



TRU STUDENT INVESTMENT FUND
ACCOUNTABILITY | COLLABORATION | INCLUSION

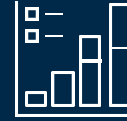
September 2024

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TRU Student Investment Fund (TRUSIF)
trusif@tru.ca
Room: IB1021



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TRUSIF Overview

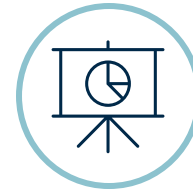
TRUSIF Executive Summary



Overview

The Thompson Rivers University Student Investment Fund (TRUSIF) was founded in 2019 with the idea to create a competitive advantage for TRU students interested in capital markets and adjacent fields. Flash forward to today, TRUSIF manages a long-only equity and ETF focused fund with ~\$105,000+ in assets under management with an aim to find high quality names for the sectors which it covers

TRUSIF Foundational Objectives



To Embody
Experiential
Learning

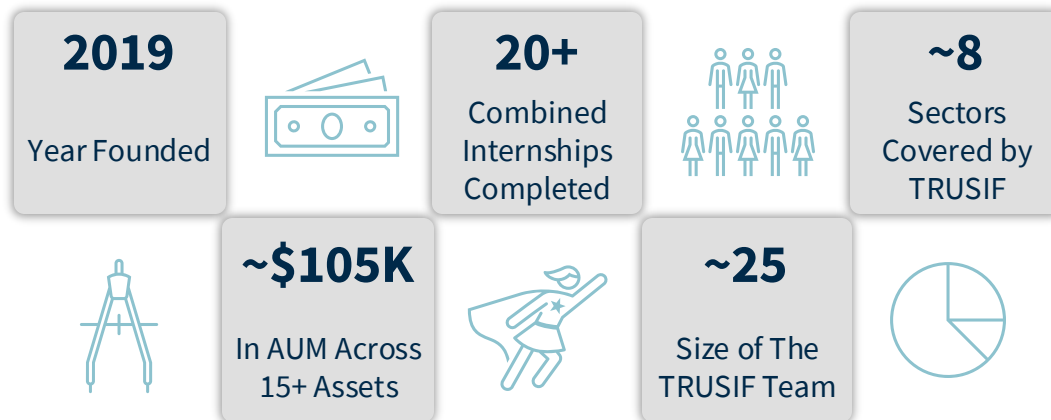


Build a Deep
Moat of Finance
Alumni



To Create
Scholarships

TRUSIF By The Numbers



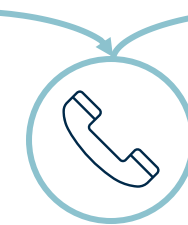
Why Students Join TRUSIF



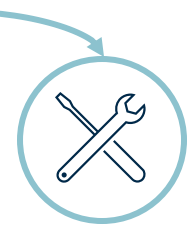
Connect With
Like-Minded
Students



Internship
Opportunities

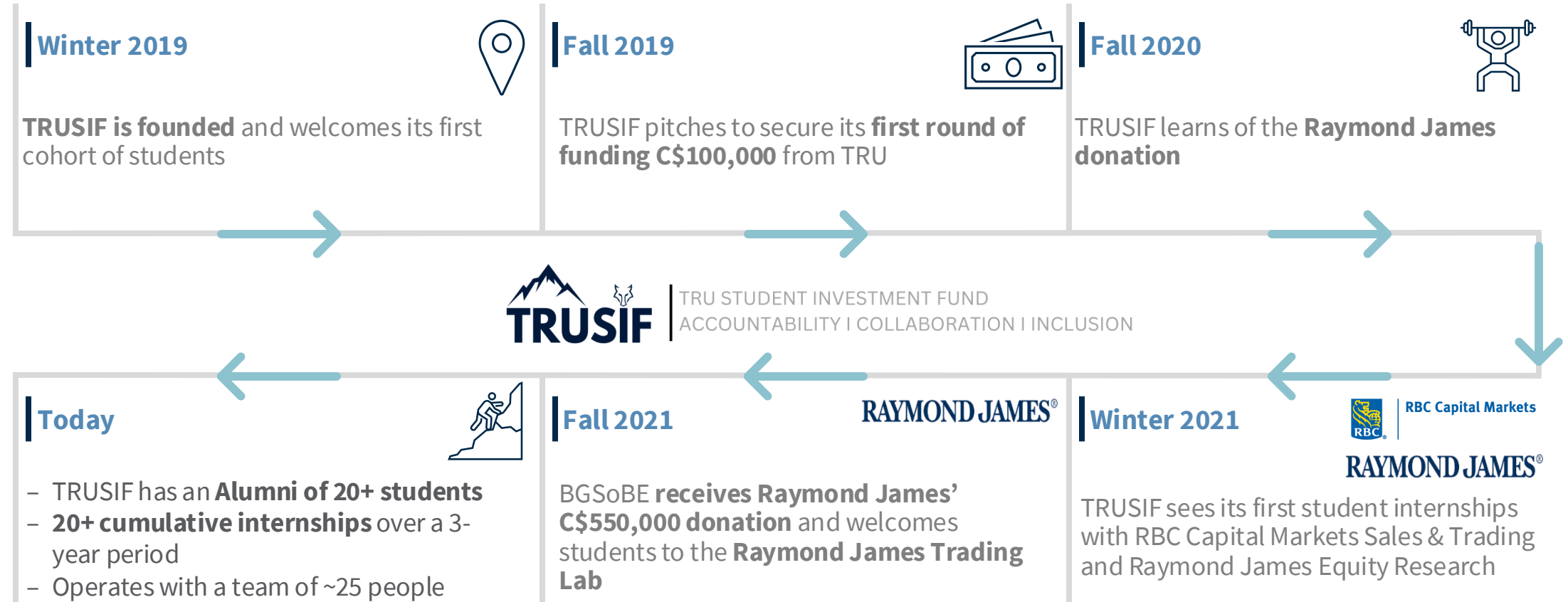


Network With
Experts



Applying Skills

TRUSIF Major Events Timeline



TRUSIF Internships

Industry experience is the purest form of value driven into TRUSIF



RBC Capital Markets

Sales & Trading
Winter 2021



Equity Research
Winter 2021

RAYMOND JAMES®

Equity Research
Summer 2021

RAYMOND JAMES®

Equity Research
Fall 2021



Sales & Trading
Winter 2022



Public Markets
Summer 2022

RAYMOND JAMES®

Equity Research
Summer 2022

RAYMOND JAMES®

Investment Banking
Fall 2022



RBC Capital Markets

Sales & Trading
Fall 2022

RAYMOND JAMES®

Investment Banking
Summer 2023

RAYMOND JAMES®

Equity Research
Summer 2023

RAYMOND JAMES®

Private Client Group
Summer 2023



Accounting
Winter 2024



Accounting
Winter 2024



Personal Banking
Winter 2024



Personal Banking
Winter 2024



Investment Banking
Summer 2024



Accounting
Summer 2024



Consulting
Summer 2024



Sales & Trading
Fall 2024

TRUSIF Team Overview

Investment Team



Daiman Mather
Fund Manager
Coverage: Industrials
Program: Finance
Year: Fourth
Interests: Hiking, Music, Macro, Capital Markets, and anything with a beer



Aadhar Chawla
Fund Manager
Coverage: Technology, and Real Estate
Program: Finance
Year: Third
Interests: Soccer, Entrepreneurship and Business, Reading



Jordan Fedyna
Fund Manager
Coverage: Industrials
Program: Finance
Year: Third
Interests: Sports, Self-Development, Real Estate, Nutrition, Entrepreneurship and Reading



Austin Burke
Fund Manager
Coverage: Utilities, and Macros
Program: Computer Science
Year: Third
Interests: Hockey, Golf, Hiking and Chess



Francisco Eckardt
Investment Analyst
Coverage: Financials
Program: Finance
Year: Third
Interests: Soccer, Poker, Entrepreneurship & Business



Nolan Bennett
Investment Analyst
Coverage: Consumer & Healthcare
Program: Accounting
Year: Third
Interests: Portfolio Mgmt, Entrepreneurship, Sports, Fishing, Hiking and Dirt Biking



Gagandeep Multani
Investment Analyst
Coverage: Aerospace
Program: Finance
Year: Third
Interests: Cricket, Planespotting, Military History



Timothy Mburu
Investment Analyst
Coverage: Aerospace
Program: Finance
Year: Third
Interests: Soccer, Snowboarding, and Travel

TRUSIF Team Overview

Investment Team



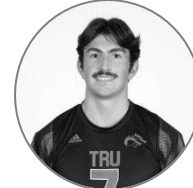
Chirag Doshi

Investment Analyst
Coverage: Technology
Program: Finance
Year: Third
Interests: Cricket, Formula1, UFC, Investing and Emerging Tech



Arthur Costa

Investment Analyst
Coverage: Utilities
Program: Economics
Year: Third
Interests: Asset Management, Entrepreneurship, Soccer, Music and Travelling



Matthew Hamilton

Investment Analyst
Coverage: Consumer
Program: Finance
Year: Third
Interests: Volleyball, Reading, Weightlifting, and UFC



Cynthia Urrutia

Research Analyst
Coverage: Real Estate
Program: Applied Data Science
Year: First
Interests: Swimming, Dogs, Dancing, Piano, Finance and Investments



Nihar Meshram

Research Analyst
Coverage: Real Estate
Program: Finance
Year: Third
Interests: Formula 1, Hiking, and Reading



Ananya Pal

Research Analyst
Coverage: Healthcare
Program: MBA
Year: First
Interests: Self Development, Travelling, and Reading



Michael Adeyemi

Research Analyst
Coverage: Financials
Program: Economics
Year: Second
Interests: Soccer, Formula 1, Economics, Video Games

TRUSIF Team Overview (Cont'd)

Marketing Team



Anel Jazybayeva

Head of Marketing

Program: Communications

Year: Third

Interests: Classic Literature, Digital Marketing, New Media and is an earl grey tea enthusiast



Isabella Lizarzaburu

Marketing

Program: Bachelor of Business Administration

Year: Second

Interests: Travel, Dance, Business and Painting

Faculty Advisor



Dr. Yong Joo Kang

Assistant Professor of Finance

Education:

- Ph.D, Business Administration, Yonsei University
- M.B.A., Finance Major (with distinction), NYU
- M.S. Engineering Econ Systems & Ops, Stanford
- B.S. chemical Engineering, UC Berkeley



HR & Operations Team



Joel Rodrigues

Head of Human Resources & Operations

Program: Bachelor of Business Administration

Year: Fourth

Interests: Road Trips, Surfing, and Current Events



Durga Kondapalli

Co-Head of Human Resources & Operations

Program: PB Human Resources

Year: Second

Interests: Fitness, Movies, and Cooking



Leena Gupta

Human Resources & Operations

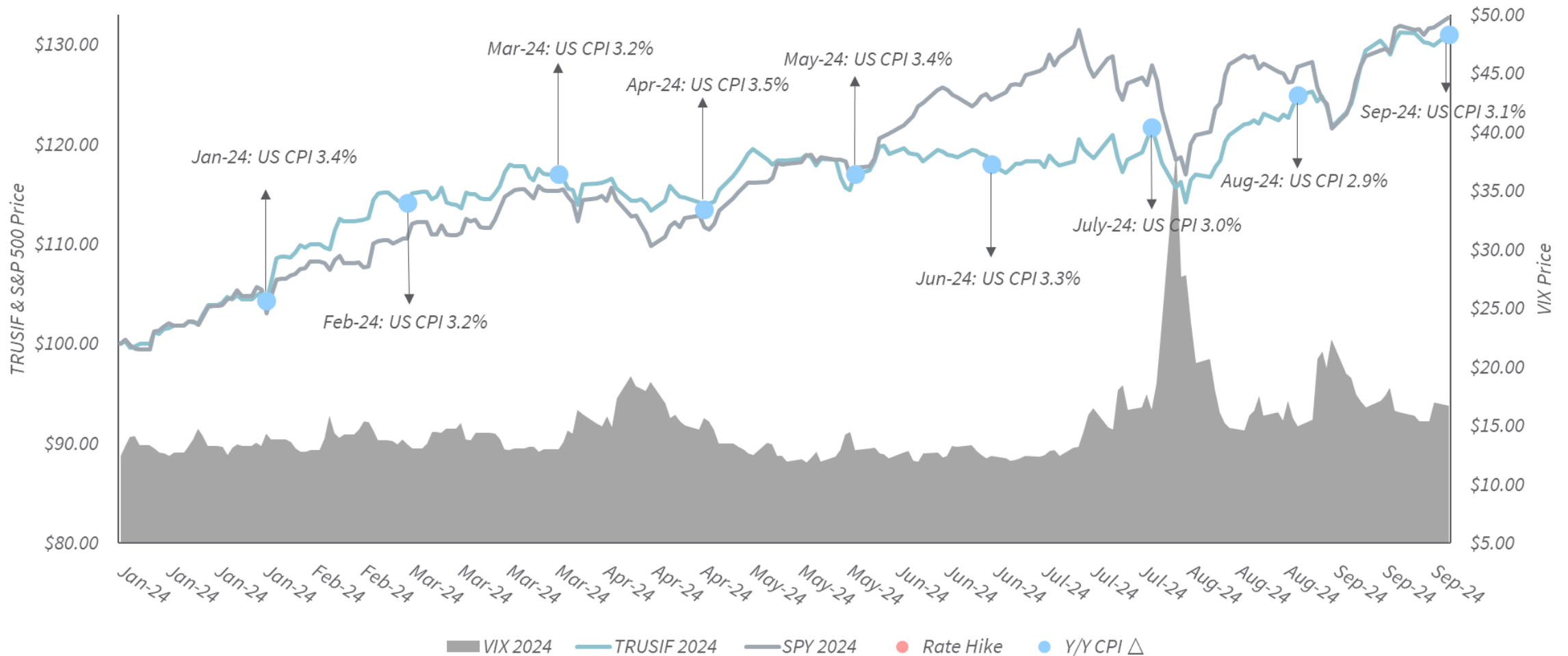
Program: PB Human Resources

Year: Second

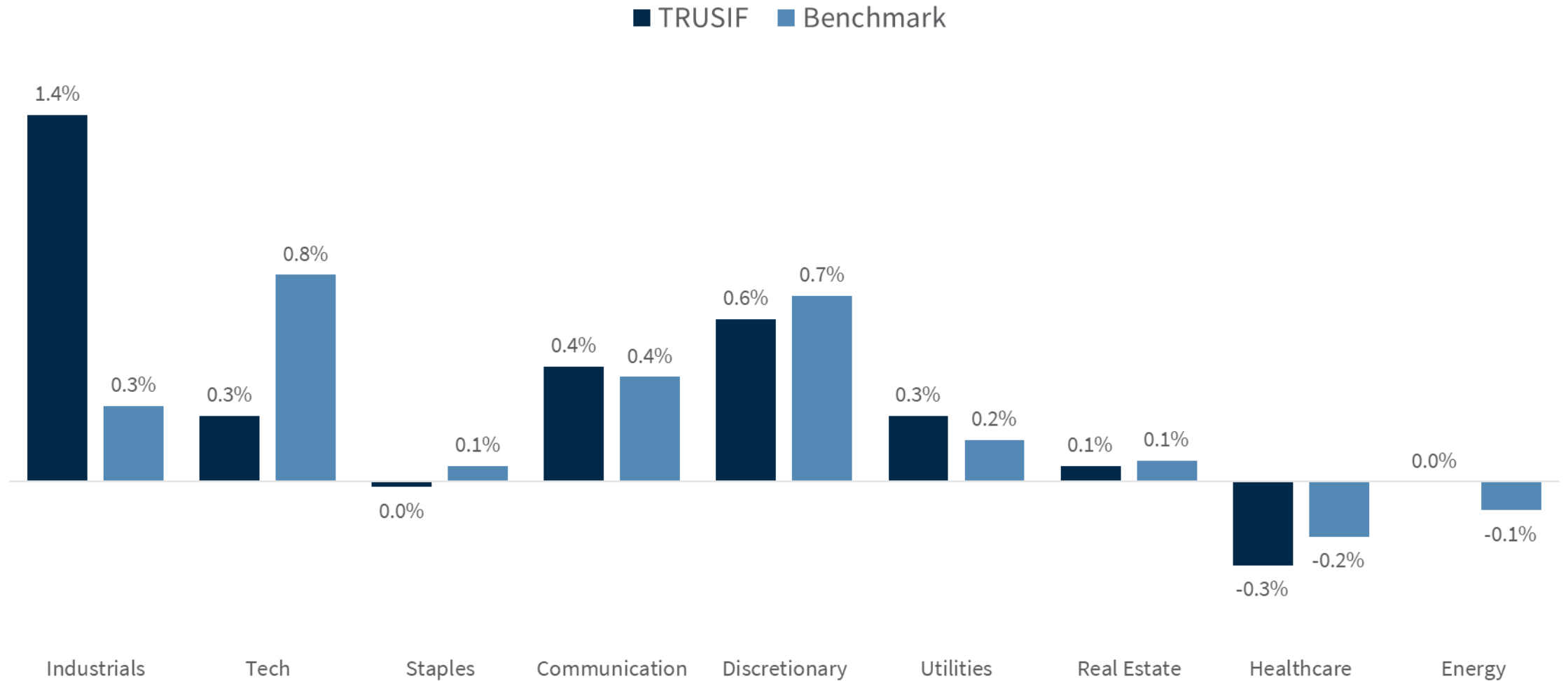
Interests: Trekking, Cooking, Handmade Arts and Badminton

