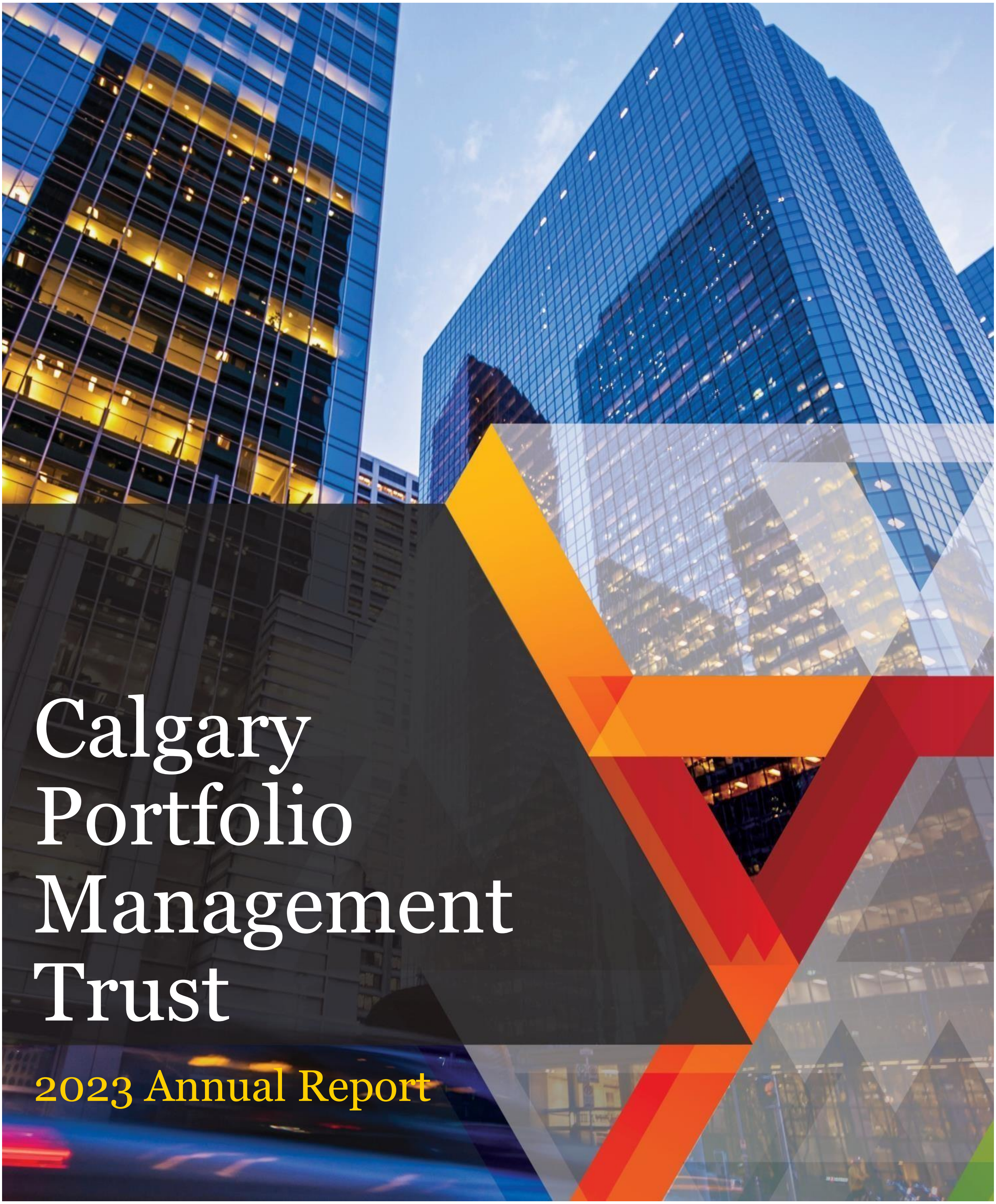

Calgary Portfolio Management Trust

2023 Annual Report

UNIVERSITY OF CALGARY
HASKAYNE SCHOOL OF BUSINESS

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Dear Stakeholders,

The Calgary Portfolio Management Trust (CPMT) Class of 2023 would like to extend our gratitude to the Board of Trustees for its continued commitment to and engagement with the program. We would also like to sincerely thank the CFA Society of Calgary and the CPMT alumni for their commitment and support. Finally, we would like to thank all of our supporters in the Calgary business community for their vested interest in the program.

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

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

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

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

Sincerely,

Adrianna Dolata, Portfolio Manager

Arnuv Mayank, Portfolio Manager

Arnuv Mayank

Emily Chen, Portfolio Manager

Eric Xiao, Portfolio Manager

Gavin Stalwick, Portfolio Manager

Gavin Stalwick

Karlen Slater, Portfolio Manager

Noor Azeem, Portfolio Manager

Wesley Sherrard, Portfolio Manager

Class of 2023

Biographies

CPMT CLASS OF 2023

ADRIANNA DOLATA
Portfolio Manager
5th Year, Finance / Economics

Adrianna joined the CPMT in March 2021 as an Investment Analyst. She is excited to further develop her portfolio management, equity research, and financial modeling skills through the program. Adrianna is currently working on completing a dual degree in Finance and Economics with a concentration in Applied Energy Economics. Adrianna completed an internship in summer 2022 at National Bank Financial as a Summer Analyst on the Investment Banking team. In her free time, Adrianna enjoys cooking, swimming, hiking, reading, and travelling.

ARNUV MAYANK
Portfolio Manager
5th Year, Finance / Mathematics

Arnuv joined the CPMT in March 2021 as an Investment Analyst. He is looking forward to further developing his skills in equity research and modelling, while also learning new skillsets as he transitions into his role of a Portfolio Manager. Arnuv is currently working on completing a dual degree in Finance and Mathematics. He is also working as the Chief Strategy Officer for a Calgary-based startup called LetsGetProof. In summer 2021, Arnuv was an undergraduate researcher in financial mathematics at the University of Calgary. Arnuv has also completed a prior internship with Hicks Intellectual Property as a patent assistant. In his free time, Arnuv enjoys tennis, gaming, travelling, running, and hiking.

EMILY CHEN
Portfolio Manager
4th Year, Accounting / Data Science (Minor)

Emily joined the CPMT in March 2021 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. Emily is currently working towards a degree in Accounting with a minor in Data Sciences. In addition to CPMT, Emily has been involved with the Inter-Collegiate Business Competition, the Calgary Social Value Fund, and the University of Calgary Consulting Association's McKinsey pro-bono consulting engagement. During summer 2022, Emily interned at CIBC World Markets as an Investment Banking Summer Analyst in the Energy, Infrastructure and Transition group, where she will be returning full-time upon graduation. Emily has also completed a prior audit internship with Deloitte and has worked at the University of Calgary as a summer research assistant. In her spare time, Emily enjoys baking, painting, music, fashion, yoga, and fitness.

ERIC XIAO
Portfolio Manager
5th Year, Finance / Mathematics

Eric joined the CPMT in March 2021 as an Investment Analyst. He is excited to further develop skills in equity-research, valuation, and portfolio management throughout his time with the program. Eric is currently working towards completing a dual degree in Finance and Mathematics. In addition to the CPMT, Eric is a part of the University of Calgary Trading Team, having competed in the Rotman International Trading Competition in 2021 and 2020. In summer 2023, he will be interning at Barclays as an Investment Banking Summer Analyst. Previously, he has completed internships at Macritchie as a Private Equity Summer Analyst and Seven Generations Energy & ARC Resources as a Treasury intern. Upon graduation, Eric intends to pursue a career in the capital markets. In his free time, Eric enjoys weightlifting, hockey, golf, and cooking.

GAVIN STALWICK
Portfolio Manager
4th Year, Finance

Gavin joined the CPMT in March 2021 as an Investment Analyst. He is thankful for the Board of Trustees and the alumni base that provide continued support of the program. Gavin is looking to develop his knowledge of financial markets, equity research, valuation, and portfolio management during his time in the program. Gavin is currently working towards completing a degree in Finance. In addition to the CPMT, he is a student-athlete with the University of Calgary Men's Rugby Club. Gavin is currently employed with National Bank Financial as an Intern Analyst in the Credit Capital Markets group. In the past, Gavin has worked part-time throughout the school year with Invico Capital and completed summer employment terms with National Bank Financial and the University of Calgary's Endowment as a Treasury and Investments intern. In his spare time, Gavin enjoys snowboarding, weightlifting, and video games.

KARLEN SLATER
Portfolio Manager
5th Year, Finance

Karlen joined the CPMT in March 2021 as an Investment Analyst. He is looking to develop his skills in equity research, portfolio management, and financial modeling during his time with the program. Karlen is currently working towards completing a degree in finance and an embedded certificate in leadership studies. This past summer, Karlen worked at National Bank Financial in Calgary on the Investment Banking team and will be joining the group full time upon graduation. Previously, Karlen has completed internships at Macritchie as a Private Equity Analyst Intern and at Radicle as a Global Markets and Strategy Intern. In his spare time, Karlen enjoys hockey, golf, and water sports.

NOOR AZEEM
Portfolio Manager
5th Year, Finance

Noor joined the CPMT in March 2021 to develop a deeper understanding of financial markets, valuation, and portfolio management. Noor is currently working towards completing a degree in finance, upon which she will join CIBC as an Investment Banking Analyst in the Energy, Infrastructure and Transition group. In addition to the CPMT, Noor has been involved with the University of Calgary Consulting Association, the CFA research challenge, and JDC West as a Business Strategy delegate. In summer 2022, she completed a work term with the investment banking team at JP Morgan Calgary. In summer 2021, she interned at Peters & Co. Limited as a Corporate Finance Intern, before joining BCI as a Canadian Large Cap Equities Analyst for the fall. In her spare time, Noor enjoys spin, hiking, paintball, and music.

WESLEY SHERRARD
Portfolio Manager
5th Year, Finance / Computer Science (Minor)

Wesley joined the CPMT in March 2021 as an Investment Analyst. He is looking forward to expanding his knowledge of portfolio management, financial markets, and financial modelling. Wesley is currently working towards completing a degree in Finance and a minor in Computer Science. In addition to the CPMT, Wesley has been involved with the University of Calgary Trading team. This past summer, he worked at the National Bank Financial in the Project Finance group, where he will be returning full-time upon graduation. He also completed a summer with National Bank Financial in the Credit Capital Markets team and with Merchant Equities Capital as a Fall Co-op Analyst. Wesley passed the CFA level 1 exam in February 2023 and intends to pursue his CFA designation upon graduation. In his spare time, Wesley enjoys hiking, snowboarding, and cooking.

CPMT CLASS OF 2024

DANIEL KRAPIWIN
Investment Analyst
4th Year, Finance

Daniel joined the CPMT in March 2022 as an Investment Analyst. He is thankful to the Board of Trustees, mentors, and alumni for the continued support in making this opportunity possible. He looks forward to developing a deeper understanding of financial markets, portfolio management, and equity research. Daniel is currently working towards a degree in Finance. In addition to the CPMT, Daniel has been involved with the University of Calgary Consulting Association, JDC West as an International Business Delegate, the McGill International Portfolio Challenge, and the DeNovo Student Investment Fund as both a Portfolio Manager and the VP of Marketing. Presently, Daniel is working at BluEarth Renewables as a Finance Student. In summer 2023, Daniel will be joining National Bank Financial in its Credit Capital Markets team. In his spare time, Daniel enjoys disc golf, golf, hiking, and watching F1.

JACOB KEMP
Investment Analyst
4th Year, Finance / Economics

Jacob joined the CPMT in March 2022 as an Investment Analyst. He is thankful for the Board of Trustees and the alumni base that provide continued support of the program. He is excited to further develop skills in portfolio management, financial modelling, and valuation throughout his time with the program. Jacob is currently working towards completing a dual degree in Finance and Economics. In addition to the CPMT, Jacob is involved with the Haskayne Finance Club. Jacob has previously completed internships in Private Credit, Private Equity, Equity Research, and Oil and Gas with SAF Group, Macritchie, Acumen Capital Partners, and TAQA. In summer 2023, Jacob be joining TD Securities as an Investment Banking Summer Analyst in the Global Energy Group. In his free time, Jacob enjoys weightlifting, golf, hockey, skiing, and reading.

JEEVAN GILL
Investment Analyst
4th Year, Finance / Music (Minor)

Jeevan joined the CPMT in March 2022 as an Investment Analyst. He is excited to develop his skills in equity research, portfolio management, and financial modelling over the course of the program. Jeevan is currently working towards completing a degree in Finance and a minor in Music. In addition to the CPMT, Jeevan was involved with the DeNovo Student Investment Fund, the CFA Research Challenge, and the McGill International Portfolio Challenge. Jeevan is also an active musician in Calgary's jazz community and has performed as a drummer with ensembles such as the University of Calgary Jazz Orchestra and the Calgary Youth Jazz Orchestra. Jeevan completed an internship in summer 2022 as a Staff Accountant at Deloitte in its Audit Public group. In summer 2023, Jeevan will be joining Bank of America as an Investment Banking Summer Analyst in its Global Energy & Power Group. In his free time, Jeevan enjoys practicing his drumming, listening to music, and watching basketball.

JOÃO VITOR BEANI
Investment Analyst
3rd Year, Finance / Economics (Minor)

João joined the CPMT in March 2022 as an Investment Analyst, and would like to thank the Board of Trustees, mentors, and alumni for the continued support in making this opportunity possible. João is looking forward to developing a deeper understanding of financial markets, valuation, portfolio management, and equity research throughout the program. João is an international student from Brazil currently working towards a degree in Finance with a minor in Economics. Previously, João completed a part-time internship at Pivotal Capital Advisory Group and a Summer Internship at Stone Co. in the Software M&A division. In Summer 2023, João will be joining IGC Partners as an Investment Banking Summer Analyst. In Summer 2024 he will join RBC Capital Markets as an Investment Banking Summer Analyst in the Global Energy Group. In his spare time, João enjoys soccer, tennis, and music.

JOEL HOMERSHAM
Investment Analyst
4th Year, Finance / Economics

Joel joined the CPMT in March 2022 as an Investment Analyst, and would like to thank the Board of Trustees, mentors, and alumni for the continued support in making this opportunity possible. He is excited to further develop his skills pertaining to portfolio management, equity research and financial modelling throughout his time with the program. Joel is currently working towards a dual degree in Finance and Economics. In addition to the CPMT, Joel is involved with the Haskayne Finance Club and most recently served as the Director of Equity Research. Joel has completed internships in the Private Equity and Energy Services with the Ayrshire Group and West Earth Sciences. In summer 2023, Joel will be joining RBC Capital Markets as an Investment Banking Summer Analyst in the Global Energy Group. In his free time, Joel enjoys playing golf, hockey, and reading.

LUKE FRAME
Investment Analyst
4th Year, Honours Finance / Computer Science

Luke joined the CPMT in March 2022 as an Investment Analyst and looks forward to continuing to develop his skills in and understanding of financial analysis and modeling. Throughout the next year, he is determined to make a positive contribution to the program and help the University to continue to be a major player in Canadian business academia. Luke will be joining Peters & Co. as a full-time Equity Research Associate starting in May 2023 but remains committed to the CPMT and looks forward to mentoring and collaborating with the incoming analyst class. Previously, he completed two summer internships at Peters & Co, where he worked in the Equity Research and Institutional Equity Sales & Trading divisions. Furthermore, he is currently completing a Winter internship at SAF Group, where he has been working as an Investment Analyst. In his free time, Luke enjoys hockey, golf, skiing, mountain biking and camping and is a member of the Haskayne Finance Club.

RAUNAK SANDHU
Investment Analyst
3rd Year, Honours Mathematics / Computer Science

Raunak joined the CPMT in March 2022 as an Investment Analyst and looks forward to developing a deeper understanding of portfolio management and equity research. Raunak is currently working towards completing a dual degree in Mathematics and Computer Science and has a strong interest in financial markets. In addition to the CPMT, Raunak has completed a summer software development internship with Dissolve and worked as a computer science research assistant for summer 2022. Raunak is currently working at the Ontario Teachers' Pension Plan as a Programming and Quantitative Modelling Intern. In summer 2023, Raunak will be joining Amazon as a Software Development Engineer Intern. Outside of his academics, Raunak enjoys playing and competing in the sport of badminton and travelling.

REBECCA BUTLER
Investment Analyst
4th Year, Finance

Rebecca joined the CPMT in March 2022 as an Investment Analyst, and would like to thank the Board of Trustees, mentors, and alumni for the continued support in making this opportunity possible. Rebecca is looking forward to developing a deeper understanding of financial markets, valuation, portfolio management, and equity research throughout the program. Rebecca is currently working towards a degree in Finance and an embedded certificate in Sustainability Studies. In addition to the CPMT, Rebecca teaches piano and music theory. Previously, Rebecca completed her first co-op term at Fidelity Investments as a Calgary Advisor Sales Intern, and her second term as a Financial Analyst out of Fidelity's Toronto office. In summer 2023, Rebecca will be interning at National Bank Financial in Calgary as an Investment Banking Summer Analyst. In her spare time, Rebecca enjoys fitness, skiing, wake surfing, music, and coffee.

RYAN CRISALLI
Investment Analyst
4th Year, Finance

Ryan joined the CPMT in March 2022 as an Investment Analyst, and would like to thank the Board of Trustees, mentors, and alumni for the continued support in making this opportunity possible. Ryan is eager to further develop his skills in financial modelling, equity research, and portfolio management during his time with the program. Ryan is currently working towards a degree in Finance with a minor in Economics. In addition to the CPMT, Ryan is a part of the University of Calgary Trading Team. He has previously completed internships in Commodity Trading, Private Equity, and Oil and Gas with CNOOC International, Caldwell Investment Management, and TAQA. In summer 2023, Ryan will be joining BMO Capital Markets as an Investment Banking Summer Analyst in the Energy group. In his free time, Ryan enjoys hockey, golf, snowboarding, music and traveling.

Speaker Series and Mentorship Program

The CPMT program continues to benefit from our Speaker Series events. Whether downtown, on campus or during out-of-town visits, we thoroughly enjoyed the unique experience gained from speaking with industry veterans. This has provided an invaluable opportunity for students to gain insight regarding potential career paths and current views of capital markets. In addition, our industry contacts have been actively involved in portfolio mentoring. We would like to thank the following individuals for their involvement and support of the CPMT.

2022 - 2023 CPMT Speaker Series	
Firm	**Organizer(s)**
ARC Financial	Kieran Courtright
Barclays	Fedja Saric / Jeremy Gurnsey
BCI	Lukas Sutherland / Perry Ng
Binance	Lawrence Truong
BMO Capital Markets	Aidin Sadr
CIBC Capital Markets	Emma Loewen / Brian MacInnis / Ian Gott
Commonfund Capital	Dan Connell / Dhruv Jindal
CPP Investments	Connor Luck / Matias Garcia
DV Trading	Weston Pring
Enbridge	Max Chan / Greg Ebel
Fiera Comox	David Frattinger
Global Infrastructure Partners	Michelle Creighton / Aaron Borchert
Goldman Sachs	Eeshwar Dutt
J.P. Morgan (Calgary)	Sam Johnson / Kevin Colborne
J.P. Morgan (New York)	Blake Nishikawa
Kizet Advisory	Michael De Carle
N/A	Andrew C. Kim
N/A	Menal Patel
National Bank Financial (Calgary)	Tarek Brahim
National Bank Financial (New York)	Frank Napolitano
NYCEEC	Curtis Probst
QV Investors	Darren Dansereau / Diana Chaw
RBC Capital Markets	Stefan Dilger / Marc Boulanger
SAF Group	Aaron Bunting
Scotiabank Global Markets	David Rybak
Stifel First Energy	Scott Robertson / Kory Cross
TD Securities	Austin Macdonald
Tudor, Pickering, Holt & Co.	Derek Wheatley

CPMT Student Mentorship		
ABB	Christian Erana	Arnuv Mayank
BCI	Amy Chang	Joao Vitor Beani
Carbon Royalty Corporation	Amber Brown	Gavin Stalwick
CIBC Capital Markets	Chris Chow	Jeevan Gill
CIBC Capital Markets	Emma Loewen	Rebecca Butler
CPP Investments	Bryton Hewitt	Adrianna Dolata
CPP Investments	Connor Luck	Jeevan Gill
Cumberland Investment Counsel	Derek VanGenderen	Daniel Krapiwin
Enbridge	Max Chan	Karlen Slater
Evercore	Ben Dimnik	Jacob Kemp
Franklin Templeton	Garey Aitkin	Lucas Frame
Global Infrastructure Partners	Michelle Creighton	Wesley Sherrard
N/A	Andrew C. Kim	Eric Xiao
National Bank Financial	Tarek Brahim	Ryan Crisalli
OTPP	Babbal Brar	Raunak Sandhu
Palisade Capital Management	James Anderson	Rebecca Butler
Pembina Pipeline	Mauricio Terrazas	Jacob Kemp
QV Investors	Diana Chaw	Emily Chen
QV Investors	Ian Cooke	Noor Azeem
RBC	Jenna Halwa	Joao Vitor Beani
Reddit	Syed Ahmad	Raunak Sandhu
RIV Capital	Hashim Chawdhry	Joel Homersham
Thoma Bravo	Carl Chan	Ryan Crisalli
Tourmaline Oil	Jamie Heard	Lucas Frame

Portfolio Strategy and Sector Views

OVERVIEW

During FY2023, the CPMT aims to supplement pitches and the analysis of new companies with a holistic view of the portfolio. This page provides a summary of the CPMT's outlook on each sector, which will help shape future capital allocation decisions. The CPMT investment philosophy is centered on intrinsic value combined with systematic investment selection. A systematic approach ensures discipline in purchase and sale decisions, focuses on owning high-quality businesses and reduces the probability of errors. The Portfolio Managers seek investments that offer quality management, competitive advantages, strong balance sheets, and growing free cash flow, all while at an attractive valuation. We continue to monitor the U.S. and Canadian yield curves, credit spreads, labour market, and corporate profits to measure the extent of the economic recovery and believe that our efforts will lead to outperformance over the next year. The lasting macroeconomic impacts of COVID-19 affecting central bank interest rates and supply chains globally will be a continued area of consideration for us as we evaluate potential names, placing increased importance on mandate fit.

COMMUNICATION SERVICES

The CPMT's Communication Services holdings are Alphabet (NASDAQ: GOOGL), and Telus (TSX: T). The Fund is currently 0.6% overweight relative to the blended benchmark. The CPMT will continue to closely monitor its current positions in GOOGL and T, while evaluating other telecommunication and media names that meet our mandate and provide growth opportunities in a post-pandemic environment.

CONSUMER DISCRETIONARY

The CPMT's Consumer Discretionary weighting is currently 0.6% underweight relative to the blended benchmark. The performance of companies in this sector faced pressure in FY2023 as consumer purchasing power continued to erode from high inflation and elevated interest rates. However, the U.S. personal saving rate has risen to 4.6% in February 2023 after falling to a low of 2.7% in June 2022; as such, the Fund believes these renewed savings will slowly increase consumer spending in 2023. With U.S. unemployment at 3.5% and labour participation at 60.4%, the Fund believes a relatively healthy labour market should continue to boost retail sales. Moving forward, companies will need to invest heavily in fulfillment capabilities and focus on customer retention. The CPMT is confident in its holdings Aritzia (TSX: ATZ) and lululemon athletica (NASDAQ: LULU) due to their cash flow resilience and strong market share.

CONSUMER STAPLES

The CPMT's Consumer Staples weighting is currently 6% overweight relative to the blended benchmark. The Fund views the sector favourably going forward into a recessionary environment, given its defensive nature and historical outperformance during times of market uncertainty. We will continue to monitor further opportunities in the space, but are confident in our Consumer Staples holdings, Costco Wholesale (NASDAQ: COST), Alimentation Couche-Tard (TSX: ATD), and Darling Ingredients (NYSE: DAR), given each Company's dominant market share, proven management teams, and industry-leading margins.

ENERGY

The CPMT's Energy weighting is currently 1.0% underweight relative to the blended benchmark. The sector has benefitted from increased production activity, positive oil strip pricing, and improved demand for oil due to lifted travel restrictions. Recently, natural gas prices have decreased due to warmer weather in Europe and North America, but prices continue to remain high. The CPMT believes that the shift towards asset optimization, government support for decarbonization, pipeline, and margin expansion projects, and positive price realizations for E&P firms will drive valuations forward. The Fund is exposed to energy through companies with distinct competitive advantages and the ability to generate free cash flow throughout various commodity price cycles. Moving forward, we will continue to monitor the mandate fit of our current energy holdings, Canadian Natural Resources (TSX: CNQ), Enbridge (TSX: ENB), and Tourmaline (TSX: TOU).

FINANCIALS

The CPMT is confident in the quality of its financial holdings, JPMorgan Chase (NYSE: JPM), Royal Bank of Canada (NYSE: RY), and Brookfield Corporation (TSX: BN). We view strong underlying credit quality and high deposit levels as tailwinds to the performance of larger banks. However, the Fund's favourable view of the space is tempered by increasingly negative investor sentiment due to the recent downfall of several banks, the impact of rising credit spreads on subprime consumer loans, and geopolitical tension. The Fund has observed softened capital markets activity largely due to expanding credit spreads, primarily in low-rated tranches, as a function of recessionary concerns. Currently ~10.6% underweight in the sector, the CPMT is exploring the addition of several names to diversify its holdings and become more in-line with its blended benchmark.

HEALTH CARE

The CPMT believes that growth opportunities in the Health Care sector will persist post-pandemic, as ever-evolving health concerns continue to drive demand for technological and product innovation of treatment methods. The sector's historically low beta and non-discretionary nature allow it to remain defensive during recessionary periods, a trend that the Fund has primarily capitalized on through its holding, Thermo Fisher Scientific (NYSE: TMO). Furthermore, Zoetis (NYSE: ZTS) has been a strong source of diversification within the sector, with its focus on animal healthcare. Nonetheless, both names have reached their respective target prices and offer little additional alpha; as a result, the CPMT has trimmed TMO and is currently looking to sell ZTS. The Fund remains 3.3% underweight in the sector but is actively searching for other names that better fit the CPMT mandate.

INDUSTRIALS

The CPMT expects 2023 to remain volatile, emphasizing our view on holding companies with a distinct competitive advantage in critical industries to weather inflation and generate cash flow. The Fund currently holds Canadian National Railway (TSX: CNR), Cintas (NASDAQ: CTAS), and Waste Connections (TSX: WCN) within the sector and is 0.4% overweight relative to the blended benchmark. Recession risk remains, but these effects should be mitigated by the oligopolistic nature of each of the CPMT's Industrials holdings. As a result, the CPMT remains confident about its positioning moving into 2023.

