Calgary Portfolio Management Trust

2017 Q2 Report

UNIVERSITY OF CALGARY
HASKAYNE SCHOOL OF BUSINESS

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Dear Stakeholders,

As we near the 20th anniversary of the Calgary Portfolio Management Trust (CPMT) program, the Class of 2017 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 CPMT alumni for their continued involvement and support. Finally, we would like to thank all of our supporters in the Calgary business community for their vested interest in the program.

This past quarter, the Fund reached 30 investments in nine sectors, marking a significant milestone in the Fund. We continue to adhere to the CPMT's stringent investment policy and maintain a long term, value based approach to investing. We are committed to our proven strategy of owning companies with high caliber management teams, strong balance sheets, growing free cash flow, and tangible competitive advantages. Moving forward, the team is dedicated to enhancing our strategy of conviction based capital allocation and maintaining our online presence.

We would like to give special thanks to the CPMT alumni who have volunteered their time and expertise to be a part of the CPMT's formal mentorship initiative. We are grateful for the opportunity to build individual relationships with our paired mentors and gain unique perspectives on fund management and investment decision-making, as well as career mentorship.

The CPMT program has also recently recruited several new members. We would like to welcome four new Research Associates and two new Fund Analysts to the program: Abdulrahman Alnoaimi (4th year Chemical Engineering and Economics), Kristin Gorkoff (3rd year Finance), Jennifer LaBine (4th year Finance and Economics), Darren Luoma (3rd year Finance), Chase MacDougall (4th year Finance), and Kelsey Mills (3rd year Finance).

Involvement in the CPMT program continues to offer invaluable exposure to a challenging and scholastic environment, creating an unrivaled experience for students. We look forward to placing the lessons learned from our mentors and supporters into practice, and aim to pass the knowledge on to future members of the program in order to preserve the strategy and discipline of the fund for years to come. We are eager to find new ways to continually improve the program, and will strive to maintain our commitment to excellence.

Sincerely,

Babbal Brar, Fund Manager

Babbal Brar

Hashim Chawdhry, Fund Manager

Ian Gott, Fund Manager

Ian Gott

Logan Heidt, Fund Manager

Bryton Hewitt, Fund Manager

George Huang, Fund Manager

Daniel Morgan, Fund Manager

D. Morgan

Class of 2017

CPMT CLASS OF 2017

BABBAL BRAR
Fund Manager
4th Year, Finance

Babbal has been with the CPMT program since September 2015. In his second year with the program, he is looking forward to expanding his knowledge of investment management and capital markets. Babbal is pursuing the CFA designation and has registered to write the CFA Level I exam in December 2016. Outside of school, Babbal enjoys playing basketball and volunteering with various non-profit organizations.

HASHIM CHAWDHRY
Fund Manager
4th Year, Finance

Hashim has been in the CPMT program since March 2014. His experience includes internships at National Bank Financial and Paradigm Capital in equity research, where he gained experience analyzing oil and gas producers and energy infrastructure companies. Upon graduation, Hashim will be joining J.P. Morgan as an Investment Banking Analyst. Outside of school, Hashim is an avid car enthusiast.

IAN GOTT
Fund Manager
4th Year, Finance

Ian Gott is a fourth year finance student and a Fund Manager in the CPMT program. He is looking forward to expanding his knowledge of capital markets and portfolio management. Ian recently completed a Global Markets Summer Analyst role at CIBC World Markets and will be returning full-time in August 2017. Outside of school, Ian plays basketball and is a World Champion Irish Dancer. He is also an avid skier and has a passion for travelling. This winter, he will be touring North America with Michael Flatley's world famous production "Lord of the Dance."

LOGAN HEIDT
Fund Manager
5th Year, Finance / Economics

Logan is a fifth year double degree student pursuing a Bachelor of Commerce degree majoring in Finance and a Bachelor of Arts degree majoring in Applied Energy Economics. He recently finished a 4-month term in the Energy Investment Banking group at J.P. Morgan, and is looking forward to expanding his knowledge of capital markets and portfolio management with CPMT. Logan is currently a CFA Level II candidate, and is looking forward to travelling for 3-4 months upon graduation in December 2016. Outside of school, Logan enjoys playing pick-up hockey, golf, and tennis. He also enjoys going fishing with his brothers and is an avid car enthusiast.

BRYTON HEWITT
Fund Manager
5th Year, Finance / Psychology

A fifth year Finance and Psychology double degree student, Bryton is passionate about the business world and the economy with which it interacts daily. He joined the CPMT in March 2015. Beyond his role in the program, Bryton is a two-time medalist at the Inter-Collegiate Business Competition (ICBC), and is the current VP Finance for PSYCHS, the University of Calgary's largest Arts faculty club. After one summer term working in internal strategy consulting and two summer terms working on the buy-side, Bryton is excited to begin his career in Toronto next autumn as a Rotational Equity Analyst with the Canada Pension Plan Investment Board. Outside of academics, Bryton has written for and acted in award winning short films.

GEORGE HUANG
Fund Manager
5th Year, Finance / Economics

George looks forward to applying what he has learned since joining the program in 2015, to support the incoming class of Research Associates and the continued development of the CPMT. His professional experience includes internships in asset management and electrical load and generation forecasting, as well a co-op term with Azimuth Capital Management. After graduation, George hopes to pursue a career in sell-side M&A, institutional equity research, or asset management. In addition to his role with the CPMT, George is also a varsity cross-country and track and field athlete with the University of Calgary Dinos.

CALEB KOSTYNIUK
Fund Analyst
4th Year, Finance

Caleb joined the CPMT program in November 2015 as a Fund Analyst. Caleb appreciates the many opportunities for learning and mentorship in the program, and is excited to gain valuable experience in portfolio management. Caleb was a member of the Rotman International Trading Competition Red Team in 2016, and is actively seeking career opportunities in capital markets. In addition to his interest in capital markets, Caleb is also involved in the fitness industry, serving as a writer for a personal training company based in London.

DANIEL MORGAN
Fund Manager
4th Year, Finance

Daniel has been part of the CPMT program since September 2014. He has held professional positions in equity research at CIBC World Markets, as well as business development at GNS3 Technologies Inc. Now in his final year of the Bachelor of the Commerce program, he is looking forward to the future, aspiring to build a career in equity research and investment management. In his leisure time, Daniel enjoys reading investment strategy books, examining Canadian politics, and keeping fit through cycling.

REBECCA WANG
Research Associate
4th Year, Finance

Rebecca joined the CPMT program as a Research Associate in March 2016. Her experience includes internships in the oil and gas sector and the Investments Office of the University of Calgary. She is currently working at Agrium in the Investor Relations team. Rebecca is a CFA Level II candidate, writing in June 2017. Rebecca will be joining TD Securities as an Investment Banking Analyst upon graduation. Recreationally, she enjoys playing volleyball, horseback riding, and golfing.

CPMT CLASS OF 2018

ABDULRAHMAN ALNOAIMI
Fund Analyst
4th Year, Chemical Engineering and Economics
Abdulrahman is entering his fourth year of a double degree in Economics and Chemical Engineering, with a Minor in Petroleum Engineering. He is currently completing a 16-month internship at NOVA Chemicals as a Process Engineering Intern, where he focuses on process modelling and data analytics. Abdulrahman looks forward to learning about financial markets, and will be writing the CFA Level I exam in June 2017. In his spare time, Abdulrahman enjoys coaching and mentoring robotics teams, as well as participating in various team competitions.

DANIEL CASSINO
Research Associate
3rd Year, Finance
Daniel joined the CPMT program in March 2016 as a Research Associate. He is looking forward to the next two years in the program where he hopes to learn more about value investing and portfolio management. Daniel previously worked at the City of Calgary Assessment Business Unit, on residential and commercial property valuation. In addition to his interest in working in capital markets and investing, Daniel enjoys playing baseball and is an avid car enthusiast.

KRISTIN GORKOFF
Research Associate
3rd Year, Finance
Kristin joined the CPMT program in October 2016. As a new member she is looking forward to working with the team, gaining hands-on experience in portfolio management, and expanding her knowledge of capital markets. She enjoys competing in case competitions and is currently involved with JDC West Team Haskayne and the Haskayne "Ethics in Action" case team. Upon graduation, Kristin intends to pursue a career in capital markets as well as the CFA designation. Outside of her academic pursuits she enjoys classical music, travelling, and learning other languages.

JENNIFER LABINE
Research Associate
4th Year, Finance / Economics
Jennifer is a fourth year student pursuing a double degree in Finance and Economics. Jennifer joined the CPMT program in October 2016, and is excited to build upon her research and financial modelling skills, as well as expand her knowledge of capital markets and portfolio management. Outside of the CPMT, she is the Vice President within Fuse Collective, a student organization for energy and sustainability. In the past, Jennifer has worked as a glider pilot instructor with the Department of National Defence. She is an avid reader and yoga enthusiast.

DARREN LUOMA
Research Associate
3rd Year, Finance
Darren joined the CPMT as a Research Associate in October 2016. He is a certified Journeyman B-pressure Rig Welder with a passion for financial markets who is ecstatic to be pursuing a degree in finance at the U of C. Through the program he will improve his research skills and push his knowledge of capital markets and portfolio management as far as possible. He is currently on a Co-op term at TransCanada as a financial analyst for the compensation department. He is a huge MotoGP fan, loves biking, skiing, rock climbing, and spending time with his wife.

CHASE MACDOUGALL
Research Associate
4th Year, Finance

Chase joined the CPMT in October 2016 as a Research Associate. He is excited about improving his research and valuation skills, conducting in-depth analysis of different industries, and gaining valuable experience in security selection and portfolio management. Outside of the CPMT, Chase was a member of the Haskayne Trading Team in 2016 that competed at the Rotman International Trading Competition. In addition to his interest in financial markets, Chase enjoys participating in and spectating a variety of sports, including hockey, baseball, basketball, and squash.

KELSEY MILLS
Fund Analyst
3rd Year, Finance

Kelsey joined the CPMT program in October 2016 as a Fund Analyst. She is looking forward to working with the other members, contributing to the growth of the fund, and learning about portfolio analysis. Kelsey is pursuing a second bachelor's degree, having previously studied Economics and Sociology at the University of Alberta. She previously worked for a natural gas marketing company. In addition to her interest in capital markets, Kelsey enjoys hiking and volunteering in the community.

MAHAD NADEEM
Research Associate
4th Year, Finance / Economics

Mahad joined the CPMT program in September 2015 as a Research Associate. He is enthralled by the learning opportunities that CPMT has provided. He accredits the CPMT program for helping him develop a tireless work ethic, attention to detail, and intellectual curiosity. Mahad is currently interning at Azimuth Capital Management. Prior to this, he also interned at the Canadian Energy Research Institute (CERI) and plans to pursue the CFA designation. In his spare time, Mahad loves to play and watch tennis and soccer, and is enthusiastic about current events.

ERICK NOH
Research Associate
3rd Year, Finance

Erick joined the CPMT program in March 2016 as Research Associate. He is looking forward to working with his peers to further his knowledge of capital markets. Additionally, Erick is excited to assist the Fund Managers in growing and overseeing the fund. During the summer, Erick interned at Plains Midstream Canada in the NGL Facilities Optimization department. Along with his interest in finance, Erick also enjoys going to the gym and playing hockey. He plans to pursue a career in capital markets as well as obtain his CFA designation.

DANIIL ZHIGATOV
Research Associate
4th Year, Finance / Economics

Daniil is a fourth year finance student and a Research Associate in the CPMT program. He joined the program in March 2016. He looks forward to expanding his knowledge of financial analysis and portfolio management, as well as delve deeper into his understanding of the overall Canadian economy. In his spare time, he likes to learn about the history of finance and economics. He hopes to work as an analyst at an investment bank in the upcoming summer.

Macroeconomic Update

Over FQ2 2017, the return for the S&P/TSX Composite Total Return Index was 5.5%. The index was led higher by the performance of the high-beta resource sectors. The index's upward trend was characterized by a volatile path. The Calgary Portfolio Management Trust (CPMT or the Fund) outperformed the index in the Consumer Staples, Consumer Discretionary, Materials, and Information Technology sectors.