Portfolio Overview

TRUSIF Trading Performance (YTD)



TRUSIF Sector Performance



Macro Update

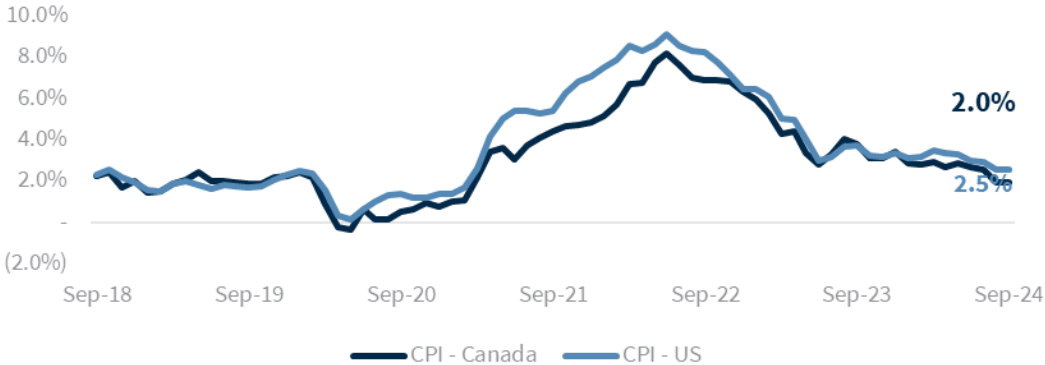
Team: Austin Burke, Fund Manager

Macro Snapshot

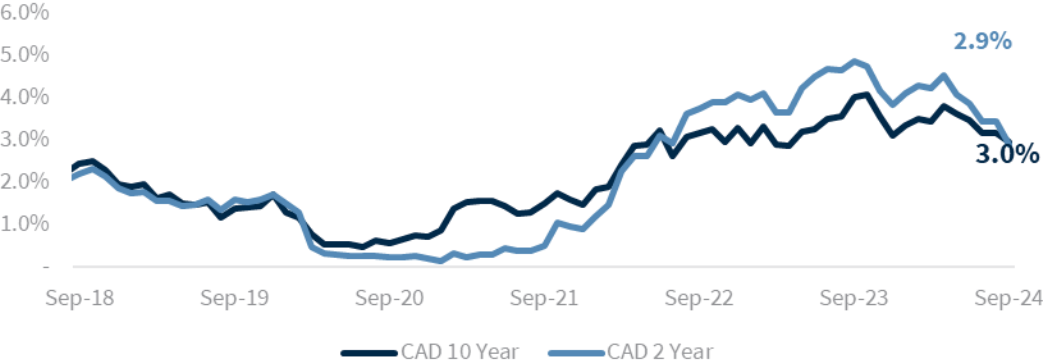
Overview

- September saw the first rate cut in 4 years as the Federal Reserve slashed 50 basis points amid signs of moderating inflation and weakening labor market. Outside of an emergency rate reduction, the last time a 50 basis points cut happened was during the 2008 financial crisis
- US non-farm payrolls increased by a whopping 254,000 with the unemployment rate trickling down to 4.1%, and wages increased at an annual rate of 4%
- As the month ended, oil prices started to move slightly higher on Israel-Iran tensions. It began with Israel assassinating Hassan Nasrallah, Hezbollah's leader, and this led to retaliation by Iran doing a missile attack on Israel. These tensions could aggravate further by Israel attacking Iran's oil facilities leading to a supply crunch

Consumer Price Index



Canadian Yields



U.S. Treasury Yields



Source: Capital IQ, TRUSIF Research Note: Market data as of Sep 30, 2024

Sector Updates

Consumer

Team: Nolan Bennett, Investment Analyst

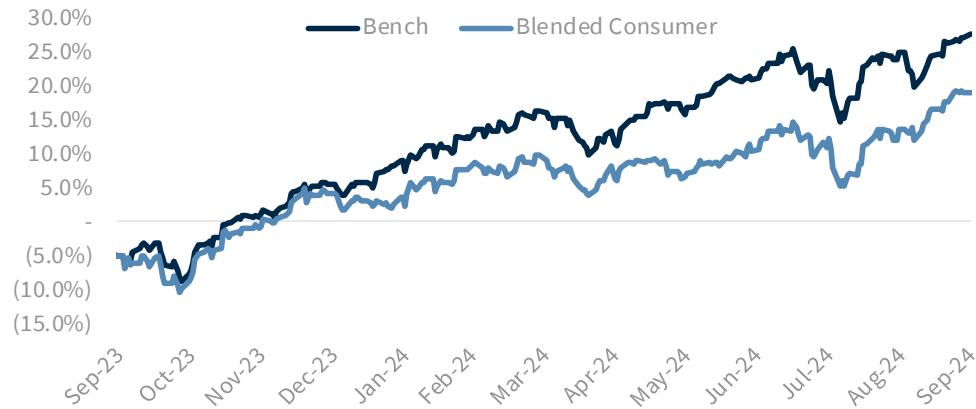
Matthew Hamilton, Investment Analyst

Consumer Sector Overview

Recent Developments

- The S&P 500 Consumer Discretionary sector rose by 3.2% in September 2024, fueled by strong consumer demand and easing inflationary pressures, with positive sentiment building ahead of the holiday season
- The S&P 500 Consumer Staples sector remained relatively flat, up 0.8%, as rising energy costs balanced out the benefits of reduced inflation, keeping growth in check
- Anticipated Federal Reserve rate cuts, now more likely in December, are expected to further stimulate discretionary spending, while the staples sector may continue to face challenges from inflationary pressures and production costs

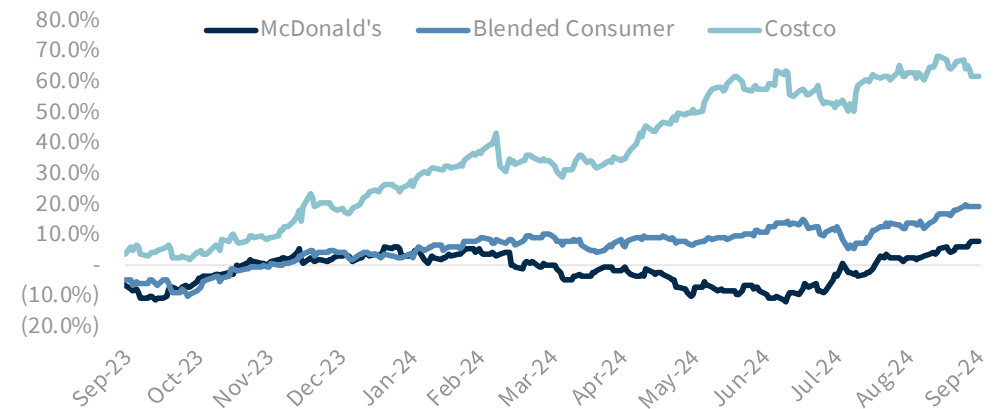
LTM Index v. Benchmark



Holdings' Overview and Performance

- Costco reported \$20.12 billion in September sales, a 6.8% year-over-year increase, driven by strong membership renewals and continued demand for essentials
- E-commerce sales for Costco continued their upward trend, growing 20.5% as digital strategies remained effective and customer engagement through online platforms expanded
- McDonald's stock rose 2.1% in September, overcoming rising food costs and ongoing supply chain challenges, supported by strong same-store sales growth
- McDonald's declared a quarterly dividend of \$1.67 per share, payable on September 17, 2024, reinforcing investor confidence in the company's stable returns

LTM Holdings' Performance



McDonald's (NYSE: MCD) Overview



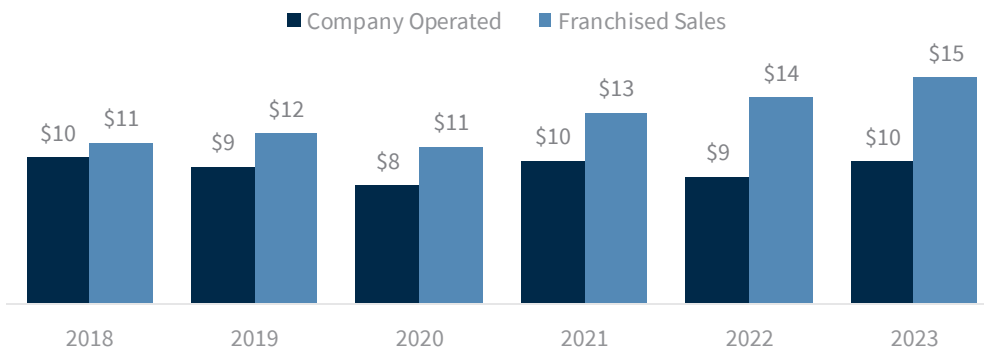
Overview

McDonalds Corporation (NYSE:MCD), founded in 1940 by Ray Kroc, is one of the worlds largest multinational fast food chains. Famous for their value proposition: food of consistent quality that is served in a timely fashion and consistently across the globe

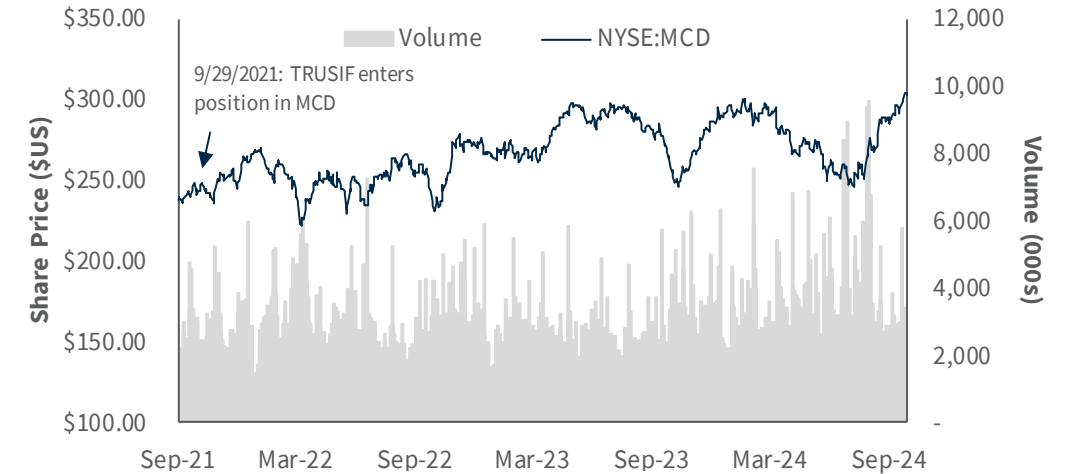
Thesis points:

1. Income is key: MCD is a dividend aristocrat which hasn't flinched in rewarding shareholders with regular dividend increases and share buybacks
2. US in the drivers seat: a 1% increase US SSS translates to roughly US\$0.06 - \$0.08 growth in EPS, US dominances offsets geo risks
3. Well moated business: MCD targets 250mln loyal users and US\$45bln in annual sales by 2027, emphasizing loyalty programs as key revenue drivers

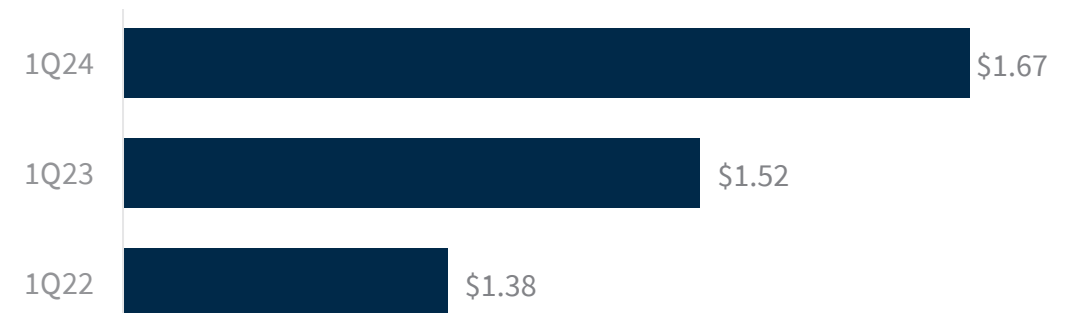
Segment Revenue (US\$bln)



Share Price



Dividends Received Post-Purchase



Costco (Nasdaq: COST) Overview



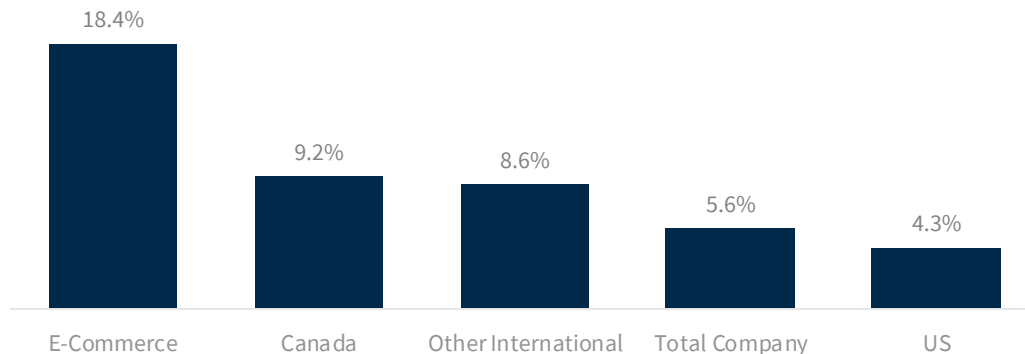
Overview

Costco Wholesale Corp. (Nasdaq: COST) has been led by CEO Ron Vachris since February 2022. COST is considered to have a unique value proposition providing a variety of consumer goods in bulk and at wholesale pricing. Costco attracts and retains some of the best hourly workers in the industry, thanks to its reputation as an employer-of-choice

Thesis points:

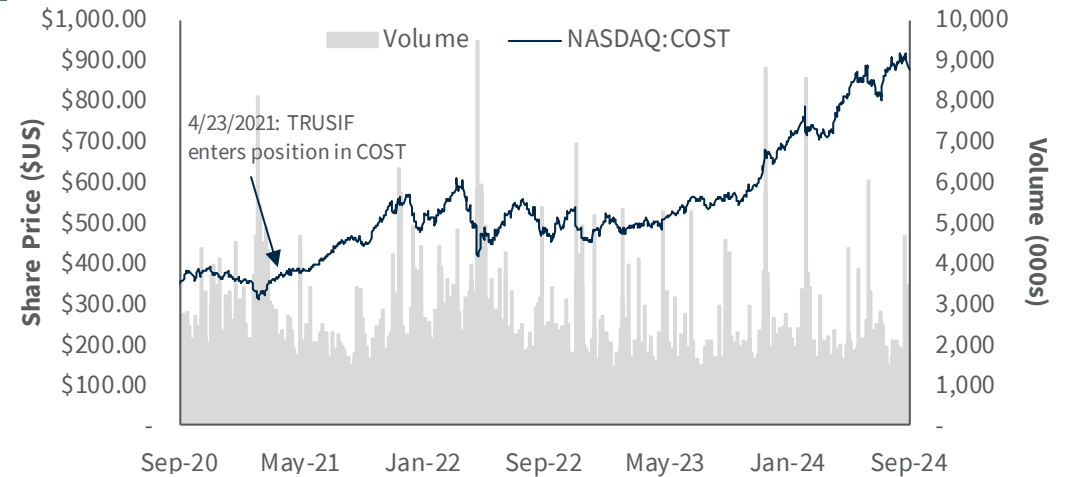
1. Bulk Buying Strategy: Costco's bulk purchasing strategy and discount-passing ethos establish a defensive moat while fostering customer loyalty
2. Global Expansion: Costco's global expansion drive underscores its ambition for market penetration and sustained growth
3. Loyalty-Driven Revenue: Costco's revenue model heavily relies on high membership renewal rates and membership fee contributions

