2024 ANNUAL REPORT

PRIME

INVESTMENT FUND

UNIVERSITY OF ALBERTA
ALBERTA SCHOOL OF BUSINESS

For the year 2024, the PRIME Fund returned 19.33%, underperforming the S&P/TSX Composite Index by 2.30%.

Since inception, the Fund's compound annual growth rate is 9.18%, while that of the S&P/TSX Composite Index is 6.78%.

PROGRAM DIRECTOR'S MESSAGE

Keith Walton

Well, 2024 is in the books and it didn't disappoint. The only thing that is consistent is change and 2024 proved that in spades. A U.S. presidential election and different views of the world going forward proved fertile ground to discussions in class about how to build the portfolio. Regardless of your political views, building a portfolio that will outperform in these markets is difficult, and so it is the perfect time to learn and experiment with views and thought. The PRIME classroom is a safe place to discuss views, ideas, and thoughts that will help these financial leaders in the future. I added a conflict management component to the program to help these young adults develop good habits and better build on the key tenet of a good thesis or idea – diversity of thought.

As in past years, the student managers provide guidance to their analysts, not only on portfolio matters, but also on career and life matters. The students become a team that truly works together to ensure all members succeed. A virtuous cycle has developed where the overall level of knowledge within the group increases, which helps the students succeed in their summer jobs and leads to them being offered permanent positions. Once they are alumni, they reach back into the program to provide advice, mentorship, and potential jobs to the current students. The students are embracing the concept that PRIME stands on the corner of confident and humble.

PRIME continues to work with Edmonton Women in Finance, a group of professional women in the finance field, to put on an event for female business students considering a career in finance. In November, PRIME put on a successful event which included a presentation on financial markets and the opportunity to speak with industry professionals about their experience in the field. The event was well attended by students from the School of Business. I believe that initiatives like this will help connect and attract more women to the program and careers in finance, ultimately helping to build a more gender equitable industry.

The nuts and bolts of PRIME have not changed since the beginning. That is, a select team of third- and fourth-year Alberta School of Business students are tasked with running a Canadian equity portfolio with a long-term horizon. The details in the pages that follow show that, since inception, PRIME's performance track record has been exemplary. The PRIME Fund earned a total return of 19.33% over 2024, underperforming the S&P/TSX Composite Index's total return of 21.63%. We are very happy with the results this year given the turmoil in the markets, and it shows the students the importance of adhering to a mandate for long-term returns.

I would like to thank the PRIME Fund's client, the University of Alberta Endowment Fund, and the Edmonton CFA Society for their continued support and efforts. I would also like to thank the Fund's mentors for their time and knowledge in helping the students become better analysts and managers. Lastly, but certainly not least, I would like to thank the growing alumni that are in the business community. Your support and advice are very important and much appreciated. The quality of our graduates is a testimony to your efforts.

Keith Walton

PRIME Program Director

ABOUT US

Our History

The Program for Research and Investment Management Excellence (PRIME) consists of a select group of business students who are given the opportunity to gain equity analysis and portfolio management experience. PRIME combines traditional academic objectives with the practical demands of hands-on investment analysis and portfolio management. Participating students gain valuable industry experience, utilizing real-time sources of information and generating quarterly and annual reports while interacting with mentors within the Edmonton Finance community. The mentors provide guidance and advice to students through one-on-one discussions and educational seminars on investment topics of interest.

The PRIME Fund was established in September 1999 as a joint venture between the University of Alberta School of Business Winspear Endowment and the Edmonton CFA Society. The Fund was established to provide University of Alberta Finance students with investment experience in an institutional setting. PRIME students gain an equivalency to one year's work experience for potential employers, placing graduates in an advantageous position for employment opportunities. Essentially, PRIME is a high-quality practicum for high-achieving undergraduates with an interest in investment analysis and management.

The Fund has grown over the years and is now valued at approximately C$2,700,000. To date, PRIME maintains over 200 alumni in major financial centres across the globe. The Program Director, Keith Walton, celebrated his eighth year of guiding students through the program and sharing his extensive knowledge of the financial industry.

PRIME Year in Review

Over 2024, the PRIME Fund returned 19.33%, underperforming the S&P/TSX Composite by 2.30%. The Fund's underperformance was attributed to both stock selection of -1.47%, and sector allocation of -0.83%. The Financials sector was the largest contributor to the Fund's underperformance, primarily due to selection effects, while Materials also contributed heavily to the underperformance due to similar factors.

In 2024, the Industrials sector significantly outperformed the benchmark while providing the Fund with its largest return. This was attributable to superior stock selection, specifically, the sector's overweight exposure to MDA (TSX: MDA), which added a selection effect of 1.90%. MDA returned 156.34% in 2024 following the achievement of key operational milestones and contract wins. Consumer Discretionary was also a significant outperformer, attributable to the Fund's exposure to discretionary names like Aritzia (TSX: ATZ) and Dollarama (TSX: DOL), which contributed to the superior stock selection with effects of 0.22% and 0.13%, respectively. Communication Services outperformed the benchmark due to holding only TELUS (TSX: T), which helped limit exposure to industry headwinds. The Energy sector's modest outperformance stemmed from rising Western Canadian production, and the resulting increased demand for pipeline infrastructure and condensate.

Real Estate was the worst-performing sector relative to the benchmark as the Fund's only Real Estate holding, Dream Industrial REIT (TSX: DIR-UN), underperformed by 16.23%. Financials also significantly underperformed as an overweight position in a scandal-ridden TD (TSX: TD) and an underweight position in RBC (TSX: RY) detracted from a strong year in the sector. The Information Technology sector fell short of the benchmark due to the Fund's underweight position in Shopify (TSX: SHOP). Utilities underperformed on negative sentiment surrounding renewable energy holdings, particularly in the latter half of the year upon the return of President-elect Donald Trump. In addition, Materials saw its positive return underperform the benchmark due to the Fund's lack of gold exposure during a year defined by uncertainty. Lastly, Consumer Staples also saw a positive return that fell short of the benchmark as the Fund's exposure to the sector was not enough to capture the significant gains seen across the industry.

2024 Quarterly Performance

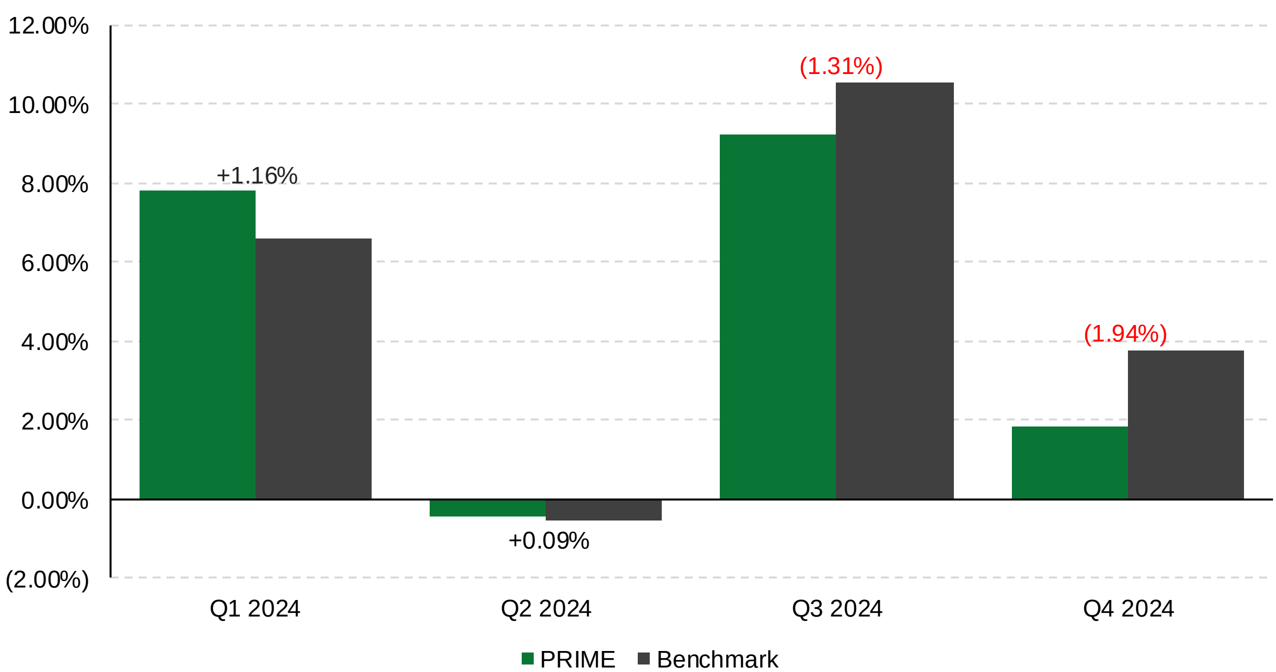
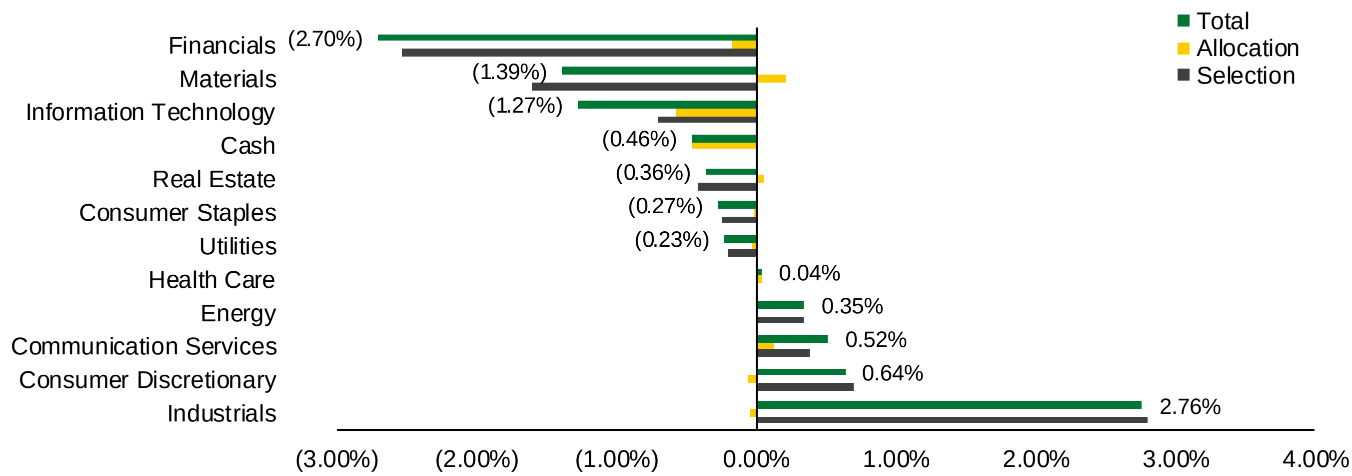


Figure 1 | PRIME 2024 Quarterly Performance versus S&P/TSX Composite Index

Performance Drivers

The PRIME Fund returned 19.33% over the year, underperforming the S&P/TSX's return by 2.30%. The Industrials, Consumer Discretionary, and Communication Services sectors were the largest contributors to the Fund's performance.

Details of the Fund's performance, make-up, performance attribution, and consistency with our GARP strategy are shown in the exhibits to follow. Unless otherwise noted, all figures are for the year ended December 31, 2024.



Allocation measures PRIME's ability to effectively allocate its portfolio's total assets to various sectors
Selection measures each PRIME Manager's ability to select securities within their sector

Figure 2 | Attribution of the PRIME Fund's performance relative to the S&P/TSX Composite Index and its sub-indices for the year ended December 31, 2024

FY2024 Performance

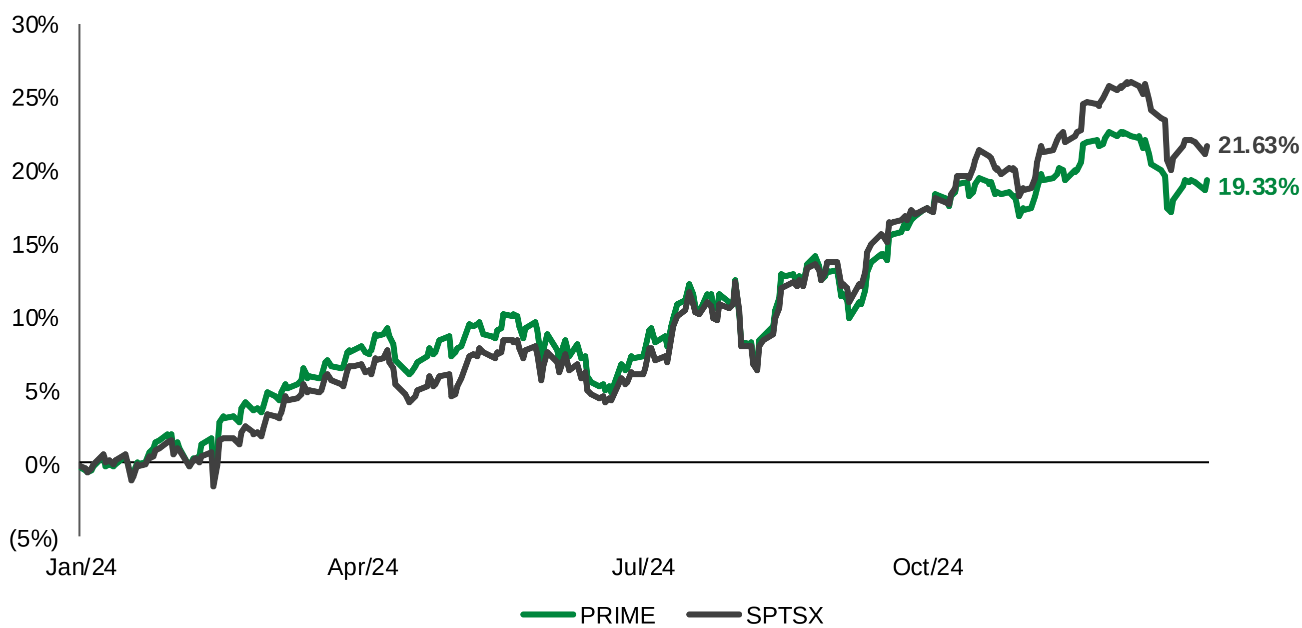


Figure 3 | Performance of the PRIME Fund versus the S&P/TSX Composite Index for the year ended December 31, 2024

Performance Overview

PRIME's performance over the year is outlined below. Stock selection in the Industrials, Consumer Discretionary, and Communication Services sectors, as well as allocation in the Materials sector, were the major positive attribution contributors.

	Sector Returns			Weightings		Attribution		
Sectors	**PRIME**	**S&P/TSX**	**+/-**	**% of PRIME**	**% of S&P/TSX**	**Total**	**Allocation**	**Selection**
Industrials	3.82%	1.45%	2.62%	13.32%	13.60%	2.76%	(0.04%)	2.81%
Consumer Discretionary	1.16%	0.44%	0.80%	4.08%	3.49%	0.64%	(0.06%)	0.70%
Communication Services	(0.34%)	(0.75%)	0.44%	2.86%	3.14%	0.52%	0.13%	0.38%
Energy	4.50%	4.15%	0.46%	17.80%	17.60%	0.35%	0.00%	0.34%
Health Care	0.00%	10.36%	(10.36%)	0.00%	0.30%	0.04%	0.04%	0.00%
Utilities	0.53%	0.54%	0.02%	4.86%	3.83%	(0.23%)	(0.02%)	(0.20%)
Consumer Staples	0.72%	0.81%	(0.08%)	4.95%	4.16%	(0.27%)	(0.02%)	(0.25%)
Real Estate	(0.23%)	0.13%	(0.40%)	2.03%	2.17%	(0.36%)	0.05%	(0.41%)
Cash	0.21%	0.00%	0.24%	2.79%	0.00%	(0.46%)	(0.46%)	0.00%
Information Technology	1.46%	3.19%	(1.89%)	6.11%	8.66%	(1.27%)	(0.57%)	(0.70%)
Materials	1.24%	2.46%	(1.31%)	11.94%	11.73%	(1.39%)	0.22%	(1.61%)
Financials	6.25%	9.17%	(3.15%)	29.25%	31.32%	(2.70%)	(0.17%)	(2.53%)

*** Average weights for the year ended December 31, 2024**

Figure 4 | Sector attribution and relative sector weighting for the year ended December 31, 2024

Sector Allocation

The Fund held a 2.12% cash position at the end of FY2024 and is currently underweight in the following sectors: Real Estate, Communication Services, Health Care, Financials, and Information Technology.

