2024 Annual Report

Honours in Investment Management

DESAUTELS Capital Management
Gestion de capitaux

Honours in Investment Management
Class of 2024-2025

“An investment in knowledge pays the best interest.”

- Benjamin Franklin

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A Message from the HIM President

Dear Investors,

On behalf of the Honours in Investment Management (HIM) cohort, I would like to extend our heartfelt gratitude for your unwavering support and dedication to our program. Your commitment has been instrumental in shaping an exceptional learning experience for us as we manage the Desautels Capital Management funds. The HIM program offers a preparation unlike any other, and I'm proud to share that we have continued our tradition of success in case competitions, achieving 20 podium finishes between early 2024 and early 2025 (detailed results on the next page).

I am also thrilled to welcome our incoming class of Junior Analysts, a highly talented group already integrating into the HIM community. Their transition has been guided by our newly appointed student executives, led by incoming President Maxime Tardif. With this dedicated leadership team, I am confident that the program will continue to thrive.

In terms of investment performance, the Fixed Income Fund delivered a strong 6.5% gross return in 2024, outperforming our benchmark by 0.4%, thanks to effective corporate bond selection and well-timed duration shifts based on macroeconomic analysis. The Fixed Income Fund has generated positive gross alpha for four consecutive years, and is a distinguishing feature of Desautels Capital Management, setting it apart from other investment management programs across North America. Full details on the fund's performance, outlook, and holdings can be found on pages 24 to 44.

The Global Equity Fund generated a 19.7% gross return in 2024, with many of our investment theses materializing as anticipated. Although we delivered strong absolute returns, we lagged our benchmark's 27.3% return, largely due to our underexposure to the "Magnificent Seven" mega-cap stocks. Nevertheless, we are confident in our strategic direction and optimistic about the prospects of our current holdings. Complete details are available on pages 45 to 105.

Another important measure of our program's success is the caliber of job placements. Once again, HIM students secured competitive full-time roles and summer internships across investment banking, public equities, private equity, and credit (details on page 12). Our broad and active alumni network, bolstered by mentors and industry professionals, has been essential in facilitating these placements in major financial hubs such as New York, Toronto, Montreal, and Chicago. Special thanks to Joy Bennett and Lynn Marks for nurturing these connections and coordinating firm visits across North America. I would also like to extend my deepest appreciation to our distinguished alumni for your ongoing support, which remains critical to our success (full alumni list on page 106).

None of our achievements would be possible without the extraordinary dedication of our program mentors, Professors Vadim di Pietro and Jiro Kondo. They spend countless hours meeting with each sector team before stock & bond pitches to ensure that students are producing the highest quality work and leaving no stone unturned. In addition to offering their expertise, both professors are truly invested in each student's journey. I can personally attest to the value of their guidance and mentorship over the last two years.

Finally, we are deeply thankful to you, our investors, for giving us the invaluable chance to gain hands-on investing experience while still in university. This opportunity is rare and both myself and my fellow HIM students are forever grateful.

Sincerely,

Holden Kangas,
President of the HIM Program

2024-2025 Case Competition Highlights

HEConomie 2025 Stock Pitch Competition

- 1st place ($2,000)
- Evelyn Bojkov, Christophe Aclimandos, Maxime Tardif, Antoine Lavoie

RPC x Scotiabank 2025 M&A Competition

- 1st place ($1,000)
- Matthew De Fanti, Alexander Moghadam

Greenhill 2025 M&A Competition

- 1st place ($1,000)
- Matthew De Fanti, Alexander Moghadam

National Bank x DeGroote 2025 Stock Pitch Competition

- 1st place ($1,000)
- Matthew De Fanti, Alexander Moghadam

CFA 2024 Equity Research Challenge

- 1st place in Quebec and tied 1st place in Canada
- Owen Anderson, Charles Kiriazis, Britton Quirk, Phil Rabello, Jordan Rindler

ImmoHEC 2024 Real Estate Competition

- 1st place ($5,000)
- Christophe Aclimandos, Charles Kiriazis, Jordan Rindler

HEConomie 2024 Stock Pitch Competition

- 1st place ($4,000)
- Christophe Aclimandos, Mateo Cordoba, Juan Manuel Gutierrez

FISA & JMIS 2024 National Stock Pitch Competition

- 1st place ($3,000)
- Roy Liu, Jeremy Moses, Holden Kangas, Arjun Kapur

HEConomie 2025 Stock Pitch Competition

- 2nd place ($1,000)
- Maya David, Manouk Taskiran, Mateo Cordoba, Fabian Himmelstein

Copenhagen Business School 2025 Case Competition

- 2nd place
- Mateo Cordoba, Thiara Subasinghe

2024-2025 Case Competition Highlights

Financial Open 2025 – Corporate Finance Case

- 2nd place
- Christophe Aclimandos, Thiara Subasinghe, Arjun Kapur

HEConomie 2024 Stock Pitch Competition

- 2nd place ($2,000)
- Roy Liu, Jeremy Moses, Holden Kangas, Arjun Kapur

FISA & JMIS 2024 National Stock Pitch Competition

- 2nd place ($2,000)
- Mateo Cordoba

RedPoint Capital x MBR 2024 M&A Case Competition

- 2nd place ($500)
- Christophe Aclimandos, Mateo Cordoba

Jeux du Commerce 2025 – Social Overall

- 3rd place
- Xavier Cauchon

Jeux du Commerce 2025 – Social Case

- 3rd place
- Xavier Cauchon

FISA & JMIS 2025 National Stock Pitch Competition

- 3rd place ($1,000)
- Christophe Aclimandos, Maxime Tardif, Mateo Cordoba, Thibault Quelavoine

FISA & JMIS 2024 National Stock Pitch Competition

- 3rd place ($1,000)
- Christophe Aclimandos, Charles Kiriazis, Jordan Rindler

National 2024 Investment Banking Competition

- Finalist (13/500)
- Roy Liu, Thiara Subasinghe, Benjamin Doherty, Owen Anderson

Canaccord Genuity 2024 Stock Pitch Competition

- Finalist
- Roy Liu, Jeremy Moses

Our Team

Executive Team

Morty Yalovsky | **President**

Professor Morty Yalovsky is the President of Desautels Capital Management. He joined the faculty in 1974, and in addition to his academic responsibilities, he has assumed several senior administrative roles, including Vice-Principal (Administration and Finance) at the University level. Professor Yalovsky's research interests include Statistical Methodology, Forecasting Methods, and Modeling. He has also consulted in the areas of Applied Statistics and Information Technology for several leading Canadian corporations.

Vadim di Pietro | **Chief Investment Officer**

Professor di Pietro is Co-Chief Investment Officer, Chief Compliance Officer, and registered Advising Representative for Desautels Capital Management. He joined the Faculty of Management in 2009. Prior to Desautels, Vadim was an investment strategist at J.P. Morgan in London from 2007 to 2009. He holds a B.Eng. from McGill University, a Master's in Mathematical Finance from the University of Toronto, and a PhD in Finance from the Kellogg School of Management. Vadim is also a CFA charter holder.

Jiro Kondo | **Chief Talent Officer and HIM Program Director**

Professor Kondo joined the Finance group at the Desautels Faculty of Management in 2012 after having served on the faculty at Northwestern University's Kellogg School of Management. While at Desautels, he was Founding Advisor, the Head of Portfolio Construction (2017-2022), and the Head of Investment Committee (2023-2024) at Sarwa - the Middle East's leading digital investing and trading platform. He also served as Area Coordinator of the Finance Group at Desautels from 2022-2024. He holds an undergraduate degree in Economics from Princeton University and a PhD in Financial Economics from MIT's Sloan School of Management.

Board of Directors

Richard Pan | Group Chief Financial Officer
American Iron & Metal

Mr. Pan is currently Group Chief Financial Officer at American Iron & Metal. Previously, he was Vice-President and Head of Corporate Finance at Power Corporation and Power Financial. Before joining Power Corporation, Mr. Pan was an Executive Director in Investment Banking with Goldman Sachs International based in London, England.

Sharon Stern | President
Metro Investment

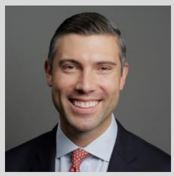
Ms. Stern is a Canadian entrepreneur and real estate investor. Ms. Stern is the President of Metro Investments and President of Eastmore Management. Ms. Stern also served on the Board of Directors of Cedar Realty Trust (NYSE: CDR), a Real Estate Income Trust specializing in grocery-anchored retail properties. At Cedar, Ms. Stern served on both the Audit and Compensation committees.

Neil Murdoch | Former President
Aston Hill Asset Management

Mr. Murdoch is an active investor and has served on the boards of many private and public companies, including his current portfolio of businesses. He is the former President of Aston Hill Asset Management, having retired in December 2015. Mr. Murdoch has a strong track record of leadership and execution in the retail investment world

DCM Industry Advisory Council

The DCM Industry Advisory Council is composed of financial sector industry leaders who are passionate about helping DCM reach new heights. Council members assist the program in a number of ways, including strategic vision, bootcamp training sessions, guest lectures, student mentorship, fundraising efforts, and industry networking. We thank Council members for their generous support.

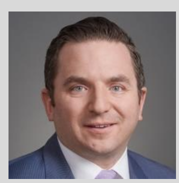


David Klug (Chair) (BCom'04)
Portfolio Manager
Allspring Global

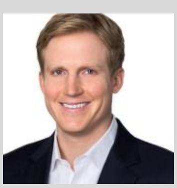
Christine Decarie (BCom'86)
Former Senior VP
Portfolio Manager
Mackenzie Investments

Aaron Stern (BCom'06)
Managing Partner & CIO
Converium Capital Management

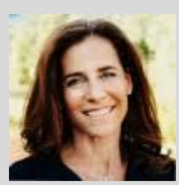
Avinash Sarwal (BA'99)
President
Bikaner Advisors



Ryan Oldham (MBA'07)
Portfolio Manager
Fidelity Investments



Erik Groot (BS'05)
Partner
TPG Public Equity Partners

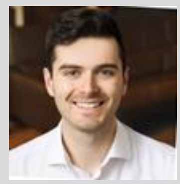


Sandy Haas
Founder & President
SMH Management

HIM Alumni Council

The HIM Alumni Council is composed of HIM graduates who are passionate about helping DCM reach new heights. Council members assist the program in a number of ways, including strategic vision, bootcamp training sessions, guest lectures, student mentorship, fundraising efforts, and industry networking. The Alumni Council's dedication to the program is a testament to the sense of community established at DCM, and we would like to thank our alumni for their generous support.

Max Adelson (HIM'12)
Portfolio Manager
Fidelity Investments



Thomas Boucher-Charest (HIM'19)
Investor & Operator
Valstone

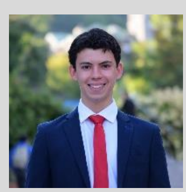
Antonino Piazza (HIM'13)
Investment Partner
Valsoft

Victoire Gekas (HIM'19)
Strategy Senior Manager
Dialogue

Colton Dick (HIM'15)
Principal
Oak Hill Advisors, L.P.

Julien Seguin (HIM'23)
Investment Banking Analyst
National Bank Financial

Meagan Prins (HIM'17)
Head of Strategy
Addi



Jordan Rindler (HIM'24)
Business Analyst
McKinsey & Company

Who Makes Up HIM?

Students	42
Women	33%
Spoken Languages	14
Average GPA	3.82
Club Leadership Roles	27
Awards & Scholarships	42

Job Placements

Class of 2024 & 2025 Employment Status

35%	18%	15%	12%
Investment Banking	Public Equities	Private Equity	Credit

Notable Placements

ALTAS
ARES
BANK OF AMERICA
BARCLAYS

BCG
BlackRock
BMO
BNP PARIBAS

CDPQ
CIBC
Desjardins
Fidelity INVESTMENTS

FIERA COMOX
LionTree
NATIONAL BANK OF CANADA FINANCIAL MARKETS
OHA OAK HILL ADVISORS

ONTARIO TEACHERS' PENSION PLAN
PSP
RBC
Scotiabank
TD

HIM Executives

Holden Kangas | President

- Investment Banking Analyst
  CIBC, Toronto (Incoming 2025)
- Investment Banking Summer Analyst
  CIBC, Winnipeg (Summer 2024)

Alyson Charles | Vice President

- Investment Banking Analyst
  Scotiabank, Montreal (Incoming 2025)
- Investment Banking Summer Analyst
  Scotiabank, Montreal (Summer 2024)

Arjun Kapur | Fixed Income Strategist

- Equity Research Associate
  Fidelity Investments, Toronto (Incoming 2025)
- Equity Research Intern
  Fidelity Investments, Toronto (Summer 2024)

Thomas-Nikolas Anastasopoulos | Global Equity Strategist

- Rotational Summer Analyst
  Fiera Comox, Montreal (Incoming 2025)
- Private Equity Summer Analyst
  Valstone, Montreal (Summer 2024)

HIM Executives

Alexandra Barcza | Co-Chief Operating Officer

- Investment Banking Summer Analyst
  RBC, Toronto (Incoming 2025)
- Investment Banking Summer Analyst
  National Bank Financial, Montreal (Summer 2024)

Evelyn Bojkov | Co-Chief Operating Officer

- Credit Summer Analyst
  Oak Hill Advisors, New York (Incoming 2025)
- Credit Investment Summer Analyst
  PSP Investments, Montreal (Summer 2024)

Xavier Cauchon | Network Director

- Investment Banking Analyst
  Barclays, Toronto (Incoming 2025)
- Investment Banking Summer Analyst
  National Bank Financial, Montreal (Summer 2024)

Consumers

Marc Abi Nakhoul | Senior Analyst

- M&A Transaction Services Analyst
  PwC, Dubai (Summer 2024)
- Financial Markets Summer Analyst
  CFI Financial Group, Dubai (Summer 2023)

Maysa Nahas | Senior Analyst

- Global Markets Summer Associate
  TD Securities, Montreal (Incoming 2025)
- Private Equity Summer Analyst
  Alcazar Capital, Dubai (Summer 2024)

Ryan Murray | Senior Analyst

- Equity Research Summer Associate
  Fidelity Investments, Toronto (Summer 2024)
- Sustainable Advisory and Finance Investment Banking Analyst
  National Bank Financial, Montreal (Fall 2023)

Aman Rosha | Junior Analyst

- Private Equity Intern
  Rosemont Legacy, Montreal (Winter 2024)

Deven Seth | Junior Analyst

- Summer Analyst
  Bergamot Asset Management, New Jersey (Summer 2024)

Energy & Utilities

Christophe Aclimandos | Senior Analyst

- Private Equity Intern
  CDPQ, Montreal (Incoming 2025)
- Private Equity Intern
  CDPQ, Montreal (Summer 2024)

Juliette Lacombe de Repentigny | Senior Analyst

- Investment Banking Analyst
  CIBC, Montreal (Incoming 2025)
- Investment Banking Summer Analyst
  CIBC, Montreal (Summer 2024)

Shibo Cong | Senior Analyst

- Venture Capital Analyst Intern
  Phoenix Tree Capital Group, China (Summer 2024)
- Investment Banking Project Intern - Consumer
  China International Capital Corporation, China (Summer 2024)

Engueran Turmel-Josek | Junior Analyst

- Equity Research Summer Analyst
  CDPQ, Montreal (Incoming 2025)
- Private Equity Summer Analyst
  Tinto Hill, England (Summer 2024)

Maya David | Junior Analyst

- Investment Banking Summer Analyst
  Scotiabank, Montreal (Incoming 2025)
- Wealth Management Summer Analyst
  BMO, Montreal (Summer 2024)

Financial Institutions

Alyson Charles | Senior Analyst

- Investment Banking Analyst
  Scotiabank, Montreal (Incoming 2025)
- Investment Banking Summer Analyst
  Scotiabank, Montreal (Summer 2024)

Camille Herau | Senior Analyst

- Corporate Credit Summer Analyst
  BNP Paribas, Montreal (Summer 2024)
- Corporate Accounting and Financial Reporting Intern
  PSP Investments, Montreal (Summer & Fall 2023)

Olivier Tremblay | Senior Analyst

- Investment Banking Analyst
  Scotiabank, Montreal (Incoming 2025)
- Investment Banking Summer Analyst
  National Bank Financial, Montreal (Summer 2024)

Antoine Lavoie | Junior Analyst

- Investment Banking Analyst
  Scotiabank, Montreal (Incoming 2025)
- M&A Intern
  Raymond Chabot, Montreal (Summer 2024)

Manouk Taskiran | Junior Analyst

- Growth Equities Summer Analyst
  CDPQ, Montreal (Incoming 2025)

Healthcare

Aiwei Dong | Senior Analyst

- M&A Summer Analyst
  Valstone, Montreal (Summer 2024)
- Sales and Trading Summer Analyst
  Sinolink Security, China (Summer 2023)

David Pivetta | Senior Analyst

- Part-time Analyst
  Long Life Capital, Montreal (Fall 2024)
- M&A Summer Analyst
  Valsoft, Montreal (Summer 2024)

Mateo Cordoba | Senior Analyst

- Investment Banking Analyst
  National Bank Financial, Toronto (Incoming 2025)
- Investment Banking Summer Analyst
  Desjardins, Montreal (Summer 2023)

Ethan Wu | Junior Analyst

- Corporate Banking Summer Analyst
  CIBC, Montreal (Incoming 2025)
- Private Equity Winter Analyst
  CDPQ, Montreal (Winter 2025)

Thomas-Nikolas Anastasopoulos | Junior Analyst

- Rotational Summer Analyst
  Fiera Comox, Montreal (Incoming 2025)
- Private Equity Summer Analyst
  Valstone, Montreal (Summer 2024)

Industrials

Evelyn Bojkov | Senior Analyst

- Credit Summer Analyst
  Oak Hill Advisors, New York (Incoming 2025)
- Credit Investment Summer Analyst
  PSP Investments, Montreal (Summer 2024)

Elisa Bonnet | Senior Analyst

- Private Equity Intern
  Dawson Partners, Toronto (Incoming 2025)
- M&A Summer Analyst
  Valsoft, Montreal (Summer 2024)

Thiara Subasinghe | Senior Analyst

- Investment Banking Analyst
  Bank of America Merrill Lynch, Montreal (Incoming 2025)
- Investment Banking Summer Analyst
  Bank of America Merrill Lynch, Montreal (Summer 2024)

Frédéric Mandeville | Junior Analyst

- Private Equity Summer Analyst
  Altas Partners, Toronto (Incoming 2025)
- Private Equity Summer Analyst
  Elvaston Capital Management, Berlin (Summer 2024)

Katie Chao | Junior Analyst

- Equity Associate Intern
  Fidelity Investments, Boston (Incoming 2025)
- Canada Growth Fund Winter Analyst
  PSP Investments, Montreal (Winter 2025)

Materials

Alexandra Barcza | Senior Analyst

- Investment Banking Summer Analyst
  RBC, Toronto (Incoming 2025)
- Investment Banking Summer Analyst
  National Bank Financial, Montreal (Summer 2024)

Oscar Gallifet | Senior Analyst

- Summer Associate
  BCG, Montreal (Incoming 2025)
- Equity Summer Analyst
  Van Berkom, Montreal (Summer 2024)

Emily Zheng | Junior Analyst

- Global Markets Intern
  TD Securities, Toronto (Incoming 2025)
- Risk Advisory Intern
  Deloitte, Toronto (Summer 2024)

Yijin Wang | Junior Analyst

- Credit Summer Analyst
  BNP Paribas, Montreal (Incoming 2025)
- Wealth Management Intern
  China Galaxy Securities, China (Summer 2024)

Technology, Media, & Telecom

Juan Manuel Gutierrez | Senior Analyst

- Infrastructure Investments Winter Intern
  PSP Investments, Montreal (Winter 2025)
- Infrastructure Investments Summer Analyst
  Axium Infrastructure, Montreal (Summer 2024)

Sara Chouinard | Senior Analyst

- Credit Investment Summer Analyst
  PSP Investments, Montreal (Incoming 2025)
- Private Equity Summer Analyst
  Ulysses Management LLC, New York (Summer 2024)

Alexander Moghadam | Junior Analyst

- Credit Investment Summer Analyst
  PSP Investments, Montreal (Incoming 2025)
- Credit Summer Analyst
  BNP Paribas, Montreal (Summer 2024)

Matthew De Fanti | Junior Analyst

- Investment Banking Summer Analyst
  National Bank Financial, Montreal (Incoming 2025)
- Summer Analyst
  Walter Capital Partners, Montreal (Summer 2024)

Fixed Income

Holden Kangas | Senior Analyst

- Investment Banking Analyst
  CIBC, Toronto (Incoming 2025)
- Investment Banking Summer Analyst
  CIBC, Winnipeg (Summer 2024)

Arjun Kapur | Senior Analyst

- Equity Research Associate
  Fidelity Investments, Toronto (Incoming 2025)
- Equity Research Intern
  Fidelity Investments, Toronto (Summer 2024)

Xavier Cauchon | Senior Analyst

- Investment Banking Analyst
  Barclays, Toronto (Incoming 2025)
- Investment Banking Summer Analyst
  National Bank Financial, Montreal (Summer 2024)

Justin Djurovich-Thow | Senior Analyst

- Investment Banking Winter Analyst
  BMO, Toronto (Winter 2025)
- Corporate & Investment Banking Summer Analyst
  National Bank Financial, Montreal (Summer 2024)

Katherine Lake | Senior Analyst

- Global Product Solutions Analyst
  BlackRock, New York (Incoming 2025)
- Global Product Solutions Summer Analyst
  BlackRock, San Francisco (Summer 2024)

Fixed Income

Fabian Himmelstein | Junior Analyst

- Investments Summer Analyst
  Dream Unlimited, Toronto (Incoming 2025)
- Real Estate Investments Winter Intern
  PSP Investments, Montreal (Winter 2025)

Felix-Antoine Gariepy | Junior Analyst

- Investment Banking Summer Analyst
  Desjardins, Montreal (Incoming 2025)
- Wealth Management Summer Analyst
  National Bank Financial, Montreal (Summer 2024)

Hugo Pepin | Junior Analyst

- Credit Investment Analyst
  PSP Investments, Montreal (Incoming 2025)
- Credit Investment Summer Analyst
  PSP Investments, Montreal (Summer 2024)

Maxime Tardif | Junior Analyst

- Equity Research Intern
  Fidelity Investments, Toronto (Incoming 2025)
- Fundamental Research Summer Analyst
  Hemlock Court Holdings, Toronto (Summer 2024)

Fixed Income Fund

FIXED INCOME FUND

2024 REVIEW & 2025 OUTLOOK

Holden Kangas
Senior Analyst

Arjun Kapur
Senior Analyst

Xavier Cauchon
Senior Analyst

Justin Djurovich-Thow
Senior Analyst

Katherine Lake
Senior Analyst

Fabian Himmelstein
Junior Analyst

Felix-Antoine Gariepy
Junior Analyst

Hugo Pepin
Junior Analyst

Maxime Tardif
Junior Analyst

Arjun Kapur, Strategist
Holden Kangas, Senior Analyst
Justin Djurovich-Thow, Senior *Analyst*
Katherine Lake, *Senior Analyst*
Xavier Cauchon, *Senior Analyst*
Fabian Himmelstein, *Junior Analyst*
Felix-Antoine Gariepy, *Junior Analyst*
Hugo Pepin, *Junior Analyst*
Maxime Tardif, *Junior Analyst*

Fixed Income Fund

Performance Summary

Overview

In 2024, the Fixed Income Fund continued its outperformance over the benchmark since inception. During the year, the fund delivered gross returns of 6.5% compared to the benchmark return of 6.1%. The fund's performance can be mainly attributed to our 4 main levers: bottom-up corporate bond selection, duration positioning, credit exposure, and currency exposure

During 2024, our duration strategy played an important role in the fund's outperformance. The fund began the year with a duration of around 7.4 compared to the benchmark duration of 6.7 based on our view that interest rates in both the US and Canada would fall faster than expected. While the US 10-year yield rose until May, falling inflation and rising unemployment data caused yields to fall from around 4.7% at the start of May to around 3.8% at the start of October. At this time, the fund shortened its duration (6.3 compared to 6.8 for the benchmark) based on our view that recession fears were overblown. This was the correct decision, as stronger than expected economic data caused yields to rise until the end of year, finishing at around 4.6%.

In terms of credit spread exposure, the FI fund was positioned favorably relative to the benchmark with. slightly greater exposure to credit rated A and BBB, and slightly less exposure to credit rated AAA and AA. Lower quality credit experienced greater spread compression during the year as fears of a recession were much lower by December, which disproportionally benefits less stable companies.

Finally, strong idiosyncratic performance within our individual corporate bond holdings also contributed materially to the fund's outperformance. In particular, the SmartCentres REIT and Brookfield Renewable Partners bond compressed by 85 bps and 58 bps respectively compared to the BBB index compression of 29 bps. Details on individual holdings will follow.

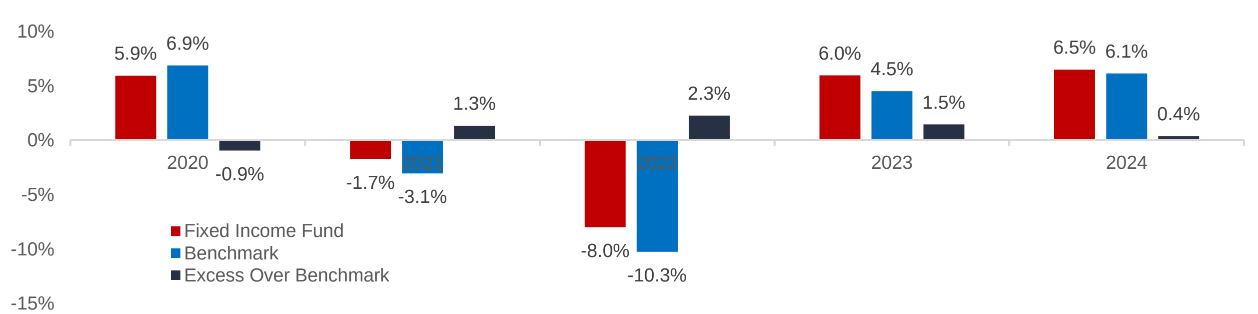
Moving forward, we are continuing to look for strong corporate bond selection based on rigorous bottom-up fundamental analysis while following our duration, credit exposure, and currency positioning as discussed in the following sections.

Figure 1: Performance Metrics 2024

FIXED INCOME PERFORMANCE METRICS 2024		
	Fixed Income Fund	**Benchmark**
Return	6.5%	6.1%
Standard Deviation	6.1%	6.0%
Beta	1.00	
Alpha	0.4%	

Metrics are reported gross of fees. Management fee is 0.5% per annum.

Figure 2: Last 5 year performance



Performance metrics are reported gross of fees. Management fee is 0.5% per annum. Benchmark is 45% FTSE Canada Universe Bond Index, 45% Bloomberg Barclays US Aggregate Bond Index (in CAD), 10% S&P/Citigroup International Treasury Bond Ex-US Index (in CAD).

Fixed Income Fund

Performance Summary

Select Key Events from 2024

(Feb 1st) Powell Takes Cautious Approach: Favourable inflationary readings towards the end of 2023 had market participants pricing in cuts of 150bps by the end of 2024. However, after the FOMC's February meeting, Powell stated that inflation was still too high and that the path forward was "uncertain". This pushed back investors' projections for the first rate cut.

(June 1st) FED Sees One Rate Cut in 2024: With inflation still moderate, and the labour market running hot, the median FOMC member was calling for only one 25bps cut by the end of 2024. The Fund decided to hold our slightly long duration stance, as we saw more recessionary risk in the US economy (and thus more cuts to come) compared to the "soft landing" narrative that was popular at the time.

(Aug 2nd) US Non-Farm Payrolls Miss: Non-Farm Payrolls came in at +142k vs consensus expectations of +165k. It was subsequently revised to +89k. This miss was the straw that broke the camel's back after a series of economic data misses that began in May.

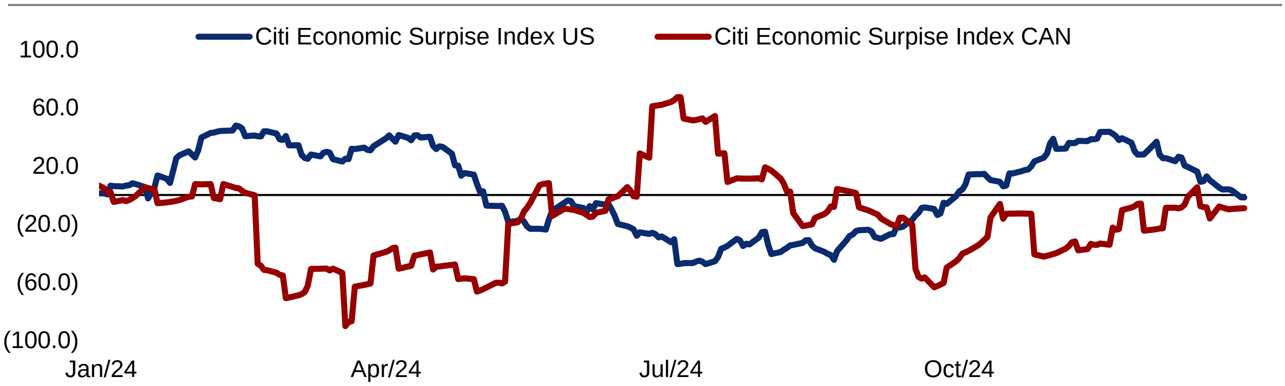
(Sep 18th) FED Cuts 50bps: For the first time since 2020, the FED cut the effective rate - 50bps in one meeting to fight a slowdown in the labour market. This cut was fueled by the Non-Farm Payrolls miss in August and injected plenty of US recession fear into the markets and spiked rate cut expectations to 200bps by Sep 2025. We saw through this overreaction and took a short duration stance. As 250bps of cuts in one year was unprecedented given the overall strength of the US economy (growth, unemployment claims, consumer spending, etc.).

(Nov 5th) Trump Elected President: Markets rallied on hopes of tax cuts and deregulation. Volatility in FX markets spiked after Trump tweeted about imposing tariffs on Canada, Mexico, and China.

(Dec 11th) BoC Cuts 50bps: For the 2nd straight month (first time since the pandemic), the Bank of Canada cut the overnight rate by 50bps following November's disappointing jobs report (unemployment rate +0.3% to 6.8%). This marked an end to a difficult year for Canada's economy, as the BoC cut a total of 175bps – more than any other G7 central bank.

(Dec 18th) FED Hawkish Pivot: Although the FED elected to cut rates by 25bps for the 2nd consecutive month (totaling 100bps of cuts in 2024), minutes from the meeting showed that officials were eager to slow interest rate cuts in 2025. They cited higher inflation readings, continued strength in spending, and reduced downside risks to the outlook for the labor market and economic activity. The PCE index rose 2.4% y/y in November, and 2.8% minus food and energy, signaling that inflation has not been conquered yet. Non-farm Payrolls in November were up 227k vs consensus of 214k and September was revised 36k upwards. All data points that The Fund analyzed when we flipped to a short duration strategy.

Figure 3: US and Canadian Economic Surprise Indexes in 2024



Sources: Bloomberg, JP Morgan, Reuters, Federal Reserve Board, Bank of Canada

Fixed Income Fund

Performance Summary

Figure 4: FED Funds Effective Rate w/ Futures by Month

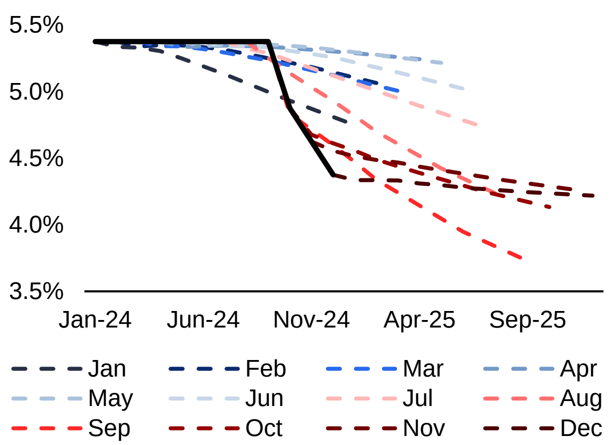
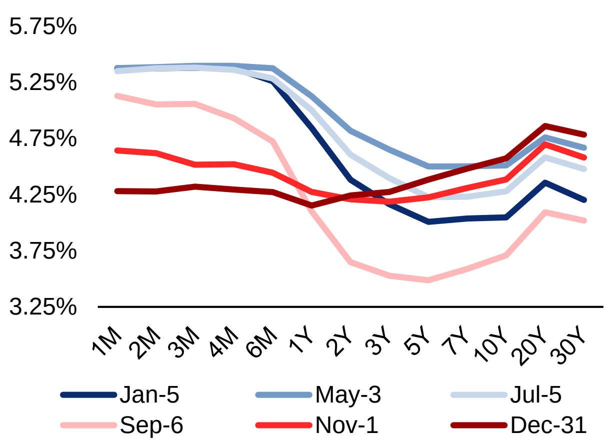


Figure 5: US Treasury Yield Curve Throughout the Year



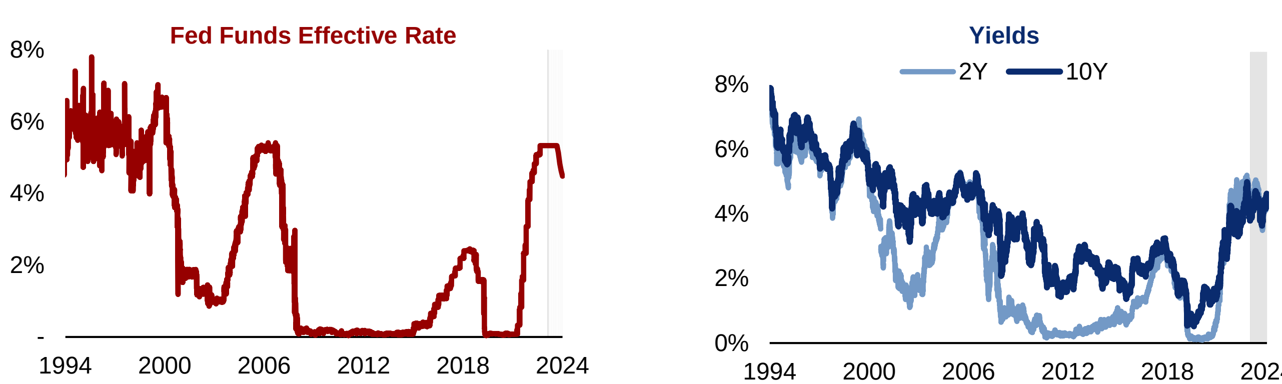
Rates - Overview

The 2024 rate story was one of two acts: the hold and the cut. After the 11th and final hike in July 2023, the FED held the effective rate constant for eight consecutive meetings. That was until September's meeting, where they cut 50bps to fight a slowdown in the labor market, marking the first cut since 2020. As seen in Figure 4, the FED continually surpassed market expectations in the first half of 2024 with terminal rate expectations adjusting upward in response to robust economic data and sticky inflation. After cutting in August, the market took a dovish few and priced in substantial cuts. By year end, the market adjusted its outlook based on hawkish sentiment from the FED, pricing in next to zero cuts by end of 2025.