Comparable Sales (12 Weeks)

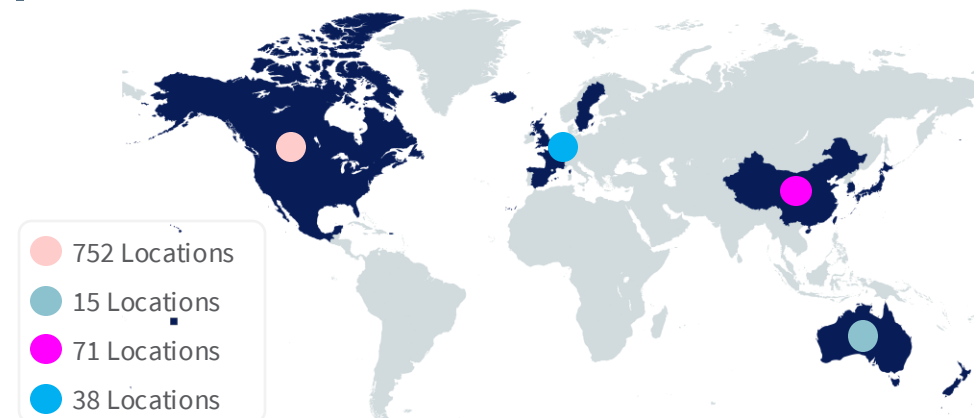


Source: Capital IQ, TRUSIF Research Note: Market data as of Sep 30, 2024

Share Price



Global Locations



Technology

Team: Aadhar Chawla, Fund Manager

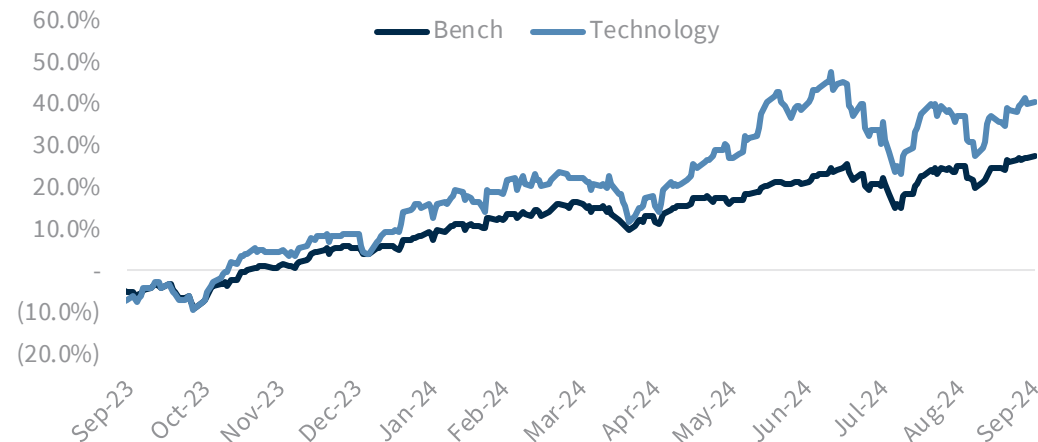
Chirag Doshi, Investment Analyst

Technology Sector Overview

Recent Developments

- The S&P 500 IT Index ended +2.5% for the month, the S&P 500 Communications Services Index was +4.5%, and the S&P 500 was +2.0%. YTD performance was led by Semiconductors +23.9%, Communications +21.6% and Hardware +21.1%
- Hyundai and Kia are partnering with Samsung to improve infotainment for future Software Defined Vehicles. Hyundai is also advancing dynamic wireless EV charging technology
- Samsung has begun mass production of 1Tb QLC NAND chips for AI storage in enterprise servers, offering higher density and storage for big data applications
- AMD's incoming laptop CPUs could be Ryzen AI Max, and are expected to have super-charged chips for high end performance

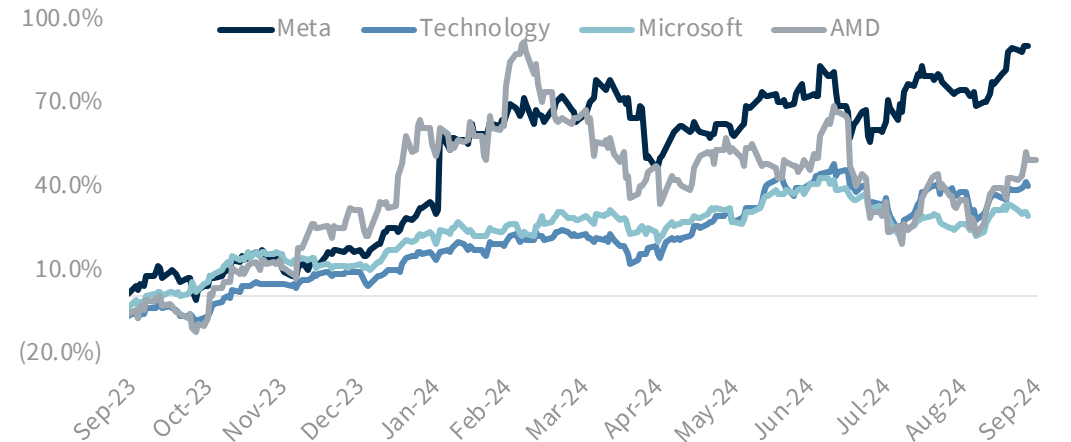
LTM Index v. Benchmark



Holdings' Overview and Performance

- MSFT is updating its Copilot AI for Windows with voice command interaction and new vision capabilities, enhancing the platform's functionality
- MSFT, BlackRock, GIP, and MGX announced a \$100Bln AI infrastructure investment for data centers and energy. MSFT is expanding its engineering center in Abu Dhabi and partnering with KT Corp. on a multibillion-dollar AI deal in Korea
- META has announced Orion, its first fully functional AR glasses prototype that offers a virtual overlay to enhance real-world views. The glasses allow features like object highlighting, life-like video chats, web browsing, & video streaming
- META will expand AI investment in Vietnam, including producing mixed reality headsets from 2025. This move aims to strengthen its presence in the country

LTM Holdings' Performance



Source: Capital IQ, TRUSIF Research
 Note: Market data as of Sep 30, 2024

Meta (Nasdaq: META) Overview



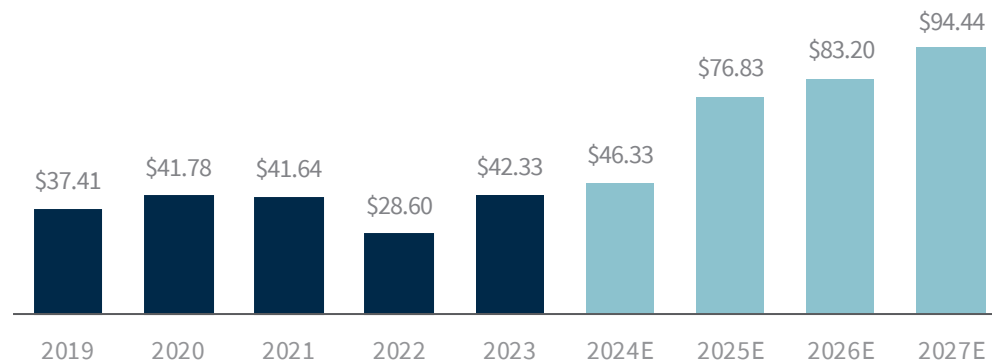
Overview

Meta Inc. (Nasdaq: META), has been led by CEO Mark Zuckerberg since its founding in 2004. Meta is a social media company best known for Facebook, Instagram and WhatsApp. TRUSIF has held Meta since April 2021

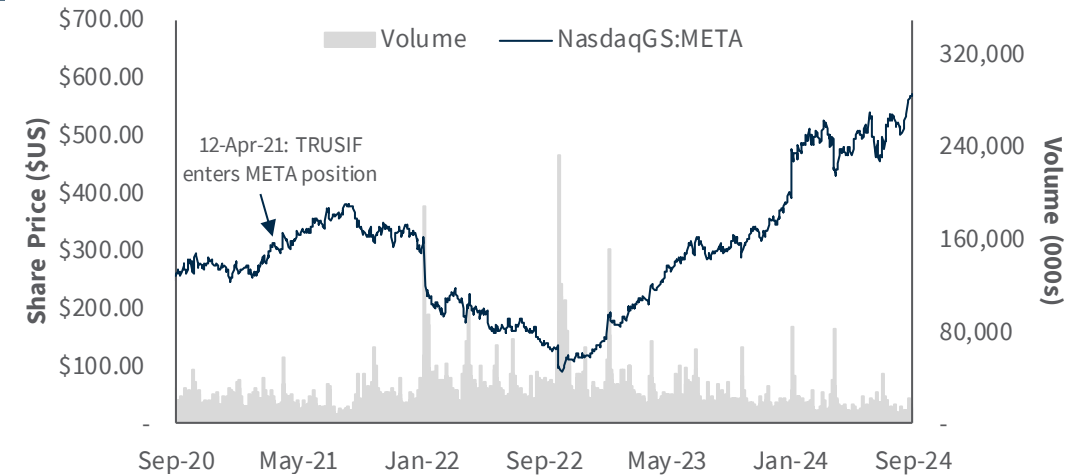
Thesis points:

1. Reels advertising opportunity in the near term as well as the Commerce possibilities over the long run
2. We don't think you have to be a believer in the Metaverse story to like the stock — we think the increased transparency around Facebook Reality Labs is a positive, but we also don't think the initial goal of reaching 1bln Metaverse users is a stretch (would only be 40% of gamers)
3. Meta remains the preferred choice for advertisers, who point to the company's unmatched scale and marketer tools relative to competitors (TikTok included)

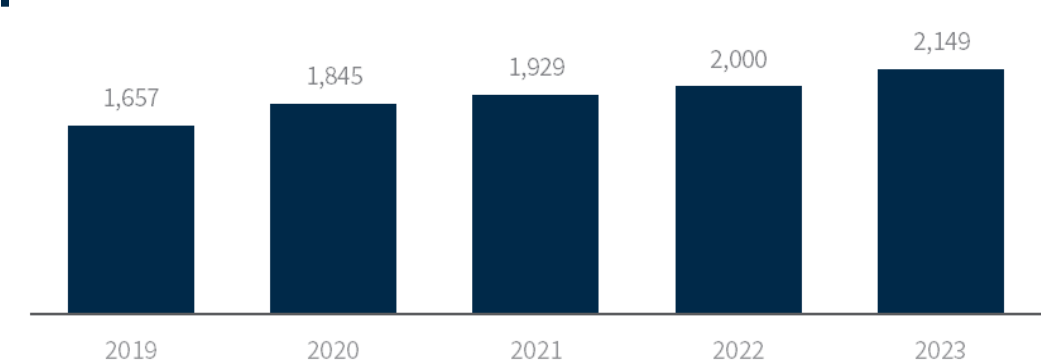
FCF Per Share (\$US)⁽¹⁾



Share Price



Annual DAUs (mms)⁽¹⁾



Microsoft (Nasdaq: MSFT) Overview



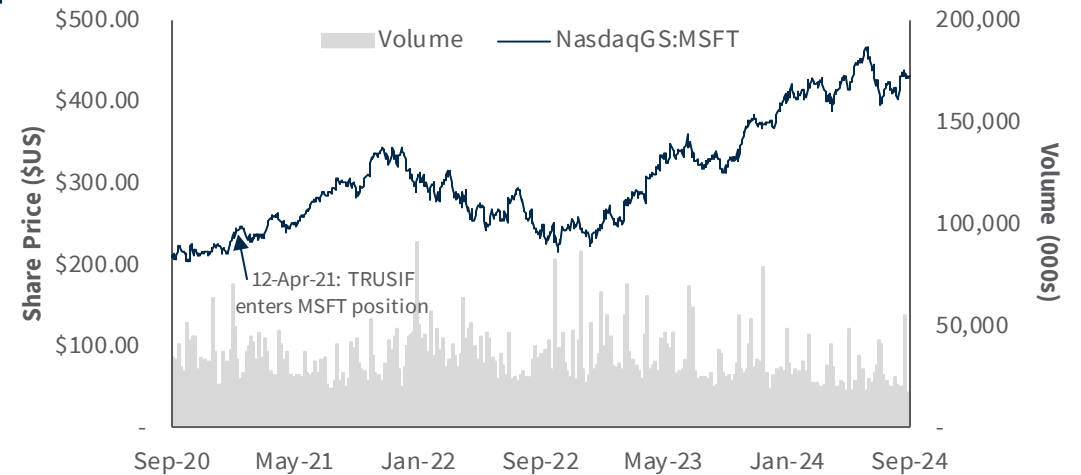
Overview

Microsoft Corp. (Nasdaq: MSFT), has been led by CEO Satya Nadella since 2014. MSFT is best known for developing and providing software, services, devices, and solutions globally. TRUSIF has held Microsoft since July 2021

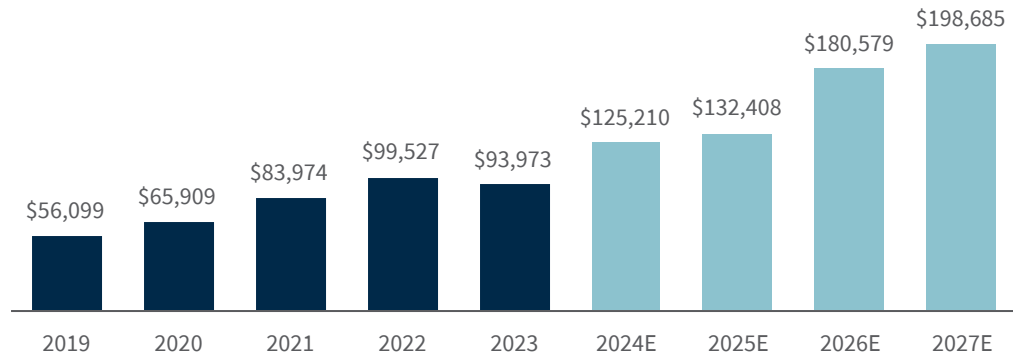
Thesis points:

- 1. Business Focus:** MSFT is centered around Azure and Office 365, expecting solid growth in Productivity and Business Process division and Intelligent Cloud
- 2. Diverse Portfolio:** Despite Windows concerns, Bing, Surface, and Xbox are gaining momentum, showcasing Microsoft's diverse offerings
- 3. Financials:** MSFT foresees strong growth in cloud revenue, gross margins, and efficient cost management, driving increased profit and cash flow. It plans to sustain capital return strategy, aiming for >\$20B annually, leading to high-single-digit returns through EPS growth and dividends

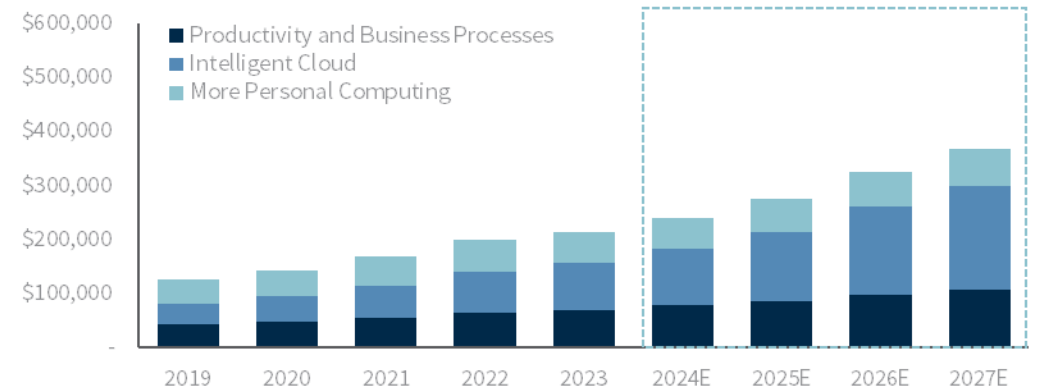
Share Price



Annual Adj. EBITDA⁽¹⁾



Annual Segment Revenue⁽¹⁾



Advanced Micro Devices, Inc. (Nasdaq: AMD)

