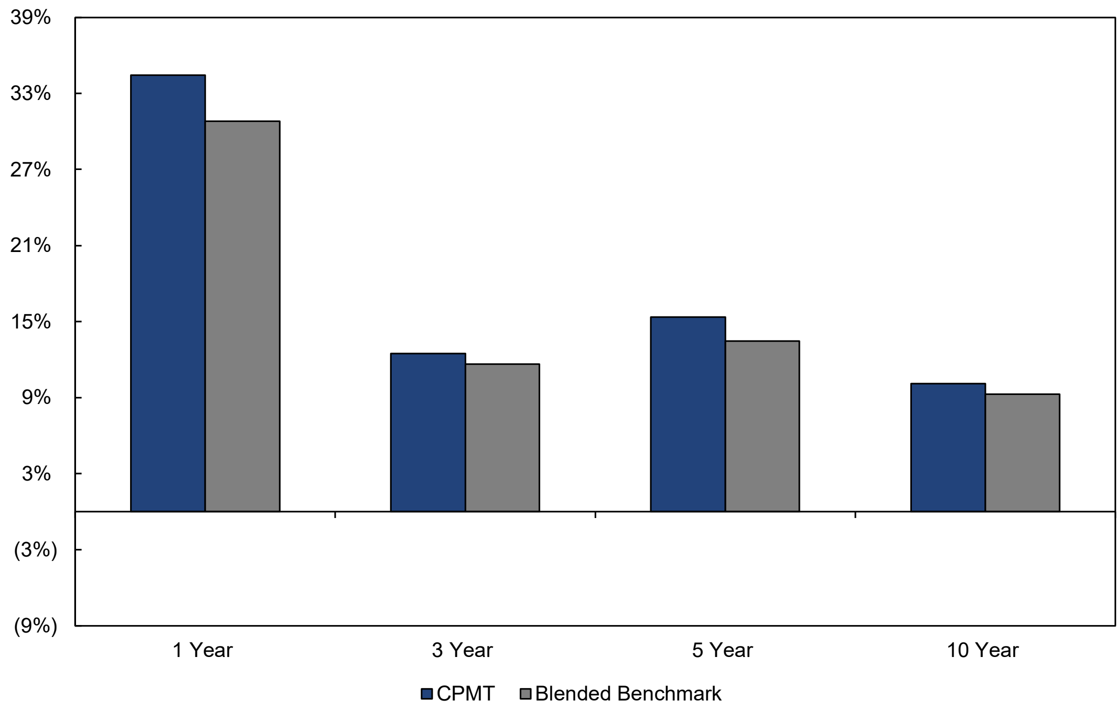
FQ2 2025	Attribution	Allocation	Selection
CPMT	(1.74%)	(2.00%)	0.26%
Communication Services	(1.34%)	0.18%	(1.52%)
Consumer Discretionary	1.82%	(0.02%)	1.84%
Consumer Staples	(1.31%)	0.16%	(1.47%)
Energy	1.95%	0.61%	1.35%
Financials	(1.53%)	(1.85%)	0.32%
Health Care	(1.61%)	(0.08%)	(1.54%)
Industrials	(0.09%)	(0.20%)	0.11%
Information Technology	1.45%	(0.07%)	1.52%
Materials	(0.74%)	(0.49%)	(0.25%)
Other	(0.40%)	(0.40%)	(0.00%)
Real Estate	(0.50%)	(0.18%)	(0.32%)
Utilities	0.55%	0.33%	0.22%

1 Year	Attribution	Allocation	Selection
CPMT	3.64%	(0.16%)	3.80%
Communication Services	(0.07%)	(0.03%)	(0.04%)
Consumer Discretionary	1.64%	0.10%	1.54%
Consumer Staples	0.32%	(0.34%)	0.67%
Energy	0.11%	0.18%	(0.08%)
Financials	1.23%	0.01%	1.22%
Health Care	(0.07%)	(0.02%)	(0.04%)
Industrials	1.10%	(0.08%)	1.18%
Information Technology	(1.19%)	0.32%	(1.50%)
Materials	0.56%	0.06%	0.50%
Other	(0.33%)	(0.33%)	(0.00%)
Real Estate	(0.19%)	0.02%	(0.22%)
Utilities	0.52%	(0.05%)	0.57%

