



TRU STUDENT INVESTMENT FUND
ACCOUNTABILITY | COLLABORATION | INCLUSION

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TRU Student Investment Fund (TRUSIF)

trusif@tru.ca

Room: IB1021



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TRUSIF Overview

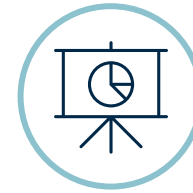
TRUSIF Executive Summary



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

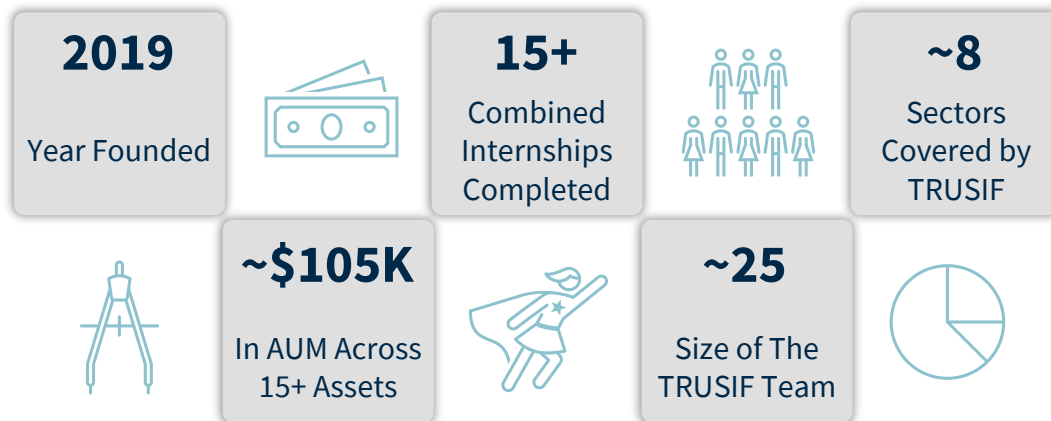


Build a Deep
Moat of Finance
Alumni



To Create
Scholarships

TRUSIF By The Numbers



Why Students Join TRUSIF



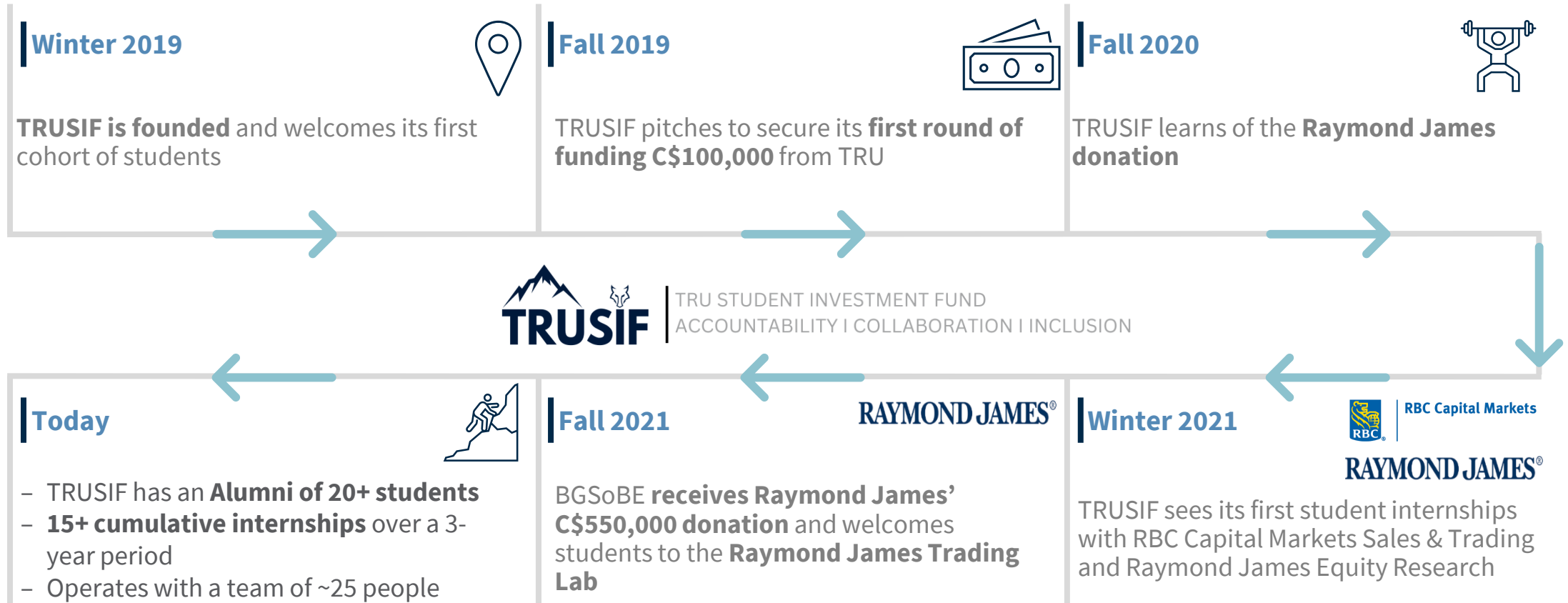
Connect With
Like-Minded
Students

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



Adam Burke

Co-Founder & Fund Manager

Coverage: Technology & Aerospace

Program: Computer Science

Year: Fourth

Interests: Guitar, Piano, Poker, Jimi Hendrix, Reading and Golf



Daiman Mather

Fund Manager

Coverage: Industrials

Program: Finance

Year: Fourth

Interests: Hiking, Music, Macro, Capital Markets, and anything with a beer



Panashe Mwamuka

Fund Manager

Coverage: Real Estate

Program: MBA

Year: Second

Interests: Venture Capital, Soccer, Music Composition & Production, The Office



Aadhar Chawla

Fund Manager

Coverage: Technology

Program: Finance

Year: Third

Interests: Soccer, Entrepreneurship & Business, Reading



Austin Burke

Investment Analyst

Coverage: Utilities

Program: Computer Science

Year: Second

Interests: Hockey, Golf, Fishing and App Development



Jordan Fedyna

Investment Analyst

Coverage: Industrials

Program: Finance

Year: Third

Interests: Sports, Self-Development, Real Estate, Nutrition, Entrepreneurship and Reading



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

TRUSIF Team Overview (Cont'd)

Investment Team



Cynthia Urrutia

Research Analyst

Coverage: Real Estate

Program: PB Applied Data Science

Year: First

Interests: Swimming, Dogs, Dancing, Piano, Finance and Investments



Michael Adeyemi

Research Analyst

Coverage: Financials

Program: Economics

Year: First

Interests: Soccer, Formula 1, Economics, Video Games



Gagandeep Multani

Research Analyst

Coverage: Aerospace

Program: Finance

Year: Third

Interests: Cricket, Planespotting, Military History



Chirag Doshi

Research Analyst

Coverage: Technology

Program: Finance

Year: Third

Interests: Cricket, Formula1, UFC, Investing and Emerging Tech



Arthur Costa

Research Analyst

Coverage: Utilities

Program: Economics

Year: Third

Interests: Asset Management, Entrepreneurship, Soccer, Music and Travelling



Shaveena Raj

Research Analyst

Coverage: Consumer

Program: MBA

Year: First

Interests: Badminton, Accounting & Finance, Teaching, Volunteering and Music

TRUSIF Team Overview (Cont'd)

Investment Team



Ananya Pal

Research Analyst

Coverage: Healthcare

Program: MBA

Year: First

Interests: Self Development, Travelling, and Reading



Nihar Meshram

Research Analyst

Coverage: Real Estate

Program: Finance

Year: Third

Interests: Formula 1, Hiking, and Reading



Timothy Mburu

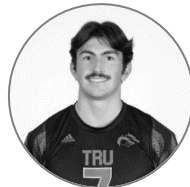
Research Analyst

Coverage: Aerospace

Program: Finance

Year: Third

Interests: Soccer, Snowboarding, and Travel



Matthew Hamilton

Research Analyst

Coverage: Consumer

Program: Finance

Year: Third

Interests: Volleyball, Reading, Weightlifting, and UFC

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



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

HR & Operations Team



Joel Rodrigues

Head of Human Resources & Operations

Program: Bachelor of Business Administration

Year: Fourth

Interests: Road Trips, Surfing, and Current Events



Leena Gupta

Human Resources & Operations

Program: PB Human Resources

Year: First

Interests: Trekking, Cooking, Handmade Arts and Badminton



Durga Kondapalli

Co-Head of Human Resources & Operations

Program: PB Human Resources

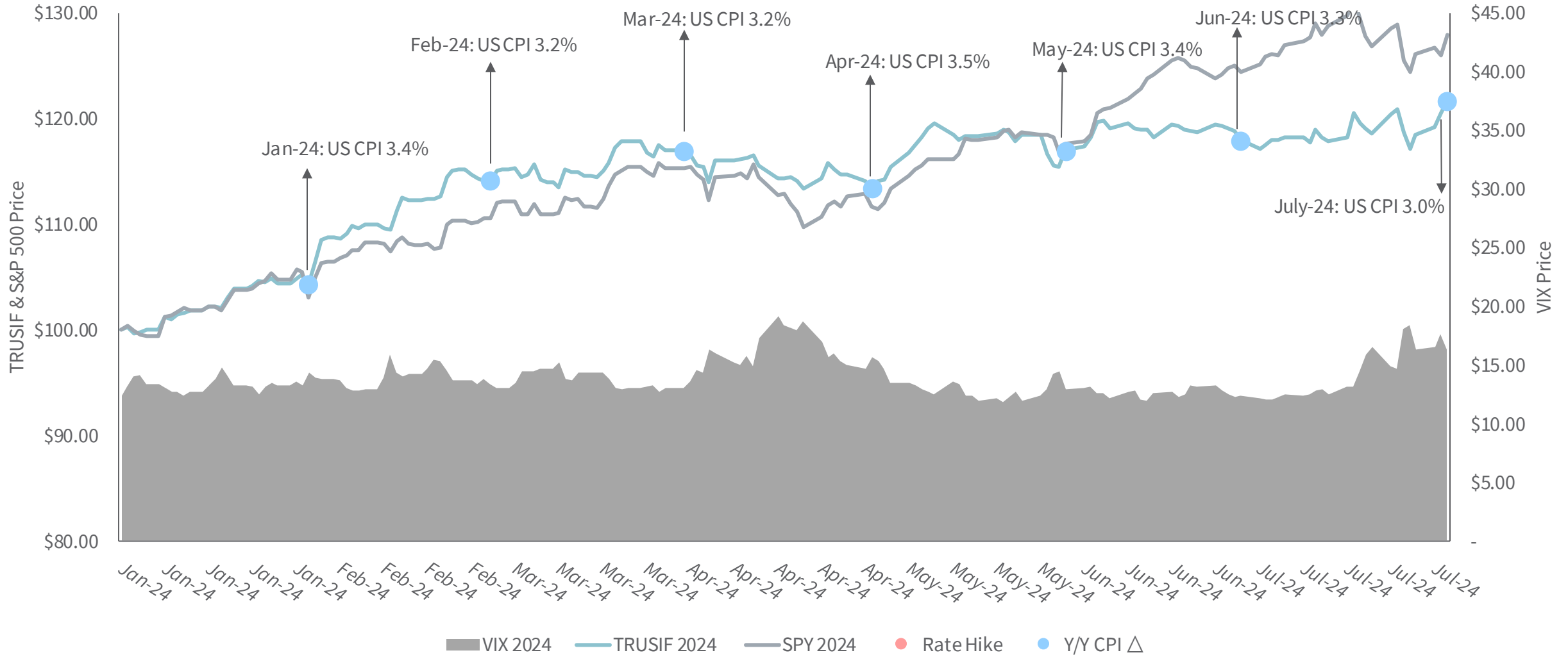
Year: First

Interests: Fitness, Movies, and Cooking

*TRUSIFs' team overview
excludes the 20+ students
who have been involved in
TRUSIF since its inception*

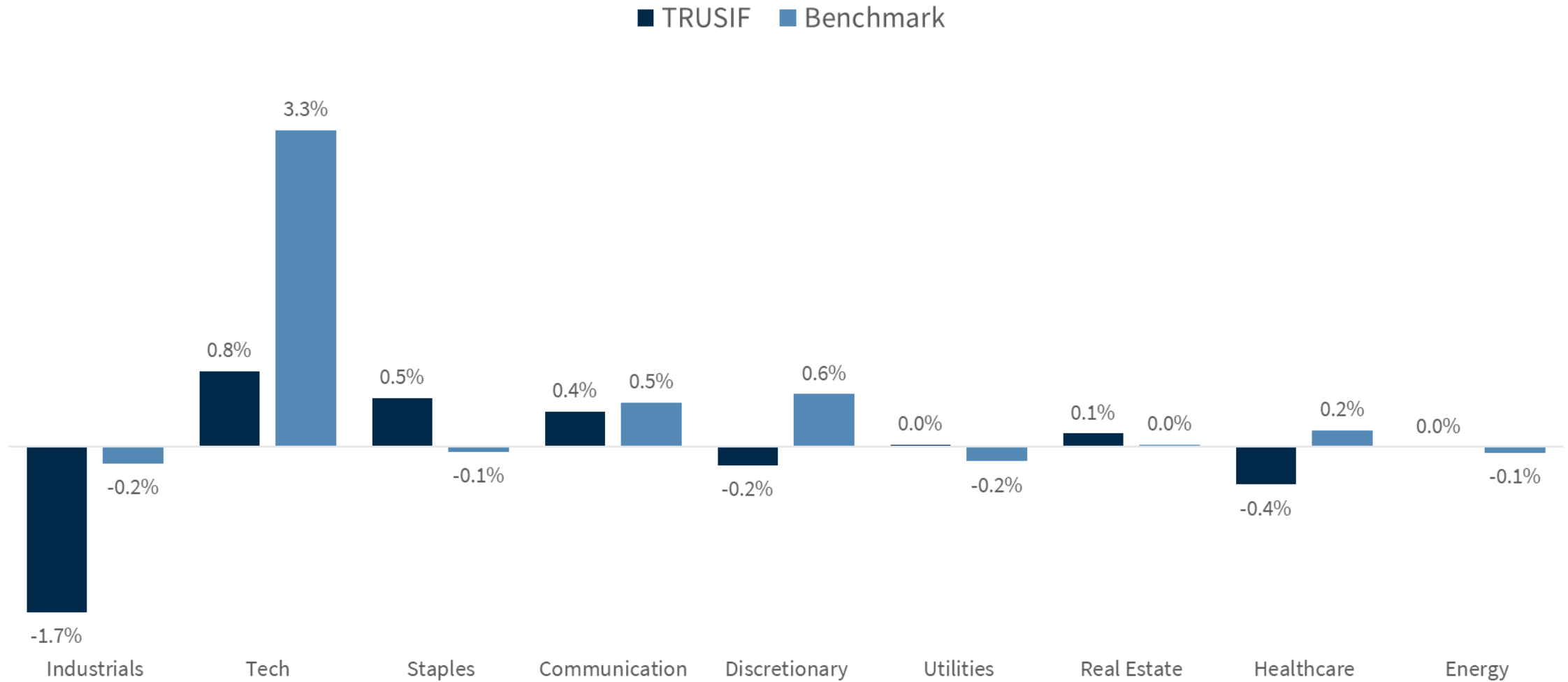
Portfolio Overview

TRUSIF Trading Performance (YTD)