Overview



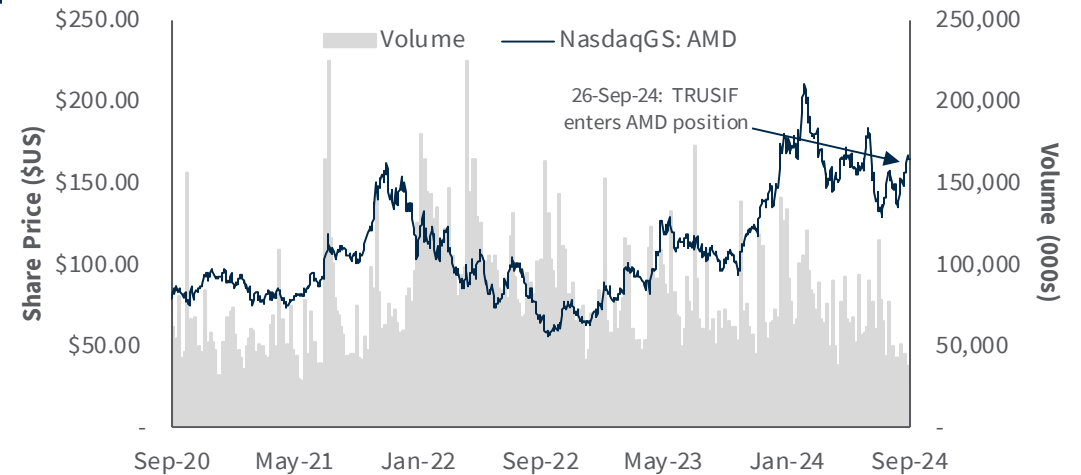
Overview

Advanced Micro Devices Inc. (Nasdaq: AMD), has been led by CEO Lisa T. Su, since 2014. It is best known for developing graphics processors, microprocessors and advanced chipsets globally. TRUSIF recently bought AMD this month making it its latest buy

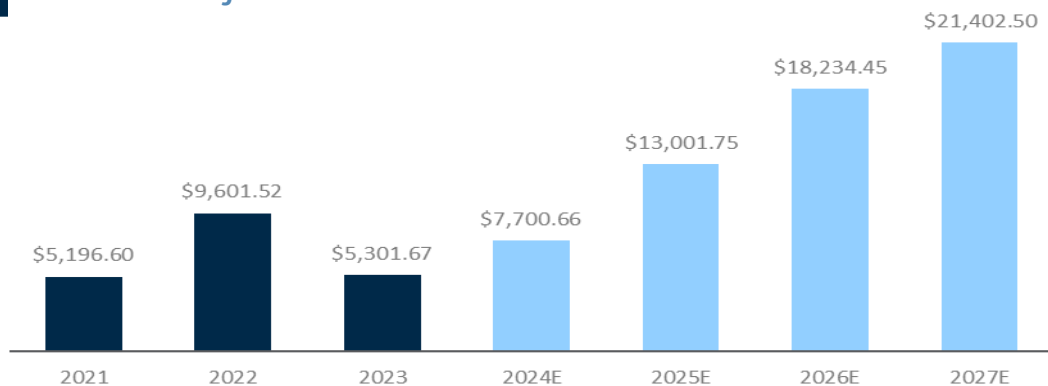
Thesis points:

- Gaming, VR & AR:** AMD's gaming segment accounts for almost 30% of their revenue, and is a strength, with their Ryzen 7 & 9 chipsets offering incredible gaming performance
- Semiconductor Chipsets:** The demand for chipsets is huge and growing every day. AMD stands to capitalize on the technological advancements in GenAI, Gaming and the Auto industry
- Data Center:** AMD delivers hyperscale-class network acceleration, security features, and observability for enterprise data centers and companies globally

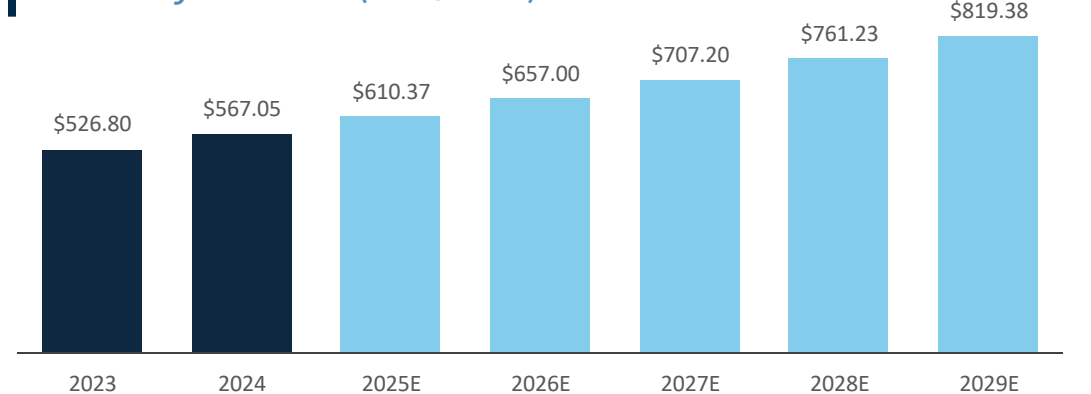
Share Price



Annual Adj. EBITDA⁽¹⁾



Industry Growth (US\$ Bln)⁽¹⁾



Source: Capital IQ, TRUSIF Research Note: Market data as of Sep 30, 2024

Industrials

Team: Daiman Mather, Fund Manager

Jordan Fedyna, Fund Manager

Industrials Sector Overview

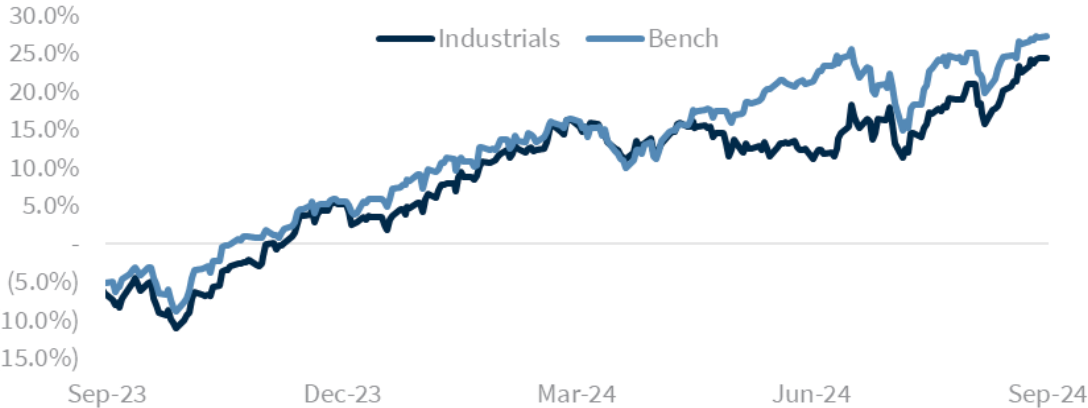
Recent Developments

- Apr 2024 Manufacturing PMI and ISM New Orders at 49.2% & 49.1% vs last month's 50.3% & 51.4%, respectively
- CNR's RTMs: Are down (-4.1%) y/y, driven by Coal (-14.1%), Grain (-12.2%), and Intermodal (5.8%) while being offset by Food & Kindred Products (2.5%)
- CPKC's RTMs Are down (-0.9%) y/y driven by Grain (-10.8%), Coal (-8.2%), and Metals, Minerals & Consumer Products (-6.1%), offset by Automotive (79.5%) and Potash (37.1%)
- CNR has partnered with Union Pacific (UP) and Ferromex (FXE) to present the fastest service between Canada, the U.S Midwest and Mexico called the Falcon Premium

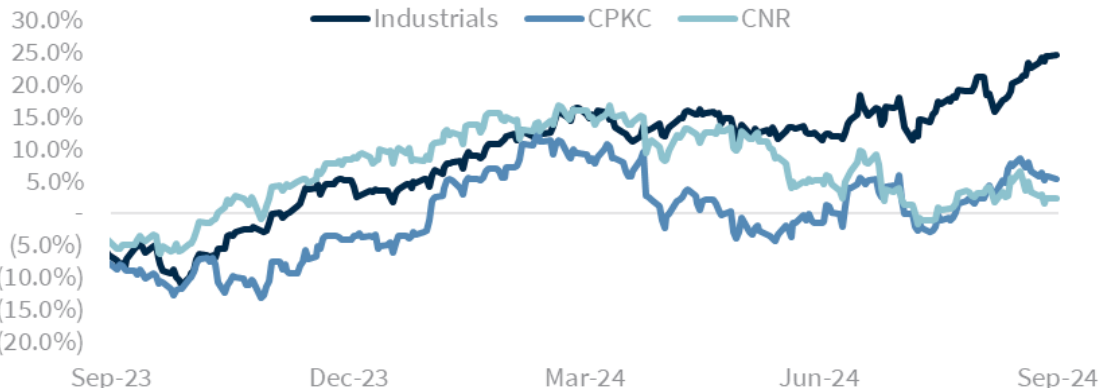
Holdings' Overview and Performance

- Both CPKC and CNR have resumed operations by order of the Canada Industrial Relations Board, amongst the ongoing disputes in the binding arbitration
- CPKC reported 1Q24 core adj. FD EPS of \$0.93 vs \$0.90 in 1Q23 and core adj. OR of 64.0% vs 63.5% in 1Q23
- CNR reported 1Q24 FD EPS of \$1.72 vs \$1.82 in 1Q23 and OR of 63.6% vs 61.5% in 1Q23. Also, CNR launched a \$1.25 bln debt offering to fund corporate purposes, \$700 mln is due in 2029 and \$550 mln is due in 2024

LTM Index v. Benchmark



LTM Holdings' Performance



Source: Capital IQ, TRUSIF Research
 Note: Market data as of Sep 30, 2024

Canadian Pacific (TSX:CP) Overview



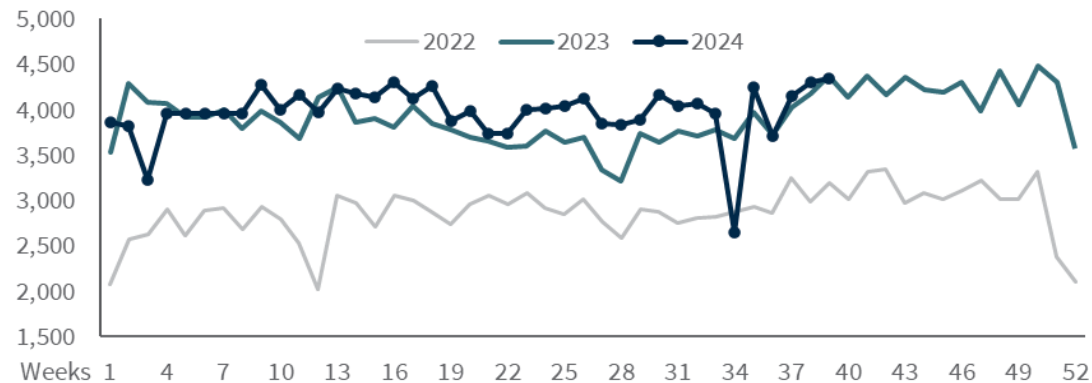
Overview

Canadian Pacific Kansas, has been led by CEO Kieth Creel since 2023. CPKC is the combination of two historical railways, CP and KCS, creating the first and only transnational rail network in North America. CPKC moves essential goods across our 20,000-mile network supporting economic growth throughout Canada, the U.S and Mexico. TRUSIF has held CPKC since Nov 2022

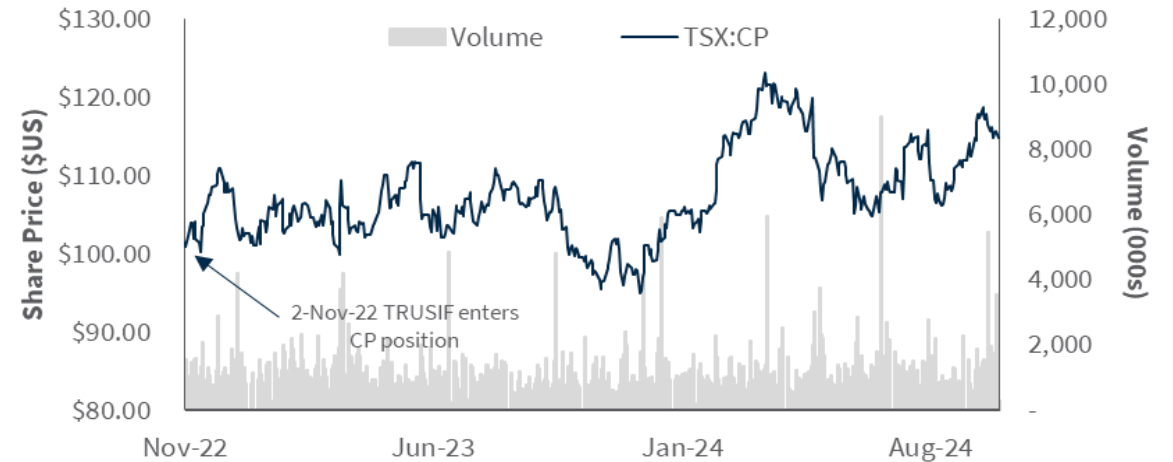
Rail Stats':

- RTMs: Are down (-0.9%) y/y driven by Grain (-10.8%), Coal (-8.2%), and Metals, Minerals & Consumer Products (-6.1%), offset by Automotive (79.5%) and Potash (37.1%)
- Carloads: Were also down (-4%) y/y due to Fertilizer & Sulphur (-21.1%), Metals, Minerals & Consumer Products (-12.3%) and Grain (-8.4%), offset only by Potash (30.1%), and Automotive (45%)

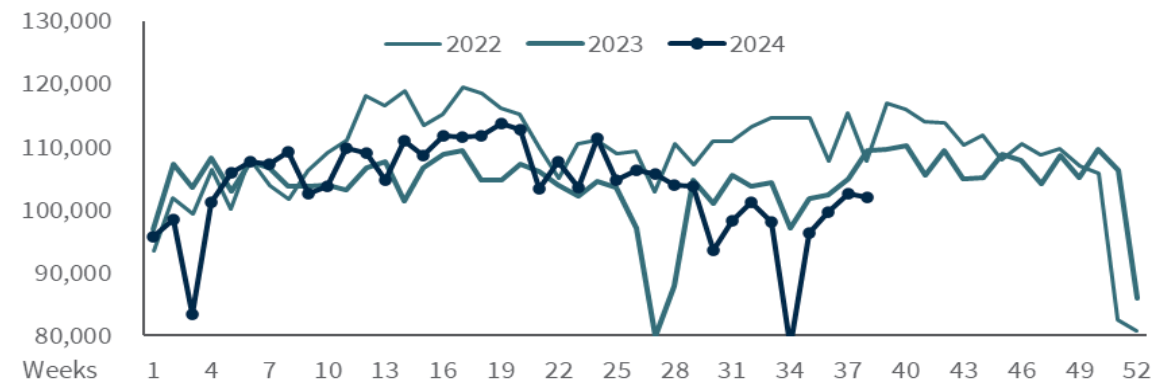
RTMs



Share Price



Carloads



Canadian National (TSX:CNR) Overview



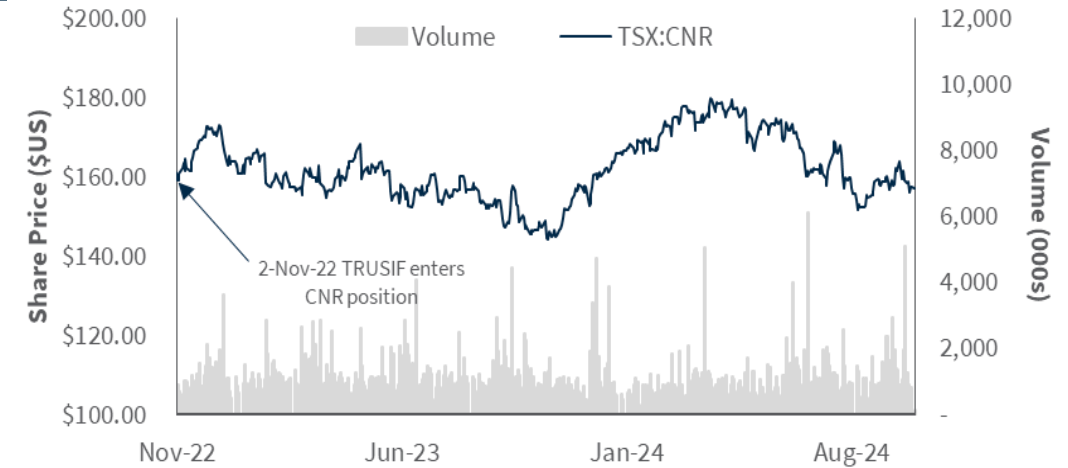
Overview

Canadian National Railway, has been led by CEO Tracy Robinson since 2022. CN is Canada's largest railway, in terms of both revenue and the physical size of its rail network. CN has approximately 23,000 employees transporting ~C\$250 bln worth of goods annually. Their rail network spans ~20,000 miles across Canada and mid-America. TRUSIF has held CN since Nov 2022