Yields - Overview

The yield curve remained inverted for most of the year and normalized in Q4 after substantial cuts were priced into the short end and the long end rose with higher inflation and hawkish sentiment from the FED. The belly of the curve reached its lowest point in September amidst recessionary fears from the large non-farm payrolls miss. Subsequently, yields surged on a rebound in labour data and evidence of unconquered inflation through the winter, reaching a peak in December, with the 10-year yield hitting 4.6%. Real yields remained mostly flat from 2023, but finished the year higher as yields rose.

Figure 6: 30-Year Context on Rates and Yields



Sources: Bloomberg, FRED

Fixed Income Fund

Performance Summary

Figure 7: Breakeven Inflation Rates 2024 (in %)

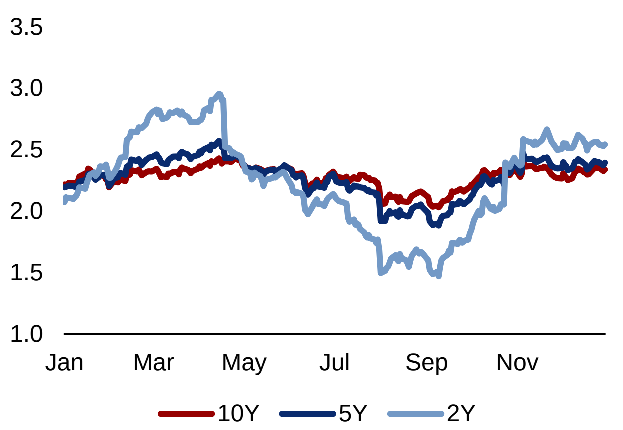
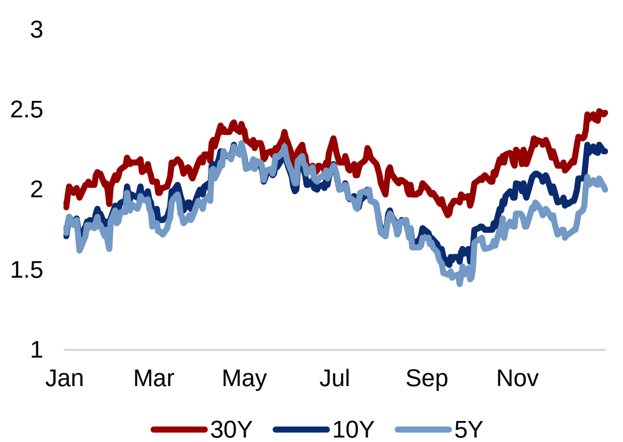


Figure 8: Real Yields 2024 (in %)



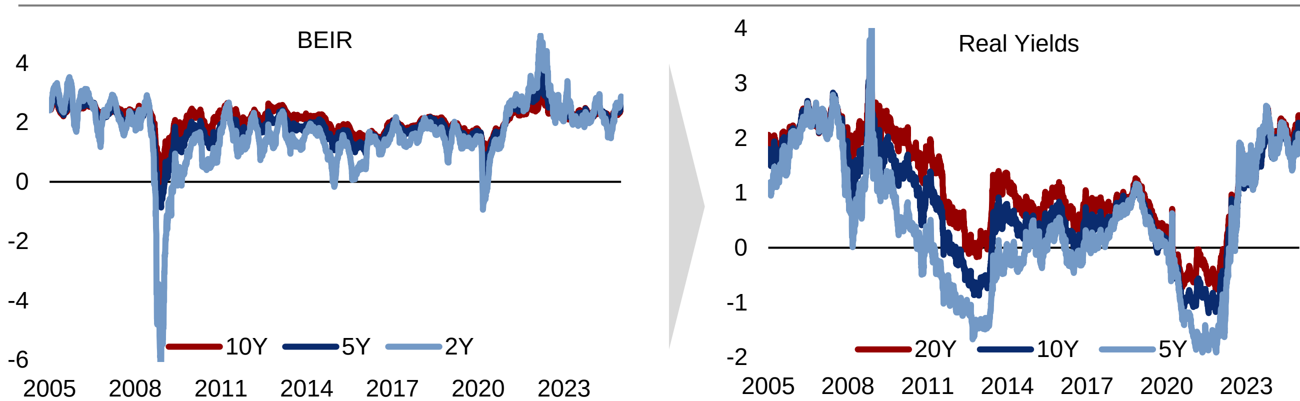
BEIR and Real Yields

Figure 8 outlines how the drop in yields in June was predominantly propelled by a notable decrease in the 2 year inflation in June. This period saw a prevailing sentiment for the start of an easing cycle with investors adjusting their strategies accordingly, effectively lessening the burden on the Federal Reserve as they maintained a steady stance on interest rates. Ideas of "the market doing the heavy lifting" settled in during this time. However, as the year neared its conclusion, there was a discernible shift in market dynamics. As Figure 7 shows, following a 50 basis points cut in September aimed at supporting growth and stabilizing a slowing labour market, increase inflation expectations emerged, exerting upward pressure on yields. This sudden reversal in yields proved detrimental for bonds, resulting in decreasing returns following a fast decrease in rate between April and September.

A notable occurrence was the sharp drop in the 2 year breakeven inflation during May, as the MoM change in inflation was 0%, largely driven by unexpected lower food and gasoline prices in the May 2024 Consumer Price Index report.

Relative to historical levels, 2024 saw the highest real yields since 2007, similar to nominal performance. Breakeven rates normalized at a slightly higher level than seen pre-Covid, after monetary policy actions brought inflation under control from 2022 highs.

Figure 9: 20-Year Context on BEIR and Real Yields (in %)



Sources: Bloomberg, FRED

Fixed Income Fund

Performance Summary

Figure 10: Corporate Bonds - Investment Grade OAS 2024

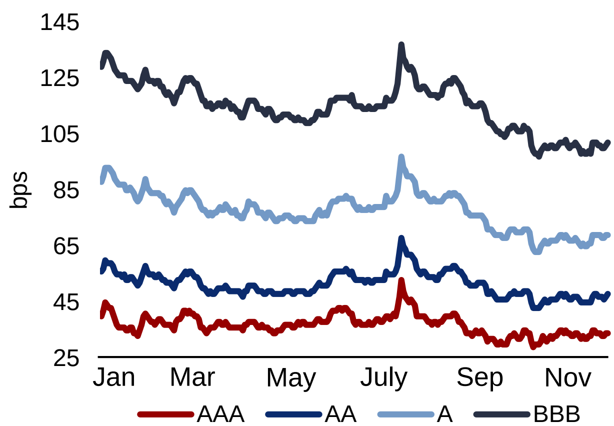


Figure 11: Corporate Bonds - High Yield OAS 2024

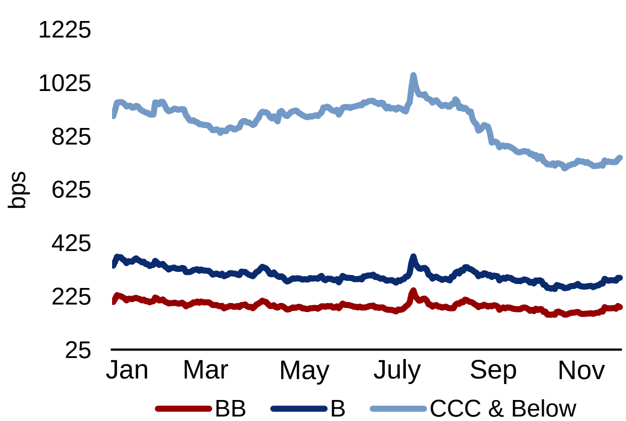


Figure 12: Corporate Bonds - High Yield OAS 2024

	2024 Δ OAS	EOY	10Y Avg.	Diff.
IG	**(13.94)**	**119.90**	**131.04**	**(11.14)**
Communications	(6.81)	149.95	163.85	(13.90)
Con. Discretion.	(13.52)	116.26	129.44	(13.18)
Con. Staples	(6.05)	113.00	117.64	(4.65)
Energy	(8.43)	142.88	174.41	(31.53)
Financials	(36.21)	142.89	178.23	(35.35)
Healthcare	2.02	129.55	119.82	9.73
Industrials	(2.38)	115.26	117.30	(2.04)
Materials	(10.49)	139.42	167.90	(28.49)
Technology	(2.77)	111.68	110.62	1.06
Utilities	(15.06)	134.05	135.96	(1.91)
HY	**(56.80)**	**328.34**	**452.1**	**(123.76)**
Communications	(33.90)	514.05	487.64	26.41
Con. Discretion.	(51.52)	285.15	408.05	(122.90)
Con. Staples	(51.88)	284.08	424.23	(140.15)
Energy	(25.11)	314.18	589.02	(274.84)
Financials	(82.73)	196.72	325.38	(128.66)
Healthcare	(93.79)	386.40	440.72	(54.32)
Industrials	(46.90)	247.13	459.91	(212.78)
Materials	(51.00)	302.59	408.13	(105.54)
Technology	(148.42)	316.89	428.15	(111.26)
Utilities	5.63	235.41	379.31	(143.90)

Investment Grade Bond Spreads - Overview

Similar to 2023 where all categories of corporate bonds saw yield compression, all credit bucket saw compression occurred over 2024. IG corporate bond credit spreads remain at historical low levels, ending 2024 in the first percentile of the 20-year range. Credit quality improved in 2024, driven by improving margins and reducing leverage. Entering 2025, we see debt-funded M&A as a potential risk. By sector, healthcare was the only one who expanded during the period. Financials demonstrated relative tightness compared to historical levels.

High Yield Bond Spreads - Overview

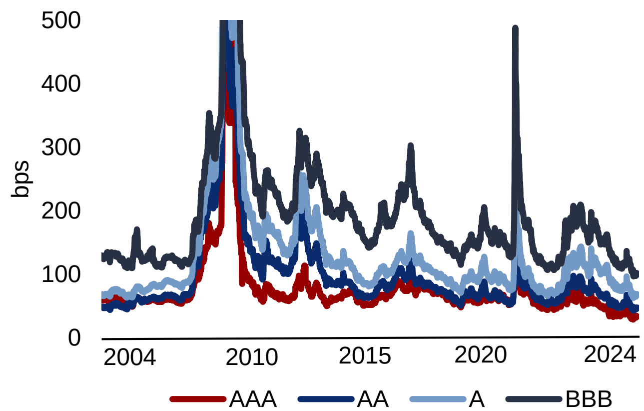
Compression was observed across all credit bucket and all sectors except utilities. CCC and below experienced the most significant compression. In fact, the bps compression was more pronounced in lower credit rating tiers, reflecting the impact of diminishing recessionary fears. With the lower rate environment in 2024, we have seen numerous high yield companies refinance under more advantageous terms, highlighting a decline in default rate and distress ratio. Compared to the last 20 years, high yield spreads are currently close to historic tights.

Sources: Bloomberg.

Fixed Income Fund

Performance Summary

Figure 13: 20-Year Context on Spreads



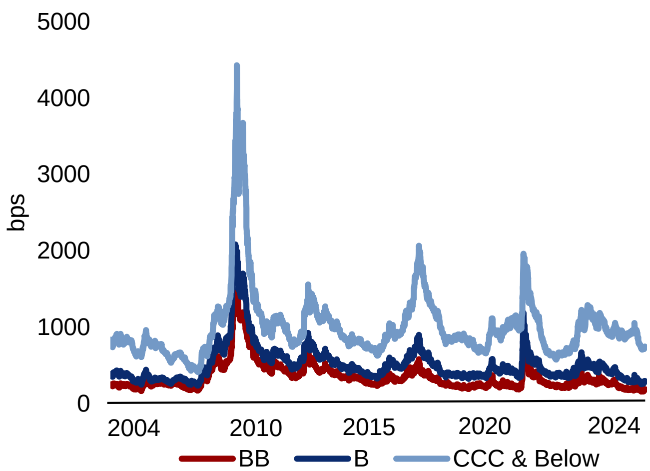


Figure 14: Spread Changes by Credit Rating

	2024 Δ OAS	EOY OAS	10Y Avg OAS	Difference
IG				
AAA	(6)	34	62	(28)
AA	(8)	48	73	(25)
A	(19)	69	100	(31)
BBB	(27)	102	163	(61)
HY				
BB	(19)	186	282	(96)
B	(45)	296	448	(152)
CCC	(156)	746	973	(227)

Sources: Bloomberg, DCM Calculations

Corporate Bond Sector highlights (Cont.)

IG Healthcare is the only sectors who saw spread expansion. Healthcare's poor performance was marked by headwinds from rising medical costs, inadequate reimbursement rates in the insurer space and most importantly policy uncertainty inherent in an election year. Heightened regulatory pressures stemming from the BIOSECURE Act and the FDA's phaseout of enforcement discretion for Laboratory Developed Tests (LDTs). These new regulations significantly affected diagnostics and biotech companies, increasing compliance costs and delaying product launches. Pharmaceutical giants such as Pfizer and Merck continued to grapple with the Inflation Reduction Act's (IRA) drug pricing provisions, further eroding profit margins. This underperformance unfollows 2023 trends, where healthcare saw a compression of roughly 20 bps. The next 4 years should be volatile for the sector, as the Trump administration has been very vocal about removing Obamacare and Biden policies on drug pricing,

HY and IG Financials saw strong compression in 2024, after ending 2023 with respectively a 105 and 18 OAS bps compression. The outperformance was primarily driven by interest rate cuts, stronger-than-expected employment figures, and renewed optimism following Trump's election in the last quarter of 2024. This optimism was fueled by expectations of pro-business policies and deregulation, particularly in the Banking sector. We think the sector is poised to outperform in the coming years from a credit perspective given those risks the upcoming Basel III Endgame implementation.

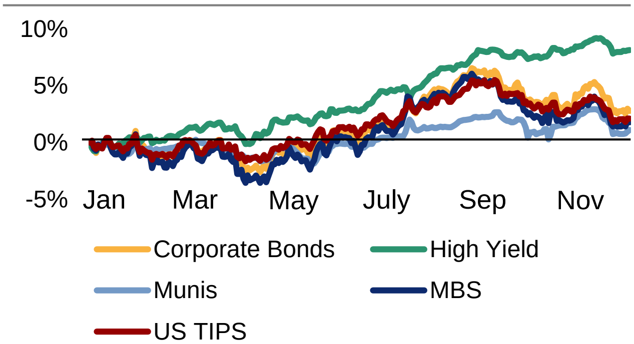
Corporate Bond Credit Rating Commentary

Similar to 2023, 2024 spreads continued to decrease in both corporate and high yield products. Expected rate cuts were realized throughout the year, driven by mixed or weak economic signals in addition to political uncertainty. In this environment, we prefer Investment Grade vehicles due to their strong fundamentals, macro positioning, and stable demand over various macroeconomic backdrops.

Fixed Income Fund

Performance Summary

Figure 15: 2024 Total Return by Asset



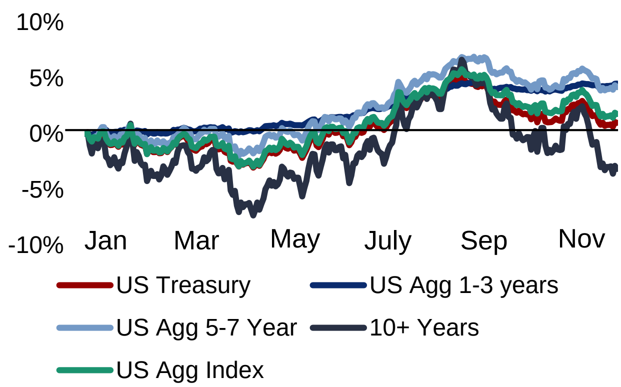


Figure 16: 2024 Total Return by Asset - Table

Asset	2024 Return	Asset	2024 Return
Corporate	2.79%	US Treasury	0.99%
High Yield	**8.16%**	Aggregate – 1-3yrs	4.51%
Municipal	1.12%	Aggregate – 5-7yrs	4.19%
MBS	1.79%	Aggregate – 10+yrs	**-3.14%**
US TIPS	2.12%	Aggregate	1.77%

Asset Returns

High-yield bonds delivered the highest total return, continuing to rally amid the rate hold and cut periods. Notably, the shift towards a more hawkish stance following the release of better-than-expected economic data supported this performance. Other securities, including MBS, TIPS, and corporate bond products, faced diminishing returns.

Regarding duration, short and medium-duration securities outperformed long-term products in an elevated rate environment. Notably, the 10+ year aggregate index has a depicted hit as the Fed pivoted hawkish in December and the yield curve normalized in Q4. Overall, this year's performance can largely be tied to shifts in interest rate policy following economic sentiment ratified through relevant economic data.

Asset Returns

The Fixed Income Fund positioned themselves well to manage these various trends. Our shorter-term US duration strategy was executed smoothly, allowing us to capture the upside seen in the related indices in Figure 16. Additionally, we continued to benefit from ETF high-yield exposure.

Moving forward, we feel it is appropriate to shift closer to the benchmark following the yield's inversion and noting our various points of analysis last semester have been realized.

Figure 17: Sources of Asset Return Data

Asset	Index	BBG Code
Corporate	Bloomberg U.S. Corporate Bond Index	LUACTRUU Index
High Yield	Bloomberg US High Yield Very Liquid (VLI) Index	BVLNTRUU Index
Municipal	Bloomberg US Municipal Bond Index	LMBITR Index
MBS	US MBS Index	LUMSTRUU Index
US TIPS	Bloomberg US Treasury Inflation-Protected Securities (TIPS) Index	LBUTTRUU Index
US Treasury	Bloomberg U.S. Treasury Index	LUATTRUU Index
Aggregate – 1-3yrs	Bloomberg U.S. Aggregate 1-3 Years Bond Index	LU13TRUU Index
Aggregate – 5-7yrs	Bloomberg U.S. Aggregate 5-7 Years Bond Index	I13282US Index
Aggregate – 10+yrs	Bloomberg U.S. Aggregate 10+ Years Bond Index	I05751US Index
Aggregate	Bloomberg U.S. Aggregate Index	LBUSTRUU Index

Sources: Bloomberg, DCM Calculations

Fixed Income Fund

Performance Summary

Figure 18: Fixed Income Fund vs Benchmark Aggregate Composition

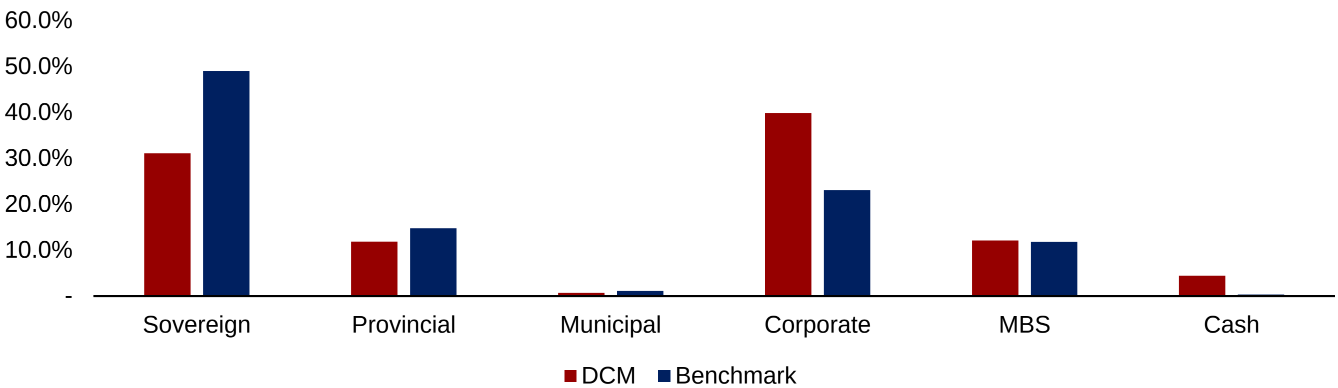
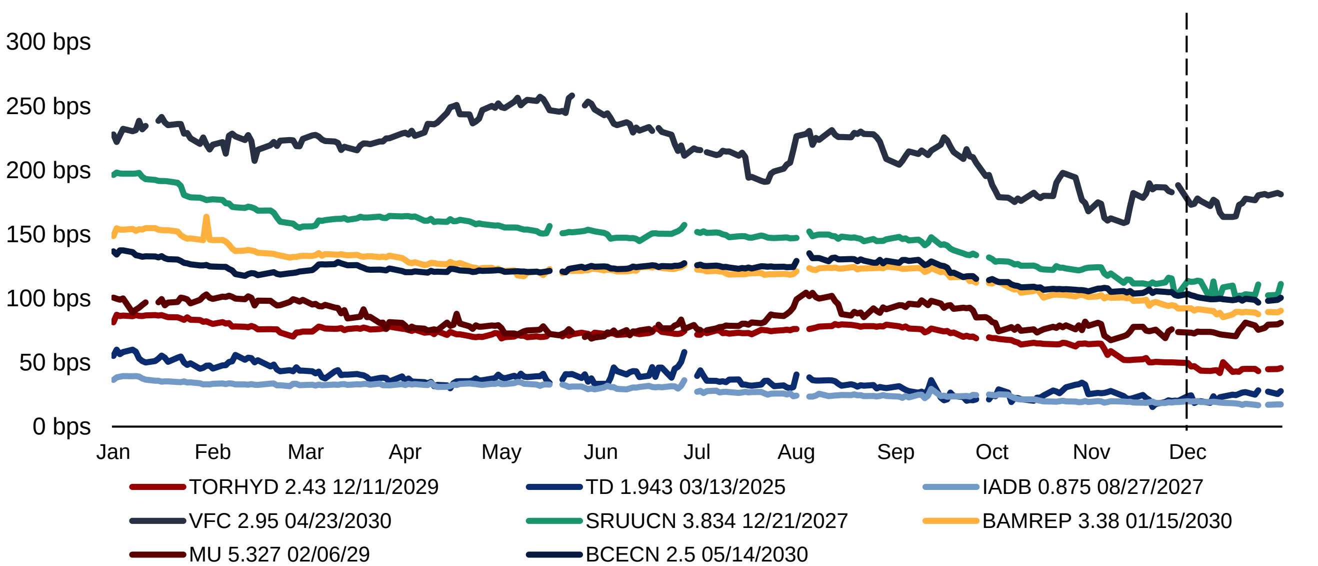


Figure 19: OAS of Fixed Income Funds Holding's 2024



Fixed Income Fund

Performance Summary

Figure 20: Duration of the Fund vs. Benchmark (As of Dec 31, 2024)

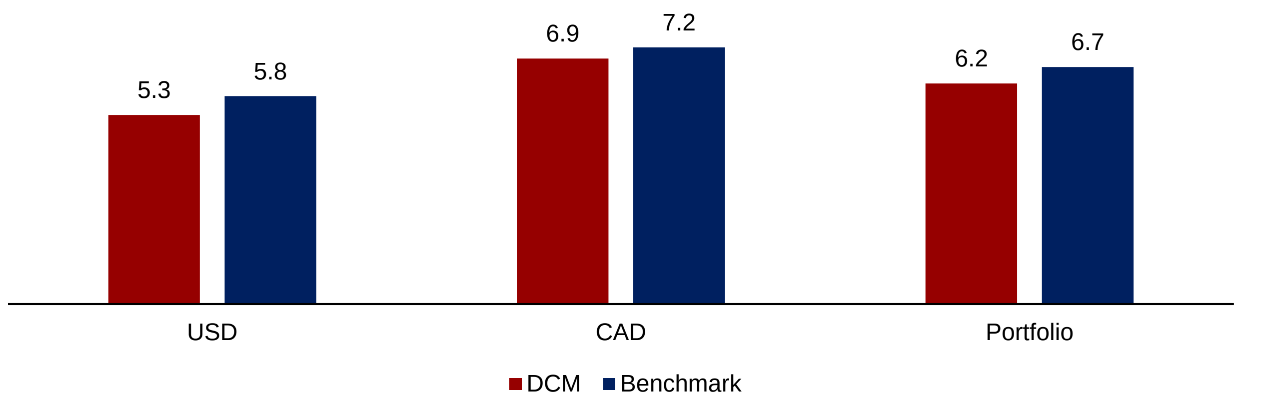
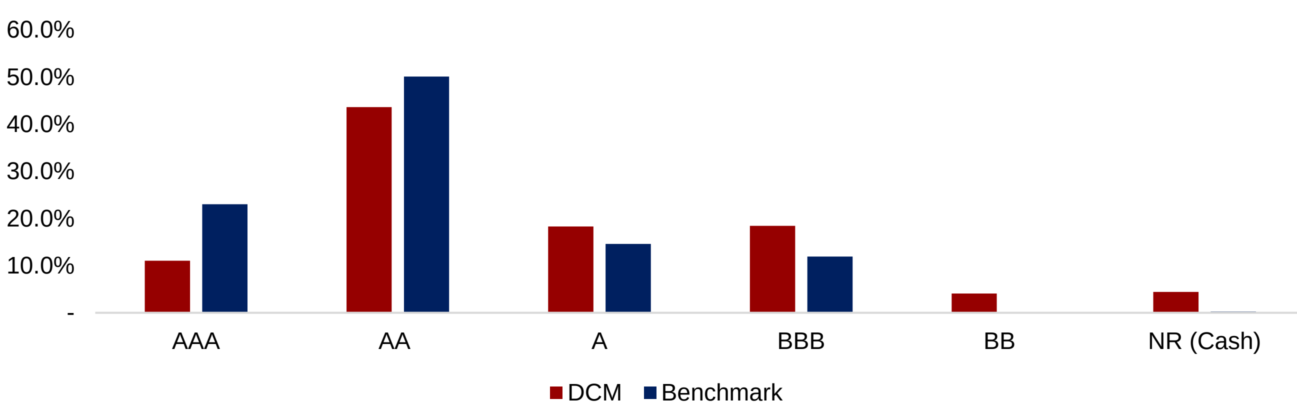


Figure 21: Fixed Income Fund's Credit Exposure (As of Dec 31, 2024)



Fixed Income Fund

Performance Summary

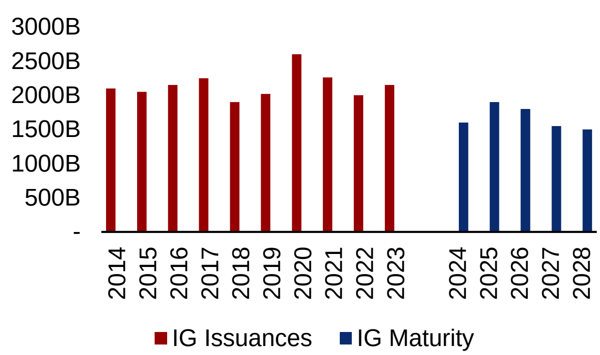
Duration Strategy

For the first three quarters of 2024 our fund's duration remained slightly long of the benchmark as we believed the Canadian and US economies were being propped up by unsustainable levels of consumer spending given their historically low savings rates and rising credit card defaults. At the end of Q3'24, our long duration strategy yielded ~1.3% of annualized alpha as the market became optimistic of incoming rate cuts. Then, following the FED's 50bps rate cut on September 8th, the market was pricing in an additional ~200bps of cuts between now and September 17th 2025 in order to combat a slowing labor market. However, during our Fund's strategic review in September we theorized that the US economy was in a much better position than what the market was anticipating based on low levels of layoffs data and jobless claims, elevated immigration, and divergence between real GDP growth and the PMI, explained by high levels of productivity. Hence, we shifted our funds duration from long to short (relative to our benchmark) using ETFs prior to September's non-farm payroll data release, resulting in significant outperformance as rate cut expectations drastically diminished. The reason rate cut expectations declined was due to very positive data with regards to the labor market and consumer spending. For instance, Sep.-Nov.-Dec. Non-Farm Payroll numbers surprised on the upside, with multiple 200k+ months, while initial jobless claims remain low relative to historical numbers, and stable. Moreover, unemployment closed the year at 4.1%, unchanged since June, and YoY CPI is back up to 2.9% after falling to 2.4% in Sep. Prior to updating our duration view, the market was pricing in 100bps of rate cuts for the remainder of 2024, while there were only two 25bps rate cuts for the end of the year. Also, the market reduced its Sep'25 rate cut expectations by 100bps relative to Sep'24. To conclude, the fixed income funds duration strategy allowed the fund to outperform its benchmark by 160bps net of fees in '24

Credit Exposure Strategy

At the beginning of the year, the Fixed Income team adopted a bullish outlook on the investment-grade (IG) segment of the credit market. This shift was driven by an imbalance between issuance levels and the maturity wall of high-yield (HY) bonds, making IG investments more appealing. By September, the team reaffirmed their positive stance on IG bonds, viewing them as more attractive than HY bonds. They focused on the persistent mismatch between the HY maturity wall and new issuances, which exerted upward pressure on spreads due to the supply-demand imbalance. This dynamic was seen as artificially tightening HY spreads.

Figure 23: Investment Grade Issuance Data



The team anticipated that as HY maturities approached, spreads in the sector would widen. IG bonds, in contrast, were less exposed to these challenges and saw spread compression driven by stronger credit metrics, a healthy supply-demand balance, and positive sentiment supported by a 50-basis-point rate cut and a potential soft landing for the economy. This view was reinforced by deteriorating HY credit fundamentals, including weaker Net Debt-to-EBITDA ratios and declining interest coverage, despite recent spread compression. HY spreads were also unusually tight relative to IG spreads.

Sources: Bloomberg, Federal Reserve, FRED, Trading Economics.

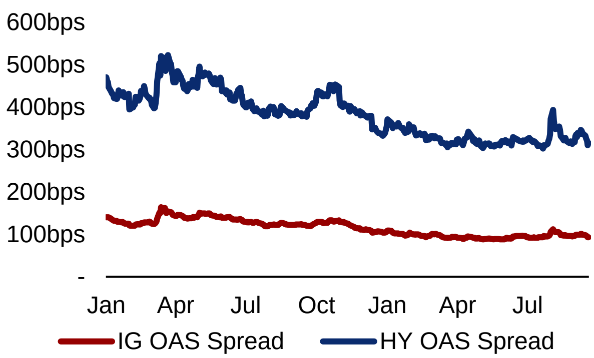
Fixed Income Fund

Performance Summary

Credit Exposure Strategy

At the start of 2024, the difference between option-adjusted spreads (OAS) of the HY and IG indices was 330 basis points. By September, this gap had narrowed to 222 basis points, reducing the potential for further HY spread compression and strengthening the team's conviction in IG bonds.

Figure 24: Bond spreads in 2024



Within IG, the team conducted a regression analysis on spreads, macroeconomic factors, and credit metrics. Key variables included the VIX, manufacturing new orders, bond volatility, interest coverage, and Net Debt-to-EBITDA ratios. The resulting equation was:

$$\text{Implied OAS} = 415.38 + 0.81\text{xMOVE} + 2.99\text{xVIX} + 16.46\text{xInterest Coverage} - 52.75\text{xNet Debt to EBITDA} - 0.0006\text{xManufacturing New Orders.}$$

The analysis highlighted the BBB-rated bucket as the most attractive opportunity within IG. The team identified an implied OAS for this segment that was 17 basis points lower than current market levels, underscoring its potential as a compelling investment.

Currency Strategy

Last semester, the fixed income team decided to overweight the USD relative to our benchmark. This decision was driven by our outlook on housing, interest rates, labor markets, and commodities. We identified a weaker Canadian housing market, influenced by regulations encouraging short-term mortgages, which accelerated the timeline for rate cuts. In addition, the U.S. labor market remained robust compared to Canada's persistently fragile economy. Furthermore, an analysis of FX performance during past rate-cutting cycles, combined with our view on the U.S. election and its potential impact on Canada, supported our long USD position. Since then, USDCAD has appreciated from approximately 1.35 to 1.43 (~6% appreciation), reaching levels not sustained for a prolonged period since 2003. This rise is mainly due to continued economic weakness in Canada and the election of President Trump whose tariffs will be largely influential for Canada. After thorough evaluation, we now believe the relative upside of the USD against the CAD has significantly diminished. As a result, we will no longer maintain this bias and will adjust our portfolio strategy accordingly for the coming year.

2025 Outlook

As a higher for longer outlook for US rates is being priced as consensus following stronger than expected unemployment and inflation data to end the year, it is important to reconsider our short duration stance. As of January 20th, futures markets imply only 1-2 rate cuts for the entirety of 2025, with a target range of 400 – 425 bps being considered the most likely scenario. The fund's modified duration to end the year was 6.2 compared to the benchmark duration of 6.7. With such limited expectations for rate cuts, there is little upside in maintaining a short duration position based on our view that it is unlikely for rates to be raised over the next year.

Sources: Bloomberg, Federal Reserve, FRED, Trading Economics.

Fixed Income Fund

Performance Summary

Furthermore, the median view on the fed-dot plot suggests a target range of 375 to 400 bps by the end of the year, slightly more dovish than market expectations. While recent CPI and unemployment prints suggest a hot economy, there are some signs of cooling. Wage growth continued to decline rapidly, reaching 4.2% in Dec compared to a peak of 6.7% in June 2022. Additionally, while CPI started to reaccelerate to end the year, this is mostly due to energy prices, with core CPI in December coming in below expectations at 3.2%. However, it's also important to note that Trump's tariff policies could influence the path of the fed funds rate by contributing to heightened inflation. There isn't a consensus on how much his policies will contribute to inflation, with Christopher Waller (member of the Fed's board of governors) saying that he expects tariffs to "not have a significant or persistent affect on inflation." Given the potential for Trump's unpredictable policies to impact the cutting cycle, we aim to position neutral and focus more on alpha generation through identification of idiosyncratic credit stories. Conversely on the Canadian side, significant tariffs from the US could push the country towards recession given the already high indebtedness of households relative to income. This could put downward pressure on Canadian yields, where we see a greater chance of fast cuts

Credit spreads in 2024 tightened across the board, with greater compression in high yield credit compared to investment grade primarily due to the narrative that a recession would be unlikely becoming more popular as the year concluded. We maintain the view that IG credit is more attractive than HY given that high yield spreads are tighter than historical averages (45% below 27-yr average excluding GFC) compared to investment grade (38% below 27-yr average excluding GFC).

We this as being driven by unusually low supply, with high yield issuance over the past few years being very limited compared to historical levels as a result of a higher rate environment. With HY issuers facing a large maturity wall in the coming years, more higher levels of issuance could cause spreads to widen.