The most significant contributor to the CPMT's outperformance of the index was a pullback in the price of precious metals. Where relative performance suffered during FQ1 2017 due to a precious metals rally, the CPMT's low exposure relative to the index was a bright spot in FQ2 2017 as investor confidence returned to equity markets.

The low interest rate environment in Canada is currently supportive of an economy weakened by commodity prices. The Bank of Canada (BoC) chose to maintain the overnight target rate at 0.5% and revised its economic forecasts downwards. Low interest rates continue to drive premium valuations in high-dividend sectors as Canadian investors seek alternatives to low fixed income yields. The Fund continues to apply a bottom-up approach to security selection, and is not allocating the portfolio based solely on the possibility of interest rate changes.

A key development to highlight is the spinout of Real Estate as a new headline sector in the Global Industry Classification Standard (GICS). This will likely lead to an inflow of capital into the sector as passive and active managers benchmarking using GICS will look to gain sector specific exposure. The sector exhibits characteristics similar to the Telecommunications and Utilities sectors, with companies characterized by high capital intensity, stable cash flows, and healthy dividends. The mortgage market reforms announced in Canada will most likely impact the volume of mortgage granted through the Canadian banking system. The CPMT has been largely unaffected by these changes up to this point. The Fund, however, acknowledges the risks this change in regulation could pose to the health of the Canadian economy in the long-term. This rule change could curtail foreign investment in residential real estate, which has been a large contributor to the economy in some of Canada's largest cities.

An upcoming event of substantial significance is the U.S. federal election, which could have repercussions in the global financial markets. There is a high level of uncertainty associated with the potential outcome of this event. As such, the Fund is closely monitoring the situation and will act with diligence if the volatility provides attractive valuations for entry into new positions.

Quarterly Sector Updates

CONSUMER STAPLES

Overall, the S&P/TSX Consumer Staples Index rose 6.3% over the quarter. This increase may not be intuitive based on current macroeconomic events. Generally, rising interest rates results in weaker performance in equity markets. However, in both the U.S. and Canada, a rising rate environment can be viewed positively for food producers and retailers, as these sources note that during periods of rising rates and inflation, these segments tend to outperform the market. This bodes well for our position in Saputo, which has risen 15.8% over the quarter, outperforming its sector by 11.9%. We maintain a level 1 conviction rating on Saputo, however, as its valuation (29x earnings) has topped its own five-year highs and the company is relying on M&A for continued growth. We continue to hold a positive outlook for the company based on our current position, however we are not looking to increase our holding at this time due to its high valuation multiple and acquisition risk.

CONSUMER DISCRETIONARY

Consumer Discretionary stocks also performed well, with the S&P/TSX Consumer Discretionary Index rising 8.9% over the quarter and both of our holdings in this sector outperforming the index. Magna International (TSX: MG) rose by 19.5% over the quarter, and the Fund was pleased to see recent cash inflows from value institutional investors. MG has continued to pursue a "full vehicle" diversified product offering approach, by purchasing latch and aerodynamics companies over the quarter. In September 2016, MG also leveraged its 15-year relationship with BMW by winning the contract to build the upcoming 5 Series. Our second holding in the consumer discretionary space, goeasy (TSX: GSY), rose by 27.1% over the quarter and was a lead performer for the Fund.

The easyfinancial business unit (>50% of GSY's revenue) has a five-year net income CAGR of ~65%. During the quarter GSY also announced an array of insurance products aimed at protecting both the cash flows of GSY and its borrowers in the case of financial downturn. Recently, investors have turned their eye towards GSY's earnings expansion and dividend. Paying less than a 25% earnings payout ratio even after a 30% dividend increase earlier in 2016, GSY has ample potential to become a dividend growth story. We continue to hold GSY at a level 2 conviction.

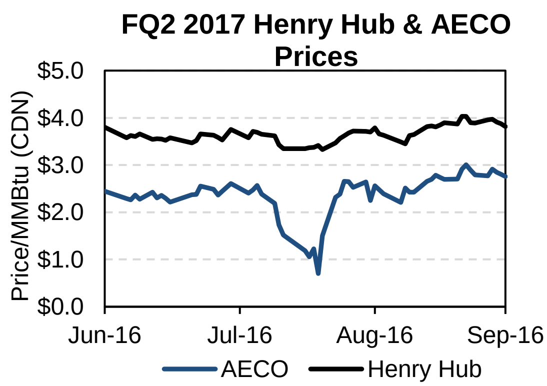
ENERGY

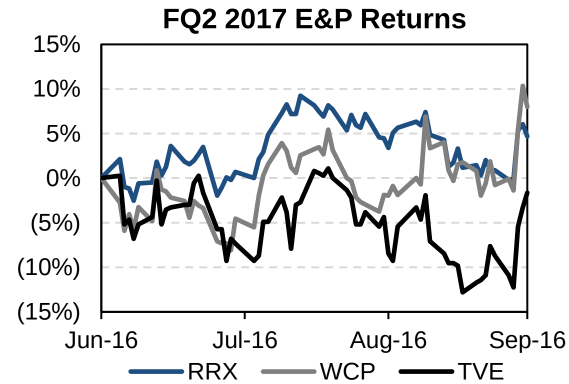
Crude Oil

The S&P/TSX Capped Energy Index rose 6.2% during FQ2 2017. During the quarter, WTI prices ranged between USD $40 and $50. Notable events included a 14.5mmbbl draw of U.S. crude inventories on approximate analyst expectations of a 0.2mmbbl build for the week ended September 2, 2016. On the day of the announcement, WTI rallied, closing 4.7% higher from the previous day. Additionally, on September 28, 2016, OPEC reached a tentative agreement to reduce production among members. The new production target is expected to range between 32.5 and 33.0mmbbl/d, representing an estimated reduction of 0.7mmbbl/d at the low end of the range. The deal is expected to be finalized during OPEC's meeting on November 30, 2016, at which point a breakdown of each member-country's contribution to the cuts will be decided. A reduction in daily supply of 0.7mmbbl/d should aid in easing the current supply glut. As a result of OPEC's proposal, the Capped Energy Index rose 7.7% between September 27 and quarter end, pushing the return for the quarter into positive territory. The Canadian Government will decide on the future of Kinder Morgan's proposed expansion of its Trans Mountain Pipeline on December 19, 2016, which could increase the daily capacity of the pipeline to ~0.9mmbbl from 0.3mmbbl.

Natural Gas

The rally in Henry Hub gas prices during the first half of the year failed to continue into FQ2 2017, declining by 0.6% since the end of June. U.S. Working Gas storage reached 3,680Bcf as of September 30, 2016, resulting in the largest amount of natural gas stored in the month of September since before 2011. Going forward, the possibility of mild weather could potentially compound the effect of increased natural gas storage numbers and further weaken natural gas prices. Over the course of FQ2 2017 AECO prices rose 12.6% which can be attributed to hotter summer months stimulating demand for Canadian natural gas. At the beginning of August, the Alliance main gas line was shut down because of hydrogen sulfide (H2S) entering the pipeline system. The week-long shutdown of the Alliance pipeline sent AECO prices tumbling to a low of $0.55/mmbtu which corresponded to a differential between AECO and NYMEX of ($2.12). After the H_2S was flared at the Alameda compressor station in Saskatchewan, natural gas shipments east resumed and the differential narrowed. The Canadian Federal Government approved Petronas' Pacific NorthWest LNG project, subject to 190 conditions, on September 27, 2016. The natural gas liquefaction facility is estimated to be completed in 2021, costing $36B and if Petronas decides to move forward with the facility, annual production could total upwards of 984Bcf of LNG annually. Additionally, the approval of the project could signal the government's support of further energy infrastructure projects across Canada.





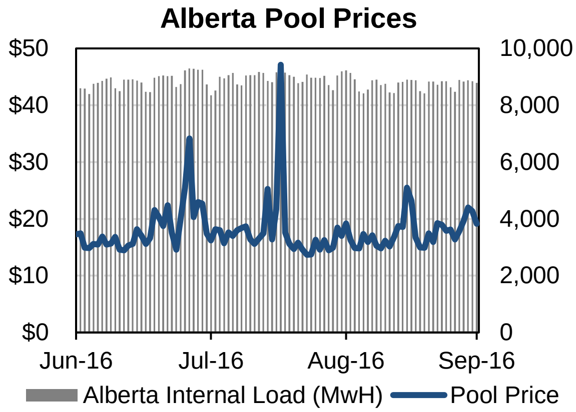
UTILITIES

The S&P/TSX Capped Utilities Index rose 0.7% over FQ2 2017.

With recent major U.S.-based corporate acquisitions, Fortis and Emera have increased their exposure to the improving interest rate environment in the U.S.

Over the past quarter, the Alberta power market continued to experience unprecedented levels of uncertainty. With weakening pool prices, many merchant power corporations have attempted to cancel their outstanding Power Purchase Agreements (PPA). The NDP government has moved to block this trend with a court filing citing an "unlawfully enacted" clause in the Alberta power regulation. As a result, although certain PPA's are now unprofitable, power producers such as TransCanada and Capital Power have been unable to cancel the contracts. The cancellation of unprofitable PPA's would pass the costs onto the consumers of Alberta. However, at this time, the financial losses fall on the merchant power producers within the province with the future of the problem still uncertain.

With a recovery in the cyclical sectors of the Canadian equity markets, the more stable utilities sector has begun to lag. Currently, the CPMT is only exposed to the sector through the XIC ETF. The Fund continues to monitor the situation within the sector, closely applying bottom-up analysis and looking for price volatility to identify attractive valuations for entry into a new position.



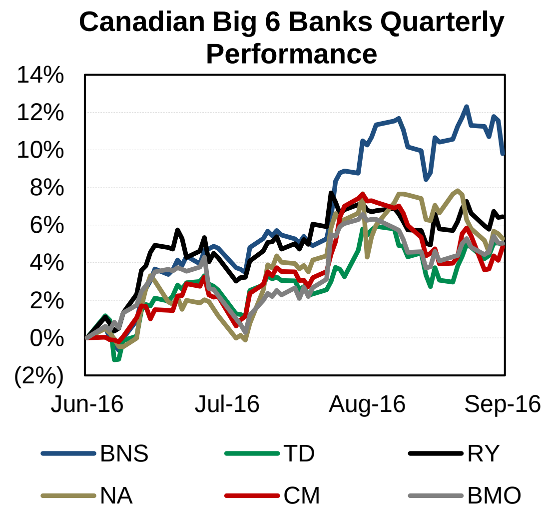
FINANCIALS

The S&P/TSX Capped Financials Index gained 5.9% this quarter, a significant improvement from the 0.1% loss in FQ2 2017.

All five of the big Canadian banks reported higher third-quarter profits at the end of August compared to the same quarter last year, pushing the index up ~3% over the earnings reporting week. The sector received an additional boost from the news of OPEC's oil production freeze proposal. However, we have concerns regarding the Bank of Canada's new mortgage market reforms, downward revisions on economic growth, flirtations with an interest rate cut, and an overall dovish tone.

Canadian banks posted a winning streak this past earnings season, reporting significant decreases in energy-related loan losses. Oil remained above the USD $45/bbl level for much of the quarter, easing the anxiety surrounding bank loans to the sector. We remain fully confident in both of the CPMT's holdings, Toronto-Dominion Bank (TSX: TD) and Scotiabank (TSX: BNS), due to improvements in oil and gas exposure, improving capital ratios, and strong returns from international banking operations. Scotiabank set aside $37mm to cover energy loan losses in the past quarter; down ~75% from FQ1 2017. The bank's exposure to the energy sector also declined to 3.3% from 3.4% of total loans QoQ, and its international banking division reported an increase in profits of ~9% YoY. Furthermore, Scotiabank raised its quarterly dividend by two cents to $0.74/share. We have also increased our holding in TD this quarter due its low energy exposure (<1% of total loans) and strength in its U.S. retail banking arm. Profit for the segment was up 21% YoY, and with a U.S. rate hike likely occurring well before a Canadian hike, we have a constructive outlook on TD's near-term growth in the U.S. market.