Source: Capital IQ, TRUSIF Research
 Note: Market data as of Jul 31, 2024

TRUSIF Sector Performance



Source: Capital IQ, TRUSIF Research

Note: Market data as of Jul 31, 2024; Performance is only based on equity holdings of TRUSIF, not cash, money market or ETFs

Macro Update

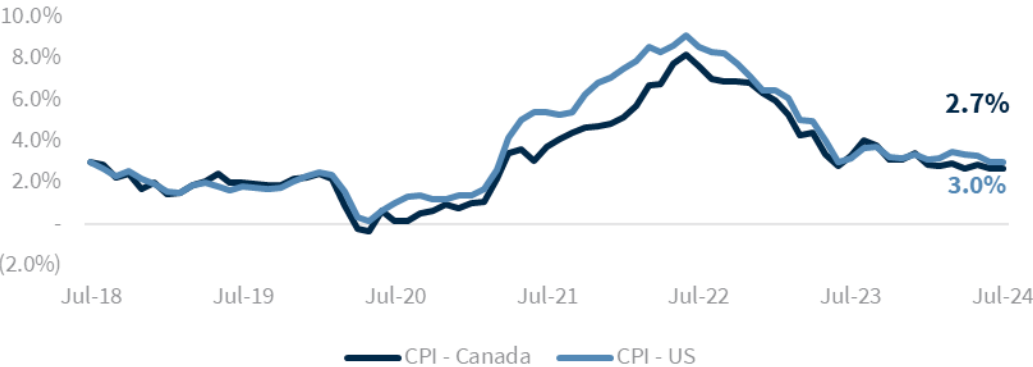
Team: Shaveena Raj, Research Analyst

Macro Snapshot

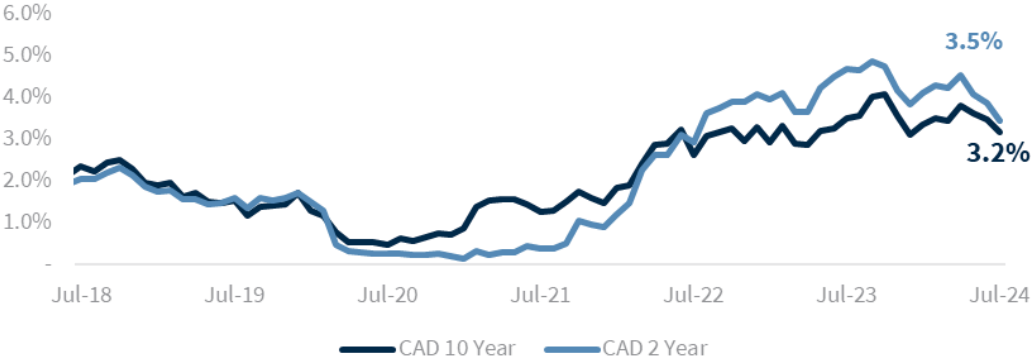
Overview

- As of 31 July 2024, the Effective Federal Funds Rate remains unchanged at 5.33%. Meanwhile, The Bank of Canada cut its key interest rate by 25 basis points to 4.5% due to easing inflation and weakening economic conditions, and signaled that further rate cuts might be expected if inflation continues to decline as anticipated
- OPEC's oil production increased by 840,000 bpd, reaching a total of 28.36 mill barrels per day, primarily due to a recovery in Saudi Arabian output
- The U.S. unemployment rate rose to 4.3% in July 2024, with nonfarm payroll employment increasing by 114,000, reflecting job growth in health care, construction, and transportation and warehousing, despite job losses in the information sector

Consumer Price Index



Canadian Yields



U.S. Treasury Yields



Source: Capital IQ, TRUSIF Research
 Note: Market data as of July 31, 2024

Sector Updates

Consumer

Team: Nolan Bennett, Investment Analyst

Shaveena Raj, Research Analyst

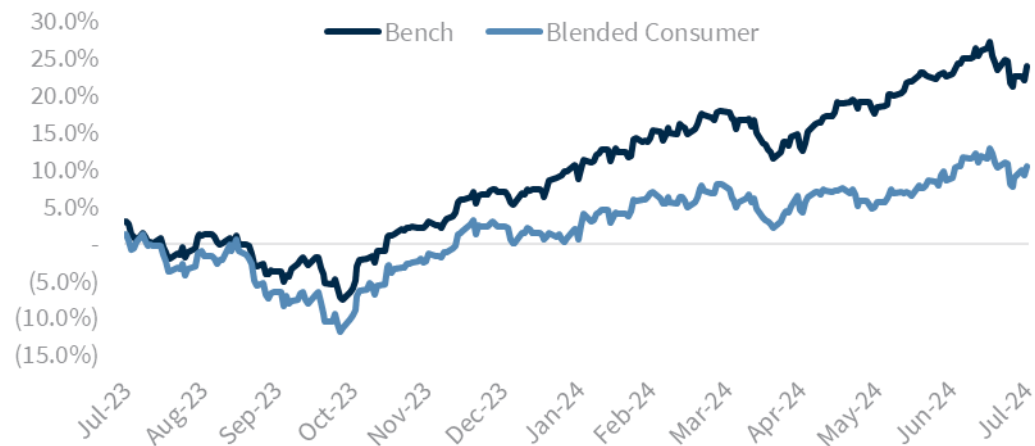
Matthew Hamilton, Research Analyst

Consumer Sector Overview

Recent Developments

- Goldman Sachs and BTIG predict consumer spending will continue to grow at a moderate pace in July 2024, driven by resilient disposable income growth and a strong labor market
- In July 2024, the S&P 500's consumer-discretionary sector experienced a modest gain of approximately 2.98%, reflecting its sensitivity to economic activity and consumer spending patterns
- In July 2024, the S&P 500's consumer staples sector saw a modest decline, with overall performance slipping by approximately 0.5% amid broader market volatility and economic concerns

LTM Index v. Benchmark

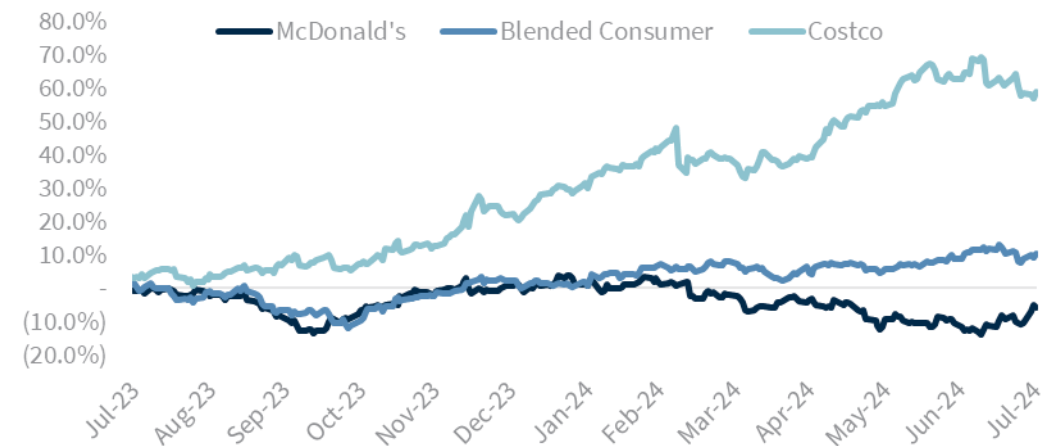


Source: Capital IQ, TRUSIF Research
 Note: Market data as of July 31, 2024

Holdings' Overview and Performance

- Costco reported net sales of \$24.48 billion for the five weeks ended July 7, representing a 7.4% increase from the previous year, with e-commerce sales up 19.1%
- Costco declared a quarterly dividend of \$1.16 per share, payable on Aug 9, 2024, and announced a membership fee increase effective Sept 1, 2024
- MCD's stock rose by 3.74%, closing at \$261.42 despite missing earnings and revenue expectations, with EPS of \$2.97 and revenue of \$6.49 billion
- MCD declared a quarterly dividend of \$1.67 per share, payable on September 17, 2024

LTM Holdings' Performance



McDonald's (NYSE: MCD) Overview



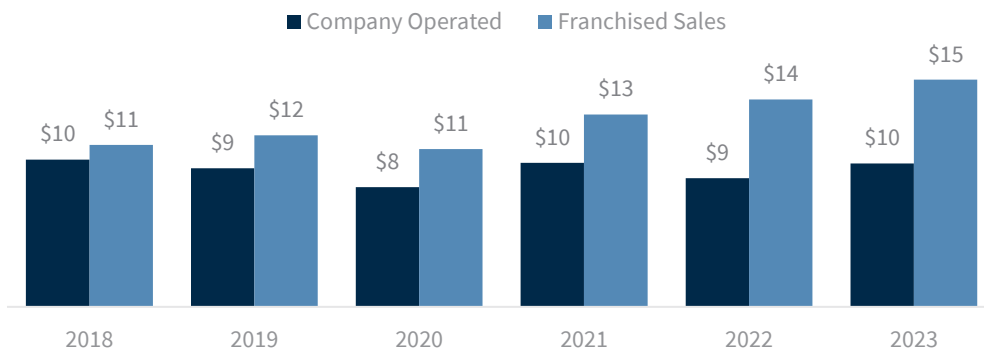
Overview

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:

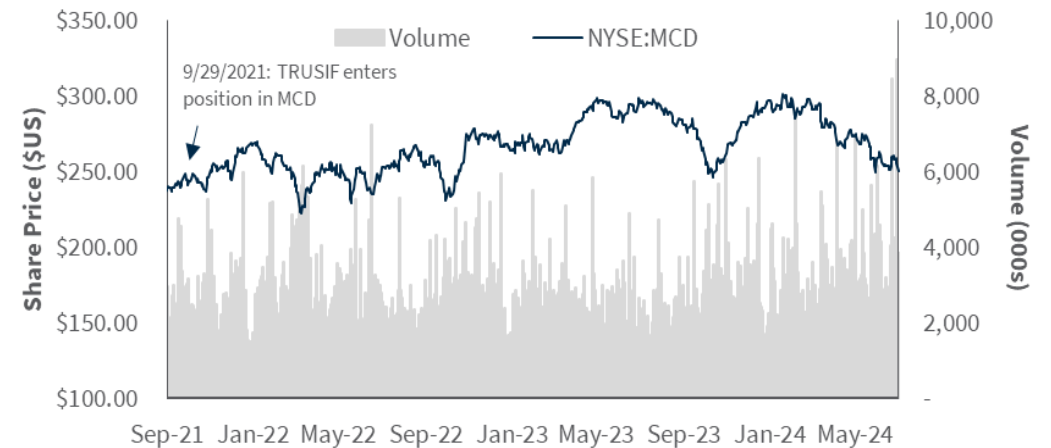
1. Income is key: MCD is a dividend aristocrat which hasn't flinched in rewarding shareholders with regular dividend increases and share buybacks
2. US in the drivers seat: a 1% increase US SSS translates to roughly US\$0.06 - \$0.08 growth in EPS, US dominances offsets geo risks
3. Well moated business: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

Segment Revenue (US\$bln)

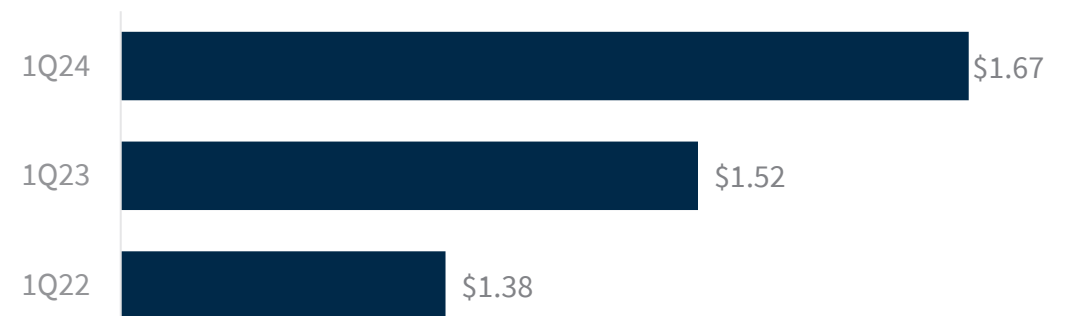


Source: Capital IQ, TRUSIF Research
 Note: Market data as of July 31, 2024
 (1) Company filings as of 3Q24