Figure 25: US Yield Curve (As of Jan 29, 2025)

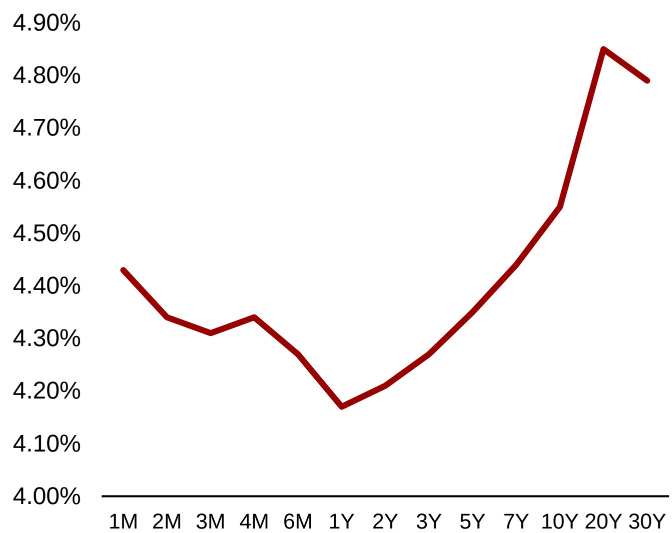
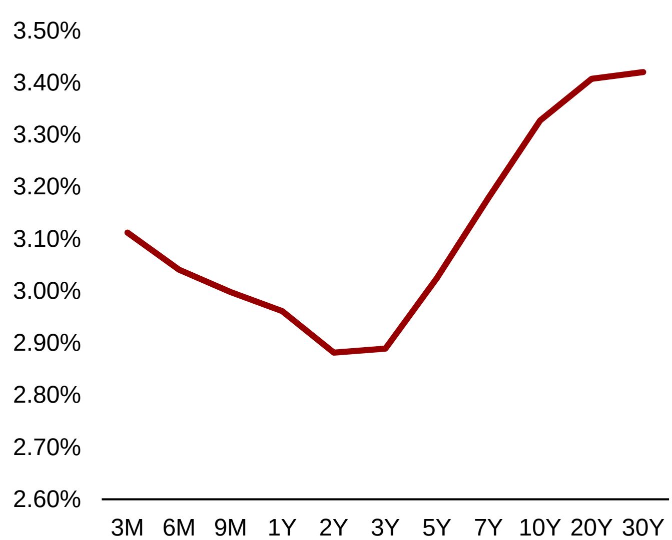


Figure 26: Canada Yield Curve (As of Jan 8, 2025)



Sources: Bank of Canada, FRED, National Bank Financial Markets, JP Morgan Asset Management, Morgan Stanley

Fixed Income Fund

Key Holdings Review – Bell (2.500% 2030) – Sold

Company Overview

- BCE Inc., a telecommunications and media company, provides wireless, wireline, Internet, and television (TV) services to residential, business, and wholesale customers in Canada.
- BCE Inc. was founded in 1880 and is headquartered in Verdun, Canada.
- The company operates through two segments: Bell Communication and Technology Services (CTS) and Bell Media. The Bell CTS segment includes both wireless and wireline products and services.

Investment Thesis

1. Market is Underestimating Competitors' Risks

Our original thesis was centered around Rogers' underperformance in wireless (not true anymore) and TELUS Health (not that material anymore). Rogers is now riskier due to higher leverage, while TELUS is similar to Bell in terms of risk profile.

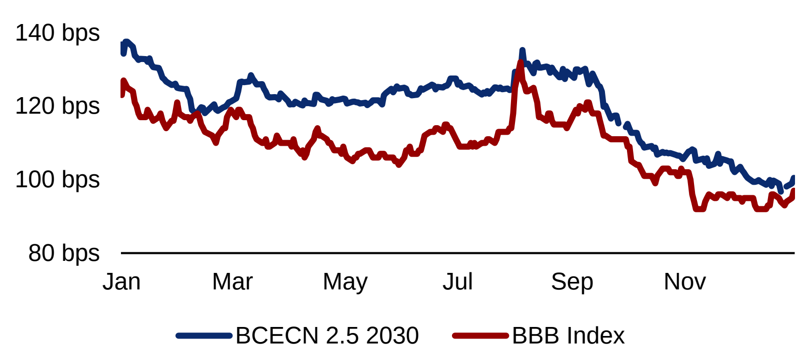
2. Market is Overestimating BCE's Upcoming Capex-Related Risks

BCE successfully implemented their CapEx spending in 2023, following guidance to a tee. We see this thesis as materialized; however, it appears the market expected this execution all along.

Performance and Outlook

- **Changing Industry Dynamics:** The Canadian telecom industry in 2024 was defined by one key trend: promotional offers. Across the board, we observed declining ARPU as major telecom companies competed fiercely over a limited customer base. Given the lack of clear product differentiation among these players, heightened competition is expected to continue.
- **Divestures:** In 2024, Bell intensified its cost-cutting efforts through multiple divestitures that moved away from its core products. These included the sale of Northwestel, the largest telecommunications provider in the North, for $1 billion, and the sale of its stake in Maple Leaf Sports & Entertainment for $4.7 billion, among others.
- **Financial Stability:** In 2024, Moody's downgraded BCE Inc. to the brink of junk status, lowering its issuer rating to Baa3 due to concerns over the company's earnings growth lagging behind its rising debt. "Bell Canada has consistently moved Debt/EBITDA up annually since 2019 and has not demonstrated any commitment to deleveraging while maintaining a dividend growth model," the report noted, adding that this raised governance risk and contributed to the downgrade
- **Position Change & Outlook:** The fixed income team believes that heightened competitive pressures will offset the benefits of reduced capital expenditures and that management has demonstrated unreliability in addressing bondholder concerns. Despite this, the bond is currently trading at its lowest OAS in years. As we do not share the market's optimism for this Canadian stock market favorite, the fixed income team decided in November to close its position in the Bell 2030 2.5% bonds.

Bond and Sector Benchmark Performance OAS



Position Snapshot

Purchase Date	2021/12/21
Average Cost	C$98.55
Value Invested	C$98,550
Value Sold	C$92,710
Δ OAS (2024)	(36 bps)
Δ BBB Index OAS (2024)	(29 bps)

Sources: Capital IQ, Company Filings

Fixed Income Fund

Key Holdings Review – Toronto-Dominion Bank (1.943% 2025)

Company Overview

- TD Bank is the 2nd largest bank in Canada and one of the 10 largest banks in the United States.
- The company provides a wide range of financial products and services around the globe with operations in Canadian retail banking, U.S. retail banking, wealth, insurance, commercial and wholesale banking.
- TD has more than 26 million customers, a network of 2,300 branches, and 6,000 ATMs across North America

Investment Thesis

1. Bond is Trading at a Higher Spread Despite Stronger Fundamentals

Our bond trades slightly wider than its peers as maturity approaches. This was in major part due to the struggles that occurred related to the AML Lawsuit– Thesis Incorrect

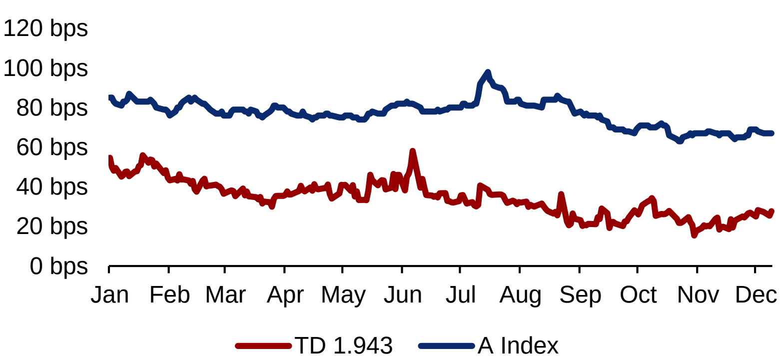
2. Spread widening attributed to acquisition is likely temporary

Following the termination of the $US13.4B acquisition of First Horizon, our bond has compressed significantly. – Thesis materialized

Performance and Outlook

- **Anti-Money Laundering Legal Issues:** In 2024, TD Bank was significantly impacted by anti-money laundering compliance failures, resulting in over $3 billion in fines and an asset cap limiting its growth. These issues highlighted gaps in risk management and led to leadership changes. The bank is expected to stabilize and regain investor confidence as it resolves regulatory concerns and focuses on sustainable growth under new leadership.
- **TD Cowen Synergies:** Following its acquisition of Cowen in March 2023, TD has finally achieved the implementation of Cowen to has of its businesses. Consequently, this has resulted in significant growth and performance from the Wholesale Banking sector, which saw significant top-line and margin improvements following the complete integration of both platforms.
- **Change in Management:** On September 19th, TD announced that its current CEO Bharat Masrani will be parting ways with the company, primarily due to the bank's significant anti-money laundering (AML) compliance failures that occurred under his leadership. Initially, current COO Raymond Chun was expected to replace Masrani on April 10th 2025, although the change has been accelerated and will take place on February 1st. The Big 6 bank also announced that it will be reducing the compensation of 41 of its current executives.
- **Outlook:** We believe TD will reaffirm its position among the Big 6 banks as it roles out the necessary adjustments in its U.S. Retail business, while benefitting from some evident momentum in its other core business lines. This is evidenced by the clear improvements we are already seeing in its key financial metrics. Moreover, the market is optimistic about management changes, as it believes its new CEO can steer them in the right direction.

Bond and Sector Benchmark Performance OAS



Position Snapshot

Purchase Date	2022/12/16
Average Cost	U$24.76
Value Invested	U$21,294
Portfolio Weight	2.9%
Δ OAS (2024)	(27 bps)
Δ A Index OAS (2024)	(21 bps)

Sources: Capital IQ, Company Filings, Statista

Fixed Income Fund

Key Holdings Review – SmartCentres (3.834% 2027)

Company Overview

- SmartCentres Real Estate Investment Trust is a diversified Canadian REIT that manages approximately $11.7 billion of investment properties spanning 34.8M square feet of leasable area.
- Its revenue is primarily from two sources, rental income from retail, office, apartment, and self-storage, and development income from condominium and townhome sales. Its commercial tenants include national retailers such as Walmart, Canadian Tire, and Loblaws.

Investment Thesis

1. Overestimated Recessionary Risks for REITs

Multifamily REITs remain resilient during recessions due to the necessity of housing. Lower interest rates in such periods reduce borrowing costs, boosting profitability and supporting portfolio growth.

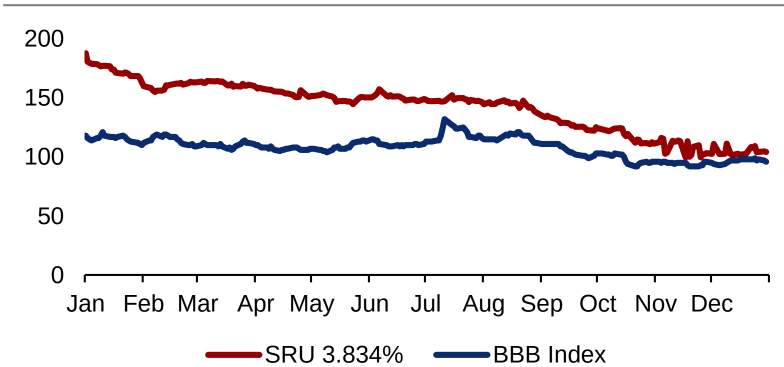
2. Switching Costs Encourage Staying with SRU

Tenant renewal rates rose to 88.1% from 84.2% in Q3'23, while renewal leasing spreads neared record highs at 8.9%. The strong recovery in occupancy reflects high demand and SRU's leasing success.

Performance and Outlook

- **Spread Narrowing:** SRUs compression reflects systematic factors such as the Bank of Canada's interest rate cuts, which have broadly impacted spreads across the market, and idiosyncratic factors, including SRU's focus on debt repayment and specific portfolio management strategies that influenced its spread performance relative to peers.
- **Strong Operational Performance:** SRU's SPNOI has increased 4.9% y/y, driven by systematic factors such as higher rents on renewals and releasing initiatives, which benefited from strong occupancy levels and robust leasing spreads. Idiosyncratic factors, including SRU's focus on closing condo deals and strategic management of gross leasable area, further contributed to its performance, offsetting rising property operating costs.
- **Quality Pipeline:** SRU's development pipeline has progressed with key completions like 106 units in Transit City 4 & 5 ($2.7 million FFO) and a 133,000-sq.-ft. self-storage facility in Markham. Projects like Vaughan NW townhomes (83% pre-sold) and ArtWalk Phase I (93% pre-sold) highlight strong demand. SRU's focus on residential pre-sales and self-storage developments ensures steady growth despite economic challenges.
- **Outlook:** SmartCentres REIT faces challenges from elevated leverage and significant FY25 refinancing obligations but remains supported by strong portfolio occupancy and steady SPNOI growth. Management's focus on asset sales and cautious capital allocation highlights a disciplined approach to navigating current headwinds. While refinancing costs may pressure margins, proactive debt reduction and stable leasing spreads are expected to help maintain financial stability and position the REIT for modest growth.

Bond and Sector Benchmark Performance OAS



Position Snapshot

Purchase Date	2022/12/16
Average Cost	U$24.76
Value Invested	U$21,294
Portfolio Weight	5.7%
Δ OAS (2024)	(76 bps)
Δ BBB Index OAS (2024)	(29 bps)

Sources: Capital IQ, Company Filings, Statista

Fixed Income Fund

Key Holdings Review – VFC (2.950% 2030)

Company Overview

- VF Corporation is an American global apparel and footwear company owning 11 well-recognized brands like Vans, Timberland, The North Face and Dickies.
- VFC, with a market cap of $8 billion, operates mostly in the Americas, accounting for 52% of its sales, but also has a big presence in Europe and Asia-Pacific.
- The company primarily sells through their huge wholesale channel, but also DTC with brick-and-mortar stores.

Investment Thesis

1. Market Underestimates Van's Turnaround Potential

While Vans has recently faced negative growth, the brand is taking proactive steps to recover. A new management team and revamped marketing strategies are driving the turnaround efforts.

2. New Management will Mend the Balance Sheet

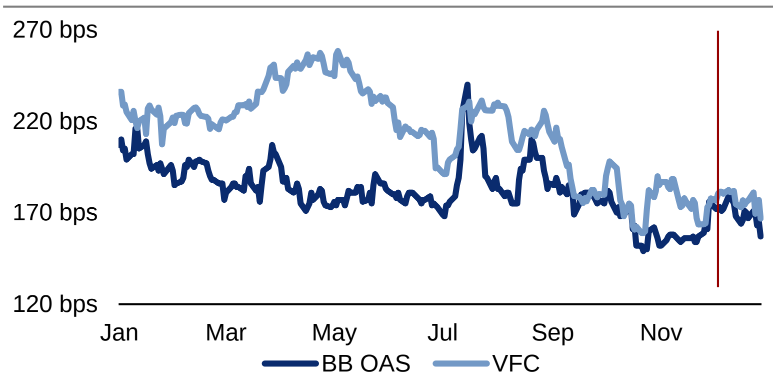
The newly appointed CEO, known for successful turnarounds, has committed to reducing leverage and improving the company's balance sheet with a clear, actionable plan.

Performance and Outlook

The Fixed Income (FI) team recently took a position in VFC (exact date to be confirmed) and is now eagerly awaiting the company's third-quarter earnings report, scheduled for January 28th. Despite a relatively quiet period since the investment, several developments have reinforced the team's confidence in a potential turnaround

- **Operational Performance:** Shortly before FI's pitch for VFC, the company reported its Q2 results, demonstrating notable improvements in both operational efficiency and financial health. VFC exceeded earnings expectations by $100 million, with a narrower 11% decline in Vans' revenue compared to the 21% drop recorded in Q1 of the fiscal year. Additionally, the company surprised investors with earnings per share (EPS) of $0.60, significantly outperforming the $0.37 expected. These positive results led to a 16% surge in the company's share price.
- **Deleveraging Efforts:** VFC continues its deleveraging efforts, aiming to meet its target leverage ratio of 2.5x. These efforts are supported by ongoing inventory clean-up initiatives and cost structure optimization for the brand. The company remains on track to achieve $300 million in cumulative cost savings for the year, having already added $65 million in savings during Q2 alone. VFC has made meaningful progress in its transformation strategy, reducing costs, streamlining operations, and strengthening its balance sheet.
- **Outlook:** The FI team remains optimistic about VFC's ability to turn around the Vans brand and address operational challenges in the Americas by the end of fiscal year 2025. The team expects that new marketing strategies for Vans and operational improvements in the Americas will begin to yield results by this time. This progress is anticipated to set the stage for significant spread compression in the company's bonds in FY 2026, driven by improved performance and stronger fundamentals.

Bond and Sector Benchmark Performance OAS



Position Snapshot

Purchase Date	2024/12/21
Average Cost	USD$86.85
Value Invested	USD$43,425
Portfolio Weight	4.1%
Δ OAS (2024)	(69 bps)
Δ BB Index OAS (2024)	(31 bps)

Sources: Capital IQ, Company Filings, Statista

Fixed Income Fund

Key Holdings Review – Toronto Hydro Corporation (2.430% 2029)

Company Overview

- Toronto Hydro Corporation is a holdings company that wholly owns two subsidiaries, Toronto Hydro-Electric System Limited and Toronto Hydro Energy Services Inc.
- The former owns and operates an electricity distribution system that delivers electricity to approximately 790,000 customers located in Toronto, while the latter provides street lighting and expressway lighting services. Toronto Hydro is entirely owned by the city of Toronto.

Investment Thesis

1. Benefits related to operating in a supportive regulatory environment are underestimated

Operating in a supportive regulatory environment is crucial for facilitating projects and financial planning.

2. Benefits related to operating in a strong and growing franchise area are underestimated

Toronto is a strong and growing franchise area with positive migration trends.

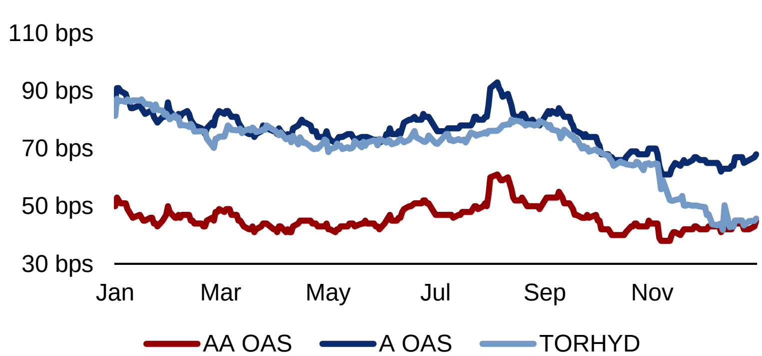
3. THC's strong financial profile will ensure continued debt repayment

THC has continually paid down their debt while balancing issuance of debentures and dividends.

Performance and Outlook

- **Operational Performance:** THC reported a revenue increase for the nine months ended September 2024, reaching $2,204.2 million compared to $1,995.9 million in the prior year. Notably, Q3 energy sales rose to $794.0 million from $726.8 million, driven by higher commodity prices, increased retail transmission charges, and elevated WMS charges.
- **Credit Rating Upgrade:** On September 27th, the company's credit rating was upgraded from A to A+, following the recent upgrade of the City of Toronto's rating from AA to AA+. This was further supported by THC's strong financial performance throughout 2024.
- **Financial Performance:** THC achieved a reduction in net debt leverage in Q3 2024, improving to 6.59x from 7.57x during the same period in 2023. The company delivered strong financial results through lower capital expenditures and adherence to its robust debt repayment program
- **Issuances:** As of Q3 2024, THC issued Series 22 on September 26th, 2024, amounting to $250 million in 3.99% senior unsecured debentures.
- **Outlook:** With a renewed distribution license, a stable regulatory environment, a newly appointed board of directors, and an enhanced credit rating for both the company and the city it serves, THC continues to demonstrate strong earnings and results. Given its pivotal role in powering the growing metropolitan area of Toronto, we remain confident in holding our position.

Bond and Sector Benchmark Performance OAS



Sources: Capital IQ, Company Filings, Statista

Position Snapshot

Purchase Date	2021/12/21
Average Cost	C$102.45
Value Invested	C$102,450
Portfolio Weight	6.4%
Δ OAS (2024)	(36 bps)
Δ A Index OAS (2024)	(21 bps)

Fixed Income Fund

Key Holdings Review – Micron Technology(5.327% 2029)

Company Overview

- Micron Technology is a leading global provider of semiconductor solutions, specializing in memory and storage technologies. The Co's operates a vertically integrated business model, from silicon wafers to finished memory products
- Its revenue is primarily from two sources, DRAM (dynamic random-access memory) and NAND flash memory chips. Its DRAM and NAND production accounts for 20 % of the global market share. Micron is the largest memory chip manufacturer in the United states

Investment Thesis

1. Micron's Strong Balance Sheet is Paving the Road for a Credit Upgrade

While 2023 saw this thesis not hold, 2024 was a great year Micron as it has been able to generate positive FCF and increase credit metrics. Thesis holds

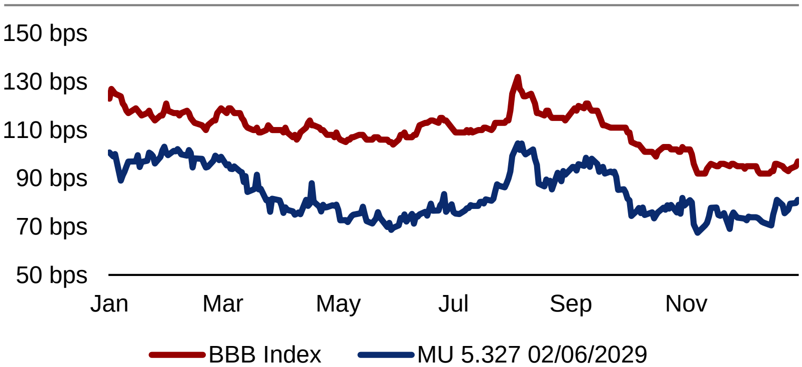
2. Strong top-line growth in Micron's customer base offers support in market downturn

Micron's current product mix has proven that their compute and networking business unit (primarily serving data centers) is capable of cushioning depressed consumer demand periods. Thesis holds

Performance and Outlook

- **Bond Performance:** In 2024, Micron was a good performer for the fixed income fund, with an OAS compression of ~21 bps. This represents slightly lower compression than the S&P US IG BBB Corp Index benchmark which compressed by ~28 bps.
- **Strong Financial Performance:** Micron reported strong earnings throughout the year for its HBM segment, seeing growth from the AI and data center capex pileup that has driven market returns in 2024. However, we have seen weaker than expected consumer segment results.
- **US–China Chip War:** Despite Micron being banned from China, the Co has received significant financial support from the US. We expect this support to continue, due to Micron's technology being critical to many industries, such as innovation and defense.
- **Industry Developments:** The semiconductor industry experienced a strong rebound in 2024, driven primarily by the growing demand for AI infrastructure and advanced memory solutions. Global semiconductor sales reached an all-time high of $611 billion, representing a 16% growth from the previous year
- **Optimism for 2026 and Beyond:** Micron's strong performance has been a function of the growing need for memory and RAM across the globe as personal devices become increasingly demanding and artificial intelligence has become the main focus for many leading technology firms in the world. We see these trends continuing in the future and believe Micron will be at its forefront.

Bond and Sector Benchmark Performance OAS



Position Snapshot

Purchase Date	2023/03/01
Average Cost	U$98.25
Value Invested	U$39,300
Portfolio Weight	3.9%
Δ OAS (2024)	(21 bps)
Δ BBB Index OAS (2024)	(29 bps)

Sources: Capital IQ, Company Filings, Statista

Fixed Income Fund

Key Holdings Review – Brookfield Renewable Partners (3.380% 2030)

Brookfield

Company Overview

- Brookfield Renewable Partners is one of the world's largest pure-play renewable power platforms with four main energy sources: Wind, Hydroelectric, Solar, and Distributed Energy. The company is geographically diversified with 58% of revenue coming from North America, 21% from South America, and 17% from Europe.
- BAMREP's generation portfolio consists of 35,200 megawatts of capacity, 200,000 megawatts in the development pipeline, and 57 thousands metric tons per annum of carbon capture and storage.

Investment Thesis

1. BAMREP's top line profile supports high quality cash flows

In Q3 2024, BAMREP reported that its generation portfolio was over 80% contracted with the majority of revenues linked to inflation. This thesis remains stable.

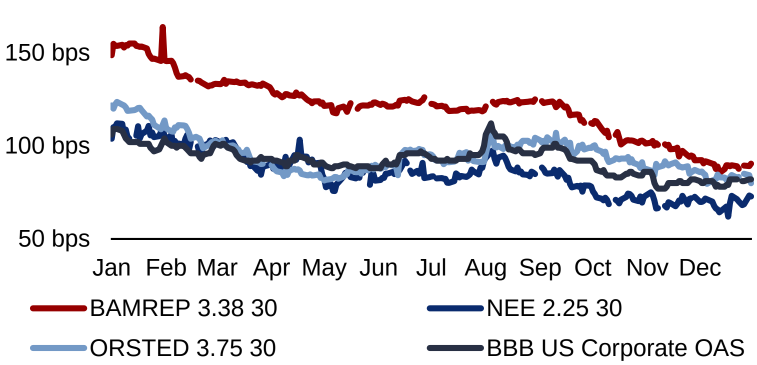
2. BAMREP's aggressive growth strategy is not adverse for creditors

As of Q3'24, Around 89% of the company's borrowings are project level non-recourse debt. BAMREP continues to progress on asset recycling initiatives This thesis remains stable.

Performance

- **Operational Performance:** In the nine months ended September 30th, 2024, BAMREP had $4.444 billion in revenue, up 20% from the same period in 2023. Funds from operations improved to $913 mm compared to $840 mm in the first nine months of 2023. FFO per unit improved to $1.38 compared to $1.29 over the same period in 2023. Improvements in revenue were driven by higher realized prices and growth in capacity. Recently acquired and commission facilities contributed 12,548 gigawatt hours (GWh) of generation and $648 mm to revenues. This was offset by asset sales which reduced generation 823 GWh and revenues by $63 mm. On a same-store, constant currency basis, revenues improved by $69 mm due to higher realized prices on the back of inflation. BAMREP generated 59,721 GWh of energy in the first nine months of 2024, compared to 52,698 in 2023.
- **Strategic Partnerships:** BAMREP continued to seek out corporate contracting opportunities in Q3, 2024, securing contracts to deliver an incremental 6,100 GWh of clean energy annually. In the first nine months of 2024, BAMRREP committed to invest over $11 billion (almost $1.5 billion net to Brookfield Renewable in acquisitions and growth initiatives).
- **Asset Recycling:** The company has continued to progress on asset recycling initiatives. In the first nine months of 2024, BAMREP executed asset recycling activities which have generated over $2.3 billion in proceeds ($1 billion net to Brookfield Renewable. On an aggregate basis, the company's asset sales have generated a 25% IRR and the 2.5 times multiple on invested capital.

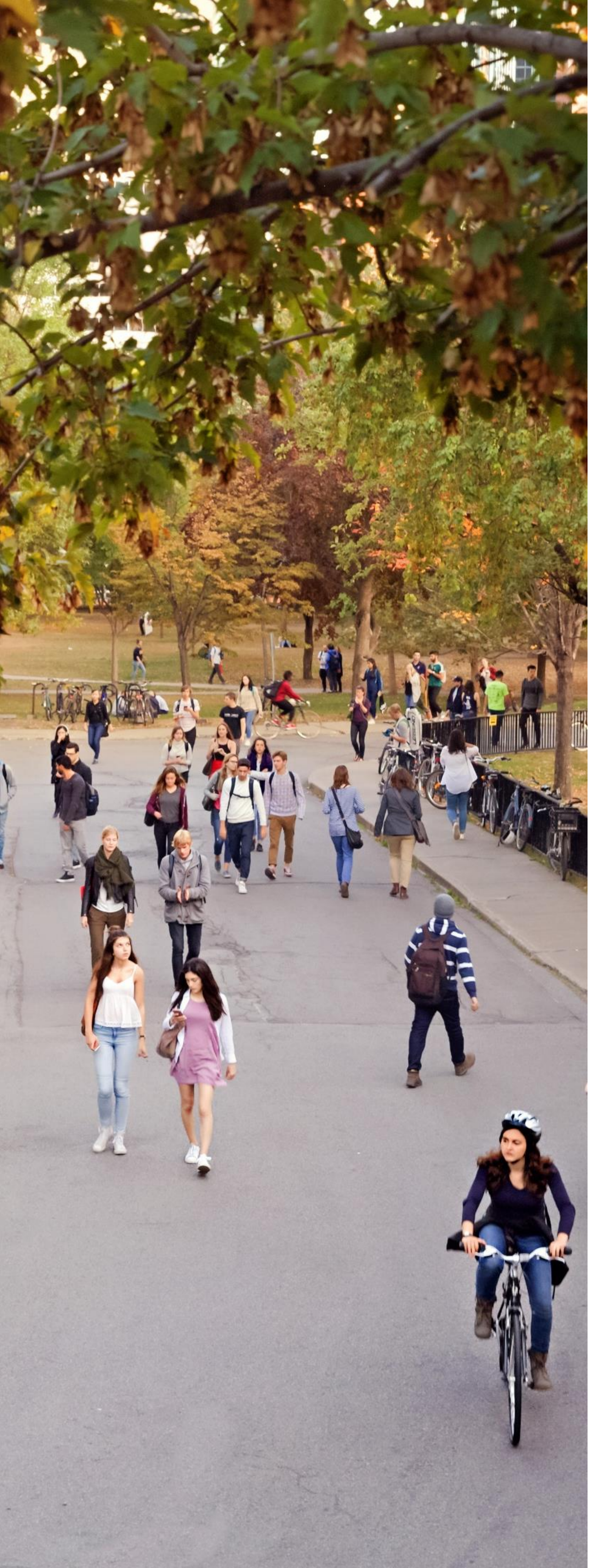
Bond and Sector Benchmark Performance OAS



Sources: Capital IQ, Company Filings

Position Snapshot

Purchase Date	2021/01/21
Average Cost	C$110.59
Value Invested	C$93,999
Portfolio Weight	6%
Δ OAS (2024)	(58 bps)
Δ BBB Index OAS (2024)	(29 bps)



Global Equity Fund

Global Equity Fund

Fund Performance and Outlook

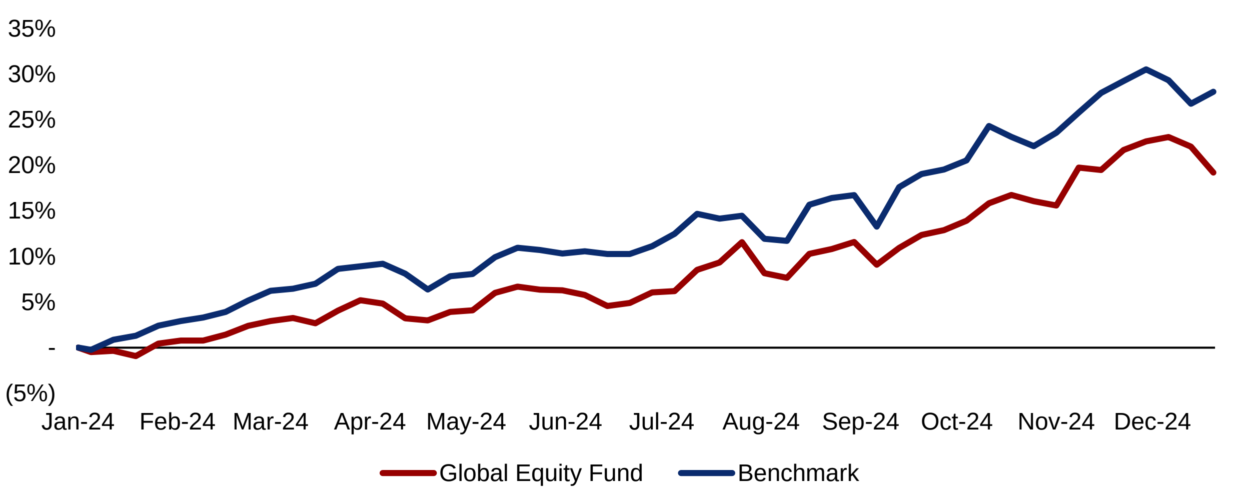
Dear Investors,

We are happy to report that the Global Equity Fund returned 19.7% gross of fees in 2024. It was of course a great year for the equity asset class as robust economic data saw recession fears shift to a soft-landing consensus and interest rates saw numerous cuts. By comparison, our benchmark (60% S&P TSX, 40% S&P 500) was up 27.3%.

Indeed, 2024 was a challenging year for active managers in terms of relative performance, with 80% of funds trailing their index benchmarks. The underperformance was largely due to underexposure to the so-called Magnificent 7 (Nvidia, Apple, Amazon, Meta, Alphabet, Tesla and Microsoft), which make up over 30% of the S&P 500 and outperformed the index by an average of 50% in 2024.

Unfortunately, the Global Equity Fund was underexposed to those stocks this past year as we were largely focused on identifying modestly valued companies with robust businesses, high Return on Invested Capital (ROIC) and substantial competitive advantages. At the end of 2024, however, we decided to reduce our tracking error by adding a Mag 7 ETF to the fund.

Figure 1: Global Equity Fund Performance in 2024



**Note: Performance is calculated gross of fees. Management fee is 1.5% per annum. Benchmark is 60% S&P TSX, and 40% S&P 500 (measured in CAD).*

Sources: Bloomberg, CIBC Mellon

Global Equity Fund

Fund Performance

Best and Worst Performers

This year, our bottom-up stock selection process yielded a handful of great wins and some losses. Figure 2 shows our best and worst holding period returns (HPR) for 2024.

Figure 2: Best and Worst Performing Holdings, 2024

Sector	Company	2024 HPR
TMT	LIVE NATION	41%
Consumers	SleepCountry	37%
TMT	T Mobile	36%
Material	Nutrien	-15%
Healthcare	BAYER	-48%
Energy	shoals	-64%

Live Nation (NYSE:LYV) led our portfolio with a 41% return in 2024, buoyed by a robust recovery in global live events and strategic expansions into new markets.

Sleep Country (TSE:ZZZ) in the Consumers sector achieved a 37% gain, after being acquired by Fairfax for 35$ cash per common stock.

T-Mobile (NASDAQ:TMUS) excelled in the TMT sector with a 36% increase, benefiting from its successful integration of Sprint and aggressive 5G rollouts, capturing significant market share.

Conversely, Nutrien (NYSE:NTR) faced a 15% decline due to global supply chain issues affecting its agricultural products, though its long-term prospects remain stable.

In Healthcare, Bayer (ETR:BAYN) saw a 48% drop, largely due to litigation costs and regulatory challenges, prompting a strategic review of its operations.

Shoals Technologies (NASDAQ:SHLS) in Energy recorded the most significant drop of 64%, with reduced subsidies and high competition in the solar market impacting its performance.

In 2024 we added nine stocks to the portfolio: Aon, Bayern, Live Nation, Nutrien, Veralto, Citi, Airbus, Energy Transfer and Illumina. More recently we added Valaris and CBL Properties . Full details on these holdings, as well as our sector outlooks are provided in the sections that follow.

We are immensely grateful for our investors' continued support and trust, which have been instrumental in our progress and success. Our commitment to strategic growth and operational excellence remains unwavering, and we look forward to delivering even more impressive results in the coming year.

We would like to close with a quote by Seth Klarman, CIO of Baupost Group, which sums up our investment philosophy: "A margin of safety is achieved when securities are purchased at prices sufficiently below underlying value to allow for human error, bad luck or extreme volatility“.

Sources: Bloomberg, CIBC Mellon

Figure 3: Global Equity Fund Returns

Performance Metrics Since Inception	Equity Fund	Benchmark
Annualized Return	8.1%	10.5%
Annualized Standard Deviation	14.1%	12.7%
Annualized Sharpe Ratio	0.41	0.69
Beta	0.97	
Annualized Gross Alpha	(2.3%)	
Annualized Tracking Error	6.9%	

Performance metrics are calculated gross of fees. Benchmark is 60% S&P TSX and 40% S&P 500 measured in CAD.

Performance Metrics 2024	Equity Fund	Benchmark
Return	19.7%	27.3%
Annualized Standard Deviation	8.8%	9.2%
Sharpe Ratio	2.0	2.8
Beta	0.95	
Alpha	(6.4%)	
Annualized Tracking Error	6.0%	

Performance metrics are calculated gross of fees. Benchmark is 60% S&P TSX and 40% S&P 500 measured in CAD.