INFORMATION TECHNOLOGY

The CPMT is 7.4% overweight in Information Technology relative to its blended benchmark. The Fund has actively monitored the performance and decline of Information Technology sector valuations amidst the rising rates environment. The CPMT remains optimistic about the growth opportunities of its Information Technology holdings, which include Microsoft (NASDAQ: MSFT), Apple (NASDAQ: AAPL), Adobe (NASDAQ: ADBE), Visa (NYSE: V), Constellation Software (TSX: CSU), and Topicus.com (TSXV: TOI). The Fund sees outperformance over the medium term, driven by the sector's ability to partially insulate from rising rates due to limited debt exposure and the stickiness of our holdings.

MATERIALS

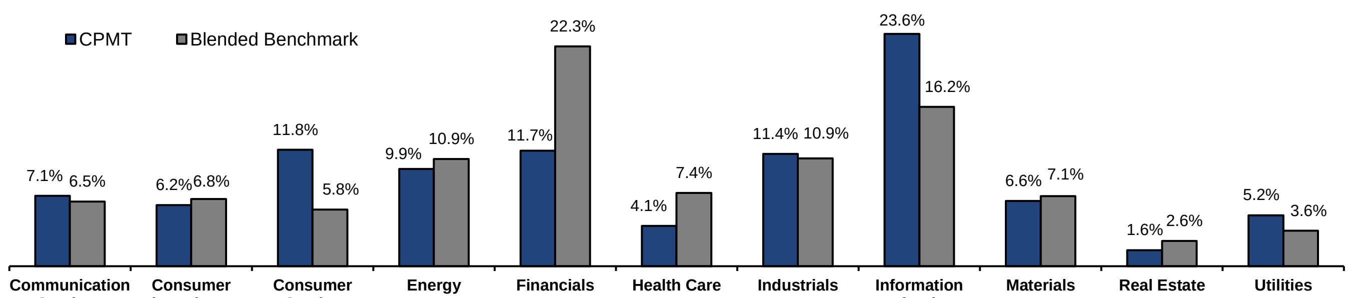
The CPMT is currently 0.5% underweight in Materials relative to the blended benchmark. Companies within the sector have experienced major shifts in scalability and profitability due to streamlined operations. The increasing demand for industrial gases, electrification, and construction/renovation products are expected to be key catalysts for growth. Although fluctuating commodity prices, rising input costs due to labour, and ongoing supply chain issues have hindered the recent momentum experienced by major players, the CPMT's Materials holdings are well-suited to mitigate inflation effects through pricing power. The Fund will continue to monitor the impact of these developments on its Materials portfolio, which includes CCL Industries (TSX: CCL.B), Linde Plc (NYSE: LIN), and Teck Resources (NYSE: TECK).

REAL ESTATE

The CPMT is currently 0.9% underweight in Real Estate relative to the blended benchmark. In FY2021, the Fund initiated a position in American Tower (NYSE: AMT), which remains the sole holding in the sector. The CPMT maintains a strong view of telecommunication REITs due to the industry's high lease renewal rates, high operating margins, and low maintenance expenses. Additionally, AMT's international asset base and acquisition strategy remain key drivers of our thesis on the name. The Fund will continue to monitor developments throughout the sector, including changes in the interest rate environment, and material input costs.

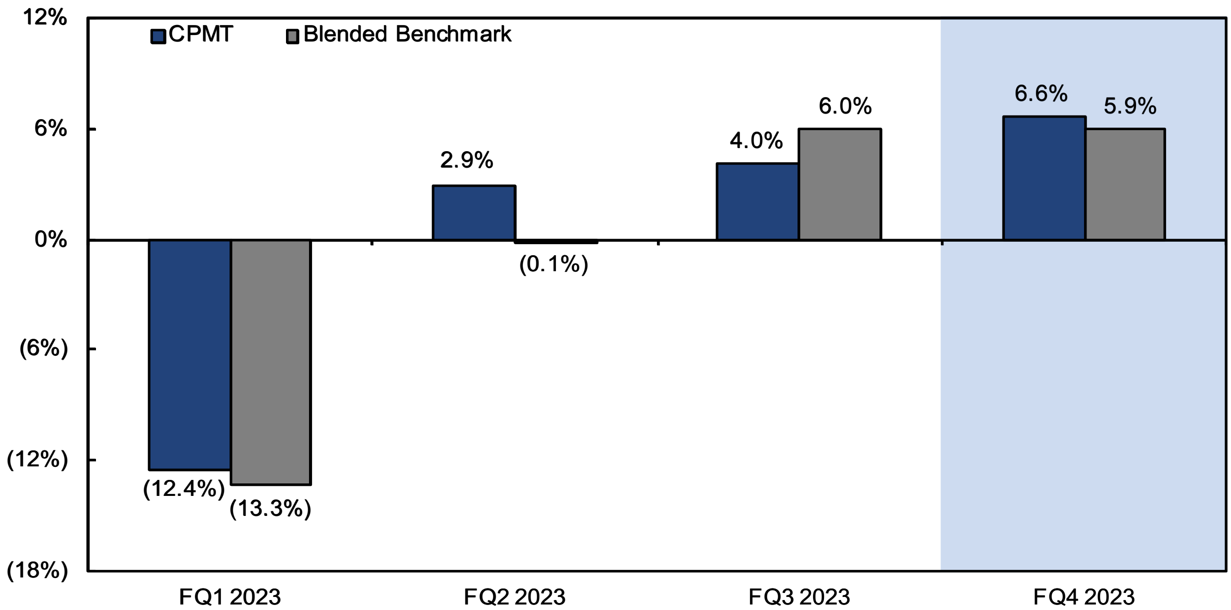
UTILITIES

The CPMT holds NextEra Energy (NYSE: NEE) and Brookfield Renewable Partners LP (TSX: BEP.UN). Rate hikes maintain concerns about being 1.6% overweight the sector because of utility stocks' historical inverse relationship with yields. While yields have fallen from their peak, the CPMT favours BEP's and NEE's focus on reinvestment and best-in-class assets with long-dated PPAs, so the Fund has decided to remain invested in both companies but is exploring a trim in its Utilities holdings over the near- to medium-term.

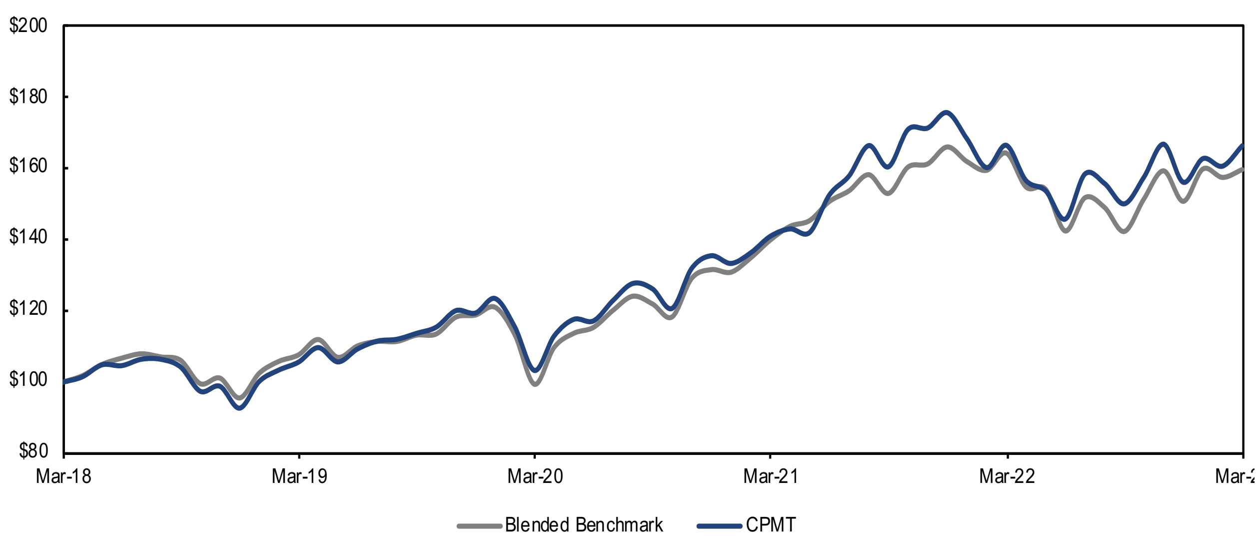


Quarterly Snapshot - FQ4 2023

CPMT and Benchmark Total Return (TTM)



Value of $100 (since March 30, 2018)

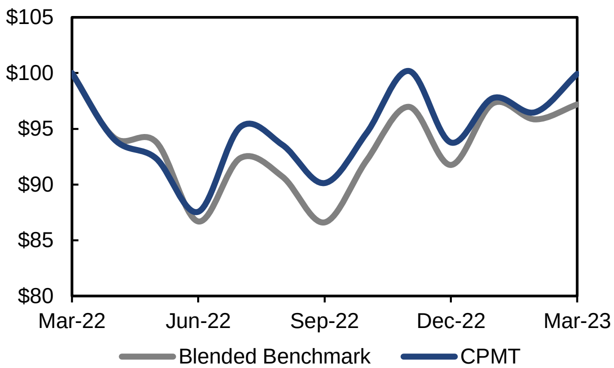


Fund Universe

	FQ4	1 Year	3 Year	5 Year	10 Year
CPMT	6.56%	(0.07%)	17.87%	11.09%	8.59%
Blended Benchmark	5.91%	(2.82%)	17.12%	9.83%	8.37%
Blended Benchmark Difference	0.65%	2.74%	0.75%	1.27%	0.23%

Year in Review

ANNUAL RETURN



NOTE TO STAKEHOLDERS

The CPMT Class of 2023 would like to extend our gratitude to the Board of Trustees, the CFA Society of Calgary, and CPMT alumni for their continued involvement and support of the program. We would like to thank all of our supporters in the Calgary business community for their vested interest in the program and professionals who have volunteered their time to be a part of the mentorship program. This mentorship provides students with invaluable support, ranging from technical expertise to career guidance and more.

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

OVER THE QUARTER

The Fund returned 6.56% over the quarter, 65 bps above the Blended Benchmark's return of 5.91%. The outperformance can be largely attributed to the Health Care, IT, and Financials sectors but was offset by underperformance in Consumer Discretionary and Industrials. The Fund currently has 40/60 Canada/U.S. equity exposure. We are comfortable being overweight U.S. names due to the quality and growth profiles of our U.S. holdings but will continue to seek companies with a mandate fit in both Canada and the U.S.

Darling Ingredients (NYSE: DAR): In January, the fund entered a 1 conviction position in DAR, a global developer, producer, and marketer of specialty ingredients from sustainably rendered animal by-products. The Company's first-mover advantage allows it to collect 15% of the global meat industry's waste. DAR's feedstock advantage and Diamond Green Diesel operations have positioned the Company to capitalize on the rising demand for renewable fuels. Management has expanded the Company through extensive tuck-in acquisitions to be the largest independent renderer in North America. The CPMT views DAR favorably, given its dominance in the UCO market, vertical integration, and experienced management team, making it an excellent fit for the CPMT mandate.

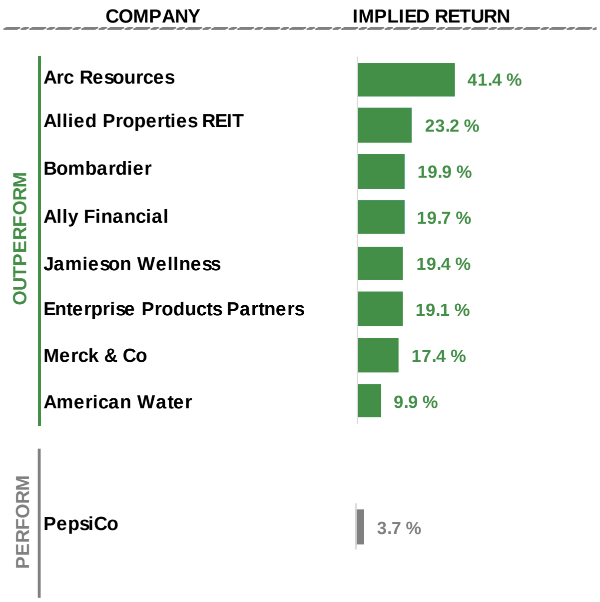
The Fund reduced its conviction in TMO from a 2 conviction to 1 conviction following an internal update. Although the Fund believes the Company will generate consistent FCF underpinned by modest organic and inorganic growth, TMO is limited by the current macroeconomic environment and the reduced demand for Covid-19-related products.

The Fund divested its position in BBY due to skepticism over the Company's ability to generate substantial margin accretion and FCF growth long-term. The Fund had concerns over BBY's ability to attract new members and maintain customer loyalty amidst a challenging macro environment.

Additionally, the Fund initiated trades with existing holdings, trimming MSFT to its desired weight of 4% and increasing exposure in ADBE. The Fund believes ADBE possesses a significant opportunity amidst depressed valuations with the announcement of the Figma acquisition.

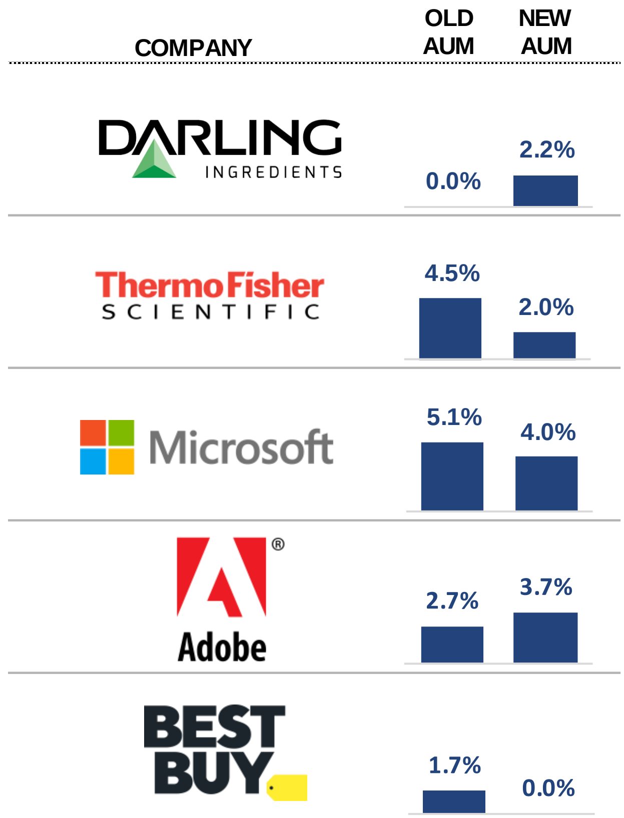
As the outgoing PM class prepares to leave the program, we shift our focus onto the Class of 2024 and reflect on another year of further development and successes of the program. Throughout the year, the Fund maintained high levels of collaboration, aiming to make prudent portfolio decisions while maintaining a commitment to high-quality due diligence and our investment mandate. Over the quarter, the Fund continued to host Speaker Series through both in-person and virtual formats and is grateful to have had the opportunity to speak with finance professionals across the U.S. and Canada. Lastly, we welcomed Emmanuel Fikreselassie, Jack Demo, Lukas Fairley, Max Konwitschny, Mike Holowatuk, Sarah Adamjee, Sohil Agrawal, and Tara Jindal to the Class of 2025. We look forward to the next year when each Investment Analyst will be showcasing the unique skillsets they bring to the program.

NEW RECOMMENDATIONS



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

TRANSACTION LOG



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

Allied Properties REIT

Real Estate
TSX: AP.UN
Market Outperform | Buy

March 31, 2023

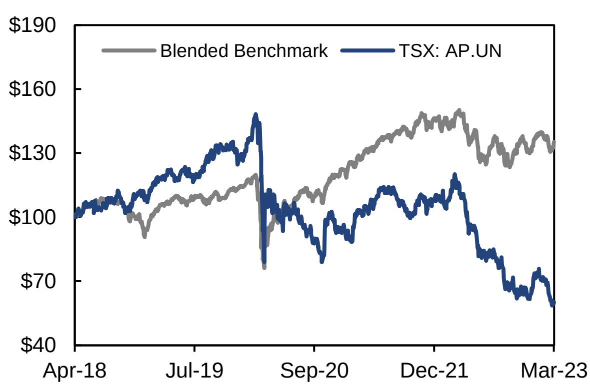
Jacob Kemp, Investment Analyst
Joel Homersham, Investment Analyst

Return on Investment	
Current Share Price	$24.36
Intrinsic Value	$30.00
Distribution Yield	7.39%
Implied Discount	23%
Conviction Rating	1

Market Profile	
52-Week Range	$23.40 - $47.24
Market Capitalization ($mm)	$3,375
Net Debt ($mm)	$4,348
Enterprise Value ($mm)	$8,265
Beta (5-Year Monthly)	1.01

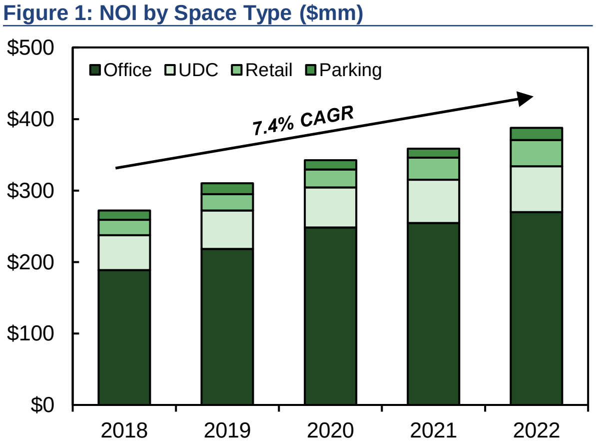
Metrics	2022A	2023E	2024E
Revenue ($mm)	$623	$633	$638
EBITDA ($mm)	$404	$414	$416
AFFO/share ($)	$2.17	$2.18	$2.24
EV/EBITDA	20.4x	19.9x	19.8x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: NOI by Space Type ($mm)



Source: Company Filings

Business Description

Allied Properties REIT (TSX: AP.UN; AP) is a Canadian real estate company that focuses on owning, developing, and managing a Class I portfolio of urban office properties in major cities across Canada. Founded in 2003, AP owns over 200 properties, totaling ~13mm sqft of leasable space. The Company's portfolio includes properties in Toronto, Montreal, Vancouver, Calgary, and other major Canadian cities, focusing on centrally located properties with historical and architectural significance. AP provides tenants with high-quality office space to meet their corporate needs while also providing attractive returns to investors through growing distributions.

Industry Overview

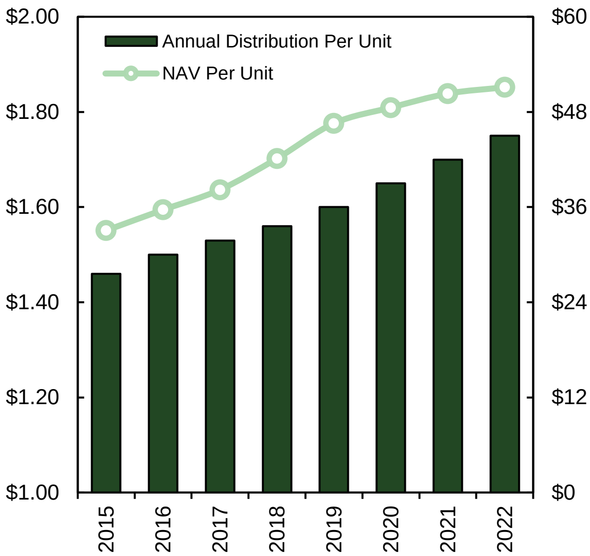
Macroeconomic Outlook: Despite the challenging macroeconomic backdrop of elevated interest rates and unfavourable financing conditions, Canada is expected to lead G7 nations in key industry value drivers. The Canadian population is expected to grow at a 1.4% five-year CAGR, primarily driven by immigration which is expected to total ~1.5mm cumulatively through 2025. Canadian employment is projected to grow at a 1.5% CAGR through 2028, outpacing the G7 by 800bps. Additionally, Canada is expected to lead the G7 in real GDP growth with a five-year CAGR of 2.2%. The strong census data and economic outlook, alongside a stable financial system, positions Canada to offer attractive real estate investment opportunities for global capital over the long term.

Shift to the Private Market: Commercial real estate ownership has increasingly shifted to the private market. Public REITs, regardless of sector, have continued to trade at steep discounts to NAV and are thus becoming buyout targets for private capital to achieve scale at an attractive valuation. In recent years, there has been a substantial influx of capital to the sector as the return profile of real estate lends well to risk-averse institutions such as pension funds. On the supply side, public and private REITs are unable to add assets due to regulation, and depressed project economics have continued to slow real estate development. As such, there has been a lack of quality inventory added to urban markets. This has culminated in $394B of dry powder globally targeting the Commercial Real Estate sector.

Office Real Estate: The office market has fundamentally changed due to the COVID-19 pandemic. Resulting office occupancy levels in Canadian metropolitan areas are now ~40-60% of pre-pandemic levels. Landlords have been faced with continued tenant downsizing and tenants prioritizing Class I real estate. Landlords have also forgone margins in leasing by offering significant tenant improvement incentives for customized spaces to attract their tenants back to the office rather than focusing on commodity-style office space.

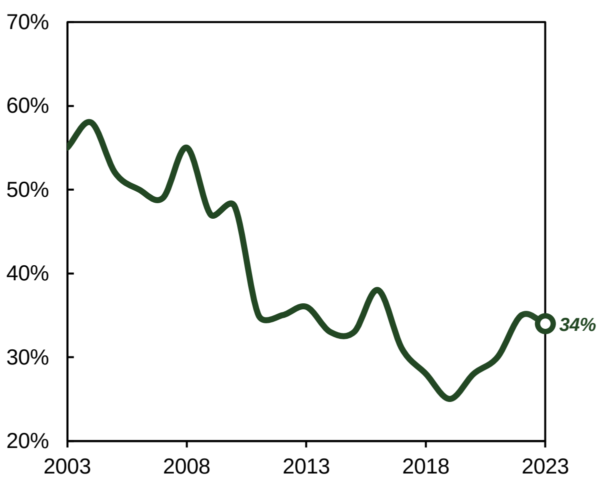
The Fund believes Canadian Class 1 landlords are better positioned to outperform given the market's fundamentals relative to other geographies. At a high level, the Fund believes pockets of value can be found in publicly traded REITs. Furthermore, the CPMT is comfortable with the ability of public REITs to compete with private capital, given their ability to facilitate investor liquidity and utilize capital markets to fund accretive expansion.

Figure 2: LHS Distribution vs RHS NAV per Unit



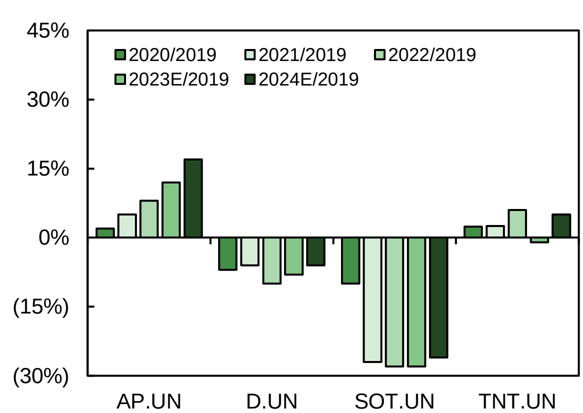
Source: Company Filings

Figure 3: Total Debt/GBV



Source: Company Filings

Figure 4: Office REIT FFO Progression



Source: S&P Capital IQ

Mandate Fit

Quality Management: Alongside Q4 2022 earnings, the Company announced that Michael Emory would step down as President and CEO, transitioning into the Executive Chair of AP. The current CFO, Cecilia Williams, will step into the President and CEO role after being with the Company for eight years. In addition, Tom Burns, Executive VP and COO will step down to become a trustee of the Company. Lastly, Nanthini Mahalingam will be appointed CFO from the position of Senior Vice President (SVP) of Finance and Accounting. The CPMT views these management changes as non-material as Emory's involvement in the firm remains, and an internal hire establishes consistency in operations. Management compensation structure is 68% long-term incentives, creating alignment across corporate goals and strengthening company-wide functions. Since its IPO in 2003, Emory and his team have increased the company-wide asset base by ~9,000%.

Competitive Advantage: AP is an industry leader in capitalizing on leasing- and subleasing-spread renewals. This spread capture, combined with growth in key operating markets and a first-mover advantage in key markets, provides a robust operating runway for the Company. AP creates capitalization opportunities by positioning in core markets such as Montreal, Toronto, Calgary, and Vancouver. The secular urbanization trend creates tailwinds for the Company as the portfolio's locational attributes and many years of development pre-planning have positioned AP with a sizable pipeline of development and intensification projects. These projects are expected to drive above-average FFO and NAV growth.

Strong Balance Sheet: The Company recently initiated a $1.3B sale of its Urban Data Centre (UDC) portfolio. The motivation behind selling a strong-performing, non-core operating segment stems from multiple industry peers' high-leverage issues. Proceeds from the sale are to be used for additional debt reduction efforts within its portfolio, which AP has emphasized recently. Debt reduction has been successful throughout recent quarters, with current levels at ~10x Total Debt/EBITDA. The UDC sale will restore a 7-8x level, which is AP's corporate target. AP has a sector-leading Total Debt/GBV value of 33.7%, an industry-leading flexible balance sheet containing ~$356mm of liquidity, and a 3.3% average interest rate.

Growing Free Cash Flow: AP possesses industry-leading FFO/share and AFFO/share metrics, which have grown at five-year CAGRs of 10.2% and 8.0%, respectively. Although the industry faces substantial macroeconomic headwinds, the Company has grown rental rates and compressed vacancy levels continuously. This positions AP to further increase same-store NOI, which has historically grown at a 7.4% CAGR, outpacing inflation by ~5.2%.

Investment Thesis and Valuation

AP was valued at $30 using an intrinsic NAV model. As REITs have historically traded at a discount to NAV, the CPMT implemented a 5% discount on the valuation. AP trades above its peer group of Dream Office REIT (TSX: D.UN), Slate Office REIT (TSX: SOT.UN), and True North Commercial REIT (TSX: TNT.UN) on an EV/EBITDA basis by ~7.1x. This is mainly attributed to its ability to capitalize on lease spreads. AP possesses industry-leading balance sheet metrics, which, combined with its strong management team, successful development plan, and low cost of capital, will allow the Company to capitalize on an expected return-to-office catalyst within the next 12 to 18 months.