The Fed decided to maintain rates at the current level at its September meeting, marking



the sixth time this year it has passed on a policy adjustment. However, due to the hawkish tone expressed, the market expects that there will be a rate hike this December. In September, the BoC's Governor, Stephen Poloz, discussed the possibility of a rate cut, but maintained the overnight target rate of 0.5% due to concerns about Canada's economic outlook. Expected growth in 2017 was cut to 2.0% from 2.2% as a result of decreased activity forecasted in the housing market and lower export expectations.

Following the quarter end, the Federal Government announced several mortgage market reforms. This includes tightened lending standards, which are expected to cut up to 0.3% per year off Canada's economic growth by 2018. These changes will likely negatively impact mortgage growth rates and profits for Canadian banks. In addition, the proposed risk-sharing arrangement would force banks to hold additional capital against mortgages, increasing their funding costs and decreasing the bank's Tier 1 Common Capital Ratio (CET 1) ratios. The risk sharing proposal has not been finalized, and for this reason we reiterate our positive outlook on TD due to its continued focus on U.S. operations.

REAL ESTATE

On August 31, 2016, Real Estate was added by S&P Dow Jones Indices and MSCI as the first new headline sector since the creation of the Global Industry Classification Standard (GICS) in 1999. Approximately 98% of the market capitalization of the sector consists of equity REITs, with the remainder consisting of real estate management and brokerage companies. The new sector makes up ~3% of the S&P 500's total equity market capitalization. Equity REITs, distinguished by their sizeable dividend payouts, will likely receive greater attention from investors with the new dedicated sector.

Over the quarter, the S&P TSX Capped Real Estate Index fell by ~3%. Although Canadian REIT performance has been strong throughout the year, this recent correction displays market concern regarding a potential Fed rate hike and a slight decline from the initial spike in demand due to reclassification related capital inflows. However, with the Bank of Canada's dovish tones and continued low Government of Canada 10-year bond yields (1% as at September 30), by comparison, the average REIT yield spread remains high at 5%.

Firms in the sector with exposure to commercial real estate in Alberta may see weak near-term earnings due to increased vacancy rates and decreased demand as a result of the economic downturn in the province. The relative rebound in oil prices in FQ2 2017 has moderately eased investor concerns in this area, with annual average home prices in Alberta and Saskatchewan largely projected to remain stable. In its mid-September report, the Canadian Real Estate Association revised its 2017 sales forecast upward for Alberta. However, certain companies are continuing to seek capital allocation increases given the opportunity presented by the deterioration in office and apartment fundamentals.

Mortgage market reforms announced by the Federal Government following FQ2 2017, will pose a challenge for home buyers looking to obtain mortgage approval. This could prove to be a positive catalyst for residential REITs, as they may see greater demand for rental units, should fewer buyers be able to obtain mortgage approval post-reform.

HEALTHCARE

The TSX Capped Healthcare Index rose 9.0% over FQ2 2017.

The Healthcare sector continued to experience downward pressure caused by a debt riddled industry, political uncertainty, and exposure to the GBP, which was hit after the Brexit referendum. Controversial subjects, such as the affordability of prescription drugs for low income consumers, and large premiums placed on specialty drugs by Valeant and Concordia, increased public scrutiny on the sector. A reoccurring theme in healthcare is pharmaceutical companies prioritizing profits over research and development, drug discovery, and manufacturing. This strategy has proven to be effective in creating profits in the short-term, but will not bode well for the future of the healthcare space due to its lack of sustainability.

The CPMT holding of Knight Therapeutics (TSX: GUD) returned 14.2% over FQ2 2017. Knight closed its $1mm equity investment in 3D Signatures Inc., a bio-technology company with mature technology that measures the stage and rate of progression of a given disease, as well as drug efficacy. The healthcare industry has continued its trend of improving technology and information accessibility for physicians across the country.

A major headline from the quarter was Telus Health's acquisition of two Electronic Medical Record (EMR) companies; QHR Technologies and Nightingale's EMR operations. These acquisitions were made with the intention of digitizing prescriptions. Telus Health is working towards a nation-wide interface that will allow healthcare practitioners across the country to access information through a secure database. This will enable them to avoid having prescriptions faxed, emailed, or delivered in the mail.

Given that Canadian pharma companies have exposure to the U.S., it is important to look at the ongoing political uncertainty south of the border. With Hillary Clinton leading in the polls for the upcoming election, there is growing uncertainty for the sector with the potential for increased regulation. This includes her plan to set and enforce R&D targets and negotiate down drug prices. On the other hand, the average citizen will benefit from Clinton's effort to expand the Affordable Care Act and bring down out-of-pocket costs such as copays and deductibles.

The CPMT refrains from making investment decisions based on political or M&A speculation. Instead, we target well-capitalized companies, such as Knight Therapeutics, who present robust business models and unique competitive advantages to weather extended periods of volatility.

INDUSTRIALS

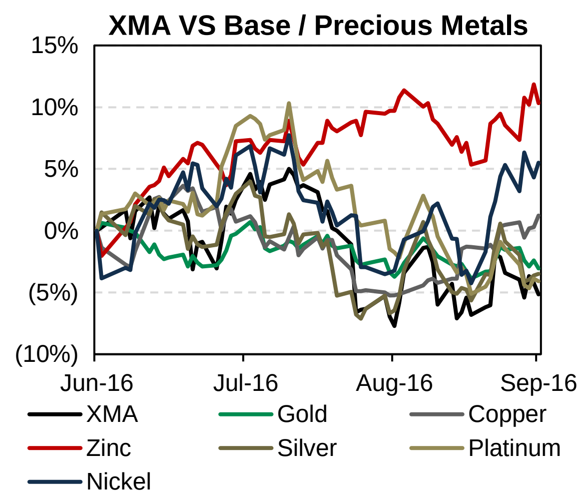
The S&P/TSX Industrials Index returned 10.8% over FQ2 2017.

The improved performance over the past quarter can be attributed to several different macroeconomic catalysts for the Canadian economy. One of the key factors is the increased infrastructure and stimulus spending by the Federal Government, which is expected to gradually boost aggregate demand in a relatively slow economy. Canadian manufacturing sales increased by ~1.0%, totaling $51B in gross sales during August. This nominal growth was fueled by increased sales in the food, primary metals, and petroleum and coal sub-sectors. The Canadian economy has experienced lackluster demand since the collapse of commodity prices in late 2014, although U.S. demand has been robust.

The CPMT currently holds MacDonald, Dettwiler and Associates (TSX: MDA) and Ritchie Brothers Auctioneers (TSX: RBA), which have significant exposure to the U.S. market. During FQ2 2017, RBA also conducted its largest ever two-day auction in the U.S., showing improvement in its establishment of a significant customer base.

MATERIALS

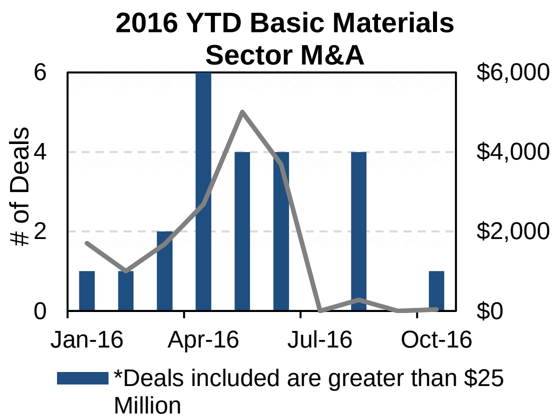
The S&P/TSX Materials Index was down 1.1% over FQ2 2017, primarily attributed to gold's performance and weaker fundamentals in the mining space. However, long term growth from China is a catalyst for upside in the materials sector, specifically metals and mining.



On the precious metals front, gold was down 3.1% over the quarter, due to weaker U.S. job data in August 2016 when the U.S. Bureau of Labor Statistics reported a gain of 151k jobs versus an expected gain of 180k. Following the quarter, the Fed hinted at a rate hike in December, which negatively affected gold prices. In addition, Chinese gold demand decreased due to higher prices as a result of the Brexit referendum, however, demand for other base metals is likely to rise.

Looking at macroeconomic factors, China's GDP growth for FY Q2 2017 stabilized at 6.7%, ascribed to China's credit easing policy. Through demand sourced from either market fundamentals or increased credit balances, China's shift towards domestic consumption will boost demand for base metals. The CPMT believes growth in metals demand long-term will not only come from China, but also developing nations.

M&A in the mining space continues to lag other sectors and subsectors despite the evidence suggesting increased action for M&A in the sector. There were a number of troubled junior miners and distressed assets at the start of 2016, yet M&A activity continued at a sluggish pace with 23 deals over USD $25mm completed vs 38 deals completed in H1/15.



The CPMT's current holding of CCL Industries (TSX: CCL.B) continues to generate shareholder value through acquisition integration. During the quarter the company completed the acquisition of a custom labeler, Labelone Ltd.

INFORMATION TECHNOLOGY

The S&P/TSX Capped IT Index has performed well compared to the S&P/TSX Composite Index, rising by 12.1% over FQ2 2017. The sharp rise can be attributed to the steady return of capital back into the Information Technology sector, following the easing of panic resulting from the Brexit vote.

The return to pre-Brexit sentiment is clearly reflected in the stock price of The Fund's holding, CGI Group (TSX: GIB.A). With ~13% of its revenues being generated from the UK and ~41% from the EU, it endured a time of Brexit-induced panic from its investors. Since Brexit, its shares have climbed 16.0%. However, CGI Group's CEO, Michael E. Roach, recently announced his retirement after a decade in the position. George Schindler, who has previously fulfilled the President and COO role, will be taking over as CEO. Under Roach's leadership, revenues grew over 250% while the stock price increased over 625%. The CPMT will closely monitor the potential for changes in strategic direction of the company given the shift in leadership.

BlackBerry (TSX: BB) has been undergoing major changes, with Steven Capelli taking over the role of CFO from James Yersh. The company is also taking a step away from device production, now concentrating on growing its software business. It has signed a licensing contract with BB Merah Putih, one of the largest media and technology businesses in Indonesia. We believe this change in leadership and structure could give BlackBerry the edge it needs to recover some of its former stature.

The CPMT holding OpenText (TSX: OTC) has acquired Dell EMC's Enterprise Content Division, including its main rival, Documentum, as a part of the deal. The acquisition of Documentum solidifies OpenText's hold on the Enterprise Information Management (EIM) software market, with the near-term fate of Documentum previously being uncertain. However, OTC plans to use the company to strengthen its share in markets previously untouched by its own software.

Constellation Software (TSX: CSU) continues to be among the strongest performers within the entire CPMT portfolio. Since last quarter, it has returned over 10% and has approached its all-time high of ~$590 per share. Over the past three months it has continued to acquire companies through its various business units, in addition to the continuation of its attempt to acquire Bond International Software, a UK-based HR software provider. At this stage in CSU's growth, larger acquisitions will be necessary to add material value to the company's size. We continue to see CSU as a well-managed business that is taking necessary steps to achieve its targeted return on capital.

We believe that the sector has strong growth opportunities based on the ever-growing demand for cloud-based services as well as rising demand for cybersecurity. With OTC's increasing concentration on cloud revenues along with CGI's wide range of security-specific services, we believe that the CPMT's holdings are in a favorable position to take advantage of these industry catalysts.

TELECOMMUNICATIONS

The S&P/TSX Capped Telecommunications Services Index gained 2.8% in FQ2 2017.

Rogers Communications Inc. (TSX: RCI.B) has decided to wind down its streaming service by the end of November 2016. Shomi, a joint venture between Rogers and Shaw Communications, was the company's attempt to break into the movie and television streaming business. Ultimately, it could not successfully compete with Netflix. Netflix holds a 39% market share, while in comparison Shomi and Bell-owned CraveTV have a combined market share of 6%. As a result, Rogers expects to incur a loss of $100-$140mm on its investment. Rogers has also decided to expand into the IT sector by launching Rogers Public Cloud, which allows companies to store and manage data on a remote server. This will help companies retire legacy systems and alleviate pressure from businesses who do not wish to maintain in-house databases.