Share Price



Dividends Received Post-Purchase



Costco (Nasdaq: COST) Overview



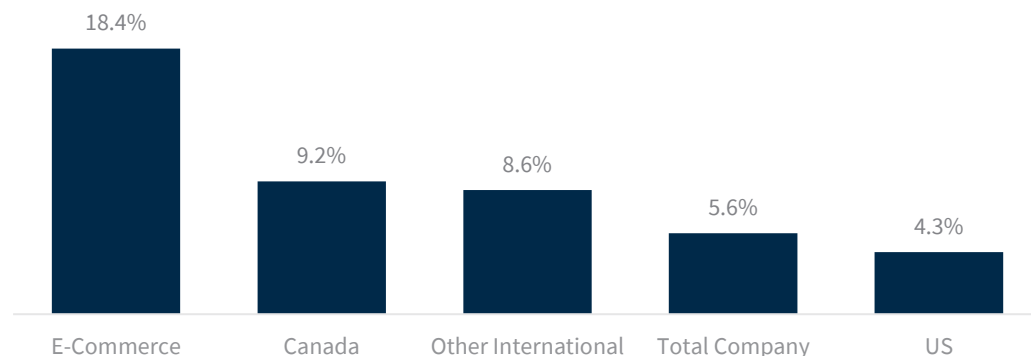
Overview

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:

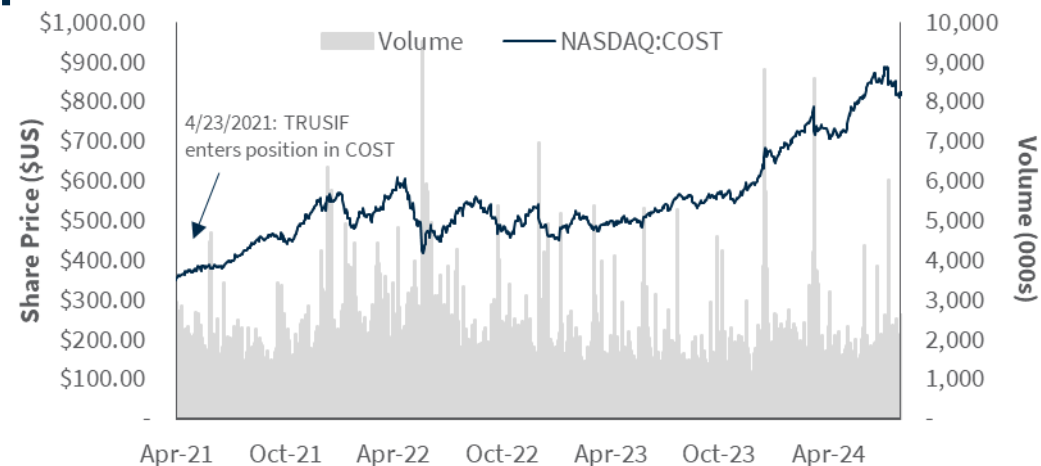
1. Bulk Buying Strategy: Costco's bulk purchasing strategy and discount-passing ethos establish a defensive moat while fostering customer loyalty
2. Global Expansion: Costco's global expansion drive underscores its ambition for market penetration and sustained growth
3. Loyalty-Driven Revenue: Costco's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

Comparable Sales (12 Weeks)

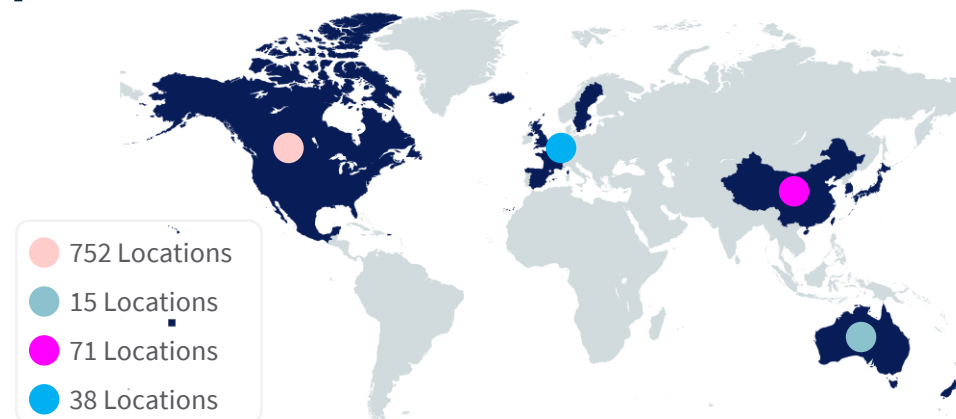


Source: Capital IQ, TRUSIF Research
 Note: Market data as of July 31, 2024
 (1) Company filings as of 3Q24

Share Price



Global Locations



Technology

Team: Aadhar Chawla, Fund Manager

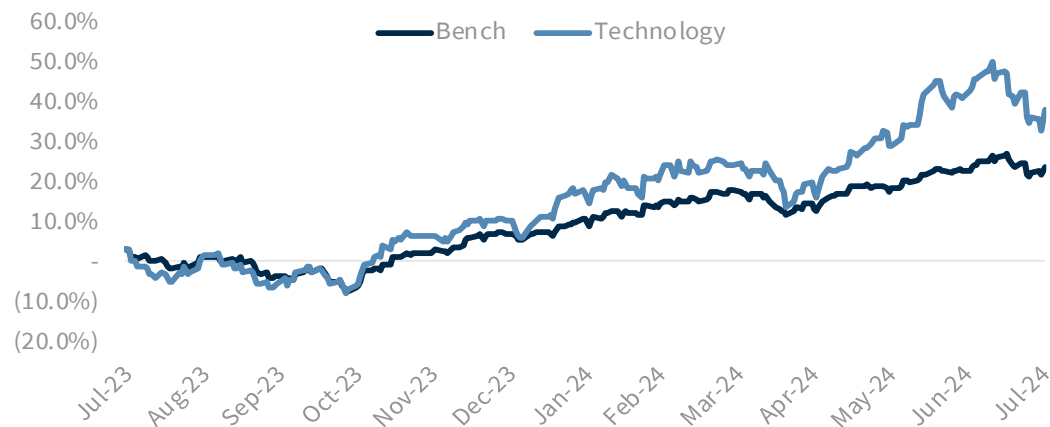
Chirag Doshi, Research Analyst

Technology Sector Overview

Recent Developments

- The S&P 500 IT Index ended (2.2%) for the month, outperforming the S&P 500 Communications Services Index which was (4.2%) and the S&P 500 which was +1.1%
- Elon Musk's brain-computer company, Neuralink Corp., has successfully implanted its device into a second patient, Musk said on a podcast
- INTL shares suffered their largest decline in more than 40 years after the company gave a grim growth forecast and laid out plans to slash 15,000 jobs
- NVDA Corp.'s upcoming AI chips to be delayed due to design flaws, The Information reports, citing two unidentified people who help produce the chip and its server hardware

LTM Index v. Benchmark

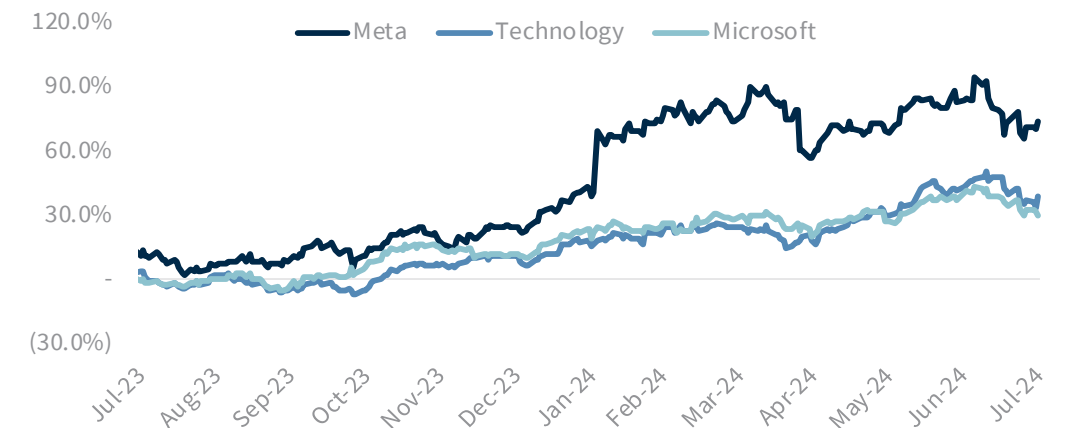


Source: Capital IQ, TRUSIF Research
 Note: Market data as of July 31, 2024

Holdings' Overview and Performance

- MSFT outage unleashed havoc on computer systems across the world, grounding flights and crippling banks, stock exchanges, payment systems and emergency services during the month
- MSFT reported better than expected earnings and revenue for the fiscal Q4. Total revenue was +15% y/y. EPS was \$2.95 vs \$2.93 expected
- META's advertising sales in Q2 increased +22%, double the growth rate at rival GOOGL
- META AI has expanded to seven new languages and more countries, including its first availability in Latin America. Users can now access Meta's most advanced open-source model for challenging math, coding questions, and complex projects

LTM Holdings' Performance



Meta (Nasdaq: META) Overview



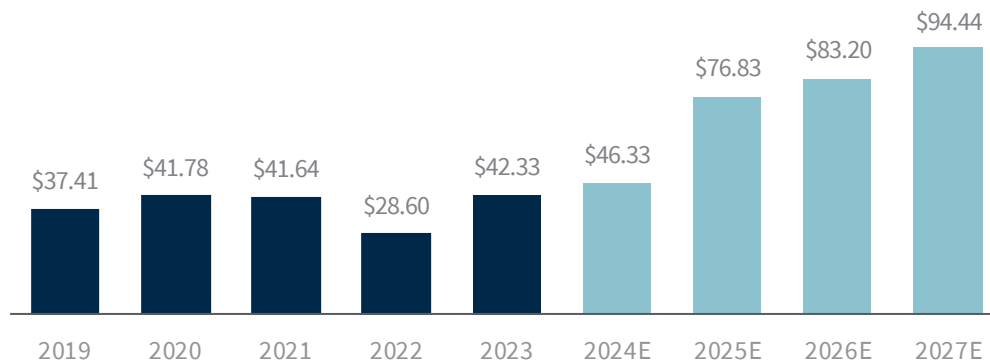
Overview

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:

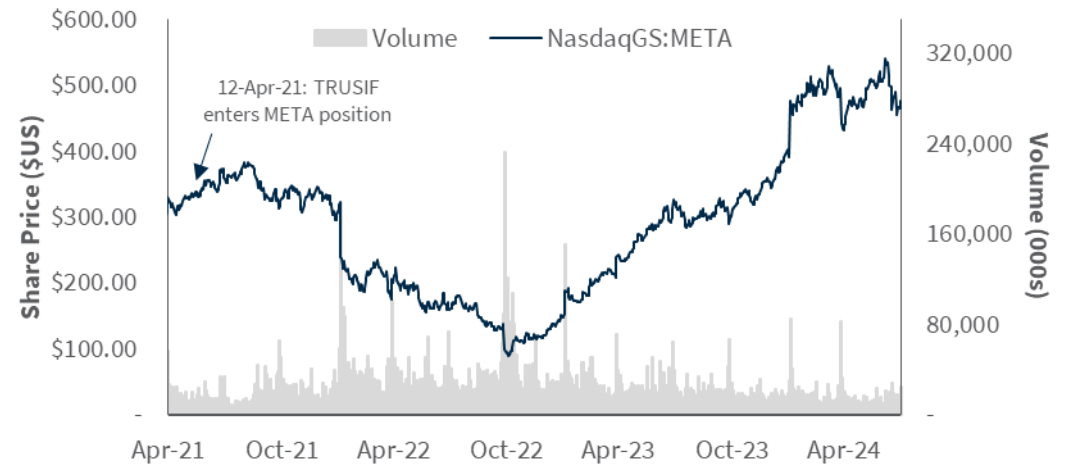
1. Reels advertising opportunity in the near term as well as the Commerce possibilities over the long run
2. We don't think you have to be a believer in the Metaverse story to like the stock — we think the increased transparency around Facebook Reality Labs is a positive, but we also don't think the 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⁾

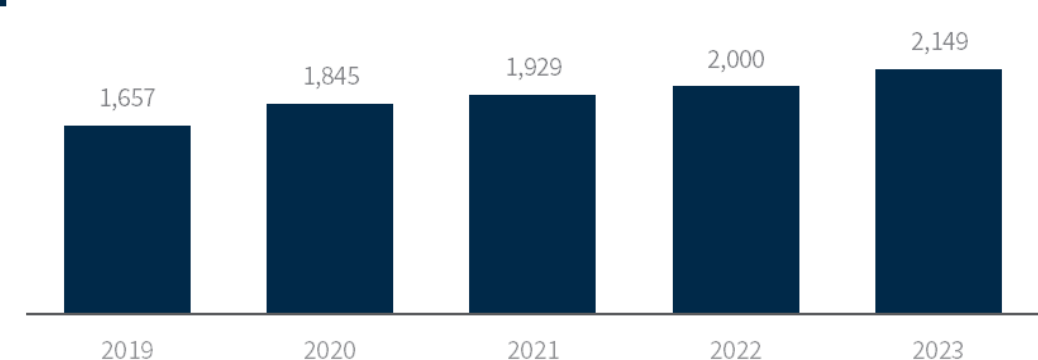


Source: Capital IQ, TRUSIF Research
 Note: Market data as of July 31, 2024
 (1) Company filings as of 1Q24