Sources: Bloomberg, CIBC Mellon

Figure 4: Global Equity Fund Currency Exposure, Dec 31, 2024

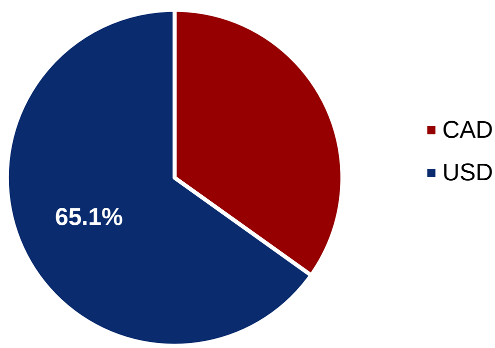


Figure 5: Global Equity Fund Sector Performance, 2024

DCM SECTOR PERFORMANCE			
Sector	Gross Return	Benchmark	+ / -
Consumer Discretionary	52.9%	20.8%	32.1%
Communication Services	23.5%	-4.5%	28.0%
Consumer Staples	15.7%	16.3%	-0.6%
Industrials	12.2%	13.5%	-1.3%
Financials	26.1%	27.8%	-1.7%
Materials	10.4%	12.5%	-2.1%
Utilities	9.9%	13.1%	-3.2%
Energy	2.7%	9.4%	-6.7%
Healthcare	-14.5%	5.1%	-19.7%
Information Technology	-26.2%	47.1%	-73.3%

Sources: Bloomberg, CIBC Mellon

Figure 7: Holdings as of December 31, 2024

Security Name	Size	Sector	Currency	Units	Price	Weight
Vanguard Consumer Staples ETF	Mid	Consumer Staples	USD	50	$213.78	1.2%
Suncor Energy Inc	Large	Energy	CAD	725	$50.86	3.2%
BMO Equal Weight Utilities Index	ETF	Utilities	CAD	1,390	$22.32	2.7%
Bank of America Corp	Large	Financials	USD	1,336	$44.34	6.9%
ISHARES S&P/TSX CAPPED FINANCIALS ETF	Large	Financials	CAD	1,175	$60.12	6.2%
UnitedHealth Group	Large	Healthcare	USD	24	$509.99	1.4%
Danaher	Mid	Healthcare	USD	60	$231.10	1.6%
Southwest Airlines	Small	Industrials	USD	550	$34.04	2.2%
iShares S&P/TSX Capped Materials Index ETF	Large	Materials	CAD	3,555	$21.21	6.6%
T-Mobile US Inc	Large	Communication Services	USD	100	$223.02	2.6%
New York Times	Small	Communication Services	USD	600	$53.19	3.7%
iShares Core S&P/TSX Capped Composite ETF	ETF	NA	CAD	2,950	$39.72	10.3%
BMO Money Market Fund ETF Series	ETF	NA	CAD	420	$50.07	1.8%
First Trust Energy AlphaDEX FUND	ETF	Energy	USD	1,450	$15.94	2.7%
Empire Co Ltd Class A	Large	Consumer Staples	CAD	375	$44.00	1.4%
Unilever	Large	Consumer Staples	USD	300	$57.46	2.0%
Industrial Slect Sector SPDR Fund (U.S.)	ETF	Industrials	USD	365	$133.26	5.7%
M&T Bank Corp	Large	Financials	USD	150	$189.23	3.3%
Shoals	Mid	Information Technology	USD	1,600	$5.64	1.0%
Aon	Mid	Financials	USD	58	$360.38	2.4%
Bayern	Mid	Healthcare	USD	1,618	$4.97	0.9%
Live Nation	Mid	Communication Services	USD	200	$131.85	3.1%
Veralto	Small	Industrials	USD	20	$103.12	0.2%
Nutrien	Mid	Materials	CAD	360	$63.93	2.0%
Citigroup	Large	Financials	USD	410	$71.00	3.4%
Technology Select Sector SPDR Fund	ETF	Information Technology	USD	33	$237.49	0.9%
Consumer Discretionary Select Sector SPDR Fund	ETF	Consumer Discretionary	USD	179	$229.74	4.8%
Roundhill Magnificent Seven ETF	ETF	Information Technology	USD	900	$56.33	5.9%
Airbus SE	Large	Industrials	USD	810	$40.34	3.8%
Energy Transfer LP Unit	Large	Energy	USD	1,160	$19.28	2.6%
Illumina Inc	Large	Healthcare	USD	177	$135.27	2.8%
U.S. Dollar		USD	USD	-	-	0.0%
Canadian Dollar		CAD	CAD	5,751	$1.00	0.5%
				Total	**$1,139,926**	**100.0%**

CONSUMERS

2024 REVIEW & 2025 OUTLOOK

Marc Abi Nakhoul
Senior Analyst

Maysa Nahas
Senior Analyst

Ryan Murray
Senior Analyst

Aman Rosha
Junior Analyst

Deven Seth
Junior Analyst

Consumers

Consumer Performance Overview

Marc Abi Nakhoul, *Senior Analyst*
Maysa Nahas, *Senior Analyst*
Ryan Murray, Senior *Analyst*
Aman Rosha, *Junior Analyst*
Deven Seth, *Junior Analyst*

Overview

Looking back at 2024, both sectors of our coverage had positive years on the whole. Weak consumer confidence in the first half of the year was largely driven by expectations of a recession with widespread unemployment, high inflation, and high interest rates. However, the job market remained steady and wage growth outpaced inflation for the first time in years allowing consumers to regain the purchasing power they had lost in the last couple of years.

Consumers started the year fairly conservative with their expenditures, consumers showed little intention to spend on discretionary goods in 2024. However, spending over the holidays far exceeded expectations as it inched closer to pre-pandemic levels. We believe that this, in tandem with the rate cuts, drove growth in the latter half of the year. The largest beneficiaries of these cuts were the automakers and homebuilders, which grew 63.3% and 17.4%, respectively in 2024.

Conversely, staples tends to be a more defensive sector which we believe was favoured amongst investors during a period of political and economic uncertainty. The best performing sub-sector was Distribution and Retail growing 33.9%. After years of relentless price hikes, retailers offered more discounts making a strategic shift to focus on volume growth. Margin losses were offset by accelerated adoption of AI to benefit from efficiency gains delivering EPS growth with Walmart (NYSE:WMT) and Costco (NYSE:COST) leading the pack.

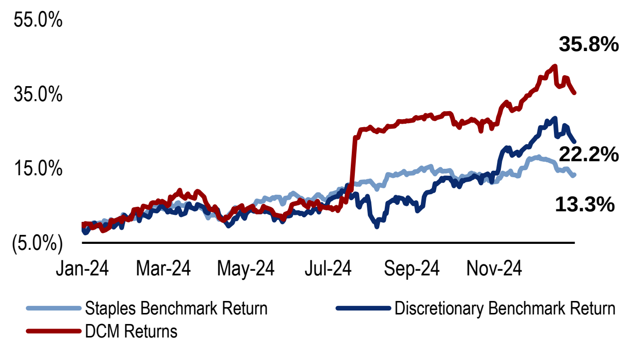
Figure 1: Consumer Performance and DCM Views

Sector	2024 Δ	EV/ EBITDA	5Y AVG EV/ EBITDA	DCM View
Consumer Staples	**11.5%**	**14.2**	**14.3**	
Household & Personal Products	7.6%	14.1	14.1	N
Food, Beverage & Tobacco	(0.01)%	15.8	15.5	UW
Distribution & Retailing	39.9%	15.7	16.8	N
Discretionary	**35.3%**	**16.5**	**15.2**	
Automobile & Components	63.3%	24.2	13.5	UW
Consumer Services	17.1%	14.7	19.0	N
Consumer Durables & Apparel	-3.9%	12.4	11.8	UW
Distribution & Retailing	34.7%	14.2	12.9	N

Sources: Fidelity, Deloitte

The threat of the GLP-1 drug weighed on the food, beverage & tobacco sub-sector as concerns around reduced consumption of certain food products grew, with returns of (0.8%).

Figure 2: DCM Consumers Performance, 2024



Both consumer sectors posted relatively strong performance this year with our benchmark for consumer discretionary up 22.2% in 2024 while our staples benchmark returned 13.3%. DCM's consolidated consumer portfolio returned 35.8%.

Discretionary stocks rallied post the first set of rate cuts, the sector outperformed the S&P500 in the US. Growth in our benchmark was supported by strong holidays sales in the US (30.3%). Whereas Canadian discretionary stocks lagged the Nahass TSX Composite Index (9.9% against 16.2%). Over the same period, DCM's discretionary holdings returned 54.0%. This was largely driven by the acquisition of Sleep Country, which we sold in October. We were also able to capture most of the upside coming in the last quarter of 2024 thanks to our investments in sector ETFs.

Meanwhile, the staples sector had a solid year returning 10.7% in the US. This is a largely defensive sector that grew despite concerns at the beginning of the year. DCM held Unilever (NYSE:UL) and Empire Foods (EMP.A) which returned in total 18.3%, meaning we outperformed here too. The top performer amongst DCM's staples holdings was Empire Foods returning an impressive 25.4%.

Consumers

2025 Sector Outlook

Marc Abi Nakhoul, *Senior Analyst*
Maysa Nahas, *Senior Analyst*
Ryan Murray, Senior *Analyst*
Aman Rosha, *Junior Analyst*
Deven Seth, *Junior Analyst*

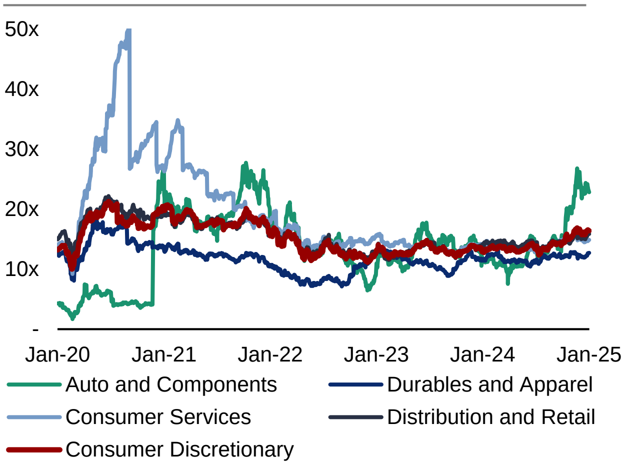
Consumer Discretionary

Entering 2025, we expect a more favorable macroeconomic environment and an incoming U.S. administration that will have wide-ranging impacts across the consumer discretionary sector.

Trump has leaned towards more pro-business laissez-faire economic policy, which may be a tailwind for firms as they will have lighter regulation, declining corporate tax rate, and tougher policy against retail theft.

However, companies may begin to face increased headwinds as Trump has proposed higher tariffs to promote internal production. After his inauguration, Trump announced tariffs of up to 25% on Mexico and Canada by Feb 1st. While campaigning, he proposed a 20% baseline tariff on US imports and a 60% tariff on goods from China. This tariff will catalyze headwinds for firms that rely on importing and historically have low margins that may contract.

Figure 3: NTM EV/EBITDA Multiples



Auto and Components (Underweight)

As of January 27th 2025, the Auto and Components subsector is trading at 22.8x NTM EV/EBITDA. The current spread is 8.0x above its 5-year historical spread to the consumer discretionary sector. This may be inflated due to Tesla's inclusion in this subsector index. Tesla's NTM EV/EBITDA is approximately 61.3x, which drastically skews the index multiple. If we were to remove TSLA from the index, it would trade at 4.4x NTM EV/EBITDA, and its current spread would be 2.9x below its historical spread. This may suggest that the market is hesitant about future Trump policies affecting auto companies. For example, Trump has already ended the $7,500 EV personal income tax credit program, which should hurt topline growth for car manufacturers. As a result, we are underweight in Auto and Components.

Durables and Apparel (Underweight)

In the Durables and Apparel subsector, the index is trading at 12.7x NTM EV/EBITDA and is 0.3x below its historical spread. This may suggest that the market is uncertain about future FED policies on interest rates. Also, housing companies are beginning to experience a supply issue as high mortgage rates are preventing sales. This lack of sales is also leading to a decline in housing starts. As a result, we are underweight in this subsector.

Consumer Services (Neutral)

Consumer Services is currently trading at 14.9x NTM EV/EBITDA, which is a spread 5.4x below its 5-year historical spread to the consumer discretionary index. This may suggest that the market is hesitant about discretionary spending growth. However, there will be less consumption hesitance for higher-income individuals, which may aid in topline growth. Also, with the incoming regulations of RFK Jr. as head of the HHS, there is uncertainty regarding changes in health regulations for restaurants.

Distribution & Retail (Neutral)

Within Distribution and Retail, the index is trading at 15.9x NTM EV/EBITDA, which is a spread of 0.8x below its historical spread. While spending fears may cause downward pressure, further Gen-AI integration will change the retail landscape and enable a more seamless e-commerce shopping experience.

Sources: Fidelity, PBS, EFG, Bloomberg, Housingwire, NRF

Consumers

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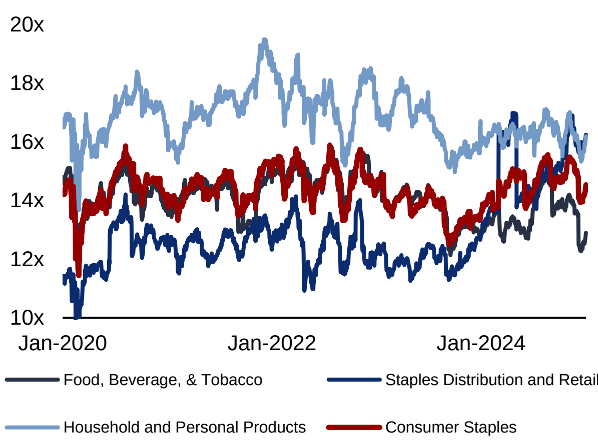
Consumer Staples

In 2024, many investors rotated their money out of dividend-paying consumer staples stocks into mega-cap growth companies in search of EPS growth. We expect a partial return to consumer staples with a more hesitant FED on interest rate cut trajectory. Also, we must continue to monitor the impact of governmental policy, including the likelihood of a trade war due to Trump's foreign economic policy. As consumer staples are a defensive sector, if market growth expectations become muted due to economic policy, we expect this sector to perform well.

Figure 4: NTM EV/EBITDA Multiples



Food, Beverage, Tobacco (Neutral)

Within the Food, Beverage, and Tobacco subsector, this index is currently trading at 12.9x NTM EV/EBITDA, which is 1.4x below its 5-year historical spread to the consumer staples index. There are a couple of factors why this may be the case. For one, due to RFK Jr. entering Trump's administration, he plans to enforce new regulations on the food industry, creating industry-specific headwinds and tailwinds in this subsector. For example, RFK Jr. expressed his dislike of ultra-processed foods and may enforce stricter regulations, which may cause unhealthy food companies to have margin contraction. On the other hand, he has also spoken about reducing regulations, such as pushing for raw milk over pasteurized. Reducing this required input cost will be a tailwind for milk companies. We will be in search of idiosyncratic opportunities that may arise from regulatory changes in the space.

Staples Distribution and Retail (Neutral)

Currently, the Consumer Staples Distribution and Retail subsector index trades at 16.2x NTM EV/EBITDA. This is 3.2x above its historical spread. This may be because the market believes that the rise in convenience-based shopping in tandem with e-commerce growth will drive sales in this subsector. Many companies within this industry have begun to experience the benefits of improved supply chain management and increased traffic. For example, Walmart saw double-digit growth as it changed its business model to focus more on e-commerce sales.

Household and Personal Products (Underweight)

The Household and Personal Products subsector trades at 16.2x NTM EV/EBITDA, which is 0.8x below its historical spread. This may be because consumers may be continuing to trade down on household products as a result of economic uncertainty. Also, tariffs may have an outsized impact on performance in this sector as many household and personal care products are made outside of the USA. If Trump's tariff policy occurs as expected, the market may expect increased costs in a subsector with historically low margins. We see margin compression for tariff policies as a material risk which may not be entirely priced in.

Sources: Fidelity, PBS, EFG, Deloitte

Consumers

Holdings Review – Empire Company Limited (TSX: EMP.A)

Company Overview

- Empire is one of two players with national scale in grocery, operating 1,600+ stores in all 10 provinces
- The Company operates through two segments: Food Retailing and Investments and Other Operations
- Under Food Retailing, Empire has a network of Full Service, Discount, E-Commerce, and Related Business operations with brands like Sobeys, IGA, Farm Boy, FreshCo, Voila and Thrifty Foods
- Under Investments and Other Operations, Empire has a 41.5% equity stake in Crombie REIT and 37.1% to 49.0% equity stakes in the Genstar group of companies

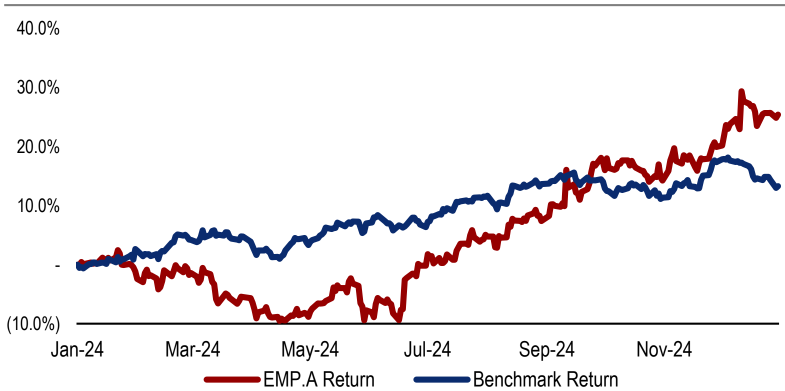
Investment Thesis

1. **Market is overly pessimistic on margin profile, overlooking differentiated cost-lever from first-mover innovation investments – Ongoing**
   - Scene+ grew to 15m+ members and Voilà merged with Longo's eCommerce business, capturing logistics and delivery synergies
2. **Pessimistic outlook on Empire's format mix is causing the market to overlook private label outperformance and expansion in its discount business – Ongoing**
   - Growth across the business was driven by the Discount portfolio. Empire continues to focus on expanding its Discount footprint

Performance and Outlook

- **Sales Growth:** Sales for the fiscal year ended May 4, 2024 increased 0.8%, primarily driven by positive growth across the business, including both Discount and Full-Service. This increase was offset by lower fuel sales mainly driven by the Western Canada Fuel Sale.
- **Private Label Growth:** Empire Company has introduced over 12500 new private-label SKUs, planning to add 600 more by 2026.
- **Management Updates:** Empire initiated a leadership restructure in early fiscal 2024 to improve efficiency and drive strategic priorities. Julia Knox for example, has been promoted to the newly created role of chief technology and analytics officer.
- **Strategic Investments:** Empire repurchased $400 million of shares in fiscal 2024 and increased its annual dividend by 9.6%. For fiscal 2025, it plans $700 million in capital expenditures for store renovations, new stores, and advanced analytics.
- **Online Grocery Expansion:** Empire focused on Voilà's profitability by pausing the fourth fulfillment centre and renegotiating its Ocado partnership to reduce costs and enhance flexibility.

Stock Price and Sector Benchmark Performance



Sources: Capital IQ, Company Fillings

Position Snapshot

Purchase Date	Apr 3, 2023
Average Cost	C$36.30
Value Invested	C$13,279
Portfolio Weight	1.4%
2024 Return	20.6%
2024 Benchmark Return	13.3%

Consumers

Holdings Review – Sleep Country (TSX: ZZZ) – Sold

Company Overview

- Sleep Country is Canada's leading specialty sleep retailer with a national retail store network and multiple robust eCommerce platforms, offering numerous omnichannel brands
- The company has 290 corporate-owned stores, and 20 warehouses across Canada, and holds 35-40% of the Canadian market share
- The retailer offers a variety of products, including mattresses and sleep accessories such as pillows, sheets, etc. The company has expanded rapidly, including acquiring Endy in 2018, Hush Blankets in 2021, Silk & Snow in 2022, and Casper Sleep in 2023

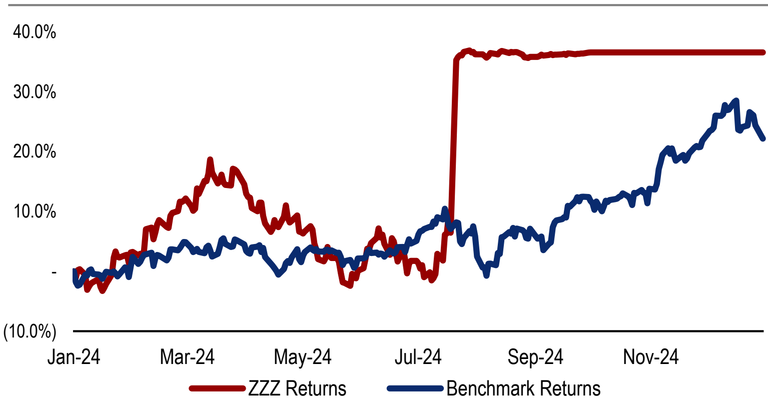
Investment Thesis

1. **Market is overestimating the decrease in the average customer wallet due to the e-commerce shift – Positive**
   - Sleep Country's special "Dream Line" platform increases the average online customer wallet, along with the mattress industry's nature to edge against the e-commerce shift
2. **Market is underestimating the growth opportunity and the impact brought by its partnership – Neutral**
   - The market is underwhelming in response to Walmart's partnership announcement, and ZZZ's partnership strategy will generate future growth and expansion opportunities

Performance and Outlook

- **Fairfax Financial Acquisition:** In 2024, Sleep Country Canada Holdings Inc. was acquired by Fairfax Financial Holdings Limited in a transaction valued at approximately $1.7 billion. Fairfax's wholly-owned subsidiary purchased all outstanding common shares of Sleep Country for $35.00 per share in cash.
- **Strong E-Commerce Growth:** Prior to the acquisition, e-commerce revenue represented 25.4% of total revenue in Q2 2024, and E-commerce revenues accounted for 25.4% of total revenues in Q2 2024, up from 21.3% in the same quarter of the previous year. This showcases the continued success of the "Dream Line" platform in increasing the average customer wallet size and enhancing customer engagement.
- **Omnichannel Success:** The combination of e-commerce and in-store experiences proved resilient, especially with same-store sales growth of 4.8%, reinforcing the company's ability to adapt to shifting consumer preferences.
- **Walmart Partnership:** The expansion of express stores in partnership with Walmart to a total of 19 locations created additional foot traffic opportunities but remained underwhelming in market response.
- **Outlook:** The acquisition by Fairfax validated our thesis on e-commerce growth, while the limited progress in partnerships makes out exit timely, as the remaining growth potential requires time and execution to materialize

Stock Price and Sector Benchmark Performance



Sources: Company Fillings, Bloomberg, Capital IQ:

Position Snapshot

Purchase Date	Mar 24, 2022
Average Cost	C$30.10
Value Invested	C$36,168
Portfolio Weight	3.1%
2024 Return	36.5%
2024 Benchmark Return	22.2%

Consumers

Holdings Review – Unilever (NYSE: UL)

Company Overview

- Unilever PLC is a British-Dutch multinational consumer goods company that produces and markets food, home care, and personal care products. Founded in 1929, the company operates in over 190 countries with over 138,000 employees
- Unilever's business operations are composed of 5 divisions: Beauty & Wellbeing, Personal Care, Home Care, Nutrition, and Ice Cream
- Unilever possesses a diverse portfolio of more than 400 brands, including Axe, Dove, Rexona, Vaseline, and Knorr

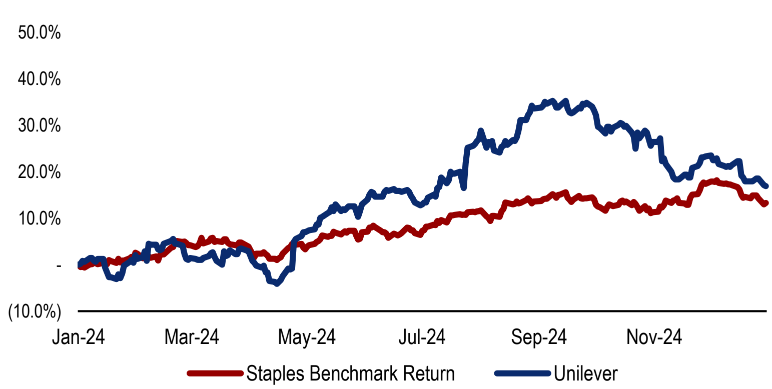
Investment Thesis

1. **Unilever is strategically positioned to capture growth in emerging markets - Ongoing**
   - The company is addressing challenges, such as resolving price instability and optimizing retail stock levels in Indonesia. In China, management has refined channel strategies, introduced new leadership, and strengthened the competitive positioning of its power brands
2. **Market is overly pessimistic on the company's ability to execute turnaround - Positive**
   - We are confident that the separation of the Ice Cream business aligns with Unilever's strategy, as it allows the company to focus on brands with complementary operating models, maximizing innovation and market reach

Performance and Outlook

- **Volume-Led Growth:** Unilever reached underlying sales growth (USG) of 4.5%, with a strong contribution from volume growth (3.6%). All business groups saw positive volume growth, with Power Brands leading at 5.4% USG.
- **Growth Action Plan Update:** In Q3, Unilever is beginning to see the results of its Growth Action Plan. Specifically, power brands that most take advantage of GAP saw 4.3% volume growth.
- **Ice Cream Segment Separation:** On March 19, Unilever announced the separation of Ice Cream into a standalone business. Over Q3, Unilever continues to remain on track in separating these entities. They are also building out leadership, including the appointment of Abhijit Bhattacharya as CFO and Ronald Schellekens as CHRO.
- **Strategic Divestitures:** In 2024, Unilever completed the sale of its Russian subsidiary and its stake in Qinyuan Group in China. These moves are part of the company's ongoing portfolio optimization
- **Outlook:** We're seeing changes being made, and we remain confident in the new management's ability to execute an effective turnaround centered around growth in emerging markets and portfolio optimization

Stock Price and Sector Benchmark Performance



Sources: Company Fillings, Bloomberg, Capital IQ

Position Snapshot

Purchase Date	Apr 3, 2023
Average Cost	U$52.55
Value Invested	C$14,241
Portfolio Weight	1%
2024 Return	15.9%
2024 Benchmark Return	13.3%

Consumers

Pitch Review – Krispy Kreme (NASDAQ: DNUT)

Company Overview

- Krispy Kreme is a global donut chain with over 14,000 global points of access, operating primarily in the US, Canada, the UK and Australia
- They have 3 reportable segments; United States, International, and Market Development which represents their franchise offerings. Each segment consists of 65%, 24%, and 11% of total sales, respectively
- Currently changing to a more capital-light hub-and-spoke model where select donut producing facilities distribute to grocery stores, convenient stores, and Krispy Kreme distribution locations

Investment Thesis

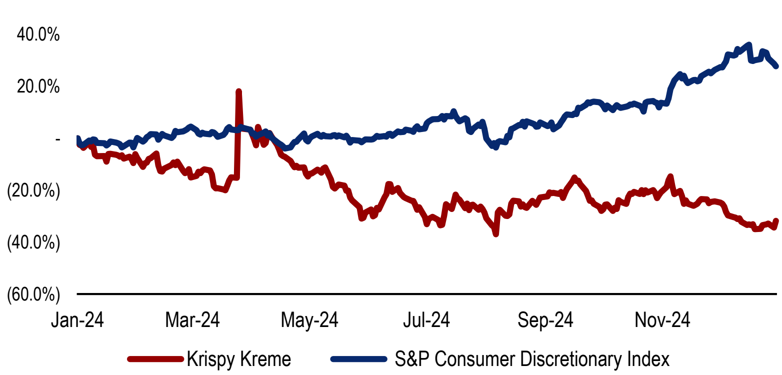
1. **Upside to McDonalds rollout from higher than expected attachments rates**
   - Krispy Kreme is set to beat topline expectations from stronger than expected adoption of Krispy Kreme donuts at ~12,000 McDonald's locations by 2026. Comparable attachment rates are higher than the street's expectations
2. **Existing stores are set to outperform from unprecedented brand exposure**
   - McDonalds' Krispy Kreme partnership promotion will drive sales at existing locations. DNUT will also be more resilient to cannibalization than the market expects

Performance and Outlook

- **Limited Conviction on McDonalds' Margin:** Management's decision to withhold the margin information related to the McDonalds partnership creates significant uncertainty which could entirely nullify our primary thesis
- **Unfavorable Change in C-Suite:** Appointed Nicola Steele as Chief Operating Officer despite her lack of operational experience.
- **Early Signs Point to Disappointing McDonalds Sales:** Management exhibited a guarded tone in its most recent investment conference surrounding its initial McDonalds sales
- **Core Business Weakness:** Foot traffic and credit card data point to a ~MSD sales decline for the quarter for existing locations
- **Leverage Creates Little Room for Error:** With a 3.9x Debt to EBITDA and continued capital requirements to build out their distribution network, paying down debt will prove to be very challenging

We have decided to refrain from initiating a position until we have more clarity on the success of the McDonald's partnership

Stock Price and Sector Benchmark Performance



Position Snapshot

Purchase Date	N/A
Average Cost	N/A
Value Invested	N/A
Portfolio Weight	N/A
2024 Return	(31.8%)
2024 Benchmark Return	22.2%

Sources: Company Fillings, Bloomberg, Capital IQ

ENERGY & UTILITIES

2024 REVIEW & 2025 OUTLOOK

Christophe Aclimandos
Senior Analyst

Juliette Lacombe de Repentigny
Senior Analyst

Shibo Cong
Senior Analyst

Engueran Turmel-Josek
Junior Analyst

Maya David
Junior Analyst

Shibo Cong, *Senior Analyst*
Juliette Lacombe de Repentigny, *Senior Analyst*
Christophe Aclimandos, *Senior Analyst*
Maya David, *Junior Analyst*
Engueran Turmel-Josek, *Junior Analyst*

Energy & Utilities

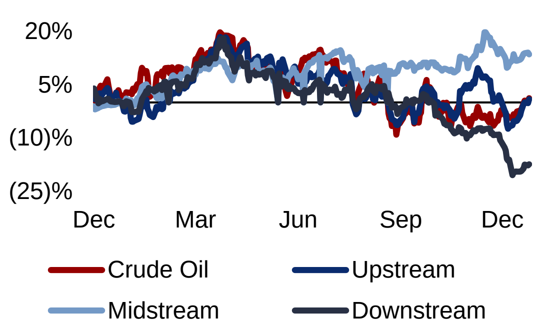
Midstream Excels, Downstream Struggles

Sector Performance

Oil & Gas

Commodities price fluctuations throughout the year provide important context on sector performance. Oil prices rose steadily early in the year due to strong demand and geopolitical tensions creating supply concerns, with WTI reaching around $83 per barrel in March. However, in the second half of the year, oil prices dropped amid rising production from non-OPEC countries, with the US reaching record production levels, while global demand remains sluggish, partly driven by China's slowed economy. On the natural gas side, Henry Hub reached new lows, averaging at $2.21 per MMBtu, because of increased production and warmer than average winters, which lowers consumer demand. Outlook is more bullish given opportunities emerging with LNG exports.

Figure 1: Oil & Gas Subsectors Performance, 1Y



Upstream

With annual returns of 0.9% and an average EV/EBITDA multiple of 5.7x, the sub-sector's performance was flattish in 2024. Exploration and production is the most volatile sub-sector of all with the highest beta to oil amongst the 3 subsectors of 0.769, the companies' earnings being directly dictated by oil prices. We attribute such performance to the year-long geopolitical uncertainties, high break-even costs, and supply & demand mismatch.

Midstream

Midstream was the best performing sub-sector of 2024, with returns of 13.53% and an EV/EBITDA multiple of 10.24x. This is due to the nature of midstream companies' business model, which revolves around fee-based contracts. This entails more stable cash flows, and thus a more defensive energy exposure. Companies with natural gas infrastructure have performed particularly well this year due to a positive long-term outlook for US gas demand and production. Export capacity is set to expand from 14Bcf/d to 25 Bcf/d by 2028 based on capacity of projects under construction. Key growth drivers include LNG exports, increased power generation demand (especially for AI-related data centers), pipeline exports to Mexico, coal plant retirements, and industrial reshoring.

Downstream

Downstream was the worst-performing subsector of 2024, with a (17.44)% return. In October, the EIA cut its 2024 global crude run forecast by 180,000 b/d to 82.8 million b/d, citing challenged margins. Deteriorating margins stem from high refined product stocks near 3-year highs, while crude inventories have dropped to their lowest since 2017. At 5.1 billion bbl, forward refining throughput cover is currently at 62 days, compared with a 2019 average of 66 days and a record of 85 days during 2020.

OFSE

In 2024, OFSE companies had a solid performance compared to the 10 last years (which suffered $155b in losses) with returns of 6.84%. Capex is currently at its highest level while net debt is at its lowest point since 2016. M&A activity also picked up this year, reaching $19.7b in deals. Furthermore, buyer interest for drilling rigs increased in 2024 with deal value reaching US$3.8b.

Figure 2: Energy Subsectors Key Metrics, YTD

	3Y Beta	2024 Return	EV/ EBITDA	1Y Avg. Multiple	% diff.
Upstream	0.884	0.9%	5.9x	5.7x	+3.5%
Midstream	0.738	13.53%	11.2x	10.24x	+9.4%
Downstream	0.712	(17.44)%	7.02x	7.11x	1.3%

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Energy & Utilities

Lessons learned in Energy

Sector Performance

Renewables

Sector-wide valuations were penalized throughout the year. Based on the WilderHill Clean Energy Index, Renewables earnings remain negative in 2024 but are recovering slowly from the lows of 2022. Trump's victory in November greatly contributed to keeping earnings negative despite growth, as the newly-elected president has long criticized climate policies and wants to direct the US's attention to oil & gas instead. Right after the election, the MAC Global Solar Energy Index (SUNIDX) was down 10%. More generally, solar performance was also hurt by an oversupply of global module-manufacturing capacity (mostly in China), with module prices declining over 50% since Biden took office.

Figure 3: Energy & Utilities Key Metrics, 1Y

Sector	Perf.	Earnings Growth	Multiple Expansion
Energy	5.1%	-22.1%	(22.2)%
Renewables	(22.4)%	22%	N.A.
S&P 500	24.1%	9.86%	(10.41)%

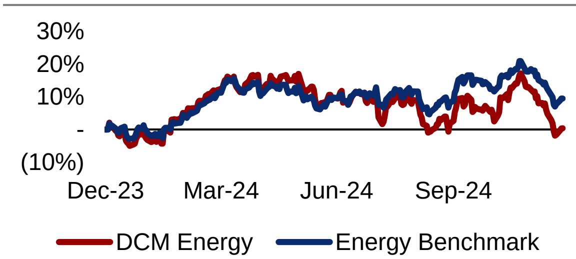
Nuclear Energy

The nuclear industry is set for significant growth, driven by ambitious goals to triple global nuclear capacity by 2050. In 2023, global nuclear electricity generation increased to 2,602 TWh, up from 2,544 TWh in 2022, contributing 9% of the world's electricity supply—making it the second-largest clean energy source after hydropower. The latter half of 2024 saw major nuclear energy announcements from Microsoft, Constellation, AWS, Talen, and Meta, highlighting the integration of "new nuclear" solutions within the data center industry. However, a key challenge for investors remains the limited number of publicly traded companies in the nuclear energy sector, despite its rising popularity.