Ally Financial

Financials
NYSE: ALLY
Market Outperform | Buy

March 31, 2023

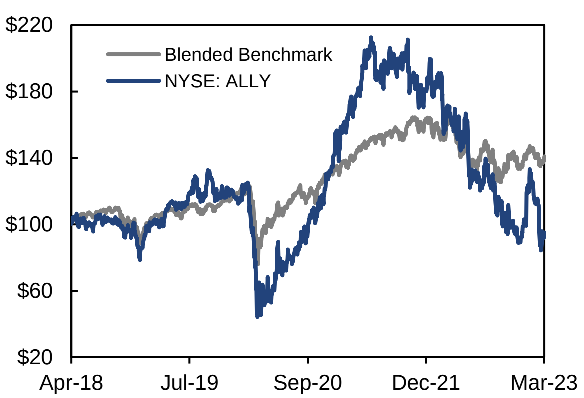
Noor Azeem, Portfolio Manager
Wesley Sherrard, Portfolio Manager

Return on Investment	
Current Share Price	$25.49
Intrinsic Value	$30.50
Dividend Yield	4.98%
Implied Discount	20%
Conviction Rating	2

Market Profile	
52-Week Range	$22.29 - $44.81
Market Capitalization (US$mm)	$7,668
Net Debt (US$mm)	$14,727
Preferred Shares (US$mm)	$2,324
Beta (5-Year Monthly)	1.24

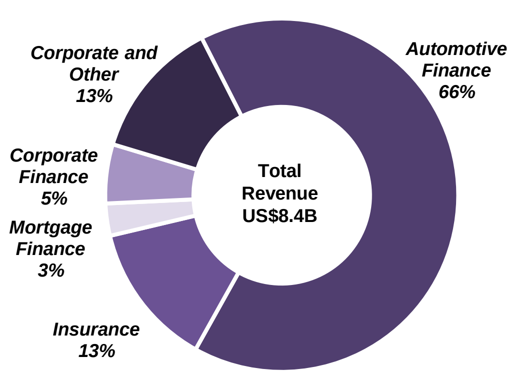
Metrics	2022A	2023E	2024E
Revenue (US$mm)	$8,428	$8,594	$9,394
EBT (US$mm)	$2,342	$1,944	$2,207
EPS (US$)	$5.41	$5.07	$5.96
P/E	4.6x	6.9x	5.5x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: 2022 Segmented Revenue



Source: Company Filings

Business Description

Ally Financial (NYSE: ALLY) is a financial services company with a focus on digital banking and automotive finance. The Company was originally the captive finance business of the General Motors (NYSE: GM) group before being sold to raise cash to fund GM's corporate restructuring. ALLY's relationship with GM remains a significant component of its business, with 44% of the consumer automotive financing originations coming from legacy GM dealerships. The Company has evolved from a focused automotive lender to a full-service digital bank that complements its legacy automotive business. The Company operates through four primary segments: Automotive (which encapsulates automotive finance and insurance), Mortgage Finance, Corporate Finance, and Other. ALLY's business is largely focused on the automotive sector, representing 79% of revenue in 2022.

Implications of Financial Sector Sentiment on ALLY

The U.S. banking sector has experienced a series of bank collapses, highlighting the tangible impact of the rapid increase in interest rates. The fall of Silicon Valley Bank (SVB), followed by Signature Bank and Silvergate, has led to decreased confidence in the regulatory oversight of the U.S. financial system.

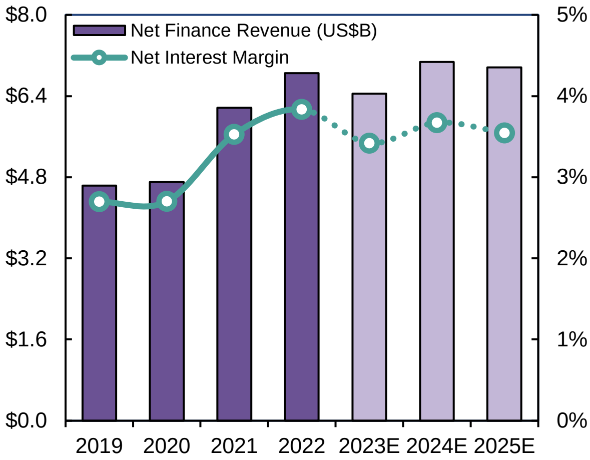
One of the primary factors leading to the banking crisis was the Federal Deposit Insurance Corp (FDIC) US$250,000 insurance limit which left depositors with assets above that limit exposed to losing their savings. In response to this risk, the FDIC has guaranteed the deposits of the fallen banks to limit the impact of the crisis in other areas of the economy. Additionally, the Fed has provided a new program called the Bank Term Funding Program, which offers financial institutions, including ALLY, a line of liquidity to alleviate the pressure to sell assets at a loss.

These events have significantly impacted the short-term trading performance of financial institutions in the U.S. and, to a lesser extent, financial institutions globally. The Fund believes ALLY is well-positioned to weather further volatility and market turmoil in this sector. First, only 10% of the Company's deposits are uninsured by the FDIC, compared to 87.5% with SVB. Second, ALLY has the liquidity to handle lower deposits, with US$35.8B in liquid assets representing 23% of total deposits. Furthermore, 27% of ALLY's deposits are certificates of deposits (CDs) which provide management deposit certainty. Lastly, SVB's balance sheet had a significant component of held-to-maturity securities which did not reflect the mark-to-market loss on the bonds due to rising rates. Conversely, ALLY holds over 95% of its fixed-income investments in an available-for-sale account which reflects the market value of the securities. The change in accounting practice ensures ALLY's liquidity and regulatory requirements are met if the bank has realized losses in its bond portfolio.

Mandate Fit

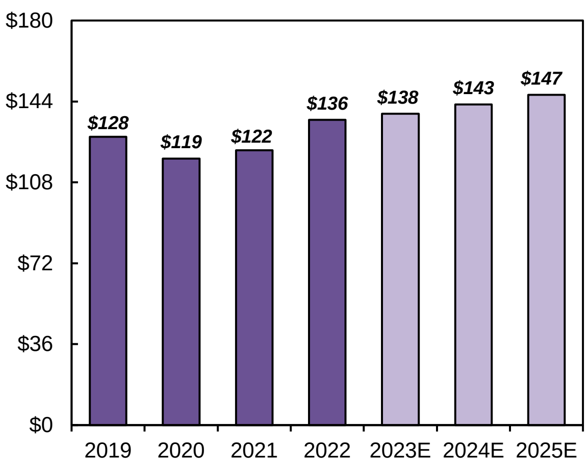
Quality Management: ALLY is led by CEO Jeffrey Brown, who has been with the Company for over 14 years in roles such as corporate treasurer and CEO of ALLY's dealer financial services business. The Company recently appointed Russell Hutchinson as CFO (cont.)

Figure 2: LHS Net Finance Revenue vs RHS NIM



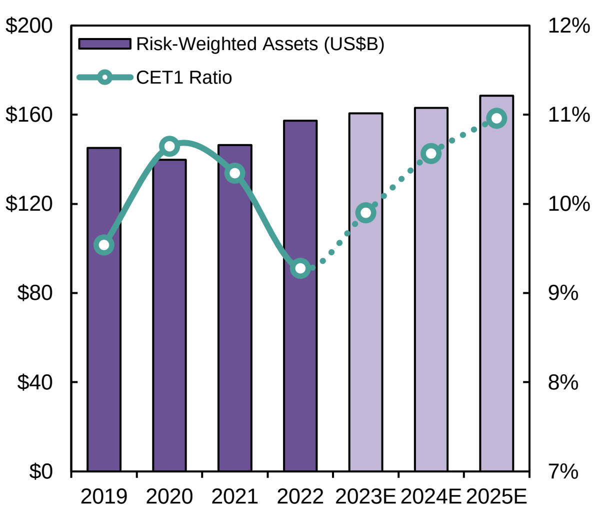
Source: Company Filings, CPMT Estimates

Figure 3: Finance Receivables (US$B)



Source: Company Filings, CPMT Estimates

Figure 4: LHS CET1 vs RHS Ratio



Source: Company Filings

effective this July, who was previously the COO of Goldman Sachs' (NYSE: GS) M&A team. In 2022, over 75% of CEO and NEO compensation was at-risk, indicating alignment with shareholders.

Competitive Advantage: The Company is uniquely positioned as the largest U.S. fully-digital bank, incurring fewer costs than its brick-and-mortar peers and passing these cost savings on to its customers by offering more favourable interest rates. ALLY has grown its bank users quickly from 1mm users in 2014 to over 4mm in 2022, with a strong retention rate of 96%. ALLY's growing banking business pairs well with its automotive lending business, which has become structurally more profitable with a lower cost of funds from deposit growth and a decreased dependence on debt financing.

Balance Sheet: ALLY's CET1 capital requirement ratio from the federal reserve is 7.0%, and the Company targets 200 bps above the requirement. As of the end of 2022, ALLY's CET1 ratio was above its target at 9.3%, indicating strong liquidity. ALLY's loan portfolio is focused on the prime lending market, with only approximately 10.6% of the loan portfolio exposed to the subprime market. The Company maintains an investment-grade credit rating of Baa3 and BBB- from Moody's and S&P Global, respectively.

Growing Free Cash Flow: ALLY's strong free cash flow generation has allowed it to provide robust returns to shareholders, repurchasing US$1.7B shares and paying out US$384mm in dividends in 2022. Dividends have grown at a five-year CAGR of 25%, reaching US$1.20 per share in 2022. ALLY's growing market share of FDIC-insured deposits, reaching 0.8% in 2022, comes as a result of its ability to pass cost savings to its consumers through superior rates, catalyzing its earnings as it grows its lending book.

Risks

The Company's primary risk is decreasing deposits resulting from the financial crisis. This would result in compressed Net Interest Margins (NIMs), which are already under pressure with increased interest rates. However, ALLY's loan book reprices quickly, which partially mitigates NIM compression attributed to rising rates. Furthermore, the business is at risk of falling vehicle prices as automotive supply chain issues improve and interest rates impact demand. Declining vehicle prices will impact the size of the auto loan balances and loan recovery rates. Albeit, offset by the industry trend to more expensive EVs.

Investment Thesis and Valuation

ALLY's strong relationships with its dealership partners provide it with a stable source of lease originations. From this, it profits from the entire lease lifecycle until remarketing, or the lessor purchases the vehicle. The Company's diverse service portfolio provides a one-stop-shop solution for its clients, consisting of an Insurance segment to complement its Automotive Financing offerings. ALLY's Mortgage Finance operations are highly sticky, creating multi-product relationships with customers, of which ALLY offers lower deposit rates. The Company's loan book has become more diversified with decreased relative exposure to the automotive market.

The CPMT valued ALLY using a 50/50 blend of a 5.5x 2024 P/E multiple and discounting the distributions to shareholders by its cost of equity. The CPMT views ALLY as a strong addition to its financial sector holdings due to the diversification it provides into consumer finance. The Fund believes it is an opportune time to initiate a position in ALLY upon further due diligence.

American Water

Utilities
NYSE: AWK
Market Outperform | Buy

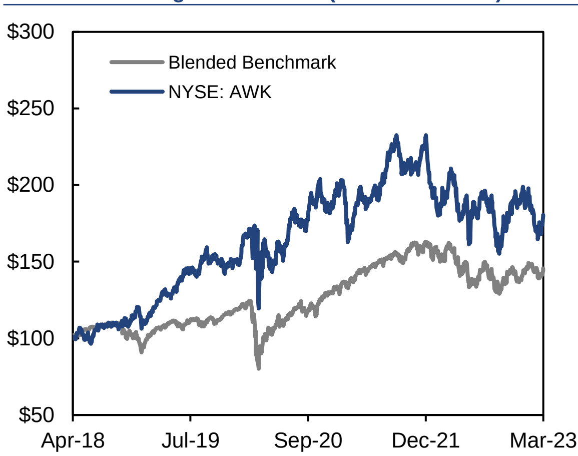
March 31, 2023
Emily Chen, Portfolio Manager
Karlen Slater, Portfolio Manager

Return on Investment	
Current Share Price	$146.49
Intrinsic	$161.00
Dividend Yield	1.80%
Implied Discount	10%
Conviction Rating	2

Market Profile	
52-Week Range	$126.01 - $171.14
Market Capitalization (US$mm)	$28,509
Net Debt (US$mm)	$17,898
Enterprise Value (US$mm)	$46,407
Beta (5-Year Monthly)	0.56

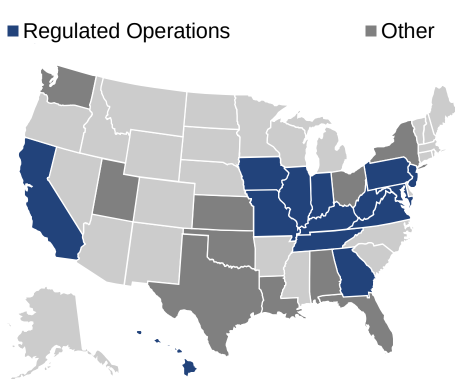
Metrics	2022A	2023E	2024E
Revenue (US$mm)	$3,792	$4,139	$4,409
EBITDA (US$mm)	$1,922	$2,227	$2,381
EPS (US$)	$4.51	$4.73	$5.12
P/E	32.5x	31.0x	28.6x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: AWK's National Presence



Source: Company Filings

Business Description

American Water (NYSE: AWK) and its subsidiaries constitute the largest U.S. publicly traded water and wastewater utility company. AWK has more than 6,500 employees who help provide regulated and regulated-like water and wastewater services to ~14mm people throughout 24 states in the United States. AWK's largest operating segment by revenue is its ownership of regulated utility assets that serve 3.4mm customers, including residential, commercial, industrial, public authority, fire service, and sale for resale customers. In addition, the Company's "regulated-like" operations include contracts with the U.S. government on military installations and in municipalities. AWK assets include 80 surface water treatment plants; 490 groundwater treatment plants; 175 wastewater treatment plants; 53,500 miles of transmission, distribution, and collection mains and pipes; 1,100 groundwater wells; 1,700 water and wastewater pumping stations; 1,100 treated water storage facilities; and 73 dams. AWK was founded in 1886 and is headquartered in Camden, New Jersey.

Industry Overview and Outlook

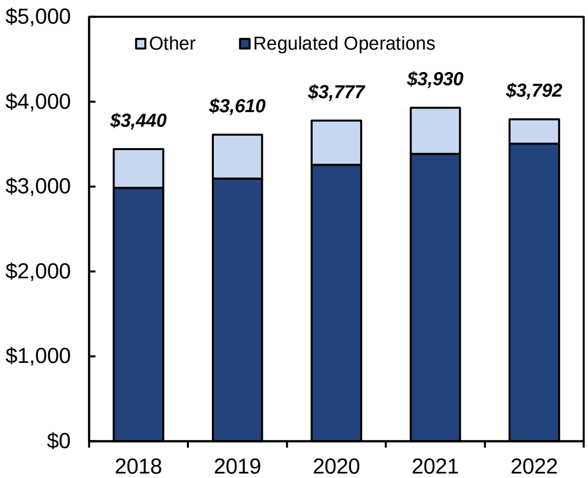
The U.S. Water Utility industry is highly fragmented. Currently, there are ~156,000 public water systems, 33% of which are community systems such as municipalities and sub-divisions, while 67% are noncommunity systems such as hospitals, office buildings, and gas stations. Most industry operators are government entities; however, due to low tax revenue, many municipal authorities have outsourced water utilities to cushion ongoing deficits. With multiple takeovers of struggling public water companies, an influx of private capital has entered the industry from companies such as AWK, Essential Utilities (NYSE: WTRG), American States Water (NYSE: AWR), California Water Service Group (NYSE: CWT), and SJW Group (NYSE: SJW), with goals of increasing operating efficiencies. The industry provides ample opportunity to deploy capital and receive stable cash flows that correlate positively with ESG objectives.

Increased investment in water utility infrastructure is necessary to address current water system issues, including water leaks, pipe breakages, and health hazards (such as high levels of chemicals and metals). In 2021, the U.S. government passed *The Drinking Water and Wastewater Infrastructure Act of 2021*, which included US$55B in funding for the sector to ensure clean potable water. As the importance of operational efficiency continues to increase, the Water Utility industry expects and requires greater capex to improve core infrastructure. Many of these operational efficiencies have already been realized due to upgrades in technology, resulting in a reduction in both costs and water loss rates. In relation to pricing, substantial increases in water rates are an impractical option as: (1) water bills are considered unaffordable for millions of Americans, and (2) state economic regulatory agencies traditionally regulate the service prices that are charged by the water utility.

Mandate Fit

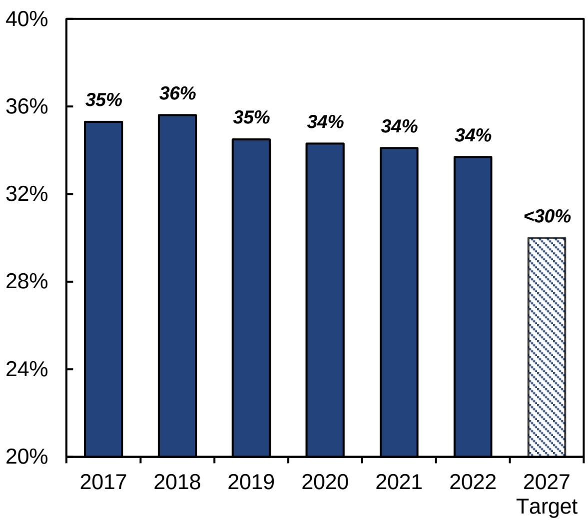
Quality Management: Susan Hardwick is the President and CEO of AWK, having served in the position since February 2022. Hardwick joined the Company in June 2019 and promptly assumed the position of CFO in July 2019. Prior to this, Susan acquired (cont.)

Figure 2: Segmented Revenues (US$mm)



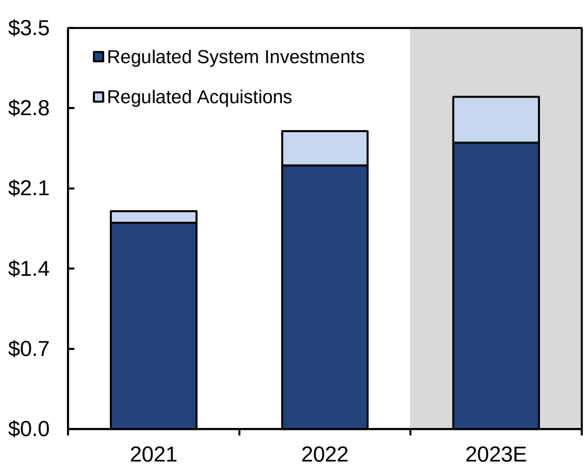
Source: S&P Capital IQ

Figure 3: Regulated O&M Efficiency Ratio



Source: Company Filings

Figure 4: Regulated Investment Capex (US$B)



Source: Company Filings

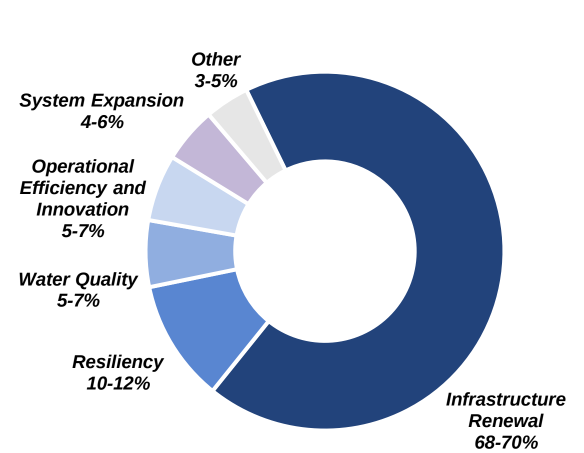
extensive experience within the regulated utility industry, which has proven invaluable to her effective leadership thus far. While Hardwick is relatively new to her current role, the CPMT believes her strategic focus on maintaining disciplined capital deployment is the correct path for AWK to continue steady customer base growth. In 2022, Hardwick's total compensation was 15% base salary, with the remainder comprising incentive-based pay (i.e., stock awards and non-equity incentive plans). In relation to ESG performance, AWK is targeting a 15% reduction in water delivered per customer by 2035 (compared to a 2015 baseline) by minimizing water loss and non-revenue water through improved technology (i.e., water source sensors and meter data management).

Competitive Advantage: AWK's size and scale are particularly valuable in the water utility industry, where its geographic diversification allows for partial mitigation of regulatory uncertainty in individual states. This is because AWK's market-leading position amongst public peers provides it the flexibility to allocate capital based on where it foresees the greatest value-add opportunities, resulting in efficient use of funds compared to peers that may be limited to growth in a particular region or jurisdiction. Furthermore, AWK has been effective with its acquisition strategy to expand operations. The Company typically pursues tuck-in acquisitions where it can integrate water and wastewater systems near existing AWK infrastructure. By focusing on these targets to grow its operational footprint, AWK can successfully realize synergies and minimize risk compared to investments in entirely new areas. Furthermore, AWK can leverage its current customer mix of 92% water and 8% wastewater to cross-sell and provide both services through continued consolidation. In addition to these opportunities, the Company's strategy is supported by regulatory tailwinds – for example, greater adoption of Fair Market Value legislation will generate new acquisition benefits for purchasers (such as AWK).

Strong Balance Sheet: AWK's financial strength is reflected by its investment grade credit ratings of Baa1 and A from Moody's and S&P Global, respectively. Exiting 2022, AWK's debt-to-capital was 62%, whereas the Company's long-term target is under 60%. Liquidity-wise, AWK has an untapped US$2.75B revolving credit facility maturing in October 2027, allowing the Company to support growing business and capital investment plans. It is important to note that between 2024 and 2027, ~20% of AWK's outstanding senior notes mature, providing a risk to the Company from an interest rate perspective. However, despite a cash position under US$100mm, the CPMT still expects the Company to pursue growth opportunities as disclosed (likely to be funded through debt). Management has also stated plans to issue US$2B of equity from 2023 to 2027, allowing AWK to remain at its long-term debt-to-capital target while simultaneously expanding its operations.

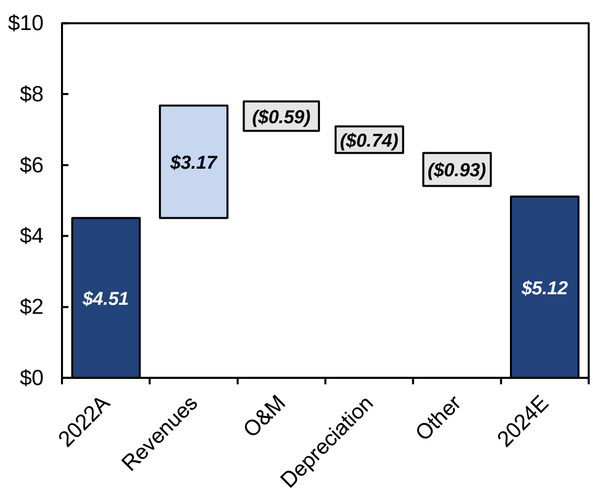
Growing Free Cash Flow: In 2022, AWK added a record 70,000 customer connections through acquisitions of US$335mm. The Company's growth is expected to continue through 2027 with US$1.5 - 2.0B in planned acquisitions from 2023 to 2027. As of Q4 2022, AWK had 21 acquisitions in nine states under the agreement, totaling US$326mm with 32,400 customer connections. Currently, 1.3mm customer connections remain in the Company's pipeline, showing strong acquisition opportunities in the foreseeable future. AWK's most effective method of growth is through currently owned asset improvements, which has planned capital deployment of US$27.0 - 30.0B from 2023 to 2032. Continued investments in owned assets provide a consistent rate base growth of ~8 - 9% annually. In 2022, AWK had rate filings completed that (cont.)

Figure 5: 10-Year Regulated System Investments Plan



Source: Company Filings

Figure 6: 2024E EPS Estimate (US$)



Source: Company Filings, CPMT Estimates

increased annual revenue by US$416mm. Current pending proceeds reach a total of US$181mm in annual revenues and are expected to have final decisions and implementation in place by the start of Q1 2024. The Company also has a 2027 target for a regulated operations & maintenance (O&M) efficiency ratio of <30% (currently at ~34%), which AWK plans to achieve through revenue growth, cost management, and improved technologies.

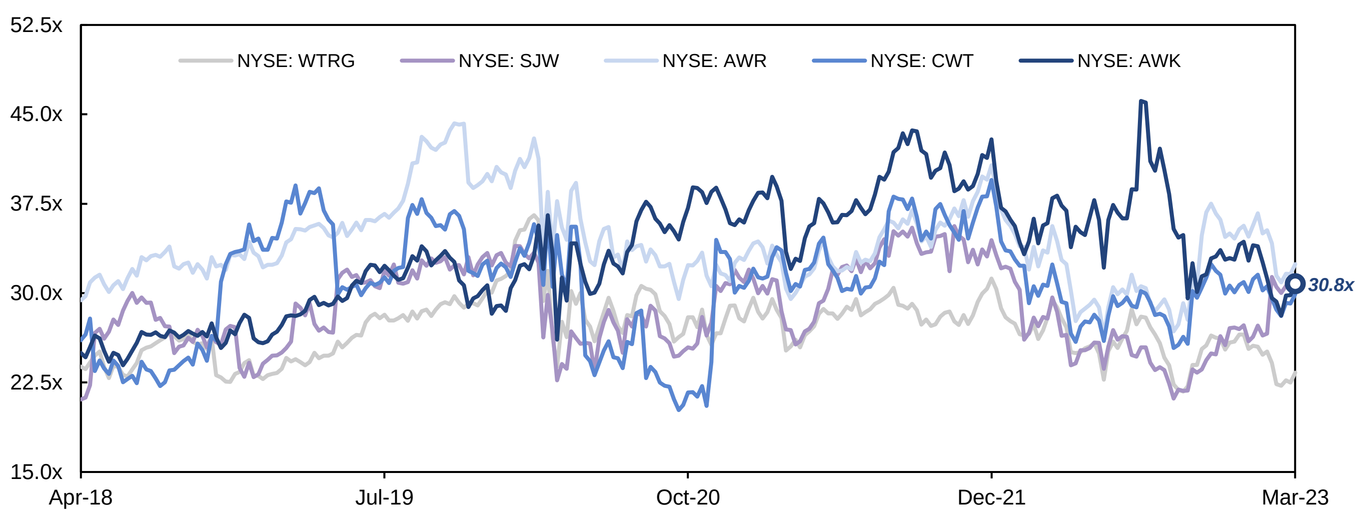
Risks

Key risks facing AWK's operations primarily originate from regulatory concerns. Firstly, the rates that AWK can charge its customers are dependent upon state public utility commissions, which may lag behind AWK's internal changes in operating expenses. Secondly, environmental health and safety laws are becoming increasingly stringent, which may subject the Company to greater liabilities and reputational risks. Furthermore, regulatory decisions surrounding water supplies (i.e., allocation rights) may restrict AWK's business as the Company does not typically own the water supplies being sold to customers. Other risks include extreme weather events, M&A integration, and interest rate fluctuations.