Share Price



Annual DAUs (mms)⁽¹⁾



Microsoft (Nasdaq: MSFT) Overview



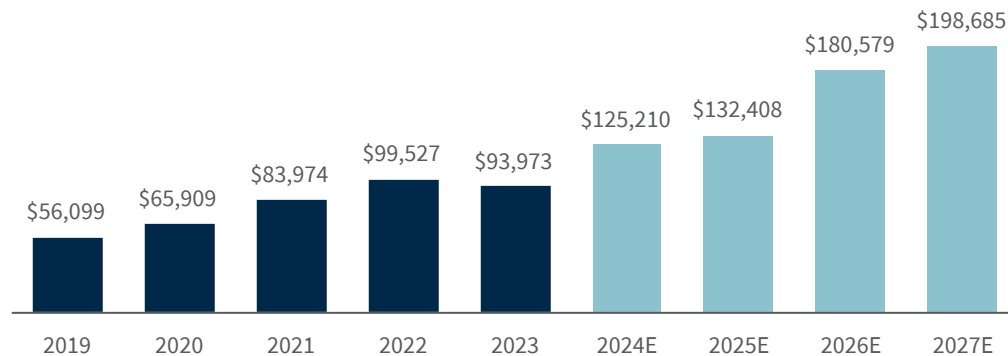
Overview

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:

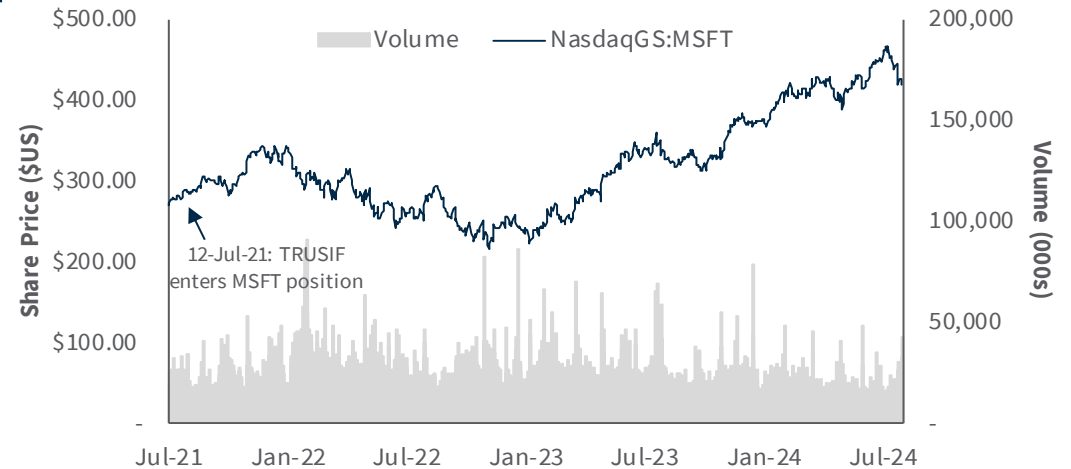
- 1. Business Focus:** MSFT is centered around Azure and Office 365, expecting solid growth in Productivity and Business Process division and Intelligent Cloud
- 2. Diverse Portfolio:** Despite Windows concerns, Bing, Surface, and Xbox are gaining momentum, showcasing Microsoft's diverse offerings
- 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

Annual Adj. EBITDA⁽¹⁾

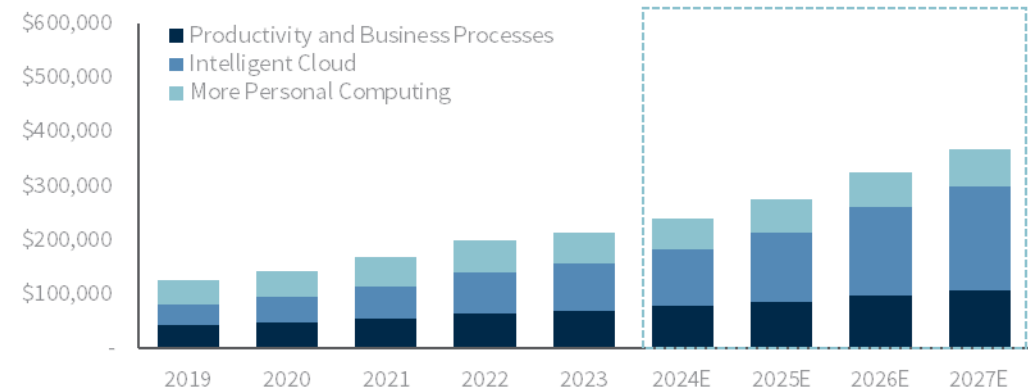


Source: Capital IQ, TRUSIF Research
 Note: Market data as of July 31, 2024
 (1) Company filings as of 3Q23

Share Price



Annual Segment Revenue⁽¹⁾



Industrials

Team: Daiman Mather, Fund Manager

Jordan Fedyna, Investment Analyst

Industrials Sector Overview

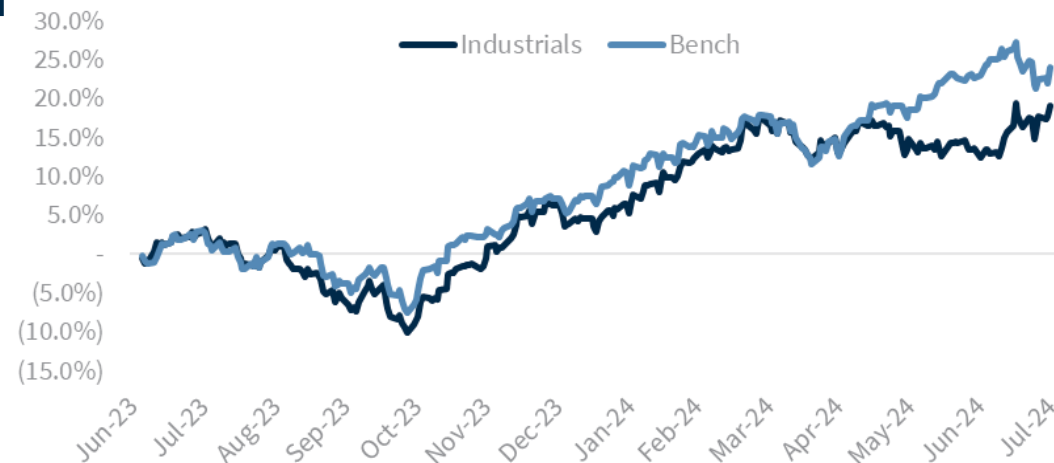
Recent Developments

- Apr 2024 Manufacturing PMI and ISM New Orders at 49.2% & 49.1% vs last month's 50.3% & 51.4%, respectively
- CPKC's RTMs Down (11.2%) y/y, driven mainly by Grain (50.0%), Energy, Chemicals & Plastics (43.7%), and Forest Products (16.7%), while being offset by Potash (-30.7%)
- CNR's RTMs are up (7.4%) y/y, driven mainly by Grain (47.8%), followed by Bulk Products (9.6%), and Intermodal (7.1%), while being offset by Metals & Minerals (-15.3%)
- 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

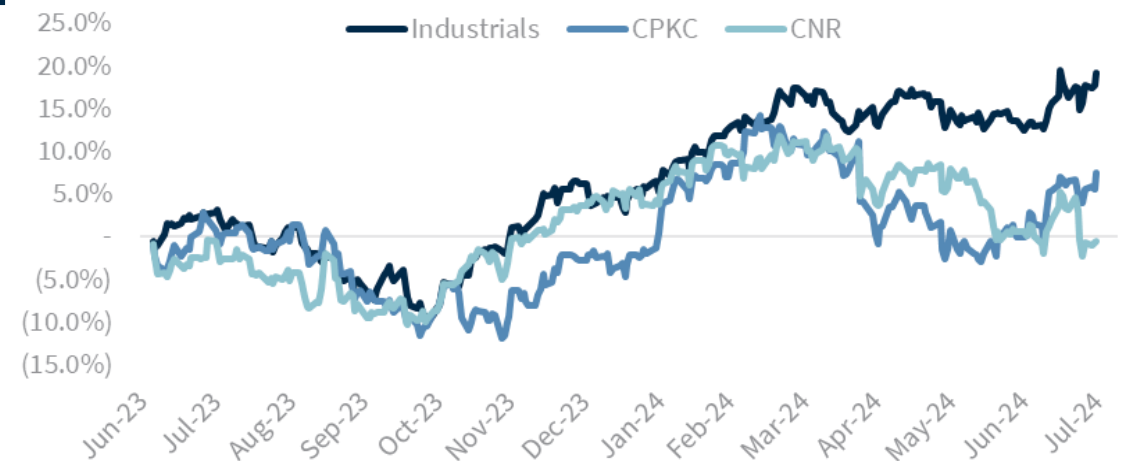
Holdings' Overview and Performance

- Both CPKC and CNR share prices for Apr were down for the first time in three months at -9.47% and -6.40%
- 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 2054

LTM Index v. Benchmark



LTM Holdings' Performance



Source: Capital IQ, TRUSIF Research
 Note: Market data as of July 31, 2024

Canadian Pacific (TSX:CP) Overview



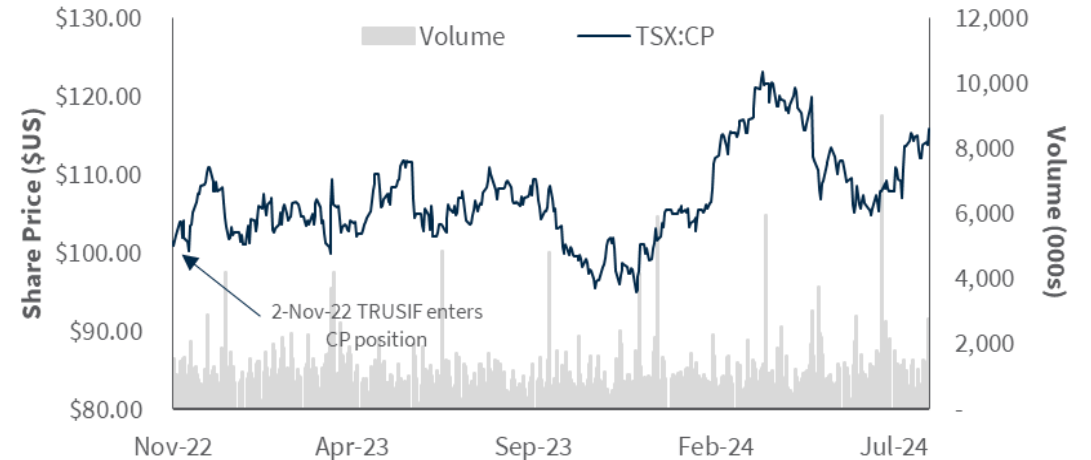
Overview

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

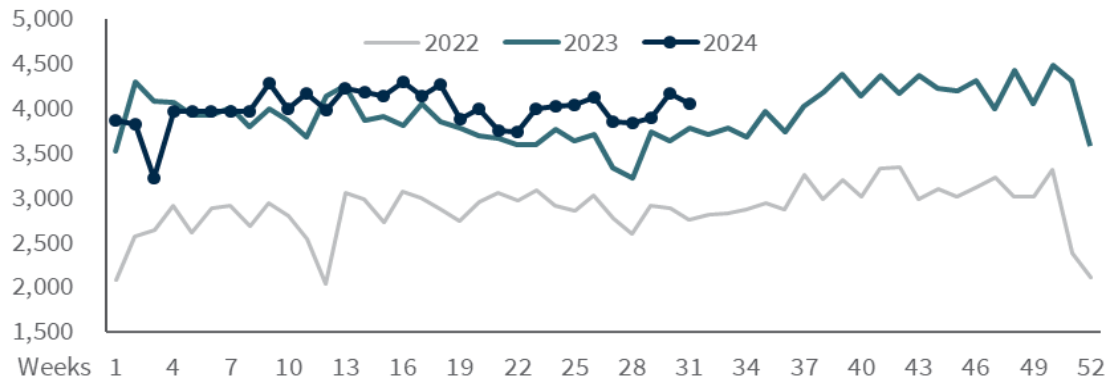
Rail Stats':

- RTMs: Are up (7.2%) y/y, driven mainly by Automotive (34.8%), followed by Potash (16.2%), and Grain (14.4%), while being offset only by Metals, Minerals & Consumer Products (-4.8%)
- Carloads: Are down by (-1.0%) y/y due to Forest Products (-9.8%), Intermodal (-5.6%) and Metals, Minerals & Consumer Product (-1.6%), offset by Automotive (14.9%)

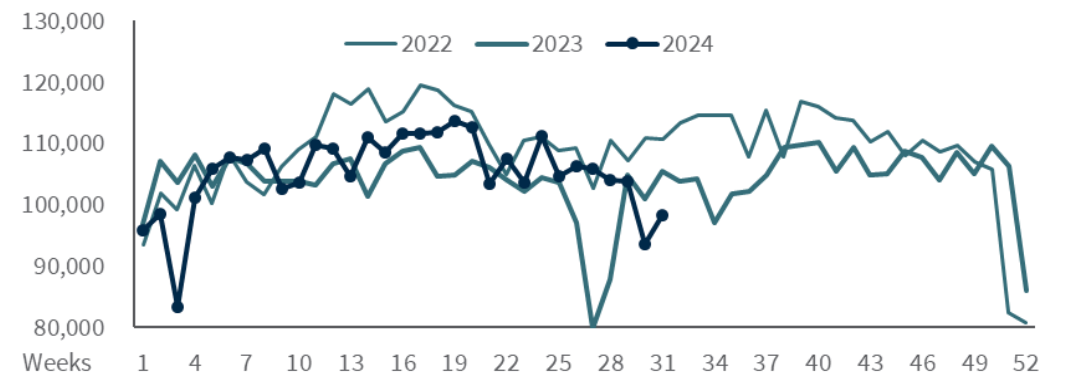
Share Price



RTMs



Carloads



Source: Capital IQ, TRUSIF Research
 Note: Market data as of July 31, 2024
 (1) Company filings as of 4Q23