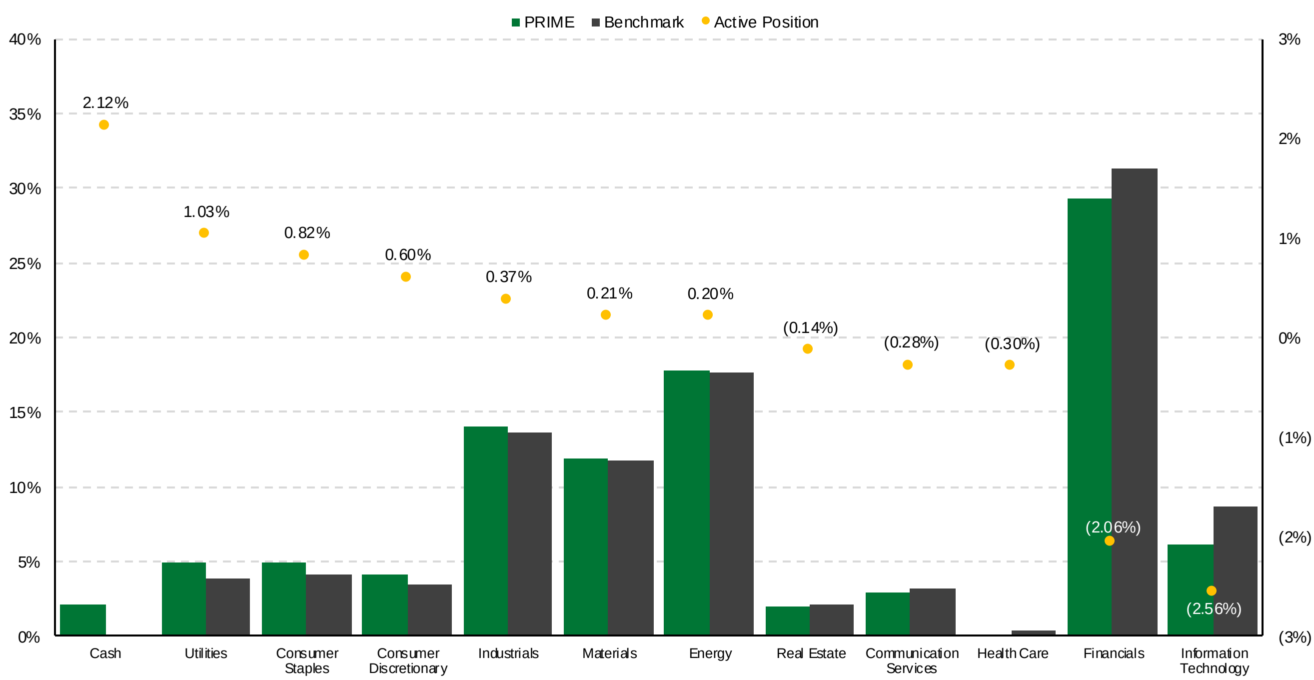


Figure 5 | PRIME Sector Weightings in order of active positions (as of December 31, 2024)

Key Performers

PRIME's 10 Largest Holdings

Company	% of PRIME	% of S&P/TSX	Active Position
Toronto-Dominion Bank	6.20%	4.36%	1.84%
Royal Bank of Canada	5.38%	6.52%	(1.14%)
Bank of Montreal	4.48%	2.80%	1.68%
Intact Financial Corp.	4.41%	1.31%	3.11%
Canadian National Railway Co.	3.78%	2.90%	0.88%
Wheaton Precious Metals Corp.	3.46%	1.05%	2.41%
Ero Copper Corp.	3.41%	0.07%	3.34%
Definity Financial Corp.	3.33%	0.12%	3.21%
WSP Global Inc.	3.22%	0.85%	2.37%
Canadian Natural Resources Ltd.	3.18%	3.16%	0.02%

Figure 6 | PRIME's top 10 relative weights versus the benchmark, weighted average through FY2024

Top Attribution Contributors

Company	Attribution
MDA Space Ltd.	1.90%
Element Fleet Management Corp.	0.92%
Definity Financial Corp.	0.69%
Enerplus Corp.	0.67%
WSP Global Inc.	0.65%

Bottom Attribution Contributors

Company	Attribution
Ero Copper Corp.	(1.06%)
Toronto-Dominion Bank	(0.83%)
OpenText Corp.	(0.52%)
Kinaxis Inc.	(0.43%)
Dream Industrial Real Estate	(0.39%)

Figure 7 | PRIME's top and bottom five contributors to attribution

Valuation Statistics as at December 31, 2024

Metric	PRIME Fund	S&P/TSX
Beta	0.96	1.00
Price to Earnings Ratio (P/E)	20.62x	19.88x
Price to Book Ratio (P/B)	2.07x	2.08x
Price to Cash Flow Ratio (P/CF)	13.86x	12.67x
Dividend Yield	3.09%	3.16%
Return on Assets	1.29%	1.14%
Return on Common Equity	9.44%	9.77%
Return on Capital	5.34%	5.22%
Sharpe Ratio	1.46	1.73

Figure 8 | PRIME's key valuation metrics, retrieved from Bloomberg

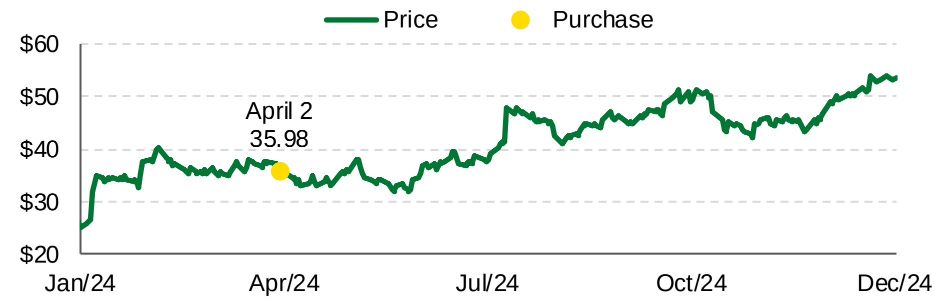
Trades

During the year, the PRIME Fund entered positions in Aritzia, Interfor, North American Construction Group, Precision Drilling, and Tourmaline. We added to our positions in Brookfield Renewable Partners, Element Fleet Management, Intact Financial, Major Drilling Group International, and TC Energy. Positions were trimmed in CCL Industries, Loblaw Companies, MDA Space, Onex, OpenText, West Fraser Timber, and WSP Global. Finally, we completely exited our positions in Enerplus, Secure Energy Services, Sleep Country Canada Holdings, and South Bow.

New Positions

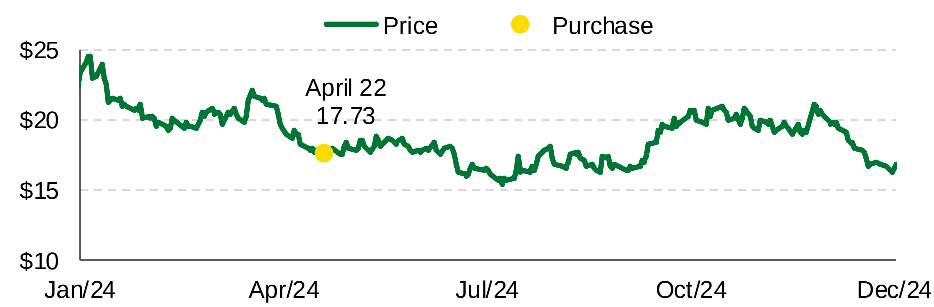
Aritzia Inc.
(TSX: ATZ)

Consumer Discretionary



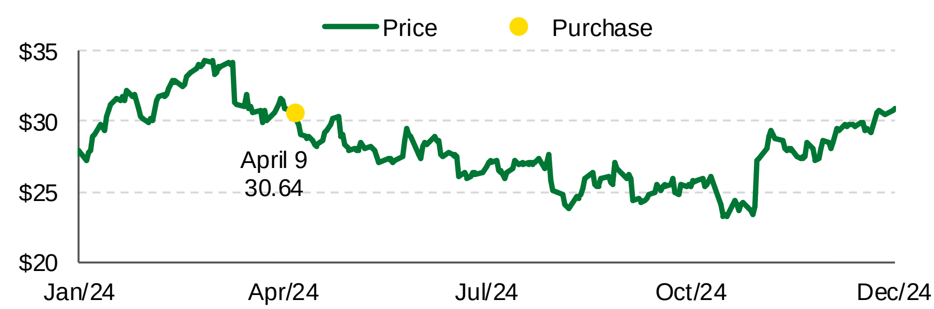
Interfor Corp.
(TSX: IFP)

Materials



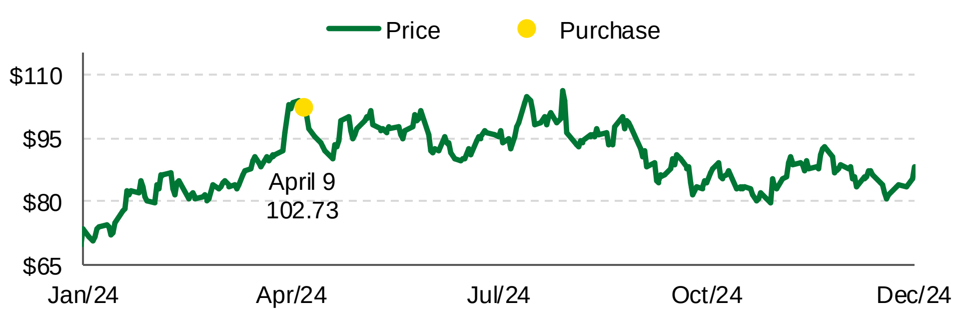
North American Construction Group Ltd.
(TSX: NOA)

Industrials



Precision Drilling Corp.
(TSX: PD)

Energy



New Positions

Tourmaline Oil Corp.
(TSX: TOU)

Energy

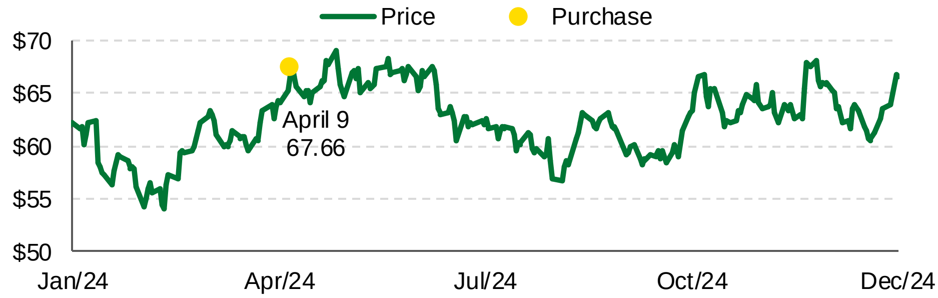
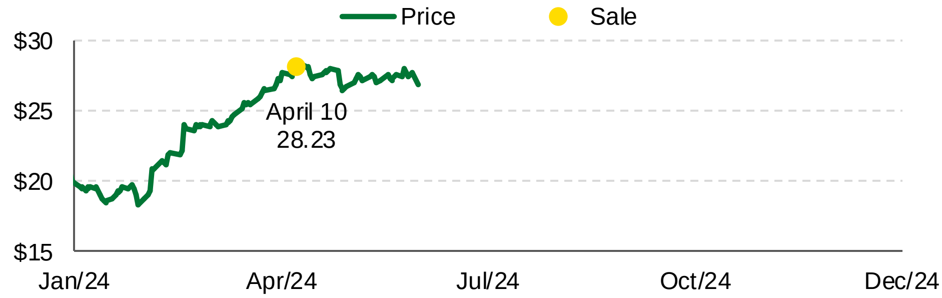


Figure 9 | PRIME's purchase price and date for new holdings during the year

Exited Positions

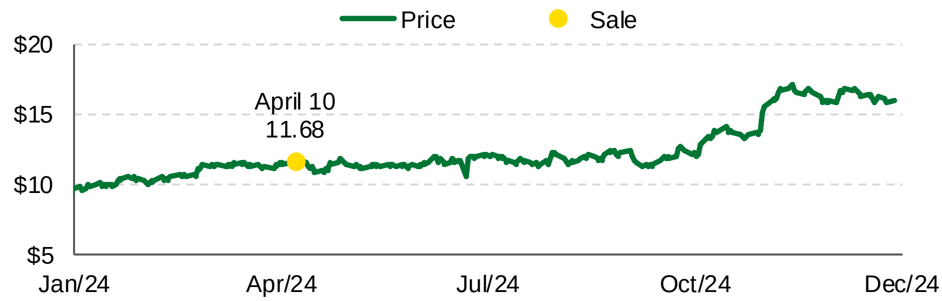
Enerplus Corp.
(TSX: ERF)

Energy



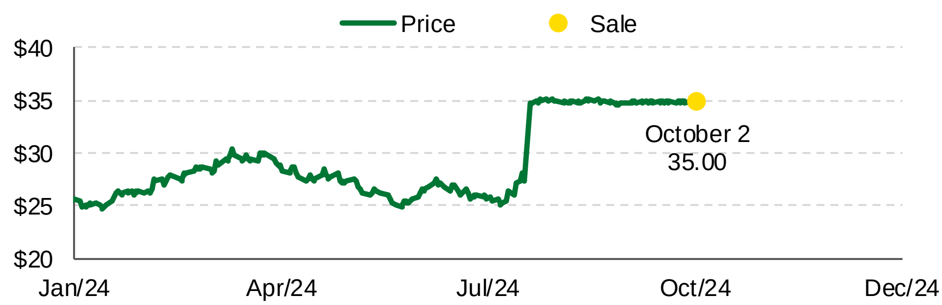
Secure Energy Services Inc.
(TSX: SES)

Energy



Sleep Country Canada Holdings Inc.
(TSX: ZZZ)

Consumer Discretionary



South Bow Corp
(TSX: SOBO)

Energy

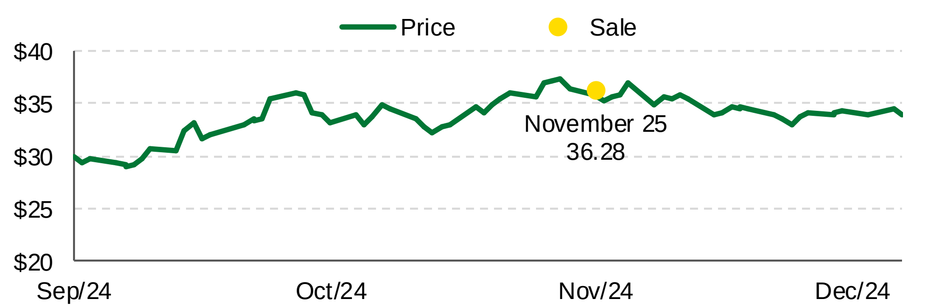


Figure 10 | PRIME's selling price and date for holdings exited during the year

Trade Summary

	PURCHASED	SOLD
Consumers & Health Care	ARITZIA	*Loblaw COMPANIES LIMITED SleepCountry
Energy	+TC Energy TOURMALINE OIL CORP. Precision DRILLING	enerPLUS SECURE ENERGY SOUTHBOW
Financials & Real Estate	+[intact]	*ONEX
Industrials	+element NORTH AMERICAN CONSTRUCTION GROUP	*MDA SPACE *wsp
Info Tech, Comm. Services & Utilities	+Brookfield Renewable	*opentext™
Materials	+MAJOR Drilling INTERFOR	*CCL *West Fraser

* Trimmed Position + Added to Position

Figure 11 | Trade summary and rebalancing

PRIME Portfolio as at December 31, 2024

Company	Shares	Market Value	Market Price	Weight	Book Value	Unrealized Gains/Losses	Currency
Communication Services				**Underweight**			
Telus Corp.	3,214	$62,737.28	$19.52	2.33%	$67,950.23	($5,212.95)	CAD
Consumer Discretionary				**Overweight**			
Dollarama Inc.	342	$47,975.76	$140.28	1.78%	$10,962.81	$37,012.95	CAD
Restaurant Brands International	350	$32,791.50	$93.69	1.22%	$29,329.51	$3,461.99	CAD
Aritzia Inc.	466	$24,903.04	$53.44	0.92%	$16,766.68	$8,136.36	CAD
Consumer Staples				**Overweight**			
Alimentation Couche-Tard	570	$45,429.00	$79.70	1.68%	$28,311.90	$17,117.10	CAD
Jamieson Wellness Inc.	822	$30,175.62	$36.71	1.12%	$27,620.16	$2,555.46	CAD
Loblaw Companies Inc.	192	$36,320.64	$189.17	1.35%	$12,746.88	$23,573.76	CAD
Premium Brand Holdings Corp.	240	$18,979.20	$79.08	0.70%	$21,816.00	($2,836.80)	CAD
Consumer Staples ETF	314	$17,065.90	$54.35	0.63%	$17,486.79	($420.89)	CAD
Energy				**Overweight**			
ARC Resources Ltd.	2,900	$75,603.00	$26.07	2.80%	$42,037.24	$33,565.76	CAD
Canadian Natural Resources Ltd.	1,672	$74,203.36	$44.38	2.75%	$64,990.64	$9,212.72	CAD
Cenovus Energy Inc.	2,721	$59,290.59	$21.79	2.20%	$40,134.75	$19,155.84	CAD
Keyera Corp.	690	$30,332.40	$43.96	1.12%	$20,824.68	$9,507.72	CAD
Suncor Energy Inc.	1,211	$62,136.41	$51.31	2.30%	$38,168.18	$23,968.23	CAD
TC Energy Corp.	794	$53,190.06	$66.99	1.97%	$45,670.57	$7,519.49	CAD
Precision Drilling Corp.	346	$30,420.32	$87.92	1.13%	$35,544.58	($5,124.26)	CAD
Tourmaline Oil Corp.	1,051	$69,912.52	$66.52	2.59%	$71,112.13	($1,199.61)	CAD
Financials				**Underweight**			
Bank of Montreal	900	$125,595.00	$139.55	4.66%	$91,997.91	$33,597.09	CAD
Canaccord Genuity Group Inc.	2,020	$20,422.20	$10.11	0.76%	$24,072.34	($3,650.14)	CAD
Definity Financial Corp.	1,764	$103,105.80	$58.45	3.82%	$56,183.40	$46,922.40	CAD
EQB Inc.	380	$37,669.40	$99.13	1.40%	$20,676.60	$16,992.80	CAD
Intact Financial Corp.	519	$135,837.87	$261.73	5.04%	$73,443.69	$62,394.18	CAD
Onex Corporation	50	$5,614.00	$112.28	0.21%	$3,521.09	$2,092.91	CAD
Royal Bank of Canada	900	$155,988.00	$173.32	5.78%	$115,905.96	$40,082.04	CAD
Sun Life Financial Inc.	901	$76,900.35	$85.35	2.85%	$39,649.41	$37,250.94	CAD
Toronto-Dominion Bank	1,958	$149,806.58	$76.51	5.56%	$85,067.77	$64,738.81	CAD
Health Care				**Underweight**			
Industrials				**Overweight**			
Element Fleet Management Corp.	3,342	$97,118.52	$29.06	3.60%	$65,162.32	$31,956.20	CAD
Canadian National Railway Co.	580	$84,662.60	$145.97	3.14%	$43,070.80	$41,591.80	CAD
MDA Space Ltd.	2,435	$71,905.55	$29.53	2.67%	$26,371.05	$45,534.50	CAD
WSP Global Inc.	343	$86,765.28	$252.96	3.22%	$24,664.24	$62,101.04	CAD
North American Construction Group Ltd.	2,061	$63,849.78	$30.98	2.37%	$63,153.57	$696.21	CAD
Information Technology				**Underweight**			
Kinaxis Inc.	314	$54,365.96	$173.14	2.02%	$48,928.11	$5,437.85	CAD
OpenText Corp.	412	$16,760.16	$40.68	0.62%	$8,652.00	$8,108.16	CAD
Shopify Inc.	730	$111,682.70	$152.99	4.14%	$66,539.50	$45,143.20	CAD
Materials				**Overweight**			
CCL Industries Inc.	248	$18,339.60	$73.95	0.68%	$10,922.88	$7,416.72	CAD
Ero Copper Corp.	3,344	$64,806.72	$19.38	2.40%	$65,273.54	($466.82)	CAD
Lundin Mining Corp.	2,920	$36,120.40	$12.37	1.34%	$20,628.92	$15,491.48	CAD
Major Drilling Group International Inc.	2,051	$16,838.71	$8.21	0.62%	$21,300.20	($4,461.49)	CAD
West Fraser Timber Co. Ltd.	257	$32,009.35	$124.55	1.19%	$10,800.19	$21,209.16	CAD
Wheaton Precious Metals Corp.	1,157	$93,612.87	$80.91	3.47%	$31,655.52	$61,957.35	CAD
Interfor Corp.	1,033	$17,344.07	$16.79	0.64%	$18,318.09	($974.02)	CAD
Real Estate				**Underweight**			
Dream Industrial Real Estate	3,880	$45,822.80	$11.81	1.70%	$38,140.40	$7,682.40	CAD
Utilities				**Overweight**			
Brookfield Infrastructure Partners	1,455	$66,464.40	$45.68	2.46%	$53,383.95	$13,080.45	CAD
Brookfield Infrastructure Partners - A	160	$8,824.00	$55.15	0.33%	$4,899.93	$3,924.07	CAD
Brookfield Renewable Partners	1,440	$47,145.60	$32.74	1.75%	$50,912.70	($3,767.10)	CAD
Northland Power Inc.	460	$8,234.00	$17.90	0.31%	$13,271.00	($5,037.00)	CAD
Cash				**Overweight**			
Canadian Dollar		$64,947.83	$1.00	2.41%	$64,947.83	$0.00	CAD
U.S. Dollar		$6,481.22	$1.00	0.24%	$6,194.09	$287.13	CAD
Total Portfolio Value		**$2,696,507.92**		**100.00%**	**$1,859,182.73**	**$837,325.19**	**CAD**

Figure 12 | PRIME Portfolio Overview

Environmental, Social, and Governance

Areas of Concern

The PRIME Fund uses MSCI ESG ratings to monitor ESG-related risks for our holdings. Any company that receives a rating of "B" or lower is considered to have a high ESG risk relative to its peers.