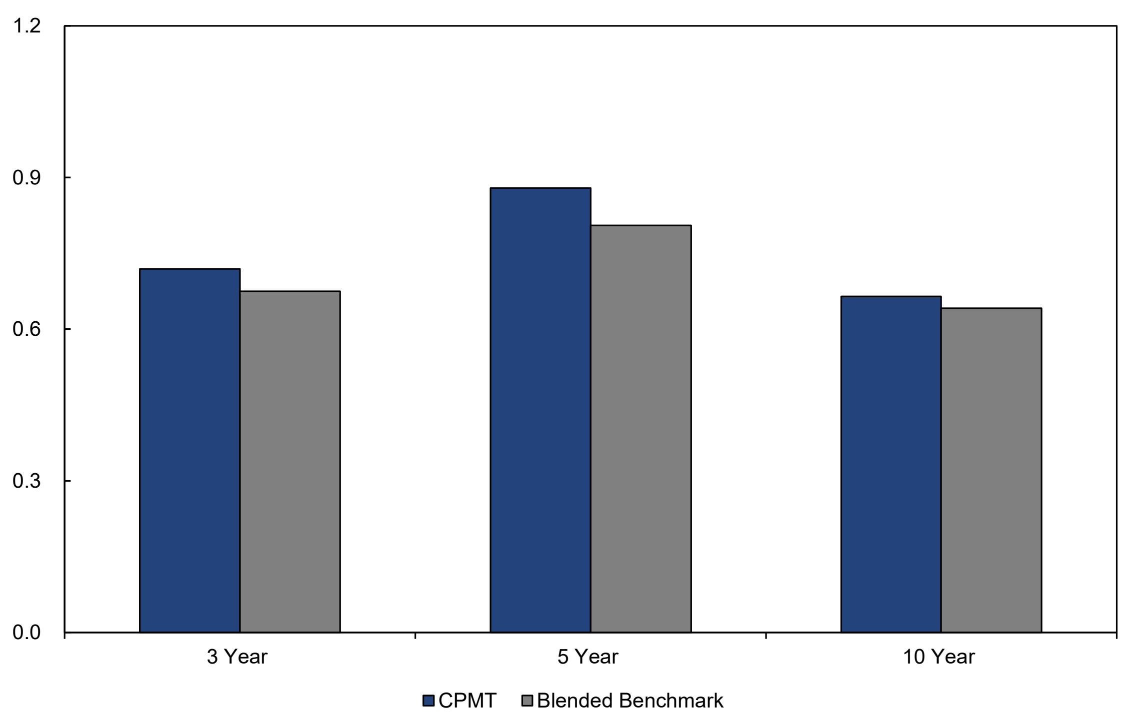
Compliance and Performance

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)	✓	34.44%	✓	12.49%	✓	15.35%	✓	10.10%
Relative Returns (bps)								
Blended Benchmark (2)	✓	364	✗	85	✓	189	✗	83
Risk Adjusted Returns (bps)								
Blended Benchmark (3)	✓	710	✓	115	✓	170	✗	78

(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	34.44%	12.49%	15.35%	10.10%
Blended Benchmark	30.80%	11.64%	13.46%	9.27%
Annualized Volatility				
CPMT	7.56%	13.11%	14.41%	12.31%
Blended Benchmark	8.33%	12.77%	14.02%	11.73%
Sharpe				
CPMT	3.49	0.72	0.88	0.66
Blended Benchmark	2.84	0.67	0.80	0.64

APPENDICES

Appendix 1: CFA Code of Ethics

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

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

Appendix 2: Account Activity

CPMT Transactions Log (2024-2025)

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

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

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**

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

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

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

Appendix 2: Account Activity (Continued)