Telus (TSX: T) came under fire from a group of customers after it tweeted support for the recently detailed carbon tax in Canada. Customers denounced the posting with threats to cancel subscriptions to its services, expressing their discontent with the company's stance on this contentious issue. Remaining objective on the matter, we are of the view that the total cancellations will be immaterial as a result of the ill-received tweet. We look forward to seeing whether Telus will retain its customer churn rate of ~0.9%, the lowest in the industry.

We maintain a positive outlook on the Telecommunications sector due to its stable cash flows, and growth prospects as consumers place increasingly more value on smartphones and data services. "Cord-cutting" remains a trend, causing cable TV and wireline phone providers to look for alternatives to offset lost sales. Thus, the CPMT prefers exposure to mobile/wireless-centric providers.

Cara Operations Limited

Consumer Discretionary
TSX: CAO
Hold Recommendation

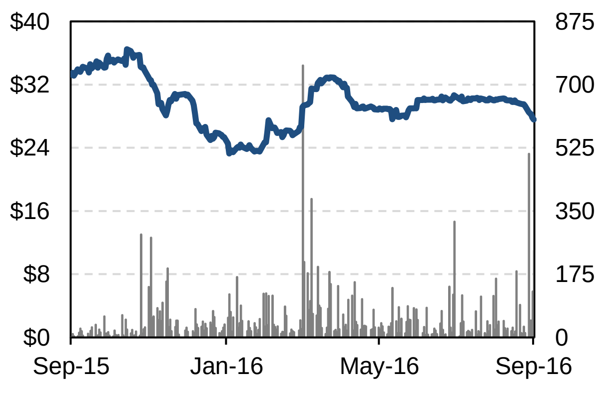
September 30, 2016
Daniel Morgan, Fund Manager
Bryton Hewitt, Fund Manager
Daniel Zhigatov, Research Associate
Jennifer LaBine, Research Associate

Return on Investment	
Current Share Price	$27.81
Dividend Yield	1.38%
Target Price	$32.00
Holding Period Return	16%

Market Profile	
52 Week Range	$23.00 - $36.48
Shares Outstanding (000's)	53,032
Average Daily Vol (000's)	29
Market Capitalization ($mm)	$1,475
Net Debt ($mm)	$118
Enterprise Value ($mm)	$1,593
Beta	1.29

Estimates	2016E	2017E	2018E
Revenues ($mm)	$364	$401	$428
EBITDA ($mm)	$253	$287	$302
EBITDA Margin	69.5%	71.6%	70.6%
EPS	$2.29	$2.12	$3.03
P/E	12.1x	13.1x	9.2x
EV/EBITDA	6.3x	5.6x	5.3x

Historical Trading Performance



Source: Bloomberg & CPMT Estimates

Business Description

Cara Operations Limited (Cara) is Canada's oldest and largest full service restaurant company, established in 1883 and currently franchising and operating over 1,000 locations. Cara's brands are well recognized and diversified, ranging from quick service (New York Fries, and Harvey's), to midscale (Swiss Chalet, East Side Mario's, and Montana's), and upscale casual brands (Milestones, BierMarket, and Original Joe's). Cara uses a franchise-centric model, and collects 4.5% of franchise location sales as royalties. Cara is unique from other Canadian restaurant franchise companies in that it centrally operates 12% of its locations. These locations account for 23% of EBITDA, and allow Cara to benefit from operational improvements rather than 100% reliance on top-line growth as is common in royalty-based companies (Exhibit I). As of FQ2 2016, two-thirds of Cara's geographical expansion occurred through the acquisitions of Alberta-and-BC-centric Original Joe's and Quebec-centric St-Hubert.

Industry Overview

Cara has a 4% market share in the $60B Canadian restaurant industry. Full service and quick service locations make up 43% and 45% of this industry respectively, positioning Cara in the two largest sub-groups of the restaurant industry.

Full service restaurants are pro-cyclical, and discretionary spending and middle class wealth drive performance. To this end, Statistics Canada notes that the total population earning more than $100,000 annually is growing at a 4-year CAGR of 10.0%. This indicates a thriving and growing Canadian middle and upper class with disposable income. Further, full service restaurant revenues have grown at a 2011-2016 CAGR of 3.3% on the back of 2.1% 2015 CPI (ex-energy) growth.

Quick service is a fast growing market that is slightly counter-cyclical – a positive trait that would partially defend Cara in the case of a recession. The 2011-2016 CAGR for quick service is 5.1%, largely due to a shift of consumer preferences towards maximizing time efficiency and cooking fewer meals at home. The Consumer Confidence Index in Canada is up 42% from 2009, and is back at pre-financial crisis levels.

Investment Thesis

The CPMT has determined that Cara's upside is limited at its current stock price and the company would require more upside potential before we would consider a position. However, if a better entry point arises in the future, we would consider initiating a position due to the following thesis. First, as described above, Cara is well positioned within a growing sector. Quick service and full service restaurants are growing at an annualized 5.1% and 3.3% over the past 5 years, respectively. Cara's business model also defends the company from operational risk because it simply collects a portion of its franchise locations' sales, rather than assuming the risk of managing the detailed execution of 88% of its >1,000 locations and brands at a corporate level. Franchisees are entrepreneurial and have "skin in the game" due to initial and continuing annual franchise fees; these are core revenue sources for Cara. Therefore, each location has driven and motivated managers that have extrinsic and intrinsic desires to expand revenues. Cara also owns and operates 12% of its locations, allowing the company to experience upside from margin improvements at its corporate locations. Cara's acquisitive nature is another investment thesis aspect, with acquisitions providing growth for the company while also diversifying away from one singular cuisine. Cara manages brands across a wide breadth of the industry. In weak economic conditions, the company sees revenue growth through its quick service brands, and during economic prosperity, Canadians flock to Cara's casual offerings.

Growth and Catalysts

Cara has multiple growth avenues that could catalyze its stock:

- *Location Growth:* When Cara adds franchise locations, the majority of the cost is the franchisee's responsibility, and all locations pay a franchise fee to Cara in exchange for the rights to use the brand. The company is also growing its corporate-owned locations, as these venues produce more revenue per location and allow Cara to benefit directly from operational improvements. Cara's franchise and corporate-owned location CAGRs have been 7.9% and 18.0%, respectively, since Q1 2014. However, this is largely due to acquisitions.
- *Same Restaurant Sales (SRS):* Cara has seen positive SRS for 11 of the most recent 13 quarters. This most recent quarter had negative SRS, and Cara attributed this to a poor June performance and struggles in western provinces. Although SRS dropped year-over-year this quarter, it was up 1.6% versus two years ago, and management is focusing on renovations, digital marketing, and menu enhancements to continue driving SRS growth.
- *Entry into Grocery Market:* Cara's recent $537mm acquisition of Quebec-based St-Hubert helps diversify its revenue stream by adding $148.5mm (45% of 2015 Cara revenue) of grocery-based product sales. This is Cara's first entry into the grocery product industry, and St-Hubert is an established brand, stocked in eastern Canada Sobeys, Loblaws, Costco, and Metro locations. As grocery sales are more predictable and stable than restaurant sales, this will reduce cash flow volatility.

Corporate Governance & Management

The Board of Cara consists of three independent and three non-independent directors, chaired by CEO William Gregson. Gregson assumed the CEO role in 2013 following Cara's merger with Prime Restaurants and was appointed Chairman of Cara in 2015. Gregson has nearly 30 years of experience in the retail industry, with notable experience resuscitating The Brick Ltd. from bankruptcy during 2009-2012, before it was acquired by Leon's Furniture Ltd. Additionally, Gregson worked a decade with the Forzani Group as COO. Based on our analysis, we have conviction that Gregson holds a unique skillset among managers in the industry, which we believe is necessary to grow value for Cara shareholders.

While the management of Cara may be adept in navigating the industry, we would prefer to see a greater amount of share ownership in addition to a change in annual bonus determination. Currently, only 5% of shares outstanding are held by C-suite executives. Furthermore, it appears that the CEO and CFO of Cara both hold "golden parachute" arrangements. Should Gregson or Ken Grondin, the CFO, be terminated or quit, they will be entitled to 2-years of base salary afterward in addition to a pro-rated bonus upon termination. Further, any share option plans will be vested on a pro-rated basis up to the expiry date of the options granted. Separately, we would prefer to see Cara appoint a Chairman from outside the company or a retired officer related to the company.

Valuation

We valued Cara's operations based on a discounted cash flow (DCF) analysis. Our DCF model forecasted unlevered free cash flows over the next 5 years under a base, best, and worst case scenario. We then discounted at the weighted average cost of capital (WACC) and used a terminal value based on the exit-multiples method to arrive at an intrinsic share price. Our base case forecasts assume that Cara will be able to grow its total locations by 2% per year with franchised locations representing 87% of the total. Our revenue driver from these locations assumed sales per franchise and corporate location would stay in-line with recent SRS levels, growing at 1% annually. Capital expenditures were held at the 15-year average of 3.0% of total assets. Based on these factors, an intrinsic value of $31.50 per share was calculated in our base case, offering upside of ~13%. Based on the low upside potential and Cara's low dividend yield (~1.5%), we have elected to not purchase Cara's stock at its current share price of ~$28 per share.

Risks

- *Management Agency Risk:* As discussed in the Corporate Governance and Management section, the compensation arrangement with the CEO poses an agency risk. The low amount of management ownership in the company and a lack of sizeable stock compensation does not provide enough incentive, in our view, to grow the company sustainably over a longer period of time.
- *Economic Risk:* Cara is vulnerable to changes in consumer discretionary spending. Prolonged economic downturn or uncertainty would negatively affect the revenues of Cara's pro-cyclical full service brands. The company's diversified brand portfolio, however, allows it to partially offset this risk. In slower economic conditions, Cara's quick service locations (representing 43% of total locations) offer slight counter-cyclical characteristics.
- *Quality Control:* Cara is susceptible to the risk of food-borne illness and contamination within any of its brands. Negative publicity resulting from any such issues has the potential to materially affect the revenues and image of the associated brand, as was the case with Chipotle Mexican Grill in the U.S. during 2015. Cara partially insulates itself from this risk by owning a number of brands, with one brand's image unlikely to negatively impact the performance of another.