Definity's rating has been upgraded from 'AA' to 'AAA' due to recent improvements in staff management and cybersecurity practices, having implemented an incident response plan for data breaches. However, the company still lags in responsible investment practices, with its investment portfolio lacking ESG factor integration and no sign of being a United Nations Principles for Responsible Investment signatory. Definity relies on skilled labour for its operations, which raises concerns about potential challenges in employee recruitment and retention. However, the company addresses this by offering variable pay and conducting annual engagement surveys to ensure employee satisfaction and retention. Definity excels in governance, with a majority-independent board, split CEO and chair roles, and regular audits. Executive pay aligns well with shareholder interests, as the majority of compensation is tied to variable stock awards.

OpenText's rating has been downgraded from 'AAA' to 'AA' following the layoff of 1,200 employees in 2024, ~5% of its total workforce, raising concerns about job security and the company's exposure to staff management risks. OpenText's parental leave benefits were also found to fall short of industry benchmarks. Despite this, OpenText's privacy-related risks are lower than those of its consumer software peers due to the company having limited control over personal data and strong information breach mitigation programs. Risk related to competition for, and retention of skilled IT staff has been mitigated through robust talent management practices, including annual engagement surveys, which help ensure employee satisfaction and retention.

Wheaton's rating has been upgraded from 'AA' to 'AAA' due to its low environmental and social risks in the metal royalty/streaming business, as it does not directly engage in mining operations. Wheaton leads its peers in community and talent management, with practices such as a formal development strategy, performance appraisals, and annual engagement surveys. Its corporate governance also surpasses most global competitors, featuring a majority-independent board and fully independent audit, nomination, and pay committees. Moreover, the company's ethics framework is aligned with peers, including an anti-corruption policy and ethics audits. Wheaton's due diligence for mining investments addresses ESG risks by analyzing mining-specific factors and monitoring existing contracts.

Communication Services	
Telus Corp.	A
Consumer Discretionary	
Aritzia Inc.	A
Dollarama Inc.	AA
Restaurant Brands International Inc.	BBB
Consumer Staples	
Alimentation Couche-Tard Inc.	AA
Jamieson Wellness Inc.	AA
Loblaw Companies Inc.	A
Premium Brand Holdings Corp.	A
Energy	
ARC Resources Ltd.	AAA
Canadian Natural Resources Ltd.	A
Cenovus Energy Inc.	A
Keyera Corp.	AAA
Precision Drilling Corp.	BB
Suncor Energy Inc.	A
TC Energy Corp.	AA
Tourmaline Oil Corp.	A
Financials	
Bank of Montreal	AA
Canaccord Genuity Group Inc.	A
Definity Financial Corp.	AAA
EQB Inc.	AA
Intact Financial Corp.	AA
Onex Corp.	BB
Royal Bank of Canada	AA
Sun Life Financial Inc.	AAA
Toronto-Dominion Bank	AA
Healthcare	
Industrials	
Element Fleet Management Corp.	AA
Canadian National Railway Co.	AA
MDA Ltd.	A
North American Construction Group Ltd.	BBB
WSP Global Inc.	AA
Information Technology	
Kinaxis Inc.	AAA
OpenText Corp.	AA
Shopify Inc.	AA
Materials	
CCL Industries Inc.	BB
Ero Copper Corp.	A
Interfor Corp.	AA
Lundin Mining Corp.	A
Major Drilling Group International Inc.	A
West Fraser Timber Co. Ltd.	AA
Wheaton Precious Metals Corp.	AAA
Real Estate	
Dream Industrial REIT	BBB
Utilities	
Brookfield Infrastructure Partners	A
Brookfield Renewable Partners	AA
Northland Power Inc.	AA

Source: MSCI ESG Direct

Figure 13 | PRIME Portfolio ESG Ratings

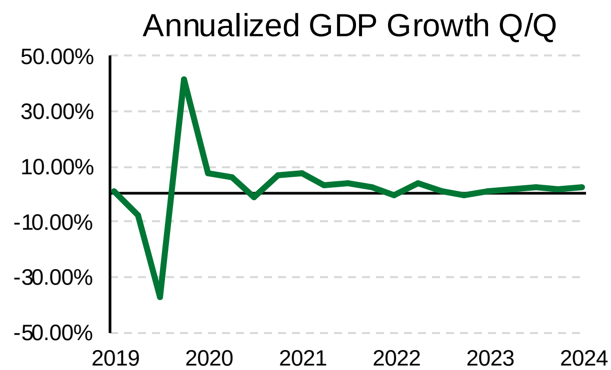
2024 Macroeconomic Review

2024 was largely characterized by a global pivot in central banks' interest rate policies, reflected through many outsized rate cuts aimed at bringing down borrowing costs. Despite much of the uncertainty surrounding inflation becoming clearer towards the second half of the year, equity markets remained volatile due to key changes in political leadership around the world, most notably in the U.S. The focus of markets globally shifted heavily towards the new U.S. President-elect, Donald Trump, as investors assessed the potential impact of his administration's fiscal policies, trade threats, and regulatory plans.

The U.S. economy continued to outperform throughout 2024, forcing the Federal Reserve to hold off monetary easing efforts until September, when it delivered its first of three consecutive rate cuts to end the year. U.S. GDP grew 2.8% in 2024 as low unemployment and consistent wage growth contributed to robust consumer spending. On the other hand, inflation remained slightly sticky, ending 2024 at 2.9% as lower rates and a strong underlying economy applied upward pressure on prices. Conversely, Canada's inflation rate has anchored around the Bank of Canada's (BoC) 2.0% target, with the CPI reading in at 1.8% to end the year. Moreover, unemployment significantly increased in 2024, with December's reading sitting at 6.7%, up from the 5.8% at the end of 2023. The BoC began monetary easing in June, cutting rates five times throughout 2024 as the slowing Canadian economy became much more pronounced.

Equity markets had one of the best years on record, with the S&P/TSX Composite Index returning 21.63% and the NASDAQ and DJIA returning 32.97% and 12.88%, respectively. This was largely attributed to another strong year in Information Technology and Financials, while the Energy and Materials sectors followed closely behind. Communication Services was the only sector that had a negative return over the year.

2024 was yet another year of defying the consensus surrounding an equity market pullback, largely attributable to consumer resilience. Despite the overall run-up in equity markets, underlying economies have largely diverged, with the U.S. continuing to outperform its global counterparts. Further, the lead-up and result of the U.S. elections caused tremendous volatility at the end of the year as investors grappled with future policies and the associated potential impacts.



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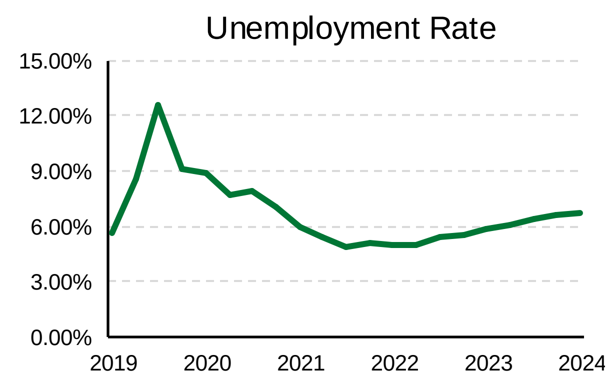

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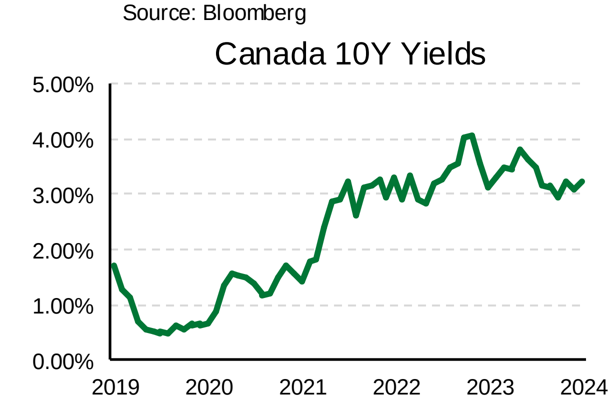

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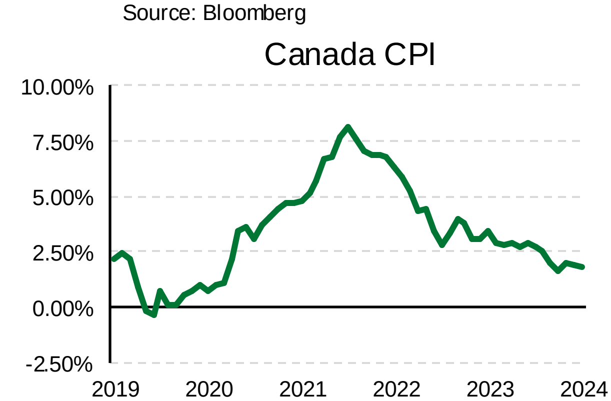


Source: Bloomberg

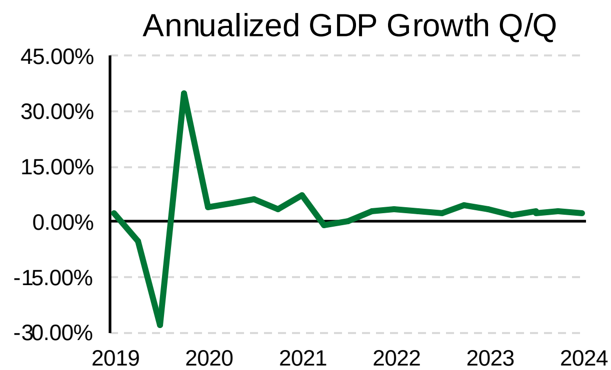
2025 Macroeconomic Outlook

Moving into 2025, major economies are now under the microscope, given the varying levels of interest rate cuts by central banks. The question remains as to whether this path will continue, as lower rates have had ranging effects across different economies. The U.S. has remained robust, leading many economists to believe that further easing will be minimal in 2025. Additionally, President-elect Donald Trump has threatened to implement many policies that are widely viewed as inflationary, further suggesting that monetary policy changes will be limited. Conversely, Canada has seen a significant deterioration in economic conditions, resulting in a cloudier interest rate outlook. The BoC will continue to work to strike a balance between supporting the economy and preventing further currency depreciation as a result of continued divergence from the Federal Reserve. The biggest question heading into 2025 surrounds global trade and the impact of the many tariffs threatened to be imposed by President-elect Donald Trump. With the U.S. accounting for over 70% of Canada's total exports, the potential tariffs could significantly disrupt Canadian businesses, particularly in industries such as energy, automotive, and agriculture. Overall, the Canadian economy is likely to see modest growth throughout 2025 as lower borrowing costs take hold, however, the threat of potential tariffs remains a significant risk.

Interest Rates

The Federal Reserve was the last major central bank to begin monetary easing when it cut interest rates in September. The initial 50 bps reduction marked the first of three consecutive cuts in 2024 that brought the target rate down to a range of 4.25% - 4.50% from the 20-year high of 5.25% - 5.50%. Despite the three consecutive cuts, Jerome Powell highlighted in the Fed's December meeting that a much more cautious approach will now be taken surrounding future cuts as the U.S. economy continues to run hot. As consumer spending remains robust, bolstered by healthy labour market conditions, further interest rate cuts in 2025 are unlikely to avoid reigniting inflation.

The BoC began easing policy in June with five consecutive cuts in 2024, bringing its target overnight rate down from a two-decade high of 5.0% to 3.25%. With inflation at the 2% target, unemployment trending well above historical levels, and the significant threat of U.S. tariffs, Canada will likely see borrowing costs continue to fall in 2025. The pace at which is still very much uncertain, as Tiff Macklem made it clear in the BoC's December meeting that there will be a much more gradual approach to policy easing going forward as the BoC's divergence from the Fed continues to devalue Canadian currency.



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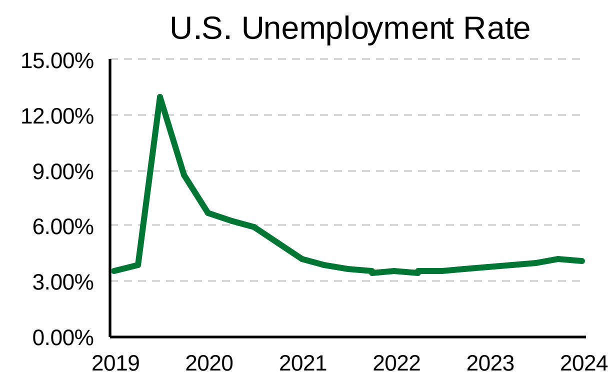

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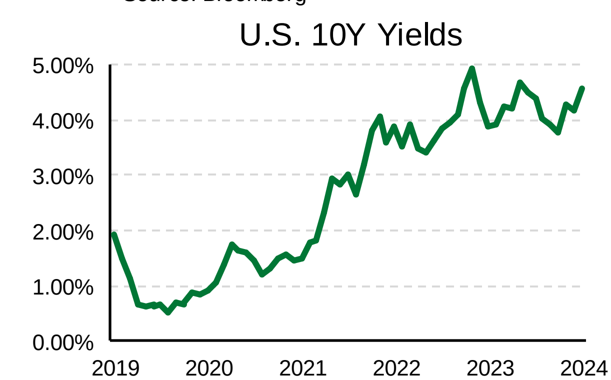

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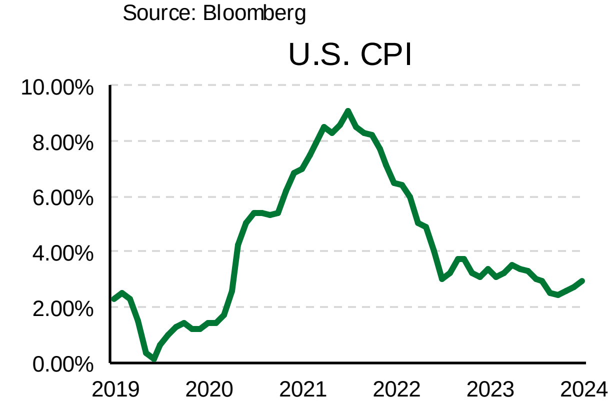


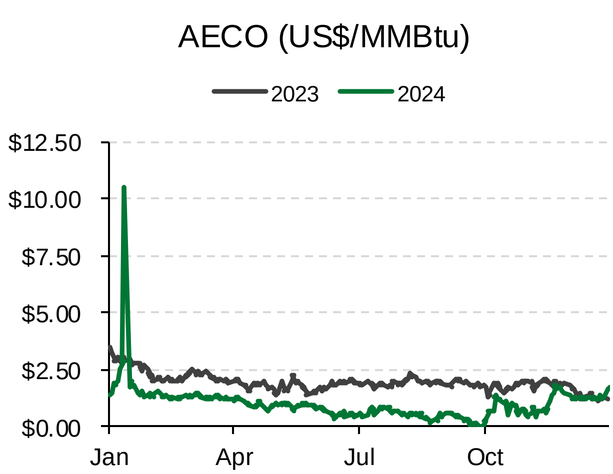
Source: Bloomberg

AECO

AECO traded between US$0.04/MMBtu - US$10.52/MMBtu, closing 2024 at US$1.69/MMBtu. The $0.94 decline in average price Y/Y was largely attributable to Western Canadian storage levels remaining ~30% higher than the three-year average. Early in January, an intense cold snap caused producing wells and pipelines to freeze, briefly pushing prices to US$10.52/MMBtu. As temperatures dropped and natural gas production hit a new record, Q1 saw storage levels 13.7% above the five-year average, exerting consistent downward pressure on prices. In Q2, AECO faced further declines, driven by limited demand and storage levels that were 26.5% higher Y/Y. Unseasonably mild weather lowered natural gas demand, while pipeline constraints limited exports to higher-paying U.S. markets, driving AECO prices to a quarterly low of US$0.42/MMBtu. Q3 saw temporary price relief during a July heatwave in Alberta, which drove record electricity demand of 12,219MW/d and natural gas consumption for power generation to 2.5Bcf/d. AECO prices surged 62% to US$0.89/MMBtu during this period. However, as temperatures normalized and production remained strong, prices fell sharply, reaching a yearly low of US$0.04/MMBtu in late September due to Alberta's natural gas storage hitting full capacity. Prices rebounded in November as temperatures across Western Canada began dropping. Looking ahead, the onset of LNG Canada Phase 1 in the first half of 2025 will not only provide needed egress but is also expected to provide Canadian producers the ability to diversify end-market buyers and reach premium-paying markets for natural gas. As such, we forecast AECO prices to range between US$1.50/MMBtu - US$2.30/MMBtu for 2025.