Rail Stats':

- RTMs: Are down (-4.1%) y/y, driven by Coal (-14.1%), Grain (-12.2%), and Intermodal (5.8%) while being offset by Food & Kindred Products (2.5%)
- Carloads: Were also down (-2.4%) y/y due Coal (-19.0%), Grain (-8.5%), and Petro & Chem (-4.5%), slightly offset by Metals & Minerals (3.3%)

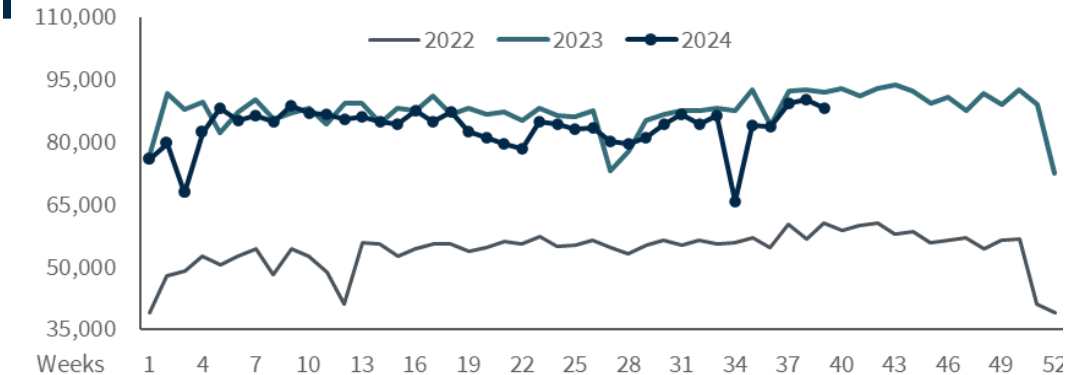
Share Price



RTMs



Carloads



Financials

Team: Francisco Eckardt, Investment Analyst

Cynthia Urrutia, Research Analyst

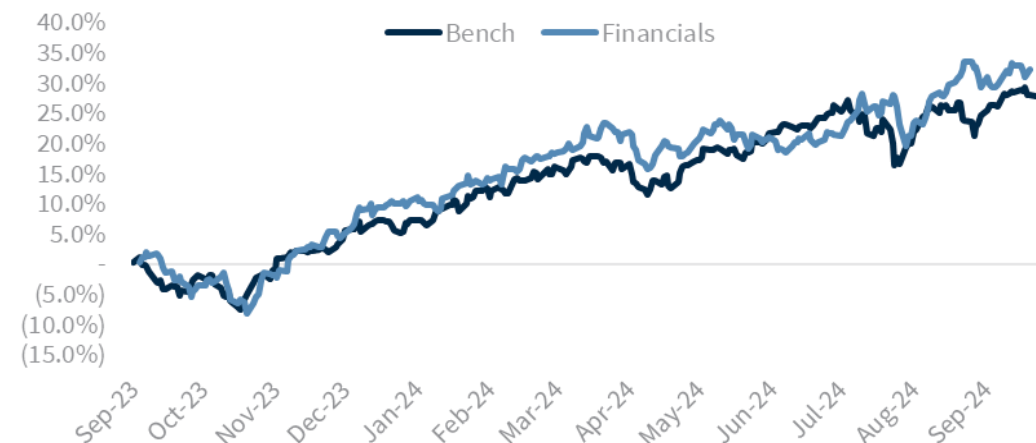
Michael Adeyemi, Research Analyst

Financials Sector Overview

Recent Developments

- The Federal Reserve has initiated its rate-cutting phase, reducing the interest rate by 50bps to a range of 4.75% – 5%. Confidence is building around a soft landing, with inflation moving closer to the 2% target.
- The DOJ has filed a new antitrust suit against Visa, accusing it of using its ecosystem of consumers, banks, and merchants to penalize merchants opting for alternative debit networks. Meanwhile, Mastercard acquired Recorded Future, a threat intelligence provider, for \$2.65 billion to enhance cybersecurity.
- After more than two years of inversion, yields on two-year notes, currently at 3.944%, have slipped below those of 10-year bonds, which stand at 3.998%

LTM Index v. Benchmark

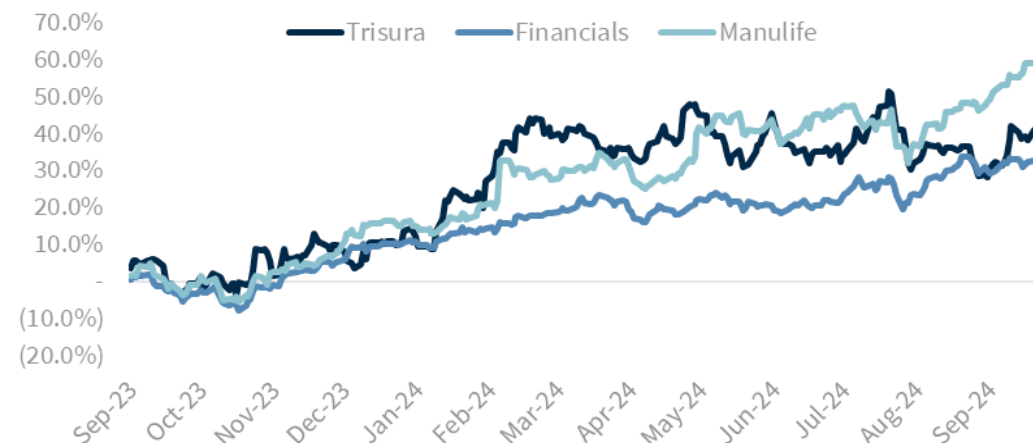


Source: Capital IQ, TRUSIF Research
Note: Market data as of Sep 30, 2024

Holdings' Overview and Performance

- MFC announced intention to redeem all its 500mln Singapore dollars principal amount of 3% due November 21, 2029.
- MFC reached a 52-week high, trading at \$28.89. This was driven by strong performing business in Asia, expanding WAM business and a solid capital position. Its shares have rallied 58.9% YTD outperforming the Finance sector's increase of 13.7% and the S&P 500 of increase of 17.7%.
- TSU's share price rallied by 3.3% after experiencing from last month, bringing the total increase to 40.7% YTD. Over the past five years, the shares have soared by an impressive 455%, reaching a new all-time high.

LTM Holdings' Performance



Manulife Financial (TSX:MFC) Overview

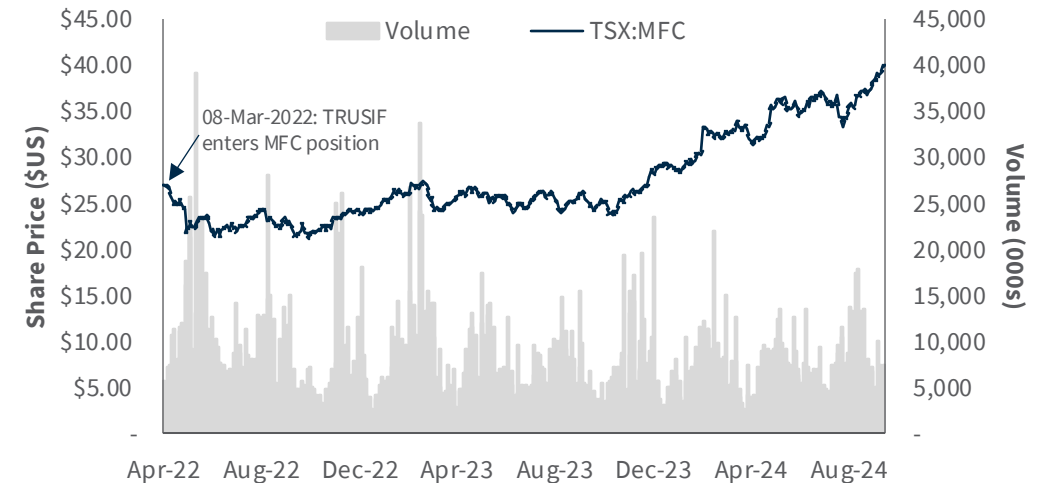
Overview

Manulife Financial Corporation (TSX: MFC), under the leadership of CEO Roy Gori, is a leading international financial services group providing insurance, wealth, and asset management solutions

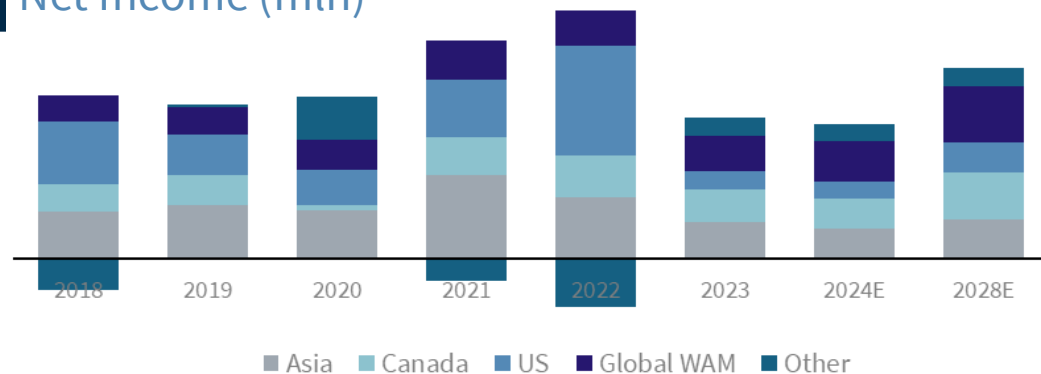
Thesis points:

1. Product and Service Innovation: We believe Manulife differentiates itself through innovative insurance and financial products tailored to diverse customer needs
2. Global Presence and Market Expansion: With a strong foothold in Asia, Manulife is well-positioned to capitalize on emerging market growth and demographic trends
3. Stable Financial Performance and Customer Focus: Manulife's customer-centric approach and consistent financial performance are fundamental to its strategy for delivering sustained value

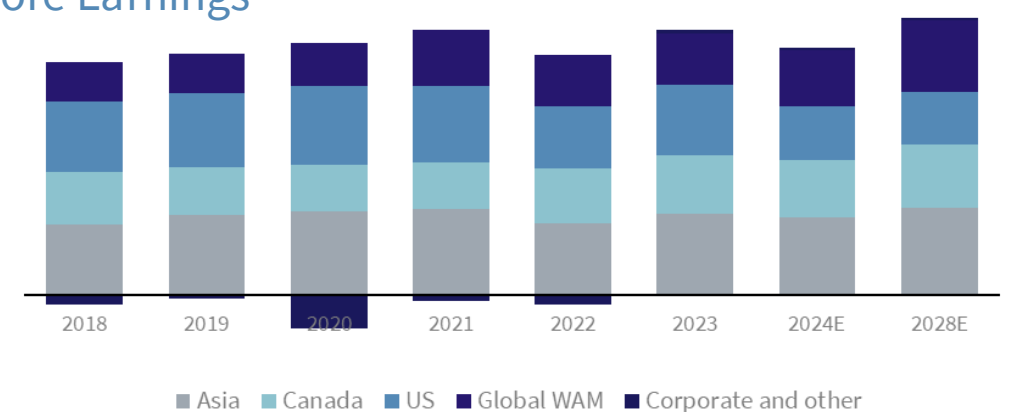
Share Price



Net Income (mln)



Core Earnings



Source: Capital IQ, TRUSIF Research
 Note: Market data as of Sep 30, 2024
 (1) Company filings as of 2Q24

Trisura Group (TSX:TSU) Overview



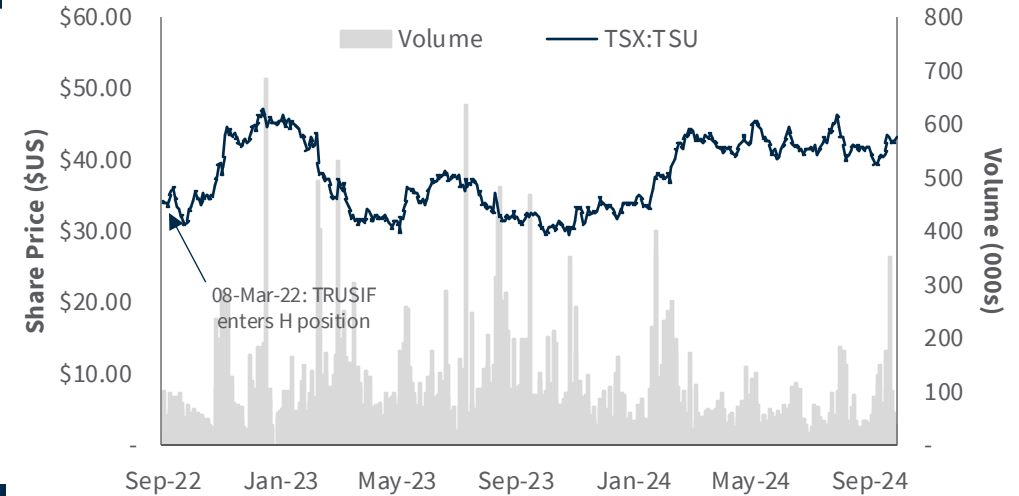
Overview

Trisura Group Ltd. (TSX: TSU), under CEO David Clare, is a North American specialty insurance provider. Renowned for its selective underwriting and expertise in surety, risk solutions, and reinsurance

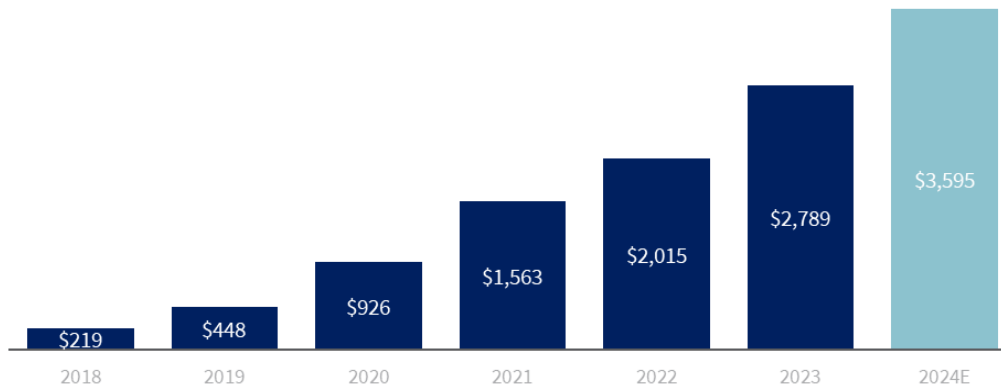
Thesis points:

1. Selective Underwriting and Diversification: Trisura employs selective underwriting for profitability while offering diverse specialty insurance products
2. Strategic Growth in North American Markets: The company is expanding its U.S. presence, contributing significantly to its premium base and market reach
3. Financial Discipline for Long-term Value: Trisura prioritizes efficiency and strategic capital deployment for financial health and shareholder value