DCM Performance

The DCM Energy sector returned 0.6% vs. sector benchmark of 9%. Performance was largely driven by Suncor. SU has provided excess returns of 20%, led by record annual production of 827,000 bbls/d, up 11% from 2023, as well as high utilization rates in both the upstream and downstream segments. CTRA provided returns of (7%), driven mainly by decreased net earnings due to lower realized crude oil prices and refined product realizations. The Energy Sector also suffered from SHLS's plunge of (66)%, even though returns are categorized under Information Technology. This underperformance was driven by consistently missed earnings and more importantly legal issues. While we could not know that SHLS would face legal battles, one lesson we took from this investment was to look closely at insider selling, a metric we overlooked which indicated a lack of investor confidence, notably and importantly from its founder and ex-CEO. Determining whether there was a reason for the sale or if this was merely him liquidating his share for personal reasons was complex, and the binary bet proved not to be lucrative. In the fall, we decided to redirect our attention to oil & gas and more particularly midstream, which reduced our beta to oil and would allow us to take a more defensive position in times of geopolitical uncertainty. Energy Transfer proved to be the ideal candidate, driven by strong financials (including high insider buying) as well as attractive positioning in both the Permian Basin and the booming data center industry. The stock returned 5% since its purchase in November 2024.

Figure 4: DCM Energy Sector Performance, 1Y



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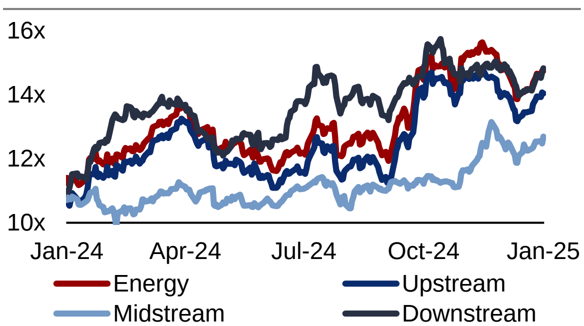
Energy & Utilities
2025 Outlook

Outlook – Oil & Gas

Following a poor 2024 performance, the Oil & Gas sector is making a comeback in 2025, driven by a remarkably positive outlook for natural gas due to a projected increase in LNG pipelines and terminals, renewal of LNG exports, allowing oversupply to be sent to Europe, and increased US demand (colder weather forecasts, decreased renewable growth allowing for more projects to run on natural gas and high data center power demand). Outlook for oil however is looking bleaker, due to downwards pressure on prices (Projected increasing US supply, unwillingness from OPEC+ members to cut production / rising 2025 production forecasts and uncertainty associated with Middle East conflicts following Syria's regime change and Turkey's push for increased oil production, as well as lower than expected demand growth). The energy sector experienced a forward P/E expansion of 29.33%, putting it at its highest since the Covid-19 pandemic.

Figure 1: Subsectors 1Y Forward P/E



Upstream

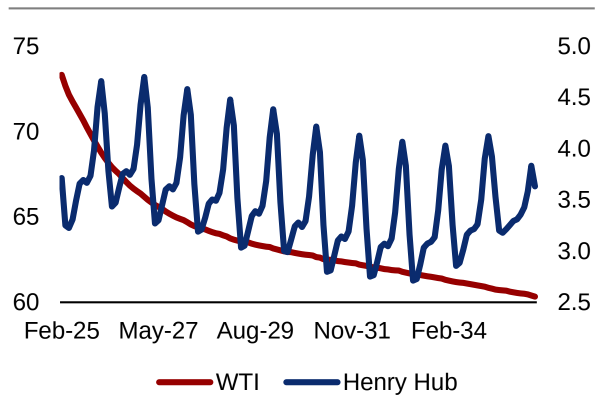
U.S. oil producers are currently facing high onshore break-evens. In the tail end of 2024, the average WTI price needed to profitably drill a new well was around ~64$/bbl. However, the average WTI price needed to profitably operate an existing well was ~38$/bbl. According to a Dallas Fed Survey, upstream executives used a WTI price of $68 to plan their CapEx in 2025, a price dangerously close to the new well breakeven, suggesting a halt in upstream growth.

To address this, oil producers are expected to seek peak productivity gains in high-efficiency/low-cost regions. Upstream companies are also expected to begin shifting their growth capital composition towards natural gas, placing emphasis on its role as a transition fuel. Due to uncertainty surrounding the subsector's growth prospects and DCM's already existing exposure through Suncor, we hold a Neutral view.

Midstream

According to the EIA, US crude oil production is forecasted to rise by 400kbbl/d, with 75% of that increase coming from the Permian and 25% coming from the Gulf of Mexico. Furthermore, natural gas production is predicted to increase by 1.4 bcf/d. Following Trump's win, he has claimed he will accept more pipelines, approve new LNG export terminals and restart the issuance of LNG export permits, all policies which would significantly boost midstream LNG throughput. The subsector witnessed a forward P/E expansion of 18.46% YoY, lower than the energy sector of 29.33%. This is because midstream companies were already trading expensive, starting the year 25% below their 10Y historical, compared to 50% for the energy sector as a whole. We currently view the midstream subsector as Overweight, a position principally spurred by Trump's energy policies on LNG.

Figure 2: WTI Future ($/Barrel), HH Future ($/MMBtu)



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Energy & Utilities

2025 Outlook

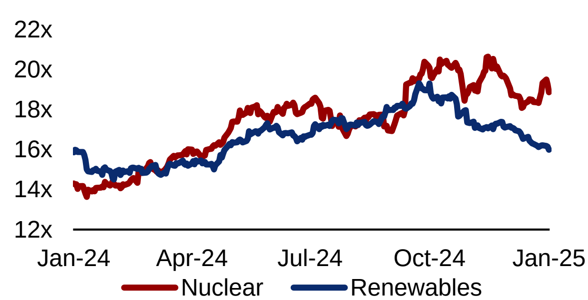
Downstream

2024 crack spreads were low because of higher oil prices due to geopolitical issues rather than fundamental supply demand factors. Therefore, downstream companies are set to benefit from the projected increase in domestic and foreign crude oil production through both lower input prices and higher throughput (the latter only being attributable to the domestic increase), with the idea being that lower input prices will increase margins. However, lower than expected demand growth for oil products is a worrying sign expected to result in a narrower crack spread (at least in the short term) as prices of the refined products are expected to be lower. Furthermore, increased natural gas prices will also result in narrower margins, which will be offset by the higher demand for natural gas products. For these reasons, we give a Neutral rating to downstream. Furthermore, proposed tariffs by President Trump would incur retaliation from the Canadian government, which is currently a net exporter of oil to the U.S. This would mainly affect Midwest downstream companies, whose processes are made for heavier blends of oil (aka WCS). As these companies can't change which blends they intake, this would result in an already narrow crack spread becoming narrower, maybe even potentially negative. However, President Trump has made it clear that the threat of tariffs is a negotiating tactic designed to strengthen border security. A deal made by both countries to satisfy the president's wishes would likely result in no tariffs being implemented by February 1st.

OFS

Similarly to midstream companies, OFS companies operate on a contractual basis and carry a low exposure to crude prices. With CapEx being at its highest level ever, and net debt being at its lowest since 2016, upstream companies are investing in more (and newer) assets, which is going to result in a substantial contractual rate increase for OFS companies. However, as previously mentioned, it is unlikely that upstream companies invest in new onshore wells as the breakevens are too high to justify the investment. We believe that OFS companies operating deep water drilling rigs are set to benefit from an upstream migration seeking lower break evens and larger reserves under fears of low oil prices stalling growth. For the reasons outlined above, we give an Overweight rating to the OFS subsector. More specifically, we hold a positive view on offshore companies and neutral view on onshore companies.

Figure 1: Subsectors 1Y Forward P/E



Renewables

The renewables sector is projected to experience an increase in demand driven not by renewable's strengths, but simply because of an increase in demand for energy as a whole, which is a worrying sign for the sector. Worries surrounding problems with renewables storage and utilization remain strong, new wind projects are projected to experience 16 months delays, solar 15 months and battery storage 14 months. It is important to note that LCOE has been decreasing, with most renewable sources standing below all fossil fuels except natural gas when unsubsidized, and standing below natural gas when subsidized. In the long run, renewables will be crucial, but the short-term outlook is looking bleak, especially with Trump coming in. Its important to note that trump can't undo the IRA fully, but it is legally possible to take away IRA funds that have been allocated but not yet assigned to any specific recipient.

Energy & Utilities

Holdings Review – Coterra Energy Inc.(NYSE:CTRA)

Company Overview

- Coterra Energy Inc., an independent oil and gas company, specializes in the development, exploration, and production of oil, natural gas, and NGLs in the U.S.
- The company's operations are in Marcellus, Permian, and Anadarko basins, with headquarters in Houston, Texas.
- On October 1, 2021, Coterra merged with Cimarex, issuing about 408.2 million shares to Cimarex stockholders and subsequently renamed to Coterra Energy Inc.

Investment Thesis

1. North American-European Gas Price Convergence to take place due to LNG exports

This thesis has not materialized, as the price differential has widened instead. This divergence is driven by persistently high European gas prices, fueled by energy security concerns, limited LNG infrastructure capacity, and Europe's transition to renewables, while U.S. prices remain subdued due to abundant supply and weaker domestic demand. The structural and geopolitical constraints suggest that convergence is unlikely in the near term.

2. Coterra's superior positioning to capitalize on the rise in the gas prices

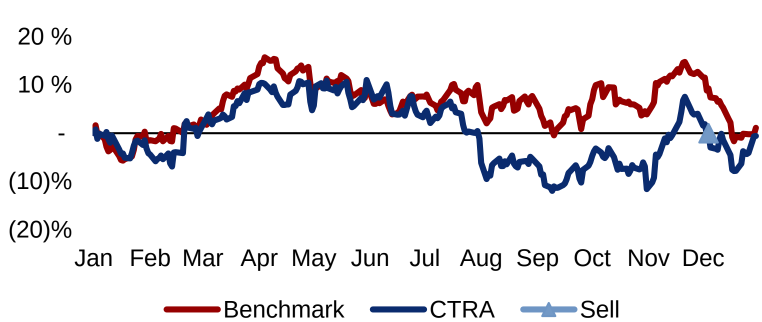
This thesis has become invalid due to the company's strategic shift away from gas-heavy assets. In response to persistently low natural gas prices, Coterra has reallocated resources from the gas-rich Marcellus Shale to oil-heavy regions like the Permian and Anadarko Basins.

Performance and Exit

Navigating Market Pressures with Strategic Adjustments: Coterra Energy navigated a challenging 2024 as declining natural gas prices and softer crude oil markets pressured its financial performance. Net income fell 22% YoY to $252 million in Q3, with adjusted EPS missing expectations at $0.32. Natural gas prices dropped to $1.30 per mcf from $1.80 a year earlier, while oil prices declined 8.4%, weighing on revenues. In response, Coterra reallocated resources from the gas-heavy Marcellus Shale to oil-focused regions like the Permian and Anadarko Basins, resulting in a 22.2% increase in oil production but flat overall output at 669,100 boepd.

Exit Rationale: We exited our position in Coterra on December 5th to add Energy Transfer (ET) to the portfolio, aligning with our strategy to optimize natural gas exposure. Coterra's shift toward oil-heavy assets, combined with its underperformance in 2024, prompted the reallocation. Additionally, with sufficient oil exposure already provided by Suncor, we saw limited value in retaining Coterra's oil-focused portfolio. Energy Transfer offers more direct and diversified natural gas exposure, supported by stable midstream operations and LNG export growth potential, better aligning with our portfolio objectives.

Stock Price and Sector Benchmark Performance



Position Snapshot

Purchase Date	2022/12/16
Average Cost	U$24.76
Value Invested	U$21,294
Portfolio Weight	0%
2024 Return	(0.12%)
2024 Benchmark Return	(0.01%)

Sources: Capital IQ, Company Filings

Energy & Utilities

Holdings Review – Suncor Energy (TSX: SU)

Company Overview

Suncor is a Canadian integrated O&G company based in Calgary, Alberta, which mainly focuses on the Athabasca oil sand. The company explores, develops bitumen, synthetic crude oil and related products. It also engages in the upstream segment, as well as the downstream segment mostly in the East Coast of Canada.

Risks and Catalysts

Risks
- Tariffs on US imports with Trump elections
- Geopolitical tensions which can greatly influence crude oil prices

Catalyst
- Continuing to return capital to shareholders at an increasing pace while maintaining solid cash flow levels

Investment Theses

1.Suncor is more efficiently integrated than peers (Sell)
Suncor refinery utilization averaged 93% in 2024 vs US 5-year average of 89%. Suncor can leverage its integrated asset base, focus on value over volume, and react to changing market conditions. However, Suncor has completed various transactions and has been continually beating production records, so we believe that its efficiency regarding its operational efficiency should now be reflected in the stock price.

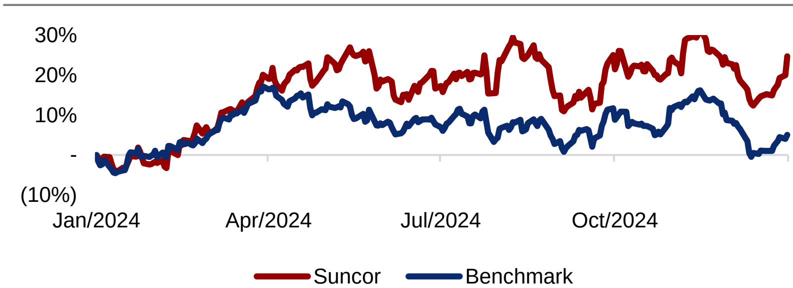
2.Downstream more robust than competition in downturn scenario (Hold)
Due to being a fully-integrated company, Suncor fairs better than purely upstream peers, as lower crude costs can be partially mitigated by its downstream operations. While WCS remains low and uncertain which may disadvantage peers, Suncor can benefit from these price changes by selling to its downstream operations for lower costs.

3. Unjustified market pessimism (Sell)
When acquired, Canadian upstream companies were on a bearish run and major players were moving out of Alberta. There was a WSC-WTI outlook differential of 40%, which we believed was too aggressive, as pipeline capacity was on the verge of increasing. Since then, Suncor's multiples have narrowed to peers with a P/E of 12.2x and peers at 12.3x.

Performance and Outlook

Upstream – Beating production records continuously: Suncor beat production records quarter after quarter, reflecting strong operational performance. The company also forecasts even higher production in 2025, as it wants to benefit from the recently completed Trans Mountain Pipeline. The TMX is set to help in shrinking the discount on heavy Canadian crude oil as exports to the US will be facilitated. This will also provide Suncor with an opportunity to capitalize on higher global oil prices, further enhancing its profitability.
Downstream – Increased refinery utilization: After slightly lower utilization in 2024 due to planned turnarounds, refinery utilization is set to increase to 97% in 2025. Suncor will benefit from its growing E&P segment to increase refinery throughput. Refining margins have also decreased since 2022 due to lower oil prices and higher break-even costs, and they are set to remain dampened in 2025. However, Suncor is one of the best positioned company to withstand prices volatility as it has been continuously working to cut costs.

Stock Price and Sector Benchmark Performance



Sources: Capital IQ, Company Filings, Statista

Position Snapshot

Purchase Date	2022/12/16
Average Cost	U$42.50
Portfolio Weight	3.12%
2024 Return	24.72%
2024 Benchmark Return	5.07%

Energy & Utilities

New Position – Energy Transfer LP (NYSE: ET)

Company Overview

Energy Transfer is a Houston based limited partnership that operates 8 different segments within the midstream sector. The company owns more than 125,000 miles of pipelines and associated energy infrastructure in 44 states in the U.S. ET has followed an acquisition growth strategy, completing more than 4 major acquisitions in the past 5 years.

Risks and Catalysts

Risks

- Insufficient decrease in O&G prices, leading to lower demand
- Lower than expected growth in data centers
- Delays in growth projects or inability to obtain contract

Catalyst

- Trump approval of LNG export terminals
- Obtention of new contracts
- Timely completion of Hugh Brinson pipeline

Investment Theses

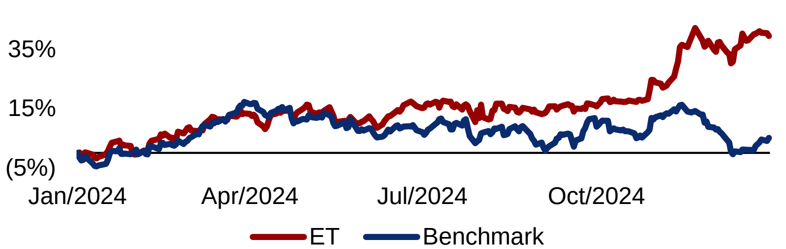
1. The market is underestimating the impact of a data center power transition on ET's natural gas throughput.

Since 2015, global data center power demand has increased at a compound annual growth rate (CAGR) of 8.51%. However, with the rise of artificial intelligence, this demand is forecasted to grow at a much higher CAGR of 19.13%. While many are turning to renewable energy sources to meet this demand, these alternatives are still relatively new and unreliable, making them insufficient to power the 324 data centers currently under construction in the U.S. As a result, natural gas will remain an important energy source. In Texas, where 329 data centers are already operational, Energy Transfer stands to benefit from its extensive interstate pipeline network and gathering and processing plants. ET's pipelines are strategically positioned near major data center hubs and, with more assets than its peers, is well-equipped to capitalize on additional throughput.

2. ET's Hugh Brinson (Warrior) Pipeline is unjustly perceived as "late to the game" in the race to expanding capacity in the Permian basin.

The Permian Basin is the second-largest gas shale in the U.S. and is projected to increase production in 2025. However, this could lead to an oversupply in the basin, as evidenced by the negative Waha spread to Henry Hub. The primary issue is the lack of pipeline infrastructure to transport the excess natural gas to the coast or other hubs. In recent years, midstream companies have announced plans to build additional pipelines between the production region and natural gas hubs to boost capacity. ET has recently reached a final investment decision (FID) on its new Hugh Brinson pipeline, which will connect the basin to nearly every major city gate in Texas. Despite this, the market has been pessimistic, as ET is considered "late to the game" compared to other pipelines, such as Blackcomb, which is seen as a disadvantage. However, ET is growing, and the need for new pipelines is critical, especially with backing from the new administration. When the FID was announced, ET's stock price rose by 2%, as the market recognized the importance of increased capacity. Nevertheless, the market overlooks the fact that, with the recent acquisition of WTG, the pipeline could position ET as the second-largest player in G&P in the Permian Basin in the long term, thanks to increased throughput. Moreover, Targa, the current leader, has yet to announce FID on its Apex pipeline and has remained quiet since ET's FID, suggesting that it may drop the project, strengthening ET's position.

Stock Price and Sector Benchmark Performance



Position Snapshot

Average Cost	19.03
# of Shares	1,160
Portfolio Weight	2.74%
2024 Return	39.41%
2024 Benchmark Return	5.07%

Sources: Bloomberg, Capital IQ, Company Filings, Yahoo Finance

Energy & Utilities

Holdings Review – Shoals Technologies Group (NASDAQ: SHLS)

Company Overview

- Shoals is a leading provider of electrical balance of system (EBOS) “wiring” solutions for solar energy projects in the US including solar, storage, and EV charging systems. After a successful IPO in Q1 of 2021, the company has grown to 835 employees and issued 35+ patents.
- The company trades at a market cap of $778.5m USD and EV/EBITDA multiple of 11.28x, and generated $422.7m in revenue at 18.2% EBITDA margins.

Catalysts

- Clarification of Trump’s intentions with Chinese companies
- Lawsuit resolution and recuperation of warranty liability

Risks

- Potential loss of lawsuits, significantly inhibiting its competitive edge
- Trump addition of important tariffs globally, including with India and China

Investment Theses

1. Differentiated Product Defended by Strong Moat

- The largest advantage of Shoals’ product comes from its patented above-ground installation method leading reduced maintenance costs over the life of the project, contributing to increased market share. The lack of need for licensed electricians backs its advantage further. The firm does however seems largely undervalued on a multiple basis, hence our maintenance of a BUY rating.

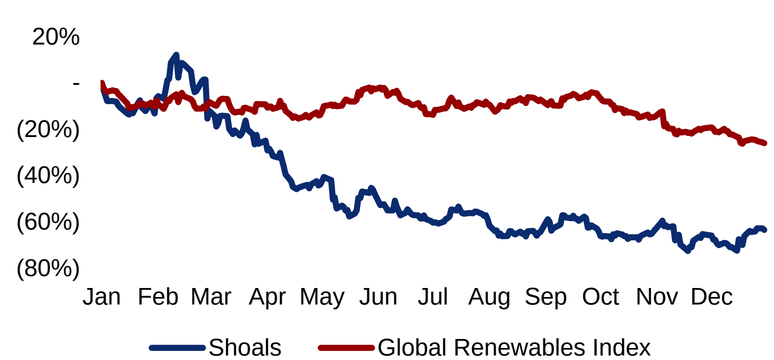
2. IRA and Overblown China Tariffs Benefit Shoals

- Shoals has not revealed how they will benefit from the IRA, though general industry production has increased, paired with an increase in volume of sales for Shoals. Our analysis does not indicate any material difference between Shoals and peers in terms of qualification for these tax credits, but we are still awaiting an announcement from the firm relating to these credits. The solar industry is growing in India, who are slowly replacing China in the US renewables space. The solar industry is at a long-term low, but the market seems to be in agreement about it having hit the floor, and an inflexion point.

Performance and Outlook

Shoals’ performance this year has been lackluster to say the least. The firm has missed earnings recurringly and faced a number of lawsuits. Most importantly, it was found guilty of understating its prospective loss related to shrinkage of its product. It has also needed to sue its competitors who have been using similar products, causing a slight loss in market share and a compression in margins. Going forward, we expect the firm to need to compete and grow as most other companies do. Even with this decreased rate, the firm is worth more than its current valuation.

Stock Price and Sector Benchmark Performance



Position Snapshot

Average Cost	14.69
# of Shares	1,600
Value Invested	28,853
Portfolio Weight	1.1%
2024 Return	(63.6%)
2024 Benchmark Return	(26.1%)
Excess Return	(3.5%)

Sources: Bloomberg, Capital IQ, Company Filings, Yahoo Finance

FINANCIAL INSTITUTIONS

2024 REVIEW & 2025 OUTLOOK

Alyson Charles
Senior Analyst

Camille Herau
Senior Analyst

Olivier Tremblay
Senior Analyst

Antoine Lavoie
Junior Analyst

Manouk Taskiran
Junior Analyst

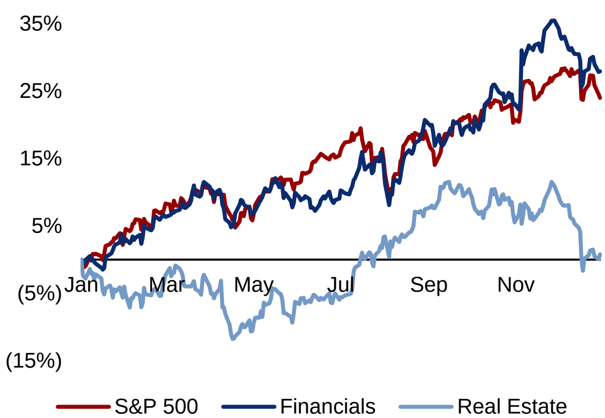
Alyson Charles, *Senior Analyst*
Camille Herau, *Senior Analyst*
Olivier Tremblay, Senior Analyst
Antoine Lavoie, *Junior Analyst*
Manouk Taskiran, Junior Analyst

Financial Institutions
2024 In Review

Overview – 2024 Performance

Financials returned 27.8% in 2024, outperforming the broader S&P500 by nearly 4 percentage points and marking a strong rise from the prior year's 9.5% return. The year was particularly difficult for the Real Estate sector returning a mere 0.8%. Within the 11 GICS sectors, they ranked 5th and 9th, respectively.

Figure 1: Financials and Real Estate Performances

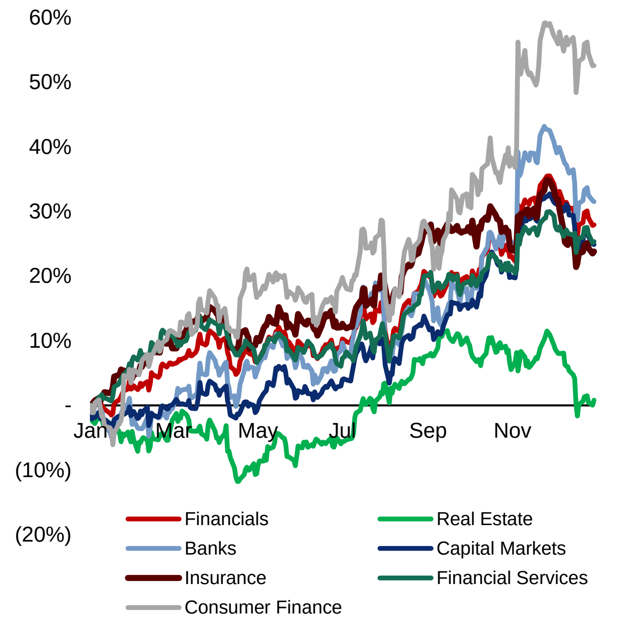


The Financials sector outperformance was primarily driven by interest rate cuts, stronger-than-expected employment figures, and renewed optimism following Trump's election in the last quarter of 2024. This optimism was fueled by expectations of pro-business policies and deregulation, particularly in the Banking sector, which returned 31.5% this year. The sector's gains were further supported by strong performances in Consumer Finance (52.6%) and Financial Services (25.3%).

Subsectors Review

Consumer Finance was the best-performing sub-sector in Financials. Most of its outperformance is attributable to the end-of-year rally following Trump's election combined with renewed investor confidence in consumers' resiliency. Consumer spending in 2024 exceeded expectations and the soft-landing narrative drove demand for consumer credit.

Figure 3: Sector and Subsector Performances



The spike following Trump's election reflected market expectations of regulatory and capital reliefs further driven by a better-than-expected labor market as the U.S. economy added 2.2 million jobs in 2024, double economists' forecasts. Discretionary spending rose ~4% YoY for the November / December period and credit card loans were the fastest-growing loan type for large commercial banks in 2024. The sub-sector overall performance was mainly led by credit card issuers like American Express (+61%), Discover Financial (+55%), and Capital One (+37%), along with payment networks (i.e., Visa and Mastercard).

With a return of 31.5%, the Banking sector was the second-best performing Financials sub-sector this year, a massive rebound after being the worst-performing subsector in 2023. Net interest income (NII) reached its lowest point in 1Q24 but improved throughout the year, driven by the repricing of fixed-rate assets, modest loan growth, and reduced deposit costs. Bank loan loss provisions, which had been large and rising since the pandemic, stabilized for the first time in 3Q24.

Sources: S&P Global, Bloomberg

Financial Institutions

2024 In Review

Alyson Charles, *Senior Analyst*
Camille Herau, *Senior Analyst*
Olivier Tremblay, Senior Analyst
Antoine Lavoie, *Junior Analyst*
Manouk Taskiran, Junior Analyst

Bank's decline in consumer deposits slowed, and most saw renewed loan demand throughout the year. Commercial real estate (CRE) loans were a significant concern for most banks in 2024 due to a massive maturity wall approaching. Most commercial loans originated in the U.S. prior to the pandemic were scheduled to mature this year, creating substantial refinancing pressure. Additionally, many of which had been extended in 2023 were set to mature by the end of 2024. Regional banks were particularly at risk, with CRE loans comprising nearly 50% of their total loan portfolios. One of our holdings, M&T Bank (NYSE: MTB), was among these banks, with CRE exposure being a major concern for investors regarding the stock (more details in *Holding Review* section*)*

Despite these concerns for regional banks, increase in net charge-offs (NCOs) the overall sector lending profits were catching up in 2024, improving NII and NIM. Trump's election and expectation of reduced oversight increased optimism about banks' abilities to generate more return on their equities, which drove up the sector performance further in 4Q24.

Financial Services returned 25.3%, driven by continued growth in management software, payfac firms, and Buy Now, Pay Later (BNPL) providers, which benefited from lower regulatory scrutiny compared to credit card issuers, as well as rising e-commerce revenues and continued adoption by Millennials and Gen Z.

Capital Markets, which returned 24.9% in 2024, was led by players in private markets, hedge funds, alternative asset managers, investment banking firms that benefited from lower capital intensity, a pickup in M&A activity, rising AUM, and higher fees. In the first half of 2024, investment banking and global markets generated $206 billion in revenue, an 11% YoY increase. The rise of passive investing rewarded firms with curated individual stock-picking approaches and those with exposure to private equity and alternative investments as opposed to traditional asset managers heavier on ETFs.

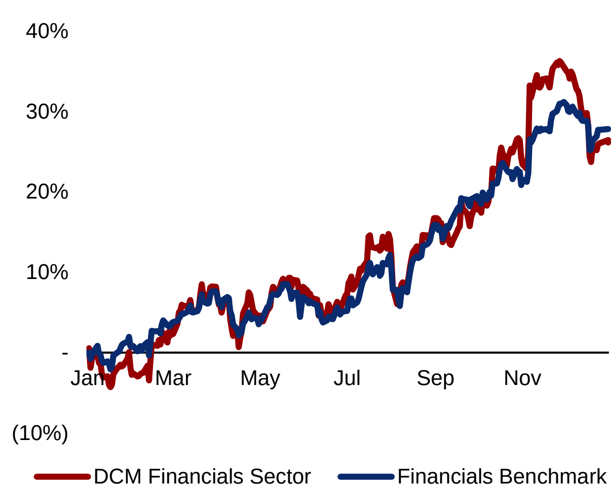
Additionally, the first decline in dry powder in years signaled a rebound in investment activity as cash was actively deployed or returned to investors.

Real estate returned a mere 0.8%, an improvement from last year but it continues to lag, with high borrowing costs, lower demand and depressed property valuations. Elevated vacancies in office and retail REITs added to the challenges. CRE loan maturities, default risks, and distress sales remained concerns in 2024, though interest rate cuts provided some relief on the sector.

DCM Sector Performance

In 2024, the DCM Financials Sector returned 26.1%, slightly under our blended benchmark's return of 27.8%. In January 2024, we acquired Aon plc (NYSE: AON), a large American insurance broker. In line with our bullish view about the sector, we remained heavily exposed to banks through our core positions in Bank of America (NYSE: BAC) and M&T Bank (NYSE: MTB). Our exposure to banks rose with the acquisition of Citigroup (NYSE: C), which was the most undervalued bank on Wall Street (trading below TBV) as we believed its restructuring plan and credit card loan portfolio were underappreciated. Finally, we ended the year by pitching Global Payments (NYSE: GPN).

Figure 5: FIG Performance vs Benchmark



Sources: S&P Global, Bloomberg, FDIC, St-Louis Fed

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Financial Institutions

2025 Outlook

Large Cap & Regional Banks (Overweight)

As we look ahead to 2025, the financial sector's performance will be closely tied to broader macroeconomic and geopolitical factors, like economic growth, inflation, and fiscal policies. Market choppiness is expected to persist in the near term as investors await potential favorable changes in the regulatory landscape.

Trump's second term is expected to have a positive impact on what is known to be the "Basel III Endgame." Travis Hill, vice chair of the FDIC, is likely to replace Martin Gruenberg, who recently retired, as acting chief and plans to focus on ensuring minimal capital requirement rules under the new regulations. Large-cap banks outperformed by 10% during the first three weeks after the elections, though this gain has been partly offset by uncertainties surrounding new policies.

Large bank stocks are currently trading at a ~18% premium compared to their 10-year average, with a price-to-tangible book value (P/TBV) ratio of 1.8x. The post-election growth trend aligns with what occurred following Trump's first election, where bank stock saw significant appreciation and volatility during the first half of 2017 – primarily driven by expectations of tax cuts. The market strengthened in the second half of 2017 as the likelihood of these cuts increased.

The second half of 2025 could mirror this pattern. However, since large-cap banks are already trading at a premium the downside risk may outweigh the potential upside if capital requirement reforms were to be less favorable than the market anticipates.

Regional banks are currently trading at a slight discount of ~5.5% with a P/TBV ratio of 1.68x compared to their 10-year average, and the 2025 outlook appears positive. Key tailwinds for 2025 include loan growth, a more favorable regulatory environment, an improved landscape for M&A, and – according to JPM – "many generalists have expressed interest in the sector but remain largely underweight".

Investors will closely monitor macroeconomic data, particularly inflation, in 2025. Potential tariffs imposed by the Trump government could be a risk for reinflation leading to slower-than-expected rate cuts and impacting the anticipated net interest margin (NIM) expansion due to a slower decline in interest-bearing deposit costs.

Consumer & Specialty Finance (Market weight)

The regulatory landscape will also be a key focus for companies operating in the consumer & specialty finance industry. Many subsectors, such as credit card issuers, have already seen a positive impact on their valuations (40% above 10-year average). However, regulatory changes will likely create asymmetries in how different companies are affected, making outcomes difficult to predict, thus increasing downside risks. Additionally, Trump's immigration policies could impact the labor market, potentially leading to more job vacancies. This, in turn, may create upward pressure on wages and positively influence credit performance.

Commercial & Residential Real Estate (Market weight)

The recent increase in the 10-year U.S. treasury yields since Trump's election is expected to impact both the commercial and residential real estate market. The increases are unlikely to stop in 2025, as risks related to inflation remain, mainly driven by potential tariffs and increased U.S. government budget deficit. Higher long-term rates may negatively impact transaction volumes from both commercial and residential buyers.

Insurance (Market weight)

2025 is expected to be another good year for property and casualty insurers, driven by high investment income and premium growth. Climate catastrophes will remain a significant threat to insurance companies, though many insurers are withdrawing from higher-risk zones. Valuation remains well above the 10-year average at 2.13x P/TBV – a 29% premium – and is still near its highest level in five years, suggesting a possible peak of its cycle.

Sources: S&P Global, JPM, Financial Times, Bloomberg, FactSet

Financial Institutions

Holdings Review – Citigroup Inc. (NYSE: C)

Company Overview

- Citigroup Inc. is a financial services holding company, offering consumer banking and credit, corporate and investment banking, securities brokerage, trade and securities services, and wealth management. With a customer base of around 200 million accounts, Citigroup operates across more than 160 countries and jurisdictions.
- Citi operates through 6 segments: services (26.5%), banking (6.1%), markets (23.4%), US personal banking (26.7%), wealth (10.2%), and all other (7.1%)

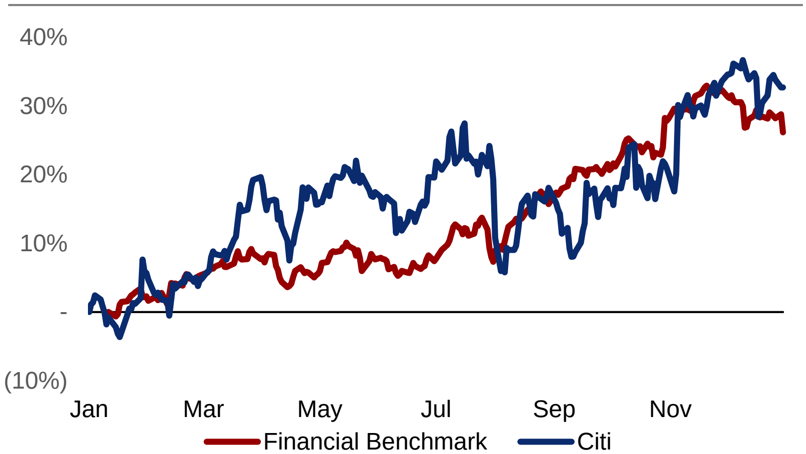
Investment Theses

1. **The restructuring will be different this time around.**
   Citi is becoming simpler and focusing on its high-margin business with a new reporting structure, international consumer franchises divestitures and significant headcount reductions.
2. **The market underappreciates Citi's US Personal Banking segment (USPB)**
   Citi has one of the strongest credit card portfolios and improving ROTCE in USPB will shine light on the value of this hidden gem

Performance Outlook

- Citi slightly outperformed our benchmark in 2024, especially in the first half of the year thanks to a positive response to their restructuring plans and new expectations of less strict capital level regulatory changes for large US banks. It then traded in line with the bank index, falling on August 2nd after a weak job report and jumping on November 6th following Trump's election.
- Regarding Thesis I, there is significant progress as Citi is on track to separate two Mexico banks in Q4, and wind-downs are ahead of schedule in Korea, China and Russia. Citi ended 2024 delivering ROTCE of 7%, while giving more conservative expense guidance for 2025-2026 and reducing its 2026 ROTCE target from 11-12% to 10-11%. These changes were better than the market expected and investors reacted positively to 4Q earnings, with the stock up almost 10% since. We expect that continued accelerated progress paired with better expense management in the next year will give way increased investor confidence and additional upside to the stock.
- Regarding Thesis II, we still believe Citi's USPB segment boasts one of the strongest and most undervalued (through SOP analysis) credit card portfolio in the US. ROTCE for this segment was ~5.5% (around what we expected), with limited growth due to high restructuring expenses. This thesis was originally focused on the longer term, with the goal of reaching mid-teens ROTCE by 2028-2029 and we are still confident in its potential.