Canadian National (TSX:CNR) Overview



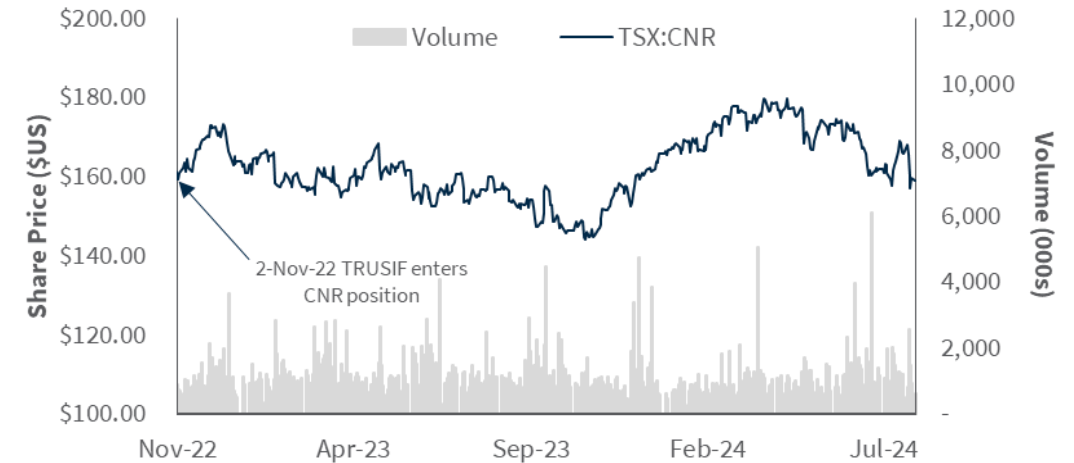
Overview

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: Up (3.5%) y/y, driven mainly by Metals & Minerals (16.1%), Petro & Chemicals (15.2%), and Grains & Ferts (12.2%), while being offset by Coal (-18.2%)
- Carloads: Down by (-6.8%) y/y, due to Food & Kindred Products (-21.4%), Intermodal (-17.8%), and Coal (-7.5%), offset by Grain (28.2%)

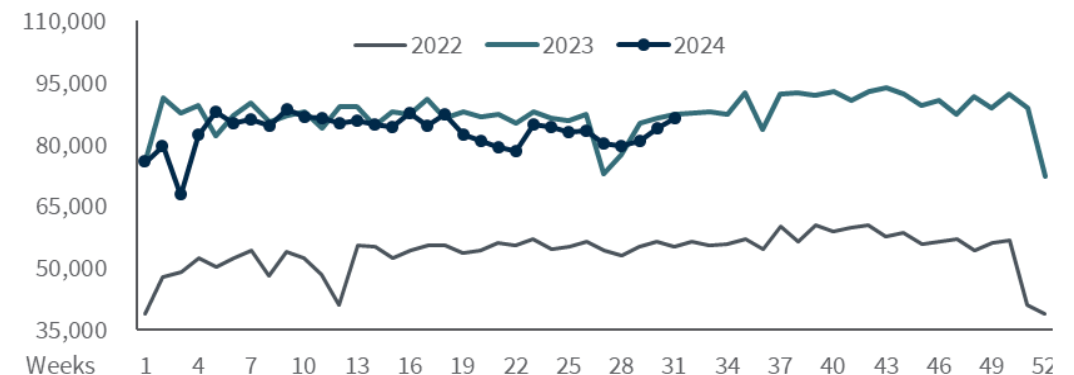
Share Price



RTMs



Carloads



Source: Capital IQ, TRUSIF Research
 Note: Market data as of July 31, 2024
 (1) Company filings as of 4Q23

Financials



Team: Francisco Eckardt, Investment Analyst

Cynthia Urrutia, Research Analyst

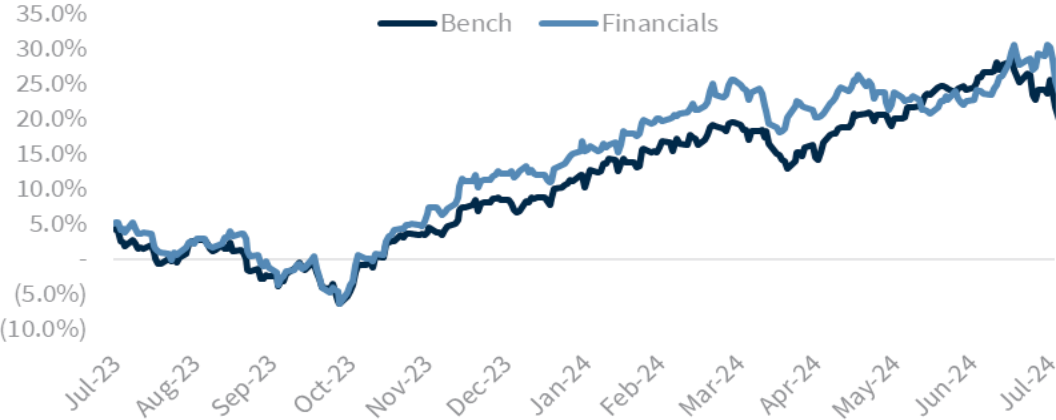
Michael Adeyemi, Research Analyst

Financials Sector Overview

Recent Developments

- The Bank of Canada cut its key interest rate by 25bps to 4.5% in its July 2024 meeting, as expected by a portion of the market, extending the central bank’s 25bps cut from the June meeting after having left the hiking cycle’s terminal rate of 5% for 10 months
- The Federal Reserve maintained the federal funds rate at a 23-year high of 5.25%-5.50% for the 8th consecutive meeting in July 2024, in line with expectations. Policymakers noted some further progress toward the 2% inflation
- Treasury yields have fallen sharply due to increased recession fears following recent job data. The latest U.S. nonfarm payrolls report showed weaker-than-expected job growth, exacerbating concerns

LTM Index v. Benchmark

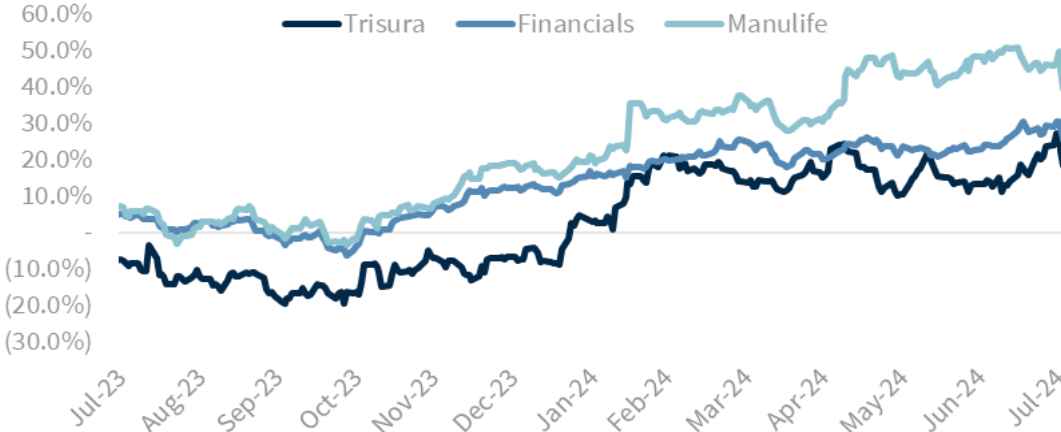


Source: Capital IQ, TRUSIF Research
 Note: Market data as of Jul 31, 2024

Holdings’ Overview and Performance

- TSU announced financial results for the second quarter of 2024. Key appointments include:
- Demonstrated strong performance with Operating net income of \$31.3 million (grew 20.1% compared to Q2 2023, driven by growth in core operations), or \$0.65 per share, driven by growth, increased earnings from our US Programs platform and higher Net investment income
- MFC will release its second quarter 2024 financial results following the market close on the evening of Wednesday, August 7, 2024

LTM Holdings’ Performance



Manulife Financial (TSX:MFC) Overview

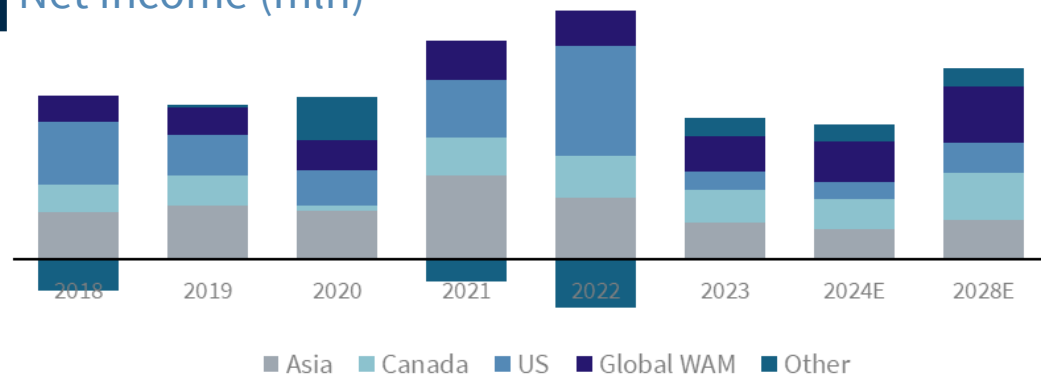
Overview

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

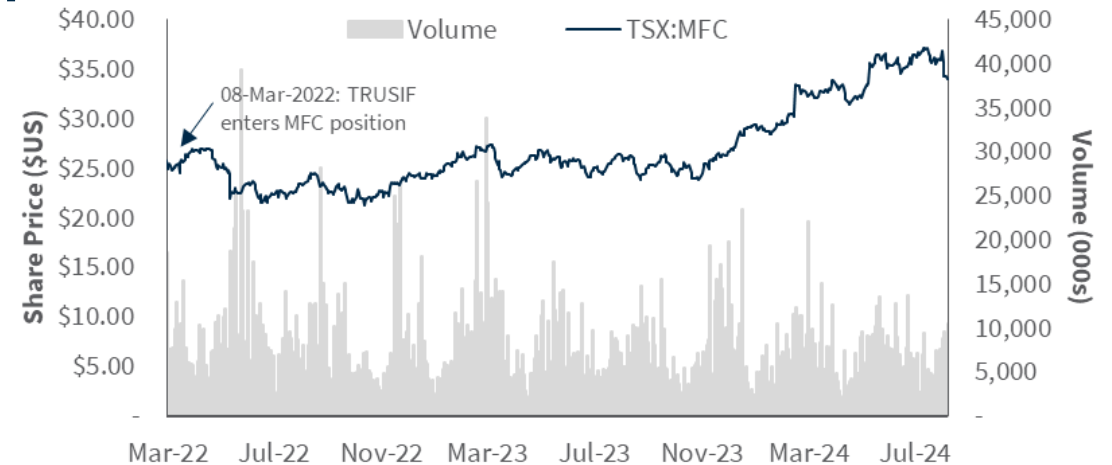
Thesis points:

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

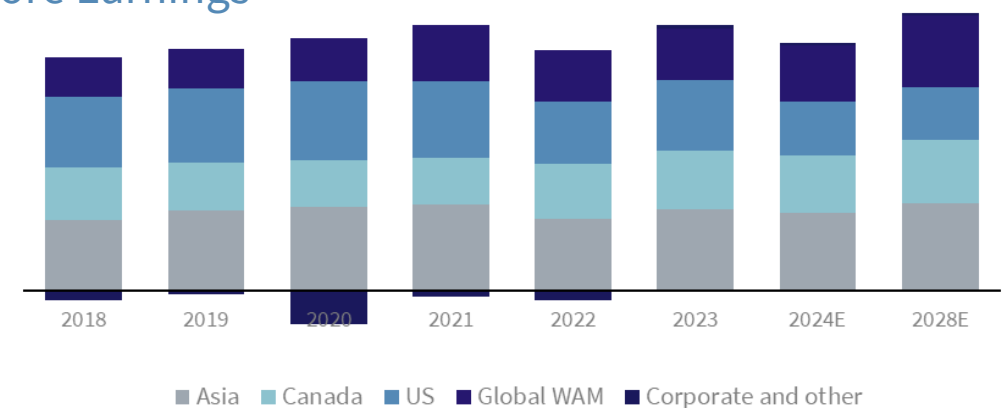
Net Income (mln)



Share Price



Core Earnings



Source: Capital IQ, TRUSIF Research
 Note: Market data as of Jul 31, 2024
 (1) Company filings as of 1Q24

Trisura Group (TSX:TSU) Overview



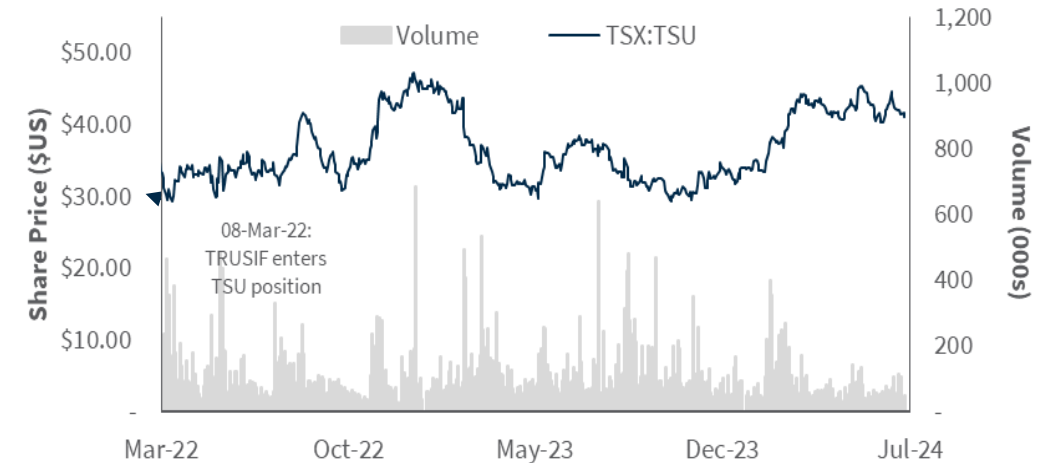
Overview

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

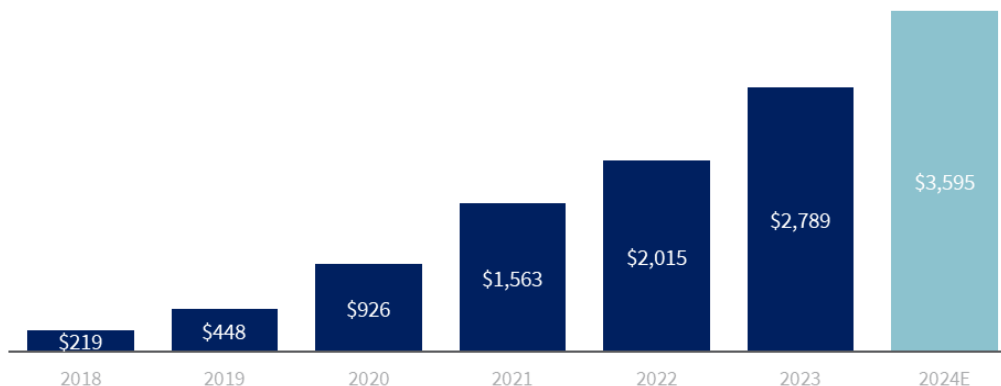
Thesis points:

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

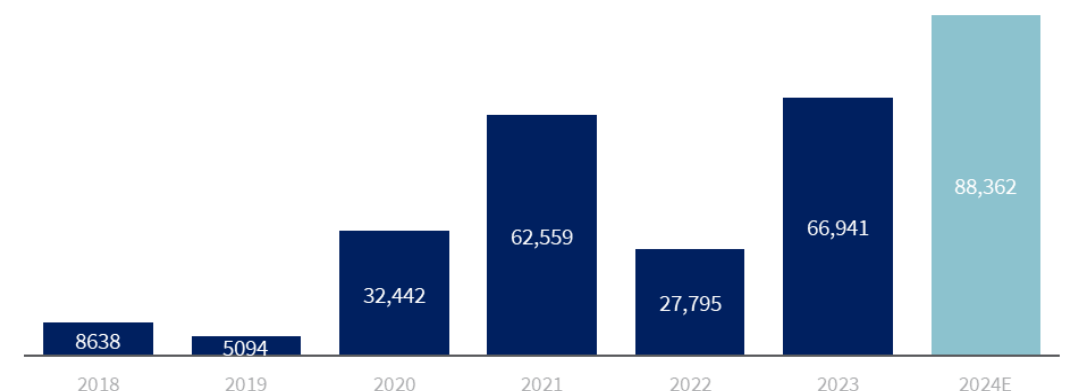
Share Price



Revenue (mln)



Profitability



Source: Capital IQ, TRUSIF Research
 Note: Market data as of Jul 31, 2024
 (1) Company filings as of 2Q24

Real Estate

Team: Panashe Mwamuka, Fund Manager

Cynthia Urrutia, Research Analyst

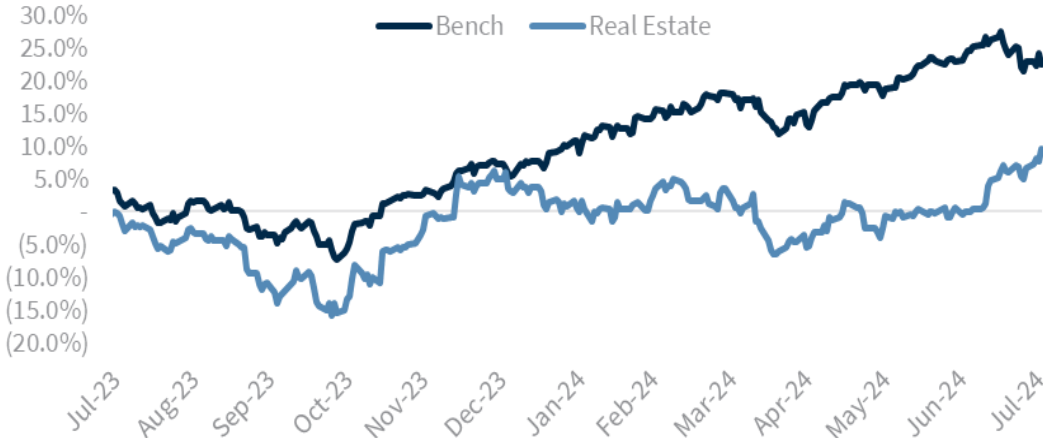
Nihar Meshram, Research Analyst

Real Estate Sector Overview

Overview

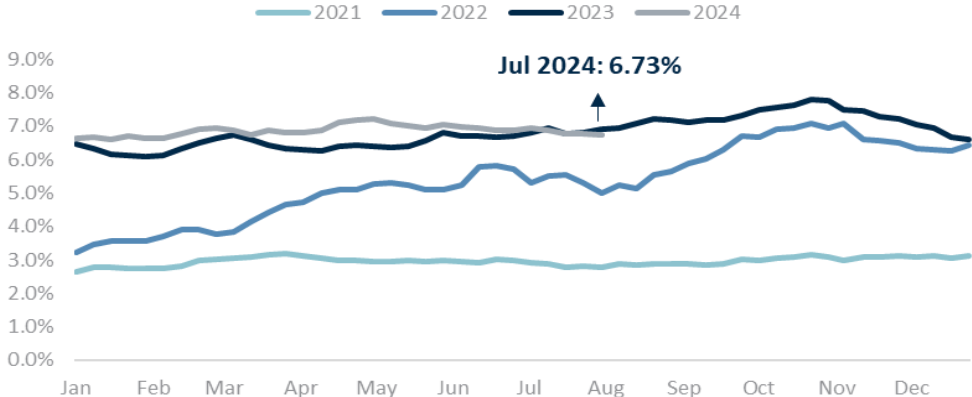
- Real Estate outperformed the broader market in July, with the S&P500 RE Index jumping +7.11% versus the S&P500 Index +1.13% as all but one subsector were higher in the month and longer duration, leveraged, and transaction related subsectors outperformed
- The sector outperformed as rates fell significantly, with the 10Y yield down 22bps, due to markets anticipating a Fed rate cut following cooling economic data. Early in the month, a cooler-than-expected CPI report and a mixed June jobs report (better nonfarm payrolls but lighter private payrolls and a 10bps rise in unemployment) spurred a rotation move. This continued and accelerated despite mixed data, including better-than-expected Retail Sales, Housing Starts, Permits, and Industrial Production
- The national median existing-home price in June rose to \$426,900, a record in data going back to 1999 and a 4.1% increase from a year earlier, per the National Association of Realtors

LTM Index v. Benchmark

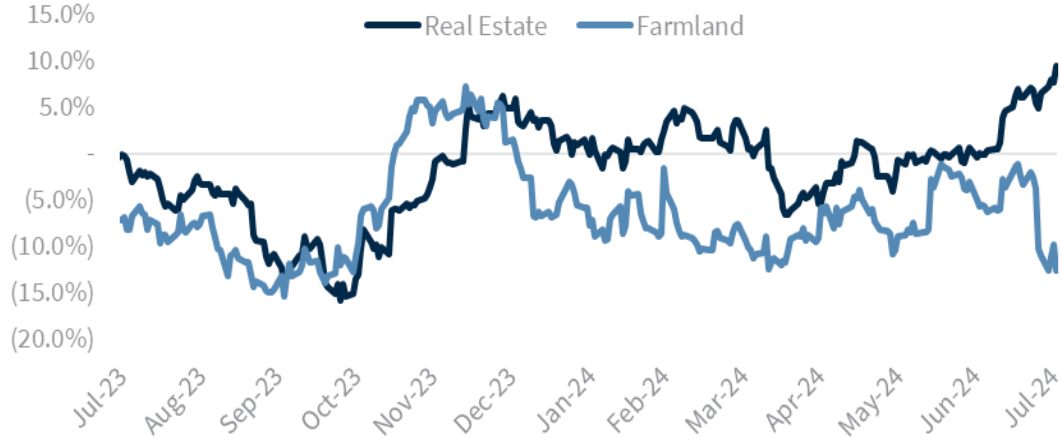


Source: Capital IQ, TRUSIF Research
 Note: Market data as of Jul 31, 2024

US 30Y Mortgage Rate



LTM Holdings' Performance

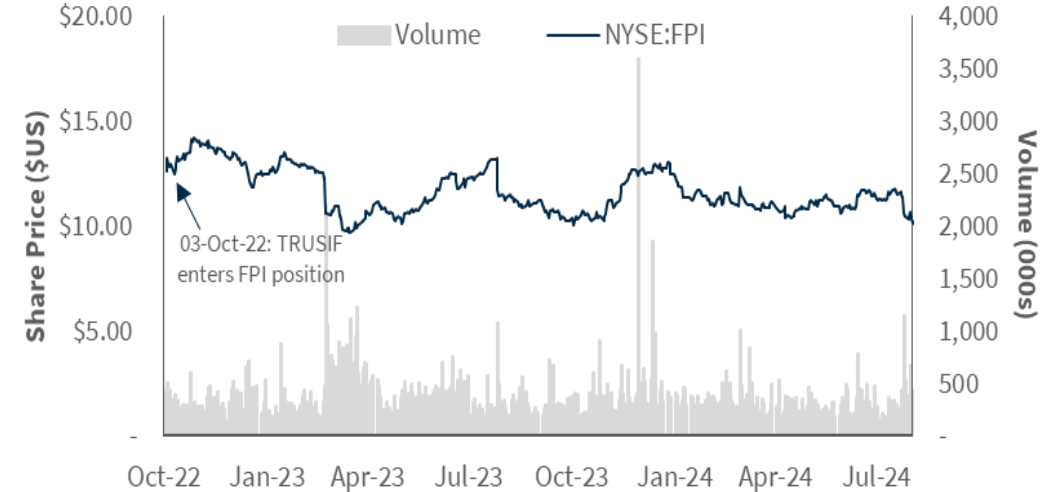


Farmland Partners (NYSE:FPI) Overview

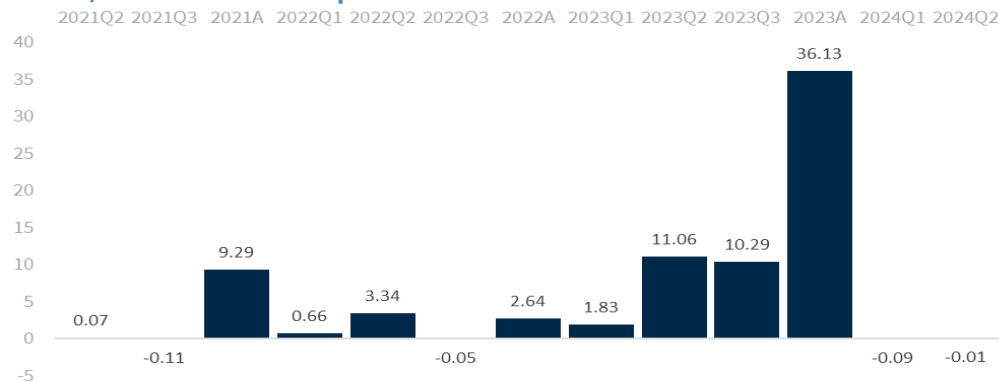
Overview

- 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) million, or (\$0.06) per share available to common stockholders, compared to \$7.9 million (which included \$11.1 million 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 million, or approximately \$0.03 per share, in a one-time severance expense), compared to (\$1.1) million, or (\$0.02) per share, for the same period in 2023
- Had average gross book value of real estate of \$1.01 billion compared to \$1.13 billion 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 million or 1.2%

Share Price



Gain/Loss On Disposition Of Asset⁽²⁾

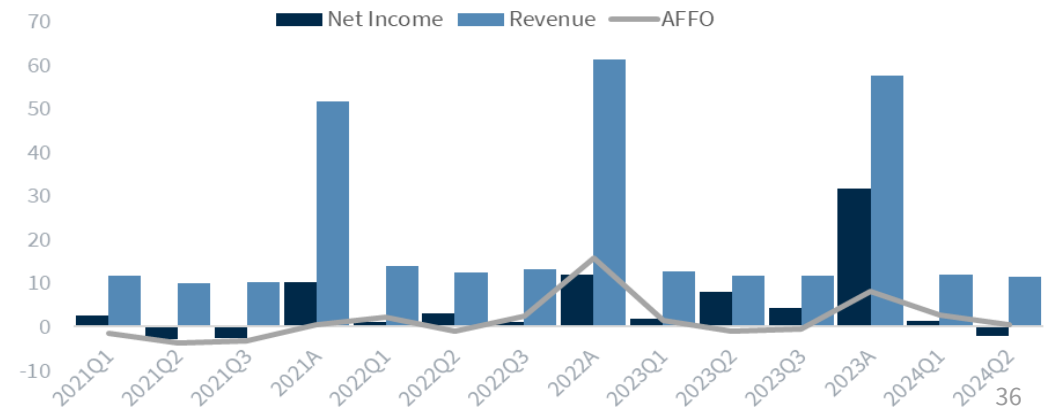


Source: Capital IQ, TRUSIF Research

Note: Market data as of Jul 31, 2024

(1) Company filings as of 2Q24

Net Income, Revenue & AFFO⁽²⁾



Utilities

Team: Austin Burke, Investment Analyst
Arthur Costa, Research Analyst

Utilities Sector Overview

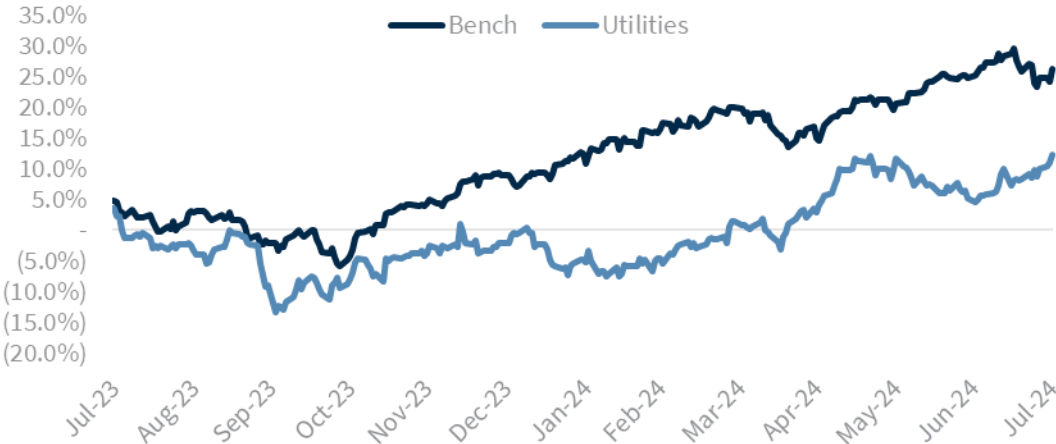
Recent Developments

- Utilities increased 6.7% m/m, electrical utilities rose by 7.1% m/m and natural gas gained 9% all outperforming the S&P 500 at 6.7% m/m
- U.S. crude falls below \$75/bbl, lowest since early June with China's slow economy and Mid-East tensions
- OPEC ups 2024 global growth forecast to 2.9% estimating oil demand growth at 2.2M bpd for the year
- U.S. nat-gas supplies +15.7% above 5-yr avg as of Jul 26 resulting in forecasted Sep nat-gas futures hitting a 3.5-month low