Henry Hub

Henry Hub traded between US$1.22/MMBtu - US$13.20/MMBtu, closing 2024 at $3.40/MMBtu. The average price fell $0.34 Y/Y, primarily a result of milder temperatures across the U.S., which kept inventories 10% - 20% above 2023 levels. In January, Henry Hub surged 29% as a cold snap froze wells and pipelines in North Dakota, disrupting supply. However, mild temperatures and strong production elevated storage levels 22% above the five-year average in February, driving natural gas prices lower. Additionally, a 9.3% M/M decline in LNG exports in February due to Freeport LNG maintenance applied further downward pressure on gas prices. In May, rising temperatures spurred expectations of strong demand for air conditioning, briefly lifting prices by 58%, but weaker-than-expected consumption led to a 17.1% decline by month's end. In September, Hurricane Francine shut in 52% of the U.S. Gulf Coast offshore output, causing a temporary supply disruption and inventory build, while later that month Hurricane Helene further disrupted natural gas production and infrastructure, adding additional price volatility. At the same time, U.S. LNG exports remained robust at 348Bcf for the month, while reduced wind power generation further supported natural gas demand. Looking ahead, expanded LNG export capacity from Plaquemines LNG and Corpus Christi Stage 3 is expected to help fill Europe's supply gap following the expiration of the Russia-Ukraine Gas Transit deal. However, forecasts of a warmer-than-average winter in the southern and eastern U.S. could limit heating demand in early 2025. Balancing these factors, we project Henry Hub prices to range between US$2.80/MMBtu - US$3.60/MMBtu for 2025.



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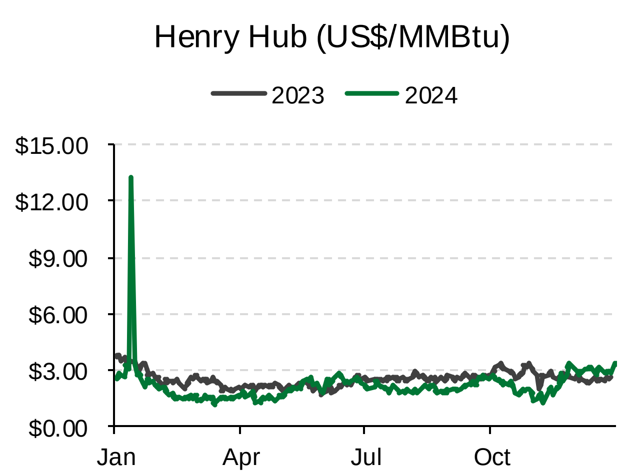


Source: Bloomberg

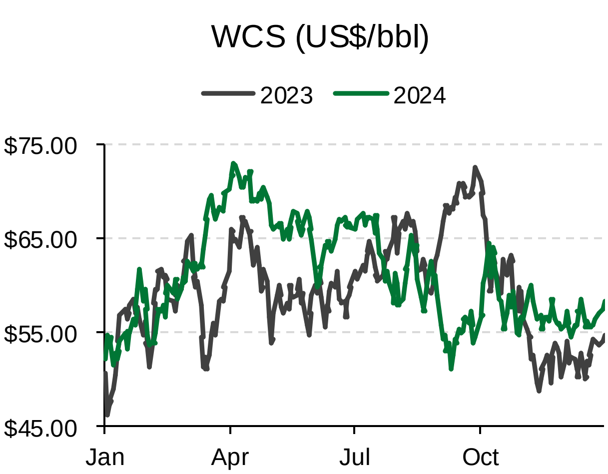
CRUDE MARKET COMMENTARY

WCS

WCS traded between US$51.20/bbl - US$72.99/bbl in 2024, closing the year at US$58.23/bbl. The WCS-WTI differential ranged between US$11.71/bbl - US$20.24/bbl, ending the year at US$13.49/bbl. The US$1.73 Y/Y increase in the average price of WCS can be attributed to the completion and startup of the Trans Mountain Pipeline expansion (TMX) in May, boosting egress capacity and contributing to an increase in Chinese and U.S. demand for Canadian oil exports. Early in the year, the TMX, adding 590Mbbl/d of capacity, improved Canadian oil producers' access to global markets. At the same time, U.S. imports of Canadian crude surged due to a 30-year low in Mexican oil imports. In the spring, Canadian oil prices were further strengthened by increased demand for bitumen during the paving season and the ramp-up of BP’s 440Mbbl/d Whiting refinery, which narrowed the WCS-WTI differential to a low of US$11.71/bbl. By late June, the differential widened to US$15.58/bbl due to planned turnarounds at Marathon Petroleum’s Detroit refinery and concerns over limited tanker capacity at the Port of Vancouver, which restricted the number of shipments that could be accepted from the TMX. In October, waterborne Canadian oil exports to the U.S. West Coast reached a record 100Mbbl/d, further supporting Canadian oil demand. Following Donald Trump’s election, WCS faced a volatile Q4 as long-term Canada-U.S. trade and interdependency appeared questionable. With the looming threat of U.S. tariffs, and the expectation of a well-supplied global oil market, we anticipate WCS prices to range between US$55/bbl - US$65/bbl in 2025, with the heavy oil differential ranging from US$13/bbl - US$17/bbl.

WTI

WTI traded between US$65.75/bbl - US$86.91/bbl in 2024, ending 2024 at US$71.72/bbl. The average price of WTI was down US$1.03 Y/Y as a result of lower geopolitical risk premiums in the Middle East and weak Chinese demand. In February, oil prices increased 3.55% after a retaliatory strike by the U.S. on Iranian-linked targets in Syria, Iran, and Yemen raised fears of potential supply disruptions on Iranian oil export capacity. By March, oil prices climbed to a yearly high when the Russia-Ukraine conflict intensified as Ukrainian strikes reduced Russia’s refining capacity by 14%. In May, oil prices fell 1.4% due to high U.S. interest rates slowing economic growth, Chinese imports dropping 8.7% Y/Y, and optimism over a potential Israel-Hamas ceasefire. On June 3, oil prices fell by another 4.7% as OPEC+ announced plans to gradually unwind voluntary production cuts in Q4, adding 2.2MMbbl/d of global oil supply over the following year and a half. In August, geopolitical tensions propped oil prices up 2.8% after the assassination of a Hamas leader in Iran; however, weak Asian refining margins, plunging 68% M/M to the lowest since 2020, limited demand for oil and subsequent upside for oil prices. In September, Hurricane Francine supported oil prices as the harsh weather disrupted 42% of the U.S. Gulf Coast oil production. OPEC+'s decision to begin its unwinding of production cuts in Q1 2025, combined with an expected rise in non-OPEC+ supply from the U.S., Brazil, and Canada, will be weighed against the expected recovery of Chinese demand—supported by Beijing's economic stimulus measures—in the next year. As such we expect WTI prices to range between US$70/bbl - US$80/bbl in 2025.



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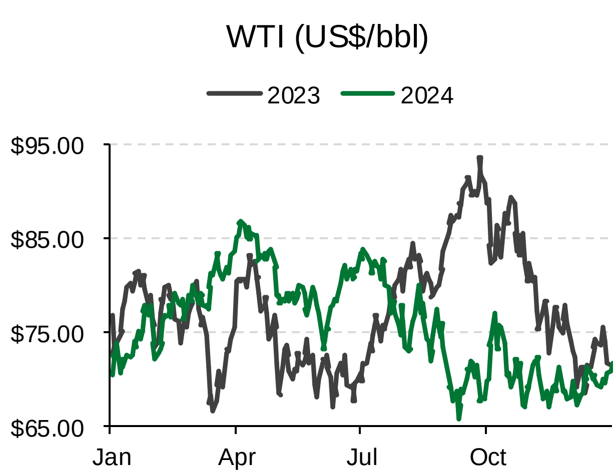


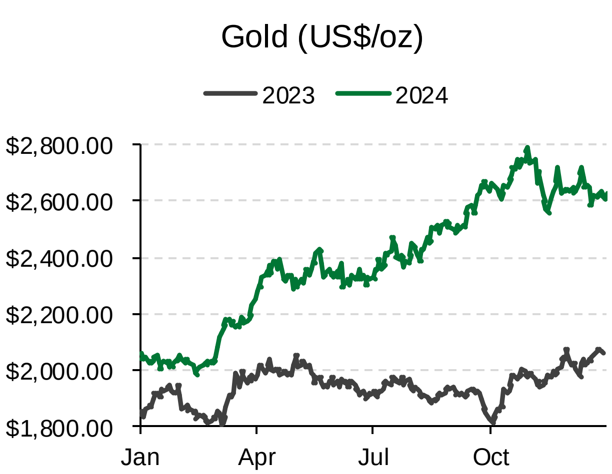
Source: Bloomberg

Precious Metals

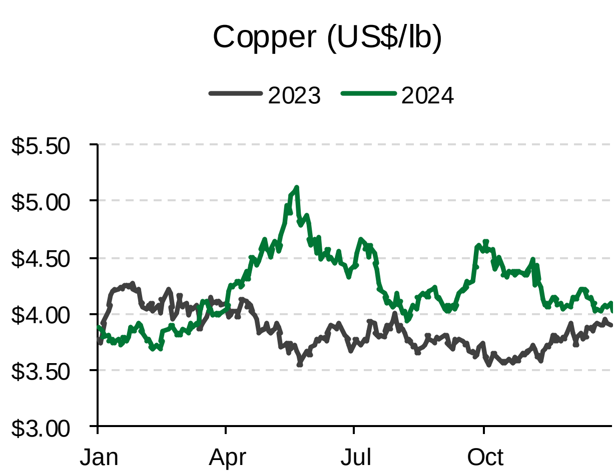
In 2024, the precious metals market saw a year of strong performance, particularly for gold and silver, which experienced record-breaking gains. Gold prices surged in 2024, reaching multiple all-time highs, with the metal peaking just under US$2,800/oz. The rally was driven by sustained central bank demand, heightened geopolitical risks, and expectations of monetary easing by major central banks. A weaker U.S. dollar and rising concerns over inflation added further support, while global economic uncertainty reinforced gold's role as a safe-haven asset. Looking ahead to 2025, gold is expected to remain well-supported. De-dollarization trends and geopolitical fragmentation continue to fuel central bank accumulation, with countries like China and India diversifying reserves away from the U.S. currency. Silver followed a similar path, benefiting from its monetary and industrial characteristics. Prices climbed to a 12-year high in October 2024, driven by robust demand from the renewable energy sector, particularly in solar photovoltaic technology. While silver's safe-haven appeal remained secondary to gold, its role in the energy transition provided steady support. Much of this demand depends on China's economy, as the country remains the largest consumer of silver for industrial applications, particularly in solar panel production, electronics, and automotive manufacturing. A slowdown in China's economic growth could weigh on silver prices, while renewed stimulus measures or increased infrastructure spending could provide a boost.

Base Metals

During the year, the global metals market experienced mixed performances amid economic uncertainties, with the London Metal Exchange Index rising by 4.7% Y/Y, primarily driven by gains in copper and aluminum prices. Copper had a rollercoaster year, surging to record highs above US$5.12/lbs in May, propelled by robust demand from energy transition initiatives and the booming artificial intelligence sector. However, this momentum waned as concerns over China's economic slowdown and escalating geopolitical tensions weighed on investor sentiment, leading copper to close the year below US$3.95/lbs. Aluminum demand remained resilient, supported by energy projects and disruptions in bauxite supply from countries like Papua New Guinea and Brazil, despite challenges in the traditional industrial sectors. Nickel faced significant headwinds, with prices plummeting to four-year lows by year-end, primarily due to an oversupply driven by Indonesia's substantial production increases. In response, Indonesia announced plans to reduce its nickel ore mining quota to help stabilize prices. Zinc emerged as one of the best-performing base metals, with prices increasing 12% Y/Y in 2024, driven by concentrate shortages that led to production curtailments at Chinese refiners. Conversely, the steel market faced challenges that stemmed from a slowdown in China's economy, particularly within the property sector, which dampened demand and exerted downward pressure on prices. Much of the trajectory for base metals in 2025 will hinge on China's economic recovery, as its industrial output, infrastructure investments, and government stimulus measures will play a critical role in shaping demand across the sector.



Source: Bloomberg



Source: Bloomberg

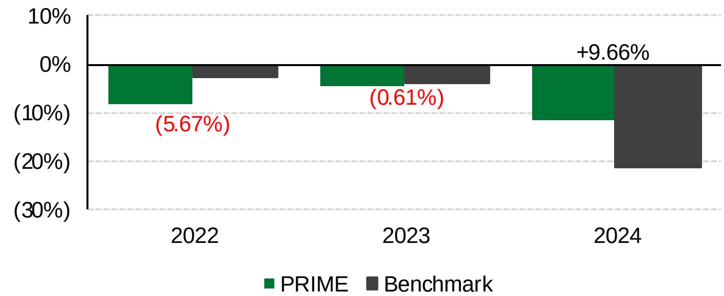
Communication Services

Portfolio Weighting: 2.86%

Annual Return: -11.44%

Manager(s): Luke Bunn, Connor Watrych

Analyst(s): Eashan Bulsara, Timothy Jiang



The Communication Services sector accounted for 2.86% of the PRIME portfolio in 2024, 0.28% underweight relative to the S&P/TSX Composite weighting of 3.14%. In 2024, the sector returned -11.44%, outperforming the benchmark by 9.66%. This decline was driven by an increasingly restrictive regulatory environment imposed by the CRTC and falling immigration expectations, which posed a significant risk to the industry's growth prospects. Moving forward, we continue to assess our positioning within Communication Services. The recent downturn in telecom equities has created attractive valuations; however, we remain cautious as we evaluate the potential limits to growth within the sector.

TELUS Corporation (TSX: T) returned -11.44% in 2024. TELUS led peers as the industry navigated regulatory changes, including the CRTC’s mandate to expand network-sharing agreements, building on a previous ruling that mandated access only in Ontario and Quebec. This was attributable to the company's far more diversified service offerings, as both TELUS Health and TELUS Agriculture saw a rebound in performance in the latter half of the year. During the year, TELUS invested heavily in capital projects, spending $2.6Bn on advancing its PureFibre network and 5G rollout. These initiatives not only enhance customer experience but also position TELUS to capture market share in underserved regions. Additionally, TELUS demonstrated further operational resilience by maintaining an industry-leading average revenue per unit of $58.85, reflecting its ability to deliver value to customers and sustain pricing power. Moving into 2025, TELUS is poised to capitalize on the increasing demand for digital connectivity across Canada, and we maintain conviction in TELUS’ diversified offerings and ability to perform amid a declining interest rate environment.

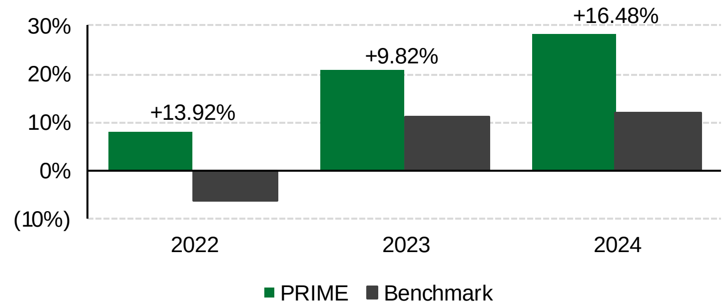
Consumer Discretionary

Portfolio Weighting: 4.08%

Annual Return: 28.37%

Manager(s): Nathan Engel

Analyst(s): Zara Namazie



The Consumer Discretionary sector returned 28.37% over 2024, outperforming the benchmark by 16.48%. The sector accounted for 4.08% of the PRIME portfolio over the year, 0.59% overweight relative to the S&P/TSX Composite Index. Despite concerns surrounding real disposable income and discretionary spending, our holdings remained resilient due to strong product offerings creating less cyclical demand, mainly seen in Aritzia and Dollarama. Given the weak macroeconomic conditions in Canada and considerable uncertainty surrounding the global macroeconomic outlook, we will continue to monitor consumer spending closely and are considering a reduction in the discretionary position.

Dollarama (TSX: DOL) was the top performer in the Consumer Discretionary sector for 2024, returning 47.34%. The company continued to see similar trends to those in 2023, with consumers trading down and prioritizing consumable products. Throughout the year, Dollarama noted increased traffic and decreased basket size, attributed to a shift in consumer behaviour as consumers attempted to manage their budgets. Additionally, Dollarama's core consumables and everyday essential products consistently saw higher than historical demand. While the company's discretionary products remained relatively stable, Dollarama began to note softer demand for its seasonal products later in the year. Shifting attention to its network expansion, Dollarama focused on the Latin American market for growth with its Dollarcity brand. The company continued to display its confidence in the brand, increasing its equity stake by 10.0% to 60.1%, opening 56 new locations, and announcing its planned entrance into Mexico for 2026. We remain confident in Dollarama going forward, as it is well-positioned in the discretionary sector to mitigate risks of decreased consumer confidence.

Aritzia (TSX: ATZ) saw exceptional growth during the year, returning 47.26%. Throughout the year, Aritzia pursued an aggressive expansion strategy into the U.S. market, which has so far proven to be successful. Initially planning 11 – 13 new openings for FY2025, Aritzia has since increased that target to 15 boutiques, following impressive results in Q1 and Q2. During 2024, U.S. consumers outpaced Canadian consumers regarding discretionary spending, which was reflected in Aritzia's results. While the Canadian economy has dampened the success of the company's U.S. expansion, the U.S. market remained a key driver of overall growth and exceptional performance. In Q1, U.S. revenues grew 13.0% Y/Y, while Canadian revenues saw a 1.5% Y/Y increase. A similar trend continued in Q2, with U.S. revenues rising 23.9% Y/Y, compared to a 5.8% Y/Y increase in Canada. As a result of the company's remarkable performance, investors remained optimistic about the expansion, as Aritzia consistently reported that new locations attracted a high number of first-time customers, and payback periods came in faster than expected. We remain confident in Aritzia; however, we will continue closely monitoring Canadian consumer behaviour moving forward.

Restaurant Brands International (TSX: QSR) returned -6.52% during the year. The company recognized that Burger King U.S. and Canada were weak points for RBI and focused on revitalization efforts. This included acquiring its largest franchisee in the U.S., Carrols Restaurant Group, with plans to remodel ~600 locations. Despite these efforts, comparable sales and net restaurants under the segment continued to decline. While results were softer than management had hoped, the segment is in a much healthier position than when the revitalization plan was initially announced in 2022. Tim Hortons and international segments drove growth for the company throughout the year, and while Burger King has struggled in North America, it is RBI's most significant driver in its international segment. Considering the more substantial growth in the international segment, the company has looked to expand its global footprint, launching each brand in new markets throughout the year. Despite international growth, Burger King U.S. and Canada remain a point of concern considering the underwhelming recovery. As a result, we are continuing to closely monitor its performance and the risks this poses to our position.