Valuation and Investment Thesis

The CPMT derived an intrinsic value of $161 for AWK, implying a discount of 10%. The Company was valued at a 2024E P/E multiple of 34x (equivalent to AWK's five-year NTM P/E average), discounted to its present value. Overall, the CPMT is confident in AWK's economic moat, given its flexible capital deployment strategy and ability to integrate tuck-in acquisitions to expand operations. AWK has the optionality to realize M&A synergies in geographic regions where it sees the largest opportunities, a choice unavailable to competing peers due to lack of size and scale. In addition, AWK is a strong operator possessing exceptional earnings growth and revenue stability. As the Company continues to invest in O&M improvement initiatives, the CPMT believes that AWK's increased profitability will drive valuations upward. Furthermore, the CPMT is confident in growth catalysts, such as Fair Market Value legislation, that can support AWK's development. The CPMT plans to continue monitoring the name and conducting further due diligence before making an investment decision.

Figure 7: NTM P/E vs Peers



Source: S&P Capital IQ

Arc Resources

Energy
TSX: ARX
Market Outperform | Buy

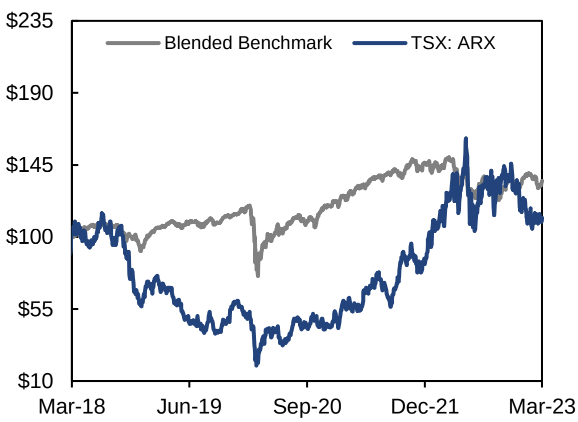
March 31, 2023
Joao Vitor Beani, Investment Analyst

Return on Investment	
Current Share Price	$15.00
Instrinic Value	$21.00
Dividend Yield	2.90%
Implied Discount	40%
Conviction Rating	1

Market Profile	
52-Week Range	$13.65 - $22.88
Market Capitalization ($mm)	$9,496
Net Debt ($mm)	$1,302
Enterprise Value ($mm)	$10,797
Beta (5-Year Monthly)	1.53

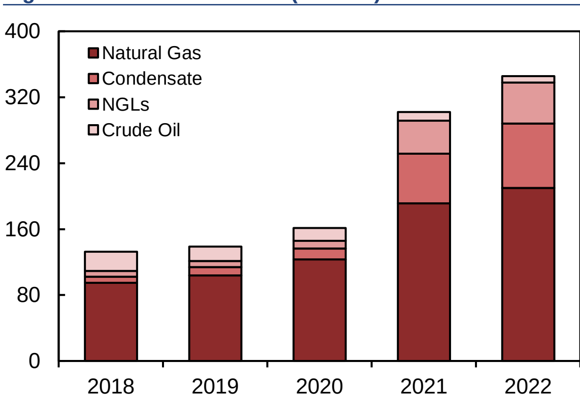
Metrics	2022A	2023E	2024E
Production (boe/d)	345,611	346,905	350,059
Revenue ($mm)	$7,969	$5,034	$5,286
DACF ($mm)	$3,695	$2,568	$2,708
EV/DACF	2.9x	4.2x	4.0x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: Production Profile (mboe/d)



Source: Company Filings

Business Description

ARC Resources (TSX: ARX) is a Canadian oil and gas exploration and production company. The Company's operations focus on the Western Canadian Sedimentary Basin (WCSB), particularly in the Montney and Deep Basin resource plays in Northeast British Columbia (NEBC) and Northwest Alberta. ARX's production mix includes unconventional crude oil (2%), condensate (23%), natural gas (61%), and natural gas liquids (NGLs) (14%). In 2021, the Company merged with Seven Generations Energy, extending its reach in the Montney formation to Northern Alberta and supplementing its pre-existing NEBC asset base. ARX's 2023 production is expected to be 345 - 350 mboe/d, making the Company the largest condensate producer and the third-largest natural gas producer in Canada.

Q3 2022 Due Diligence

In December 2021, the CPMT conducted due diligence on ARX. The Fund refrained from entering a position in ARX, due to a ~2.0% overweight position in the energy sector relative to the Blended Benchmark. As the Fund is now ~1.0% underweight, the CPMT has decided to conduct additional due diligence on the name to explore potential investment.

Natural Gas Overview

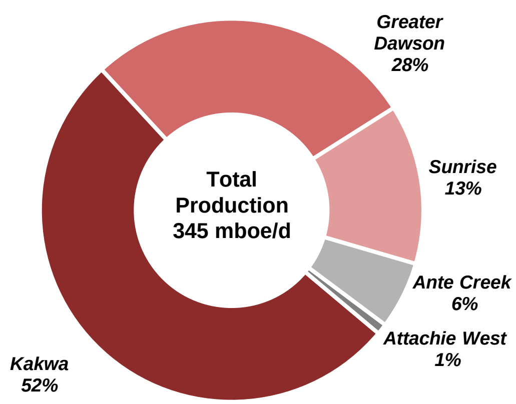
In February 2023, the U.S. Energy Information Administration (EIA) reduced the 2023 Henry Hub spot price forecast to an average of US$3.4/mmbtu, down ~30% from its January forecast. The main driver for the EIA's significant revision was the warmer-than-expected weather in January, which caused a decrease in natural gas consumption for heating, resulting in storage exceeding its five-year average. In 2023, it is anticipated that Canada will experience a comparable level of consumption decline to that of the U.S. and Europe. However, despite significant headwinds in the short term, the CPMT sees tailwinds on the horizon for natural gas markets. The growth of U.S. LNG exports and countries aiming to reduce dependence on Russian natural gas, coupled with the anticipated launch of projects such as LNG Canada Phase 1 by 2025, are expected to result in a prolonged period of heightened natural gas drilling activity in Canada and the U.S. to meet rising demand.

Land Position and Marketing

ARX markets natural gas and NGLs through a diversified North American portfolio, which includes a significant presence in the Midwest U.S. through the Alliance Pipeline and utilization of third-party and proprietary contracting agreements on the Northern Border Pipeline. The second largest product produced by ARX is condensate, which is transported to the WCSB oil sands and used to dilute heavy oil and bitumen. ~70% of ARX's $1.8B 2023 capex budget will be allocated to Alberta, with the remainder to British Columbia (BC).

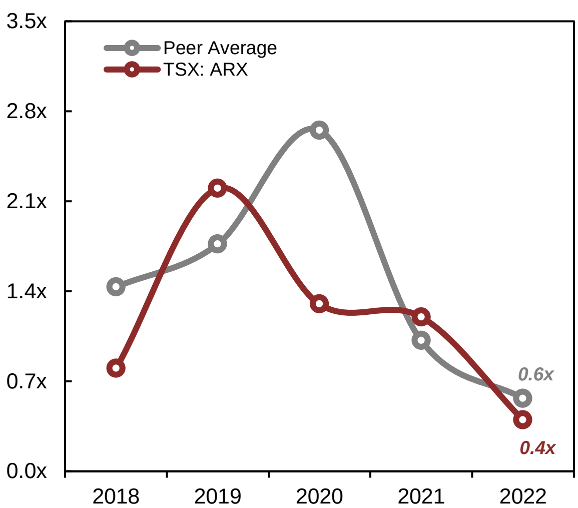
British Columbia: ARX has two primary active operations in NEBC, Greater Dawson and Sunrise, which collectively produce 128 mboe/d. However, the highlight of ARX's NEBC portfolio is the Attachie project, which has 318 net sanctions in the Montney and is predicted to generate 2,500 boe/d by 2023. The land base (cont.)

Figure 2: Production Mix by Location



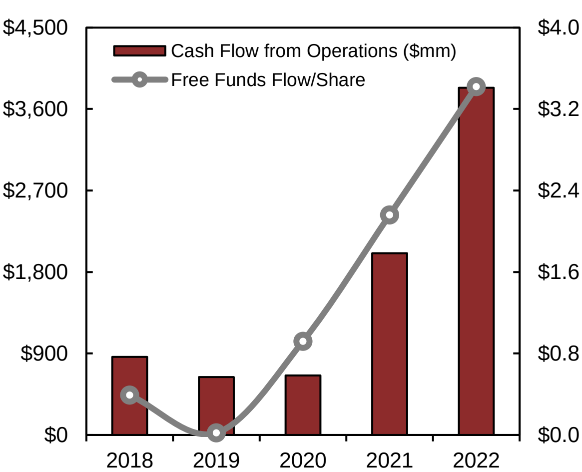
Source: Company Filings

Figure 3: Net Debt/EBITDA vs Peers



Source: S&P Capital IQ

Figure 4: LHS CFO vs RHS FFO/Share



Source: Company Filings

at Attachie surpasses all of ARX's current NEBC developments, making it the Company's most significant build-out to date.

Alberta: ARX's leading developments in Alberta are Ante Creek and Kakwa, producing a total of ~220,000 boe/d. In 2022, ARX's main development activities in Alberta were focused on Kakwa, where average production increased by ~6% YoY from Q4 2021 to Q4 2022. The Company has identified ~1,000 locations at Kakwa, which supports a hold-flat development of around 12 years.

Mandate Fit

Quality Management: President and CEO Terry Anderson has been with the Company since 2020. Anderson navigated ARX through negative oil prices during COVID-19 and the Company's integration with Seven Generations Energy. The Company proposed to return 50 - 100% of free funds flow (FFO) to shareholders in 2023. In 2022, ARX increased its quarterly dividend to $0.15/share from $0.12/share and repurchased shares to reach a 15% reduction in share count since Q3 2021. ARX's Board of Directors is ~36% represented by women, and ~64% of executive compensation is tied to performance.

Competitive Advantage: ARX's Montney assets are of exceptional quality, resulting in favourable well economics and flexibility for new developments. ARX's average ROE of ~27% over the last two years is superior to its Canadian peer average of ~23%; this advantage comes primarily from its quality assets leading to low corporate breakeven (US$40/bbl WTI, $2/mcf natural gas). In addition, ARX has a well-diversified North American exposure to natural gas prices. The Company has secured long-term contracts to access Western Canada and U.S. Gulf Coast through LNG Canada and Cheniere Corpus Christi Stage III as part of its diversification strategy.

Strong Balance Sheet: In 2022, ARX reduced its long-term debt by $700mm and net debt by $500mm, representing approximately reductions of 42% and 29% YoY, respectively. As a result, ARX exited the year with net debt of $1.3B and a Net Debt/EBITDA of 0.4x, below its peer average of 0.6x. Morningstar affirmed a BBB credit rating for ARX's issuer and senior unsecured ratings, both with a stable outlook.

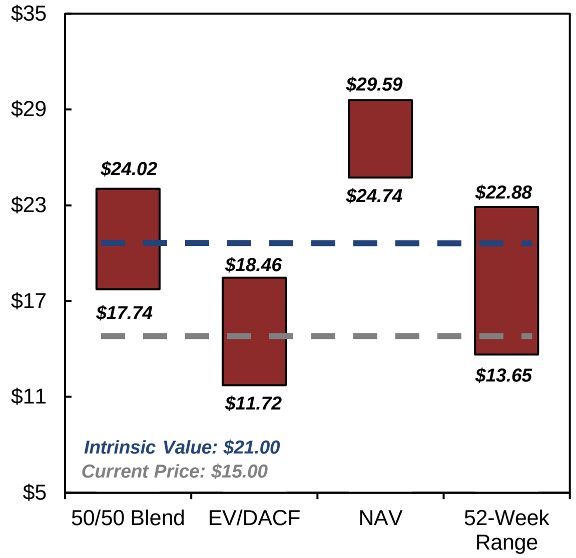
Growing Free Cash Flow: The Company plans to realize FFO growth in 2023 by modestly growing production at Kakwa and benefitting from low reinvestment rates in Greater Dawson. At current commodity prices, Attachie Phase I (ARX's primary means to grow its production) has an IRR of ~29%, adding 40 mboe/d after the build-out. In addition, ARX's annualized 2022 unlevered FCF margin of 25% was significantly higher than its peer average of 16%. Thus, the CPMT expects that the Company will maintain its strong FCF generation through an ability to maintain low operational costs due to expertise in the Montney region.

Risks

ARX's growth is closely tied to its ability to achieve ongoing success in its development plays through drilling. The Company's financial stability heavily depends on commodity prices, which have been volatile due to an uncertain macroeconomic environment in Q1 2023 with increasing inflation and interest rates.

Attachie represents a significant component of ARX's future cash flow, and Phase I still depends on additional sanctions from the BC government. In January 2023, the BC government imposed restrictions on new disturbances in the Blueberry River First Nations (BRFN) land. ARX's operations in BC are situated outside the (cont.)

Figure 5: Valuation Football Field



Source: CPMT Estimates, S&P Capital IQ

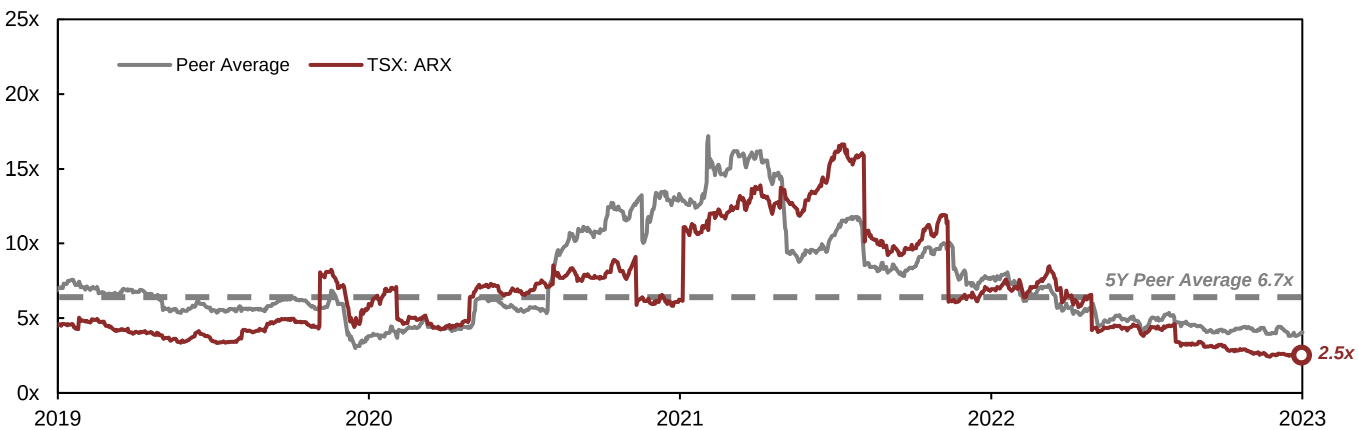
BRFN region, but Attachie's sanctions might be affected by the current political tension in the region. It is also important to note potential development risks associated with the new drilling program. Nonetheless, the CPMT is confident that ARX's expertise in the Montney region will enable the Company to succeed.

Valuation and Investment Thesis

The intrinsic value of $21 was determined through a 50/50 blend of (1) a 2P NAV model forecasting production of principal commodity reserves and (2) an EV/DACF exit multiple of 4.3x applied to 2023E DACF. The NAV applied an industry-standard discount rate of 10% and a decline rate of 10%. Commodity price forecasts were guided by the EIA, Alberta Energy Regulator, GLJ, and ARX's average realized commodity prices from 2021 and 2022.

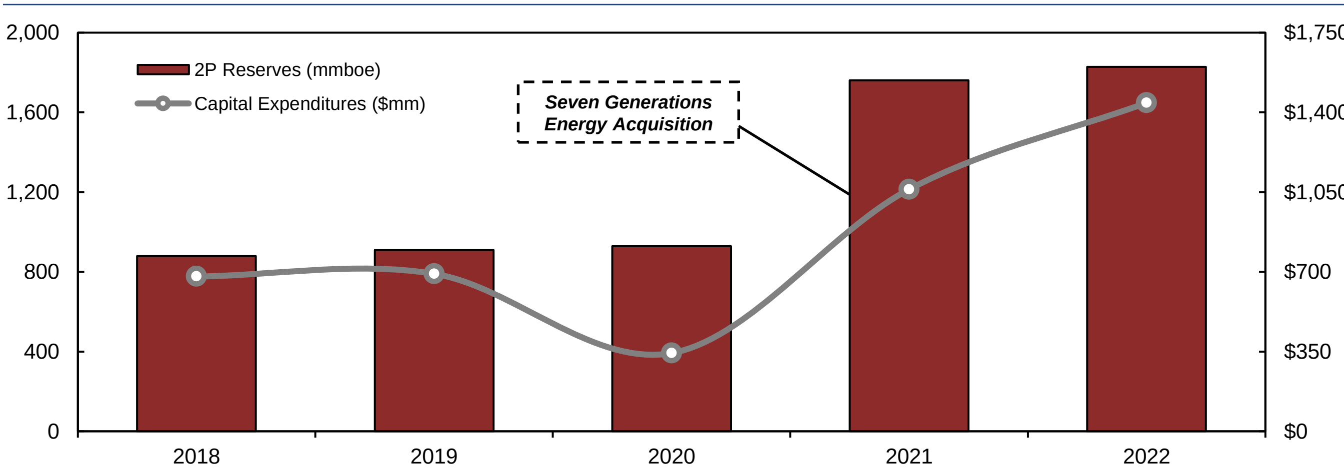
The CPMT has a positive outlook on ARX due to its superior assets, disciplined capital program, and quality management. The Fund sees ARX as an attractive diversification to CPMT's portfolio due to its significant indirect exposure to crude oil through condensate while maintaining exposure to natural gas prices. In addition, ARX can catalyze its valuation upside by consistently achieving its financial goals, benefiting from low operational costs, and leveraging significant expertise in the Montney region. The CPMT plans to continue monitoring the name and conducting further due diligence before making an investment decision.

Figure 6: NTM EV/EBITDA vs Peers



Source: S&P Capital IQ

Figure 7: LHS 2P Reserves vs RHS Capital Expenditures



Source: Company Filings

Bombardier Inc

Industrials
TSX: BBD.B
Market Outperform | Buy

BOMBARDIER

Calgary Portfolio Management Trust

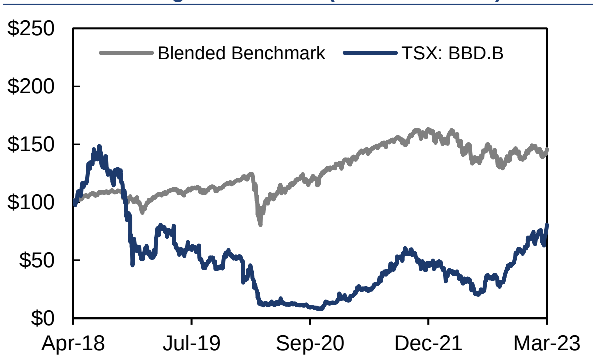
March 31, 2023
Raunak Sandhu, Investment Analyst

Return on Investment	
Current Share Price	$73.38
Intrinsic Value	$88.00
Dividend Yield	0.00%
Implied Discount	20%
Conviction Rating	1

Market Profile	
52-Week Range	$18.30 - $73.87
Market Capitalization (US$mm)	$6,762
Net Debt (US$mm)	$6,942
Enterprise Value (US$mm)	$14,181
Beta (5-Year Monthly)	3.03

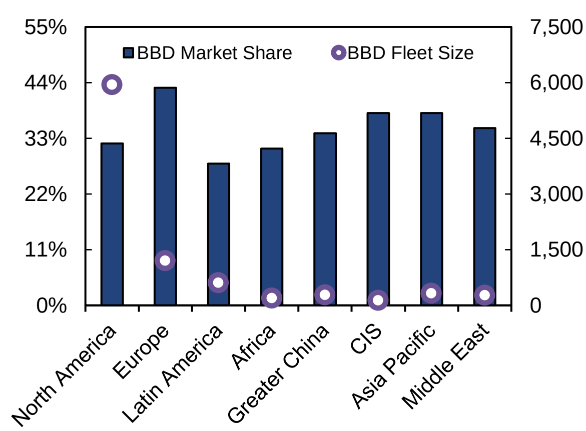
Metrics	**2022A**	**2023E**	**2024E**
Revenue (US$mm)	$6,913	$7,427	$7,979
EBITDA (US$mm)	$930	$1,000	$1,075
EPS (US$)	($1.87)	$2.04	$3.51
EV/EBITDA	17.7x	14.2x	13.2x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: LHS BBD Market Share[1] vs RHS BBD Fleet Size



Source: Company Filings
(1) Medium and Large Aircraft Fleet Ratio (Excluding Light and Large Corporate Airliners)

Business Description

Bombardier (TSX: BBD.B; BBD) is a Canadian aerospace company focused on designing, manufacturing, and servicing business aircraft. The Company's portfolio includes its industry-leading business jets and a range of aftermarket services to support its customers throughout the lifecycle of their aircraft. BBD also sells its aircraft to defense and government agencies worldwide for training, cargo, and passenger transport purposes. With the sale of its rail business in 2021 to Alstom (EPA: ALO) for US$8.2B and its exit from the commercial aviation industry, BBD now exclusively operates within the business aviation industry.

Industry Overview

The aerospace industry is a competitive global sector encompassing aircraft and spacecraft design, manufacturing, and maintenance. Major players in the industry include Boeing (NYSE: BA), Airbus (ENXTPA: AIR), and BBD. The industry has been challenged in recent years due to the COVID-19 pandemic, which resulted in a decline in air travel and a corresponding decrease in new aircraft orders. In 2020, the global aerospace industry saw an ~40% decline in aircraft deliveries and an ~30 - 40% decline in aircraft orders compared to the previous year. However, the industry is expected to recover in the coming years, driven by increasing demand for air travel, particularly in emerging markets such as China and India. By 2039, it is projected that the global fleet of commercial aircraft will nearly double to over 45,000, up from 25,900 in 2019. AIR and BA dominate the industry, with a combined market share, calculated as a ratio of fleet size to global fleet size, of ~80%. BBD's portfolio includes a range of business aircraft, while BA and AIR focus on larger commercial aircraft.

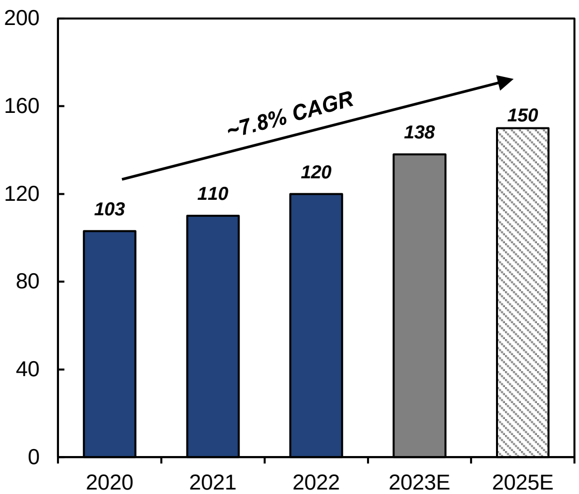
The aerospace industry is also heavily regulated, with strict safety and environmental standards imposed by regulatory bodies such as the Federal Aviation Administration and the European Aviation Safety Agency. As seen by the grounding of BA aircraft in recent years as well as the COVID-19 pandemic, government policy can have an immediate and negative impact on the aviation industry.

Mandate Fit

Quality Management: BBD's management team is led by President and CEO Éric Martel, who assumed the position in March 2020 after the Company sold its transportation business to Alstom to fully shift to operating within business aviation. Martel has built up experience in the transportation and energy sectors, having previously served as the CEO of Hydro-Québec. Prior to joining Hydro-Québec in 2015, Martel held several leadership positions at BBD, including president of the business aircraft division.

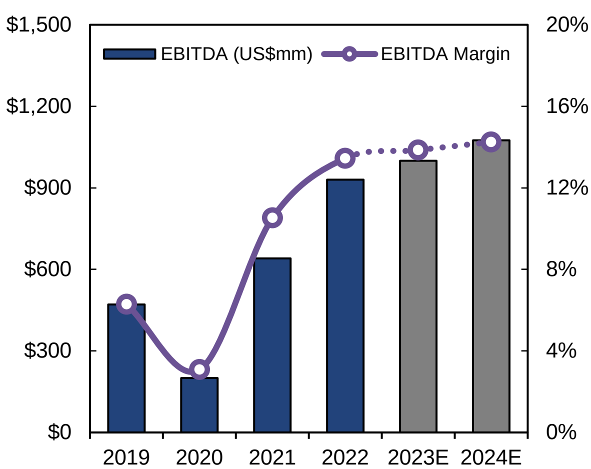
Competitive Advantage: BBD's competitive advantage lies in its large installed fleet as well as it being able to produce aircraft that are viewed as superior to others within the market. Now that BBD has exited commercial aviation, after the bailouts required for the C Series production, the Company exclusively manufactures business aviation aircraft. In the commercial airline industry, selling brand-new aircraft is typically limited to large, established players who sell to a limited number of airline executives. In the business aviation (cont.)