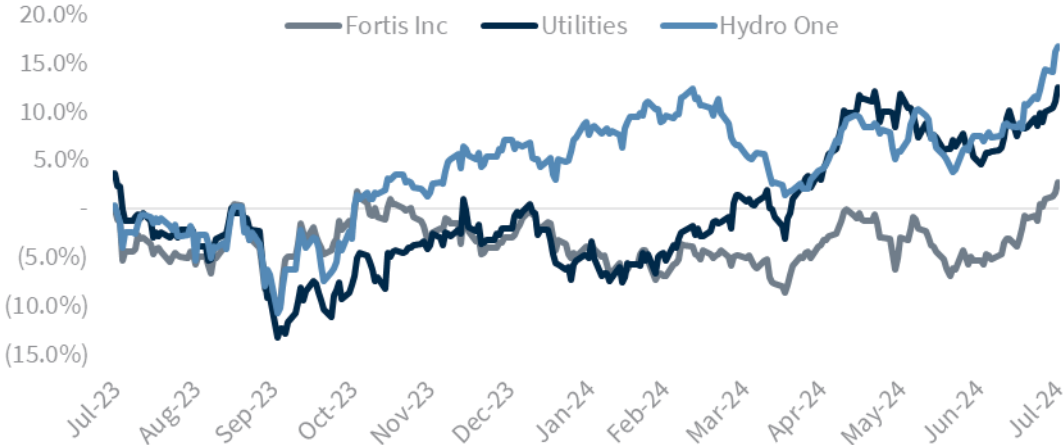
Holdings' Overview and Performance

- H plans to release its 2Q24 results on August 14, 2024
- H announced the voting results from its virtual 2024 AGM held on June 5, 2024, with 82.15% of shares voted and all business items approved, including the election of 11 directors
- FTS released 2Q24 results with net earnings up to \$331M (\$0.67/share) from \$294M (\$0.61/share) in 2023
- FTS offered a new rebate of \$10K+ for customers replacing old gas heating systems with dual fuel systems, promising over 100% efficiency

LTM Index v. Benchmark



LTM Holdings' Performance



Source: Capital IQ, TRUSIF Research
 Note: Market data as of Jul 31, 2024

Healthcare

Team: Nolan Bennett, Investment Analyst

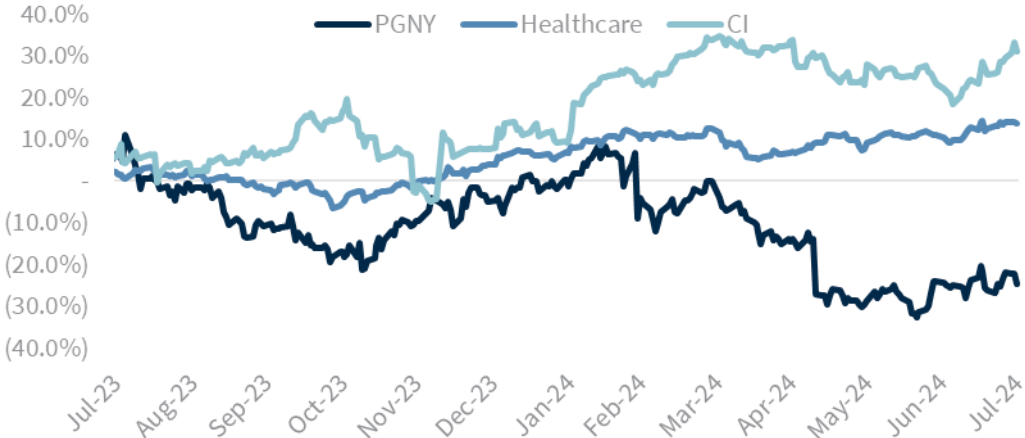
Ananya Pal, Research Analyst

Healthcare Sector Overview

Recent Developments

- On July 11, 2024, the Government of Canada declared \$47 mln in federal funding for innovative projects supporting the health care workforce.
- The government continued with the Canadian Dental Care Plan (CDCP) in pursuit of oral health care for up to nine million Canadian residents who remained uninsured and earned a family income of less than \$90,000 annually
- A new \$500 mln Youth Mental Health Fund was introduced to expand access to mental health services for younger generations

LTM Index v. Benchmark

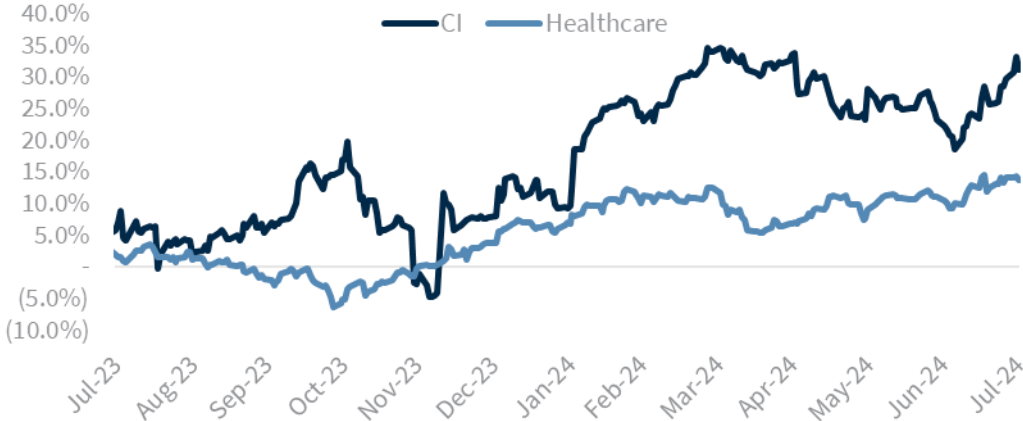


Source: Capital IQ, TRUSIF Research
 Note: Market data as of July 31, 2024

Holdings Overview and Performance

- The Board of Directors of The Cigna Group (CI) declared a cash dividend of \$1.40 per share of its common stock, payable on September 19, 2024
- Progyny (PGNY) declared a new \$100 mln stock repurchase program. Progyny remains optimistic, quoting strong client interest for 2025
- Intuitive Surgical (ISRG) is gaining from an overall growth in procedure volume and more placements of its new da Vinci 5 surgical platform

LTM Watchlist Performance





The Cigna Group (NYSE: CI) Overview

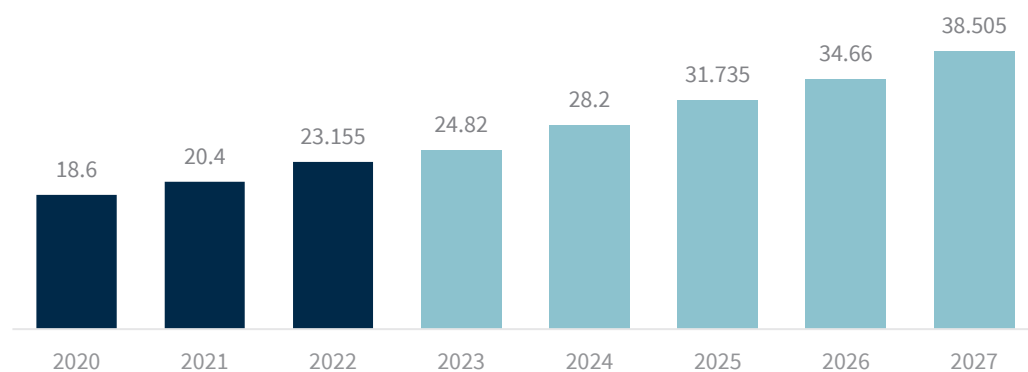
Overview

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:

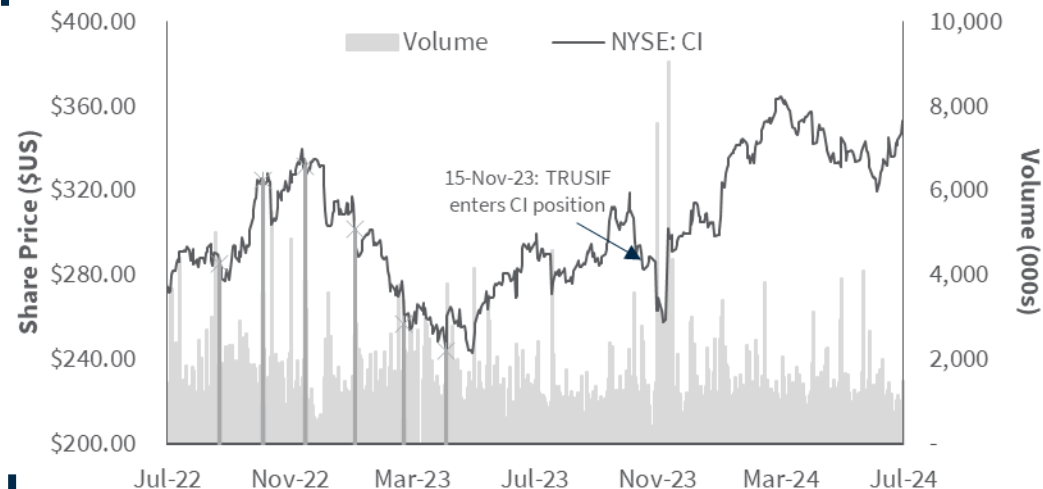
- M&A Strength & Catalyst Potential:** CI's enterprise leverage and strong cash flows allow increased focus on buybacks and strategic M&A. CI has a track record of executing blockbuster deals that help keep their competitive advantage
- Strong Client Relationships and Geographic Expansion:** CI operates 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

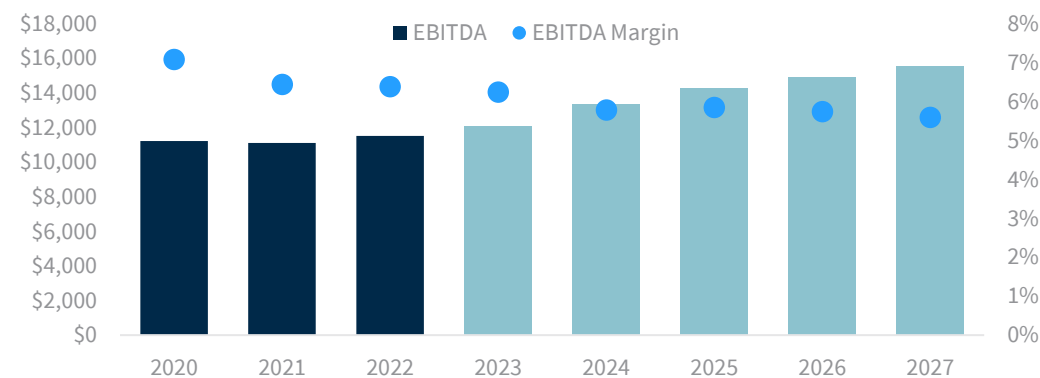


Source: Capital IQ, TRUSIF Research
Note: Market data as of July 31, 2024

Share Price



EBITDA & EBITDA Margin



Aerospace

Team: Adam Burke, Fund Manager

Gagandeep Multani, Research Analyst

Timothy Mburu, Research Analyst

Aerospace Sector Overview

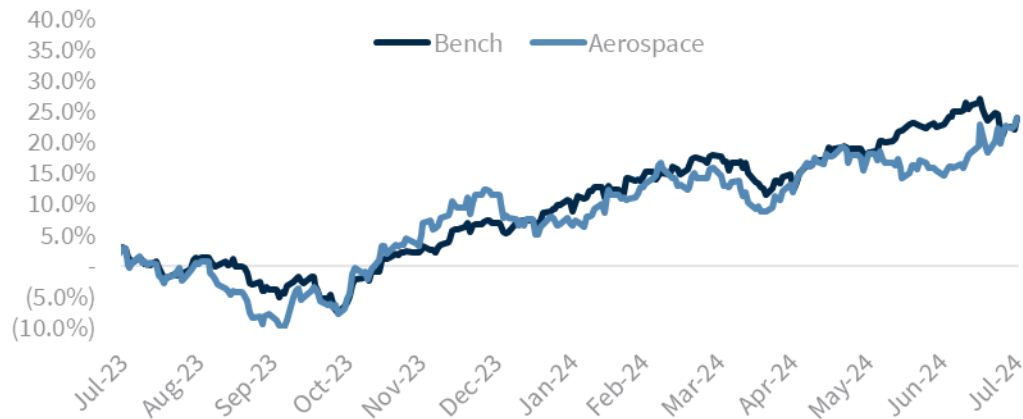
Recent Developments

- The month started with Boeing acquiring Spirit Aerosystems Inc. (NYSE:SPR) in an all-stock transaction valued at US\$4.7bln, or \$37.25 per share. Boeing also announced Robert K. Ortberg as the new CEO, an industry veteran with 35 years of experience under him
- While Boeing acquired, RTX entered in talks to sell a unit of its Collins Aerospace division to Signia Aerospace, a deal valued at approximately US \$500mln
- RTX reported 2Q24 results with revenue up 8% yoy, however net income was down to US\$111mln from US\$1327mln a year ago, primarily due to legal charges of US\$918mln and acquisition costs of US\$393mln