Stock Price and Sector Benchmark Performance



Sources: Capital IQ, Company Filings, Bloomberg

Position Snapshot

Purchase Date	Apr 1st, 2024
Average Cost	U$61.35
Value Invested	25,154
Portfolio Weight	3.5%
HP Return	12.01%
2024 Benchmark Return	27.8%

Financial Institutions

Holdings Review – Aon PLC (NYSE:AON)

Company Overview

- Aon plc operates as a professional services company worldwide.
- The company is a leading insurance brokerage firm connecting a large range of businesses to insurance providers. It also provides advice to clients focused on their risk, retirement, and health needs globally. Aon PLC generates revenues primarily through commissions, compensation from insurance and reinsurance companies for services it provides to them, and fees from customers.
- The company operates through four principal products and services: Commercial Risk Solutions, Reinsurance Solutions, Health Solutions, and Wealth Solutions.

Investment Theses

1. **Aon's long-term growth potential driven by P&C exposure and hedged by captive management is underappreciated by the market.**

   Aon's 71% P&C and reinsurance exposure provides stability during downturns, while its captive insurance consulting mitigates risk of lower volume, securing a floor for Aon's growth outlook

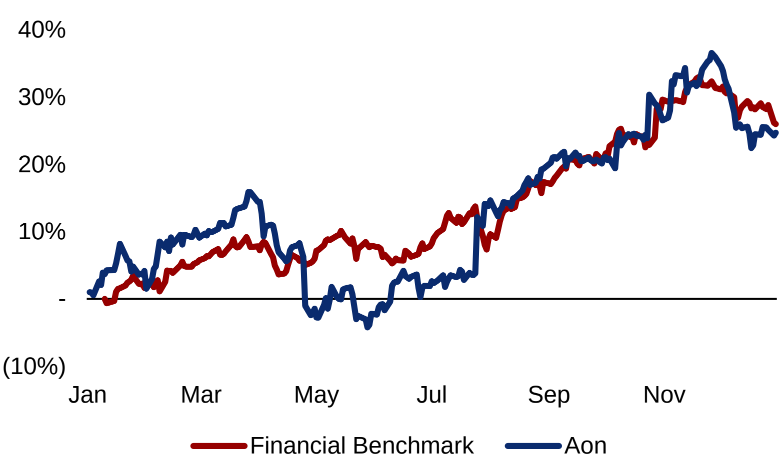
2. **The market underappreciates Aon's margin expansion capabilities.**

   The Aon United strategy and its cost-cutting track record create value, with high margins signaling potential for continued expansion through operating leverage and technological leadership

Performance Outlook

- As seen in the chart below, Aon traded almost perfectly in line with the benchmark during 2024, except between Q1 and Q2. Aon's Q1 consensus EPS 4% miss, paired with another organic growth miss caused the share price to slump by 12%. The stock then jumped back 7.6% after Q2 earnings even if Aon missed EPS estimates thanks to better-than-expected organic growth in its commercial risk solutions segment.
- Aon's bigger P&C and reinsurance exposure compared to peers (Aon: 71% vs. MMC: 60% and WTW: 39%) will give in an edge in hardening cycles which we see persisting through increasing natural catastrophes, rising reinsurance costs, persisting inflation, and favorable regulatory changes (such as the loosening of regulations in California). We expect premiums growth to slow slightly in 2025-2026 but to remain strong due to the mentioned factors.
- The market expects brokers to increase operating margins by ~50bps on average in 2025 through organic growth cost-saving programs. We expect Aon to lead in this trend with its proven record of generating efficiencies and the development of synergies from its NFP acquisition (which has hurt margin growth in 2024) starting in 1H25.

Stock Price and Sector Benchmark Performance



Sources: Capital IQ, Company Filings, Bloomberg

Position Snapshot

Purchase Date	Jan 19, 2024
Average Cost	U$311.58
Value Invested	U$18,072
Portfolio Weight	2.5%
HP Return	14.89%
2024 Benchmark Return	27.8%

Financial Institutions

Holdings Review – Bank of America (NYSE:BAC)

Company Overview

- BAC is one of the second-largest bank in the US by total asset with ~$2.57 trillion.
- It provides financial services and products to individual consumers, small and middle-market businesses, and large corporations through its banking and non-banking subsidiaries throughout the U.S. and selected international markets.
- BAC operates through four major business segments: Consumer Banking (42%), Global Wealth & Investment Management (21%), Global Banking (25%), and Global Markets (20%)

Investment Theses

1. Resilience and Favorable Market Trends

When pitched in 2016, we anticipated BAC would benefit from a rising rate environment, improving NII, and operational efficiency. These factors have materialized, with BAC achieving consistent NII growth despite rising deposit costs.

2. Valuation Convergence with Peers

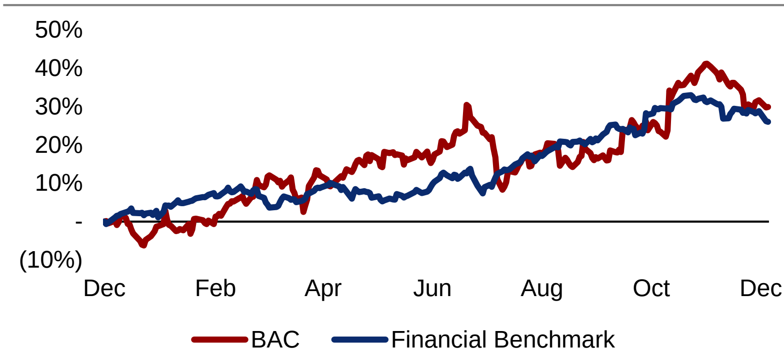
BAC was trading at a discount to peers such as JPMorgan Chase in 2016. Over time, its P/E and P/B ratios aligned closer to competitors due to stronger earnings, operational improvements, and growing investor confidence. While convergence has largely materialized, differences in business models leave limited room for further re-rating.

Performance Outlook

- Since adding BAC to our portfolio in 2016, the stock has appreciated approximately 247%, reflecting the bank's resilience and ability to navigate economic cycles effectively.
- In 2024, BAC experienced another year of strong performance with its stock price increasing by 33.9%, significantly outpacing the S&P 500 by 10.5% and the sector benchmark by 15%. This growth was fueled by strong fundamentals, including an 18% increase in investment banking fees, reflecting higher client confidence and deal activity, and continued growth in NII despite challenges like rising deposit costs. BAC also achieved the highest performance in the banking sector, which itself grew by 23.4%.
- BAC is well-positioned to benefit from the higher-for-longer interest rate environment, with continued repricing of fixed-rate assets expected to drive NII growth. Additionally, Trump's reelection is viewed as a significant positive catalyst, as his administration's anticipated focus on corporate tax cuts and deregulation is likely to enhance earnings growth opportunities and boost investor sentiment for major financial institutions. Lastly, its proven ability to navigate economic shifts and capitalize on favorable conditions reinforces its value as a strong holding.

We recommend a HOLD position in BAC.

Stock Price and Sector Benchmark Performance



Position Snapshot

Purchase Date	26-Oct
Average Cost	U$18.191
Value Invested	U$24.302
Portfolio Weight	7.1%
HP Return	30.8%
2024 Benchmark Return	27.8%

Sources: Capital IQ, Company Filings

Financial Institutions

Holdings Review – M&T (NYSE:MTB)

Company Overview

- M&T Bank Corporation was founded in 1856 and is headquartered in Buffalo, New York
- M&T Bank Corporation is one of the largest regional banks in the US operating 1,000+ branches located throughout the Northeastern region of the country
- With total assets of $211.8B, M&T is the 21st largest bank in the US as of December 2024.
- The bank currently has a tier 1 capital ratio of 11.5% and a total capital ratio of 14%
- Ownership in the bank is quite pulverized with institutions representing 87% of the equity while insiders only own 0.39% of the company

Investment Theses

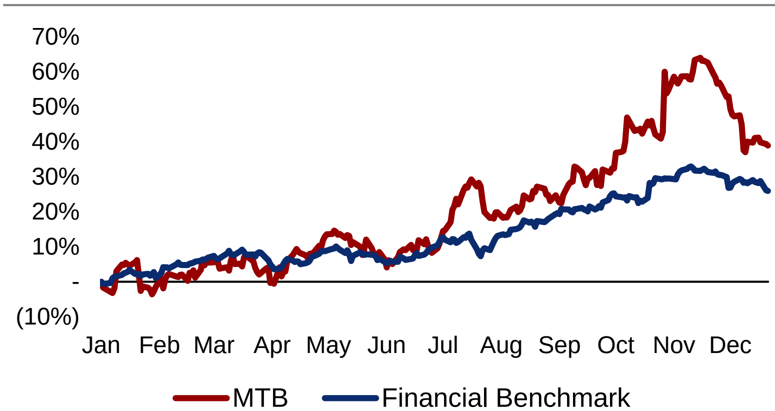
1. **Defensively, M&T is the least levered regional player and has strong fundamentals vis a vis peers (Materialized)**
   With liabilities to TBV of 10.2x and one of the lowest net-charge-offs level, M&T's provisions have been among the most stable for the past decade, testifying of its loan underwriting skills.
2. **M&T's higher variable-rate exposure gives it an underappreciated opportunity for mean-reversion (Materialized)**
   M&T's high variable-rate exposure has driven strong NIM performance, and proactive adjustments position it to sustain stable earnings as rates decline.

Performance Outlook

- We added M&T to our portfolio following the SVB collapse, as the market broadly punished banks despite differing fundamentals. We identified M&T as it had a slight net positive of new clients and account openings. There were no significant deposit outflows, but rather a decline in deposits from a continued migration toward higher yielding-alternatives. The NIM compression was less than expected due to non-interest-bearing deposit shifts moderating throughout the year. Although NIM fell from 1Q23, it was still 44 bps higher than in 2022.
- On the asset side, M&T continues to reduce its CRE exposure (now 24% of portfolio), while focusing on C&I loans.
- Following thesis 2, M&T benefited from the previous rising rate environment due to its higher variable rate exposure compared to peers. In 2024, M&T continued its conservative capital allocation strategy as rates decline, increasing fixed-rate investment securities by 11% and average loans and leases by 2% yoy.
- Overall, the stock delivered a great performance with an appreciable 66.7% return since purchased.

With both of our theses fully materialized and the macroeconomic environment shifting to a lower-rate regime, we recommend a HOLD on M&T Bank.

Stock Price and Sector Benchmark Performance



Position Snapshot

Purchase Date	Apr 12, 2023
Average Cost	U$117.27
Value Invested	U$17,591
Portfolio Weight	3.4%
HP Return	38.4%
2024 Benchmark Return	27.8%

Sources: Capital IQ, Company Filings, Bloomberg

Financial Institutions

Holdings Review – Global Payments Inc. (NYSE: GPN)

Company Overview

- GPN is a leading payments technology company serving 4M merchant locations and 1,500 financial institutions worldwide. It operates in two segments: Merchant Solutions (74% of revenue) and Issuer Solutions (26%), generating 81% of its revenue from the Americas.
- Its Merchant Solutions segment provides payment technology and value-add services like analytics, while Issuer Solutions offers financial institutions solutions for card portfolio management and B2B payment.
- GPN earns revenue through transaction fees, subscriptions, and licensing.

Catalysts

- Successful integration of EVO payments could unlock $132M run rate expense synergies, driving operating margin expansion and volume growth.
- The new Merchant Solutions segmentation will offer greater transparency into GPN's revenue, bolstering market confidence.

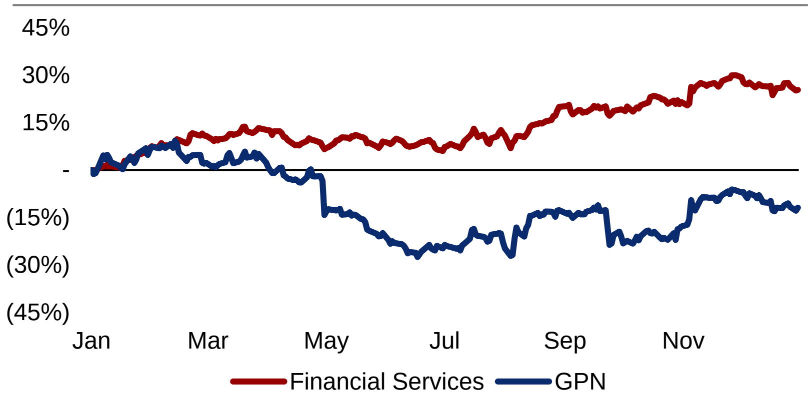
Risks

- Declining consumer and business spending would lower transaction volumes.
- Increased competition in payment software could lead to its commoditization. GPN acknowledges this and is actively investing to strengthen its position and mitigate pricing pressures.

Investment Theses

1. **GPN's Focus on Software Will Drive Higher-than-Expected Transaction Volume in Merchant Solutions**
   - While labelled as a "legacy" company, GPN remains highly attractive to SMBs across diverse niche verticals such as education, dental, vision, nail salons, convenience stores, etc.). Moreover, high customer stickiness, driven by transition costs and data privacy concerns, creates significant barriers to switching.
   - In 2024, GPN disclosed, for the first time, detailed reporting on its tech-enabled revenue, which accounted for approximately 65% of total revenue. This transparency is expected to continue in 2025, providing greater clarity into the company's strategic shift toward technology-driven growth and serves as a catalyst.
2. **The GPN Is Best Positioned to Capture Growth in the B2B Digital Payment Market**
   - Through its issuer solutions segment, GPN is already a leader in the B2B digital transaction processing and AR/AP automation. Given its uniquely complete product offering and imminent transaction to a cloud platform, it is set to solidify its place and benefit from a very large and rapidly growing market
   - We believe the market is overlooking GPN's growth potential in this sector due to recent underperformance through lower commercial card volume and project delays amid an uncertain macro environment.

Stock Price and Sector Benchmark Performance



Sources: Capital IQ, Company Filings

Position Snapshot

Purchase Date	(not yet purchased)
Sale Date	NA
Value Invested	NA
Portfolio Weight	NA
HP Return	NA
2024 Benchmark Return	27.8%

HEALTHCARE

2024 REVIEW & 2025 OUTLOOK

Aiwei Dong
Senior Analyst

David Pivetta
Senior Analyst

Mateo Cordoba
Senior Analyst

Ethan Wu
Junior Analyst

Thomas-Nikolas Anastasopoulos
Junior Analyst

Healthcare

Healthcare Performance Overview

Mateo Cordoba, Senior Analyst
Aiwei Dong, *Senior Analyst*
David Pivetta, Senior Analyst
Thomas-Nikolas Anastasopoulos, Junior Analyst
Ethan Wu, Junior Analyst

Sector Overview

In 2024, the healthcare industry underperformed the S&P 500 by approximately 22.1%, continuing to face significant headwinds. Despite its defensive nature, the sector ranked 10th out of 11 industries, only outperforming Materials. Key challenges included regulatory shifts, operational inefficiencies, and recent political uncertainty. Below, we detail the main factors influencing this underperformance:

The healthcare sector in 2024 experienced heightened regulatory pressures stemming from the BIOSECURE Act and the FDA's phaseout of enforcement discretion for Laboratory Developed Tests (LDTs). These new regulations significantly affected diagnostics and biotech companies, increasing compliance costs and delaying product launches. Pharmaceutical giants such as Pfizer and Merck continued to grapple with the Inflation Reduction Act's (IRA) drug pricing provisions, further eroding profit margins. Medicare's expanded drug price negotiations, effective from 2026 but anticipated in 2024's market sentiment, created uncertainties, particularly in the GLP-1 drug category.

The biotechnology and pharmaceuticals subsectors faced mixed results. While companies like Eli Lilly benefited from the sustained demand for GLP-1 drugs, smaller biotech firms struggled due to increased capital costs and regulatory hurdles. The proliferation of biosimilars further intensified competition, putting pressure on pricing and margins for blockbuster drugs.

Healthcare Equipment and Supplies subsector saw demand for innovative tools grow; however, rising costs of raw materials and supply chain disruptions continued to hinder profitability. Meanwhile, large players in Life Sciences Tools and Services benefited from increased demand for genomic and proteomic solutions, though their valuations traded at a premium, tempering

Sources:Note: TSX and S&P 500 composite

Labor shortages persisted in 2024, particularly affecting healthcare providers and services. Hospitals and clinics, including organizations like HCA Healthcare, faced increased labor costs due to inflation and burnout-related attrition. Staffing shortages also delayed elective procedures, exacerbating revenue declines in healthcare facilities. According to McKinsey, labor costs rose by an average of 10% year-over-year, and healthcare providers reported operating margins below historical norms.

The healthcare sector was impacted by significant political changes, with Donald Trump's re-election bringing new uncertainty to healthcare policies. Proposals to revise aspects of the Affordable Care Act (ACA) and changes to Medicaid funding have created instability for healthcare providers and insurers. Meanwhile, speculation about Robert F. Kennedy Jr. entering the political arena in a future race added another layer of unpredictability, particularly regarding bipartisan healthcare reform initiatives.

Artificial Intelligence (AI) continued to revolutionize healthcare in 2024, driving efficiency across multiple areas. AI applications in drug discovery, diagnostics, and personalized medicine gained traction. Major pharmaceutical companies leveraged AI to streamline clinical trials, optimize supply chains, and identify new therapeutic targets. For instance, companies like Roche and AstraZeneca employed AI to shorten the drug development timeline, while startups used machine learning to develop predictive analytics for patient outcomes.

Despite these advancements, challenges remained, including regulatory approval for AI-driven solutions and concerns over data privacy and cybersecurity.

Subsectors Review

In 2024, Biotechnology, comprising 11.8% of the healthcare sector, experienced a decline of 5.95%. The sector faced significant challenges, including heightened regulatory scrutiny and delays in clinical trials due to stricter FDA approval processes. Several biotech firms, particularly in the small-cap space, continued to face liquidity issues, with many struggling to secure funding in an environment of rising capital costs. Additionally, trial failures and safety concerns persisted, leading to sharp declines in individual stock performances, with some companies losing over 20% in market value.

Despite these challenges, the latter half of 2024 saw a modest recovery, driven by the approval of innovative therapies in oncology and rare diseases. Notable advancements in gene editing and mRNA technology provided a glimpse of the sector's long-term potential, sparking renewed investor interest.

Healthcare equipment and supplies rebounded with a growth of 9.89%, emerging as one of the better-performing subsectors in 2024. This recovery was driven by strong demand for AI-driven diagnostic tools and advancements in surgical robotics. While concerns about the impact of weight-loss drugs on certain categories of medical devices persisted, the broader adoption of innovative healthcare technologies helped mitigate these fears. Supply chain disruptions eased somewhat, but elevated financing costs remained a headwind for many companies in the subsector.

Figure 1: HC Providers and Services Sub-Sector

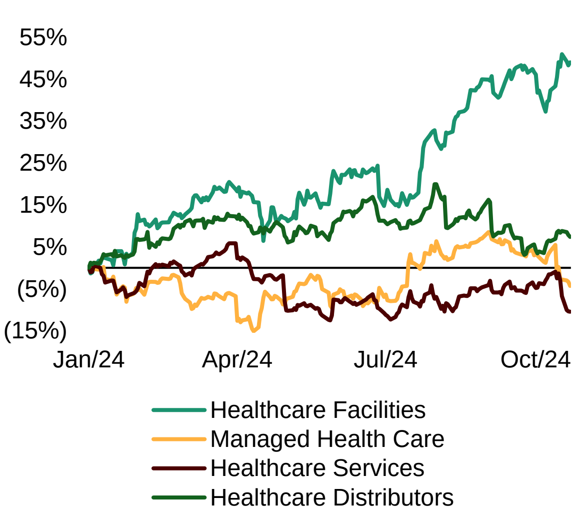


Figure 2: Healthcare Sector Performance, YTD

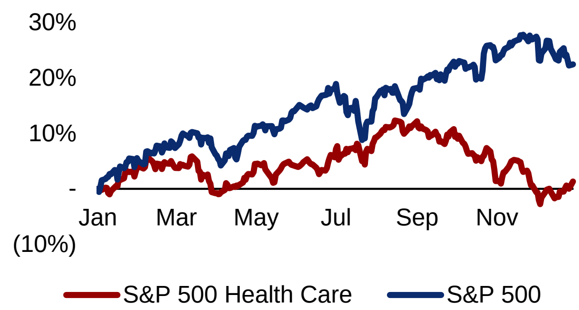


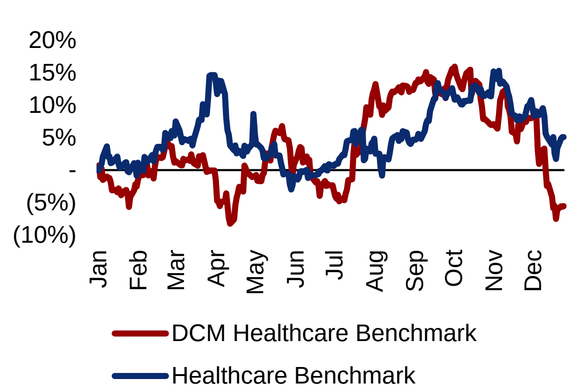
Figure 1: HC Sub-Sector Performance & DCM Views

Sector	2024 Δ	EV/ EBITDA	5Y AVG EBITDA	DCM View
Equipment & Services				
Equipment & Supplies	9.89%	19.10x	20.04x	Neutral
Providers & Services	-3.12%	10.60x	10.68x	Over
Pharma, Bio & Life Sciences				
Pharmaceuticals	2.55%	13.29x	12.46x	Neutral
Biotechnology	-5.95%	12.43x	10.98x	Over

DCM Sector Performance

The DCM HC sector faced mixed performance in 2024, with macroeconomic and regulatory challenges impacting key players. Bayer saw a 26% drop in Q3 adjusted EBITDA, while Danaher's core revenue declined but rebounded with 3% Q3 growth. Illumina's revenue dipped 2%, though margins improved to 68.6% GAAP and 22.6% non-GAAP. UnitedHealth fell 15.2% from recent highs due to leadership changes and PBM scrutiny. Despite setbacks, all four companies are focused on strategic initiatives to drive growth in 2025.

Figure 3: DCM Healthcare Sector Performance, YTD



Healthcare
2024 Outlook

Overview

In 2024, healthcare's poor performance was marked by headwinds from rising medical costs, inadequate reimbursement rates in the insurer space and most importantly policy uncertainty inherent in an election year. We expect 2025 to be shaped by tailwinds that have taken a back seat over the past year, including (1) continued innovation in biotechnology with various positive clinical outcomes, (2) an aging American population driving increased national healthcare expenditures at 6% annually through 2030, and (3) the ongoing integration of artificial intelligence to enhance efficiency in administration, diagnosis, treatment, and patient care. 2025 will also give rise to some new trends that will also be worth monitoring, namely: (1) a reinstated Trump administration which has previously proved beneficial to the Healthcare sector with a relaxed regulatory stance from the FTC and (2) the questioning of corporate greed within the health insurance industry with assassination of UNH's CEO.

Sub-Industries We Like

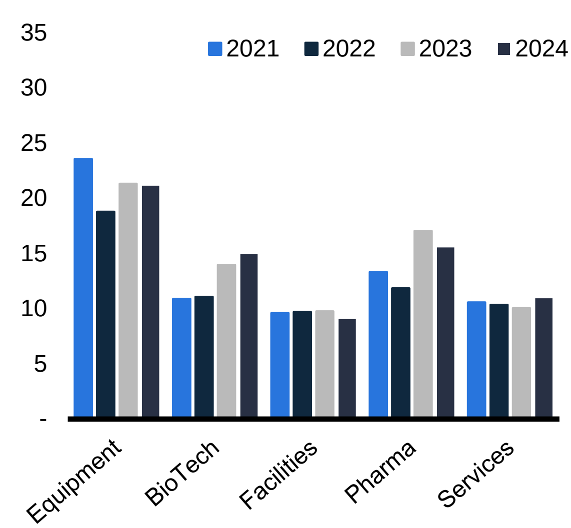
We are optimistic about the biotechnology sector in 2025, supported by a lower interest rate environment, record cash reserves, and strong M&A activity driving innovation. Although the rate cuts might be largely priced in, potential changes at the Federal Trade Commission, including leadership transitions, could further stimulate deal-making, positioning biotech as a key growth area. DCM does not necessarily have the expertise to evaluate the probabilities of drug successes and failures, but we remain on the lookout for other biotechnology and biotech-adjacent companies, as exemplified by our investment in Illumina.

Providers and Services have been a pocket of the healthcare sector that has experienced pessimism throughout 2024 for a variety of reasons described in the overview section. Moving into 2025, while medical costs are expected to stay elevated, the stubborn trend of high utilization from post-pandemic medical operations is expected to normalize. Combined with increased plans pricing, this could lower health insurers' medical loss ratios and drive earnings above expectations. DCM believes these tailwinds are being overlooked by the market amidst high levels of pessimism and uncertainty in 2024.

What We're Watching

Throughout 2025, we will pay close attention to key healthcare policy decisions in the USA post Donald Trump's inauguration. Specifically, uncertainty is still present with regards to nominations for U.S. departments of Health and Human Services (HHS), Center for Medicare Services (CMS), and FDA leadership roles. These appointments, anticipated for confirmation in 2025, are expected to influence policies that weigh on the sector. Additionally, potential reforms to the FTC could spur increased M&A activity.

Figure 1: Avg. EV/EBITDA Multiples S&P500



Sources: Capital IQ, Equity Research, Market News, Statista

Healthcare

Holdings Review – Bayer (NYSE: BAYN)

Company Overview

- Bayer develops, produces, and markets products in the fields of healthcare, agriculture, and high-tech polymer materials
- Bayer is a multinational company operating through three primary segments: Pharmaceuticals, Consumer Health, and Crop Science
- Bayer operates through a global network, employing over 100,000 associates. Its research and development, manufacturing, sales, and administrative facilities span across more than 90 countries

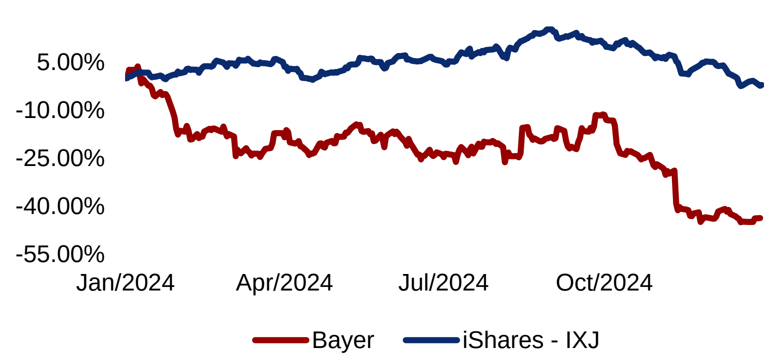
Investment Thesis

- **Undervalued for Reasonable but Addressable Reasons**: Bayer's current valuation is suppressed due to its unattractive conglomerate structure and litigation uncertainties stemming from the Monsanto acquisition. But it remains significant potential to recover valuation as it addresses these issues
- **Strategic Restructuring for Value Creation**: Bayer's restructuring, led by CEO Bill Anderson, focuses on spin-offs and operational streamlining to unlock shareholder value. These efforts aim to improve segment focus, realign leadership incentives, and address investor concerns

Performance and Outlook

- **2024 Performance Decline:** Bayer's 2024 performance was heavily impacted by weak agricultural markets, particularly in Latin America, resulting in a 26% decline in Q3 adjusted EBITDA and a reduced full-year earnings outlook. The Crop Science division struggled with decreased demand for herbicides, and write-downs on intangible assets led to a €4.18 billion net loss for the quarter
- **Pharmaceutical Challenges:** Slower growth in the Pharmaceuticals division, driven by increased competition and pricing pressures, further contributed to Bayer's underwhelming performance in 2024. Despite this, the company made progress in advancing its drug pipeline, particularly in oncology and cardiovascular treatments
- **Outlook for 2025**: Bayer plans to focus on operational improvements, including efficiency enhancements, digital transformation, and cost-saving measures. Key areas for growth include accelerated drug development, diversification within Crop Science, and targeted market expansion in emerging regions.
- **Strategic Priorities**: In 2025, Bayer aims to restore investor confidence by addressing macroeconomic headwinds and implementing turnaround strategies under new leadership. Strengthening its product portfolio and improving profitability in core segments will be central to achieving sustainable growth.

Stock Price and Sector Benchmark Performance



Position Snapshot

Purchase Date: Jan 18, 2024

Average Cost: $8.91

Value Invested: $14,416.4CAD

Portfolio Weight: 1.7%

HP Return: (40%)

2024 Benchmark Return: (2.3%)

Sources: Company Filings

Healthcare

Holdings Review – Danaher (NYSE:DHR)

DANAHER

Company Overview

- Danaher Corporation (Danaher) designs, manufactures and markets professional, medical, industrial and commercial products and services
- Danaher is a conglomerate, operating through three segments: Biotechnology, Life Sciences and Diagnostics
- Danaher operates through over 20 companies and over 80,000 associates. Its diverse business research and development, manufacturing, sales, distribution, service and administrative facilities are located in over 60 countries

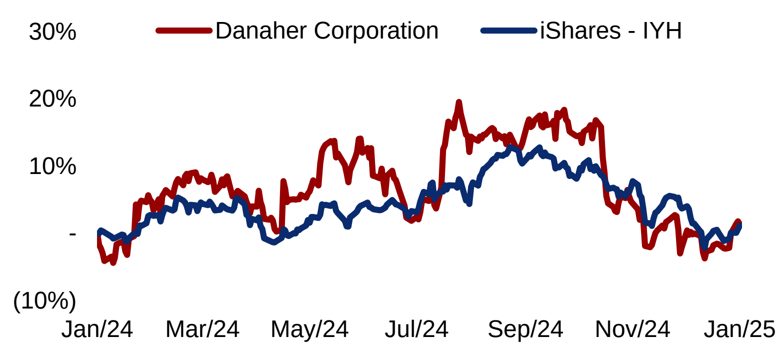
Investment Thesis

- **The Market is underappreciating DHR's M&A strategy to drive up its long-term value and create catalysts**: DHR has established a conglomerate built on an investment-grade product portfolio construction will hedge against sub-sector volatility by decreasing singular exposure towards a specific healthcare area. These recent acquisitions have continued to perform well and to drive revenues

Performance and Outlook

- **2024 Performance Challenges:** Danaher faced a decline in core revenue during 2024, particularly in its Biotechnology and Life Sciences divisions, due to reduced demand for bioprocessing and molecular diagnostic products. This was partly driven by a slowdown in COVID-19-related sales
- **Q3 Recovery Signals:** Despite these challenges, Danaher delivered better-than-expected Q3 results, with a 3% year-over-year revenue increase to $5.8 billion. Growth was supported by resilience in its Diagnostics division and early signs of recovery in bioprocessing
- **2025 Strategic Focus:** In 2025, Danaher plans to enhance its bioprocessing business, focusing on new product launches and operational efficiency. Investments in molecular diagnostics and life sciences tools are expected to drive recovery and growth
- **Growth Opportunities in 2025:** With an emphasis on innovation and expanding market share in emerging technologies, Danaher is positioned to capitalize on long-term trends in healthcare and life sciences. The company also aims to leverage digital transformation initiatives to strengthen its competitive advantage

Stock Price and Sector Benchmark Performance



Position Snapshot

Purchase Date: March 24, 2022

Average Cost: $255

Value Invested: $16,980CAD

Portfolio Weight: 1.7%

HP Return: (8%)

2024 Benchmark Return: 1.16%

Sources: Company Filings

Healthcare

Holdings Review – Illumina (NYSE:ILMN)

illumina

Company Overview

- Illumina designs, manufactures, and markets innovative systems for the analysis of genetic variation and function, with a focus on life sciences, genomics, and healthcare. It primarily operating through its segments: Sequencing Systems, Sequencing Consumables, and Microarrays
- Illumina operates globally with thousands of employees. Its research and development, manufacturing, and commercial operations serve customers in over 140 countries, enabling advancements in personalized medicine and genomic research

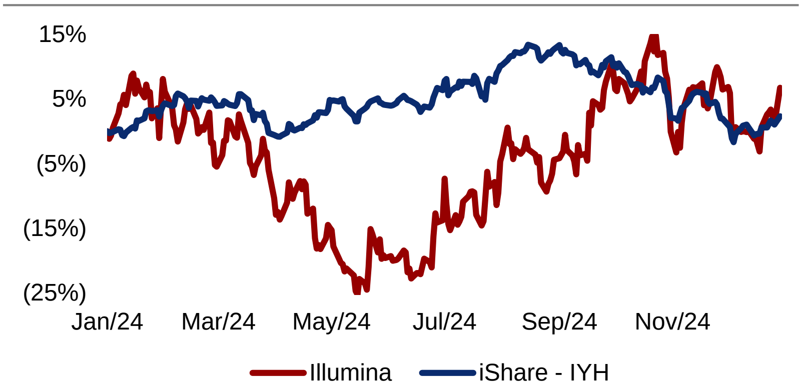
Investment Thesis

- **The Market is Underappreciating Illumina's Large & Diverse Moats**: Illumina's dominant 80% market share in genomic sequencing, supported by its integrated ecosystem of instruments, consumables, and software, positions it as a trusted leader in the industry. Its focus on continuous innovation and high switching costs creates significant competitive moats
- **Management Successfully Starts Vertical Integration Through M&A**: Recent management changes and strategic acquisitions like Fluent Bio and Partek strengthen Illumina's capabilities in multiomics and workflow integration. These efforts aim to expand its product portfolio, enhance operational efficiency, and maintain leadership in a rapidly evolving genomics market.

Performance and Outlook

- **2024 Performance Decline:** Illumina experienced a 2% decline in Q3 revenue compared to 2023, driven by reduced demand for genetic testing instruments amid a challenging funding environment for biotech companies. The company also faced headwinds from ongoing regulatory and competitive pressures
- **Operational Improvements:** Despite revenue challenges, Illumina improved its operating margins, with a GAAP operating margin of 68.6% and a non-GAAP operating margin of 22.6%, reflecting successful cost management and operational efficiencies
- **2025 Strategic Focus:** Illumina plans to leverage its recent collaboration with NVIDIA to advance genomic data analysis and AI-driven multiomic research. This partnership aims to enhance clinical research capabilities, accelerate drug discovery, and strengthen Illumina's position in the genomics AI space
- **Growth Opportunities in 2025:** Illumina is optimistic about capitalizing on technological advancements and partnerships to drive innovation. The company is focused on expanding its presence in clinical genomics and personalized medicine, despite uncertainties in the macroeconomic environment.