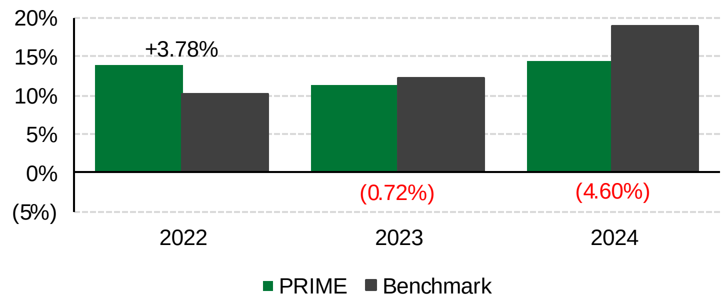
Consumer Staples

Portfolio Weighting: 4.95%

Annual Return: 14.39%

Manager(s): Nathan Engel

Analyst(s): Zara Namazie



The Consumer Staples sector returned 14.39% over 2024, underperforming the benchmark by 4.60%. The sector accounted for 4.95% of the PRIME portfolio over the year, 0.79% overweight relative to the S&P/TSX Composite Index. As consumer behaviour continues to shift, with an increasing focus on essential goods and a tendency to trade down, we are evaluating the potential addition of a new Consumer Staples name to the portfolio as we look ahead to 2025.

Loblaw (TSX: L) was the sector's top performer for the year, returning 49.20%. Benefiting from the shift in consumer behaviour toward value and staple products, Loblaw, as Canada's largest grocer, capitalized on its expanding hard discount division. Loblaw launched small-format discount locations, allowing the company to enter smaller communities and neighbourhoods previously underserved by larger stores and providing these areas with more affordable essential goods. In addition, the company introduced a new hard discount store banner, No Name, offering its lowest-priced products to date. With prices approximately 20% lower than comparable products at the four main discount grocers in the area, No Name is positioned well, aligning with recent shifts in consumer behaviour. Moreover, the company is aggressively increasing the number of stores under its existing hard discount banners. The performance of this segment reflects the macroeconomic environment, with hard discount banners' same-store sales outperforming conventional stores. Considering Loblaw's strong positioning and given the current macroeconomic environment, we remain confident in our position.

Jamieson Wellness (TSX: JWEL) returned 18.71% during the year. The company faced headwinds early in 2024 due to a 34-day strike at its largest manufacturing facility in February, involving over 300 employees. During this disruption, Jamieson prioritized its Branded segment, which negatively impacted the Strategic Partners segment throughout the year. However, despite these disruptions, Jamieson's expansion efforts into the Chinese markets outperformed, with 106.6% Y/Y revenue growth under the Branded segment in its FY2024 Q2 and 81.7% Y/Y in Q3. In addition to China, the company experienced strong growth in the U.S. market. Regarding product innovation, Jamieson has been testing and preparing to launch GLP-1 products, with plans for a broader rollout in the upcoming quarters. If successful, this launch will allow the company to capitalize on the growing demand for weight loss products. The company's successful expansion in China, growth in the U.S. market, and the upcoming product launch reaffirm our conviction in Jamieson.

Alimentation Couche-Tard (TSX: ATD) returned 3.11% in 2024. The company noted a shift in spending habits, particularly among low-income consumers, which negatively impacted merchandise sales and fuel volumes throughout the year. On the acquisition front, Couche-Tard submitted a proposal to acquire Seven & I Holdings, which was swiftly rejected, and there appears to be no prospects for revival. Despite this, the company entered into an agreement to acquire ~270 food-first convenience stores in the U.S. from supermarket retailer Giant Eagle Inc. Additionally, Couche-Tard has stated that it is actively seeking further acquisition opportunities. Shifting towards management, Couche-Tard appointed Alex Miller as President and CEO, succeeding Brian Hannasch. Mr. Miller previously served as the COO and has 25 years of management experience in the retail fuel and convenience store industry, including

~13 years at Couche-Tard. Despite pressure from the macroeconomic environment, Couche-Tard remains resilient, and we continue to hold conviction in the company.

Premium Brands Holdings (TSX: PBH) returned -12.63% during the year. Throughout 2024, PBH made significant investments in capital expansions, shifting its focus to building new, modern, and efficient food-safe capacity to serve the U.S. and Canadian markets, rather than acquiring older, legacy facilities. With the majority of the capacity expansion pipeline completed in 2024, PBH is well-positioned going into 2025. The company's earnings were down primarily due to higher depreciation, lease costs, and interest expenses associated with these major capacity expansions. However, with the new capacity now coming online, PBH expects substantial improvements in earnings. Given its significant presence in the U.S., PBH is vulnerable to the potential impact of proposed tariffs stemming from the change in the U.S. administration. However, the company is well-hedged against this risk, as a large proportion of its products are produced within the country. We maintain our conviction in PBH, as its capacity expansion is expected to drive growth, and the company is more effectively hedged against tariff risks compared to its Canadian peers.

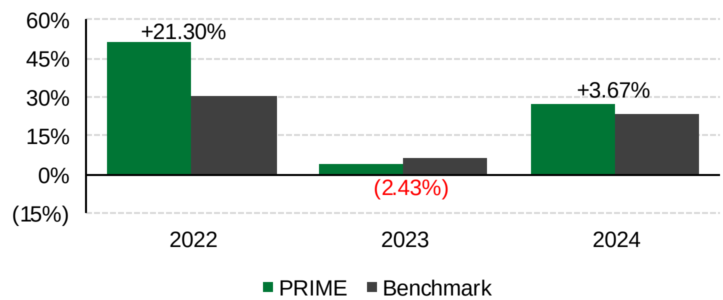
Energy

Portfolio Weighting: 17.80%

Annual Return: 27.50%

Manager(s): Daniel Hubercheck

Analyst(s): Sobaan Ajwad, Leo Huang



The Energy sector returned 27.50% in 2024, outperforming the S&P/TSX Composite by 3.67%. The sector accounted for 17.80% of the portfolio throughout 2024 and was overweight by 0.20% relative to the benchmark. In 2024, the sector was slightly overweight due to the strong performances by ARC Resources and Keyera. This outperformance stemmed from increased demand for condensate, used to blend with heavy Canadian oil for transportation through the TMX, and the growing need for NGL pipeline infrastructure to support rising Western Canadian production.

TC Energy (TSX: TRP) returned 51.36% in 2024. The company's sector-leading performance was driven by the South Bow spin-off and strong utilization of its natural gas pipelines. On February 14, TC Energy's share price increased by 6% after the company released its FY2023 results, experiencing 11% Y/Y EBITDA growth driven by record volumes in its North American natural gas pipelines. TC Energy's Q1 2024 results, released on May 3, increased its share price by a further 3.3% due to a 4% Y/Y earnings increase from higher Canadian natural gas pipeline volumes driven by growing Western Canadian gas production. On April 10, TC Energy announced the spin-off of its liquids pipelines business into South Bow, triggering a 28% share price run until October 1, as investors reacted positively to clarity on the removal of unreliable assets, reduced debt, and a lower dividend, which would position the company for growth. After October 1, share prices returned to pre-spin-off levels within two weeks as investors favoured the company's focus on core gas assets and a stronger balance sheet. On November 19, TC Energy announced four new growth projects totalling $2Bn, including two Columbia Gulf System extensions for gas-fired power plants and an LNG peaking facility, with in-service dates targeted between 2029 - 2031. Despite these new growth opportunities, investor sentiment remained cautious due to concerns surrounding the company's ability to hit its 4.75x debt-to-EBITDA goal by the end of the year. We remain confident in TC Energy, expecting stronger utilization in its natural gas pipelines as LNG facility capacity doubles in the U.S. and Canada by 2028. Additionally, data centre growth in Alberta and the northeast U.S., along with Mexico's pursuit of meeting domestic natural gas demand, should support TC Energy's pipeline utilization in these regions.

SECTOR COMMENTARY

Keyera (TSX: KEY) returned 44.68% in 2024, driven by consistently improving margins and utilization across its Liquids Infrastructure and Gathering and Processing segments. On February 14, Keyera's share price jumped 2.6% following the release of its FY2023 report, which showcased a 25.26% Y/Y increase in EBITDA and an average Y/Y improvement of 21.3% in operating margins across all segments, driven by higher utilization of its KAPS and KFS facilities. On May 14, Keyera's share price rose 2.1% after Q1 2024 results revealed a 15% Y/Y increase in its Liquids Infrastructure margins, a reduction in net debt-to-adjusted-EBITDA to 2.2x, as well as a 34% - 39% increase in the Marketing segment's realized margin guidance to $430MM - $470MM. Keyera's Q2 2024 results, reported on August 8, displayed a 6.51% Y/Y increase in Gathering and Processing throughput and an 11.76% Y/Y increase in Liquids Infrastructure margins, driven by rising demand from the TMX. These results contributed to a 4% dividend increase and a 3.41% boost in share price. On November 14, Keyera's share price appreciated 1.44% after reporting Q3 2024 earnings with net earnings of $185MM, up 137% Y/Y, a result of cost-cutting and increased profit margins across all segments. Additionally, the company outlined a plan to increase fractionation capacity by 60% while also increasing shareholder returns through an inaugural NCIB in 2025. We remain confident in Keyera's diversified revenue and low leverage while continuing to watch for a final investment decision on the KAPS 4 Expansion, a key growth opportunity to strengthen its position in the Liquids Infrastructure market.

ARC Resources (TSX: ARX) returned 36.41% in 2024, driven by the completion of Attachie Phase I and strong cash flow from marketing diversification, despite persistently low natural gas prices. In early January, ARC's share price rose 11.4% after the TMX's near completion was announced, as the project was expected to boost demand for the company's condensate to dilute heavy oil for transportation. On February 9, the release of ARC's FY2023 report drove a 9% increase in share price as natural gas production increased 5% Y/Y and 2P reserves received a record addition of 310 MMboe. On April 4, an agreement with Cedar LNG secured premium international pricing for ~200 MMcf/d over 20 years upon the completion of the LNG facility, lifting the company's share price by 2.6%. ARC's share price declined 6.55% in early August following ~250 MMcf/d of production curtailments in response to low natural gas prices. Momentum returned on November 6 with the release of the company's Q3 2024 report, which announced that Attachie Phase 1, an extraction and production facility in the Montney that is estimated to increase total production by ~11%, had been successfully commissioned, driving a 9.75% increase in share price. In addition, ARC also approved a $1.6Bn - $1.7Bn 2025 capital budget targeting 10% production growth Y/Y with 10% lower capital expenditures Y/Y, alongside a 12% dividend increase. We maintain our conviction in ARC due to its low debt levels and leading condensate production, which has positioned the company to benefit from increased egress and subsequently rising heavy oil production across Western Canada.

Suncor (TSX: SU) returned 26.14% in 2024. Robust crude prices, a narrowing WTI-WCS differential, and increased production and refinery utilization drove strong share price appreciation early in the year. By May, the company's core upgrader and refinery units were achieving utilization rates above 100%, driving a 23.12% increase in share price from January to May. In June, the company announced an 8.34% reduction in operating, selling, and general expenses compared to H1 2023, reinforcing investor confidence in Rich Kruger's cost control strategy, which lowered oil sands and Syncrude operating costs by 53% and 46% Y/Y, respectively. In early July, wildfires led to a 3.20% drop in the company's share price as the Firebag oil sands project, responsible for producing over 215 MMbbl/d, was momentarily forced offline. However, the company also deployed the first of 91 planned Autonomous Haulage trucks at its Base Mine in July, driving expectations of improved safety and lifting share prices by 2.06%. Suncor shares appreciated a further 6.92% in October as the company reduced its net debt by ~$1.1Bn to hit its $8Bn net debt target, which triggered the release of 100% of excess funds to shareholders. We are currently reassessing our position in Suncor as the company faces impending challenges with its Base Mine, its largest EBITDA-contributing asset, which is expected to reach peak production in 2028.

Canadian Natural Resources (TSX: CNQ) returned 7.09% in 2024. Canadian Natural Resources' (CNRL) shares surged 20.28% early in the year on rising crude prices, an 8.8% Q4 2023 earnings beat, and record oil production. The company also announced that it achieved its $10Bn net debt target ahead of schedule, triggering a 5% dividend increase. In May, the company experienced a 1.74% share price increase following Q1 2024 results that exceeded revenue expectations by 8%, as well as the early achievement of full production at the Jackfish SAGD pads. However, in June, CNRL's share price declined 4.70% after U.S. refiners raised concerns over high vapour pressure in crude oil shipped via the TMX. In Q3 2024, CNRL returned 6.72%, weighed down by weak global oil demand and oversupply concerns but supported by a 4.7% EPS beat. Horizon Mine's NRUTT expansion remains on track for Q3 2027, while Jackfish hit a production record of 128 Mbbl/d following new SAGD pad additions in July. In December, CNRL announced a $6.5Bn acquisition of Chevron's Canadian assets, increasing its working interest in AOSP to 90% and gaining a 70% working interest in the Duvernay, altogether adding an expected 122,500 boe/d to production in 2025. The acquisition strengthens CNRL's position in oil sands mining while expanding its light crude and liquids-rich portfolio in the Duvernay, which has the potential to grow from 60 Mboe/d to 70 Mboe/d by 2027. We maintain our confidence in CNRL's ability to sustain long-term, diversified production growth while delivering significant shareholder returns through a portfolio-leading dividend.

Tourmaline (TSX: TOU) returned 3.30% since being added to the Fund in April 2024, as low natural gas prices were marginally offset by production growth and a well-timed strategic acquisition. On May 1, Tourmaline announced mixed Q1 2024 results; while production grew 13% Y/Y and the quarterly dividend increased 7%, earnings missed expectations due to lower natural gas prices, leading to a 0.76% decline in the company's share price. A sharp drop in AECO prices in early July pushed the company's share price down a further 3.06%, as investors worried about short-term revenue impacts and potential production curtailments. Tourmaline's Q2 2024 earnings on July 30 resulted in a 6.44% decrease in share price as 13% Y/Y production growth to 562 Mboe/d was outweighed by a 26% earnings miss as a result of depressed natural gas prices. Momentum returned on August 12 when Tourmaline announced the $1.3Bn acquisition of Crew Energy, boosting the company's share price by 4.2%. The deal added a deep inventory of economic drilling locations, 29 Mboe/d of production in the liquids-rich Montney, and $600MM in expected synergies. Moreover, on November 6, share prices rose 1.53% after Tourmaline reported its Q3 2024 results, with production increasing 11% Y/Y and the issuance of another $0.50 special dividend. Strong well performance in the Deep Basin supported further production growth, with raw gas production up 20% and condensate up 40% compared to 2020 - 2023. We maintain confidence in Tourmaline as its large inventory of low-break-even reserves, as well as diversified marketing strategy, support free cash flow generation even amid record-low gas prices. In addition, the company's focus on low-cost, liquids-rich Montney production positions Tourmaline to benefit from growing natural gas demand from Canadian West Coast LNG developments.

Cenovus (TSX: CVE) returned 2.10% in 2024. Rising crude prices, record refining throughput, and a 19% crude oil production growth plan to be executed over 2025 to 2027 drove an 8% increase in share price by February 28. Cenovus returned -0.20% in Q2 2024 after reaching its $4Bn net debt target, triggering a 100% return of free funds flow to shareholders, though lower crude prices and a 5% Q/Q decline in downstream throughput applied downward pressure on share price performance. Despite these challenges, the company advanced on schedule in its West White Rose and Narrows Lake developments, which are expected to add 75 Mbbl/d of production by 2027. However, positive share price performance in the quarter remained difficult, driven by weaker crude prices amid sluggish global demand, China's economic slowdown, and excess OPEC+ production. In Q3 2024, Cenovus' share price fell 15.19%, reflecting weaker oil prices, underwhelming financial results, and extensive maintenance activities. Net earnings fell 18% Q/Q as lower benchmark prices and planned refinery turnarounds pressured margins, while upstream production declined 29,500boe/d Q/Q due to planned maintenance. Meanwhile, downstream operations were impacted by a major turnaround at the Lima Refinery, which contributed to a $323MM downstream operating margin shortfall, widening from $153MM in Q2. Moving forward, we maintain conviction in Cenovus' integrated structure, disciplined debt management, and focus on increasing production, which will position the company to capitalize on higher Canadian crude pricing from expanded market access through the TMX.

Precision Drilling (TSX: PD) was the worst performer in the Energy sector, returning -9.68% since being added to the Fund in April 2024. On July 30, share price rose 5.56% after Q1 earnings beat EPS estimates by 11.9%. The report showcased its Canadian operations, as revenue per utilization day jumped by 10.2% Y/Y to $35,596, bolstered by increased drilling to support LNG infrastructure demand on Canada's West Coast. However, U.S. operations faced headwinds, as displayed by a 6% Y/Y decline in revenue per utilization day to

$46,348, due to lower fleet day rates and a 7.14% Y/Y increase in operating costs. In Q3 2024, Precision returned -13.42% as weak U.S. oil and gas prices led to a 9.6% Y/Y decline in the U.S. rig count. Despite these challenges, the company experienced a 6.8% share price increase in late July after posting Q2 earnings with a 2.7% EPS beat, once again due to an outperformance in Canadian drilling. Precision realized an 18% Y/Y increase in Canadian rig activity and a 61% Y/Y gain in its international rig count, while its revenue from Completion and Production Services surged 43% Y/Y, reflecting the successful integration of CWC Energy Services' assets. We remain confident in Precision, given its dominant position in a high-barrier-to-entry industry, low net debt, and exposure to rising rig servicing demand in Western Canada—driven by projects like the TMX and LNG Canada—as well as increased U.S. drilling activity to support growing LNG export capacity.

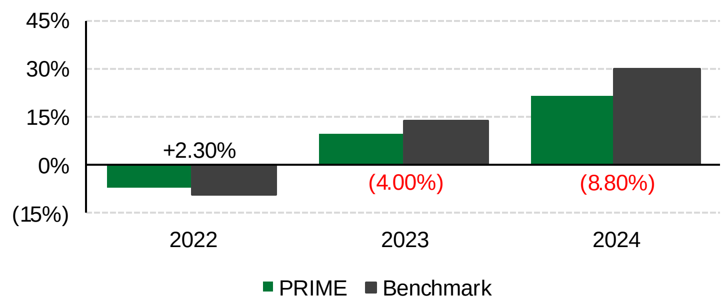
Financials

Portfolio Weighting: 29.25%

Annual Return: 21.29%

Manager(s): Kate Jones, Blake Rennie

Analyst(s): Justin Brown, Brock Richards



In 2024, the Financials sector accounted for 29.25% of the PRIME portfolio, 2.07% underweight relative to the S&P/TSX Composite Financials weighting of 31.32%. Over the year, the sector returned 21.29%, underperforming the benchmark by 8.80%. To begin the year, the Fund took an underweight position in the Financials sector, anticipating a weaker macroeconomic backdrop due to uncertainties surrounding consumer health. Despite being underweight, the Fund took an overweight position in the Insurance sub-sector, looking to capitalize on elevated interest rates and the associated hard market conditions.