Exhibit I: Cara Segment Revenues & Gross Margins

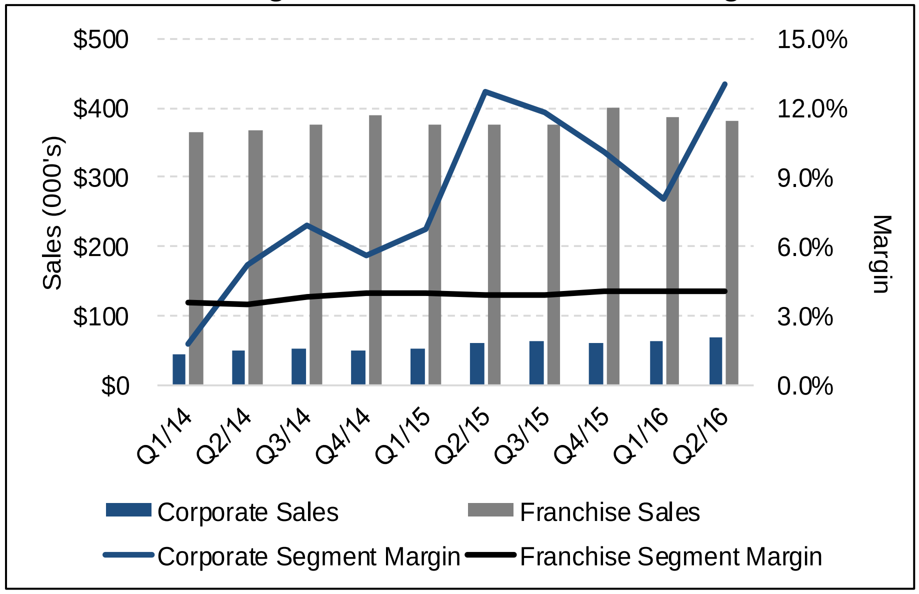
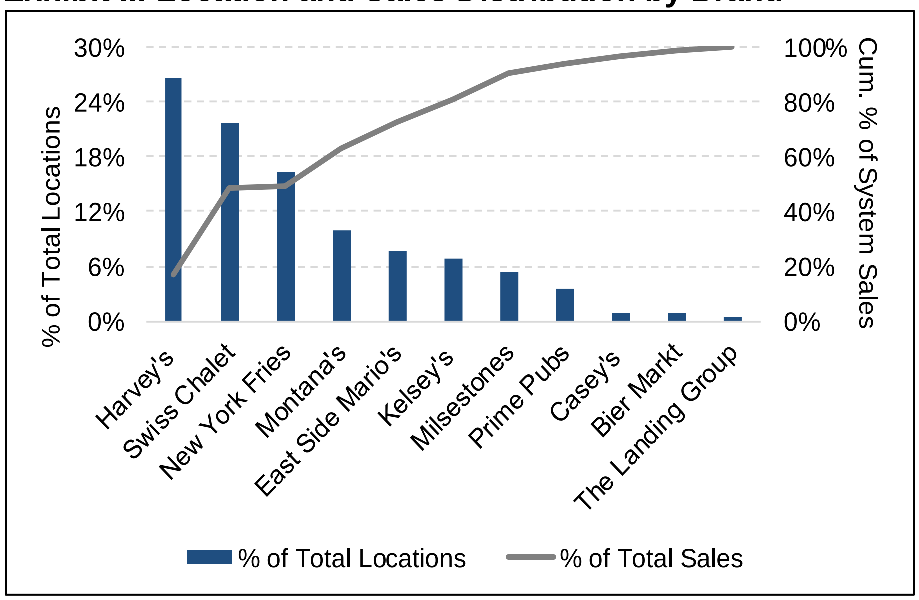


Exhibit II: Location and Sales Distribution by Brand



Concordia International Corp.

Calgary Portfolio Management Trust

Healthcare
TSX: CXR
Sell Recommendation

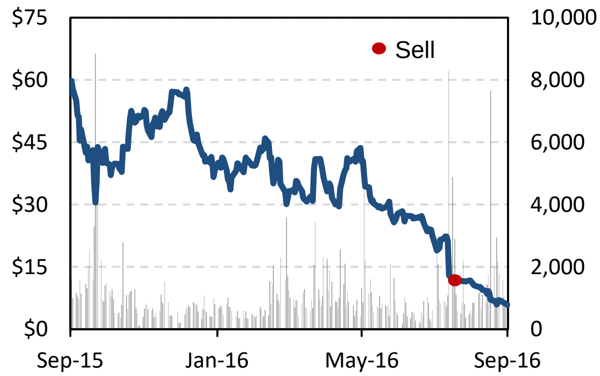
September 30, 2016
Hashim Chawdhry, Fund Manager
Daniel Cassino, Research Associate

Return on Investment	
Current Share Price	$5.87
Purchase Price	$45.89
Sell Price	$11.98
Holding Period Return	(74%)

Market Profile	
52 Week Range	$4.82 - $40.67
Shares Outstanding (000's)	51,020
Average Daily Vol (000's)	756
Market Capitalization ($mm)	$299
Net Debt ($mm)	$3,166
Enterprise Value ($mm)	$3,465
Beta	1.21

Estimates	2013A	2014A	2015A
Revenue ($mm)	$40	$105	$394
EBITDA ($mm)	$18	$55	$225
EBITDA Margin	43.8%	37.0%	39.8%
EPS	$0.75	$0.77	$0.59
EV/EBITDA	6.4x	35.5x	33.5x
P/E	10.0x	63.2x	52.9x
D/CF	(0.4x)	15.2x	25.9x

Historical Trading Performance



Source: Bloomberg & CPMT Estimates

Business Description

Concordia Healthcare Corp. (TSX: CXR) is a specialty healthcare company that markets three families of drugs: legacy, orphan and specialty drugs. It is focused on acquiring cash-flow positive legacy and orphan drugs and redistributing them under its own brand, minimizing the significant investment in R&D typically associated with healthcare companies.

Changes to Original Investment Thesis

The CPMT's original investment thesis behind CXR was based on its focused growth strategy and healthy financial position with a debt to equity ratio of 1.2x relative to the ~3.0x industry average. In addition, we saw that CXR had a disciplined strategy of acquiring assets at consistent multiples and at a strict IRR hurdle rate of 20%. A significant catalyst was our expectation that CXR would continue its growth by acquisition strategy while maintaining a strong financial position. This strategy did not bode well for CXR as it racked up more than $3B in debt through the acquisition of drugs that were susceptible to competition. After FQ2 reporting, CXR had an 8.9x debt-to-equity ratio and management cut guidance with an expected revenue decrease of $100+ mm. In addition, CXR has ~$1.6B in loans that come due in October 2021. We believe CXR will be unable to service this debt due to a number of factors including pricing, regulatory pressure, and increasing leverage multiples.

Events Leading to Sell

Takeout Offers: On June 2nd, a promising bid for CXR was reportedly offered by both private equity firms Blackstone and The Carlyle Group. Soon after, the company reported that it formed a special committee to review strategic alternatives.
Brexit Referendum: On June 23rd, the Brexit referendum weighed heavily on CXR shares, given that ~40% of its revenues are denominated in GBP.
Q2 Results: Management cut its revenue guidance by 16%, due to increased competition for three of its top five North American drugs.
Amdipharm Acquisition: The $3.5B acquisition of Amdipharm Mercury Ltd. did not bode well for CXR as debt levels rose to levels which we were not comfortable with.
Regulatory Pressure: Healthcare companies faced substantial scrutiny for the price gouging strategy with the intent to grow the top line through excessively increasing margins on specialty drugs. As seen in the United States, politicians have heavily scrutinized the drug price increases of pharmaceutical companies and noted the lack of sustainability behind this strategy.

The market continually discounted CXR shares primarily backed by the reasoning that the acquisition-based strategy mimics that of Valeant Pharmaceuticals. Both companies follow a debt-fueled growth by acquisition strategy with minimal R&D and a reliance on price increases, however, we continued to hold shares given that average drug premiums of 55% were much lower than those of VRX (410%), and a strategy of integrating acquisitions rather than pure acquisitions.

Exhibit I. Historical D/CF

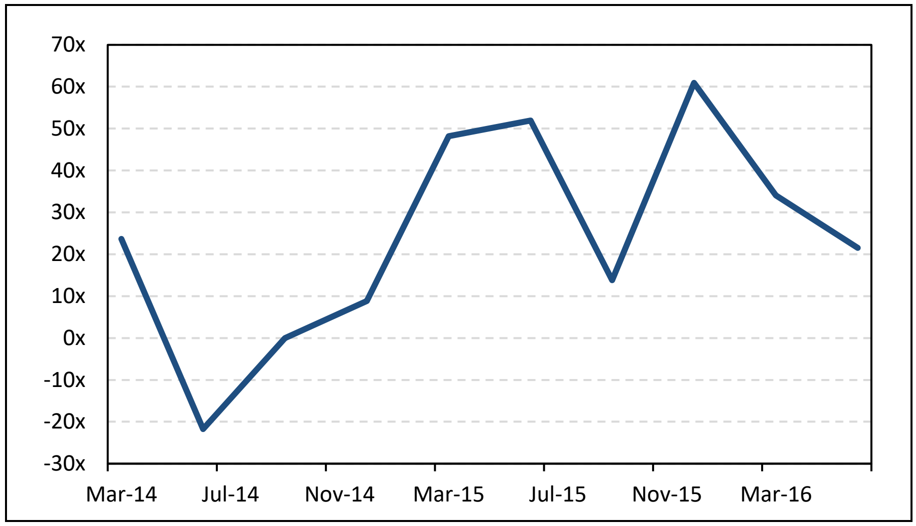


Exhibit II. Geographic Revenue Breakdown

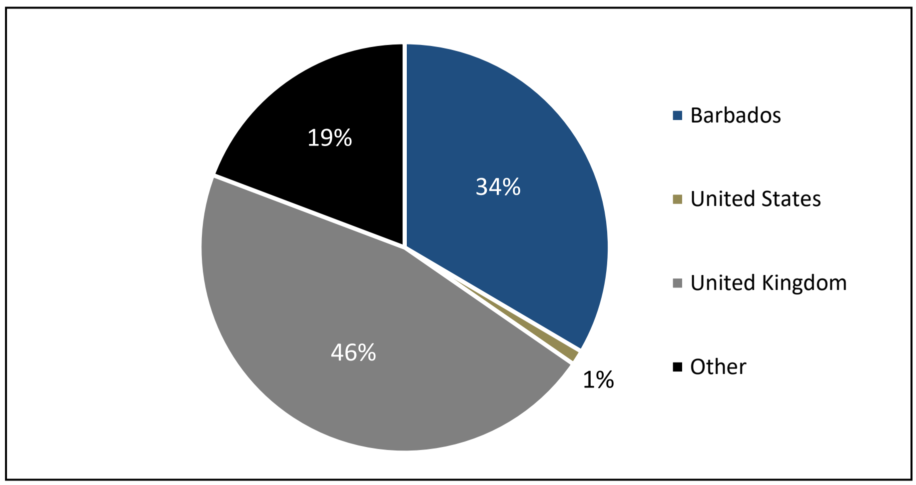
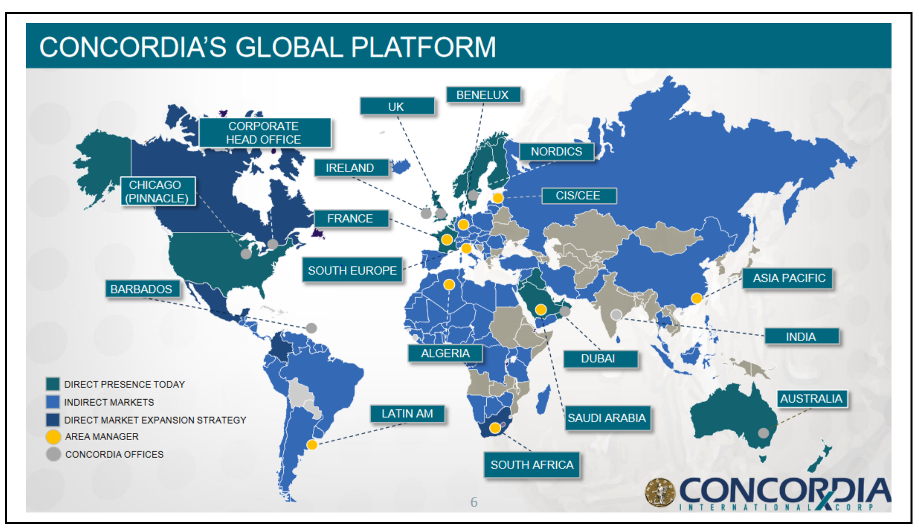


Exhibit III. Geographic Exposure



Enbridge Inc.