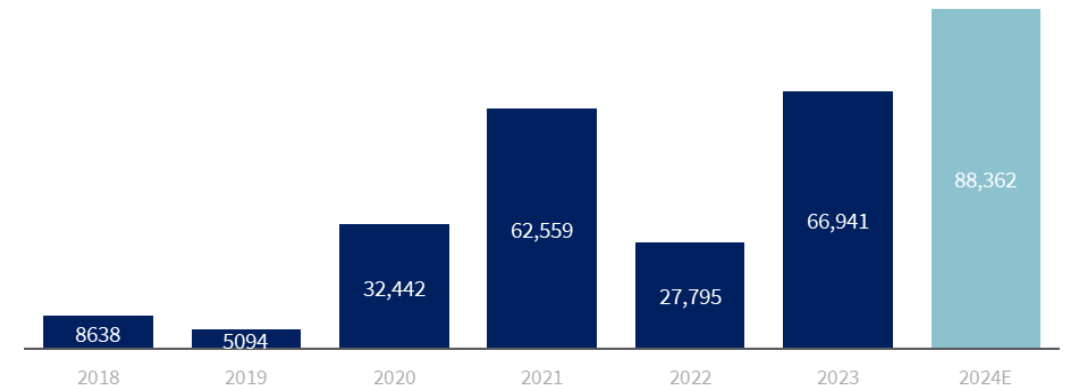
Share Price



Revenue (mln)



Profitability



Source: Capital IQ, TRUSIF Research
 Note: Market data as of Sep 30, 2024
 (1) Company filings as of 2Q24

Real Estate

Team: Aadhar Chawla, Fund Manager

Cynthia Urrutia, Research Analyst

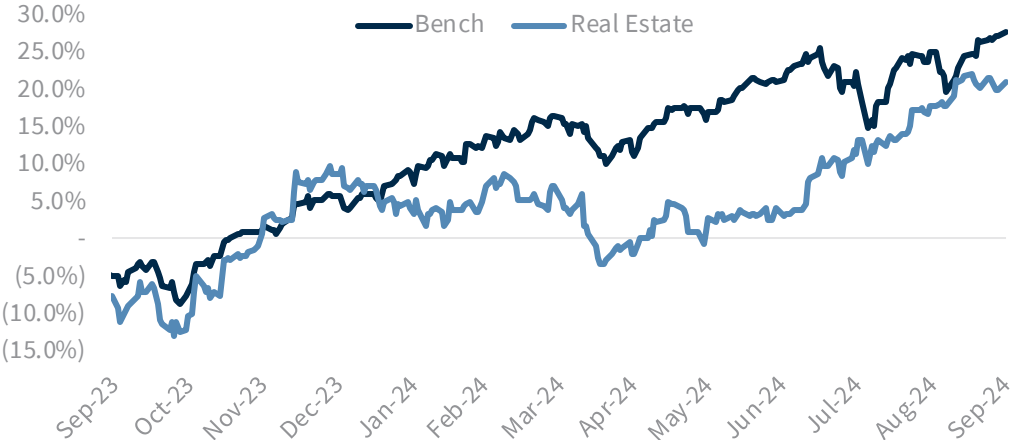
Nihar Meshram, Research Analyst

Real Estate Sector Overview

Overview

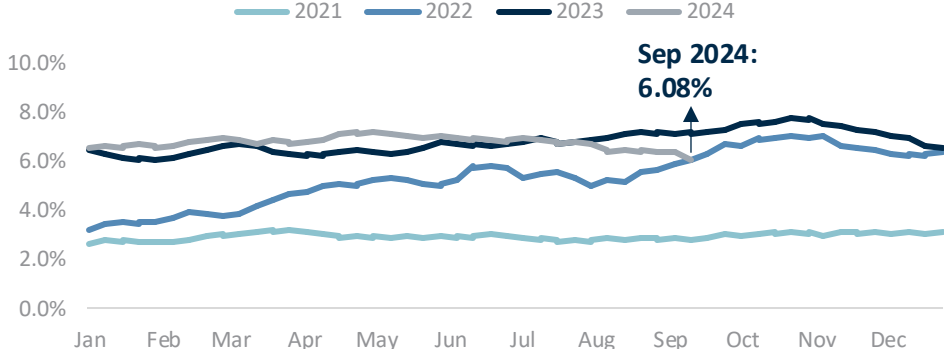
- Real Estate outperformed the broader market in September, with the S&P500 RE Index declining +2.77% versus the S&P500 Index +2.02%.
 - Outperformers - Timber, Office, Data Centers, Healthcare, Towers, Self-Storage, RE Services, Diversified, Specialty
 - Underperformers - Single-Family, Industrial, Multi-Family, Hotels, Retail
- Canadian housing starts came in at 217.3k annualized units in August, representing a 22% month-on-month (m/m) plunge from July's level. Meanwhile, the six-month moving average of starts dropped 2.9% m/m to 248.5k units.
- To tackle rising housing costs, Canada is increasing the insured mortgage limit to \$1.5 million and offering 30-year amortizations to all first-time homebuyers. This means lower monthly payments and easier access to homeownership, starting in December 2024.

LTM Index v. Benchmark

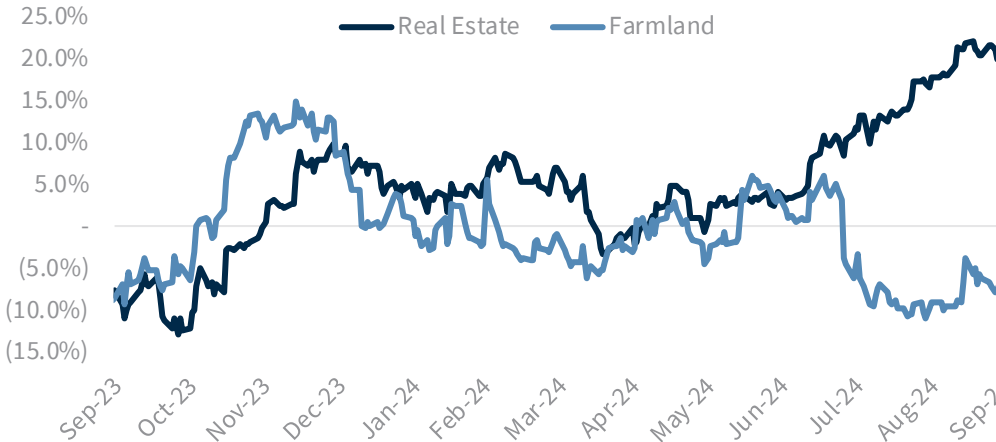


Source: Capital IQ, TRUSIF Research
 Note: Market data as of Sep 30, 2024

US 30Y Mortgage Rate



LTM Holdings' Performance

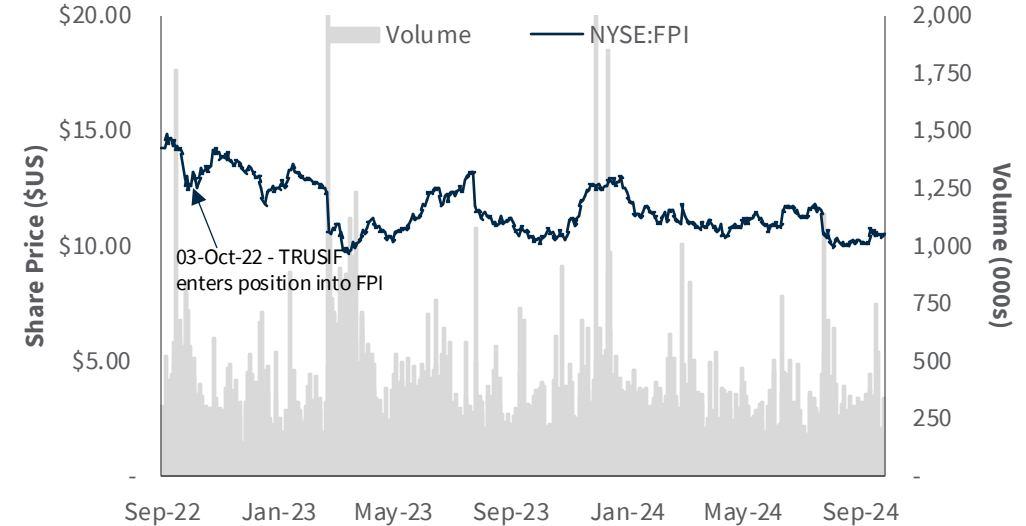


Farmland Partners (NYSE:FPI) Overview

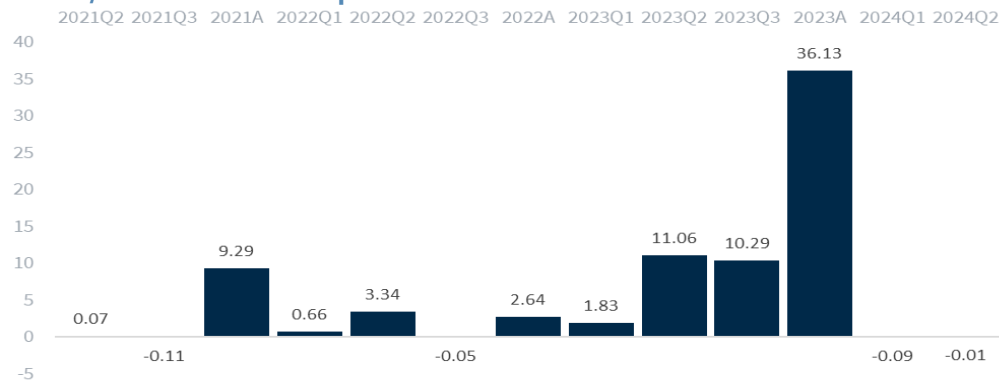
Overview

- Farmland Partners Inc (NYSE: FPI), has been led by CEO Luca Fabbri since February 2023. FPI is an internally managed real estate company that owns and seeks to acquire high-quality farmland located in agricultural markets throughout North America. Q2 2024 highlights include;
- Recorded net income (loss) of (\$2.1) mln, or (\$0.06) per share available to common stockholders, compared to \$7.9 mln (which included \$11.1 mln of gain on disposition of assets), or \$0.14 per share available to common stockholders for the same period in 2023
- Recorded AFFO of \$0.5 million, or \$0.01 per share (excluding \$1.4 mln, or approximately \$0.03 per share, in a one-time severance expense), compared to (\$1.1) mln, or (\$0.02) per share, for the same period in 2023
- Had average gross book value of real estate of \$1.01 bln compared to \$1.13 bln for the same period in 2023, a decrease of 10.4% as a result of dispositions that occurred during 2023, while total operating revenues decreased \$0.1 mln or (1.2%)

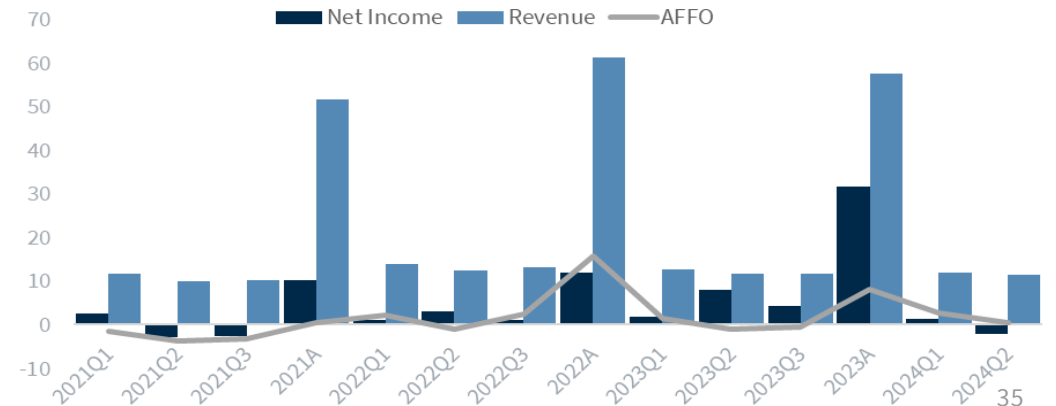
Share Price



Gain/Loss On Disposition Of Asset⁽²⁾



Net Income, Revenue & AFFO⁽²⁾



Utilities

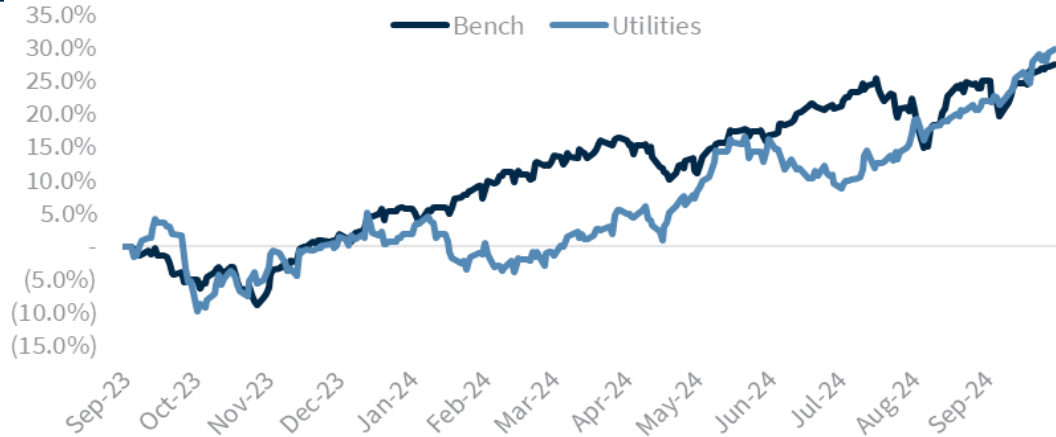
Team: Austin Burke, Fund Manager
Arthur Costa, Investment Analyst

Utilities Sector Overview

Recent Developments

- The 3.4% median sector dividend yield is the lowest it's been since early 2023, even after sector-wide dividend increases, as of Sept. 23, 2024
- The electric power industry is preparing for as much as a tripling of US electricity demand by 2050
- Four electricity transmission projects serving the U.S. southwest, southeast and New England will get \$1.5 billion in public funding to improve the grid's resilience
- The oil and gas rig count, an early indicator of future output, fell by 2 to 585 in the week to Oct. 4

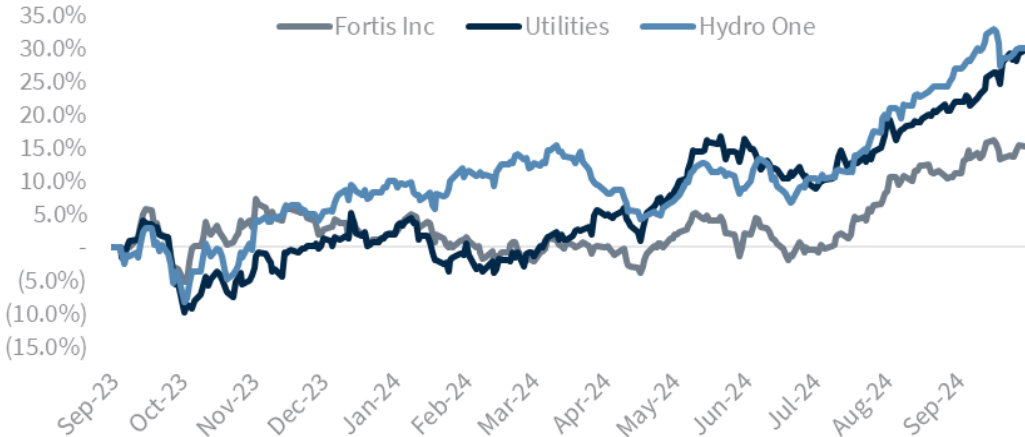
LTM Index v. Benchmark



Holdings' Overview and Performance

- H reported 2Q24 earnings on August 14, 2024, some major highlights include;
 - EPS at \$0.49, up from \$0.44 y/y; net income rose to \$292M from \$265M, supported by higher OEB-approved rates and increased average monthly peak demand
 - Revenues increased \$174M to \$2,031M, net revenues after power purchase up \$32M to \$1,091M, bolstered by OEB-approved rates, offset by cessation of DTA recovery
 - Filed OEB application for new 230 kV transmission line between Lambton TS and Chatham SS
- FTS released 2Q24 results with net earnings up to \$331M (\$0.67/share) from \$294M (\$0.61/share) in 2023