Holding Overview and Performance

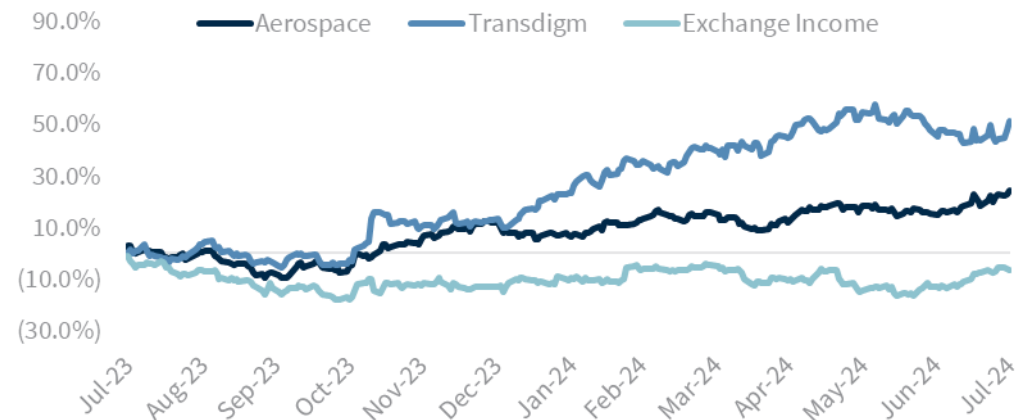
- TDG completed the acquisition of Raptor Scientific for approximately US\$655mln in cash. Raptor Scientific is a leading manufacturer of complex test and measurement solutions serving the aerospace and defense market
- After touching all time highs in June, TDG ended July by trading around US\$1294 indicating no major price changes for the month
- EIF hovered around the \$49 mark indicating a 5% increase in price for July, and declared a dividend of \$0.22 for the month

LTM Index v. Benchmark



Source: Capital IQ, TRUSIF Research
 Note: Market data as of July 31, 2024

LTM Holdings' Performance



TransDigm (NYSE: TDG) Overview



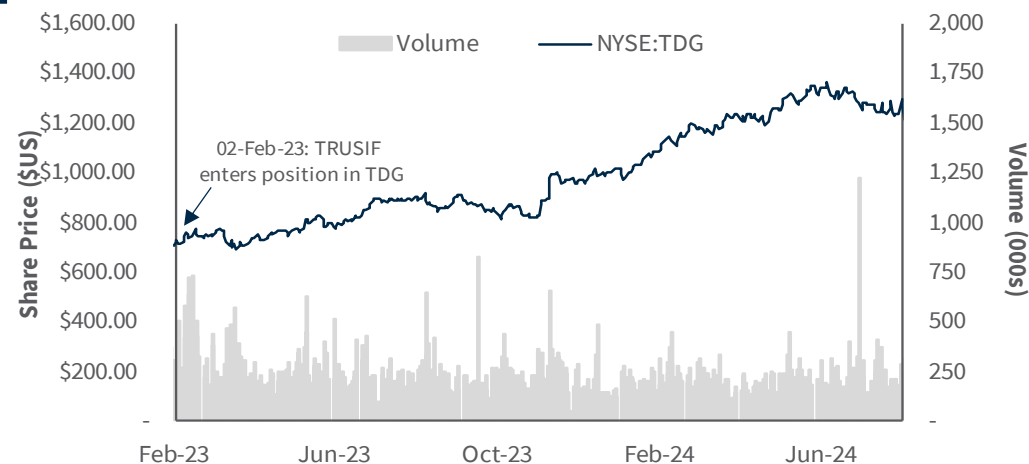
Overview

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

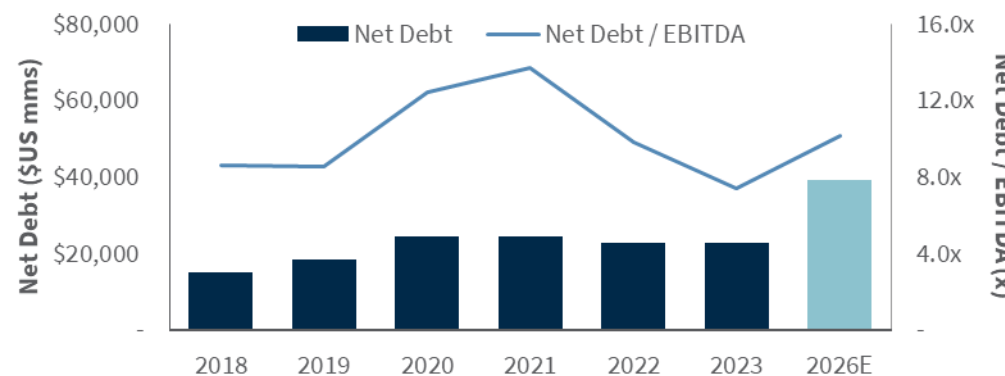
Thesis points:

- 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 creatio

Share Price

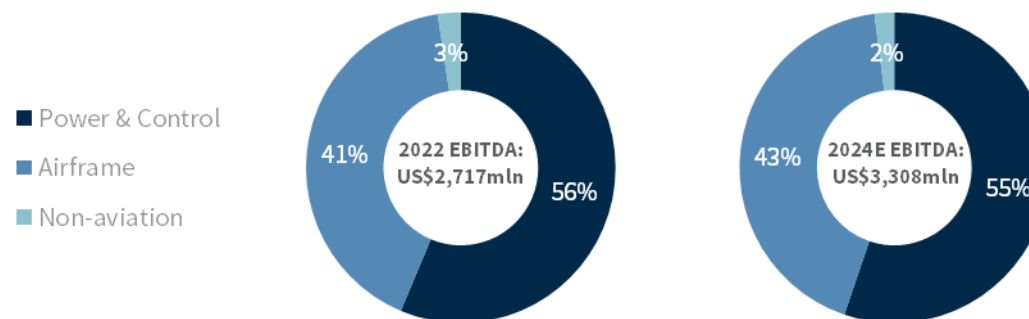


Annual Net Debt to Adj. EBITDA⁽¹⁾



Source: Capital IQ, TRUSIF Research
 Note: Market data as of July 31, 2024
 (1) Company filings as of 2Q24

Segment Adj. EBITDA Mix⁽¹⁾



Exchange Income (TSX: EIF) Overview



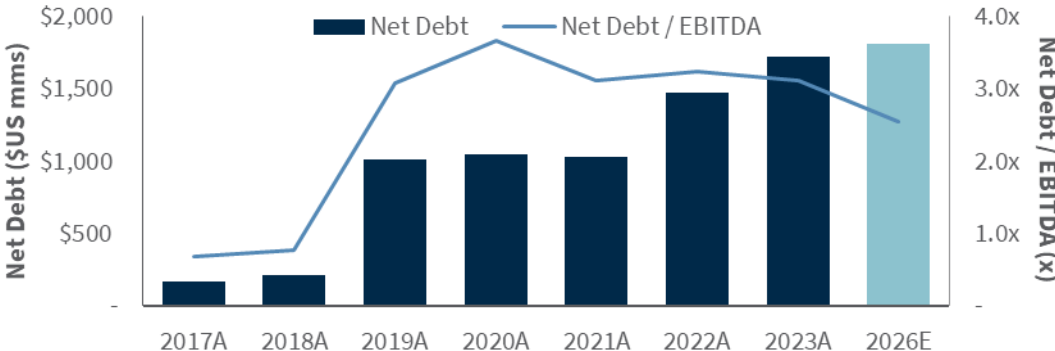
Overview

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:

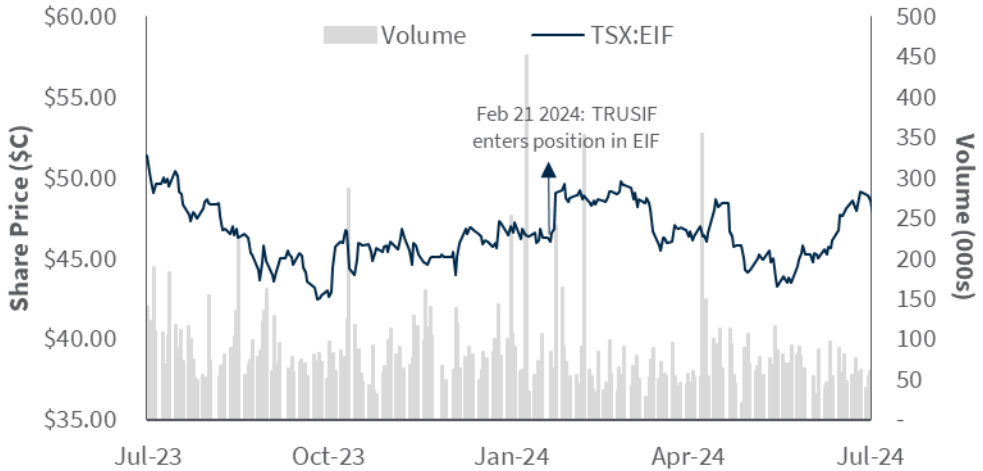
- Recent Acquisitions:** 2023 saw EIF acquire Hansen Industries Ltd., and BVGlazing Systems Ltd under its manufacturing segment. EIF expects to see positive returns out of these acquisitions in 2024
- Contractual Wins:** Recent highlights for EIF were getting contracts for Medevac services in British 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⁾

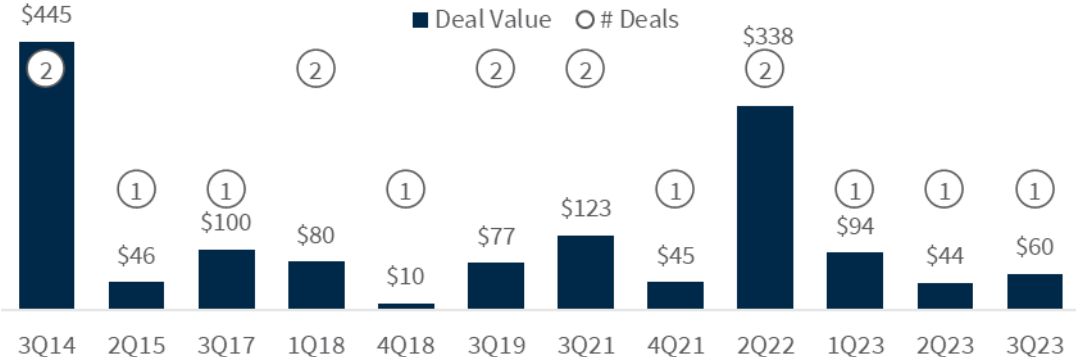


Source: Capital IQ, TRUSIF Research
 Note: Market data as of July 31, 2024
 (1) The total acquisitions since 1Q14 is 17 for EIF

Share Price



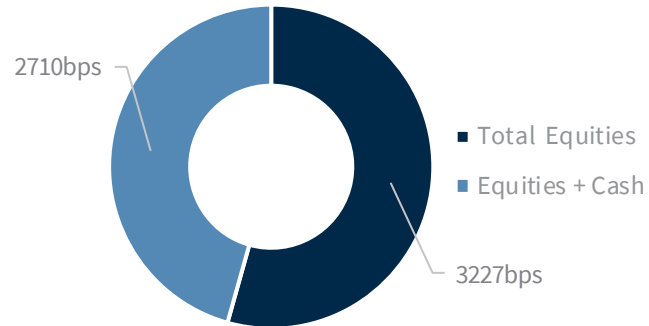
Acquisition History⁽¹⁾



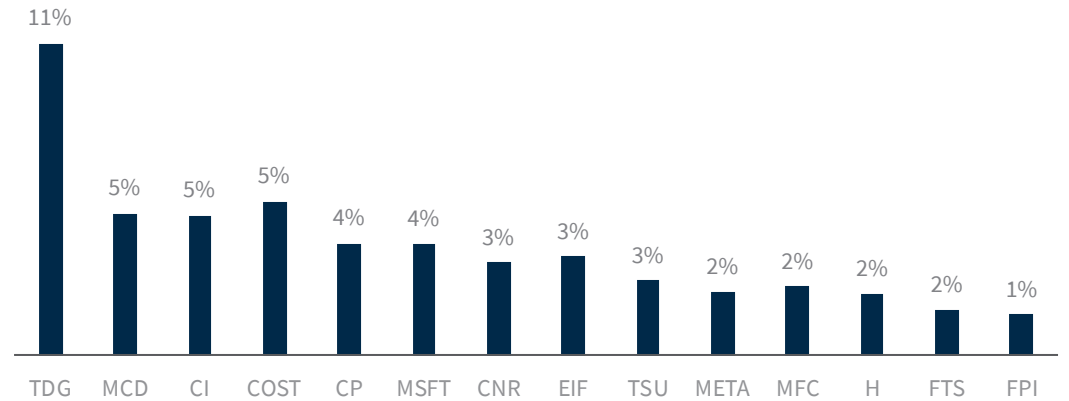
Appendix

Appendix: Portfolio Overview

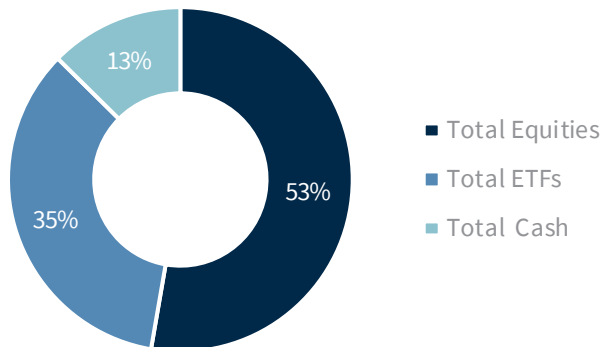
Total Performance With Cash Affect



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.