Stock Price and Sector Benchmark Performance



Sources: Company Filings

Position Snapshot

Purchase Date: Dec 9, 2024

Average Cost: $147.53

Value Invested: $26,113CAD

Portfolio Weight: 2.6%

HP Return: (7%)

2024 Benchmark Return: 1.16%

Healthcare

Holdings Review – UnitedHealthcare (NYSE: UNH)

Company Overview

- UnitedHealth Group Incorporated is an American multinational managed healthcare and insurance company headquartered in Minnetonka, Minnesota.
- The company is the world's seventh-largest company by revenue and holds the title of the largest healthcare company by revenue, as well as the largest insurance company by net premiums.
- UnitedHealth Group is structured into two main divisions: UnitedHealthcare, focusing on insurance services, and Optum, dedicated to health services. UnitedHealthcare generates the majority of the Group's overall revenue.

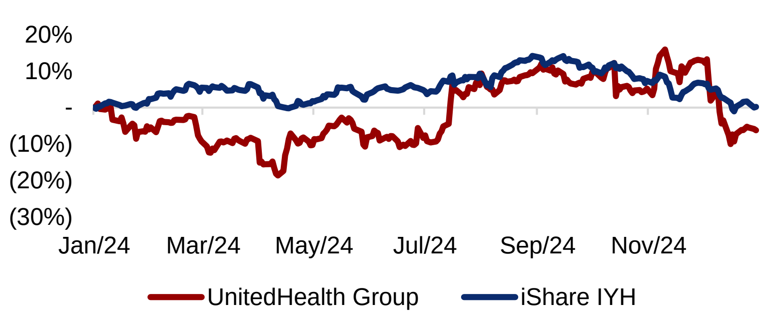
Investment Thesis

- DCM is optimistic about United Healthcare's ability to understand and respond effectively to the changing expectations of consumers in the healthcare coverage domain. UNH is well-equipped to provide insurance and services that align with the evolving landscape of healthcare demands.
- UNH's investments in value-based care, coupled with internal actions and a focus on analytics and preventative care, are expected to benefit its insurance business and provide a level of recession resistance to the company.

Performance and Outlook

- **2024 Performance Decline:** UnitedHealth Group experienced a 15.2% decline from recent highs, largely driven by market fears surrounding leadership changes and regulatory scrutiny. The fatal shooting of the UnitedHealthcare CEO and heightened concerns over potential pharmacy benefits management (PBM) reforms have contributed to investor uncertainty
- **2025 Strategic Focus:** UnitedHealth aims to enhance transparency and public relations efforts in response to increased scrutiny over insurance claim denials and PBM pricing practices. The company is focused on strengthening its position in value-based care through Optum Health and expanding its influence in Medicare Advantage and employer-sponsored health plans. Additionally, UNH is expected to leverage its scale and diversification to navigate potential regulatory changes while maintaining profitability
- **Growth Opportunities in 2025:** Despite regulatory headwinds, UnitedHealth remains well-positioned to capitalize on secular growth trends in healthcare services and analytics. The company's diversified business model, including Optum's data-driven healthcare solutions and PBM operations, provides a competitive advantage

Stock Price and Sector Benchmark Performance



Position Snapshot

Purchase Date: Dec 13, 2022

Average Cost: $539.35

Value Invested: $16,578CAD

Portfolio Weight: 1.7%

HP Return: (5.4%)

2024 Benchmark Return: 1.16%

Sources: Company Filings

INDUSTRIALS

2024 REVIEW & 2025 OUTLOOK

Evelyn Bojkov
Senior Analyst

Elisa Bonnet
Senior Analyst

Thiara Subasinghe
Senior Analyst

Frédéric Mandeville
Junior Analyst

Katie Chao
Junior Analyst

Industrials
2024 Review

Evelyn Bojkov, *Senior Analyst*
Elisa Bonnet, *Senior Analyst*
Thiara Subasinghe, *Senior Analyst*
Frederic Mandeville, *Junior Analyst*
Katie Chao, *Junior Analyst*

Overview

The DCM industrials sector returned +11.4% in 2024, slightly underperforming the sector benchmark which returned +13.5%. Industrials had +23.3% returns compared to the S&P 500 of +25.3%. The underperformance was not due to weak performance by industrials, rather TMT driving higher S&P returns.

Since holding Airbus, our investment has generated returns of +10% due to repurchase of ~2.1 million shares throughout the month of December and January. Furthermore, there was further optimism surrounding the stock as they were able to nearly meet their 2024 delivery targets from securing engine parts in the 11th hour from CFM. The performance was offset by LUV which generated returns of (+7%). LUV's stock took a hit in post poor Q1 results. Then during the summer, Elliot Investment Management built a 11% stake in LUV and began demanding operational and leadership changes. They settled the proxy and have since made significant leadership and governance, and operational changes including replacement of the Chairman of the Board with Rakesh Gangwal.

As a result of DHR spin-off in September 2023, we own shares in VLTO which has performed well since, earning a 35.5% return. We exited our position of VW this year and added Airbus to our portfolio. We sold Volkswagen in October, at a 37.6% loss since our initial purchase in 2020. We are pleased with the performance of Airbus thus far and we are looking into more stocks to add to diversify our holdings this year.

2024 In Review

Industrials sector performance can be explained by looking at the US ISM Purchasing Manufacturer (PMI) Index and the Global Supply Chain Pressure Index (GSCP). The PMI Index collects monthly data from purchasing manufacturers. A score <50 indicates a contractionary phase. The PMI Index finally rose in November and December to 49.3, beating expectations, after over a year of consecutive contractions while the GSCP Index shows December ending with –0.22 indicating an easing in global supply chain pressures since the highs of 4.39 in 2021.

There has been a significant increase in construction spending in the manufacturing industry after the passage of the IIJA, CHIPS Act, and IRA. The PMI and GSCP Index modestly showcase this with new orders and backlog growth for the US. In terms of input prices, energy markets have softened in the second half, other raw material prices have come down in the latter half as well, however prices in aluminum, steel, and electronic components have risen impacting capital goods, construction and transportation. Skilled labor shortages impacted both capital goods and transportation. The services industry's performance was mostly driven by the continued consolidation and growth of Waste Management and less sensitivity to macroeconomic variables.

Figure 1: DCM Performance, 2024

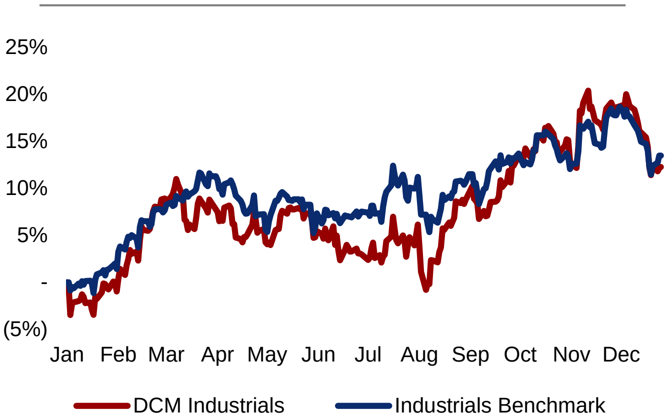
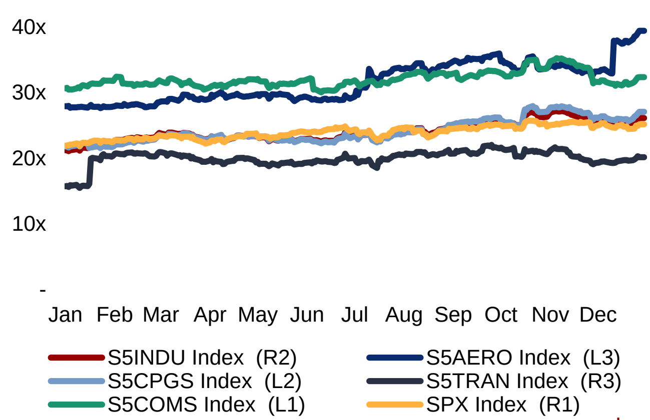


Figure 2: PE Subsector Performance, 2024



Sources: Bloomberg, ISM Research, S&P Global, US Federal Reserve, Fidelity Research

Industrials
2025 Outlook

Evelyn Bojkov, *Senior Analyst*
Elisa Bonnet, *Senior Analyst*
Thiara Subasinghe, *Senior Analyst*
Frederic Mandeville, *Junior Analyst*
Katie Chao, *Junior Analyst*

Sector Drivers and Themes

The industrials sector is poised for a dynamic year in 2025, shaped by transformative trends in infrastructure investment, energy transition, and global supply chain realignment. The U.S. Manufacturing PMI, which ended 2024 at 55.2, is forecast to remain expansionary after its rebound from 2024, signaling robust growth in industrial activity. Despite this, the sector is currently trading at an EV/EBITDA of 12.1x, a 0.6x discount to the S&P 500's 12.7x. This relative discount is 0.4x wider than the historical spread of -0.2x, reflecting market caution due to persistent supply chain challenges and cost pressures in high-demand and capital-intensive industries.

The main themes for industrials in 2025 include:

Infrastructure Supercycle: Disbursements from the IIJA, CHIPS Act, and the IRA will drive long-term growth, especially in construction and clean energy projects, as funding continues to roll out.

Decarbonization and ESG Initiatives: Global commitments to net-zero targets are driving renewable energy and carbon-reducing technologies. Federal ESG support remains uncertain, but private sector and state initiatives should sustain momentum.

Reshoring and Localization: Geopolitical tensions and the need for supply chain resilience are accelerating reshoring, boosting domestic industrial activity.

Automation and Digitalization: Firms are deploying automation and advanced technologies to address labor shortages, improve efficiency, and reduce costs. Timelines and productivity are still feeling constraints.

Tariffs: After his inauguration, Trump announced tariffs of up to 25% on Mexico and Canada by Feb 1st and a 10% baseline tariff on all imports and a 60% tariff on Chinese goods. These tariffs will drive up costs for firms reliant on imported materials, particularly in machinery, electrical equipment, and construction-related industries.

Sources: Capital IQ

Capital Goods

Capital goods will lead the industrial recovery, supported by robust infrastructure funding and reshoring initiatives. However, interest rate sensitivity and input cost pressures could moderate growth.

Aerospace and Defense (Overweight)

Global defense spending, at an estimated $850 billion in the U.S., and strong commercial aerospace demand are driving growth. Airbus is targeting 75 A320s per month by 2027, while Boeing is ramping up 737 MAX production. However, there is uncertainty about federal budget allocation and spending priorities due to U.S. deficit. A&D trades at a 15.3x EV/EBITDA, with a spread 0.7x wider than its historical trend. We recommend **overweighting** due to improving supply chain conditions in commercial aerospace.

Engineering and Construction (Overweight)

The E&C sector is poised for strong growth as infrastructure backlogs remain robust, driven by IIJA and IRA funding. Valued at 13.2x EV/EBITDA. The current spread is 0.5x wider than its historical trend, reflecting increased optimism about its ability to capitalize on public-private partnerships. Significant potential lies in firms specializing in data centers, driven by rising demand for cloud computing, AI, ESG-compliant infrastructure, and resilient supply chain management. We recommend **overweighting** due to strong infrastructure spending and robust project pipelines, which we believe are not fully priced in given the modest spread to its historical valuation.

Machinery and Equipment (Neutral)

Demand for industrial equipment remains steady, supported by reshoring and automation. The sector trades at an 11.5x EV/EBITDA. The spread has narrowed by 0.5x, suggesting cyclical risks and margin pressures, as the market is cautiously optimistic about demand recovery with uncertainties from economic slowdowns. Thus, we recommend a **neutral weighting**.

Industrials

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Transportation

Transportation faces a mixed 2025, with maritime and aviation benefiting from rising trade volumes, while rail capitalizes on decarbonization and infrastructure.

Maritime (Underweight)

The maritime industry will see steady ton-mile demand due to geopolitical shifts. Freight rates remain elevated but are stabilizing as trade normalizes. Europe's pivot from Russian energy drives LNG carrier demand, while limited shipyard capacity constrains fleet growth. Trump's deregulation focus may favor traditional energy transport, while potential tariffs could disrupt container shipping but increase ton-mile demand through rerouting. With no significant shipyard expansions expected, supply constraints persist. Trading at historical spread, the sector reflects balanced risks. We recommend **underweighting** Maritime, as its constraints outweigh opportunities.

Aviation (Neutral)

Passenger volumes are projected to continue recovering, with aircraft shortages keeping lease rates elevated. The sector trades at 12.4x EV/EBITDA, 0.2x below its historical average of 12.6x, with a spread 0.2x narrower than historical trends, reflecting cautious optimism about recovery trends. We recommend **neutral weighting** Aviation, as sustained passenger recovery is offset by ongoing supply chain challenges.

Rail (Neutral)

Rail is positioned for steady demand growth, supported by investment in sustainable infrastructure and tax credits under the IRA. Valued at 10.8x EV/EBITDA, 0.4x below its historical average of 11.2x, with the spread 0.4x wider, reflecting caution about cyclical risks, trucking competition, and labor shortages despite ESG trends. We thus recommend **neutral weighting** Rail.

Business Services

Business services are expected to deliver stable growth, with sustainability initiatives and corporate investments driving demand.

Consulting and Professional Services (Neutral)

Consulting demand will remain steady as companies navigate digital transformation and regulatory compliance. However, growth is modest, with limited transformative opportunities. The consulting segment trades at an 11.8x EV/EBITDA, with the spread remaining unchanged relative to historical trends, reflecting cautious market sentiment. We recommend **neutral weighting**, as its valuation aligns with its modest growth prospects and market positioning.

Waste Management (Neutral)

The North American waste industry will continue to grow at a mid-single-digit CAGR, driven by pricing and investments in renewable natural gas and material recovery facilities. Consolidation remains a key growth driver. Waste management trades at 14.5x EV/EBITDA, with the spread 0.5x wider than historical trends, indicating strong investor confidence. However, this mature industry is primarily driven by the CPI. With inflation stabilizing, significant growth is unlikely. We recommend **neutral weighting**, as its strong fundamentals appear largely priced in.

Staffing Services (Underweight)

Labor shortages will support demand for outsourcing, but wage pressures and economic uncertainty will challenge margins. Staffing services trade at 10.1x EV/EBITDA, with the spread 0.6x wider than historical trends, reflecting heightened caution about wage pressures and slower hiring trends. Hiring has not accelerated significantly, as many firms are automating tasks or restructuring to manage costs. We recommend **underweighting** Staffing Services, as the current challenges appear to be appropriately reflected in its valuation.

Sources: Capital IQ

Industrials

Holdings Review – Airbus (EPA:AIR)

Company Overview

- Airbus SE is a global aerospace, defense, and related services leader founded in 1970 by government initiative from Germany, the U.K. and France.
- The company designs, manufactures, and delivers various aircraft, including commercial jets, military fighter jets, helicopters, satellites, and space systems.

Catalysts

- Increased demand in defense spending alongside geopolitical tension
- Boeing complications continue to persist
- Increased investments throughout the supply chain

Risks

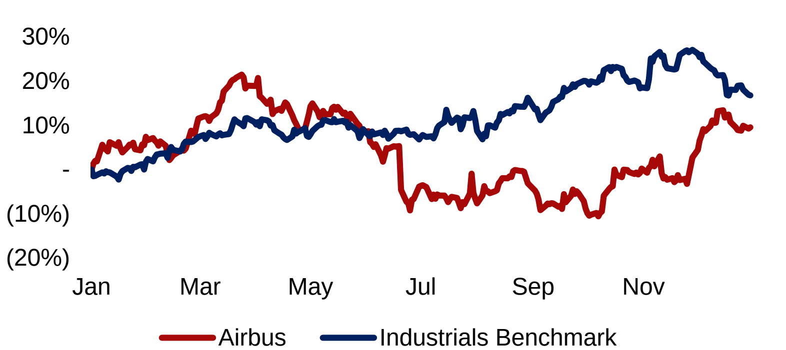
- Tariffs on parts within the supply chain
- Slower turnaround in the supply chain
- Rising competition from China

Investment Theses

1. **Supply Chain Turnaround**
   - Airbus faces challenges in clearing its order backlog of 8,700+ planes due to supply chain delays, particularly in receiving engine parts from Pratt & Whitney and CFM International. This bottleneck has slowed progress in fulfilling its orders
   - However, there have been indications of an inflection point in sight given strong alignment on plans between Airbus and key bottleneck suppliers
   - Airbus had set its delivery targets to 770 planes for the end of 2024, they were able to produce 766 planes. Deliveries spiked higher in November after engine maker CFM and Airbus reached a deal over short-term engine supplies.
2. **Pricing Power**
   - The market has yet to fully reflect Airbus' strengthened pricing power, as the company gains market share from Boeing's ongoing safety and reputational struggles, stemming from the 2019 MAX crisis and recent incidents.
   - **Airbus Pricing Strength:** Airbus has reduced its pricing discounts from 60% in 2017 to 56% in 2023, demonstrating its growing pricing power in the competitive market. In contrast, Boeing's pricing discount has risen from 52% in 2017 to 60% in 2023

Our price target of €188.70 has not been reached yet. We will continue to monitor the firm for updates on the materialization of our theses as it executes on its backlog and new order pricing.

Stock Price and Sector Benchmark Performance



Position Snapshot

Average Cost: $41.02

# of Shares: 810

Value Invested: $33,241

Portfolio Weight: 4%

YTD HPR: (2.93%)

YTD Benchmark Return: 16.7%

Sources: Bloomberg, Capital IQ, Company Filings

Industrials

Holdings Review – Southwest Airlines Co. (NYSE:LUV)

Company Overview

- Founded in 1967, Southwest Airlines is one of the major U.S. airlines, well-known for being a low-cost carrier.
- It operates in passenger and freight, 90% of its revenue coming from their passenger segment. Southwest provides air-travel centered in the U.S.
- The airline's business strategy is focused on low-cost prices and point-to-point routes, minimizing its operational costs with limited variations of airplanes and smaller destinations.

Catalysts

- Greater monetization of customer base
- Reaching new customers with low-cost value proposition through digital flight search channels
- Optimization of flight routes and restructuring following resolution of investor activism

Risks

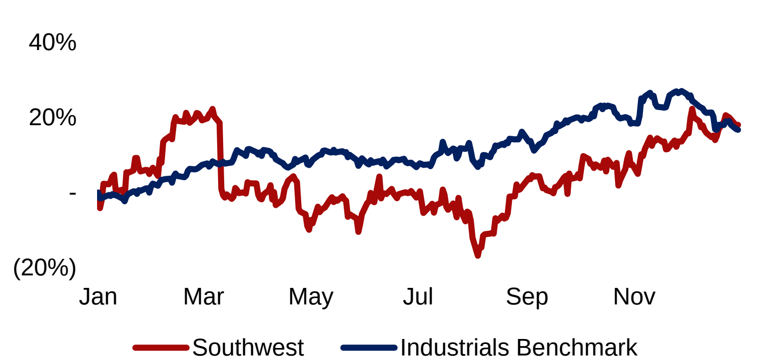
- Boeing delivery delays continuing to disrupt growth plans
- Losing pricing power due to rising labour pay rates

Investment Theses

1. **Operational Strategy is Optimal for Success Given Current Market Conditions**
   - **Activist Investor Involvement:** Elliott Investment Management took a 11% ($1.9 billion) stake in Southwest criticizing their slack in operational performance post the December 2022 meltdown, demanding operational and governance improvements. The dispute was settled in October.
   - **Leadership and Governance Changes:** Southwest appointed Rakesh Gangwal as the new Chairman of the Board in November 2024. The board was expanded with 6 new independent directors, including 5 nominated by Elliott. Additionally, the CFO announced her retirement effective April 2025, indicating further leadership transitions.
   - **Operational and Service Enhancements**: Southwest introduced assigned seating, premium seating options with extra legroom, and overnight (redeye) flights to attract higher-paying customers and improve network utilization, marking a shift in its traditional business model. Furthermore they are reducing their headcount and hiring.
   - **Fleet Modernization Efforts:** The Company continues to plan for approximately 20 Boeing 737-8 ("-8") aircraft deliveries and now expects 41 aircraft retirements in 2024

Our price target of $55.68 has not been reached yet. We will continue to monitor the firm for updates on the materialization of our theses as it executes on its operational strategy.

Stock Price and Sector Benchmark Performance



Position Snapshot

Average Cost: $37.32

# of Shares: 450

Value Invested: $16 794

Portfolio Weight: 4%

YTD HPR: 15%

YTD Benchmark Return: 16.7%

Sources: Bloomberg, Forbes, Capital IQ, Company Filings

Industrials

Holdings Review – Volkswagen AG (OTC: VWAPY)

Company Overview

Volkswagen AG is a German-based parent company of various leading passenger and commercial car brands which also operates auto parts and vehicle-related financing arms. It reports the following segments: Passenger Vehicles, Commercial Vehicles, Power Engineering, and Financial Services

Exit of position

Following VW's struggles to achieve industry-competitive margins due to intense competition in key markets and a highly inefficient workforce, we believed that, since the industrials team had held this position for over four years without the original theses materializing, it was a good time to exit this position and reallocate the capital elsewhere.

Catalysts

- Control over battery cell supply with battery cell production factory in Canada expected to commence in 2027
- Annual payroll savings could be in excess of EUR1.5-2.0bn due to new cost cutting and efficiency initiatives

Risks

- Price cut frenzy in the automotive industry with no certainty on how long price cuts will persist
- Rising competition from Chinese automakers
- High inflation, interest rates, and energy costs

Investment Theses

1. VW's EV Exposure & Leadership Amongst Legacy OEMs Is Not Priced In

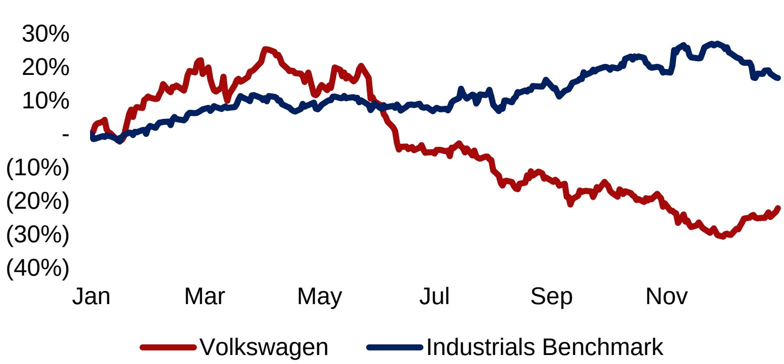
Since 2019, VW has prioritized its transition to a fully BEV manufacturer by 2030, investing over €33 billion in its ID family and partnerships like XPENG in China. BEVs now make up 7% of deliveries, but VW faced a profit decline in 2024 due to weaker EV sales and rising competition, especially in China. To address this, it partnered with U.S. EV startup Rivian in a multi-billion-dollar venture to improve software and strengthen its EV market position.

2. Ideally Positioned to Disproportionately Benefit From Changing Consumer Demands

VW's recent developments highlight a strategic focus on AI and electrification, positioning the company to capitalize on shifting consumer demands. The integration of ChatGPT into the IDA voice assistant enhances user interaction with natural language processing, meeting the growing demand for intelligent in-car systems. These innovations align with consumer preferences for sustainable and technologically advanced vehicles.

Due to theses not materializing we have exited our position at €91.20; a 38% loss. Since our exit the stock has underperformed the sector benchmark by 20%

Stock Price and Sector Benchmark Performance



Position Snapshot

Portfolio Weight: 0%

HPR: (38%)

YTD Benchmark Return: 16.7%

Sources: Bloomberg, Company Filings

MATERIALS

2024 REVIEW & 2025 OUTLOOK

Alexandra Barcza
Senior Analyst

Oscar Gallifet
Senior Analyst

Emily Zheng
Junior Analyst

Yijin Wang
Junior Analyst

Materials

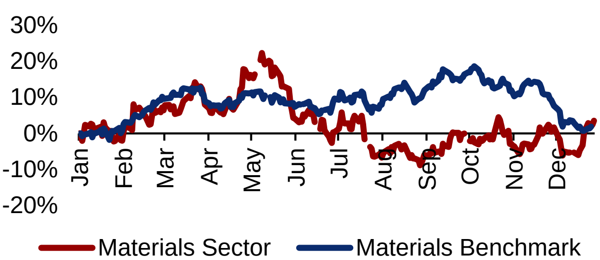
2024 Review

Oscar Gallifet, Senior Analyst
Alexandra Barcza, Senior Analyst
Emily Zheng, Junior Analyst
Yijin Wang, Junior Analyst

Overview

The DCM Materials sector ended 2024 returning 0.78% versus 0.46% for the Materials benchmark. The overall Materials space underperformed the S&P500 by 22.26%, held back by worries on the strength of the U.S. economy, an economic slowdown in China and relatively high interest rates globally. Prices for raw materials finished the year down 8.8% primarily driven by lower prices for crude energy products. Gold and silver finished the year strong, while iron ore finished the year particularly weak. Construction materials have improved steadily over the past 12 months given a positive outlook on construction and new-home starts due to market participants expected rate cuts in 2024 and an expedited Chinese real-estate recovery with the help of government stimulus packages.

Figure 1: DCM Materials Sector Performance, 2024

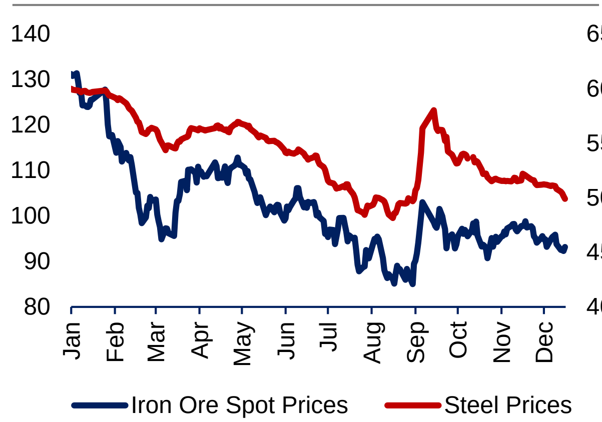


In 2024, the container and packaging industry ended with a 16.16% stock price increase, fueled by sustainable innovations, favorable energy costs, and robust paper demand. Meanwhile, commodity chemicals faced a sharp 25.31% decline due to oversupply and weak global demand, despite mid-year relief from eased natural gas prices. Specialty chemicals weathered the year better, dipping just 1.4% thanks to strong demand in packaging, healthcare and electronics despite regulatory pressures. Fertilizer markets struggled with falling prices from overproduction and declining demand from farmers. Industrial gases rose 4.3%, maintaining stability with long-term contracts and consistent demand. We currently hold Nutrien (NYSE:NTR), a chemicals company focusing on fertilizer, which still has some upside in our view.

Sources: DCM, Bloomberg

The metals and mining outperformed the materials sector in Q2 and Q3 but has recently struggled with geopolitical tensions, resource nationalism and volatile commodity prices influencing supply chains and market stability, ending the year below the benchmark. The China-US tensions have been a key driver of changes in commodity prices, gold profiting as the strongest performing metal this year, silver a close second, pulling the index up during the summer precious metal rally. The construction materials industry has seen a volatile year but ended the year outperforming the index despite a sharp decline in Q4 driven by a strong USD and property sector weakness. The year's growth was driven by industrial and infrastructure investments (IIJA), primarily in transportation and renewable energy projects but residential and commercial construction faced headwinds due to high mortgage rates and affordability concerns. Iron ore and steel, both critical materials in construction, faced price volatility in 2024, but looking to stabilize and rebound.

Figure 2: Steel and Iron Ore Performance, 2024



Year in Review

Container and packaging was the best performing subsector in materials and commodity chemicals the worst. Industrial gases and construction materials ended the year relatively flat. Concerns about worsened distress in the Chinese real estate sector caused further weakening of iron ore and steel demand, depressing the construction materials. We are closely watching the copper market given the metal's favorable demand in renewable energy, but concerned that investments made prior to 2017 may come online to flood inventories.

Materials

2025 Outlook

Oscar Gallifet, Senior Analyst
Alexandra Barcza, Senior Analyst
Emily Zheng, Junior Analyst
Yijin Wang, Junior Analyst

Overview

The materials sector approaches 2025 under the shadow of continued macroeconomic uncertainty. From 2020 to 2024, the sector's performance was closely tied to global economic trends. Weak European demand, persistent U.S. inflation, and a weaker-than-expected rebound in China limited growth, leaving the sector in scope limitation.
Looking ahead, the sector's trajectory depends on whether the U.S. economy achieves a "soft landing" or enters a recession. Either outcome will significantly influence global demand and investor sentiment. Sub-sectors with strong fundamentals, such as fertilizers and materials tied to infrastructure and clean energy, are better positioned to capitalize on a potential recovery. Given the current economic climate, strategic diversification and a focus on innovation will be critical in 2025. While growth prospects remain uneven, the sector may find opportunities by aligning with global shifts toward sustainability and targeted demand recovery.

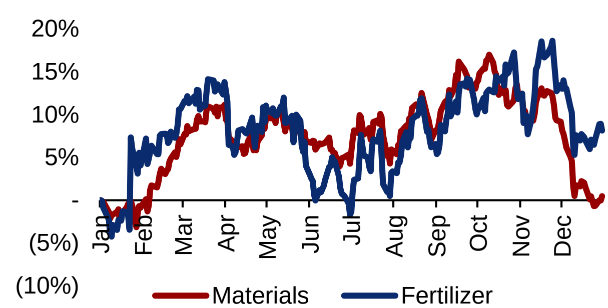
Growth and Concerns in Packaging

The container and packaging market is poised for growth, driven by increasing e-commerce demand, and eco-friendly solutions. Sustainability continues to be a global focus, with companies aiming for more eco-friendly packaging solutions. While deregulation in the U.S. may help companies focusing on U.S. market save on innovation and compliance costs. With strong ties to e-commerce, the industry stands to benefit from an expected 13% growth in U.S. online retail revenue in 2025, although the rate of e-commerce growth is slowing. Packaging is also evolving beyond functionality to enhance the consumer experience, integrating features like freshness indicators and tamper-evident seals. Despite these positive trends, the container and packaging market has been priced in with similar good news in 2024, and the market's PE ratio of 22.84—higher than the materials sector's 21.43—raises concerns about potential overvaluation.

Demand and Supply in Chemicals

Global demand for chemicals is expected to grow steadily, driven by economic recovery, especially in emerging markets, though supply-side challenges like logistical disruptions and labor shortages persist. Geopolitical tensions and trade tariffs may disrupt chemical supply chains, while the Trump administration's policies could decrease costs for U.S. companies. M&A activity will continue as companies pursue economies of scale and sustainability. For industrial gas companies, rising operational costs will lead to price increases for gases like hydrogen and nitrogen, and contract renewals will remain a focus, with about 18% of customers potentially lost during renewals.

Figure 3: Fertilizer Performance, 2024



Challenges and shifts in Fertilizers

The agricultural chemicals sector in 2025 faces challenges from rising tariffs, a strong U.S. dollar, and shifting demand-supply dynamics. A 25% tariff on Canadian imports could raise Corn Belt potash prices, increasing U.S. corn farmers' costs by 1-2%. With Canada supplying 90% of U.S. potash imports and limited alternatives, businesses like Nutrien may face strain. A stronger dollar further hikes fertilizer costs, pushing farmers toward alternative suppliers, reduced use, or low-nutrient crops—posing additional risks to Nutrien. While fertilizer demand stays flat, crop protection chemicals may grow as fertilizer prices rise. Producers in low-cost regions are expanding capacity, and investment in sustainable chemicals is increasing, but supply chains remain localized and energy-sensitive.

Sources: Bloomberg, Capital IQ, Goldman Sachs, Fidelity Research, Statista

Materials
2025 Outlook

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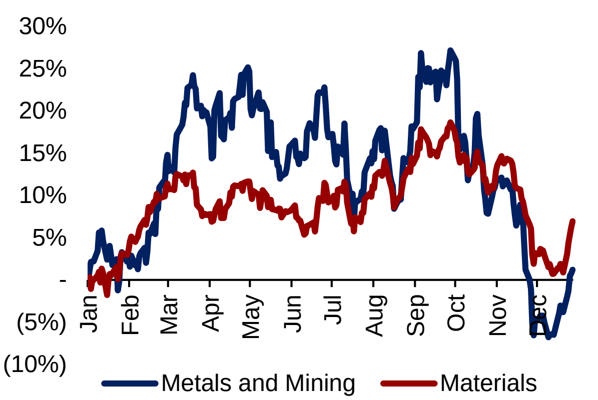
Digging into Metals and Mining

Uranium prices have seen increased activity the past year driven by rising global demand for nuclear energy in end markets such as AI data centers. Furthermore, Biden signed the Prohibiting Russian Uranium Imports Act in May 2024, forcing a shift in the US nuclear fuel supply chain and prompting increased investment into domestic production, starting with a $2.7 billion government investment. Looking forward, Donald Trump's "America First" stance will serve as tailwinds for nuclear transition and uranium demand as domestic uranium production is a key agenda item.

Figure 3: Metals & Mining Performance, 2024



Construction Materials Rocky Recovery

With regards to construction materials, we believe the rate cuts in December 2024 and the fore mentioned energy transition will boost residential and commercial construction, increase discretionary spending on electric vehicles, and renewable infrastructure investments, which serve as tailwinds for cement, steel and iron ore. Sustainability and green building practices, driven by carbon-captured materials and advanced technologies, will continue shaping the industry in 2025. Key focal points for construction materials will be cement, steel and iron ores, however Trump's potential tariffs could impact the subsector's rebound and recovery, overlooking the easing from rate cuts.

Cement, down 9% compared to pre pandemic levels driven by the high interest environment and Chinese real estate sector weakness, looking at a 1-2% recovery excluding China. Key markets behind the recovery are Western Europe, US and Middle East, all driven by aggressive rate cut expectations and support into infrastructure and real estate projects. China's 5 year 10 trillion yuan stimulus package launched in September 2024 disappointed investor's expectations on Chinese real estate recovery. However, looking forward, the Chinese government has stated intentions to invest more into targeting real estate recovery.

Tariff Considerations

The imposition of tariffs on the Canadian metals and mining landscape will significantly impact all minerals imported and exported to the US from Canada, leading to trade disruptions and supply chain issues as demand for metals declines. The auto sector is hit the hardest with 20% of its inputs sourced across borders facing significant cost increases. In regards to construction materials, increased material costs will cause delays and further escalating expenses will impact infrastructure project profitability. The chemicals subsector will depend more on Asian supply chains for both commodity chemicals and specialty chemicals. For the container and packaging subsector, we could see a potential decrease in global trading and shipping volumes. Overall, Trump's tariffs would depress the materials sector as commodities are shared global resources and fundamental inputs in many domestic projects.