LTM Holdings' Performance



Source: Capital IQ, TRUSIF Research Note: Market data as of Sep 30, 2024

Hydro One (TSX:H) Overview



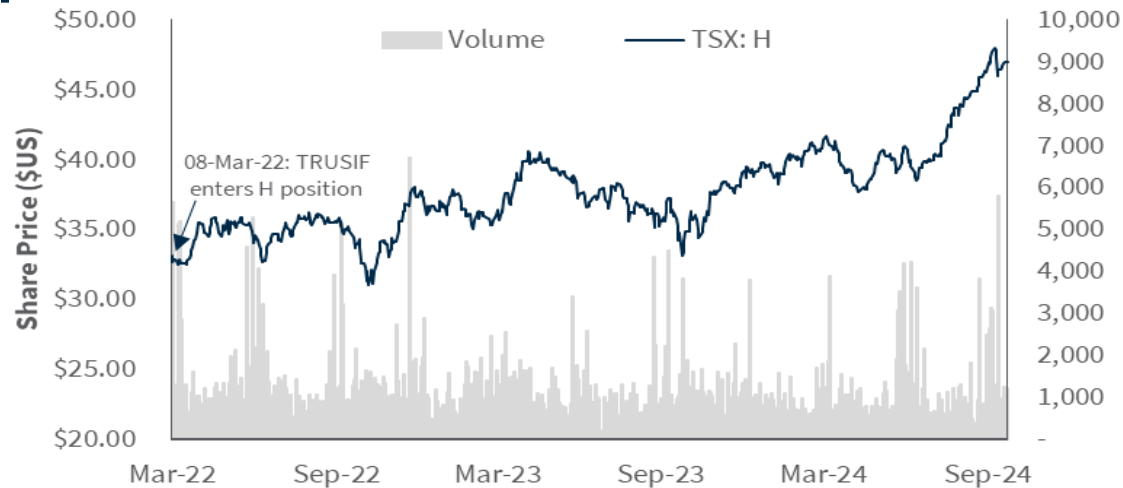
Overview

H, operational since 2015, specializes in electricity transmission and distribution across Ontario, serving residential, commercial, and industrial sectors. H serves about 1.5 million customers, with roughly \$32.8 bln in assets and about \$7.8 billion annual revenues in 2023

2Q24 highlights include:

- EPS at \$0.49, up from \$0.44 y/y; net income rose to \$292M from \$265M, supported by higher OEB-approved rates and increased average monthly peak demand
- Revenues increased \$174M to \$2,031M, net revenues after power purchase up \$32M to \$1,091M, bolstered by OEB-approved rates, offset by cessation of DTA recovery
- Filed OEB application for new 230 kV transmission line between Lambton TS and Chatham SS

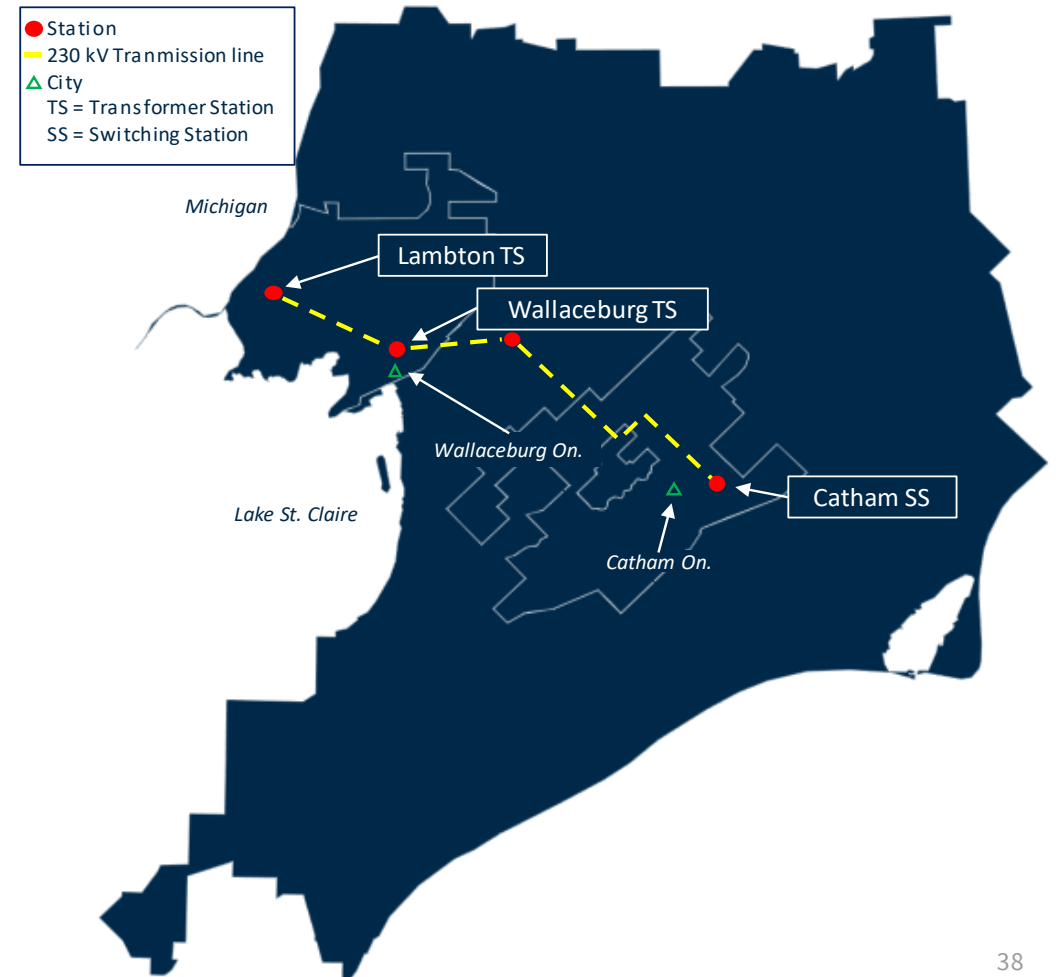
Share Price



Source: Capital IQ, TRUSIF Research Note: Market data as of Sep30, 2024

Recent Project Update⁽¹⁾

St. Clair Transmission Line Project (ETC - 2028)



Healthcare

Team: Nolan Bennett, Investment Analyst

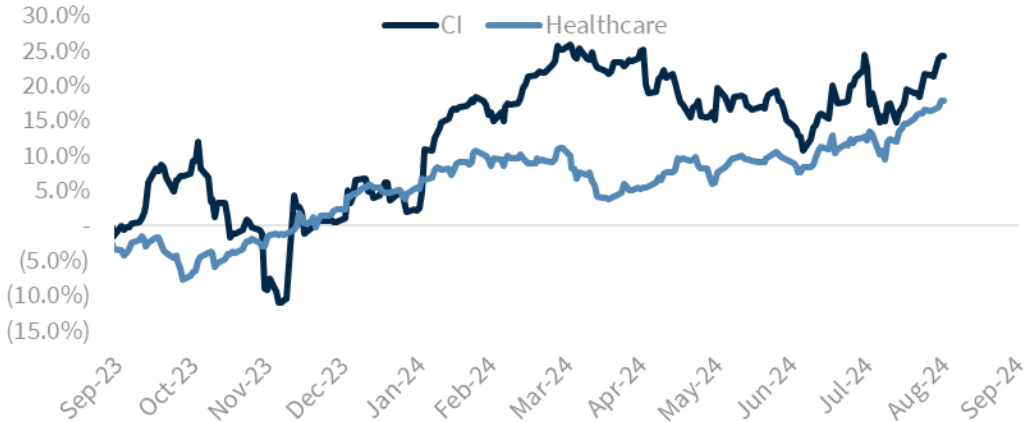
Ananya Pal, Research Analyst

Healthcare Sector Overview

Recent Developments

- Health Canada authorized both Novavax’s and Pfizer’s updated COVID-19 vaccines to better target current variants of the virus
- Launch of Canada’s Framework for Autism announced by the federal government, is designed to improve autism services, including screening, diagnosis, and support systems, while enhancing public awareness and data collection
- Student loan forgiveness for healthcare professionals working in rural areas and the launch of the Canadian Dental Care Plan, aimed at providing essential health services to uninsured Canadians with low-to-middle incomes

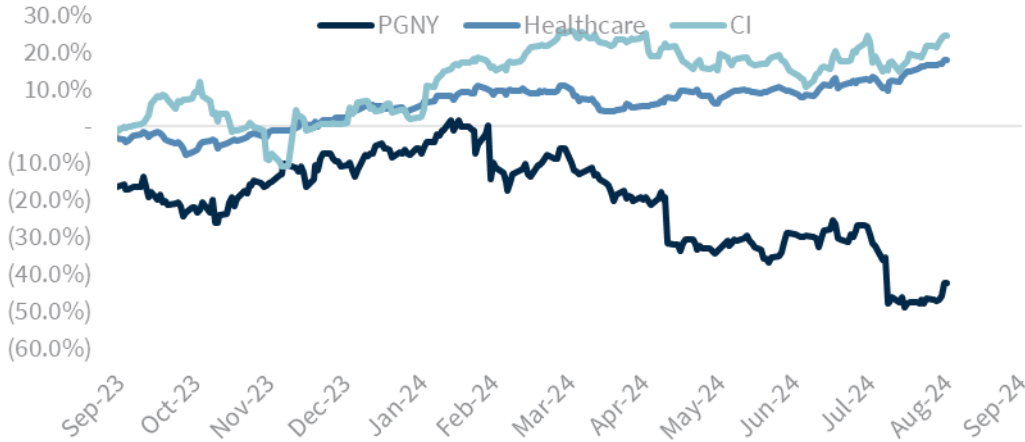
LTM Index v. Benchmark



Holdings Overview and Performance

- Cigna Group's stock experienced steadiness during September, sustained by its strong operation in healthcare insurance and services
- Progyny faced significant instability as the stock plummeted following the loss of a major client, which developed concerns about its future revenue streams. This resulted in numerous law firms investigating potential claims on behalf of investors
- Intuitive Surgical, a leader in robotic surgery with its da Vinci system, was altered by market concerns over the increasing competition from weight-loss drugs. Intuitive Surgical’s stock price illustrated some volatility but remained fairly stable

LTM Watchlist Performance



Source: Capital IQ, TRUSIF Research Note: Market data as of Sep 30, 2024



The Cigna Group (NYSE: CI) Overview

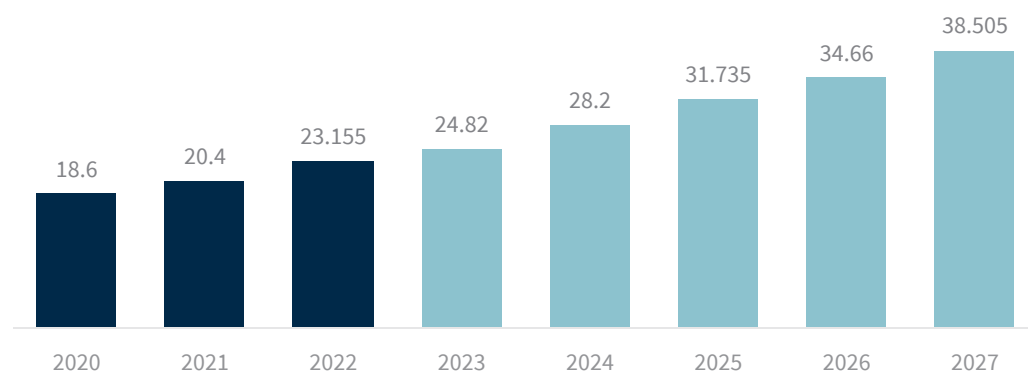
Overview

Founded in 1792, Cigna is the largest PBM business in the U.S (post-acquisition of Express Scripts) and has a diversified revenue stream within the healthcare sector

Thesis points:

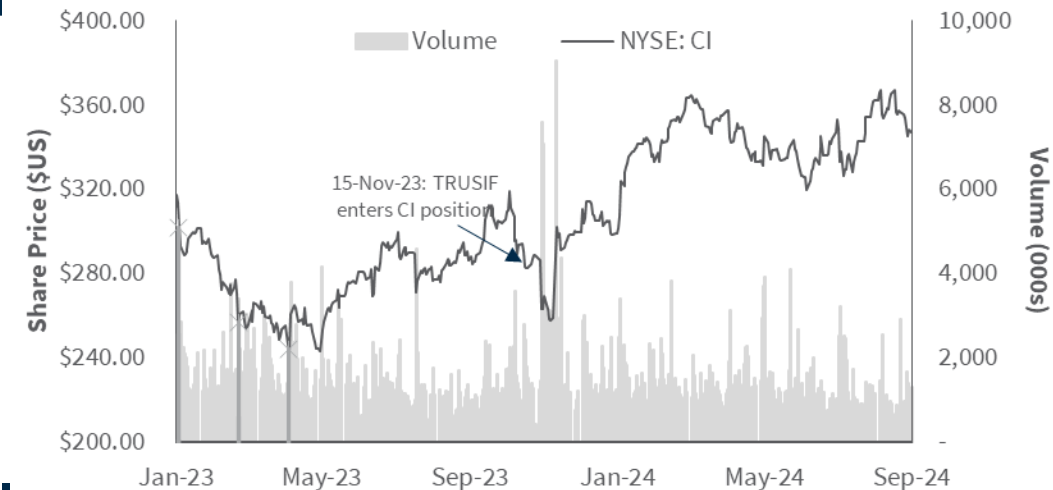
- M&A Strength & Catalyst Potential:** CI's enterprise leverage and strong cash flows allow increased focus on buybacks and strategic M&A. CI has a track record of executing blockbuster deals that help keep their competitive advantage
- Strong Client Relationships and Geographic Expansion:** CI operates one of most successful PBM businesses in the US, recently signing a contract with Centene to handle more than \$35 bln in annual drug spending
- Virtual Healthcare & Aging Demographic:** CI has acquired multiple virtual care companies to bolster margins and scale more demand from an aging population

Annual EPS Growth

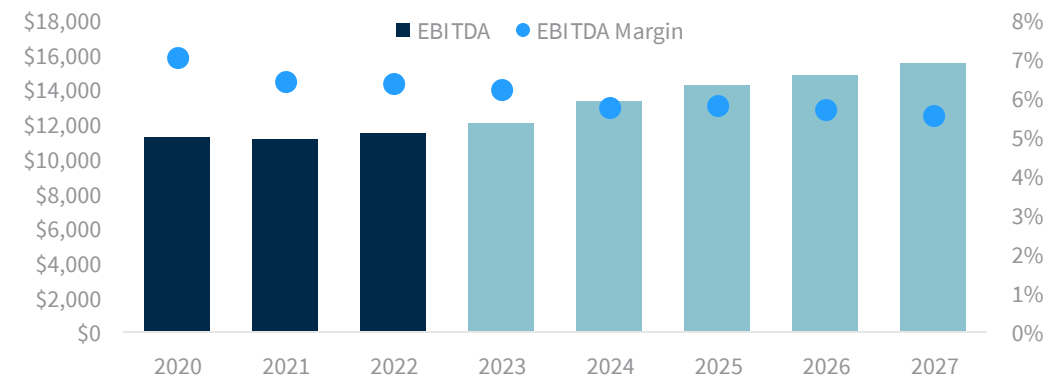


Source: Capital IQ, TRUSIF Research Note: Market data as of Sep 30, 2024

Share Price



EBITDA & EBITDA Margin



Aerospace

Team: Gagandeep Multani, Investment Analyst

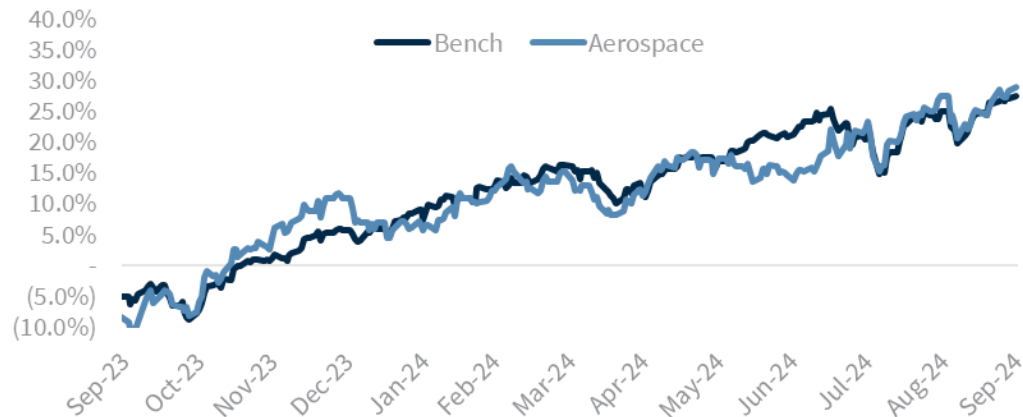
Timothy Mburu, Investment Analyst

Aerospace Sector Overview

Recent Developments

- September brought turbulent winds for Boeing in the form of its Machinists going on a strike indefinitely. This adds to the organization's woes at a time when it looks to clear delivery backlog while undergoing strict quality checks
- In another major development for Boeing, its defense unit chief Ted Colbert is set to depart from the company. This is the first major executive change since the new CEO took charge, and is significant, as defense forms 40% of Boeing's revenue
- RTX's Pratt & Whitney unveiled a long-term engine maintenance deal with Air Baltic for its GTF engine powering the Airbus A220-300. The engine on one end has helped the airline as it burns 25% lesser fuel, and on the other end such a deal acts as a significant revenue source for Pratt & Whitney