Energy
TSX: ENB
Update

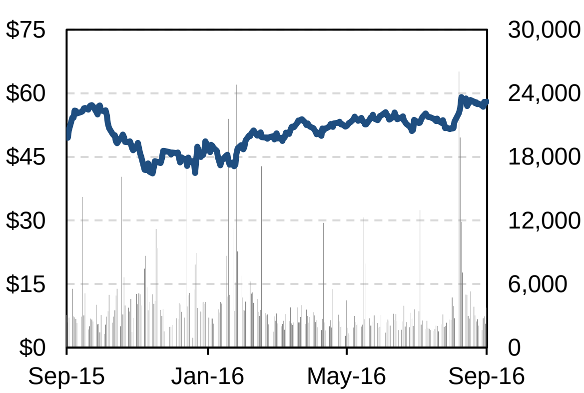
September 30, 2016
Babbal Brar, Fund Manager
Mahad Nadeem, Research Associate
Chase MacDougall, Research Associate

Return on Investment	
Current Share Price	$58.00
Dividend Per Share	$1.93
Dividend Yield	3.33%
Target Price	$64.00
Holding Period Return	14%

Market Profile	
52 Week Range	$40.17 - $66.14
Shares Outstanding (000's)	917,000
Average Daily Vol (000's)	3,974
Market Capitalization ($mm)	$53,186
Preferred Shares ($mm)	$9,729
Net Debt ($mm)	$41,326
Enterprise Value ($mm)	$104,241
Beta	0.74

Estimates	2016E	2017E	2018E
Revenues ($mm)	$38,070	$41,968	$46,337
EBITDA ($mm)	$7,771	$8,800	$9,982
EBITDA Margin	20.4%	21.0%	21.5%
EPS	$3.13	$3.71	$4.46
EV/EBITDA	13.4x	11.8x	10.4x
P/E	18.5x	15.6x	13.0x

Historical Trading Performance



Source: Bloomberg & CPMT Estimates

Business Description

Enbridge is a Canadian energy infrastructure corporation with over $80B in assets between the Liquids Pipelines, Gas Distribution, Gas Pipelines & Processing, Energy Services, and Renewable Power Generation segments. Enbridge holds assets through its wholly owned subsidiaries including Enbridge Tidal Marketing. Enbridge also operates and holds interests in assets within its Sponsored Investments segment, which includes its partially owned subsidiaries Enbridge Energy Partners (35.7% working interest) and the Enbridge Income Fund (89.2% working interest).

Original Investment Thesis

The CPMT's thesis behind purchasing Enbridge is based on its strategically located, cash-generating assets that are indispensable to the Energy sector in North America. Enbridge's cash flows are stable, with ~95% of annual cash flow underpinned by strong commercial constructs. This has resulted in consistent distributions of cash to shareholders. Subsidiaries Enbridge Income Fund and Enbridge Energy Partners give Enbridge a reliable in-house method of raising cash by dropping assets down. Enbridge has consistently shown that it can execute on major projects in a broad range of energy businesses, which we believe is the company's competitive advantage.

Revised Valuation

We revised our terminal growth rates for our sum-of-parts net asset valuation model. The Gas Pipelines, Processing, and Energy Services unit has been updated to 2.5%, while the Sponsored Investments (including Liquids Pipelines) and Gas Distribution segments have been updated to 2.0%. Our adjusted growth assumptions yield a new implied share price of $64.29. We updated our comparable analysis price projection and used a 50/50 split between the peer average of 11.0x EV/EBITDA and 19.5x P/E multiple to arrive at an implied share price of $64.51. We have raised the target price to $64.00 per share.

Recent Developments

The recent merger announcement between Enbridge and Spectra Energy will create the largest energy infrastructure company in North America. Spectra offers one of the premier natural gas transportation systems in North America, with cash flows primarily underpinned by take-or-pay contracts with an approximate 9-year average contract life. The combination of both businesses will create a portfolio of diverse energy infrastructure assets, which includes liquids and gas pipelines, U.S. and Canadian midstream businesses, a utility portfolio, and a growing renewable power generation business.

The combined Canadian midstream business makes Enbridge a top contender in the Montney and Duvernay plays, providing critical gathering and processing services as well as potential opportunities for NGL pipelines. The success of the merger is highly dependent on Enbridge's ability to secure additional natural gas projects to continue its growth strategy into the next decade.

Key Takeaways: The merger offers a strengthened balance sheet. Enbridge expects to divest ~$2.0B of non-core assets over the coming year. The combination will have 96% of cash flow underpinned by long term commercial agreements and is expected to generate sufficient cash flow to fund growth and improve balance sheet strength. Management expects a dividend growth rate of 10-12% through 2024, including an anticipated increase of 15% in 2017, while maintaining a payout of 50-60% of available cash flow from operations. Management has projected that the merger will produce annual synergies of $540mm and approximately $260mm of tax savings through utilization of tax liabilities commencing in 2019. Finally, the integration of the two companies should be easier as both Enbridge and Spectra Energy have similar business and operational models. Al Monaco, current CEO of Enbridge, will serve as the president and CEO of the combined company, while the current CEO of Spectra Energy, Greg Ebel, will serve as a non-executive Chairman of the Board.

Risks

A persisting low commodity price environment would negatively affect Enbridge's ability to renegotiate tolls and service agreements at favourable prices. Leaks to pipelines and distribution networks continue to be an ongoing risk for Enbridge. These risks represent expensive direct costs of lost resources, repairs, and lawsuits, and possible indirect costs resulting from a damaged reputation. Enbridge's continued development of new projects relies on its approval from regulatory organizations, which is strongly impacted by perceptions of Enbridge's environmental safety standards and practices. Through insuring itself against commercial liabilities and focusing on frontier leak detection technologies, Enbridge works to mitigate the negative environmental, social, and financial effects of pipeline leaks and operational accidents.

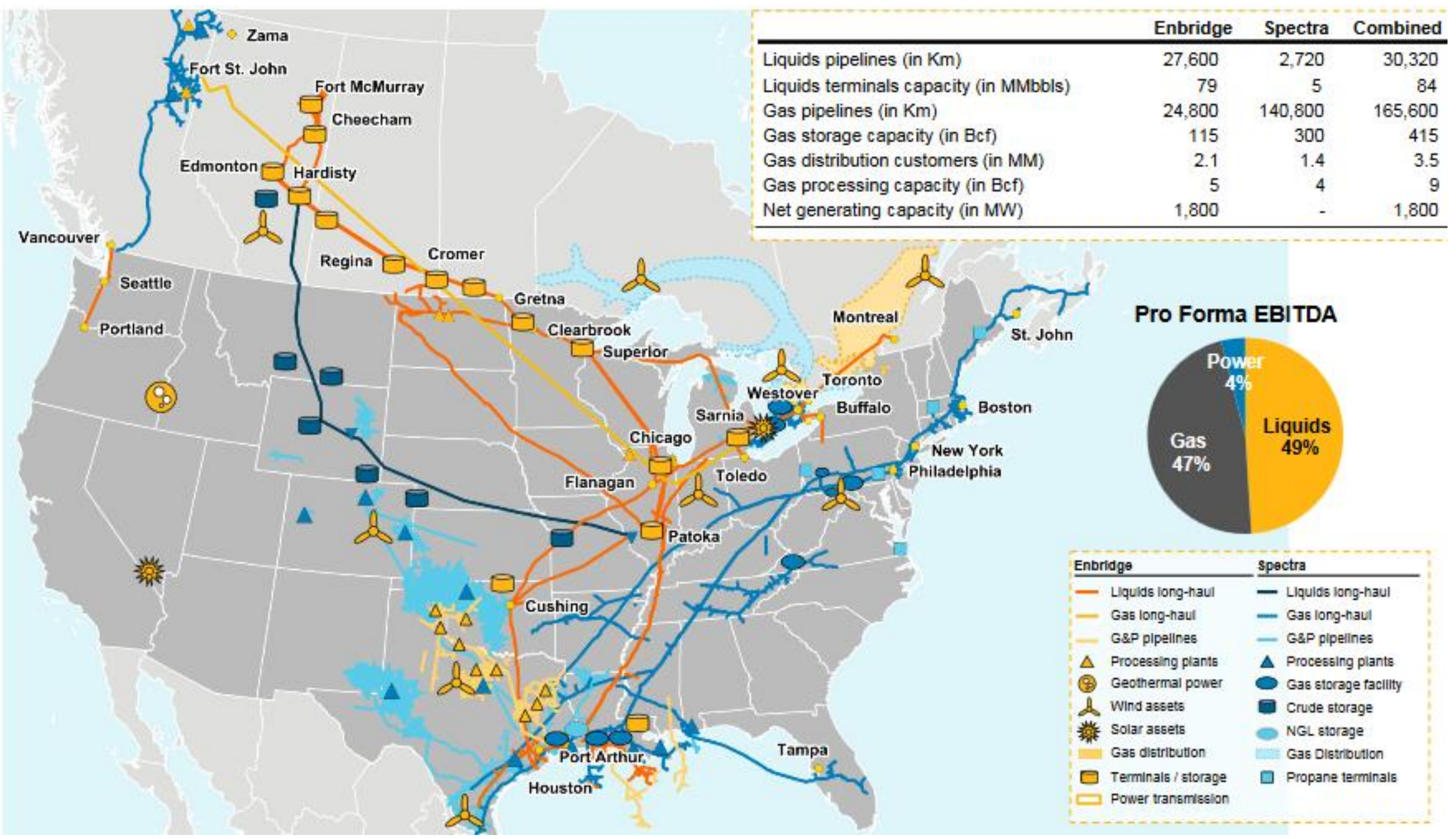
Exhibit I. Sum of Parts NAV

Enbridge Inc. Net Asset Value	$mm	$/sh
Gas Distribution	$21,646	$24.78
Gas Pipelines, Processing & Energy Services	$15,686	$17.95
Sponsored Investments	$27,661	$31.66
Corporate Adjustments	($8,825)	($10.10)
Net Asset Value	**$56,168**	**$64.29**

Exhibit II. Relative Valuation

EV/EBITDA Valuation	
Peer Average Forward EV/EBITDA	11.0x
Enbridge 2017E EBITDA ($mm)	$8,800
Implied Enterprise Value ($mm)	$96,805
Implied Equity Value ($mm)	$45,750
Implied Share Price	**$52.37**
P/E Valuation	
Peer Average Forward P/E	19.5x
Enbridge 2017E Net Earnings ($mm)	$3,434
Implied Equity Value ($mm)	$66,963
Implied Share Price	**$76.65**

Exhibit III. Enbridge/Spectra Asset Map



Source: Corporate Presentation

Calgary Portfolio Management Trust

Knight Therapeutics

Healthcare
TSX: GUD
Update

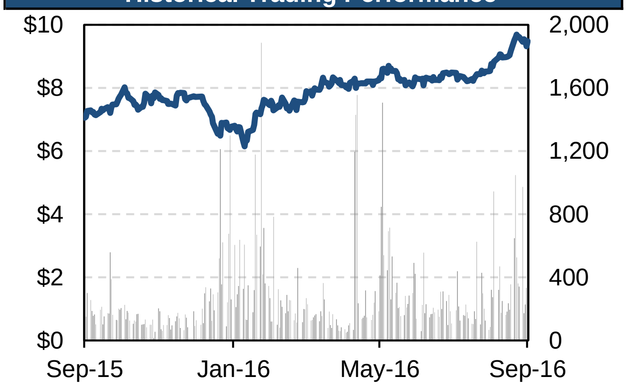
September 30, 2016
Hashim Chawdhry, Fund Manager
Dan Cassino, Research Associate

Return on Investment	
Current Share Price	$8.94
Target Price	$10.00
Holding Period Return	12%

Market Profile	
52 Week Range	$5.89 - $9.83
Shares Outstanding (000's)	113,113
Average Daily Vol (000's)	139
Market Capitalization ($mm)	1,011
Net Debt ($mm)	(455)
Enterprise Value ($mm)	556

Estimates	2015A	2016E	2017E
Revenue ($000's)	1,037	4,561	28,014
EBITDA ($000's)	(11,184)	(8,365)	8,112
Net Income ($000's)	34,167	15,836	24,891
EPS	0.35	0.14	0.22
ROIC	13%	6%	10%

Historical Trading Performance



Source: Bloomberg & CPMT Estimates

Business Description

Knight Therapeutics (TSX: GUD) is a specialty pharmaceutical company focused on acquiring innovative pharmaceutical products and commercializing these products targeting the Canadian market. The company went public in March 2014 and is headquartered in Westmount, Québec.