Figure 2: BBD Aircraft Deliveries



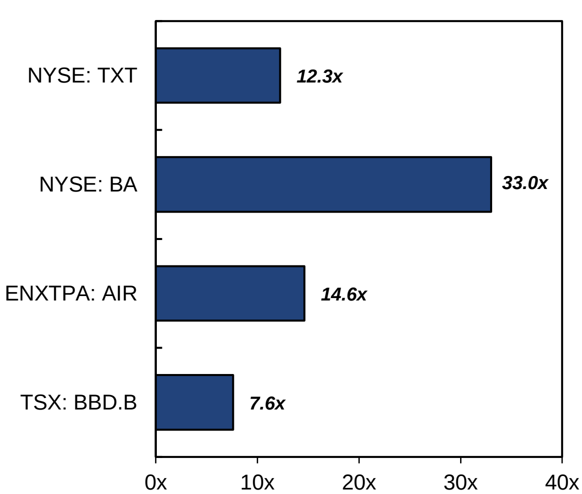
Source: Company Filings

Figure 3: LHS EBITDA vs RHS EBITDA Margin



Source: CPMT Estimates, S&P Capital IQ

Figure 4: 2022E LTM EV/UFCF vs Peers



Source: S&P Capital IQ

space, BBD can produce and sell its aircraft to a larger audience, albeit with smaller order sizes. Over the previous two years, BBD introduced the new Global 8000, an evolution of the industry's flagship Global 7500 aircraft. This plane holds the record as the fastest business aviation aircraft reaching speeds of Mach 0.94 and boasting an industry-leading range of 8,000 nautical miles. Many of BBD's planes have similar advantages over industry competition and is the main reason why the Company has had the highest number of deliveries among business jet manufacturers for the last two years, as reported by the General Aviation Manufacturers Association.

Strong Balance Sheet: BBD paid down US$1.1B of debt in 2022. BBD also sold off its rail business to pay off debt obligations and focus on its business aviation segment in 2021. Since then, BBD has strengthened its balance sheet and focused on increasing its market share within the aerospace industry. BBD's US$400mm of previously restricted cash (related to BBD's Transportation sale to Alstom) has now been released and will be used for further debt reduction. At the end of 2022, BBD had a net leverage ratio of 4.6x (compared to 7.7x in 2021) and is on track to meet its 2025 target of ~3.0x. BBD currently has a B- credit rating from S&P Global and a strong contracted revenue backlog of US$14.8B and is looking to further deleverage over the coming years. This is a stark change from previous years of government bailouts required to fund commercial aircraft production.

Growing Free Cash Flow: Unlevered free cash flow was US$553mm in 2022, beating the Company's guidance of US$515mm. Management guidance suggests the Company is on track to reach US$900mm of free cash flow in 2025. With a substantial backlog of business jet orders, BBD is well-positioned to continue generating strong free cash flow. BBD's 2023 capex is expected to be US$350mm due to the completion of a model assembly facility in Toronto and is expected to decrease to US$200 - 300mm in 2024. Management has stated that with the increase in cash flow, BBD will push to increase its defense sector market share through investment in new infrastructure and R&D.

Risks

Business jet market sentiment was strong in 2022, with high order activity. However, industry metrics are pointing to a possible slowdown in the business aviation markets for 2023. For instance, industry pre-owned jet inventory for sale has risen to 4.8% of the global fleet versus 3.6% at the end of 2021. BBD management has released guidance for new jet order activity in 2023, which will remain stable. Changes in regulations or compliance requirements could increase BBD's operating costs and limit its ability to sell products in specific markets through the grounding of airplanes or increases in different manufacturing part costs.

Investment Thesis and Valuation

BBD's large fleet, combined with its ability to produce high-quality aircraft, positions the Company to remain a market leader in the business aviation industry. While BBD experiences high demands for its business jets, it continues to grow revenues and strengthen its balance sheet to prepare for possible industry downturns. The Company's strong contracted revenue backlog further strengthens conviction in BBD's balance sheet.

The CPMT valued BBD at $88 using an 18.4x 2023 EV/EBITDA multiple. The Fund views BBD as a strong addition to the industrial sector holdings due to its solid backlog, positive margin trends, and further decreasing leverage over the coming years.

Enterprise Products Partners

Energy
NYSE: EPD
Market Outperform | Buy

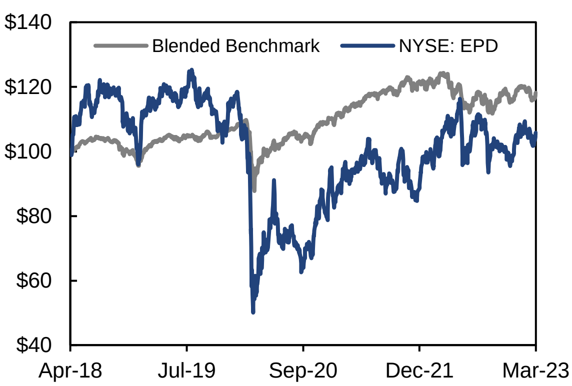
March 31, 2023
Ryan Crisalli, Investment Analyst

Return on Investment	
Current Share Price	$25.53
Intrinsic Value	$30.40
Dividend Yield	7.90%
Implied Discount	19%
Conviction Rating	1

Market Profile	
52-Week Range	$22.90 - $28.65
Market Capitalization (US$mm)	$55,550
Net Debt (US$mm)	$26,996
Enterprise Value (US$mm)	$82,546
Beta (5-Year Monthly)	1.05

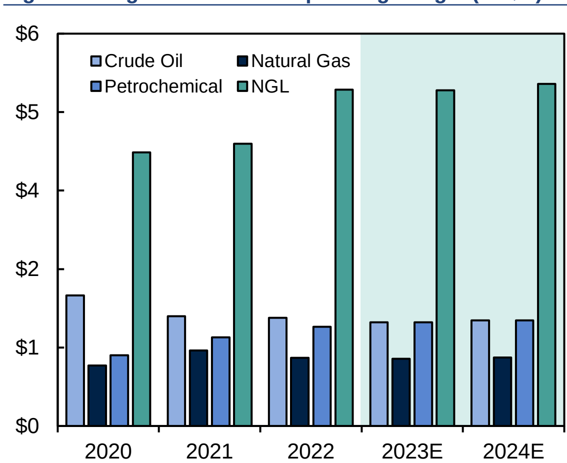
Metrics	2022A	2023E	2024E
Revenue (US$mm)	$58,186	$58,853	$60,051
GOM (US$mm)	$9,356	$9,417	$9,608
DCF/unit (US$)	$3.52	$3.53	$3.62
EV/EBITDA	9.2x	9.0x	8.7x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: Segmented Gross Operating Margin (US$B)



Source: Company Filings, CPMT Estimates

Business Description

Enterprise Products Partners (NYSE: EPD) operates a fully integrated midstream network that services producers and consumers of natural gas, natural gas liquids (NGLs), crude oil, and petrochemical and refined products. EPD links energy producers from the largest U.S. basins to domestic and international markets. The Company owns ~50,000 miles of pipeline, 260mboe of liquids storage, 20 deep water docks, 29 natural gas processing plants, 25 fractionators, and two propane dehydrogenation (PDH) facilities.

Segment Overview

EPD offers a full-service asset network that can be categorized into four main product segments: (1) NGLs, (2) Crude Oil, (3) Natural Gas, and (4) Petrochemical & Refined Products.

NGLs: In its raw form, natural gas produced at the wellhead contains varying amounts of NGLs, such as ethane and propane. Natural gas streams containing NGLs and other impurities are not acceptable for transportation in downstream natural gas pipelines or for commercial use of fuel. Therefore, production must be transported processing facilities to remove these impurities. Generally, on an energy-equivalent basis, NGLs have a greater economic value as a feedstock for petrochemical production.

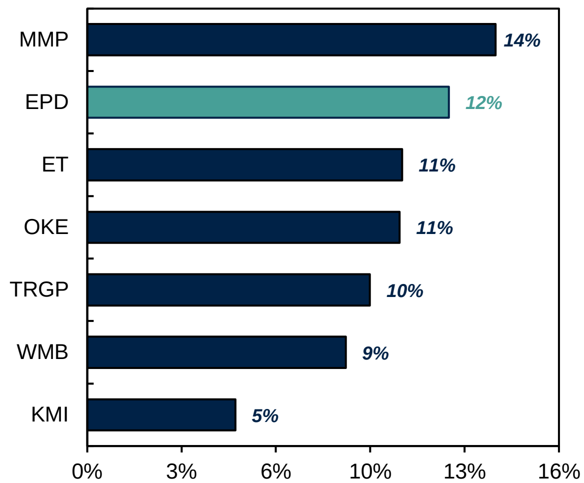
EPD operates 24 processing facilities, which run at a ~67% utilization rate and have 10.9 bcf/d of operating capacity. Contracts are either fee-based (74%) or commodity-differential based (26%). EPD markets "equity production" retained through the commodity-differential based contracts. The Company also operates NGL pipelines that transport mixed NGLs from processing facilities to downstream markets such as EPD-owned fractionators, storage, marine terminals, and third-party sites.

Crude Oil: EPD operates crude oil pipelines where it collects a transportation fee as its primary source of revenue. In aggregate, these pipelines experienced throughput volumes of 2.2 mmboe/d in 2022. The Company's largest system is its Midland-to-ECHO system, which transports products from the prolific Permian basin to the Enterprise Crude Houston (ECHO) storage terminal. This system provides access to every refinery along the Gulf Coast. EPD also operates crude oil terminals that provide Gulf Coast refiners with an integrated system that includes supply optionality, significant storage capabilities, and high-capacity pipeline systems.

Natural Gas: The Company's natural gas pipelines run at an average utilization rate of 65% with ~25 bcf/d of capacity. Its largest network is the Texas Interstate system which connects supply from the Permian, Eagle Ford, and Barnett basins to Gulf Coast markets.

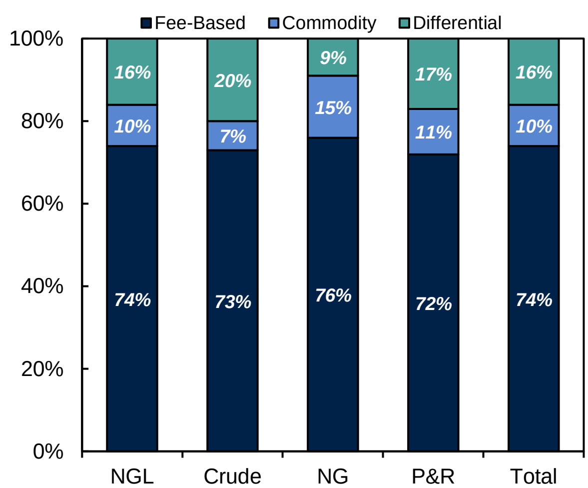
Petrochemical: EPD's propylene fractionation units separate refinery grade propylene (RGP) into either polymer grade (PGP) or chemical grade (CGP) for resale to customers. The Company also produces "on purpose" PGP from its PDH unit, sold to customers under long-term (take-or-pay) contracts. EPD's Morgan's Point Ethane Export Terminal is the largest ethane export terminal in the world, with the capacity to load 1.4 bcf of ethylene per year. EPD also operates refined product pipelines that connect into concentrated U.S. midwest manufacturing facilities.

Figure 2: ROIC vs Peers



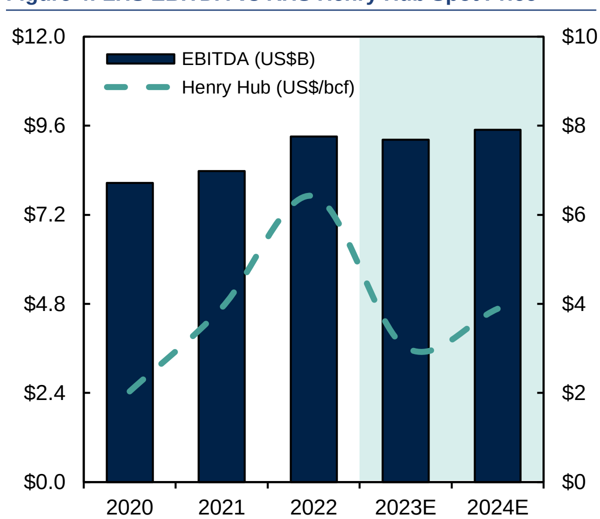
Source: S&P Capital IQ

Figure 3: Segmented Contract Breakdown



Source: S&P Capital IQ

Figure 4: LHS EBITDA vs RHS Henry Hub Spot Price



Source: CPMT Estimates, EIA, S&P Capital IQ

Industry Overview

Within the U.S. energy infrastructure industry, EPD's peer group consists of diversified midstream companies such as: Energy Transfer, Kinder Morgan, and Williams (NYSE: ET, KMI, WMB), NGL processing & services such as: companies Targa Resources and Oneok (NYSE: TRGP, OKE), and petrochemical companies such as: Magellan Midstream (NYSE: MMP). EPD holds a leading position in the NGL processing and petrochemical industries, with current market shares of 31% and 18%, respectively. Companies are highly regulated under the Federal Energy Regulation Commission, in which governing bodies set service rates charged to customers.

The NGL processing industry will continue to benefit from increased natural gas production as the push for lower carbon emission energy production continues. This will further drive the need to transport gas to processing facilities and storage terminals, which increases NGL production. Petrochemicals will increase due to demand pull from international markets for various industrial applications.

Furthermore, the U.S. is solidifying its position as a net exporter of energy products, driven by the ongoing Russian-Ukraine conflict as countries look to more secure and stable energy sources.

Mandate Fit

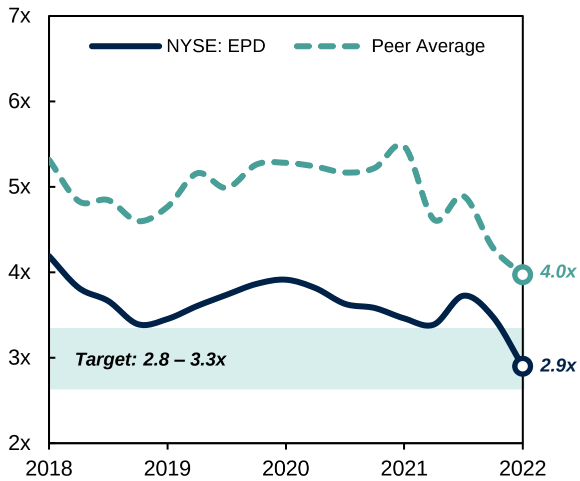
Quality Management: EPD has strategically allocated capital through project selection to ensure balance sheet protection against various product cycles. The CPMT is confident in management's ability to integrate its future growth projects into existing operations. Management continues to provide attractive unitholder returns through stable and consistently growing cash distributions and unit buybacks. Management has also established an impressive US$5.8B growth pipeline to add significant near-term operational capacity in EPD's NGL and Petrochemical segments.

Competitive Advantage: The Company has a geographical advantage through its strategically located asset network that connects every major U.S. shale basin to critical midstream and downstream infrastructure. At the core of EPD's asset portfolio is the Company's extensive NGL infrastructure, which offers deep access into key markets such as Mont Belvieu. EPD was considered a first-mover in filling the gaps in U.S. NGL infrastructure and has built out an irreplaceable system that is heavily relied upon by its customers. The Company is well positioned to capture differentials between U.S. and international markets as the U.S. shifts towards becoming a global leader in energy exports. EPD also looks to further dominate the NGL value chain through the build-out of its petrochemical segment, enabling the Company to extract higher value olefins from feedstock, creating more demand pull for domestic NGL supply.

EPD has the largest amount of NGL processing capacity in the U.S. and operates two major NGL terminals: (1) Enterprise Hydrocarbons Terminal (EHT) and (2) Morgan's Point Ethane Export Terminal. Operation of these terminals makes EPD one of the world's largest Liquefied Petroleum Gas (LPG) exporters, accounting for ~16% of global exports. EPD is also a dominant player in U.S. waterborne exports for crude oil and NGLs. The Company accounts for 22% and 33% of U.S. exports in this category, respectively.

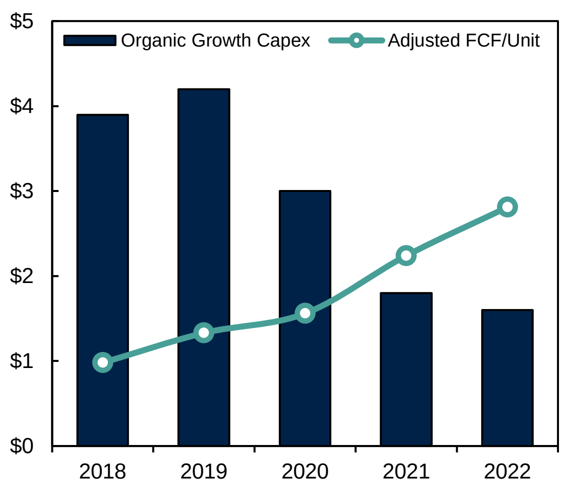
Strong Balance Sheet: EPD has a strong balance sheet exhibited through its 2.9x Net Debt/EBITDA ratio, which is well below the peer average of 4.0x. The Company has focused on reducing long-term debt through a US$1.3B decrease in 2022. This puts EPD at the lower end of its target leverage ratio range of 2.8 – 3.3x, enabling capital structure flexibility for recapitalization and the pursuit (cont.)

Figure 5: Net Debt/EBITDA vs Peers



Source: S&P Capital IQ

Figure 6: Capital Expenditure (US$B) and FCF/Unit (US$)



Source: S&P Capital IQ

of attractive growth opportunities. EPD holds investment grade ratings from Moody's (Baa), S&P Global (BBB+), and Fitch (BBB+).

Growing Free Cash Flow: EPD generated significant cash flow in 2022, representing a five-year CAGR of 23.4%, allowing the Company to make balance sheet improvements, return capital to investors, and further reinvest in core business segments. EPD's defensive characteristics allow the Company to withstand major macroeconomic events while continuing to increase its cash distributions, with a 10-year CAGR of 5.4%. EPD expects total capital expenditures in 2023 to be within the US$2.7 –2.9B range, which reflects a significant rollover from 2022. For 2023, management's focus is the integration of its current growth pipeline.

Risks

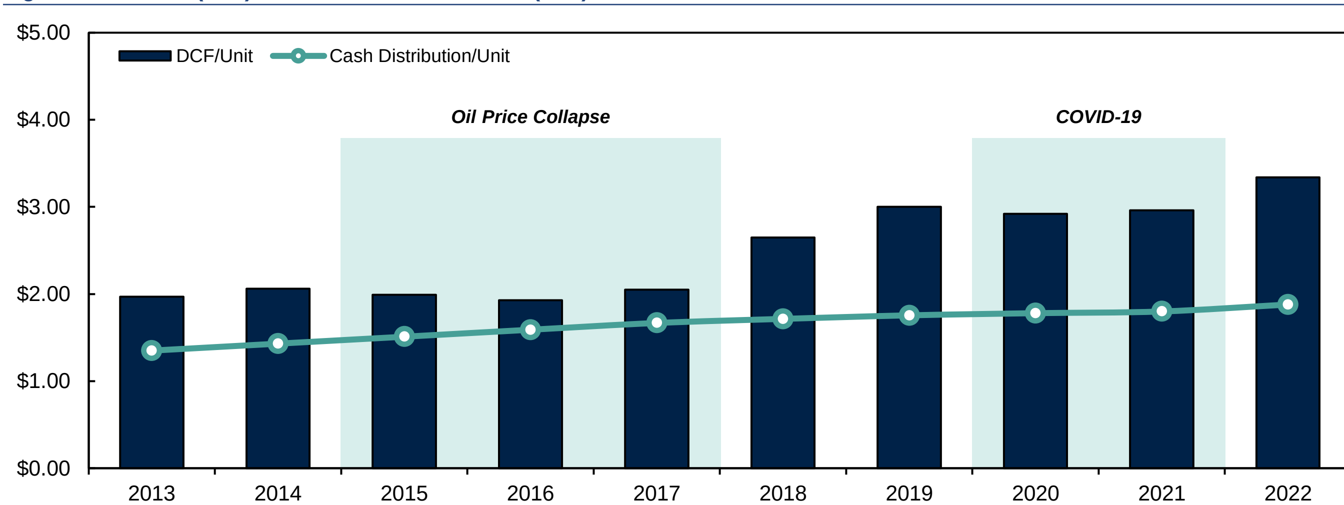
A significant risk to EPD is a potential decline in NGLs demand, given that the segment makes up over 50% of the Company's Gross Operating Margin (GOM). Similarly, any delays or reduced demand for petrochemical products (domestically or internationally from key Chinese and Indian markets) would have a significant impact on the Company's financial performance. EPD partially mitigates downside risks by contracting the long-term capacity of its facilities.

Valuation and Investment Thesis

EPD was valued at $30 using a five-year DCF with a WACC of 7.4%. The intrinsic value was derived using a 50/50 blend of (1) the Gordon Growth method, using a 0.5% terminal growth rate, and (2) an EV/EBITDA exit multiple of 9.0x. The valuation yields an implied discount of 19%.

EPD's inherent value is derived from its extensive and irreplaceable asset portfolio that is heavily depended upon by its customer base. The CPMT believes that the strategic position of its assets allows for additional benefit from increases in top U.S. oil and gas basins due to EPD's ability to access premium downstream and end-markets. The Company provides diversified cash flows through its full-service asset base, which allows for significant incremental growth opportunities. The Fund believes EPD possesses an impactful growth pipeline that can add crucial short-term capacity to key NGL and petrochemical segments.

Figure 7: DCF/Unit (US$) and Cash Distribution/Unit (US$)



Source: Company Filings

Jamieson Wellness

Consumer Staples
TSX: JWEL
Market Outperform | Buy

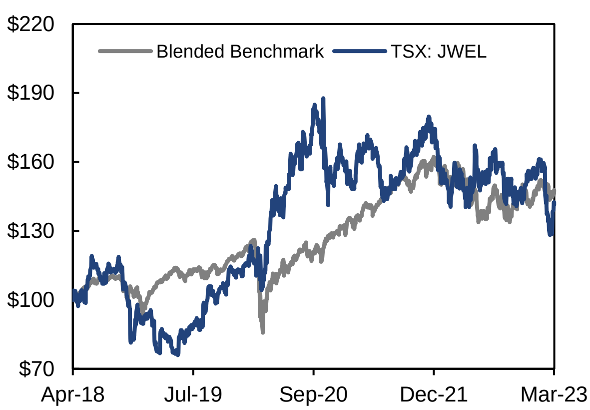
March 31, 2023
Adrianna Dolata, Portfolio Manager
Gavin Stalwick, Portfolio Manager

Return on Investment	
Current Share Price	$33.49
Intrinsic Value	$40.00
Dividend Yield	2.00%
Implied Discount	19%
Conviction Rating	1

Market Profile	
52-Week Range	$28.91 - $38.84
Market Capitalization ($mm)	$1,403
Net Debt ($mm)	$374
Enterprise Value ($mm)	$1,777
Beta (5-Year Monthly)	0.36

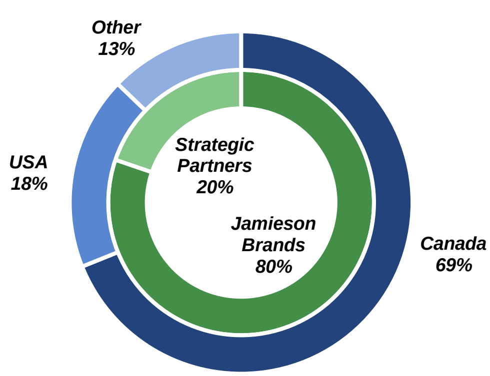
Metrics	2023E	2024E	2025E
Revenue ($mm)	$686	$743	$818
EBITDA ($mm)	$142	$151	$158
EPS ($)	$1.68	$1.90	$2.03
EV/EBITDA	12.5x	11.8x	11.2x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: 2022 Revenue Breakdown



Source: Company Filings

Business Description

Jamieson Wellness (TSX: JWEL) offers a comprehensive line of branded vitamins, minerals, and supplements (VMS) products and over-the-counter remedies through its portfolio of brands, including Jamieson, Smart Solutions, Progressive, Precision, and Iron Vegan. The "Jamieson Brands" segment accounted for 80% of the Company's total revenue in 2022. JWEL's "Strategic Partners" segment also offers manufacturing and product development services contracted to select consumer health companies and retailers worldwide. Currently, JWEL only sells products under the Jamieson brand internationally through distribution arrangements spanning over 45 markets outside North America. In February 2023, JWEL announced the acquisition of assets from its distribution partner in China to accelerate business in this region.

Industry Overview

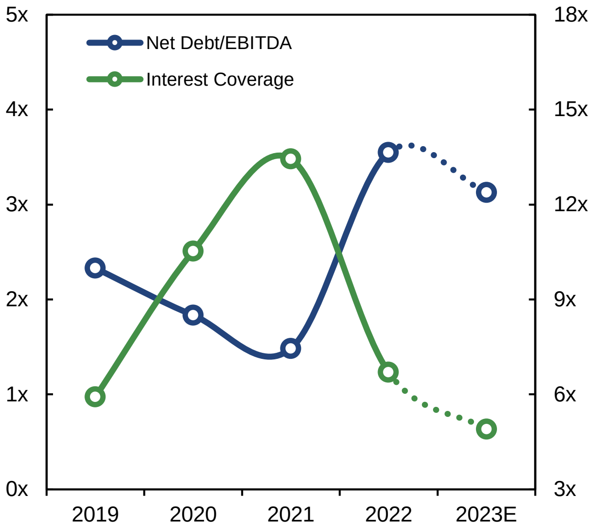
JWEL is part of the Consumer Health industry in Canada, with its closest public peers including (NASDAQ: LFVN, MTEX; NYSE: HLF; NWX: NESN; LON: GSK; LSE: HLN). JWEL's largest public competitors selling VMS products in Canada include Haleon (LSE: HLN) under the Centrum brand and Nestle (NWX: NESN) under Nature's Bounty. JWEL also faces competition from grocery stores and pharmacy chains that produce their own VMS products, such as Costco's (NASDAQ: COST) Kirkland Signature brand and Loblaw's (TSX: L) Life brand. Other notable private company competition includes WN Pharmaceuticals (under Webber Naturals). The VMS and sports nutrition products markets are highly competitive, making brand awareness a top priority to acquire market share. In the U.S., the industry is more fragmented, with top competitors holding single-digit market shares, while the Canadian landscape has fewer players. Key drivers for the sector include an aging population, proliferation of wellness-related products and services, growth in health-related information, and consumer desire to market health-conscious decisions.

The global consumer health industry was valued at US$359.2B in 2022 and is projected to reach US$781.5B by 2030, growing at a CAGR of 8.7%. Acquiring trademarks and patents, as well as protecting expertise (i.e., unpatented and proprietary expertise, recipes and formulations, and other trade secrets), is necessary to maintain a competitive position in the VMS and sports nutrition segments of the consumer health industry.