Definity Financial Corporation (TSX: DFY) was the top-performing holding in the Financials sector, returning 57.76%. Definity's strong performance was driven by its ability to grow and achieve exceptional results across its business lines, particularly in its high-margin Commercial business, which played a key role in delivering robust results. Despite interest rate cuts, investment income remained strong throughout the year, highlighting Definity's ability to generate strong returns in its higher-yielding securities. Additionally, although catastrophe losses weighed heavy on Canadian insurers, Definity's consistent underwriting efficiencies drove premium growth and sustained its outperformance. Heading into the new year, Definity has made it clear that it will be active in the M&A market, given its financial flexibility and proven track record. This development pipeline could provide Definity with the opportunity to gain market share in a competitive P&C insurance market. Definity's capacity for organic growth, combined with its strong financial position that allows it to pursue inorganic growth opportunities, favourably positions the company to expand on its already profitable digital platform. Overall, this solid foundation continues to strengthen the Fund's conviction in Definity, providing a compelling growth holding within the Insurance sub-sector.

Canaccord Genuity (TSX: CF) was the second-best performer in the Financials sector, returning 38.31%. The company's year was highlighted by a rebound in its Capital Markets segment and continued growth in its Wealth Management division. Capital Markets revenue grew 40% since the beginning of the year as the company saw turnarounds across all core operations. Management highlighted that this momentum will continue into 2025 due to a robust M&A pipeline. Additionally, the company had a clear emphasis on growing its Wealth Management division, making several acquisitions throughout the year, growing assets under administration and assets under management by 9.99% and 16.57%, respectively. These acquisitions included Intelligent Capital, Cantab Asset Management Ltd., and Brooks Macdonald Asset Management International Ltd. through its U.K. division, and BPS Wealth Management and Sutherland Investment Group in Canada. Canaccord has been active in the U.K., aiming to grow its market share and expand its operations globally. Further, the company saw changes in management, with CFO Don MacFayden informing the company that he would be stepping down and transitioning into a new role. Succeeding him is former RBC CFO Nadine Ahn, who brings over 20 years of experience in treasury and capital markets roles to complement her three years of experience as CFO. Ahn played a vital role in RBC's acquisition of HSBC Bank, proving herself as a very strong hire for Canaccord. The company's increased focus on its Wealth Management division reinforces its ability to deliver stable results, providing a counterbalance to the more volatile Capital Markets segment as we monitor whether its momentum can continue into 2025 amid tailwinds in both U.S. and Canadian markets.

Royal Bank of Canada (TSX: RY) was the top performer amongst bank holdings, returning 34.39% during the year. In 2024, RBC's performance was driven by strong results across all of its major business segments and the successful acquisition and integration of HSBC Canada. This acquisition has proven to be incredibly beneficial as the company has already generated $453MM in net income and realized around 55% of expected cost synergies since the transaction was completed in March. Another highlight for RBC this year was continued success in its Capital Markets and Wealth Management divisions. RBC Capital Markets saw earnings increase more than 10% over 2024, with increased M&A activity and higher debt origination across all of its geographic segments. The bank is well-positioned to carry this momentum into 2025, given its exposure to the U.S. capital markets, which are expected to see major tailwinds from new President-elect Donald Trump's push for deregulation and economic success. During the year, Wealth Management saw a 27% increase in earnings after a lacklustre performance in 2023. This success was driven by strong growth in client assets under favourable market conditions in both Canada and the U.S. Like many of its Big Six counterparts, RBC had to weather continued credit deterioration, as its provision for credit losses (PCL) on loans ratio increased six bps Y/Y. RBC's dominant position in Canada's competitive banking sector and leading exposure to U.S. capital markets reinforces our confidence in its long-term success.

Intact Financial Corporation (TSX: IFC) returned 31.00% in 2024, making it the second-best-performing insurer in the portfolio. Intact consistently beat earnings estimates throughout the year, benefitting from persistent hard market conditions and superior underwriting. Despite the robust performance, severe weather events nationwide drove Intact's Canadian Personal Property combined ratio up to 147.5% to end the year, with 72 bps attributable to catastrophe losses. Further, the insurer recorded $1.2Bn in natural catastrophe losses company-wide. CEO Charles Brindamour has since guided that nearly 60% of all claims involved in the four major weather events of the summer have been closed. Aside from the unusual losses recorded in the third quarter, Intact demonstrated its resilience and ability to continue to drive premium growth across all lines of business. Towards the end of the year, Intact doubled down on its inorganic growth strategy by acquiring Jiffy Inc., Canada's leading home maintenance app, and a financial stake in GroupeAuto Sculpte, an auto body repair chain based in Montreal. The two investments align strongly with Intact's vertical integration strategy, which aims to gain more control over the insurance value chain. In summary, we remain confident in Intact, given the insurer's ability to leverage its superior underwriting capabilities and accretive inorganic growth strategy, supporting continued market share expansion.

Sun Life Financial (TSX: SLF) was the worst-performing insurance holding, despite returning 29.71%. During the year, Sun Life continued to show profitable operations, largely driven by strong performance in its Individual - Protection and Wealth & Asset Management segments. The insurer continues to make strong strides in Asia, given growth in its middle and high net worth classes. Underlying net income in this region was up 15% during 2024, reflecting strong sales momentum throughout the emerging market. Wealth & Asset Management benefited from strong equity markets and decreasing interest rates in the back half of 2024. The company has provided guidance that it will continue to grow this business segment, given its ability to create strong returns with low capital intensity. U.S. Medicaid redeterminations weighed heavily on Sun Life's U.S. Dental sales, bringing down Group - Health & Protection earnings over the year. As these redeterminations come to an end, we will see Sun Life benefit from lower expenses, leading to a strong rebound in its U.S. Dental business. With rates coming down in 2024, more capital will be available in the market, potentially acting as a strong catalyst for organic growth in Sun Life's North American operations while the company continues to experience growth momentum in Asia.

Onex Corporation (TSX: ONEX) returned 21.85% in 2024, with much of this gain attributable to Q4. In the days following the 2024 presidential election, Onex shares soared nearly 17% on renewed sentiment surrounding the private equity market in the U.S. Onex doubled down on this sentiment a couple of days later by announcing a substantial issuer bid to repurchase up to $400MM of its Subordinate Voting shares. Throughout the first three quarters of the year, however, private equity fundraising efforts were hindered by a challenging macroeconomic backdrop. As of Q1 of FY2024, ONCAP V, Onex's middle market private equity fund, had only secured US$800MM out of the US$1.5Bn in commitments it had anticipated reaching by the end of 2023. By Q3, these commitments had increased to about US$1Bn, which includes US$250MM from Onex itself. The difficult fundraising environment weighed not only on private equity but on Onex's credit platform as well. In June, Onex announced its separation from Onex Falcon, its partnership with a private credit firm purchased in 2020, as management guided that the acquisition did not fit well with the fundraising surrounding its existing credit platform. Overall, with the potential for lower interest rates and renewed sentiment surrounding the private equity environment, Onex's discounted valuation has become an attractive opportunity with significant upside potential.

Equitable Bank (TSX: EQB) continued to strengthen its position in the Canadian banking segment, returning 15.75% over the year. PCL weighed heavily on EQB's performance in 2024, with its total PCL ratio reaching 0.23%, up 13 bps from the end of FY2023. Increased provisions were largely attributed to Equipment Financing and, more specifically, to an Equipment Financing purchase facility connected to the Pride Group. Management has identified this loan and will be taking the necessary steps in 2025 to de-risk and diversify its lending portfolio. Despite increasing PCL, EQB continued to grow its loans under management, which were up 9% Y/Y. Much of this growth can be attributed to EQB's unique capabilities in lending to insured multi-unit residential properties and uninsured single-family rentals. EQB is well-positioned to see continued growth momentum in its loan portfolio, given signs of a stronger housing market and increasing personal & commercial loan demand under easing monetary policy in 2025. Additionally, EQB has done an outstanding job of gaining customers in a competitive Canadian banking sector. Over FY2024, the bank grew its customer base by 28%, bringing the total number to over 500,000. EQB's strong performance over the year, despite significant PCL, underscores its resilience and solidifies its position as a distinct middle-market growth asset in our portfolio, which is especially unique within the Canadian banking sector.

Bank of Montreal (TSX: BMO) was the second-worst performer in the Financials sector, despite returning 11.81% this year. The bank missed earnings estimates over four consecutive quarters in 2024 as PCL consistently came in above forecasts. Much of this provisioning was tied to its U.S. exposure driven by specific wholesale accounts, commercial real estate loans, and transportation lending. Most recently, BMO's management identified that the source of these troubled loans is tied back to the COVID-19 pandemic. Much of BMO's positive return came from the back half of the year as management made it clear they believed PCL had peaked, to which the market responded favourably. Aside from the outsized provisioning, BMO saw strong underlying fundamentals, posting net income up 65% Y/Y, driven by revenue growth of 12% Y/Y and lower non-interest expenses. Further, the bank delivered a record $13.4Bn in pre-provision, pre-tax earnings in 2024. Lastly, BMO remains well-capitalized among the Big Six, with a common equity tier-one ratio of 13.6%, providing the continued ability to return capital to shareholders. Overall, as BMO's earnings become less impacted by outsized provisioning, its robust core profitability and stable nature provide conviction that the bank will continue to drive value for shareholders.

Toronto-Dominion Bank (TSX: TD) was the worst performer in the Financials sector, returning -5.97%. The year was heavily dominated by the impact of its anti-money laundering (AML) practices, which resulted in historic fines amounting to US$3.09Bn. Additionally, U.S. regulators have imposed an asset cap on two of its U.S. banking subsidiaries in a major blow to TD's strategic expansion into the U.S. The results of the penalties have ignited a strategic review of the bank's future direction and a reshuffling of leadership. Long-time CEO Bharat Masrani announced he would retire in early 2025 and will be replaced by current COO Raymond Chun. Chun has been with the bank since 1992, serving many key roles, including Group Head of Canadian Personal Banking. Despite the AML fallout, TD demonstrated underlying success during the year, growing revenues by 12.89% Y/Y. This was primarily attributable to higher non-interest income in Wealth Management and Wholesale Banking, while Canadian Personal and Commercial Banking saw strong growth in net interest income. Moving forward, suspended guidance and uncertainties surrounding the bank's strategic direction outside of the U.S. will be heavily monitored, as the Fund is actively evaluating its position in the bank due to its limited growth prospects.

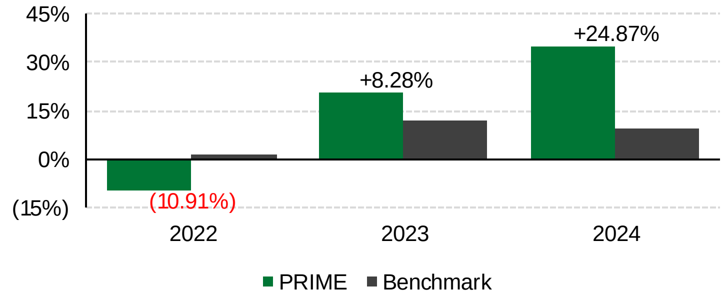
Industrials

Portfolio Weighting: 13.32%

Annual Return: 34.58%

Manager(s): Simon Cudmore

Analyst(s): Jiaming Yu



The Industrials sector accounted for 13.32% of the PRIME portfolio and was underweight by 0.28% relative to the benchmark in 2024. This year, the sector returned 34.58%, outperforming the benchmark by 24.87%. In 2024, the portfolio's allocation for the Industrials sector shifted to an equal weight, driven by a positive outlook in the Engineering and Construction industry and potential diversification benefits from U.S. exposure. Entering 2025, the Industrials sector aims to address potential challenges posed by macroeconomic and geopolitical uncertainties by rebalancing individual holdings and maintaining an equal weighting for the sector.

MDA Space (TSX: MDA) was the top-performing holding in the Industrials sector in 2024, with shares surging 156.34%. The company's remarkable share price performance can be attributed to its achievement of various operational and financial milestones, including key contract wins and the announcement of new strategic initiatives. In Q2 2024, further work on Telesat Lightspeed enabled MDA to reach positive FCF and accelerate its scheduled debt reduction. Key contracts awarded to the company in 2024 included a $74MM contract for the provision of MQ-9B Aircraft systems to the Canadian Armed Forces, a $250MM contract extension to continue supporting robotic operations on the International Space Station, and, most importantly, a $1Bn contract from the Canadian Space Agency for phases C and D of the Canadarm3 program. The company also announced a 185,000-square-foot expansion of its satellite production facility in Quebec, making it the largest in its class and capable of delivering two AURORA digital satellites daily. We remain confident in MDA's position as Canada's premier space contractor, given its ability to secure key contracts in a rapidly evolving industry.

Element Fleet Management (TSX: EFN) achieved a 37.36% increase in share price in 2024. All three of the company's segments—Services, Financing, and Syndication—continued revenue growth momentum. This expansion was attributed to the company's improved penetration and utilization rates, increased originations, and record syndication volume of US$1Bn. The company executed "capital-lighter" initiatives while expanding globally, announcing a new leasing hub in Dublin, commencing operations at its Asia head office in Singapore, and expanding its presence in Mexico. The company also streamlined its capital structure by redeeming all outstanding preferred shares. In 2024, the company strategically acquired the Israel-based Autofleet for US$112MM, adding approximately 70 data and computer scientists to its workforce. This acquisition provided highly scalable fleet optimization solutions driven by digital and automated technologies, unlocking synergies for the company's existing client base. The company appointed Ian Oneca and Heath Valkenburg to COO and CFO, respectively, following the planned retirement of former CFO Frank Rupertro and the transition of former COO Jim Halliday to Vice Chair. We are confident that Element Fleet Management will maintain its dominant market position while expanding into new regions, providing the portfolio with an interest rate-agnostic holding amid evolving market conditions.

WSP Global (TSX: WSP) rose by 37.07% in 2024 as the company maintained its dominance in the engineering consulting industry. The company captured organic growth through significant contract awards, including the Great Grid Upgrade in the U.K., enhancements to metro systems in Stockholm and San Francisco, and improvements to the York region's water facilities, pushing backlog to a record $14.84Bn. The company also advanced its Global Strategic Action Plan by acquiring Communica, Proxion Plan and Pro, AKF Group, 1A Ingenieros, and most notably, Power Engineers. These acquisitions have strengthened the company's position while granting enhanced exposure to regions and end markets, particularly within WSP's U.S. Power & Energy and Property & Buildings segments. This exposure is anticipated to generate substantial tailwinds due to the influx of AI-related developments like data centres and grid upgrades. Mark Naysmith was appointed Global COO in 2024, marking the first time since 2020 that the position has been held. This change allowed WSP to optimize its platform as it added approximately 30,000 personnel. We continue to believe that WSP will be able to capitalize on significant infrastructure catalysts in both the U.S. and globally while maintaining its dominant market position.

North American Construction Group (TSX: NOA) achieved a modest return of 3.81% in 2024. North American Construction Group faced challenges in the first half of 2024, as severe weather conditions, particularly wildfires, significantly impacted operations in Canada, resulting in a utilization rate of only 42% in Q2 2024. However, improved stability and favourable operating conditions enabled its Canadian segment to recover by Q3 2024. The company and its affiliate, Mikisew Limited Partnership, have secured new contracts valued at approximately $625MM to provide services in the Canadian oil sands region. Following the acquisition of MacKellar Group in Q4 2023, the company's Australian segment has continued to excel, achieving a utilization rate of 84% and winning contracts worth approximately $475MM. North American Construction Group remains focused on enhancing operational efficiency, having transferred 25 haul trucks from Canada to Australia to boost utilization rates. We remain confident that North American Construction Group will maintain its dominant market position and operational efficiency while diversifying its growth platform.

Canadian National Railway (TSX: CNR) experienced a 10.51% decline in its share price in 2024. CN faced significant operational challenges during the year, as labour strikes, Canadian wildfires, and operational disruptions stunted volume growth. As a result of the labour disputes, many of the international shippers served by the company redirected their shipments from its Prince Rupert hub to the U.S. West Coast, leading to a significant reduction in volumes. Despite these setbacks, CN grew 2024 volumes by 1% Y/Y and expects its company-specific initiatives to drive 10% - 15% Y/Y EPS growth in 2025. Additionally, port strikes in British Columbia and Montreal, each lasting over a week, further strained shipping volumes. However, CN successfully ratified a new collective agreement with Unifor, representing ~3,300 mechanical, clerical, and intermodal personnel, spanning four years and including a 3% wage increase yearly. We maintain conviction in CN's network resiliency, scale, and attractive end-market exposure; however, we will be evaluating the impact of potential tariffs and its exposure to geopolitical volatility moving forward.

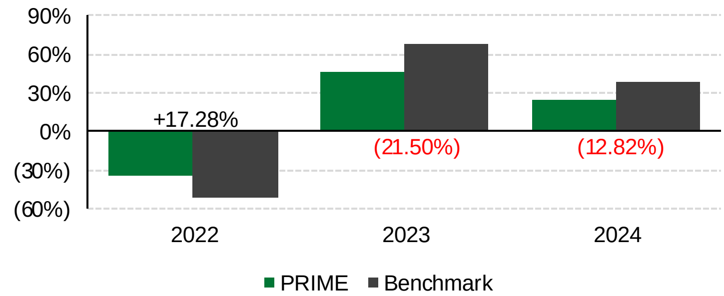
Information Technology

Portfolio Weighting: 6.11%

Annual Return: 25.14%

Manager(s): Luke Bunn, Connor Watrych

Analyst(s): Eashan Bulsara, Timothy Jiang



The Information Technology sector comprised 6.11% of the PRIME portfolio in 2024, 2.56% underweight relative to the S&P/TSX Composite Information Technology sector. Our holdings returned 25.14% in 2024, underperforming the benchmark by -12.82%. AI was the key trend driving valuations in 2024, as expectations for new technologies and increased revenues led to rapid growth within the sector. Despite this, we continue to believe that IT sector valuations remain elevated due to speculation rather than performance. As we transition into 2025, we plan to remain underweight while cautiously gauging valuation points for potential opportunities.