	10y AVG EV/EBITDA	Current EV/EBITDA	10y AVG Spread	Current Spread	Premium/ Discount	DCM view
S&P 500	13.75	16.34	-	-	-	
Materials	12.87	13.59	-0.88	-2.75	-214%	OW
Subsectors						
Chemicals	13.93	15.66	1.04	2.07	99%	UW
Metals & Mining	10.45	8.2778	-3.46	-5.31	-53%	OW
Construction Materials	16.97	13.7274	4.10	0.1374	-97%	OW
Container & Packaging	11.64	13.98	-1.24	0.39	39%	UW

Sources: Bloomberg, Capital IQ, Goldman Sachs, Fidelity Research

Materials

Holdings Review – Nutrien

Company Overview

- Nutrien is Canadian company listed on the TSX and NYSE
- The firm produces and sells potash, nitrogen and phosphate-based fertilizers to customers globally
- Nutrien is a global leader in the potash segment
- Nutrien has a dominant retail segment (> 2,000 locations in NA, SA, Australia), which offers services (lending) and products (crop nutrients & protection, seeds…) to growers
- Company originated from the merger of PotashCorp and Agrium in 2018 and employs ~25,000 globally

Catalysts

- Fertilizer bull cycle
- Spin-off of retail segment
- Continued successful growth in Brazil

Risks

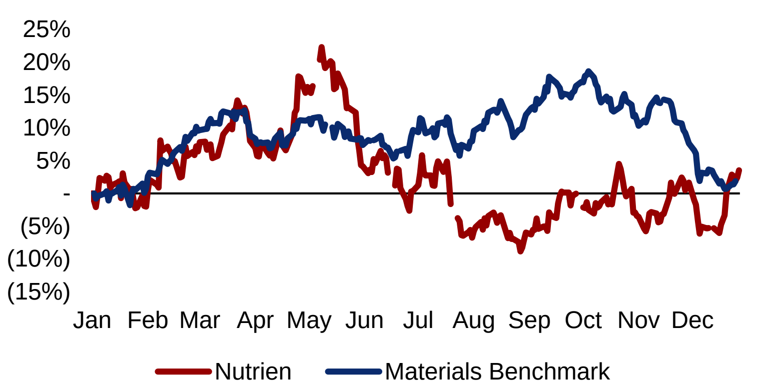
- "Hard landing" scenario materializes, deep recession affects farmer's yields
- China lifts export restrictions on phosphate fertilizers
- Ukraine war settlement: Belarussian and Russian exports increase potash supply

Investment Theses

1. **Nutrien's Resilience and Long-term Positioning in the Fertilizer Market**
   - Nutrien excels with best-in-class potash production, leading to margins surpassing peers, leveraging the scarcity of this resource for market advantage
   - Unlike competitors in Russia/Belarus, Nutrien operates without geopolitical risks, ensuring a consistent and stable potash supply to the global market
   - Nutrien's diversified portfolio extends to nitrogen and phosphates, underpinned by a strong retail network

2. **Nutrien's Resilience and Long-term Positioning in the Fertilizer Market**
   - Nutrien's retail arm, the largest global Ag-Retail network, boasts 2000+ locations and is rapidly expanding, notably through strategic acquisitions in Brazil
   - The retail segment's margins outperform the commodity business, reflecting its proprietary product mix and suggesting an undervalued market potential
   - Trading at par with peers, Nutrien's unique retail asset warrants a premium valuation, backed by a SOTP analysis indicating a 20% equity premium

Stock Price and Sector Benchmark Performance



Sources: Capital IQ, Bloomberg | [1]HPR, Assumes dividends reinvested in security

Position Snapshot

Purchase Date	Jan 19, 2024
Average Cost	$69.11
Value Invested	$23,155.2
Portfolio Weight	1.9%
2024 Return[1]	3.5%
Benchmark Return	1.8%

Materials

Holdings Review – Hudbay Minerals Inc.

Company Overview

- Hudbay is a Canadian company listed on the TSX and NYSE
- The firm is engaged in the discovery, production, and sale of base and precious metals, primarily copper, zinc, and gold
- Hudbay is a leading producer in the copper mining segment, with significant operations in Canada, Peru, and the United States, and currently operates three active mines
- The company originated in 1927 as Hudson Bay Mining and Smelting Co., Limited, and employs approximately 2,000 people globally.

Catalysts

- Final permit approval for the Copper World Project
- Exploration results from active mines in Peru and Manitoba
- Increased construction of data centers driven by incremental AI demand

Risks

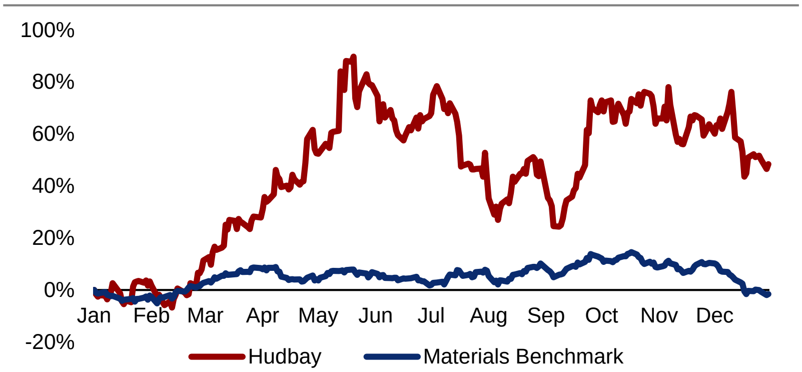
- Ineffectiveness of China's economic stimulus in reviving the domestic real estate market
- Failure to meet 2024 production and cost guidance

Investment Theses

1. **Hudbay Catching Strong Tailwinds through Gold & Copper Exposure**
   - Gold prices are supported by macroeconomic uncertainty, including rising inflation, geopolitical risks, and record central bank purchases, creating a highly favorable environment for producers with significant exposure
   - Copper demand is set to surge with the global energy transition, driven by its critical role in renewable energy and data center construction to support AI development, all of which require substantial copper investment
   - Hudbay generates 30% of its revenue from gold, benefiting from its position as the copper producer with the largest gold exposure and leveraging this diversification to drive long-term growth

2. **Hudbay Positioned to Narrow Valuation Gap with Industry Peers**
   - Hudbay is trading at a 31% discount to peers on 1YR forward EV/EBITDA due to historical underperformance, but the leadership change in 2019 following a proxy battle has repositioned the company for growth.
   - The new management team is delivering stronger results than their predecessors, supported by a performance-driven compensation structure closely aligned with long-term shareholder interests
   - With low leverage, Hudbay has flexibility to execute strategic initiatives, achieve guidance targets, and advance the Copper World project, building credibility and narrowing the valuation gap with industry peers

Stock Price and Sector Benchmark Performance



Sources: Capital IQ, Bloomberg

Position Snapshot

Purchase Date	(not yet purchased)
Average Cost	N/A
Value Invested	N/A
Portfolio Weight	N/A
2024 Return	48.4%
Benchmark Return	-1.6%

TECHNOLOGY, MEDIA, & TELECOM

2024 REVIEW & 2025 OUTLOOK

Juan Manuel Gutierrez
Senior Analyst

Sara Chouinard
Senior Analyst

Alexander Moghadam
Junior Analyst

Matthew De Fanti
Junior Analyst

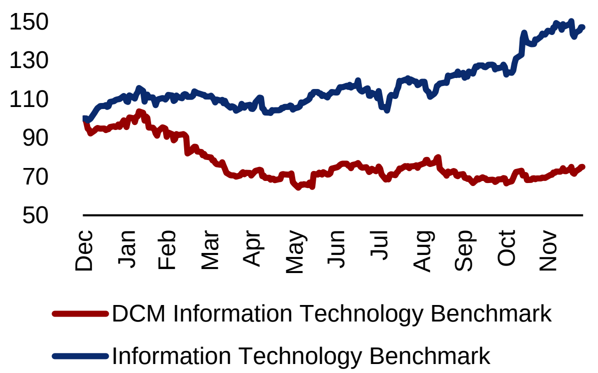
T M T
Sector Review and Looking Back at 2024

Sara Chouinard, Senior Analyst
Juan Manuel Gutierrez, Senior Analyst
Matthew De Fanti, Junior Analyst
Alexander Moghadam, Junior Analyst

2024 Information Technology Sector Review

In 2024, the Information Technology sector achieved a 38.3% return, outperforming the S&P 500 and ranking second in the GICS classifications. The P/E ratio for the Information Technology sector expanded by 3.2x in 2024, while the S&P 500 had an expansion of 2.2x. AI continues to be one the biggest themes in the sector, with standout performance from companies helping build the AI infrastructure. Hardware companies like Nvidia (+171%), AVGO (+108%), and ANET (+88%), were at the forefront, leveraging their essential role in AI development. As the demand for AI infrastructure continues, Nvidia's powerful processors continue to drive its substantial surge in share price.

Figure 1: DCM TMT Sector Performance, 2024



Additionally, stocks like Oracle (+58%), and Apple (+20%) have experienced significant benefits from the integration and application of AI in their respective domains. Investors are continuing to approach AI investing with a picks and shovels methodology with Corning Inc (+64%) generating significant returns this year as demand for specialty glass and advanced optics continue.

2024 Communication Services Sector Review

In 2024, the Communication Services sector was the top performing sector in the S&P 500, returning 40%. The P/E ratio expanded by 2.1x, similar to the multiple expansion seen for the market as a whole. AI was also a key determinant in shaping positive investor sentiment for the Communication Services industry in 2024, with significant gains in companies like Google (+34%). Our prospective investment in Google will give us exposure to AI tailwinds while capturing both a growth and value investment. Google's edge in AI monetization continues and will be a growing advantage as the demand for AI enable products continue to grow. Beyond AI, improving business fundamentals have also become a notable theme in the industry. Meta's stock is up 59% as investors gain confidence in increasing demand for their advertising services as consumer spending grows. Netflix (+78%) achieved outstanding performance this year because of strong subscriber growth, with the company adding over 50 million subscribers between early January 2023 and September 2024. T-Mobile (+33%) has also given us exposure to the communications industry and the growth in demand for postpaid services.

Sources: Capital IQ, Company Filings, Oxford, Reuters.

T M T

2025 Outlook – Areas for Potential Value

Sara Chouinard, Senior Analyst
Juan Manuel Gutierrez, Senior Analyst
Matthew De Fanti, Junior Analyst
Alexander Moghadam, Junior Analyst

2025 – Data Providers and Exchanges

Company	TEV/NTM EBITDA	NTM P/E
CME	19.5x	22.7x
Coinbase	25.1x	51.1x
CoStar Group	65.5x	73.8x
FactSet	**20.4x**	**26.6x**
Fair Isaac Corporation	43.6x	64.4x
Intercontinental Exchange	16.6x	23.2x
London Stock Exchange Group	16.4x	30.3x
Moody's	**26.3x**	**36.5x**
MSCI	**28.3x**	**37.1x**
Nasdaq	19.6x	25.7x
S&P Global	**24.0x**	**30.9x**
Median	24.0x	30.9x
Average	27.7x	38.4x

2024 was unquestionably the year for AI or AI-related stocks. NVDA's stock was up ~140% and briefly became the largest company in the world. For 2025, we provide a brief thesis on why we think financial data service providers stand to benefit in the coming years and why they are an underlooked area in the market.

AI Integration for Data Service Providers (Overweight)

We disaggregate the AI value chain as 1) Training Data 2) Hardware to Run/Develop Models, and 3) the Models themselves. Since even basic factors such as TAM or monetization potential remain hazy, consumer-facing applications (#3 in our value chain disaggregation) are the most in tangible aspect of the technology and therefore the most discussed. The area of opportunity we've instead identified is in these models' training data, perhaps the least glamourous cog of the AI machine as much of it already exists. This includes stock images, legal information databases, or any other repository of relevant data.

We think data service providers like S&P Global, Moody's, and FactSet provide opportunity going in 2025 as they trade at reasonable levels (20x-25x EBITDA) and have not seen outsized performance in 2024. We further think that many buyside investment firms are increasingly hungry for data – this is where a FactSet fills the gap. In an increasingly competitive PE/PC environment, firms will keep on purchasing data software to keep up with the competition. It is no longer a luxury to have S&P Capital IQ, and this is what creates the moat for data providers.

We also see increased monetization of their services as they start including AI features which will shorten workflows of users. This integration has already begun in 2024 but will take another 1-2 years before we see the full effect on their financials.

Difficult Road for Platforms not named Netflix or YouTube (Underweight)

2024 marked an important year for Diversified Media conglomerates. Studios claimed to have rightsized content spend, despite content spend reaching all-time highs. It is our view that content spend has not rightsized as firms pursue a race to the bottom. Firms not named Netflix or Google will struggle going forward as they are unable attract/retain users with poor product offering.

To make matters worse, linear is expected to suffer from continued top-line declines but maintain stable margins. Linear's value prop is upheld by a single thread: sports. Our view on revenue growth is in line with consensus; yet we anticipate downward pressure on margins as the trend of sports rights inflation continued over 2024, and the current ecosystem remains generally supportive of AAV step-ups.

We think Netflix will continue to dominate the streaming space as they expand into sports (Paul vs Tyson, NFL Christmas, WWE), leaving little room for outsiders like Paramount and Peacock. Moreover, we forecast increased monetization for Netflix as they ramp advertisements and increase monthly subscription fees.

Sources: BCG, Capital IQ, Deloitte, Grand View Research, IBM, PWC, Statista.

T M T

2025 Outlook – Selected Subsectors

Sara Chouinard, Senior Analyst
Juan Manuel Gutierrez, Senior Analyst
Matthew De Fanti, Junior Analyst
Alexander Moghadam, Junior Analyst

Artificial Intelligence & Machine Learning

The adoption of AI is expected to accelerate in 2025, with a focus on generative AI, natural language processing, and AI-driven automation in industries such as healthcare, finance, and retail. Governments and enterprises are expected to increase spending on AI regulation and ethical frameworks to address growing concerns about data privacy and job displacement. Startups in AI operationalization (MLOps) and edge AI are likely to attract significant investment as businesses seek to scale their AI solutions efficiently. However, competition in the space will drive consolidation as incumbents acquire smaller innovators to expand capabilities.

Streaming & OTT Platforms

The streaming market will face challenges in 2025, including intensified competition and consumer subscription fatigue. Companies are likely to experiment with hybrid monetization models, combining ad-supported tiers with subscription-based offerings to retain users. Emerging markets will present a significant growth opportunity as broadband penetration improves. Consolidation within the industry is also anticipated, as smaller players struggle to compete with giants like Netflix, Disney+, and Amazon Prime. On the content front, AI tools will streamline production workflows, enabling faster turnaround times for new shows and films.

5G Networks

In 2025, 5G networks will achieve broader global coverage, with operators targeting rural and underserved regions to maximize subscriber growth. Enterprises will increasingly adopt private 5G networks to enhance IoT connectivity, particularly in manufacturing, logistics, and smart city projects. Regulatory initiatives and public-private partnerships are expected to further accelerate rollout timelines. However, high capital expenditure remains a challenge for smaller telecom operators. Competition among equipment providers such as Ericsson, Nokia, and Huawei is expected to drive innovation in network infrastructure while reducing costs.

CleanTech

The CleanTech subsector will benefit from favorable policy environments, including incentives tied to green energy adoption and carbon emission reduction. Innovations in battery technology, such as solid-state batteries, are expected to gain traction in 2025, addressing challenges in energy storage and electric vehicle (EV) range. Investment in hydrogen technology and renewable energy software platforms for grid optimization will also rise. Companies integrating AI with CleanTech solutions, such as predictive maintenance for solar farms and wind turbines, are poised to lead the market. However, supply chain constraints for critical materials like lithium and rare earth metals remain a key risk.

Publishing

The publishing industry will see growth in digital formats, driven by AI tools that streamline content creation and personalization. Independent authors and niche content will thrive through self-publishing and print-on-demand platforms. Sustainability will gain importance, with publishers adopting eco-friendly practices and expanding digital offerings. Emerging markets in Asia and Africa will drive global growth, while publishers adapt to new monetization models like micropayments and bundled subscriptions. Challenges include competition from free content, rising costs, and navigating AI regulations. Adaptability and innovation will be key to success.

Sources: BCG, Capital IQ, Deloitte, Grand View Research, IBM, PWC, Statista.

T M T

Holdings Review – Live Nation Entertainment Inc. (NYSE: LYV)

Company Overview

- Live Nation is a global leader in the entertainment industry, known for its comprehensive approach to live events, including concerts, festivals, and ticketing services.
- The company operates across various segments, offering a vertically integrated platform that spans from artist management, venue ownership and operation, and ticketing services through its Ticketmaster division.
- Live Nation's global reach and extensive venue network provide a competitive edge, enabling it to attract top-tier artists and cater to diverse audiences.

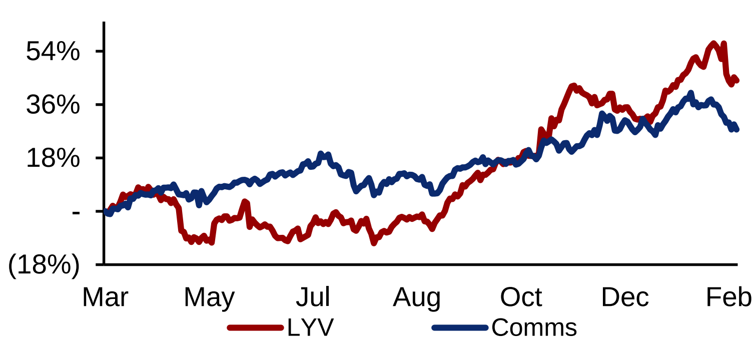
Investment Theses

1. **AOI Reacceleration to Sustainable LDD Growth**
   - Consumer preference shift towards live experiences remains robust due to increased consumption and discovery of music on social media. LYV continues to acquire international venues, and sees AOI growth in the mid teens.
2. **Overblown Legal Headwinds**
   - While regulatory scrutiny continues, developments in the DOJ lawsuit suggest likelihood for a manageable outcome. Live Nation's pricing power and vertical integration have maintained financial stability, aligning with our expectations

Performance and Outlook

- Live Nation Entertainment, Inc. closed 2024 with a stock price of US$131.85, up 41%, outperforming the broader sp500 index by 16% and the communications sector index by 1%. Live Nation is estimated to complete its FY with revenues of $23.1 billion, up 1.5% YoY, and Adjusted Operating Income (AOI) growth of 17% YoY to $2.2 billion. Key drivers included record-breaking attendance, with over 146 million fans globally, supported by a strong concert pipeline and venue expansion. Sponsorship and advertising revenue rose 10% YoY, highlighting success in high-margin revenue streams. Ticketing margins remained stable despite increased regulatory scrutiny, reflecting the effectiveness of LYV's dynamic pricing and a vertically integrated platform
- Looking ahead, Live Nation projects revenue growth of 12.8% in 2025, driven by global venue expansion, particularly in underpenetrated international markets. Sponsorships are expected to grow by 11.8% YoY, supported by strategic partnerships and enhanced monetization of premium experiences. Management plans to add or refurbish 14 venues, targeting an additional 8 million fans annually. Regulatory risks persist, particularly related to the Department of Justice (DOJ) lawsuit, but Live Nation's concessions on ticketing practices are unlikely to materially impact financials

Stock Price and Sector Benchmark Performance



Sources: Capital IQ, Company Filings, Nasdaq, Statista

Position Snapshot

Purchase Date	Jan 19, 2024
Average Cost	U$91.18
Value Invested	U$17,870
Portfolio Weight	3.1%
2024 Return	41.1%
2024 Benchmark Return	40.2%

The New York Times

T M T

Holdings Review – The New York Times Co. (NYSE: NYT)

Company Overview

- Established in 1851, The New York Times Co. is a media company that is involved in the production, gathering, and dissemination of news and information.
- It provides various news products, as well as specialized products catering to specific interests, along with related content and services.
- NYT oversees the management of The New York Times, NYTimes.com, and mobile applications.
- The company's revenue stream is dominated by subscription services.

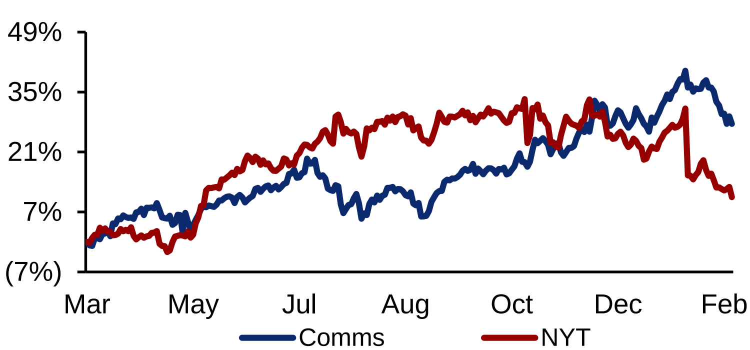
Investment Theses

1. **Brand prestige will attract customers**
   - NYT has been able to attract 1.1 million new digital subscribers over 2024, bringing total subscribers to over 11.2 million.
2. **Low churn will be maintained**
   - Price increases and transitions into interim and full prices have been successful, attesting to NYT's subscribers' insensitivity to price and the company's low churn rate quality.
3. **Long term, NYT may be able to capitalize on fringe**
   - NYT's potential to capitalize on fringe by expanding into new products and offering remains. We see this thesis materialize through NYT's subscriber growth in The Athletic and Wirecutter.

Performance and Outlook

- The New York Times Company closed 2024 with a stock price of US$52.05, up 9%, underperforming the broader sp500 index by 16% and the communications sector index by 31%. NYT delivered strong results in 2024, with revenues for their 2024 FY expected to reach $2.58 billion, a 6.3% YoY growth, driven by continued subscriber gains and ARPU expansion.
- Digital subscription revenue increased 12.9%, supported by successful promotional transitions to full-tier bundles and growing contributions from The Athletic and Wirecutter. Net digital subscriber additions totaled 1.1 million, exceeding projections and bringing total subscribers to over 11.2 million, demonstrating sustained demand for NYT's differentiated content.
- Pricing power was evident as ARPU for bundled products grew sequentially, further validating the core strategy of transitioning promotional users. Adjusted operating income (AOP) rose 16.8% YoY to $455 million, exceeding expectations due to efficient cost management.

Stock Price and Sector Benchmark Performance



Sources: Capital IQ, Company Filings, Nasdaq, Statista

Position Snapshot

Purchase Date	Nov 23, 2021
Average Cost	U$45.72
Value Invested	U$27,432
Portfolio Weight	3.8%
HP Return	13.4%
2024 Benchmark Return	40.16%

T M T

Holdings Review – Adobe Inc. (NASDAQ: ADBE)

Company Overview

- Adobe Inc. operates in the software subsector under its Digital Media and Marketing segments
- Adobe's Digital Media segment consists mainly of their Creative Cloud product, which utilizes a subscription model and seeks to assist web developers, digital media workers, marketers, and content creators in print and electronic content design and creation
- Adobe's Digital Marketing segment sells an integrated platform for advertising and marketing through digital media that allows users to maximize the effectiveness of their marketing strategies

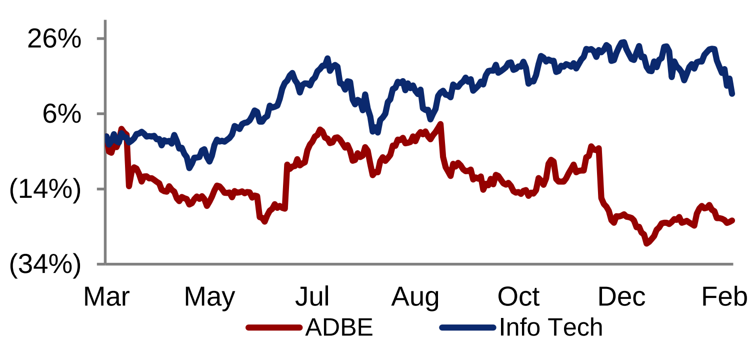
Investment Theses

1. **Adobe is poised to take advantage of the business shift to MarTech**
   - Adobe's Experience Platform sustained growth with ARR up 12% YoY, although growth rates moderated due to a higher base.
2. **Adobe is a recession-proof tech player due to its quasi-monopoly in many operating segments**
   - Creative and Document Cloud products maintained low churn and demonstrated pricing power. Innovations like Firefly and Creative for Enterprise Version 4 drove product upgrades and reinforced Adobe's market dominance.

Performance and Outlook

- Adobe Inc. closed 2024 with a stock price of US$444.68, down 23%, underperforming the broader sp500 index by (48%) and the information technology sector index by (63%).
- Adobe Inc. exhibited resilient operational performance in 2024, achieving **$21.51 billion in revenue**, a **10.8% YoY growth**, and **11% growth in annual recurring revenue** (ARR) across its core Digital Media and Experience segments. Creative Cloud remained the largest revenue driver, supported by the introduction of Firefly, Adobe's generative AI feature, which increased product engagement and SaaS monetization opportunities. Net new **ARR reached $578 million** in Q4 2024, demonstrating resilience amidst pricing headwinds earlier in the year. Document Cloud and Acrobat showed sustained momentum, while tiered pricing strategies contributed to ARR growth.
- Despite robust financial performance and promising developments in AI, the decision to **exit the position** in October reflected concerns over the stock's **elevated valuation** and potential headwinds related to slowing ARR growth rates and **competition in generative AI** from emerging players. Furthermore, Adobe's transition to an ARR-focused growth model highlighted the challenges of maintaining acceleration on a $20 billion base.

Stock Price and Sector Benchmark Performance



Position Snapshot

Purchase Date	Dec 05, 2018
Sale Date	Oct 20, 2024
Average Cost	U$298.94
Value Invested	26,905
HP Return	61.03%
2024 Benchmark Return	36.78%

Sources: Capital IQ, Company Filings, Nasdaq, Statista

T M T

Holdings Review – T-Mobile US, Inc. (NASDAQ: TMUS)

Company Overview

- T-Mobile US, Inc. is one of the largest wireless network operators in the United States, serving approximately 120 million customers across its postpaid and prepaid services.
- Known for its disruptive "Un-carrier" strategy, T-Mobile focuses on removing customer pain points and delivering high-value wireless communication services.
- Launched America's first nationwide 5G network. In 2020, T-Mobile completed its merger with Sprint, another major US telecommunications company. The merger allowed T-Mobile to expand its network and improve its coverage in rural areas.

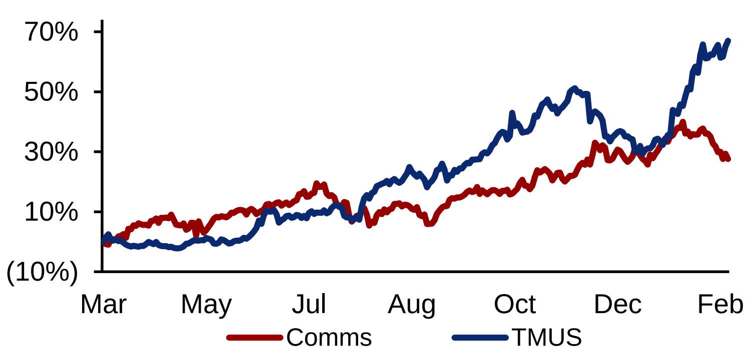
Investment Theses

1. **T-Mobile's First-Mover Advantage is Undervalued**
   - The company capitalized on its 5G leadership to secure market share, adding subscribers at a faster pace than competitors while maintaining industry-leading churn rates.
2. **Market underestimating the risks associated with new 5G rollout**
   - Despite industry challenges, T-Mobile's execution mitigated risks through pricing power and effective cost management, offsetting wholesale revenue declines

Performance and Outlook

- T-Mobile US Inc. closed 2024 with a stock price of US$223.02, up 36%, outperforming the broader sp500 index by 11% though underperforming the communications sector index by 4%.
- T-Mobile delivered strong results in 2024, with $80.87 billion in revenue (+2.9% YoY) and 4.4% growth in service revenue. Postpaid strength remained the key driver, adding 3.0 million net subscribers, with a record-low churn rate of 0.80%. The company's 5G leadership, serving 75% of customers with 5G devices, continued to provide a competitive edge. Additionally, T-Mobile expanded its broadband ambitions through its EQT fiber JV, targeting 3.5 million homes by 2028.
- T-Mobile is guiding for 4% service revenue growth and 5% Adjusted EBITDA growth in 2025. Expansion in broadband (fixed wireless and fiber) and continued subscriber gains in enterprise markets are expected to drive growth. The company's pricing initiatives will also play a critical role in sustaining revenue momentum. However, competitive pressures in the telecom sector and the maturation of 5G adoption could moderate growth.

Stock Price and Sector Benchmark Performance



Sources: Capital IQ, Company Filings, Nasdaq, Statista

Position Snapshot

Purchase Date	Mar 3, 2021
Average Cost	U$121.50
Value Invested	U$12,150
Portfolio Weight	2.7%
2024 Return	36.33%
2024 Benchmark Return	40.16%

Program Alumni

Program Alumni

Alan Zhang, 2024

Alexis Bruneau, 2024

Benjamin Doherty, 2024

Britton Quirk, 2024

Charles Kiriazis, 2024

Colin Murphy, 2024

Jeremy Moses, 2024

Jordan Rindler, 2024

Kelly Zhang, 2024

Owen Anderson, 2024

Philippe Rabello, 2024

Roy Liu, 2024

Serena Hua, 2024

Thibault Quelavoine, 2024

Yoakim Turgeon, 2024

Tina Zhang, 2024

Alexa Goulas, 2023

Beatrix Mogos, 2023

Benjamin Williamson, 2023

Bingcheng Peng, 2023

Collin Wang, 2023

David Fishman, 2023

Declan Kingston Fry, 2023

Quynh Huynh, 2023

Jasmine Liu, 2023

Rachel Tang, 2023

Julia Jin, 2023

Julien Seguin, 2023

Larry Ge, 2023

Marc-Antoine Millaire, 2023

Matt Pein, 2023

Param Sahajpal, 2023

Sophie Song, 2023

Wenhan Hu, 2023

Michael Long, 2023

Program Alumni

Killian Ladal, 2022

Benjamin Soucy, 2022

Mirella Deng, 2022

Zoe Wong, 2022

Jeremy Chalifoux, 2022

Mohammed Souit, 2022

Grace Danner, 2022

Leo Tousignant, 2022

Frank Shen, 2022

Joshua Levy, 2022

Kehui Tong, 2022

Sayeed Yousuf Ahmed, 2022

Annina Deluca, 2022

Brian Spivak, 2022

Ze Yi Lin, 2022

Dillon Graveline, 2022

Benjamin Takacs, 2022

Morgan Gill, 2022

Maxime Barbeau, 2021

Zhao Kang Chen, 2021

Amine Kabbadj, 2021

Lauren Kirigin, 2021

Serge Krikorian, 2021

Darius Kuddo, 2021

Frederic Lam, 2021

Marc Latif, 2021

Jesse Li, 2021

Jinghong Lin, 2021

Paul Mangoni, 2021

Duncan McHattie, 2021

Sean McNally, 2021

Hashaam, Nadeem, 2021

Seth Obadia, 2021

Shelly Qian, 2021

Ekaterina Semenova, 2021

Kanishk Shah, 2021

Alexandra Tremblay, 2021

Sisi Wang, 2021

Benjamin Caron, 2020

Miller Cressman, 2020

Jared Gaffe, 2020

Andrew Guerrand, 2020

Cody Jones, 2020

Rakan Lamy, 2020

Alessio Marcogliese, 2020

Tejas Saggi, 2019

Ludovic Van Den Bergen, 2019

Eric Van Hees, 2019

Program Alumni

Timothy Sung, 2020

Arasan Thangavelu, 2020

Stanislav Timoshenko, 2020

Riley Wolever, 2020

Roy Chen Zhang, 2020

Selena Zhu, 2020

Thomas Boucher-Charest, 2019

Kyle Costanzo, 2019

Josiah Derksen, 2019

Victoire Gekas, 2019

Émilie Granger, 2019

Ian Jiang, 2019

George Koutsos, 2019

Alexandra Ma, 2019

Daniel Milne, 2019

Victoria Perlman, 2019

Noah Thomas Petkau, 2019

Matei Popescu, 2019

Alexander Bibic, 2018

Robert Chen, 2018

Mackenzie Chisholm, 2018

Charles Feng, 2018

Antoine Francoeur, 2018

Sabrina Frias, 2018

Noah Gillard, 2018

Alaa Hachem, 2018

Ariane Laurin, 2018

David Meyers, 2018

Thomas Milne, 2018

Noah Petkau, 2018

Jaskrit Singh, 2018

Olivier Babin, 2017

Quentin Batista, 2017

Neil Corber, 2017

Andre Cote-Barch, 2017

Sercan Demirtas, 2017

Michael Fishman, 2017

Kendyl Flinn, 2017

Jonathan Kamel, 2017

Lambert Lefebvre, 2017

David Marcovitch, 2017

Adam Marcovitz, 2017

Meagan Prins, 2017

Tony Ren, 2017

Michael Saskin, 2017

Anish Shah, 2017

Jayden Van, 2017

Jamie Wilson, 2017

Program Alumni

Drew Allen, 2016

Naomie Gendron, 2016

Peter Huo, 2016

Christophe Lussier, 2016

Jordan Owen, 2016

Philippe Rich, 2016

Alexandre Verroneau, 2016

Henri St-Pierre, 2016

Sean Saggi, 2016

Christie Wei, 2016

Angel Bohorquez Colombo, 2015

Colton Dick, 2015

Edouard Gaudry, 2015

Joe Kaprielian, 2015

Xavier Le Sieur, 2015

Andrew Marcovitch, 2015

Alyssa Obert, 2015

Debra Kelsall, 2015

Jeremy Kertzer, 2015

Daniel Kraminer, 2015

Daniel Sorek, 2015

Alexandra Witteveen, 2015

Belal Yassine, 2015

Alan Ang, 2014

Simon Bibeau, 2014

Nicholas Bigelow, 2014

Rene Boissonnault, 2014

Alexandre Castonguay, 2014

Mohammad Chowdhury, 2014

Nicholas Di Giorgio, 2014

Mak Doric, 2014

Samantha Fu, 2014

Rami Karabibar, 2014

Tyler Maxey, 2014

Stefano Reghelin, 2014

Anna Wright, 2014

Shuang Yun, 2014

Ali Abdullah, 2013

Mohammad Awada, 2013

Rafael Barroso, 2013

Simon Bouchard, 2013

Michael Commisso, 2013

Ivan Di, 2013

Fedric Garnier-Landurie, 2013

Emily Ren, 2013

Noah Senecal, 2013

Jimmy Xie, 2013

Max Adelson, 2012

Program Alumni

Marc-Antoine Allen, 2012

Matthew Corbett, 2012

Nicolas Bellemare, 2012

Adam Dufy, 2012

Roberta Klein, 2012

Jakub Kucmierz, 2012

Phillip Levy, 2012

Molly Newborn, 2012

Shimone Slomowitz, 2012

Amirali Assef, 2011

Matthieu Boulianne, 2011

Tigran Karapetian, 2011

Mark Li, 2011

Michal Marszal, 2011

Gregory Randolph, 2011

Jamie Tucker, 2011

Erdel Altintas, 2010

Gabriel Bonnel, 2010

Neil Cuggy, 2010

Emir Coskun, 2010

Fatoumata Dianae, 2010

Bronwyn James, 2010

Hadi Kamzi, 2010

Jason Kirsh, 2010

Kyle Marta, 2010

Sarah Mahafy, 2010

Philippe Morissette, 2010

Daniel Peretz, 2010

Brian Rosen, 2010

Thibaud Sonntag, 2010

John Tarraf, 2010

Raja Uppuluri, 2010

Jehangir Vevaina, 2010

Shu Wai Chi, 2010

Lincoln Zheng, 2010

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Gestion de capitaux

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