Notable Transactions

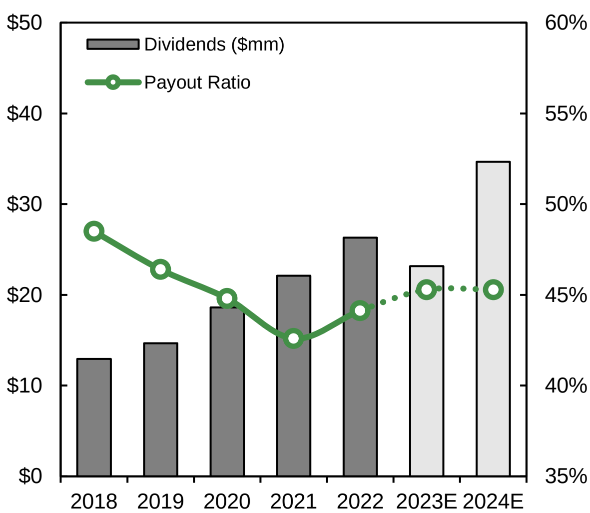
On February 23, 2023, the Company announced a partnership with DCP Capital, a leading international private equity firm with a positive track record in China and the broader Asian market. The partnership will accelerate JWEL's growing business in China, leveraging DCP's local knowledge and track record of increasing leading consumer businesses to bring more VMS products to a broader base of Chinese consumers. DCP agreed to purchase a minority interest in JWEL's Chinese operations by contributing approximately $47.4mm in capital in exchange for a 33.3% share in the ownership structure of the Chinese operations.

Figure 2: LHS Net Debt/EBITDA vs RHS Interest Coverage



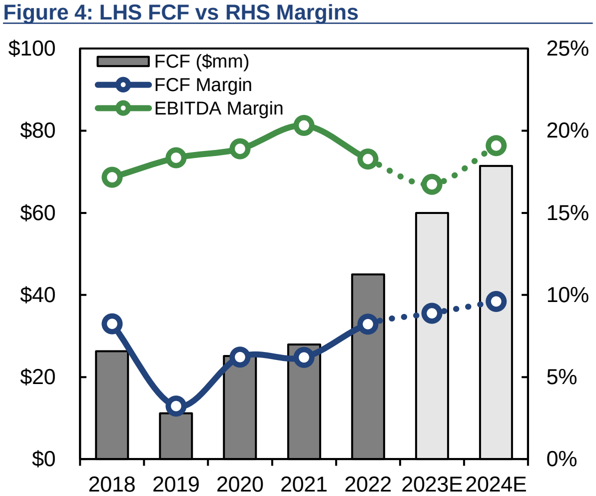
Source: Company Filings, CPMT Estimates

Figure 3: LHS Dividends vs RHS Payout Ratio



Source: Company Filings, CPMT Estimates

Figure 4: LHS FCF vs RHS Margins



Source: Company Filings, CPMT Estimates

On November 3, 2022, JWEL announced an agreement to acquire the assets from its Chinese distribution partner, allowing the Company to directly operate its sales, marketing, and distribution activities in China effective April 1, 2023. This acquisition is a significant step forward in its Chinese expansion plans as it allows JWEL to have direct control over its brand strategy in the market and to accelerate additional strategic partnerships in mainland China.

On July 19, 2022, JWEL completed the acquisition of Nutrawise Health & Beauty Corporation, a leading manufacturer and marketer of premium supplements operating under the YouTheory brand in the U.S. and other international markets for ~US$210mm.

Mandate Fit

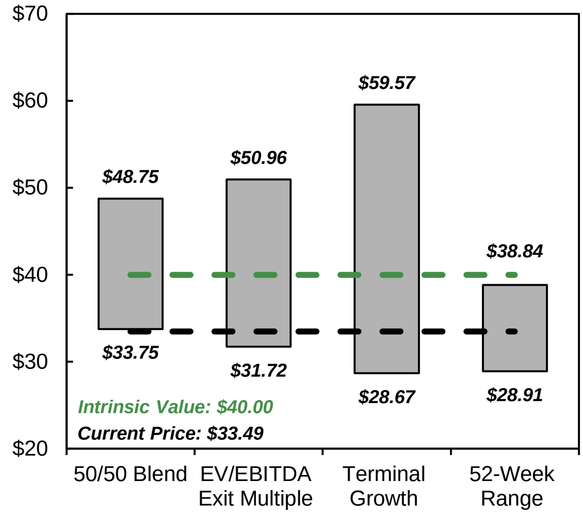
Quality Management: JWEL has been led by its CEO, Michael Pilato, since June 2021. Before his current role, Pilato served as President of Jamieson Canada and President of Specialty Brands. Additionally, Pilato held senior positions at Clorox in its Finance, Brand Management, and Sales divisions. Under Pilato's leadership, JWEL has significantly expanded its global presence through tuck-in acquisitions and partnerships. Since 2018, JWEL has entered U.S., Chinese, and European VMS markets through the Main Street Group acquisition, the JD.com strategic partnership, and the Lorna Vanderhaeghe Health Solutions acquisition.

Competitive Advantage: Jamieson is Canada's leading overall consumer health and VMS brand by sales, holding market share of ~25% in VMS in Canada compared to its largest competitor Centrum brand at ~10%. Jamieson-branded products are among Canada's most widely available VMS products, sold in ~10,000 retail stores across the e-commerce and food, drug, and mass/club (FDM) channels. JWEL's long-standing quality reputation has established trust with Canadian consumers, giving the Company credibility as it looks to grow its business and penetrate international markets. The Company's acquisition of Nutrawise represented a material expansion of JWEL's U.S. business and provided a platform for further growth. The Company's strategic partnership with DCP Capital will allow it to tap into the growing VMS market in China. DCP's deep local knowledge, proven track record of growing leading consumer businesses, and strong operational capabilities will enhance the Company's organic growth in China.

Strong Balance Sheet: Historically, JWEL has used leverage prudently, maintaining a Net Debt/EBITDA below the peer average of 2.5x. Completion of the YouTheory acquisition in 2022 for $242mm increased debt levels in 2022. The Company exited 2022 with $400mm of long-term debt and $26mm of cash & equivalents, resulting in a net debt of $374mm and a Net Debt/EBITDA of 3.5x. The Fund remains confident in JWEL's balance sheet following the acquisition and expects prudent de-leveraging during the forecast period. The Company exited 2022 with an interest coverage ratio of 6.7x, indicating a healthy ability to repay current debt obligations. The Company is not rated by credit rating agencies.

Growing Free Cash Flow: JWEL generated $43mm in FCF in 2022, with a four-year CAGR of 14.4%. The Company's FCF Yield improved to 8.2% in 2022. JWEL's FCF growth can be primarily attributed to inorganic growth over the last year from the YouTheory acquisition, while organic revenue in Jamieson Brands also grew 5.6% YoY. Canada and China revenues increased 6.3% and 41.5% YoY, with the growth in China attributed to strong consumer demand for immunity products. Other international revenues declined 21.0% YoY due to geopolitical tensions in Eastern Europe. The Company increased its dividends over time to $26.3mm in 2022.

Figure 5: Valuation Football Field



Source: Company Filings, CPMT Estimates

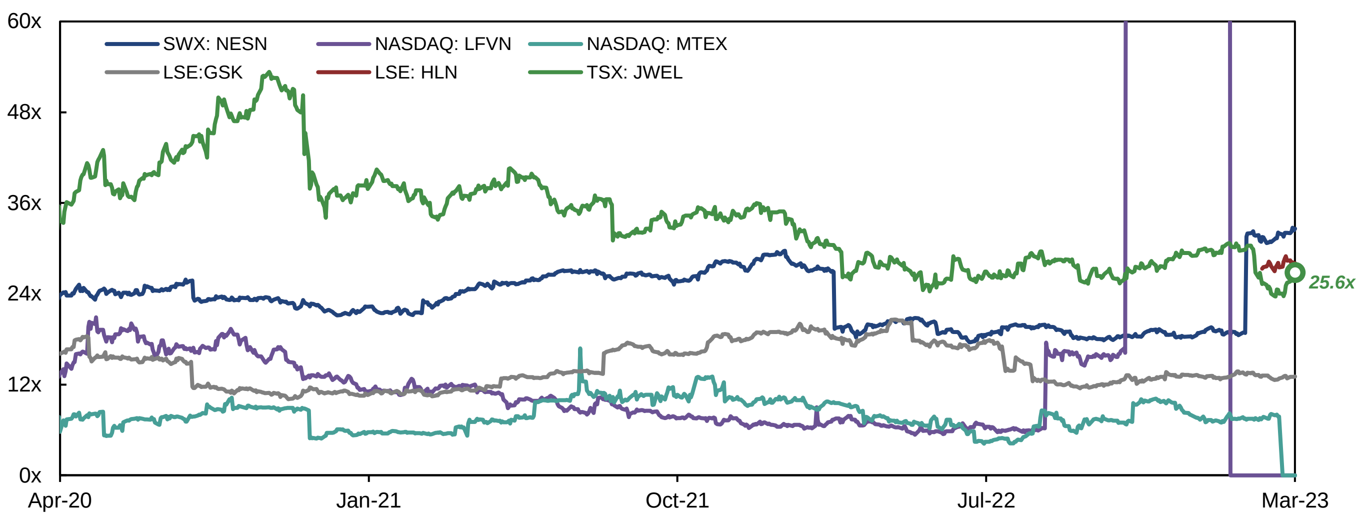
Risks

JWEL faces two main risks: (1) increased competition from online sales of private label products and (2) manufacturing concentration risks. Private label reduces the barriers to entry of competition by enabling competitors to rent manufacturing facilities and re-brand these products as their own, which may threaten JWEL's market leadership and expansion strategies. Furthermore, JWEL only has four manufacturing facilities that require consistent uptime to maintain adequate inventory levels.

Investment Thesis & Valuation

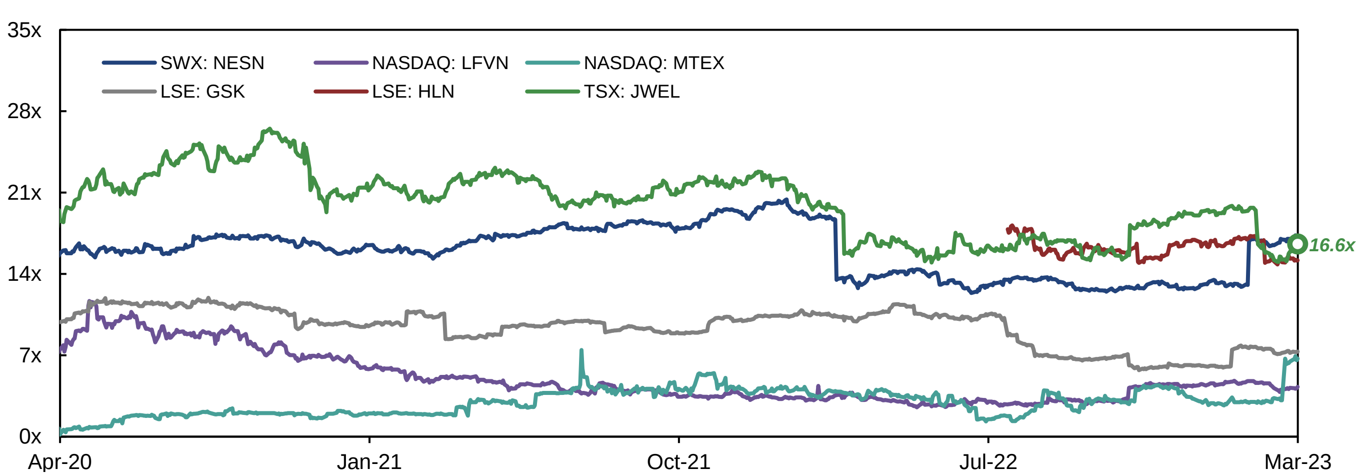
JWEL's valued using a 50/50 blend of (1) the Gordon Growth Method (using a WACC of 5.9% and a 1.0% terminal growth rate) and (2) an EV/EBITDA exit multiple of 12.0x. This method returned an intrinsic value of $40, representing a 19.4% implied discount. The Fund believes JWEL's international expansion strategy into China and the U.S. provides a compelling growth opportunity that will lay the foundation to capitalize on two trends: (1) a growing consumer interest in health and wellbeing, and (2) an aging demographic, both of which will drive increased demand for dietary supplements such as vitamins and minerals within the next five to ten years.

Figure 6: LTM P/E vs Peers



Source: S&P Capital IQ

Figure 7: LTM EV/EBITDA vs Peers



Source: S&P Capital IQ

Merck & Co

Health Care
NYSE: MRK
Market Outperform | Buy

March 31, 2023

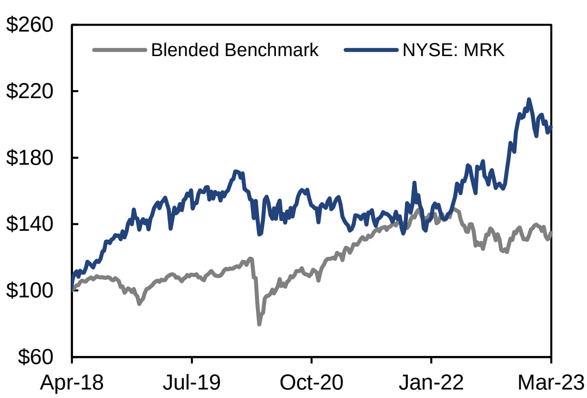
Daniel Krapiwin, Investment Analyst
Luke Frame, Investment Analyst
Rebecca Butler, Investment Analyst

Return on Investment	
Current Share Price	$104.80
Intrinsic Value	$123.00
Dividend Yield	2.80%
Implied Discount	17%
Conviction Rating	1

Market Profile	
52-Week Range	$80.45 - $115.49
Market Capitalization (US$mm)	$266,045
Net Debt (US$mm)	$18,860
Enterprise Value (US$mm)	$284,905
Beta (5-Year Monthly)	0.35

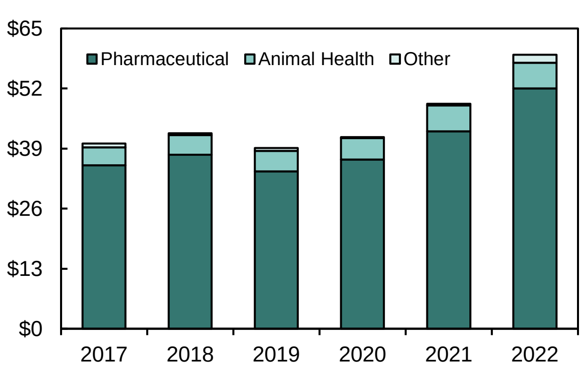
Metrics	2022A	2023E	2024E
Revenue (US$mm)	$59,283	$68,206	$75,906
EBITDA (US$mm)	$18,282	$19,780	$22,013
EPS (US$)	$5.72	$6.26	$8.10
EV/EBITDA	15.6x	14.4x	12.9x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: Segmented Revenue (US$B)



Source: S&P Capital IQ

Business Description

Merck & Co (NYSE: MRK) is a global leader in prescription medicines, vaccines, biological therapies, and animal health products. Founded in 1891, the Company is headquartered in Rahway, New Jersey, with operations across the globe. MRK's U.S. Healthcare represents its largest geographical segment, generating ~46% of total revenues in 2022. International operations are primarily conducted through subsidiaries in Latin America, the Middle East, Africa, Eastern Europe, and Asia Pacific. The Company's two main operating segments include (1) Pharmaceutical and (2) Animal Health, representing 88% and 9% of total revenues, respectively. The Pharmaceutical segment comprises human health pharmaceutical products (therapeutic and preventative agents) and vaccines (pediatric, adolescent, and adult disease prevention). MRK's Animal Health segment focuses on veterinary pharmaceutical and vaccine products, as well as identification, traceability, and monitoring products for major livestock and companion animal species. The Company sells its products to drug wholesalers, retailers, hospitals, government agencies, managed health care providers, physicians, and veterinarians.

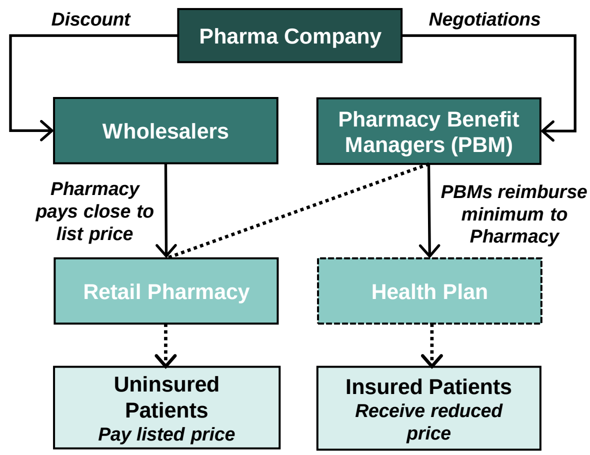
MRK's product portfolio consists of treatments for cardiometabolic disease, cancer, and infections, with four products contributing ~65% of total revenues: Keytruda (35%), Gardasil (12%), Molnupiravir (10%), and Januvia (8%). Since 2015, Keytruda has been the Company's primary growth driver as a second-line treatment for melanoma. Additionally, in March 2021, Keytruda received FDA approval for first-line treatment of non-small cell lung cancer (NSCLC) patients and second-line therapy for many other cancer indications. MRK has continued to expand its product portfolio through collaborations with companies such as AstraZeneca (NASDAQ: AZN), BioNTech (NASDAQ: BNTX), and Moderna (NASDAQ: MRNA) to develop and deliver new drugs to the market.

Industry Overview and Competitive Landscape

The pharmaceutical industry comprises mature businesses and a moderate concentration among top brand-name manufacturers in the U.S. landscape. Pharmaceutical companies AbbVie (NYSE: ABBV), Bristol-Myers Squibb (NYSE: BMY), Johnson & Johnson (NYSE: JNJ), MRK, and Pfizer (NYSE: PFE) represent ~63% of the market share for the U.S. brand-name industry. On the other hand, the top five brand-name manufacturers represent only ~35% of the global market share. Companies operating within the industry benefit from high barriers to entry, given the significant R&D expenditure requirements for innovative and robust product pipelines. Additionally, significant capital is required to launch new products following Food and Drug Administration (FDA) regulatory approval. The rivalry between industry peers exists in upstream product innovation, as well as downstream price negotiations with insurers and pharmacy benefit managers. Additionally, generic drug manufacturers pose increasing threats to the industry as large biopharma companies undergo a lifecycle of patent expiries in the near- to medium-term.

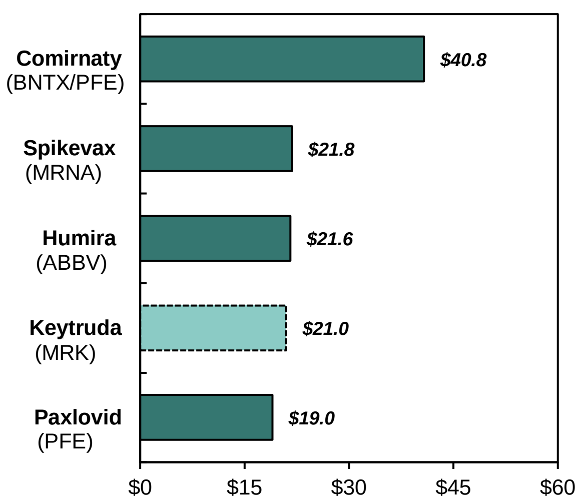
2022 global prescription drug sales of US$1.5T are expected to grow at a 6.2% CAGR until 2028, catalyzed by increased (cont.)

Figure 2: Downstream Pharmaceutical Process



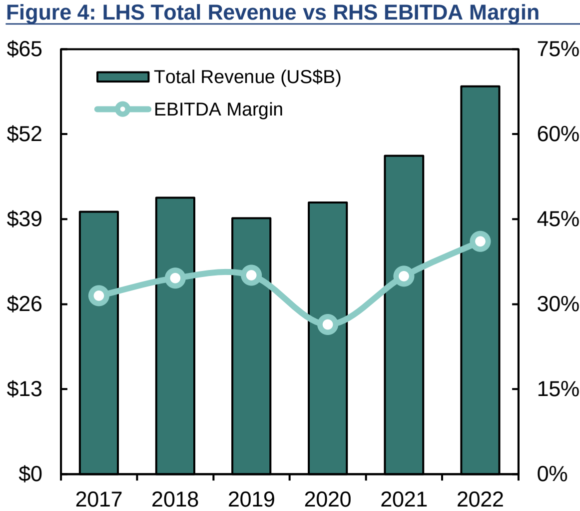
Source: Street Research

Figure 3: 2022 Top Pharma Products by Revenue (US$B)



Source: Street Research

Figure 4: LHS Total Revenue vs RHS EBITDA Margin



Source: S&P Capital IQ

reliance on prescription medication alongside an aging population. According to the Agency for Healthcare Research and Quality, more than 90% of seniors and 50% of adults frequently rely on prescription medication. The U.S. federal funding for Medicare and Medicaid programs represents a critical external factor for the industry, with a five-year CAGR of ~6% from 2018 to 2023.

The Next Big Patent Cliff

Companies in the pharmaceutical industry are preparing for the next big patent cliff from 2025 to 2028, in which many large biopharma brands with “blockbuster-sized” drugs will be affected by the loss of exclusivity (LOE). An estimated US$226B, or 46% of biopharma revenues, is expected to become at risk to generic and biosimilar competition between 2021 and 2026. In response to increasing pressure for product innovation, global R&D spending is projected to grow at a five-year CAGR of ~3% to US$254B in 2028.

In preparation for MRK’s LOEs of patented drugs Januvia and Keytruda in 2023 and 2028, the Company has increased 2022 R&D spending to US$13.5B, an increase of 10.2% YoY, to expedite its late-stage product pipeline. Specifically, the Company has focused on leveraging its leading immuno-oncology drug, Keytruda, to address unmet medical needs in specialty care areas. That said, late-stage pipeline R&D returns in the industry have followed a downward trend over the past decade; large caps averaged 6.5% and 1.2% in 2013 and 2022, respectively. Consequently, lower R&D conversion has encouraged inorganic growth in the space, such as MRK’s 2021 US$11.5B acquisition of Acceleron to strengthen its existing cardiovascular portfolio.

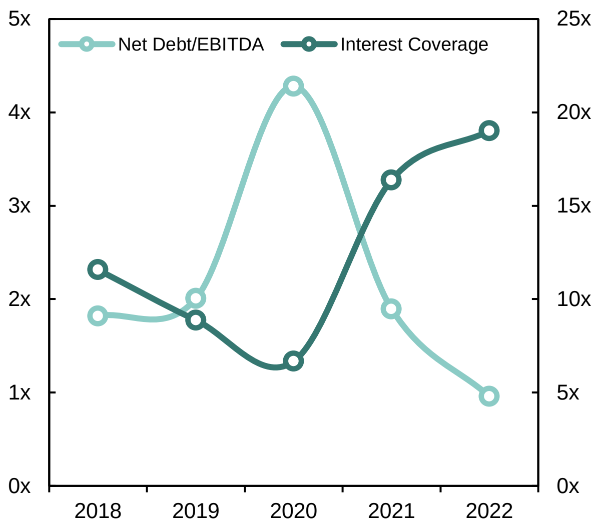
Mandate Fit

Quality Management: Rob Davis became CEO in 2021 after serving as CFO for seven years at MRK. Since joining the Company, Davis has optimized its operations by divesting business lines that are misaligned with future growth strategies, such as the spin-off of its women’s health segment in 2021. Additionally, the Company has demonstrated its ability to execute on strategic acquisitions, such as Schering Plough in 2009, which later developed its largest drug, Keytruda. Management compensation comprises ~70% at-risk pay, aligning the interests with shareholders.

Competitive Advantage: MRK’s portfolio of high-margin drugs and its robust product pipeline has allowed the Company to capture ~10% of the market for brand-name U.S. pharmaceuticals. The Company has strong patents, demonstrated through its leading blockbuster drug Keytruda and its entrenchment in the immuno-oncology space in 2015. MRK’s strategic focus on specialty drugs with strong patent protection has allowed the Company to capitalize on significant pricing power in distribution. From an innovation standpoint, MRK’s partnerships with drug developers AZN, ESAIY, and MRNA continue to provide opportunities within successfully launched products and early-stage pipeline developments. Finally, the Company’s global operations provide access to foreign markets and cost control through manufacturing facilities.

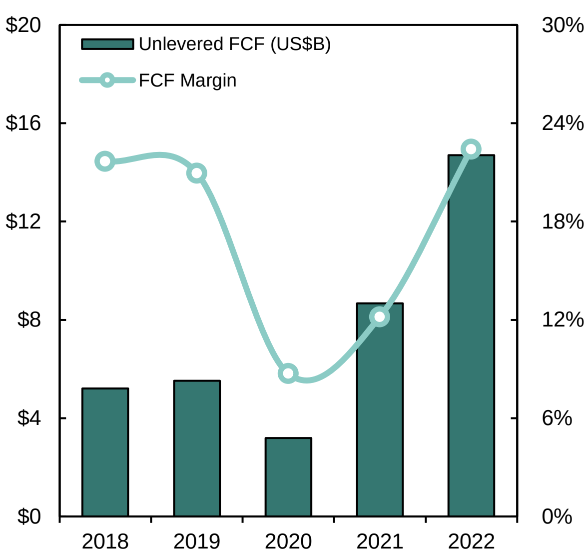
Balance Sheet: MRK has a credit rating of A1 and A+ from Moody’s and S&P Global, respectively, demonstrating its discipline with respect to its balance sheet. The Company also has a Q4 2022 LTM Net Debt/EBITDA of 0.89x, which is lower than the Peer average of 1.21x. Over 60% of the Company’s debt matures after 2030. MRK’s Net Debt/EBITDA of 0.89x and US$6B undrawn credit facility provide the Company with adequate liquidity to undertake any attractive M&A opportunities.

Figure 5: LHS Net Debt/EBITDA vs RHS Interest Coverage



Source: S&P Capital IQ

Figure 6: LHS Unlevered FCF vs RHS FCF Margin



Source: S&P Capital IQ

Growing Free Cash Flow: Over the past five years, MRK has grown its FCF from US$4.6B in 2017 to US$14.7B in 2022, reflecting a 26.4% five-year CAGR. The increase in FCF was mainly attributable to (1) the Company's acquisition growth strategy, with a total of US$25.4B spent on top-line accretive acquisitions throughout the five-year period; and (2) MRK's commitment to investing in the development of successful pharmaceutical drugs. Aside from M&A, MRK primarily uses its FCF to fund its consistent payment of dividends, with the Company returning US$35.9B to shareholders from 2017 to 2022 and growing payments by an annualized 6.4% over this period. Moving forward, management has guided increased investment in R&D and the continuation of its inorganic growth strategy. The CPMT forecasts FCF to grow at a 10.3% CAGR through 2028, primarily driven by further capitalization on cost efficiencies and a material step-up of leading drug sales.