Dividend Summary

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

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

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

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

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

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

CPMT Holdings - September 30, 2024	Market Cap	Conviction	Position Size			Target Price		Currency	Stock Price	Total Return	
Financials			Current	Target	Difference	Prior	Current			QTD	TTM
Brookfield Asset Management	Large	0	0.74%	0.00%	(0.74%)	N/A	N/A	CAD	$63.81	11.07%	30.05%
Brookfield Corporation	Large	2	3.34%	4.00%	0.66%	$60.00	$60.00	CAD	$72.16	12.78%	42.35%
JPMorgan Chase & Co.	Large	2	4.84%	4.00%	(0.84%)	$208.00	$208.00	USD	$284.05	5.30%	41.61%
Royal Bank of Canada	Large	2	3.80%	4.00%	0.20%	$143.00	$143.00	USD	$167.68	3.35%	17.61%
Information Technology											
Apple Inc.	Large	2	5.08%	4.00%	(1.08%)	$165.00	$165.00	USD	$307.38	(2.16%)	16.53%
Constellation Software Inc.	Large	2	6.70%	4.00%	(2.70%)	$3,075.00	$3,075.00	CAD	$4,338.85	12.38%	60.54%
Microsoft Corporation	Large	2	5.70%	4.00%	(1.70%)	$287.00	$287.00	USD	$577.57	(7.59%)	31.58%
Topicus.com Inc.	Mid	1	1.52%	2.00%	0.48%	$92.00	$92.00	CAD	$129.73	4.61%	19.43%
Visa Inc.	Large	1	2.07%	2.00%	(0.07%)	$240.00	$240.00	USD	$371.31	(2.50%)	15.22%
Materials											
CCL Industries inc.	Large	1	1.72%	2.00%	0.28%	$79.00	$79.00	CAD	$81.72	5.95%	17.23%
Linde PLC	Large	1	2.52%	2.00%	(0.52%)	$415.00	$415.00	USD	$647.05	5.25%	21.58%
Energy											
Canadian Natural Resources Limited	Large	2	3.92%	4.00%	0.08%	$84.00	$84.00	CAD	$44.89	(2.90%)	19.12%
Enbridge inc.	Large	1	1.46%	2.00%	0.54%	$53.00	$53.00	CAD	$55.03	4.60%	5.25%
Enterprise Products Partners LP	Large	1	1.77%	2.00%	0.23%	$30.00	$30.00	USD	$39.38	4.86%	18.51%
Tourmaline Oil Corp.	Large	1	1.38%	2.00%	0.62%	$80.00	$80.00	CAD	$61.41	(3.17%)	(12.57%)
Consumer Discretionary											
Aritzia Inc.	Mid	2	3.41%	4.00%	0.59%	$45.00	$45.00	CAD	$48.99	16.25%	83.84%
Consumer Staples											
Alimentation Couche-Tard Inc	Large	2	4.09%	4.00%	(0.09%)	$70.00	$70.00	CAD	$75.32	6.03%	23.89%
Costco Wholesale Corporation	Large	3	6.78%	6.00%	(0.78%)	$610.00	$610.00	USD	$1,195.06	(6.21%)	51.95%
Dollarama Inc.	Large	1	2.26%	2.00%	(0.26%)	$111.00	$111.00	CAD	$136.85	3.00%	33.17%
Hershey Company	Large	1	1.70%	2.00%	0.30%	$275.00	$275.00	USD	$260.92	6.77%	3.01%
Telecommunications											
Alphabet Inc.	Large	2	4.26%	4.00%	(0.26%)	$111.00	$111.00	USD	$221.23	(10.98%)	31.88%
Healthcare											
McKesson Corporation	Large	2	4.69%	4.00%	(0.69%)	$508.00	$508.00	USD	$658.84	3.74%	39.73%
Thermo Fisher Scientific Inc.	Large	1	1.65%	2.00%	0.35%	$570.00	$570.00	USD	$829.10	14.21%	13.13%
Zoetis Inc.	Large	1	1.75%	2.00%	0.25%	$153.00	$153.00	USD	$262.88	4.43%	(0.85%)
Industrials											
Canadian National Railway Company	Large	2	2.76%	4.00%	1.24%	$163.00	$163.00	CAD	$157.34	(0.73%)	(0.19%)
Canadian Pacific Kansas City	Large	1	1.93%	2.00%	0.07%	$120.00	$120.00	CAD	$115.54	4.05%	13.76%
Cargojet Inc	Large	1	1.95%	2.00%	0.05%	$137.00	$137.00	CAD	$136.87	(5.49%)	4.88%
Cintas Corporation	Large	2	5.22%	4.00%	(1.22%)	$532.00	$532.00	USD	$273.05	8.69%	58.59%
Waste Connections, Inc.	Large	2	3.64%	4.00%	0.36%	$124.00	$124.00	CAD	$239.75	0.61%	29.87%
Real Estate											
Prologis Inc	Large	1	1.72%	2.00%	0.28%	$131.00	$131.00	USD	$169.47	5.34%	5.34%
Utilities											
NextEra Energy, Inc.	Large	2	4.11%	4.00%	(0.11%)	$75.00	$75.00	USD	$114.08	4.66%	6.72%