Quarterly Update

A formal update for GUD was initiated as the company appreciated to an all time high of ~$9.61 per share, with no fundamental change justifying the increase. We believe the market is anticipating an increase in pharmaceutical M&A and industry consolidation, as highly levered senior pharmaceutical companies, such as Valeant and Concordia International, divest non-core assets or under promoted drugs to increase liquidity and service debt. The push to streamline will help GUD to integrate acquisitions at attractive valuations. Below we highlight some events that took place over the quarter:

- *Q2 Results:* Q2 results came in above CPMT and analyst expectations. The company reported a strong cash balance of $4.90 per share, providing significant downside protection. The strategic loans segment is providing consistent cash flows where interest income was approximately $3mm for the quarter versus $2.6mm in total operating costs.
- *Secondary Offerings:* On June 2, 2016, the company completed a bought deal for gross proceeds of $230mm priced at $8.00 per common share. The offering further increases liquidity for an already well-capitalized company and adds to dry powder the company will potentially use to fund business development.
- *Management Addition:* Knight announced the appointment of Samira Sakhia as President and member of the Board of Directors. She has extensive experience working with John Goodman, having spent 14 years with him at Paladin Labs as the CFO.

Updated Valuation

Our most recent valuation yields a $10 target price, based on a sum-of-the-parts analysis of the company's assets. The four key assets that we valued were cash, investment in life sciences, 2017E earnings, and equity stake in Medison Biotech. The company has no debt and intends to stay debt free for its entire existence.

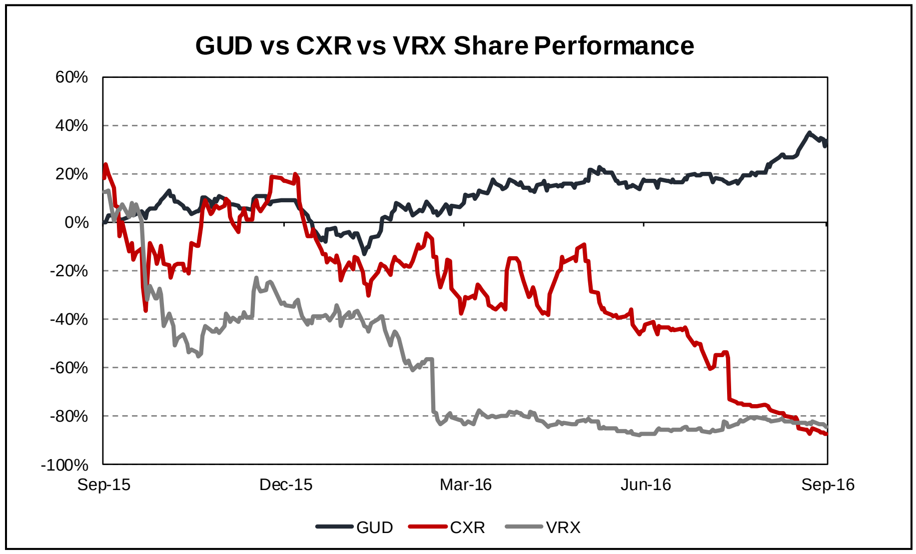
Reiterated Thesis

Our investment thesis for GUD remains intact, backed by a product sourcing strategy unique amongst its peers. We also believe the company has a significantly lower risk profile given its low geographic exposure and focus on building companies that have both Canadian exposure and mature or late stage drugs that have gone through successful testing. In terms of its peers, GUD ranks the lowest in terms of geographic exposure and research and development (R&D) intensity. We remain optimistic on our holding given volatility in the healthcare space.

Exhibit I. Valuation

Sum of the Parts Valuation	
Cash	$3.54
Life Sciences	$1.89
15x Multiple 2017E EPS	$3.30
28% Stake in Medison Biotech	$1.08
Rounded Target Price	**$10.00**

Exhibit II. Historical Trading Performance vs CXR, VRX



Stantec Inc.

Industrials
TSX: STN
Update

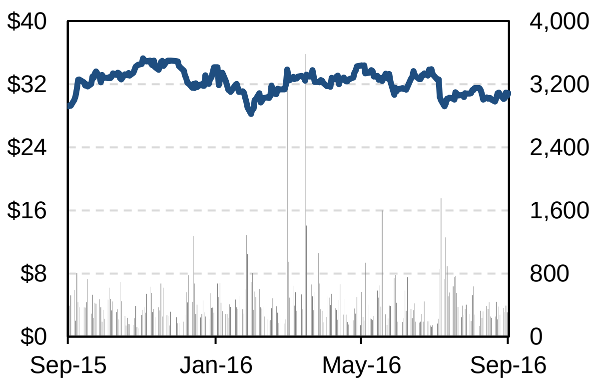
September 30, 2016
George Huang, Fund Manager
Darren Luoma, Research Associate

Return on Investment	
Current Share Price	$30.45
Target Price	$36.00
Dividend Yield	1.48%
Holding Period Return	20%

Market Profile	
52 Week Range	$27.99 - $35.57
Shares Outstanding (000's)	113,907
Average Daily Vol (000's)	335
Market Capitalization ($mm)	$3,468
Net Debt ($mm)	$950
Enterprise Value ($mm)	$4,419

Estimates	2016E	2017E	2018E
Net Revenue ($mm)	$3,008	$3,406	$3,602
EBITDA ($mm)	$345	$486	$517
EBITDA Margin	11.5%	14.3%	14.4%
Net Income ($mm)	$193	$212	$239
EPS	$1.81	$1.99	$2.25
P/E	18.0x	16.4x	14.5x
EV/EBITDA	12.8x	9.1x	8.5x

Historical Trading Performance



Source: Bloomberg & CPMT Estimates

Business Description

Stantec (STN) is a global professional services and consulting firm headquartered in Edmonton, Alberta. The company provides engineering and professional services to a variety of public and private sectors. Stantec has a history of growing through acquisitions, aiming to expand its global footprint by acquiring top-tier firms with aligned company cultures. Stantec has acquired over 90 companies since the year 2000.

Original Investment Thesis

STN provides consulting services for all phases of infrastructure and facility projects which enables its business model to adapt to changes and shocks in the business cycle. With a wide array of service offerings and sector exposure, the company also diversifies the concentration risk it may have to any specific economic sector. This competitive advantage is constantly improving as STN's management team looks to make acquisitions that expand the company's scope and expertise. STN was recently ranked in the top 20 design firms in the world by industry weekly magazine, Engineering News Record. All this enables STN to continue paying a sustainable and growing dividend, which will help the CPMT compound capital.

Recent Developments

MWH Global: STN acquired MWH Global, a 6,800 employee engineering, consulting, and construction management firm with a focus on water and natural resources. MWH brings the added capabilities of its Engineering and Technical Services group, which provides water-related design services to infrastructure projects in a variety of sectors. To finance the acquisition, STN issued approximately 20mm subscription receipts and established $1.25B of new credit facilities. The $1.37B cost of the acquisition was financed using the proceeds from the issuance of subscription receipts and a $786mm drawdown of the new credit facilities. This is a transformative acquisition for STN due to MWH's almost 200 years of operational expertise in the global water infrastructure space. Adding MWH's capabilities and client base to STN solidifies the pro-forma entity as a premier player on a global scale.

Other Acquisitions: Since the beginning of the FQ2, STN has completed four other acquisitions in the areas of building design and diversified infrastructure. Via the acquisitions, STN added 700 employees, expanding the company's presence throughout the eastern and midwestern United States.

In the face of a weakened Canadian economy, STN's execution of a globally diversified, multi-discipline growth strategy provides the CPMT with exposure to growth prospects beyond Canadian borders. We view the recent events and the diversification away from non-renewable resources to more stable sectors as an indication that management has a long-term goal of generating shareholder value by diversifying away concentration risk.

Updated Valuation

Based on recent developments we have adjusted our growth assumptions and placed a $36 target price on the shares of STN. Our target price is based on a growth rate of 3.0% going forward for the second half of the year and a tapering revenue growth rate starting at 6.0% for 2017. The terminal value was determined using a 1.8% terminal growth rate at the end of our discounted cash flow analysis, because the CPMT views STN as a unique pure-play consulting and engineering services provider within the Canadian equities space.

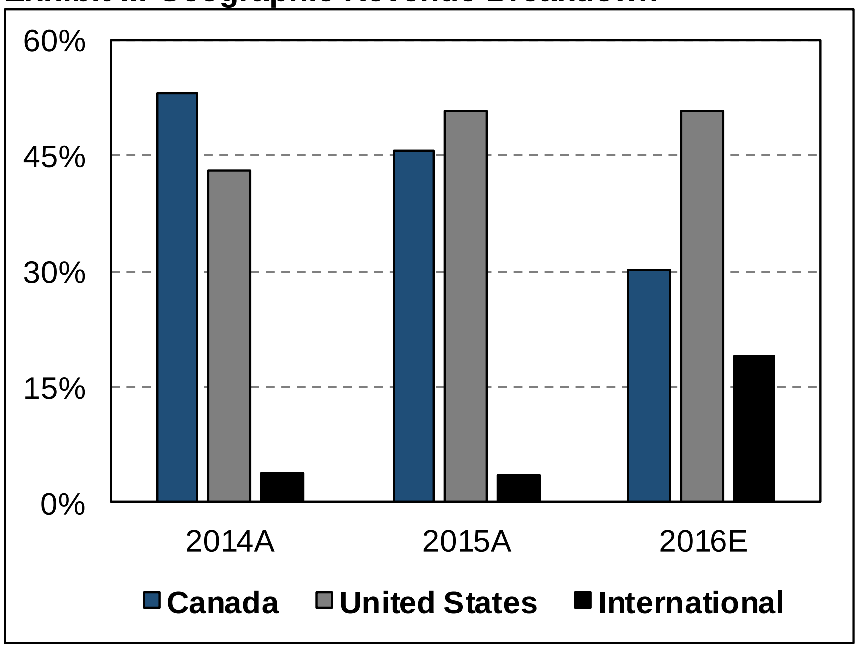
Risks

STN's recent acquisitions, and more specifically that of MWH, have caused the company to substantially increase financial leverage. Going forward, the increased interest payments will raise the risk inherent in the business and put additional pressure on management to create a healthy backlog of contracts to continue to drive bottom line growth. However, considering management's track record of successfully integrating acquisitions and growing inorganically by realizing operational synergies, the CPMT views the net effect of the recent events as positive and sees the acquisitions providing outsized upside relative to the additional risk brought on by increased leverage.

Exhibit I: DCF Output

DCF Summary	
Sum of UFCF ($mm)	$784
Terminal Value ($mm)	$5,492
Discount Rate	6.4%
Enterprise Value ($mm)	$5,028
Net Debt ($mm)	$950
Equity Value ($mm)	$4,078
Shares Outstanding (mm)	114
Price Per Share	$35.80

Exhibit II: Geographic Revenue Breakdown



Stella-Jones Inc.

Materials
TSX: SJ
Update

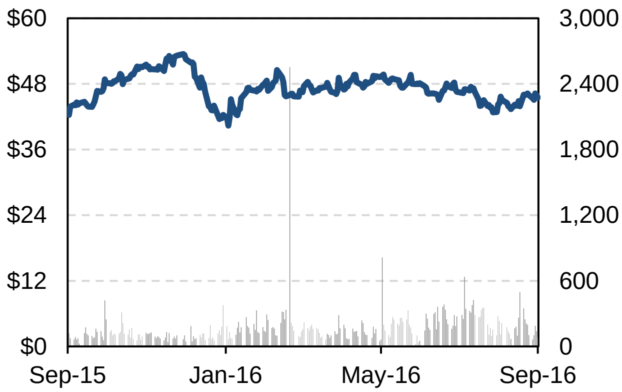
September 30, 2016
Logan Heidt, Fund Manager
Erick Noh, Research Associate

Return on Investment	
Current Share Price	$45.51
Dividend Yield	0.88%
Target Price	$57.00
Holding Period Return	26%

Market Profile	
52 Week Range	$39.00 - $54.15
Shares Outstanding (000's)	69,248
Average Daily Vol (000's)	179
Market Capitalization ($mm)	$3,151
Net Debt ($mm)	$732
Enterprise Value ($mm)	$3,883
Beta	0.62

Estimates	2016E	2017E	2018E
Revenues ($mm)	$1,933	$2,136	$2,350
EBITDA ($mm)	$288	$317	$349
Net Income ($mm)	$173	$198	$218
EPS	$2.50	$2.86	$3.15
EV/ EBITDA	13.5x	12.3x	11.1x

Historical Trading Performance



Source: Bloomberg & CPMT Estimates

Business Description

Stella-Jones (TSX: SJ) is headquartered in Saint-Laurent, QC, and is a leading North American manufacturer of pressure treated wood products. Its two core business lines are railway ties and utility poles. In addition, SJ provides residential lumber products, industrial products, and coal tar based products.