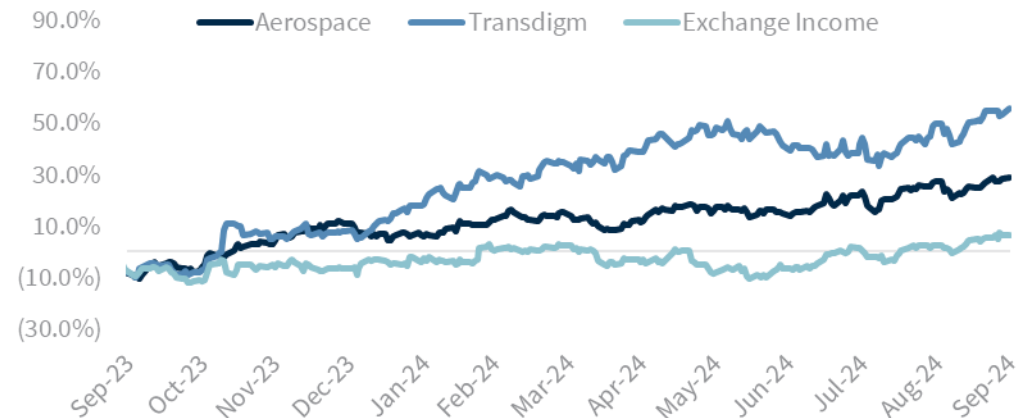
LTM Index v. Benchmark



Holding Overview and Performance

- Transdigm Group announced a special cash dividend of \$75 per share. The company also announced, its wholly owned subsidiary, Transdigm Inc. received funding for an incremental US\$3bln of new secured debt consisting of US\$1.5bln of new term loans and US\$1.5bln of senior secured notes
- Transdigm ended the month with its share price touching all time highs of \$1433 per share, which also represents a monthly gain of 9%
- EIF's share price continued its upward trend from August and gained another 5% in September to end the month at around \$51 per share

LTM Holdings' Performance



TransDigm (NYSE: TDG) Overview



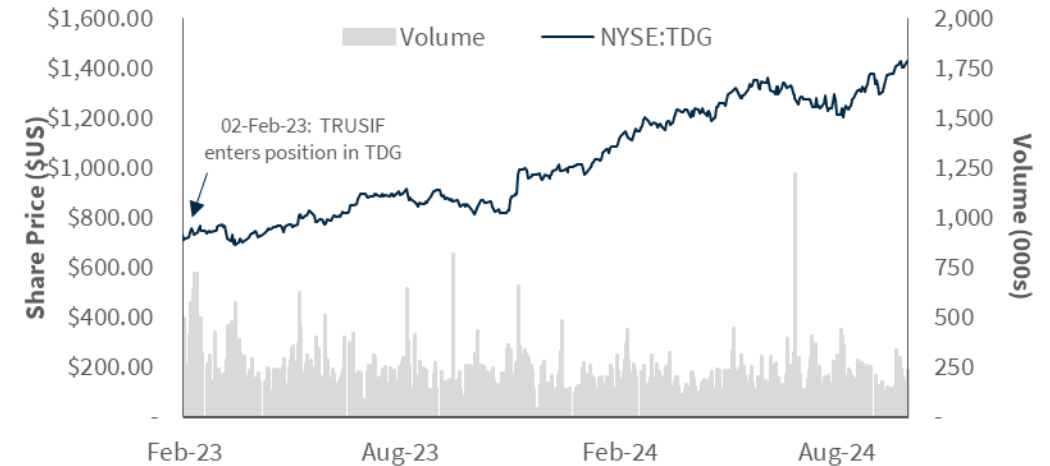
Overview

TransDigm Group (NYSE: TDG), has been led by CEO Kevin Stein since 2017. TDG is a leading aerospace component supplier, focused on highly engineered OEM and A&M products. TRUSIF has held TDG since February 2023

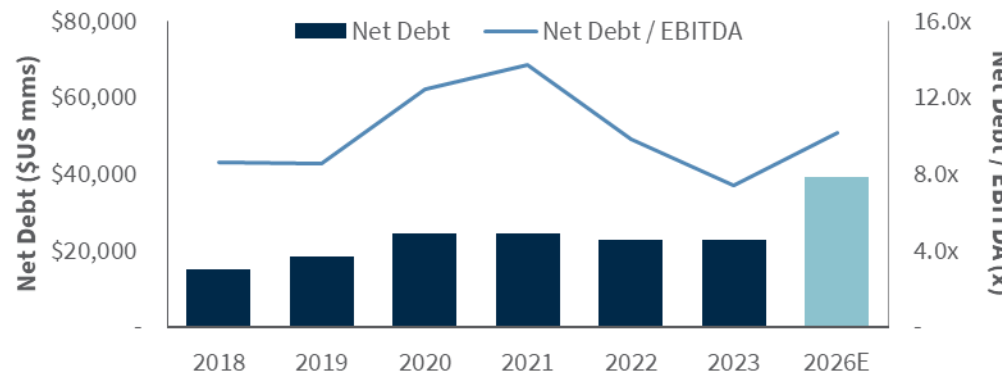
Thesis points:

- M&A Strength & Catalyst Potential:** we see TDG continuing to add to its robust A&D portfolio through its proven track record of successful M&A
- Strong Commercial AM Growth:** TDG's high margin commercial A&M segment surged by +35%, outperforming due to market exposure and pricing
- Strategic Leverage & Financial Resilience:** TDG's adept use of leverage benefits from low interest rates, with prudent refinancing pushing major debt maturities to 2026. This approach ensures financial stability and potential value creation

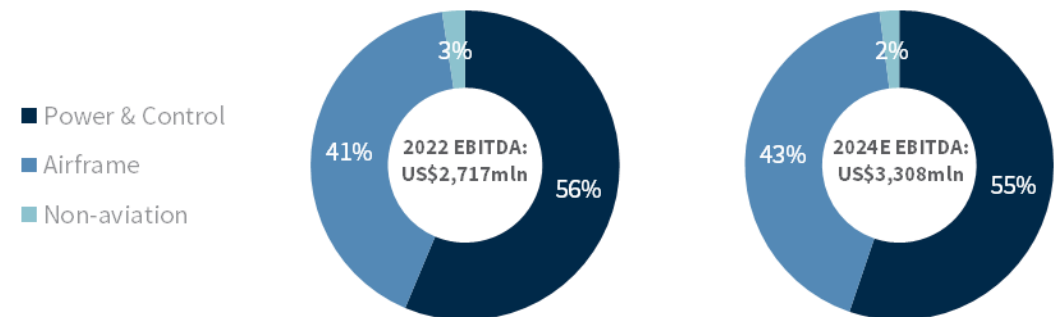
Share Price



Annual Net Debt to Adj. EBITDA⁽¹⁾



Segment Adj. EBITDA Mix⁽¹⁾



Exchange Income (TSX: EIF) Overview



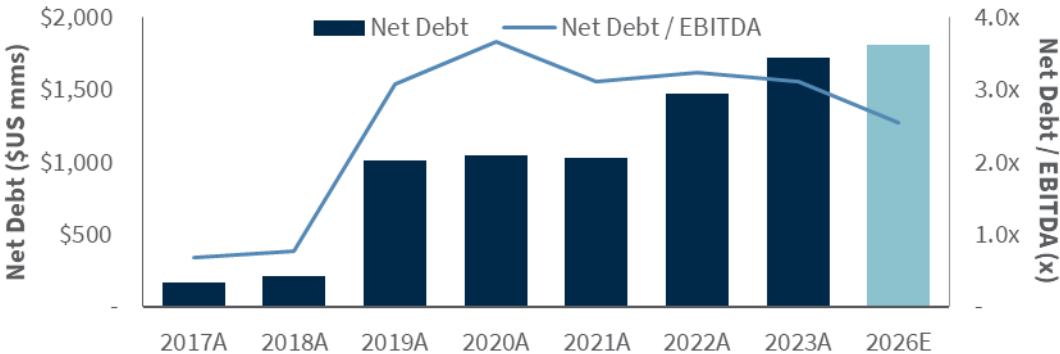
Overview

Exchange Income Corporation (TSX:EIF) is a diversified, acquisition-oriented corporation focusing on investing in profitable, well-established companies with strong cash flows, operating in niche markets

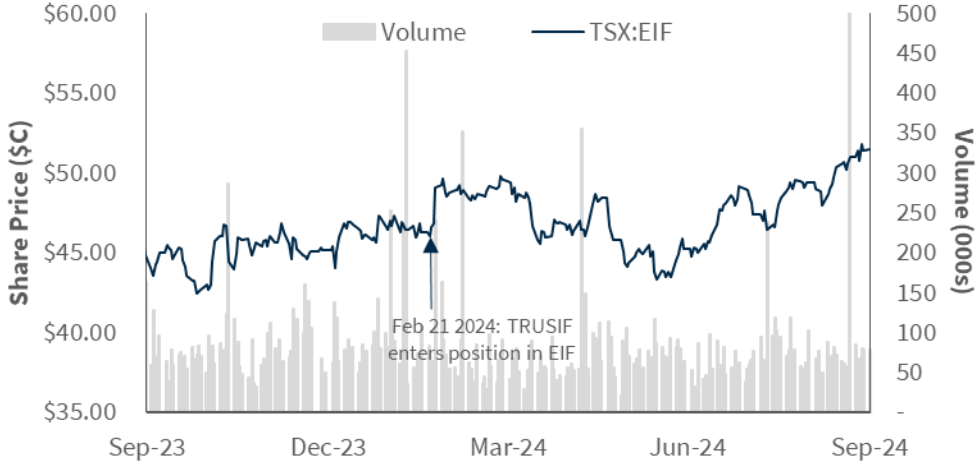
Thesis points:

- Recent Acquisitions:** 2023 saw EIF acquire Hansen Industries Ltd., and BVGlazing Systems Ltd under its manufacturing segment. EIF expects to see positive returns out of these acquisitions in 2024
- Contractual Wins:** Recent highlights for EIF were getting contracts for Medevac services in British Columbia and Manitoba, entering into a contract with Air Canada for providing services in Eastern Canada, and getting the ISR contract for the UK Home Office
- Financial Performance:** EIF has reported consistent increases in Revenue, EBITDA, Free Cash Flow, and Dividends for the last 7 years (exception 2020)

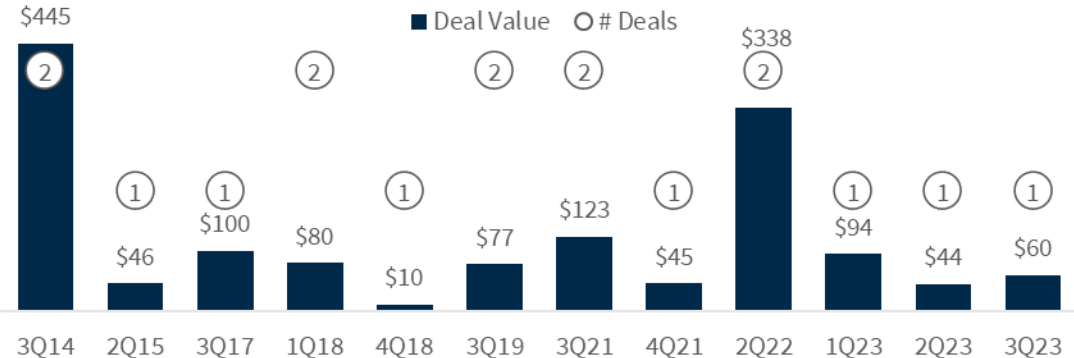
Annual Net Debt to EBITDA⁽¹⁾



Share Price



Acquisition History⁽¹⁾

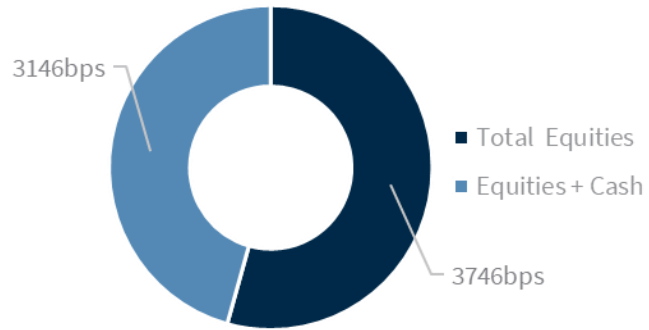


Source: Capital IQ, TRUSIF Research Note: Market data as of Sep 30, 2024

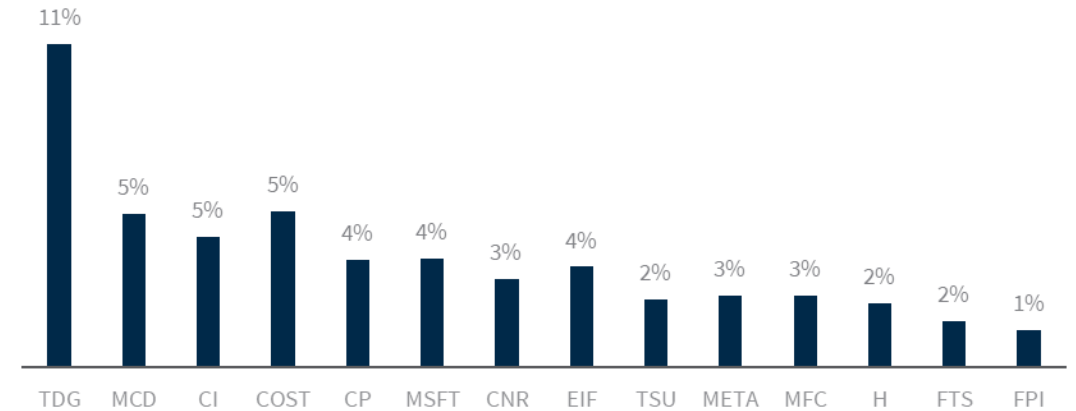
Appendix

Appendix: Portfolio Overview

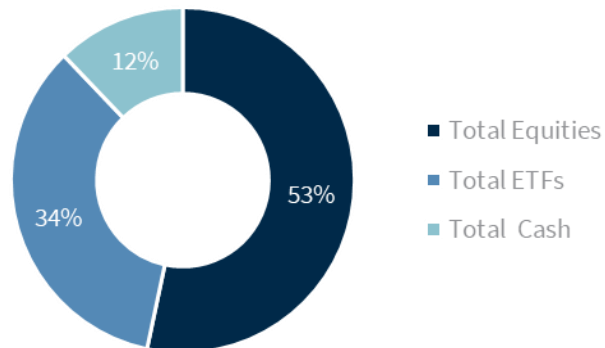
Total Performance With Cash Affect



Equity Ownership Weighting



Asset Mix



ETF Ownership Weighting



Disclosure

The information contained herein has been obtained from sources believed to be reliable by TRUSIF. However, TRUSIF does not guarantee its accuracy and is not liable for any loss or damage from its direct or indirect use.