Shopify (TSX: SHOP) delivered a remarkable 48.30% return in 2024, making it the top-performing IT holding within the PRIME portfolio. The company played a leading role in the broader tech rally, driven by a shifting consumer landscape that enabled Shopify to exceed analyst expectations with strong financial results throughout the year. The key driver behind this impressive performance is the first price increase for Shopify Plus plans in 12 years, with prices rising approximately 33% across all plans. Additional growth drivers included an increase in new merchants in Europe, expanded enterprise adoption of the Shopify platform, strong performance from Shopify Payments and Shopify Capital, and the launch of a new suite of free AI tools. This momentum is expected to continue into 2025, as Shopify merchants set a record-high $11.5Bn in sales during the Black Friday weekend, marking a 24% increase over last year's record-breaking sales. The company has raised its earnings guidance multiple times as it continues to attract more merchants, expand internationally, succeed in offline sales, and drive expansion in gross merchandise volume. With these strong improvements, along with a resilient U.S. consumer and an easing macroeconomic environment, we remain confident in our position within Shopify.

Kinaxis (TSX: KXS) returned 16.43%, marking a turbulent year influenced by operational challenges and shifting investor sentiment. The company faced a challenging year in 2024, with investor sentiment fluctuating as the company navigated shifting enterprise demand for supply chain solutions. Despite this, Kinaxis achieved consistent growth in SaaS revenue, which was supported by customer wins and an expanding partnership base. The introduction of Maestro, an evolution of its RapidResponse platform, was a significant highlight. Maestro was well received by customers and helped grow the committed SaaS backlog by 30% Y/Y. Despite this innovation, larger enterprise sales were impacted, reflecting scrutiny in client decision-making amidst a tougher economic climate. Later in the year, the company experienced significant setbacks with major executive departures, including the announced retirement of CEO John Sicard and the departure of CSO Claire Rychlewski, which weakened investor confidence. Its share price fell sharply following these announcements but later rebounded, driven by speculation surrounding a potential sale of the company. Activist investor Daventry Group pushed for a strategic review and a potential sale of the company, while major shareholder Jarislowsky Ltd. signalled shareholders should be patient while waiting for performance to improve under incoming management. Moving forward, we will continue to evaluate our thesis in the company as we look to see the potential implications new management could have on the supply chain management leader.

OpenText (TSX: OTEX) returned -24.59% over the past year, making it the worst performer among our IT holdings. In 2024, we reduced our position in OpenText, anticipating potential risks that could negatively impact the company's short-term performance. These risks included inflated valuations driven by an aggressive M&A strategy and AI-induced expectations of new revenues, significant leverage from the debt the company incurred in its 2023 acquisition of MicroFocus, and the company's focus on growth through acquisitions, which we expected to slow as OpenText shifted its priorities from growth to debt reduction. Over the course of the year, our thesis played out as the company's growth remained stagnant, resulting in multiple guidance cuts from management. Despite these challenges, OpenText advanced its cost-cutting measures, including laying off 1,200 employees to save $200MM annually. It also used part of the $2Bn in proceeds from the divestiture of its AMC segment to pay down debt, strengthening its balance sheet. Additionally, the company raised its annualized dividend yield by 5%, signalling a focus on increasing returns for investors. As we move into 2025, OpenText, with its predictable, stable cash flows, continues to provide our IT holdings with a reliable hedge in an increasingly volatile and unpredictable tech market.

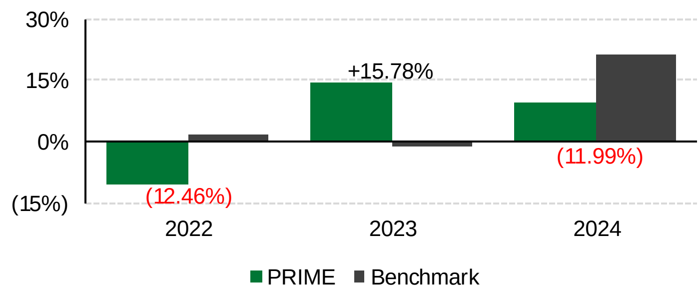
Materials

Portfolio Weighting: 11.94%

Annual Return: 9.45%

Manager(s): Andrew Chau, Mahek Nijjar

Analyst(s): Sean Hwang, Marco Paonessa



Over 2024, the Materials sector returned 9.45%, underperforming the benchmark by 11.99%. Over the period, the sector comprised 11.94% of the Fund, marking a 0.21% overweight position relative to the S&P/TSX Composite Index. Moving into 2025, we expect to increase the portfolio's exposure to precious metals with looming economic uncertainty and trim the sector's position in base metals as concerns over China's economic recovery persist and slower-than-expected clean energy adoption remains a risk.

CCL Industries (TSX: CCL.B) was the best-performing holding in the sector, returning 26.04% over the year. In 2024, the company capitalized on the increasing global demand for sustainable and innovative packaging solutions, which aligns with the broader shift toward environmental responsibility. Rising consumer interest in eco-friendly products, coupled with regulatory pressures for environmental responsibility, has been a significant tailwind, particularly for CCL's engineered films and sustainable labels. The adoption of RFID technology has emerged as a critical driver, with retailers and manufacturers seeking advanced inventory management and security solutions amid complex supply chain challenges. This demand, further fueled by economic diversification efforts in regions like the Middle East and growing e-commerce penetration globally, supported robust growth in CCL's Checkpoint segment. Additionally, macroeconomic factors such as urbanization and the expansion of middle-class spending in Asia and Latin America provided fertile ground for growth in specialty labels and packaging. The company's strategic acquisitions, including Pacman-CCL, have enhanced its market position in high-growth regions like the UAE and Saudi Arabia, benefiting from increased localization and industrial development. CCL's ability to align with global shifts in consumer behaviour has positioned it to capture market opportunities in direct-to-consumer badging, digital labelling, and sustainable packaging, strengthening our confidence in CCL's future prospects.

Wheaton Precious Metals Corp. (TSX: WPM) was the second-best performing holding in the sector, returning 25.12% over the year. The company benefited from strong gold and silver prices, with revenue increasing 12.9% Y/Y and operating cash flow reaching record levels in the first half of 2024. Key operational highlights included significant production gains at flagship assets such as the Salobo and Peñasquito mines. Salobo achieved a 15% Y/Y increase in gold production following the successful expansion of Salobo III and recovery from operational disruptions. Peñasquito reported a 30% Y/Y increase in silver production, reflecting improved throughput post-strike. Wheaton also made strategic moves to expand its portfolio, including the acquisition of a gold stream from Allied Gold's Kurmuk Project, the first commercial gold mine in Ethiopia. This agreement is forecasted to contribute over 16,000 ounces of gold annually for the first decade, reinforcing Wheaton's growth trajectory. Additional streaming agreements, such as those on the Koné and Fenix projects, further diversified Wheaton's portfolio. Wheaton's strong asset base, coupled with adaptability to macroeconomic volatility, positions the company well to capture the growing demand for precious metals.

Lundin Mining Corporation (TSX: LUN) returned 16.92% over 2024. The year was highlighted by exceptional operational performance and strategic acquisitions that solidified Lundin's standing as a leading copper producer. Lundin reported record copper production in 2024 through the ramp-up of higher-grade ore at Candelaria and Chapada. During the year, Lundin made two significant acquisitions that displayed its strategic pivot toward copper dominance. The company increased its stake in the Caserones mine to 70%, further consolidating its production capacity in the Vicuña district in Chile. Additionally, Lundin's joint venture with BHP to acquire Filo Corp. integrated the Filo del Sol and Josemaria projects, laying out the path to unlock synergies in a multi-generational copper complex. With eyes on supporting investments in the Vicuña district, Lundin later divested two non-core assets, Neves-Corvo and Zinkgruvan, reinforcing its commitment to a streamlined, copper-focused portfolio. While copper prices fell to nine-month lows in the latter half of the year, Lundin's strategic investments and growth prospects in the Vicuña District position it to benefit from rising demand for copper. These key initiatives bolster our conviction in the company, showcasing a clear commitment to long-term growth while reinforcing Lundin's strong presence in global copper production.

West Fraser Timber Co. Ltd. (TSX: WFG) returned 11.52% over the year. At the start of 2024, the company benefited from resilient North American housing starts and strong demand for Oriented Strand Board and Engineered Wood Products, driven by stabilizing interest rates and a systemic housing shortage. However, these gains were offset by persistently high mortgage rates and a softer lumber market, which constrained repair and remodelling (R&R) spending and dampened demand for Southern Yellow Pine lumber. Additionally, the European market remained weak, reflecting ongoing geopolitical and economic uncertainties. West Fraser strategically responded to these headwinds by focusing on operational efficiencies, including the indefinite curtailment of high-cost mills like Lake Butler and Fraser Lake, reducing overhead and improving cost structures. Despite near-term challenges, West Fraser remains positioned to benefit from longer-term drivers such as an aging U.S. housing stock, growing demand for sustainable building materials, and easing inflationary pressures leading to lower interest rates.

Interfor Corporation (TSX: IFP) delivered a -5.19% return since the position was entered in the second quarter. The North American lumber market continued to face pressure in 2024, driven by elevated interest rates and economic uncertainties limiting growth in new housing starts and dampening R&R spending. In response, Interfor took pivotal steps to navigate the soft lumber market, including the curtailment of lumber manufacturing facilities in Georgia and South Carolina, which reduced annual capacity by 330 MMbf, and exiting its Quebec operations, further reducing annual capacity by approximately 5%. Continuing its portfolio optimization strategy, Interfor focused on increasing its concentration in the U.S. South through the monetization of its Coastal B.C. operations. Over the first three quarters of 2024, the company sold 380 MCM of allowable annual cut in the region for over $55MM, better positioning itself to mitigate potential impacts from U.S. lumber tariffs. Despite near-term headwinds, Interfor remains well-positioned to benefit from increased R&R spending driven by an aging U.S. housing stock while falling interest rates and the systemic housing shortage in North America continue to drive demand for new homes.

Ero Copper Corp. (TSX: ERO) returned -7.49% over the year. The company experienced a strong start to the first half of the year, supported by favourable market conditions and higher realized prices for copper and gold, driven by electrification and decarbonization initiatives. Copper prices spiked above $10,000 USD/MT in May, reflecting optimism around the global energy transition. However, the latter half of the year was impacted by a decline in copper prices due to concerns over the Chinese economy and geopolitical tensions, raising fears about supply chain disruptions and trade disputes. Despite these challenges, Ero achieved key milestones, including the commissioning of the Tucumã Project, which produced its first saleable copper concentrate and is expected to ramp up to full production in 2025. The Xavantina Operations also delivered record gold production, benefiting from higher grades and favourable gold prices amid global economic uncertainty. Additionally, the company expanded its exploration footprint through the definitive earn-in agreement for the Furnas Copper Project, reinforcing its strategic focus on growth in Brazil, a region with robust mining potential. Ero's ability to adapt to volatile market conditions was evident through improved operational efficiencies, particularly at the Caraíba Operations, which achieved significant reductions in C1 cash costs despite inflationary pressures. As demand for copper continues to rise with electrification and green infrastructure initiatives, Ero Copper remains well-positioned to capitalize on long-term industry trends.

Major Drilling Group International (TSX: MDI) was the worst performer in the Materials sector, returning -10.86% over 2024. Throughout the first half of the year, Major Drilling struggled with exploration budgets sitting well below historical peaks. Elevated interest rates continued to put a strain on North American operations with a lack of junior mine financing activity. Nonetheless, Australia and South America offset market weakness in North America with strong demand for specialized drilling services. Major Drilling kicked off the second half of the year with its DGI/KORE partnership to bring AI to the company's operations to deliver unparalleled value to clients through enhanced geological insights. Moreover, in November, the company acquired Explomin, one of South America's largest drilling contractors. This increased the company's total rig count by 15% and expanded Major Drilling's footprint by adding exposure to Peru, Columbia, the Dominican Republic, and Spain. Moving forward, the company will continue to face headwinds with sticky interest rates in North America, nevertheless, its robust position in South America and zero leverage provide a great opportunity for growth.

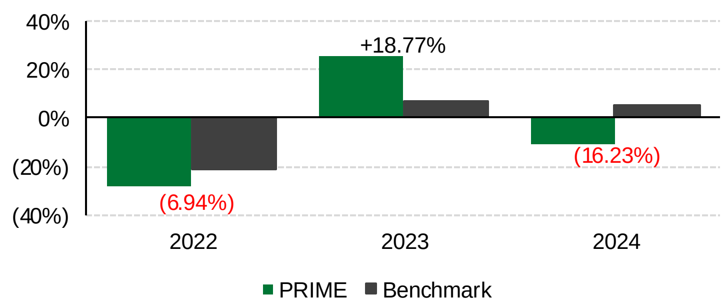
Real Estate

Portfolio Weighting: 2.03%

Annual Return: -10.73%

Manager(s): Kate Jones, Blake Rennie

Analyst(s): Justin Brown, Brock Richards



The Real Estate sector accounted for 2.03% of the PRIME portfolio in 2024, 0.14% underweight relative to the S&P/TSX Composite Real Estate weighting of 2.17%. The Real Estate sector remained underweight throughout 2024 as the prospects for rate cuts were not viewed as material enough to warrant outperformance in the sector. While some optimism emerged in the latter half of the year when the BoC began cutting rates, the timing and magnitude of monetary easing remained uncertain, placing a cap on any meaningful rebound in valuations.

The portfolio's only Real Estate holding, Dream Industrial REIT (TSX: DIR-UN), returned -10.73% in 2024, underperforming the benchmark by 16.23%. Uncertainties surrounding interest rates suppressed returns for the first half of the year until the BoC began its easing cycle in June, where Dream saw significant share price appreciation on renewed sentiment surrounding real estate. Despite the late-year push, Dream's underperformance through most of 2024 was a result of increasing availability rates across the industrial real estate sector, which reached 4.8% in Q4. This reflects a supply and demand imbalance that has pressured occupancy levels in both its Canadian and European portfolios. As of Dream's latest report, in-place and committed occupancy has deteriorated by 1.2% Y/Y in its Canadian portfolio and by 2.3% Y/Y in its European portfolio. Management has hinted that this is likely due to continued rent increases portfolio-wide which have caused troubled tenants to forego rents. As this is largely attributable to the macro environment of 2024, it is likely occupancy levels will return higher in 2025 as national industrial rents in Canada decreased by 4.6% Y/Y in Q4. This decrease in rental prices should begin to foster rent growth, which Dream has historically capitalized on in periods of lower occupancy. Additionally, the national availability rate is expected to peak in the first half of 2025, with signs of demand recovery as new supply will be limited. In summary, as industrial rent growth stabilizes and restores Dream's historically strong occupancy levels, it is likely to see renewed investor sentiment surrounding its robust portfolio in key markets poised to benefit from growing e-commerce demand.

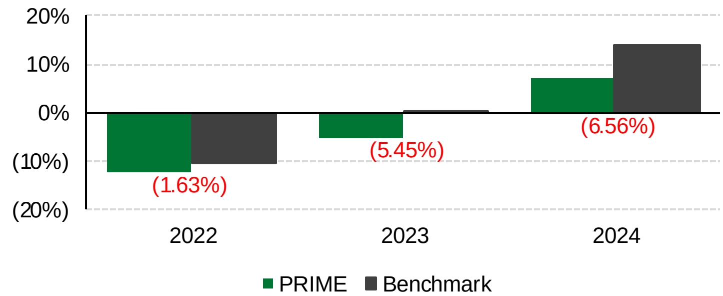
Utilities

Portfolio Weighting: 4.86%

Annual Return: 7.19%

Manager(s): Luke Bunn, Connor Watrych

Analyst(s): Eashan Bulsara, Timothy Jiang



The Utilities sector comprises 4.86% of the PRIME portfolio, 1.03% overweight relative to the S&P/TSX Composite Utilities Index. Throughout the year, our Utilities' holdings returned 7.19%, underperforming the benchmark by 6.56%. Interest rate cuts and increasing power demand led to strong appreciation in valuations across the sector; however, the election of President Donald Trump and anticipated pullback in net-zero initiatives adversely affected our renewable energy holdings in the latter half of the year. Moving forward, we remain confident in our overweight position; however, we may look to allocate capital to diversify our portfolio away from our high renewable energy exposure.

Brookfield Infrastructure Partners (TSX: BIP.UN) returned 15.26% this year, the best-performing Utility holding within the PRIME portfolio. The company's operations were supported by the acquisition of Triton in late 2023 and organic growth supported by inflation indexation, strong transportation volumes, and the continued recycling and commissioning of capital. Brookfield Infrastructure significantly benefited from easing monetary policy imposed by G7 countries, restructuring its balance sheet by issuing new debt and utilizing its superior access to capital to acquire new infrastructure assets. The company completed its acquisition of Cyxtera for $775MM this year, a significant discount from its initial IPO valuation of $3.4Bn in 2021, as the data center operator struggled amidst the previously higher rate environment. In addition, Brookfield Infrastructure completed its follow-on investment in an additional 10% equity stake in VLI and closed a $2.2Bn acquisition of an Indian telecom tower operator. As we enter 2025, we continue to hold conviction in Brookfield Infrastructure. This stems from embedded organic growth, which will be driven by record capital backlog levels of ~$8Bn, with significant projects including a $3.9Bn semiconductor facility in the U.S. and a $1.2Bn global data center platform. Brookfield has strategically positioned itself to capitalize on tailwinds from further interest rate cuts and growth driven by digitalization.

Brookfield Renewable Partners (TSX: BEP.UN) returned -0.49% this year. In 2024, we added to our position in Brookfield Renewable Partners based on its resilient cash flows from inflation-indexed long-term power purchase agreements (PPA) and a rise in electrification demand stemming from increased prominence in AI. Our new thesis played out well, as the company announced a partnership with Microsoft to provide 10.5 gigawatts of new renewable energy capacity between 2026 - 2030, marking the largest corporate PPA ever. Additionally, the company expanded its presence in the Asia Pacific region, partnering with Hanmaeum Energy and acquiring Leap Green, a renewable energy business specializing in wind power for commercial and industrial markets. Late in the year, the company solidified its position as a leader in the European offshore wind market by acquiring a 12.45% stake in four of Ørsted's offshore wind farms, which have a combined total capacity of ~3.5 gigawatts. While the company delivered strong operational highlights throughout the year, the stock faced pressure late in 2024 as sentiment around renewables weakened amid political uncertainty. As we move into 2025, Brookfield Renewable Partners is strategically positioned with a development pipeline of ~200 gigawatts, reflecting its commitment to effective capital utilization and sustainable growth. We continue to hold conviction in the company due to its ability to leverage tailwinds from anticipated interest rate cuts and continued demand for increased electrification.