Risks

As mentioned, the biopharma industry faces moderate risk in the coming years. With a patent cliff approaching and MRK having Keytruda and Januvia capturing over 40% of its revenue, it will be crucial to replace these products to maintain top-line growth. MRK also faces increased dependence on Keytruda as it is expected to become a larger portion of its revenue in coming years. Additionally, recent FDA activity poses increased regulatory risk for new drugs due to a seemingly lowered acceptance rate for new drugs. The industry also faces unfavourable drug pricing impacts driven by inflation-indexed drug pricing for Medicare on U.S. branded drugs and increased regulation on small molecule drugs. Lastly, cancer and rare disease markets experienced significant M&A activity in 2020 (US$132B), which may result in the scrutiny of other deals within these markets by the Federal Trade Commission if there is product dominance.

Investment Thesis and Valuation

The CPMT valued MRK using a five-year DCF with a WACC of 7.16%. The intrinsic value of $123 was derived using a 50/50 blend of (1) the Gordon Growth method using a 1.5% terminal growth rate and (2) a 13x EV/EBITDA exit multiple. The Fund believes the chosen multiple is a fair reflection of MRK's current and historical competitive positioning and takes a conservative approach by applying a slight discount to the peer average. The Fund expects MRK to continue to capitalize on its leading cancer drug, Keytruda, and leverage its success in NSCLC for additional applications in late-stage cancer therapy. Furthermore, the Company's entrenchment into the immuno-oncology landscape has best positioned MRK as a leader in an emerging and high-growth segment of specialty care.

Figure 7: MRK Comparable Analysis

					Valuation Multiples			Profitability Metrics			
Company	Ticker	Price Mar-31	Market Value (US$mm)	Enterprise Value (US$mm)	LTM P/E Ratio	NTM PEG Ratio	EV/ EBITDA 2023E	EBITDA Margin 2022	EBITDA Margin 2023E	Profit Margin 2022	Profit Margin 2023E
Johnson & Johnson	NYSE: JNJ	$155.00	405,107	422,547	22.6x	0.42	12.4x	34.5%	34.8%	18.9%	28.4%
Eli Lilly & Co.	NYSE: LLY	$343.42	309,730	323,869	49.6x	2.17	31.7x	35.7%	33.4%	21.9%	25.0%
Novartis	SWX: NOVN	$83.76	190,762	199,379	27.4x	0.25	11.8x	35.6%	35.5%	13.8%	26.5%
AstraZeneca	NASDAQ: AZN	$69.41	174,078	194,754	52.9x	0.45	15.6x	31.3%	34.1%	7.4%	24.6%
Bristol-Myers Squibb	NYSE: BMY	$69.31	145,780	177,404	23.0x	0.14	8.6x	43.7%	44.0%	13.7%	36.0%
AbbVie	NYSE: ABBV	$159.37	281,151	336,538	23.8x	0.35	13.0x	53.6%	49.2%	20.4%	37.4%
Moderna	NASDAQ: MRNA	$153.58	59,232	42,212	7.1x	n/a	n/a	50.7%	n/a	43.4%	n/a
Merck & Co.	NYSE: MRK	$106.39	270,081	288,941	18.6x	0.84	14.4x	41.1%	41.8%	24.5%	30.3%
Peer Average					**26.2x**	**0.63**	**15.5x**	**44.3%**	**39.4%**	**24.2%**	**29.3%**

Source: S&P Capital IQ

Calgary Portfolio Management Trust

PepsiCo

Consumer Staples
NASDAQ: PEP
Market Perform | No Action

March 31, 2023

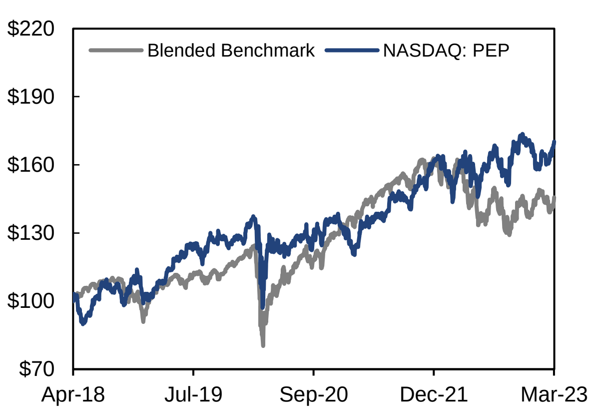
Arnuv Mayank, Portfolio Manager
Eric Xiao, Portfolio Manager
Jeevan Gill, Investment Analyst

Return on Investment	
Current Share Price	$182.30
Intrinsic Value	$189.00
Dividend Yield	2.90%
Implied Discount	4%
Conviction Rating	1

Market Profile	
52-Week Range	$154.86 - $186.84
Market Capitalization (US$mm)	$251,085
Net Debt (US$mm)	$36,139
Enterprise Value (US$mm)	$287,224
Beta (5-Year Monthly)	0.54

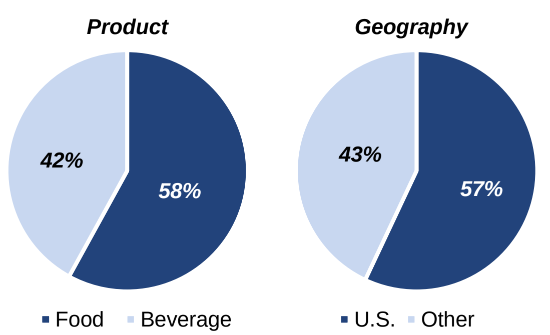
Metrics	**2023E**	**2024E**	**2025E**
Revenue (US$mm)	$89,818	$94,176	$98,598
EBITDA (US$mm)	$16,310	$17,548	$18,691
EPS (US$)	$7.25	$7.90	$8.49
EV/EBITDA	17.6x	16.4x	15.4x

Historical Trading Performance (Indexed to $100)



Source: S&P Capital IQ

Figure 1: 2022 Net Revenue Breakdown



Source: Company Filings

Business Description

PepsiCo (NASDAQ: PEP) manufactures, markets, distributes, and sells a variety of beverages and convenient foods worldwide. The Company operates through seven segments: Frito-Lay North America; Quaker Foods North America; PepsiCo Beverages North America; Latin America; Europe; Africa, Middle East, and South Asia; and Asia Pacific, Australia and New Zealand, and China Region. PEP's product suite includes popular brands such as Lay's, Doritos, Cheetos, Gatorade, Mountain Dew, Soda Stream, Quaker, and Pepsi-Cola. Within PEP's international segments, the Company's primary international markets include Great Britain, China, South Africa, Russia, and Italy. The Company's products are brought to market through direct-store-delivery (DSD), customer warehouse, and distributor networks and are sold directly to consumers through e-commerce platforms and retailers.

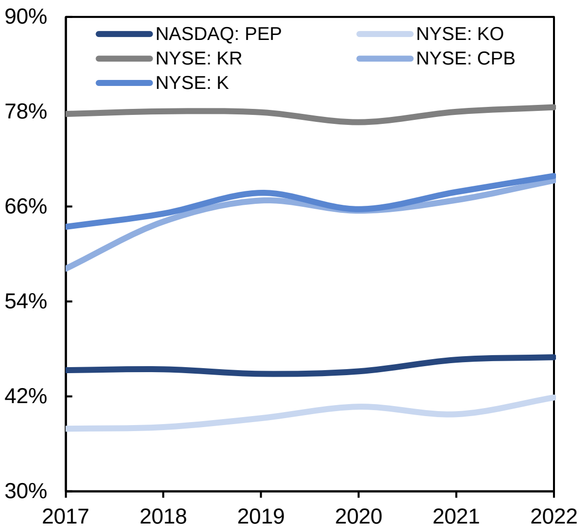
Industry Overview

The two dominant players operating in the carbonated soft drink (CSD) industry are The Coca-Cola Company (NYSE: KO) and PEP, which hold ~16% and ~8% of the total market share (US$628B global TAM), respectively. Historically, both companies have grown by acquiring smaller CSD producers and expanding product lines by acquiring juice, tea, carbonated water, and energy and sports drink manufacturers. Furthermore, each company has engaged in aggressive marketing and distribution initiatives to grow its international presence and attain positions as leading providers of carbonated beverages. PEP also operates in the convenience/confectionary food industry (US$599B global TAM). In the U.S., the dominant players are Frito-Lay North America (~19% market share), Performance Food Group (NYSE: PFGC) (~18%), Mars (~15%), and The Hershey Company (NYSE: HSY) (~13%).

In recent years, these industries have become highly concentrated, as the small number of prominent players can adequately address the global demand for CSDs and snacks. Declining acquisition activity due to a lack of new entrants to the industry has caused operators to experience rigid market shares. As a result, companies have strived to become cost leaders through reinvestment in internal production and development infrastructure to streamline the distribution process and lower costs to retailers and wholesalers.

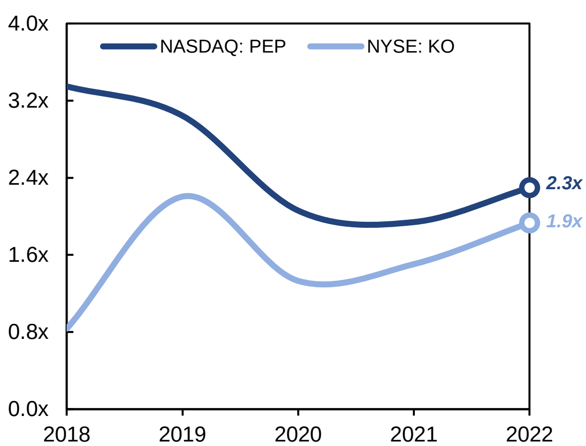
In North America and Europe, the demand outlook in the mid- to long-term is unclear. On the one hand, consumers are becoming increasingly conscious of the health complications of consuming sugary beverages and snacks containing artificial sweeteners. Instead, they are opting for healthier alternatives that utilize natural flavouring. As such, companies are investing in research and development to improve existing product offerings to remove sugars and sweeteners. On the other hand, long-term trends on sodium and calorie intake are uncertain, and some evidence suggests that consumers are moving away from meals and towards snacking. Nonetheless, on a global scale, both the CSD and convenience food industries are projected to grow at a 5% CAGR over the next five years resulting from increased penetration in international markets, which, in this time horizon, will likely not experience the same health-consciousness trends.

Figure 2: COGS as a Percentage of Revenue vs Peers



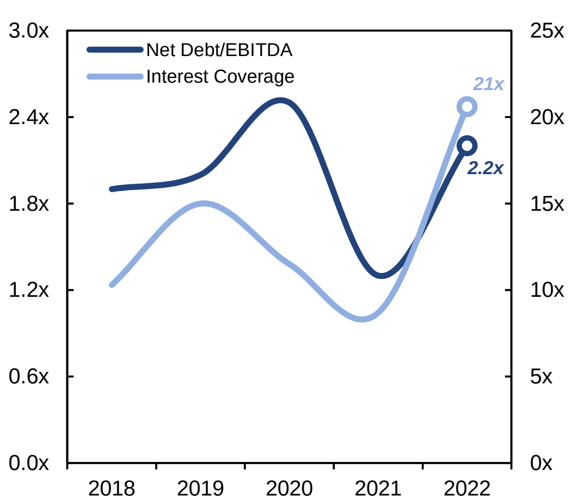
Source: Company Filings

Figure 3: ROIC/WACC



Source: Bloomberg

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



Source: Company Filings

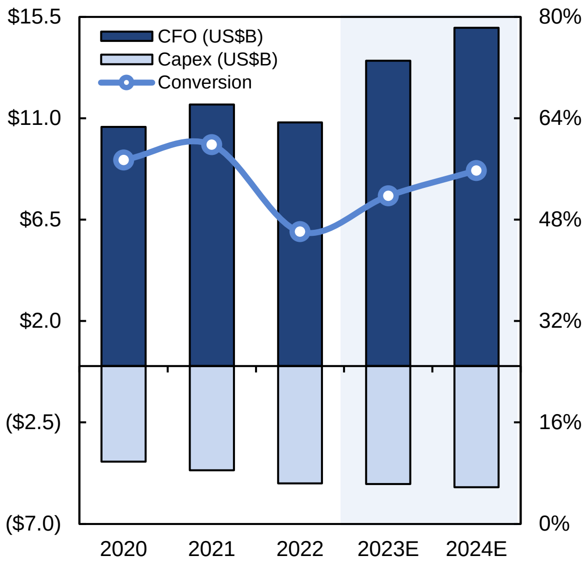
Mandate Fit

Quality Management: PEP's previous management team tended to underinvest and lacked strategic focus. However, current CEO Ramon Laguarta has rectified the situation, nearly doubling capex spending since becoming CEO in 2018. Management has prioritized investments in the Company's distribution network, manufacturing capacity, and widening its product portfolio, which the Fund views as necessary to capitalize on its economic moat and grow its ROIC. The entirety of Laguarta's career has been in confectionary/beverage companies, including 26 years at PEP. Moreover, given that the Company's future growth lies in snacks, the CPMT believes Laguarta's snack specialization will drive efficient execution in this vertical. Regarding PEP's acquisition strategy, although the Fund believes that the Company's latest acquisition of Rockstar Energy was strategically sound, the US$3.85B transaction at a 20x P/S ratio was an overpayment. However, the CPMT is reassured by management's discipline in divesting non-strategic investments; in 2021, the Company sold most of its interest in Tropicana Products, recognizing that sugar-based drinks had the weakest future among its product portfolio. Additionally, the Fund is confident that management is invested in the company's long-term success, as 92% of CEO and 86% of NEO compensation are composed of annual and long-term incentives.

Competitive Advantage: PEP's largest competitive advantage is its brand value across its snack and beverage products, which underpins consumer loyalty. Moreover, consumers demand a wide range of PEP products, so the Company's customers, such as grocery stores and gas stations, must source a large portion of inventory from PEP. Customers' complete dependency on the Company grants it significant bargaining power, and the Fund predicts that this will translate to consistent topline growth regardless of the inflationary environment. The Company utilizes its scale in two main ways: (1) creating a vast and efficient distribution network, enabling direct delivery to customers; and (2) the ability to procure key ingredients at low prices, reflected in the low COGS as a percent of revenue (Figure 2). As PEP passes these cost savings to customers, it is rewarded with favourable shelf allocation and in-store advertising. This facilitates higher sales of PEP products to consumers, which increases customer dependency, thereby creating a flywheel that continually widens the Company's economic moat. Though PEP shares many of these competitive advantages with KO, the breadth of the Company's products is the differentiator; KO outcompetes PEP in the CSD industry, but a significant portion of the Company's revenue is derived from the production and distribution of snacks. Frito-Lay is the market leader in the global snack industry, holding an 8% market share. This allows PEP to address a broader customer base and continuously account for changes in consumer preferences and tastes, ultimately reducing the Company's dependency on a single source of revenue.

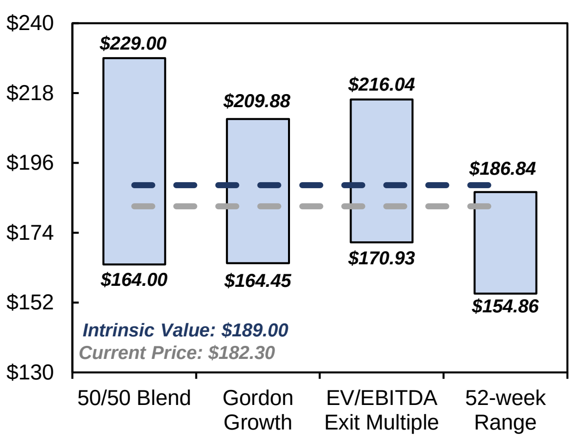
Strong Balance Sheet: At YE 2022, PEP had ~US$41.5B of debt, offset by US$5.4B of cash and equivalents, resulting in net debt of US$36.1B. PEP operates at an LTM interest coverage ratio of 20.6x and an LTM Net Debt/EBITDA of 2.2x. These metrics stack up favourably against peer averages at 10.9x and 3.1x, respectively. The Company's primary source of liquidity is its cash generation capabilities, but it can lean on credit facilities, working capital lines, and commercial paper borrowings for additional needs. PEP's credit facilities include a five-year and a 364-day unsecured revolver, each offering up to US$3.8B of borrowing capacity. PEP currently has A+ and A1 credit ratings from S&P Global and Moody's, respectively.

Figure 5: LHS CFO and Capex vs RHS FCF Conversion



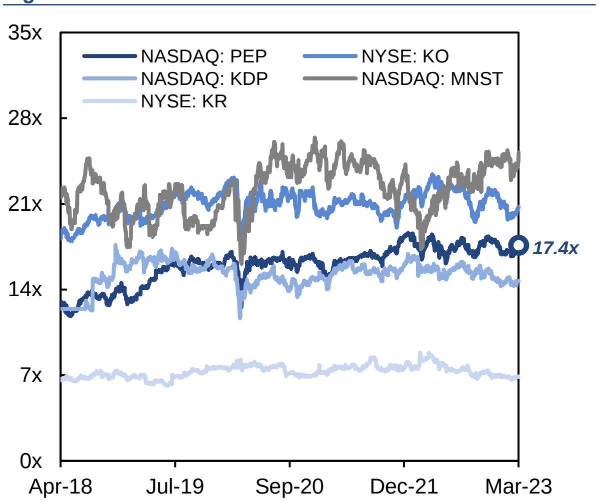
Source: Company Filings

Figure 6: Valuation Football Field



Source: CPMT Estimates

Figure 7: NTM EV/EBITDA vs Peers



Source: S&P Capital IQ

Growing Free Cash Flow: Over the last five years, UFCF declined at a 2.44% CAGR. However, in the four years from 2017 to 2021, UFCF grew at a CAGR of 2.26%. PEP experienced low FCF in 2022 due to unfavourable changes in working capital and higher net cash tax payments. The Fund believes these to be one-off cash outflows, and we forecast the Company to recover ~US$0.90B worth of net working capital by YE 2024, primarily driven by receivables collection. This translates to a UFCF forecast of US$8.50B in 2023, slightly lower than in 2021. From 2023 to 2027, the Fund forecasts UFCF to grow at an 8.60% CAGR as the Company will slow capex spending as a percentage of revenue while revenue continues to grow at 3-5%.

As the Company has focused capital allocation on reinvestment, less cash has been distributed to shareholders; yet, PEP has maintained a dividend payout ratio above 70% over the last three years, growing total dividends at a 7% CAGR. To do so, it has slowed share repurchases, using them primarily to avoid dilution from stock-based compensation. As M&A has historically been a significant avenue for Company growth, the Fund expects buybacks to decrease further in the near-term, but views this favourably as PEP pursues positive-NPV growth opportunities.

Risks

Although PEP has made strides towards adapting to the shift in consumer preference towards healthier snacks and beverages, it remains unclear whether the Company can maintain its competitive moat in this new market. Specifically, PEP could experience difficulty passing on higher costs in an inflationary environment, which is pivotal to its current operations. Additionally, the Company could experience greater than anticipated softening in consumer demand due to inflationary pressure or other macroeconomic/geopolitical volatility. This is especially relevant given the Russia-Ukraine conflict, as Russia is one of the Company's key international markets. Not only will this negatively impact demand but has limited PEP's competitive advantage in its cost structure, resulting from supply chain disruptions. Another key risk is the Company's ability to replicate its North American operational strength in emerging markets; PEP currently experiences lower margins in international markets, so establishing a functional supply chain and a robust M&A pipeline abroad will be essential.

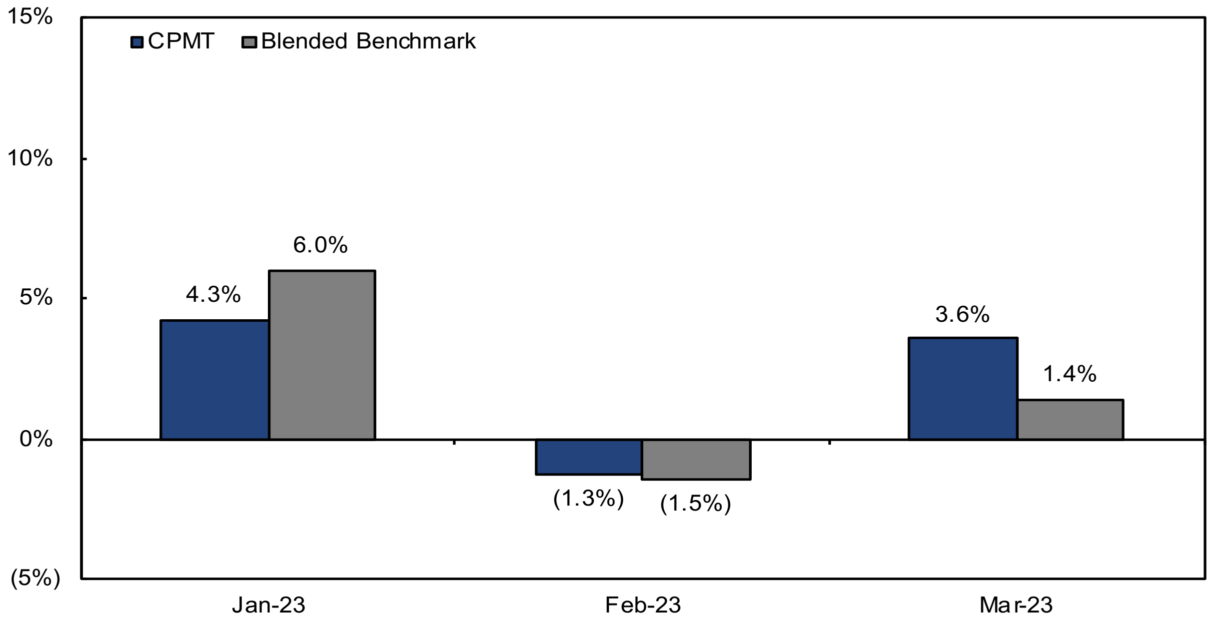
Investment Thesis

PEP was valued at $189 using a five-year DCF with a WACC of 6.11%. The terminal value was determined through a 50/50 blend of (1) the Gordon Growth method, using a 2.00% terminal growth rate, and (2) an EV/EBITDA exit multiple of 16.5x. The CPMT believes the Company meets the mandate in an exemplary fashion. Although the CSD industry is declining due to an emphasis on low-sugar alternatives, the Fund believes that PEP's diversified product portfolio in Frito-Lay will facilitate a long runway of low single-digit growth, corroborated by a stronger establishment in emerging markets. Furthermore, the CPMT believes that the Company's increased investments will have long-lasting effects on future EBITDA generation. As capex levels off in the coming years, PEP's FCF conversion will steadily rise to ~60%, enabling FCF growth to outpace recent historical averages. With these estimates, the CPMT still finds the current price to be an unattractive entry point; accordingly, if the intrinsic discount were to increase by ~7-8%, the Fund would look to initiate a position pending updated due diligence.