Railway Tie & Utility Pole Update

From August 2015–2016, railway tie production grew 7.7%, while purchases grew by 5.5%. This is in line with management's forecast of lower demand YoY in H2/16. CPMT is bullish on utility demand as capex growth among Canadian utility companies is expected to continue with the replacement of utility poles increasing.

Growth and Catalysts

With 34 treatment plants and 11 pole peeling facilities within North America, SJ is able to utilize economies of scale. SJ ability to maintain a large inventory (71% of current assets) of untreated timber is a strong advantage, as it can quickly fill customer orders, which smaller competitors are unable to match due to capital constraints. SJ network of facilities and locations in relation to customers, allows it to shift production to higher demand areas, which helps SJ maintain margins and meet product demand.

Increased regulation and safety standards within the railway industry are major catalysts for organic growth within the railway tie division of SJ, which contributes to a stable revenue stream. As utility poles are nearing the end of a replacement cycle (~60 years), SJ will be able seize market share as it is well positioned to meet demand for new utility poles. This is proven, as five out of the last six acquisitions were made in the utility pole segment, which is in line with management's strategy of consolidating a fragmented industry. CPMT believes Brian McManus and his prudent management team are heading in the right direction with emphasis on expanding SJ utility pole business.

Valuation

The valuation of SJ is based on a 50/50 blend between an exit multiple method and DCF, which implies a $57 target price and 26% upside.

As SJ does not have a direct peer group, we applied a 14.0x EBITDA multiple, which is in line with SJ 5-year average of 14.2x, to our 2018E EBITDA of $349mm, which yielded a $56 price target. The DCF method yielded a $58 target price, which consists of a 5-year UFCF forecast, and a terminal value based on EBITDA of 12.0x, discounted to SJ's trailing 5-year average EV/EBITDA of 14.2x.

Risks

CPMT foresees four major risks that would negatively affect the profitability of SJ. The potential failure to successfully integrate acquisitions, unexpected delays in utility pole replacement, the loss of major customers as SJ top ten customers account for ~46% of revenue, and a rising interest rate environment as SJ has $299mm of long term debt that is subject to variable interest rates.

Exhibit I. Sensitivity Analysis

Exit Multiple

WACC	$55.89	11.0x	12.0x	13.0x	14.0x	15.0x	16.0x	17.0x
	3.5%	$42.03	$46.81	$51.59	$56.38	$61.16	$65.94	$70.72
	4.0%	$41.65	$46.40	$51.15	$55.89	$60.64	$65.39	$70.13
	4.5%	$41.28	$45.99	$50.70	$55.42	$60.13	$64.84	$69.56
	5.0%	$40.91	$45.59	$50.27	$54.95	$59.63	$64.31	$68.98
	5.5%	$40.54	$45.19	$49.83	$54.48	$59.13	$63.77	$68.42
	6.0%	$40.18	$44.79	$49.41	$54.02	$58.63	$63.25	$67.86
	6.5%	$39.82	$44.41	$48.99	$53.57	$58.15	$62.73	$67.31

Intrinsic Valuation

WACC	$57.95	9.0x	10.0x	11.0x	12.0x	13.0x	14.0x	15.0x
	3.5%	$43.35	$48.70	$54.06	$59.41	$64.77	$70.12	$75.48
	4.0%	$42.23	$47.47	$52.71	$57.95	$63.19	$68.43	$73.67
	4.5%	$41.14	$46.27	$51.40	$56.53	$61.65	$66.78	$71.91
	5.0%	$40.08	$45.10	$50.12	$55.14	$60.16	$65.18	$70.19
	5.5%	$39.05	$43.96	$48.87	$53.78	$58.70	$63.61	$68.52
	6.0%	$38.04	$42.85	$47.66	$52.47	$57.28	$62.09	$66.89
	6.5%	$37.06	$41.76	$46.47	$51.18	$55.89	$60.60	$65.31

Exhibit II. SJ Q2 2016 Revenue Breakdown

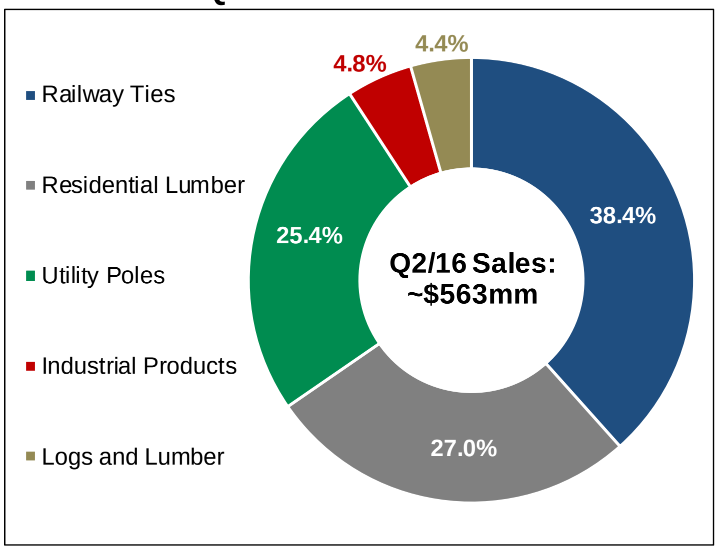
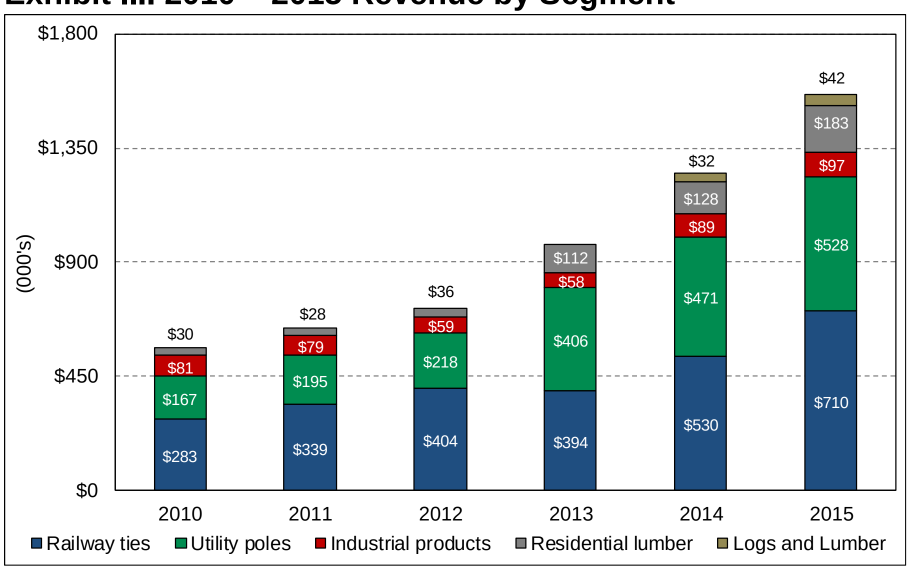


Exhibit III. 2010 – 2015 Revenue by Segment



Toronto-Dominion Bank

Calgary Portfolio Management Trust

Financials
TSX: TD
Update

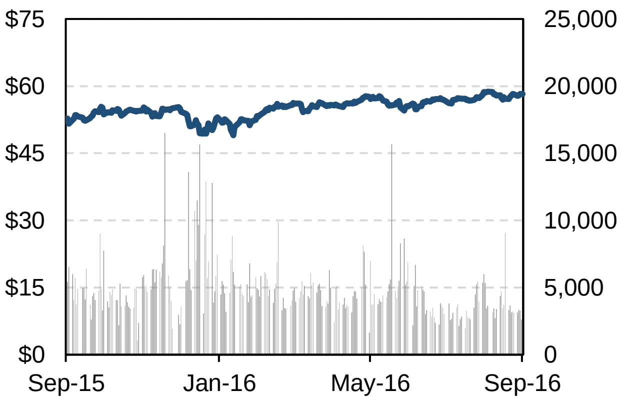
September 30, 2016
Ian Gott, Fund Manager
Rebecca Wang, Research Associate
Kristin Gorkoff, Research Associate

Return on Investment	
Current Share Price	$58.24
Target Price	$67.50
Dividend Yield	3.78%
Holding Period Return	20%

Market Profile	
52 Week Range	$48.52 - $59.10
Shares Outstanding (000's)	1,855,907
Average Daily Vol (000's)	4,899
Market Capitalization ($mm)	$108,088
Net Debt ($mm)	($46,040)
Enterprise Value ($mm)	$62,048

Estimates	2016E	2017E	2018E
Revenue ($mm)	$33,683	$35,030	$36,781
Net Income ($mm)	$9,001	$9,361	$9,829
EPS	$4.85	$5.05	$5.30

Historical Trading Performance



Source: Bloomberg & CPMT Estimates

Business Description

The Toronto-Dominion Bank Group (TSX: TD) is a Canadian financial services provider assisting clients around the world. Headquartered in Toronto, Ontario, TD offers services in private and commercial banking, asset management, insurance, and global capital markets. TD's operating segments include Canadian Retail Banking, U.S. Retail Banking, Corporate Banking, and Wholesale Banking.

Investment Thesis

TD exhibits a competitive advantage through its excellent customer service and superior mobile applications. The company is consistently ranked highest in customer satisfaction, as reported in the J.D. Power and Associates Canadian Retail Banking Customer Satisfaction Studies. The U.S. segment is now the largest contributor to TD's earnings. We have elected to add to our position in TD, given the rising interest rate environment expected in the United States, and the solid growth prospects of TD's U.S. business operations. The U.S. retail segment posted earnings growth of 13% over the past quarter, and revenue growth of 7%. This was boosted by an increased revenue contribution from TD Ameritrade of USD $97M, up 23% over the quarter. The balance sheet has also seen improvement, with TD's CET1 ratio now at 10.4%, up 0.3% over the quarter. Net interest income from U.S. loans grew at 13% over the year, compared with just 6% in domestic loan growth. TD's continued focus on U.S. operations will allow the bank to outperform its Canadian competitors.

Corporate Governance

CEO Bharat Masrani, through previously leading several of TD's core businesses including commercial banking, U.S. retail banking, and wholesale banking, has proven that he is well-qualified for his current role. Previously, Masrani had also served as Chief Risk Officer where he played a key role in the divestment of the bank's exposure to mortgage backed securities shortly before the 2008 crisis. He also played an important role in TD's expansion into the U.S. and will continue to do so in the years to come.

Valuation

The valuation of TD was based on a blended dividend discount model and relative valuation which yielded a target price of $67.50 per share, resulting in an implied return of 20%. The relative valuation is based upon a peer group median P/E ratio of 11.41x and a P/BV ratio of 1.64x.

Risks

Geopolitical risk in the U.S. has grown higher as the election process nears conclusion. Significant changes to regulations and trade agreements amongst North American nations could materially impact TD's business operations and growth prospects going forward.

Exhibit I. Relative Valuation

Ticker	Current Price	P/E Forward 12M	P/BV
TD	**58.24**	**11.58x**	**1.60x**
BMO	85.81	11.55x	1.46x
CM	102.32	10.33x	1.84x
NA	46.76	9.57x	1.61x
RY	81.40	11.60x	1.90x
BNS	70.47	11.41x	1.64x
MEDIAN		**11.41x**	**1.64x**