After a disappointing performance in 2023, Northland Power Inc. (TSX: NPI) saw its share price continue to decline, returning -21.44% in 2024, making it the worst performer among our Utilities' holdings. Several factors contributed to this ongoing slide in valuation, including operational challenges, a decreasing focus on renewables, disappointing earnings, and overall uncertainty surrounding the company. In March, Mike Crawley stepped down as CEO, and former CEO John Brace assumed the interim role as the company began its search for a permanent leader. Under Brace's leadership, the company faced additional setbacks. Notably, Gemini, the company's largest offshore wind farm by capacity, suffered damage to one of its two export cables, which was taken out of service. Moreover, a CO_2 leak at the Hai Long Project, a key driver of the company's future growth, left 17 construction workers hospitalized. These challenges, combined with disappointing earnings and a bleak outlook for renewable energy demand, caused Northland Power to underperform, especially when compared to other IPPs, both within and outside the renewable energy sector. As we transition into 2025, Christine Healy will take on the role of CEO effective January 20. The construction of the company's three major growth projects—Hai Long, Baltic Power, and Oneida—remains on track for completion. Once finalized, these projects will serve as significant growth catalysts for the company, offering robust free cash flow generation at its current depressed valuation. Moving forward, we will continue to monitor our positioning within Northland Power as we await to see the execution of growth projects under new management.

HISTORICAL PERFORMANCE

The Fund seeks to achieve long-term capital appreciation by investing in Canadian equities and is benchmarked against the S&P/TSX Composite Index. Since September 1999, the Fund has outperformed in 14 of the last 25 years, yielding a CAGR of 9.18%. In comparison to the benchmark, the PRIME Fund has outperformed the Index by 2.40% annually since inception.

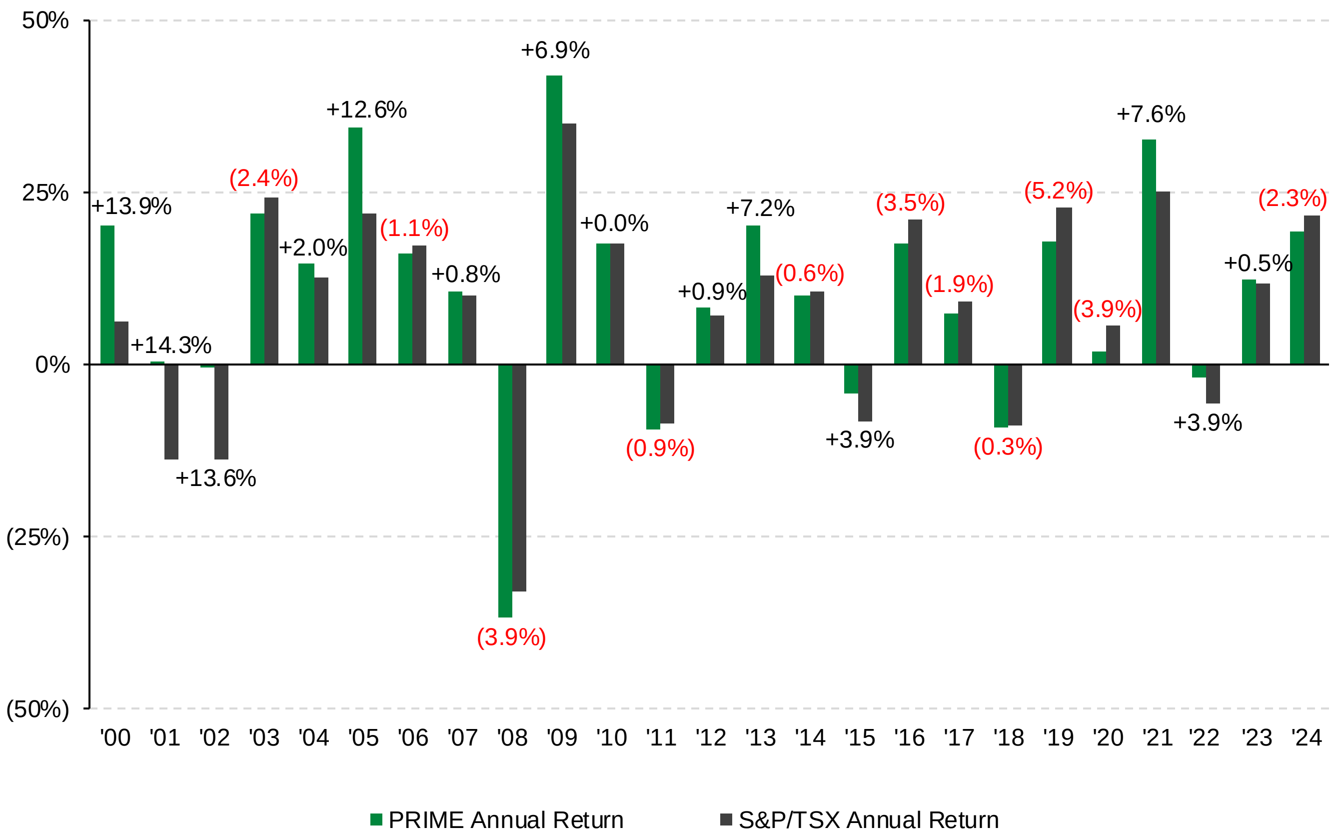


Figure 14 | PRIME Fund performance since inception

	F2014	F2015	F2016	F2017	F2018	F2019	F2020	F2021	F2022	F2023	F2024	CAGR	Std. Dev.	Average
PRIME	9.98%	(4.42%)	17.59%	7.26%	(9.27%)	17.73%	1.71%	32.67%	(1.94%)	12.22%	19.33%	8.60%	12.32%	9.35%
S&P/TSX	10.56%	(8.33%)	21.09%	9.19%	(9.00%)	22.88%	5.61%	25.10%	(5.84%)	11.74%	21.63%	8.65%	12.73%	9.51%
Relative	(0.58%)	3.91%	(3.50%)	(1.93%)	(0.27%)	(5.15%)	(3.90%)	7.57%	3.90%	0.48%	(2.30%)	(0.05%)	(0.41%)	(0.16%)

Figure 15 | PRIME Fund performance over the last 10 years

Fund Strategy and Valuation

As the Fund's composition has diverged from the benchmark, we continue to rebalance the portfolio's holdings to reflect our convictions more accurately. Presently, the Fund has served through the Dotcom bubble, Great Financial Crisis, and most recently the COVID-19 pandemic, each time testing our investment thesis. The Fund continues to look for companies with favourable valuations which adhere to the prescribed GARP mandate. Going forward, we continually look to examine all sectors in the portfolio and their relative weighting to determine which require the most adjustment in order to serve our client best.

FUND ANALYSTS

Communication Services, Information Technology and Utilities

Eashan Bulsara

Eashan is a fourth-year Bachelor of Commerce student with a major in Finance and a minor in Accounting. As one of the two analysts in the Information Technology, Communication Services, and Utilities sector, he is excited to develop his equity research skills while learning about various industries alongside his fellow PRIME members. This past winter, Eashan worked for AltaML as an Associate on their Finance Team. Post-graduation, Eashan plans to obtain his CFA designation and pursue a career in Capital Markets. In his spare time, Eashan enjoys cooking, spending time with family and friends, and kickboxing.

Timothy Jiang

Timothy is a third-year Bachelor of Commerce student majoring in Finance. As one of two analysts in the Information Technology, Communication Services, and Utilities sector, he is excited to collaborate with his fellow analysts and managers to expand his knowledge and skills in portfolio management and financial modelling. Upon graduation, Timothy plans to obtain his CFA designation and pursue a career in Capital Markets. In his free time, Timothy enjoys working out, reading, playing basketball, and spending time with friends and family.

Consumers and Health Care

Zara Namazie

Zara is a third-year Bachelor of Commerce student with a major in Finance and a minor in Computing Science. As the Consumers and Health Care sector analyst, Zara is excited to work alongside other analysts, managers, and mentors to expand her portfolio management and equity research skills. Zara plans to obtain her CFA designation and pursue a career in Capital Markets. In her spare time, Zara enjoys photography, working out, travelling, and snowboarding.

Energy

Sobaan Ajwad

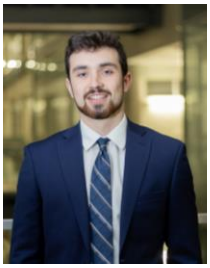
Sobaan is a fourth-year Bachelor of Commerce student majoring in Finance and minoring in Operations Management. As one of two Energy sector analysts, Sobaan is eager to collaborate with the other PRIME members and expand his finance knowledge and equity research skills. Last winter, Sobaan worked at the Alberta Investment Management Corporation on their Investment Finance team. Post-graduation, he hopes to obtain his CFA designation and pursue a career in Capital Markets. Outside of school, Sobaan enjoys playing basketball, cooking, hiking, and volleyball.

Leo Huang

Leo is a third-year Bachelor of Commerce student majoring in Finance. As one of two analysts for the Energy sector this year, he is enthusiastic about working alongside other analysts, managers, and mentors to deepen his industry knowledge and develop his portfolio management and financial modelling skills. Post-graduation, he plans to obtain his CFA designation and pursue a career in Capital Markets. In his spare time, Leo enjoys spending time with friends and family, playing basketball, watching Formula One, and playing the piano.

FUND ANALYSTS

Financials and Real Estate



Justin Brown

Justin is a third-year Bachelor of Commerce student with a major in Finance and a minor in Accounting. As one of two analysts for the Financials and Real Estate sector, Justin is excited to work alongside other analysts and managers, deepening his ability to research and interpret market trends to evaluate key investment decisions. Upon graduation, Justin plans to obtain a CFA designation and hopes to pursue a career in Capital Markets. In his free time, he enjoys farming, long-distance running, and spending time with his two dogs.

Brock Richards

Brock is a third-year Bachelor of Commerce student with a major in Finance and a minor in Computing Science. He is one of two analysts for the Financials and Real Estate sector and is excited to work alongside his fellow analysts, managers, and mentors to strengthen his industry knowledge and develop his investment analysis skills. Post-graduation, he intends to pursue a career in Capital Markets and obtain his CFA designation. Outside of school, he enjoys skiing, playing tennis, fly fishing, watching sports, and spending time with friends.

Industrials

Jiaming Yu

Jiaming is a third-year Bachelor of Commerce student with a major in Finance and a minor in Computing Science. He is the analyst for the Industrials sector and is eager to work alongside the other analysts and managers while expanding upon his industry knowledge and skills regarding portfolio management and equity research. Post-graduation, he aims to obtain his CFA designation and pursue a career in Capital Markets. In his spare time, Jiaming enjoys cooking, playing badminton, working out, driving around with friends, and travelling with family.

Materials

Sean Hwang

Sean is a third-year Bachelor of Commerce student with a major in Finance and a minor in Computing Science. As one of the two analysts for the Materials sector, he is excited to expand his industry knowledge and advance his quantitative skills alongside other analysts and managers. Over the summer, Sean worked as a summer analyst at the Ayrshire Group. After graduation, he is eager to pursue a career in Capital Markets and obtain his CFA designation. In his spare time, Sean enjoys football, watching basketball, skiing, and travelling.

Marco Paonessa

Marco is a fourth-year Bachelor of Commerce student majoring in Finance with a minor in Accounting. He is one of two analysts for the Materials sector and looks forward to collaborating with his peer analysts and managers, honing his financial analysis abilities, and making meaningful contributions to the University of Alberta Endowment Fund. Over the summer, Marco worked as an intern on Cenovus Energy's Oil Sands Finance team. Post-graduation, he plans to obtain his CFA designation and pursue a career in Capital Markets. Beyond the classroom, Marco enjoys golf, hockey, volleyball, travelling, and cherishing moments with friends and family.

FUND MANAGERS

Communication Services, Information Technology and Utilities

Luke Bunn

Luke is a fourth-year Bachelor of Commerce student with a major in Finance and a minor in Accounting. Luke is one of two managers for the Information Technology, Communication Services, and Utilities sector. He is excited to work alongside his fellow managers, analysts, and mentors to expand his industry knowledge and further develop his financial analysis skills. This past summer, Luke worked as a Summer Analyst at Hugessen Consulting, where he is excited to return full-time after graduation. Luke plans to obtain a CFA designation and pursue a career in Finance. Apart from his studies, Luke enjoys photography, films, running, and playing soccer with friends.

Connor Watrych

Connor is a fifth-year Bachelor of Commerce student with a major in Finance. As one of the two managers in the Information Technology, Communication Services, and Utilities sector, he is excited to continue developing his financial analysis skills and learning about a variety of industries while working alongside his fellow managers and analysts. This past summer, Connor worked as an Investment Banking Summer Analyst for J.P. Morgan and is excited to return there upon graduation. Outside of school, Connor enjoys playing basketball, reading, watching football, and pole vaulting.

Consumers and Health Care

Nathan Engel

Nathan is a fifth-year Bachelor of Commerce student with a major in Finance. He is the manager for the Consumers and Health Care sector and is excited to work alongside his peers and mentors to expand his portfolio management and financial modelling skills. This past summer, Nathan worked as an Investment Banking Summer Analyst at Barclays Capital in Calgary, where he will be returning full-time after graduation. In his spare time, Nathan enjoys golf, watching hockey and football, working out, traveling, and spending time with family.

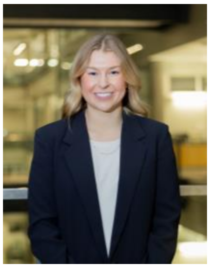
Energy

Daniel Hubercheck

Daniel is a fourth-year Bachelor of Commerce student with a major in Finance and a minor in Business Economics. He is the manager for the Energy sector this year and is looking forward to increasing his industry knowledge and portfolio management skills alongside his peers. This past summer, Daniel worked at BofA Securities as an Investment Banking Summer Analyst, where he is excited to return after graduation. In his spare time, Daniel enjoys playing soccer, swimming, golfing, and travelling.

FUND MANAGERS

Financials and Real Estate



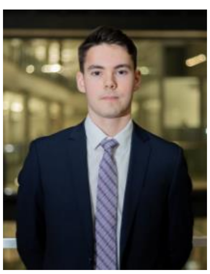
Kate Jones

Kate is a fifth-year Bachelor of Commerce student with a major in Finance and a minor in Accounting. As one of two managers for the Financials and Real Estate sector, Kate is looking forward to furthering her portfolio management skills and increasing her industry knowledge. This past summer, Kate worked as an Investment Banking Summer Analyst at Tudor, Pickering, Holt & Co., where she is excited to return post-graduation. She plans to pursue a CFA designation and a career in Capital Markets. In her spare time, Kate enjoys golfing, reading, swimming, and travelling.

Blake Rennie

Blake is a fifth-year Bachelor of Commerce student with a specialization in Finance and Accounting. As one of two Managers in the Financials and Real Estate sector, Blake is excited to expand his industry knowledge and continue to develop his portfolio management skills. This past summer, Blake worked at National Bank Financial as an Investment Banking Summer Analyst, where he is excited to return after graduation. In his spare time, Blake enjoys hockey, golf, and spending time with friends and family.

Industrials



Simon Cudmore

Simon is a fourth-year Bachelor of Commerce student with a major in Finance and a minor in Accounting. He is the manager for the Industrials sector and is excited to work alongside his peers, while building on his skills in investment analysis and portfolio management. He plans to obtain his CFA designation and pursue a lifelong career in Capital Markets. This summer, Simon worked at CIBC Capital Markets as an Investment Banking Summer Analyst, where he will return full-time after graduation. In his spare time, Simon enjoys hockey, running, squash, and spending time with friends.

Materials

Andrew Chau

Andrew is a fourth-year Bachelor of Commerce student with a major in Finance. He is one of two managers for the Materials sector and is excited to work alongside other managers and analysts to strengthen his industry knowledge and develop portfolio management skills. This past summer, Andrew worked as an Investment Banking Summer Analyst at National Bank Financial Markets, where he is excited to return post-graduation. Andrew intends to obtain his CFA designation and pursue a lifelong career in Capital Markets. In his spare time, Andrew enjoys skiing, playing squash, camping, and spending time with friends and family.

Mahek Nijjar

Mahek is a fourth-year Bachelor of Commerce student with a major in Finance. She is one of two managers for the Materials sector. As a manager, she is enthusiastic about furthering her knowledge of the Materials sector and working with her peers to hone her skills in company valuation and portfolio management. After graduation, she hopes to pursue a career in Capital Markets and obtain the CFA designation. Over the summer, she worked as an Investment Banking Summer Analyst for RBC Capital Markets where she will be returning full-time after graduation. Outside of PRIME, Mahek has an interest in travelling, yoga and meditation, and enjoys spending time with her friends and family.

PRIME ALUMNI

Alumni Network

Over the years, there have been many successful students that have completed the program and have since gone on to careers in the field of finance. PRIME has added value to these students' education. As well, most of the Alumni pursue a CFA designation upon graduation, while venturing on to professions with a variety of leading institutions as seen below.

The Alumni have been very helpful in assisting students by providing knowledge and career opportunities to current PRIME students, and our network has grown to over 200 alumni to date. As a result, PRIME's Alumni network has branched out with individuals working in Calgary, Edmonton, Houston, London, Montreal, New York, San Francisco, Toronto, Vancouver, Victoria, and Winnipeg.

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Thank you for supporting PRIME

We would like to thank all of our sponsors and the various members of the Edmonton business community who have contributed to the Fund, including the University of Alberta School of Business, Winspear Endowment, the Edmonton CFA Society, and the University of Alberta School of Business Endowment Fund.

We would like to thank the following businesses for their support of the program by allowing us to use their services: Adroit Investment Management, Computerized Portfolio Management Services Inc., and State Street Trust Company Canada. We would like to especially thank Keith Walton, the Board of Directors, all of the mentors, Dean Vikas Mehrotra, and Associate Dean Leo Wong for their continued support of PRIME and their contributions to the program since its inception in 1999. In addition, we are grateful to the alumni network who continue engaging students of the program through mentorship and industry insights. Their consistent support allows the program to continue its development and maintain a strong recognition in industry.

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For more information on PRIME or future reports, please visit:
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