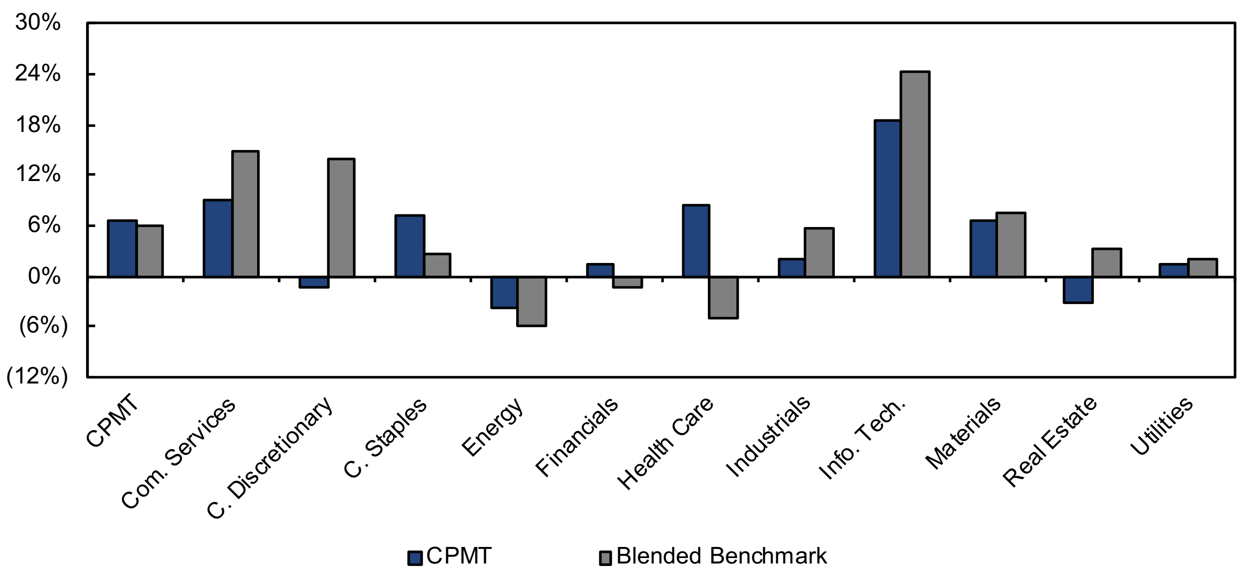
Compliance and Performance

QUARTERLY PERFORMANCE

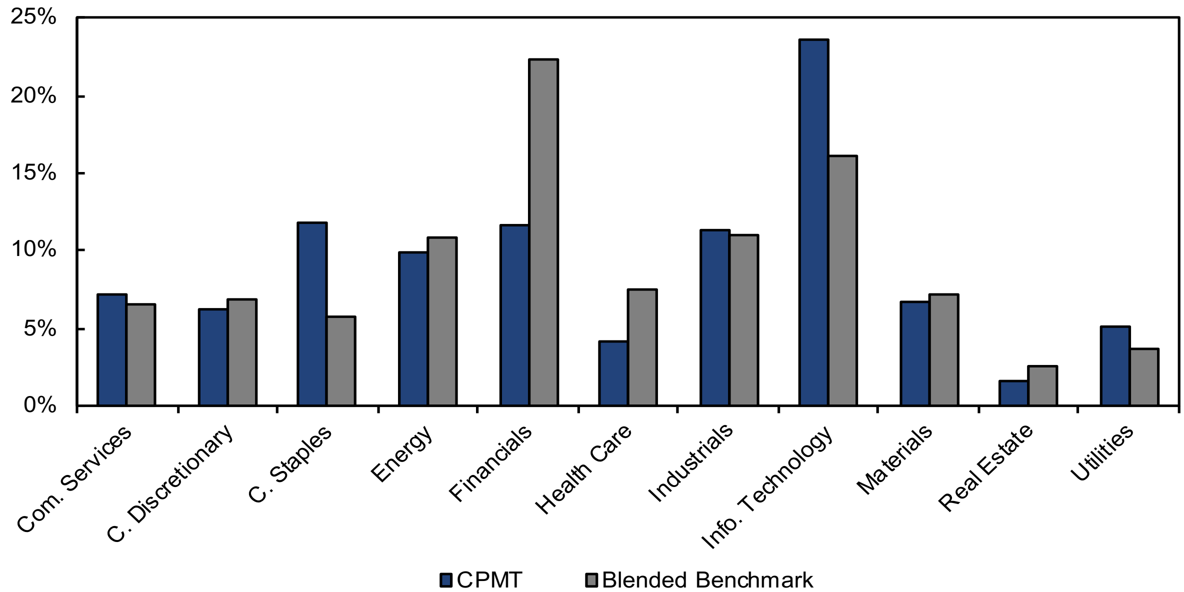
CPMT and Blended Benchmark Monthly Returns



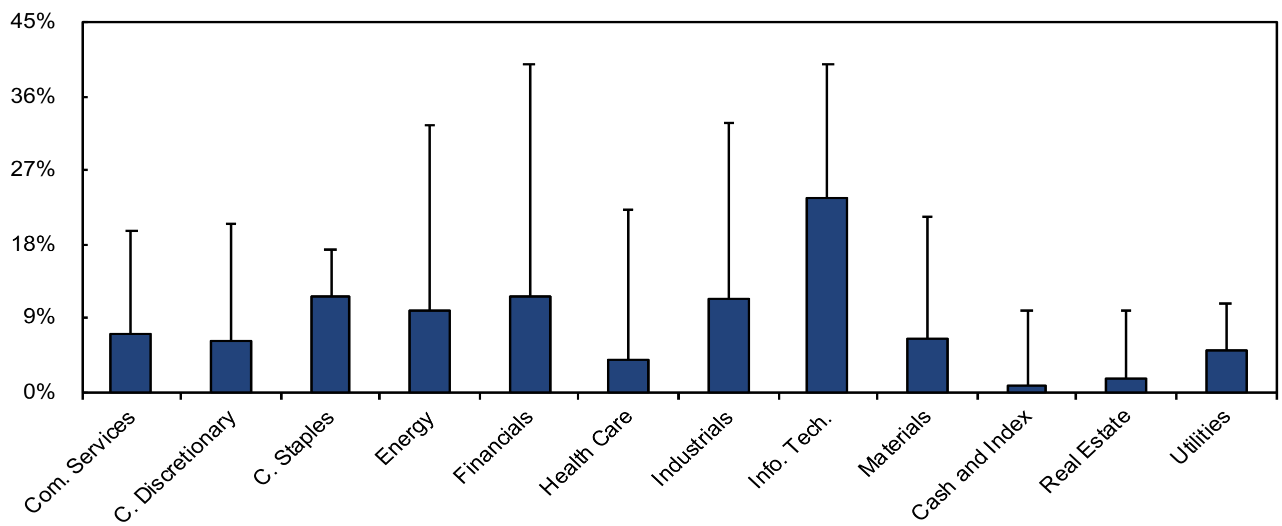
CPMT and Blended Benchmark Quarterly Sector Returns



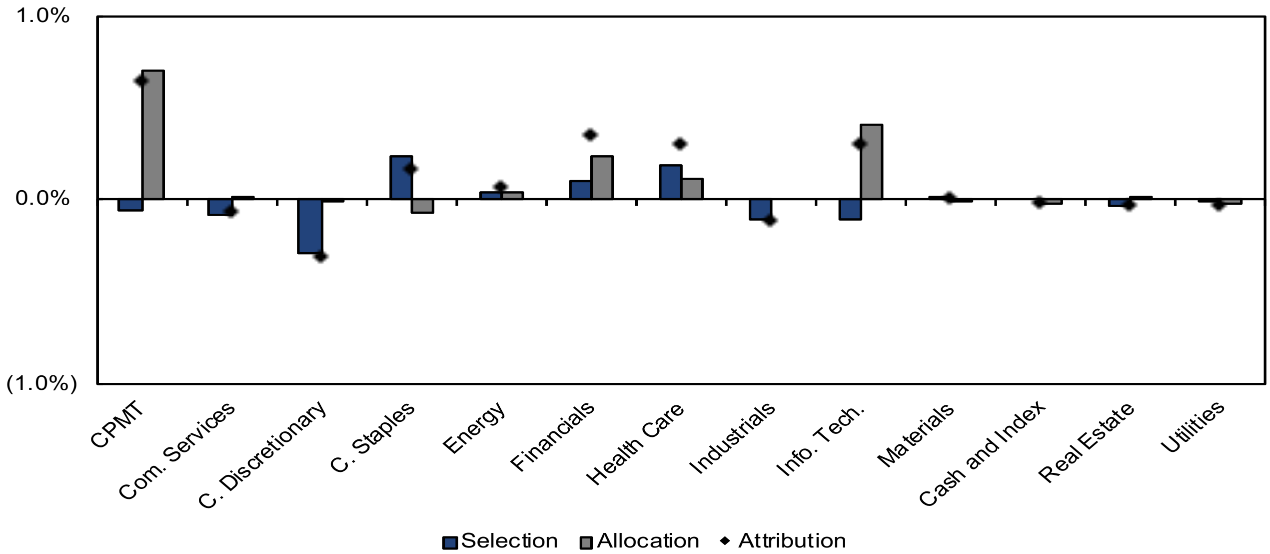
CPMT and Blended Benchmark Sector Weightings



CPMT Sector Weights vs Maximum Weight



Attribution Analysis (FQ4 2023)



CPMT Attribution Analysis

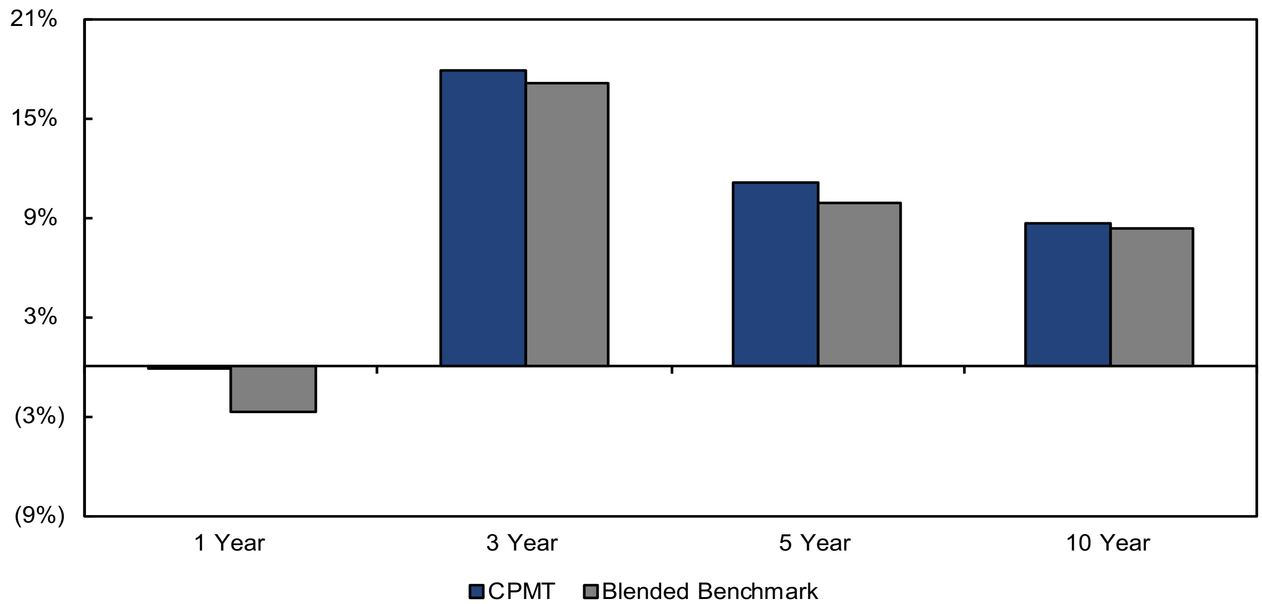
FQ4 2023	Attribution	Allocation	Selection
CPMT	0.65%	0.70%	(0.06%)
Communication Services	(0.07%)	0.02%	(0.08%)
Consumer Discretionary	(0.31%)	(0.01%)	(0.29%)
Consumer Staples	0.17%	(0.06%)	0.23%
Energy	0.07%	0.04%	0.04%
Financials	0.35%	0.24%	0.11%
Health Care	0.30%	0.11%	0.19%
Industrials	(0.11%)	0.00%	(0.11%)
Information Technology	0.31%	0.41%	(0.10%)
Materials	0.01%	(0.00%)	0.01%
Other	(0.02%)	(0.02%)	0.00%
Real Estate	(0.03%)	0.01%	(0.04%)
Utilities	(0.02%)	(0.02%)	(0.00%)

1 Year	Attribution	Allocation	Selection
CPMT	2.74%	2.27%	0.47%
Communication Services	(0.42%)	0.44%	(0.85%)
Consumer Discretionary	(2.66%)	(0.02%)	(2.64%)
Consumer Staples	(1.69%)	(0.00%)	(1.69%)
Energy	0.40%	(0.08%)	0.48%
Financials	0.10%	0.66%	(0.56%)
Health Care	1.14%	0.31%	0.83%
Industrials	0.97%	0.00%	0.97%
Information Technology	0.64%	(0.33%)	0.97%
Materials	2.42%	0.11%	2.31%
Other	0.66%	0.66%	0.00%
Real Estate	1.67%	0.19%	1.48%
Utilities	(0.50%)	0.33%	(0.83%)

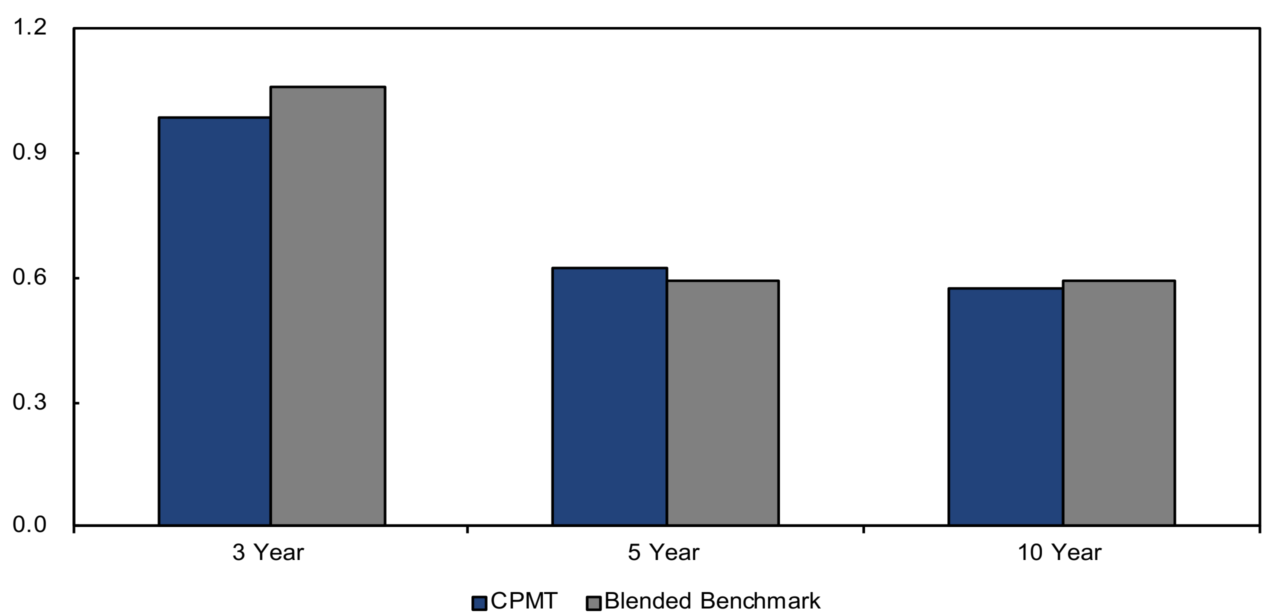
Compliance and Performance

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)]	✗	(0.07%)	✓	17.87%	✓	11.09%	✓	8.59%
Relative Returns (bps)								
Blended Benchmark [(2)]	✓	274	✗	75	✓	127	✗	23
Risk Adjusted Returns (bps)								
Blended Benchmark [(3)]	✓	250	✗	(17)	✗	88	✗	15

(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	(0.07%)	17.87%	11.09%	8.59%
Blended Benchmark	(2.82%)	17.12%	9.83%	8.37%
Annualized Volatility				
CPMT	17.04%	15.47%	15.17%	12.20%
Blended Benchmark	17.20%	14.19%	14.45%	11.56%
Sharpe				
CPMT	(0.11)	0.99	0.63	0.57
Blended Benchmark	(0.27)	1.06	0.59	0.60

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 (2022-2023)

FQ1 2023	Date	Action	Shares	Purchase Price	Sale Price	Currency	Capital Gain (CAD)	Return
PYPL	28-Apr-22	Sell	93	$209.01	$84.57	USD	-$11,572.69	(59.54%)
XEG	28-Apr-22	Sell	445	$9.12	$14.60	CAD	$2,439.84	60.14%
ENB	28-Apr-22	Sell	135	$47.29	$56.11	CAD	$1,190.70	18.65%
TOU	28-Apr-22	Buy	200	$62.45				
COST	28-Apr-22	Sell	10	$217.56	$555.48	USD	$3,379.20	155.32%
V	28-Apr-22	Buy	50	$202.41				
Total							($4,562.95)	-14.23%

FQ2 2023	Date	Action	Shares	Purchase Price	Sale Price	Currency	Capital Gain (CAD)	Return
ABT	14-Sep-22	Sell	148	$75.14	$109.11	USD	$5,028.15	45.21%
Total							$5,028.15	45.21%

FQ3 2023	Date	Action	Shares	Purchase Price	Sale Price	Currency	Capital Gain (CAD)	Return
T	03-Nov-22	Buy	920	$20.86				
CTAS	15-Dec-22	Sell	17	$262.62	$460.35	USD	$3,361.41	75.29%
CNR	15-Dec-22	Sell	100	$77.31	$172.04	CAD	$9,473.00	122.53%
ATD	15-Dec-22	Buy	430	$62.96				
Total							$12,834.41	105.24%

FQ4 2023	Date	Action	Shares	Purchase Price	Sale Price	Currency	Capital Gain (CAD)	Return
DAR	10-Jan-23	Buy	150	$64.91				
TMO	12-Jan-23	Sell	24	$494.00	$569.49	USD	$1,811.76	15.28%
MSFT	19-Jan-23	Sell	21	$119.28	$239.51	CAD	$2,524.91	100.80%
BBY	19-Jan-23	Sell	100	$109.45	$84.88	USD	-$2,456.67	(22.45%)
ADBE	19-Jan-23	Buy	14	$344.99				
Total							$1,880.01	7.43%

Appendix 2: Account Activity (Continued)

Dividend Summary

October, 2022			
Equity	**Date**	**DPS**	**Credit (CAD)**
CNQ	05-Oct-22	$0.75	$300.75
BBY	11-Oct-22	$1.19	$119.10
CSU	11-Oct-22	$1.33	$18.68
TMO	14-Oct-22	$0.41	$16.65
AMT	26-Oct-22	$1.99	$77.64
JPM	31-Oct-22	$1.35	$193.54
Total			**$726.35**

November, 2022			
Equity	**Date**	**DPS**	**Credit (CAD)**
AAPL	10-Nov-22	$0.31	$47.94
COST	10-Nov-22	$1.22	$66.99
TOU	18-Nov-22	$2.25	$450.00
RY	24-Nov-22	$1.29	$277.64
Total			**$842.57**

December, 2022			
Equity	**Date**	**DPS**	**Credit (CAD)**
V	01-Dec-22	$0.61	$30.45
ZTS	01-Dec-22	$0.44	$26.84
WCN	01-Dec-22	$0.34	$44.13
ENB	01-Dec-22	$0.86	$399.90
MSFT	08-Dec-22	$0.92	$96.63
CTAS	15-Dec-22	$1.56	$93.38
NEE	15-Dec-22	$0.58	$133.45
LIN	16-Dec-22	$1.58	$55.42
CCL.B	29-Dec-22	$0.24	$48.00
CNR	29-Dec-22	$0.73	$183.13
TECK.B	30-Dec-22	$0.12	$34.21
TOU	30-Dec-22	$0.25	$50.00
BAM.A	30-Dec-22	$0.19	$84.89
Total			**$1,280.44**

January, 2023			
Equity	**Date**	**DPS**	**Credit (CAD)**
BBY	03-Jan-23	$0.88	$88.00
T	03-Jan-23	$0.35	$237.55
TMO	16-Jan-23	$0.30	$16.66
JPM	31-Jan-23	$1.00	$193.66
Total			**$535.87**

February, 2023			
Equity	**Date**	**DPS**	**Credit (CAD)**
TOU	01-Feb-23	$2.00	$400.00
AMT	02-Feb-23	$1.56	$109.00
Total			**$509.00**

March, 2023			
Equity	**Date**	**DPS**	**Credit (CAD)**
ENB	01-Mar-23	$0.89	$412.69
WCN	15-Mar-23	$0.35	$61.10
BEP	31-Mar-23	$0.46	$107.94
BAM	31-Mar-23	$0.44	$48.34
BN	31-Mar-23	$0.10	$42.59
CCL.B	31-Mar-23	$0.27	$71.78
CN	31-Mar-23	$0.79	$118.50
TOU	31-Mar-23	$0.25	$50.00
Total			**$912.94**

Appendix 2: Account Activity (Continued)

Dividend Summary

April, 2022			
Equity	**Date**	**DPS**	**Credit (CAD)**
CNQ	05-Apr-22	$0.75	$300.75
CSU	12-Apr-22	$1.27	$17.81
BBY	14-Apr-22	$0.79	$79.29
TMO	14-Apr-22	$0.27	$11.08
AMT	29-Apr-22	$1.78	$69.60
TD	30-Apr-21	$0.79	$158.00
Total			**$636.53**

May, 2022			
Equity	**Date**	**DPS**	**Credit (CAD)**
JPM	02-May-22	$1.29	$184.06
AAPL	12-May-22	$0.30	$45.59
COST	13-May-22	$1.16	$63.71
ABT	16-May-22	$0.60	$89.49
TOU	19-May-22	$1.50	$300.00
RY	21-May-21	$1.20	$257.55
WCN	26-May-21	$0.25	$32.24
Total			**$972.64**

June, 2022			
Equity	**Date**	**DPS**	**Credit (CAD)**
ENB	01-Jun-22	$0.86	$399.90
V	01-Jun-22	$0.48	$24.13
WCN	01-Jun-22	$0.30	$38.39
ZTS	01-Jun-22	$0.42	$25.52
MSFT	09-Jun-22	$0.80	$83.79
CTAS	15-Jun-22	$1.22	$73.37
NEE	15-Jun-22	$0.55	$126.91
LIN	17-Jun-22	$1.51	$52.71
BAM.A	30-Jun-22	$0.18	$80.18
CCL.B	30-Jun-22	$0.24	$48.00
CNR	30-Jun-22	$0.73	$183.13
TECK.B	30-Jun-22	$0.12	$34.16
TOU	30-Jun-22	$0.23	$45.00
Total			**$1,215.20**

July, 2022			
Equity	**Date**	**DPS**	**Credit (CAD)**
BBY	05-Jul-22	$0.75	$88.00
CNQ	05-Jul-22	$1.27	$300.75
AMT	08-Jul-22	$0.62	$72.05
CSU	11-Jul-22	$0.21	$18.19
TMO	15-Jul-22	$1.78	$12.30
Total			**$491.29**

August, 2022			
Equity	**Date**	**DPS**	**Credit (CAD)**
JPM	02-Aug-22	$1.00	$143.00
AAPL	11-Aug-22	$0.23	$35.42
COST	12-Aug-22	$0.90	$49.50
TOU	12-Aug-22	$0.60	$400.00
ABT	15-Aug-22	$1.50	$88.41
RY	24-Aug-21	$0.93	$211.48
CNQ	31-Aug-21	$0.25	$601.50
Total			**$1,529.31**

September, 2022			
Equity	**Date**	**DPS**	**Credit (CAD)**
ENB	01-Sep-22	$0.86	$399.90
WCN	01-Sep-22	$0.38	$38.65
ZTS	01-Sep-22	$0.30	$19.83
V	01-Sep-22	$0.33	$18.75
MSFT	08-Sep-22	$0.62	$65.10
NEE	15-Sep-22	$0.95	$98.60
CTAS	15-Sep-22	$0.43	$69.00
LIN	16-Sep-22	$1.17	$40.95
CNR	29-Sep-22	$0.18	$183.13
BAM.A	29-Sep-22	$0.24	$81.87
CCL.B	29-Sep-22	$0.73	$48.00
TECK.B	29-Sep-22	$0.10	$25.12
TOU	29-Sep-22	$0.23	$45.00
Total			**$1,133.90**

CPMT Holdings - March 31 2023	Market Cap	Conviction	Position Size			Target Price		Stock Price	Total Return	
Financials			Current	Target	Difference	Prior	Current	End of Period	QTD	TTM
Brookefield Asset Management	Large	0	0.74%	0.00%	(0.74%)	N/A	N/A	$44.27	14.19%	n/a
Brookfield Corporation	Large	2	2.95%	4.00%	1.05%	$60.00	$60.00	$44.03	3.41%	(37.71%)
JPMorgan Chase & Co.	Large	2	3.81%	4.00%	0.19%	$128.00	$128.00	$130.31	(2.80%)	(11.80%)
Royal Bank of Canada	Large	2	4.20%	4.00%	(0.20%)	$132.00	$132.00	$95.58	1.69%	(20.02%)
Information Technology										
Adobe Inc.	Large	2	4.18%	4.00%	(0.18%)	$378.00	$378.00	$385.37	14.55%	(21.95%)
Apple inc.	Large	2	5.19%	4.00%	(1.19%)	$165.00	$165.00	$164.90	26.95%	(12.86%)
Constellation Software Inc.	Large	2	5.38%	4.00%	(1.38%)	$2,022.00	$2,022.00	$2,540.91	20.20%	18.90%
Microsoft Corporation	Large	2	4.95%	4.00%	(0.95%)	$287.00	$287.00	$288.30	20.25%	(13.72%)
Topicus.com Inc.	Mid	1	1.55%	2.00%	0.45%	$92.00	$92.00	$96.58	35.86%	3.57%
Visa Inc.	Large	1	2.31%	2.00%	(0.31%)	$290.00	$290.00	$225.46	8.55%	(6.19%)
Materials										
CCL Industries inc.	Large	1	2.03%	2.00%	(0.03%)	$79.00	$79.00	$67.14	16.08%	19.04%
Linde PLC	Large	1	2.54%	2.00%	(0.54%)	$313.00	$313.00	$355.44	9.00%	2.67%
Teck Resources Limited	Large	1	2.05%	2.00%	(0.05%)	$49.00	$49.00	$36.50	(3.46%)	(16.61%)
Energy										
Canadian Natural Resources Limited	Large	2	4.53%	4.00%	(0.53%)	$84.00	$84.00	$74.79	(0.53%)	(3.38%)
Enbridge inc.	Large	2	3.62%	4.00%	0.38%	$53.00	$53.00	$51.53	(2.63%)	(10.46%)
Tourmaline Oil Corp.	Large	1	1.70%	2.00%	0.30%	$70.00	$70.00	$56.32	(17.56%)	(2.22%)
Consumer Discretionary										
Aritzia Inc.	Mid	2	4.26%	4.00%	(0.26%)	$33.00	$33.00	$43.37	(8.41%)	(15.01%)
Best Buy Co., Inc.	Large	0	0.00%	0.00%	0.00%	$70.00	$70.00	$78.27	(2.39%)	(20.55%)
lululemon athletica inc.	Large	1	1.94%	2.00%	0.06%	$426.00	$426.00	$364.19	13.71%	(7.99%)
Consumer Staples										
Alimentation Couche-Tard Inc	Large	2	4.42%	4.00%	(0.42%)	$70.00	$70.00	$67.95	14.20%	20.65%
Costco Wholesale Corporation	Large	3	5.59%	6.00%	0.41%	$610.00	$610.00	$496.87	8.88%	(20.38%)
Darling Ingredients Inc.	Mid	1	1.79%	2.00%	(0.21%)	N/A	$97.00	$58.40	(6.67%)	(32.96%)
Telecommunications										
Alphabet Inc.	Large	2	3.39%	4.00%	0.61%	$133.00	$133.00	$103.73	17.60%	(31.17%)
Telus Corporation	Large	2	3.74%	4.00%	0.26%	$34.00	$34.00	$19.86	2.88%	(29.90%)
Healthcare										
Thermo Fisher Scientific Inc.	Large	1	2.00%	2.00%	0.00%	$570.00	$570.00	$576.37	4.69%	(9.96%)
Zoetis Inc.	Large	1	2.08%	2.00%	(0.08%)	$153.00	$153.00	$166.44	13.61%	(18.56%)
Industrials										
Canadian National Railway Company	Large	2	3.62%	4.00%	0.38%	$163.00	$163.00	$159.47	(0.85%)	(4.91%)
Cintas Corporation	Large	2	4.07%	4.00%	(0.07%)	$430.00	$430.00	$462.68	2.48%	0.36%
Waste Connections, Inc.	Large	2	3.70%	4.00%	0.30%	$124.00	$124.00	$188.10	4.80%	7.59%
Real Estate										
American Tower Corporation	Large	1	1.63%	2.00%	0.37%	$279.00	$279.00	$204.34	(3.52%)	(24.95%)
Utilities										
Brookfield Renewable Partners L.P.	Large	1	1.51%	2.00%	0.49%	$51.00	$51.00	$42.60	24.27%	(16.98%)
NextEra Energy, Inc.	Large	2	3.66%	4.00%	0.34%	$88.00	$88.00	$77.08	(7.77%)	(16.04%)