

Pyrford North American Equity Portfolio (Constrained)

Shariah Compliant Investing to Grow Your Wealth

Accessible through the BMO Nesbitt Burns Architect Program, the Pyrford North American Equity (Constrained) mandate is focused on protecting portfolios from short-lived trends and sky-high valuations to deliver on continuous, stable performance while adhering to a Shariah framework (the S&P 500 Shariah North American Index). Excluding certain prohibited activities¹ and focusing on quality does not mean performance is compromised.

Pyrford's disciplined investment process includes:

- A **quality, value-driven approach** focused on capital preservation, which we believe will generate a positive real absolute rate of return over the long-term
- **Fundamental research**, which is critical in assessing long-term investment opportunities
- **Identifying industry leaders** with a sound capital structure trading at attractive valuations
- Strong portfolio construction discipline to ensure **diversified sources of return**
- A genuine long-term approach to constructing and managing portfolios with **low turnover** (approximately 15–20% over the last 12 months)

About Pyrford International

- Established 1987
- 16 investment professionals²
- \$10.97 billion AUM²
- Independent, autonomous investment boutique within Columbia Threadneedle Investments

Choosing the Right Companies

"Maximizing shareholder value is what companies do, in theory. We hunt for companies that achieve that goal in practice."

– Suhail Arain CFA,
Head of Portfolio Management North
America, Pyrford International Ltd.



A Concentrated Portfolio of 20-25 High-Conviction Securities

Relative to the MSCI North America Index, the portfolio will feature:

- HIGHER Dividend Yield
- LOWER Debt-to-Equity (D/E) Ratio
- HIGHER Return on Equity (ROE)

The portfolio is **not** index-oriented. It will always be constructed:

- at a cheaper valuation than the index.
- to a higher quality than the index.
- with companies that exhibit higher balance sheet profitability than the index.

High-Conviction Holdings

Canadian National Railway (CNR): Canada-Based Rail Transportation and Logistics Company

- **Improved returns** over the last decade, driven by moderate price increases and ongoing efficiency improvements
- **Sector-leading ROE** without resorting to higher leverage.
- **A very strong moat**, with near zero chance of another Class I railway ever being built.

S&P Global (SPGI): Provider of Financial Information and Analytics

- **Leading position** in attractive oligopolistic markets – ratings, indices, commodities
- **Protected by regulation & reputation** – contracts make it increasingly difficult for new entrants to gain the reputation to break into this field
- Leading **dividend growth and capital returns**

KLA Corporation (KLAC): Global Manufacturer of Semiconductor Process Control

- **Growth and Value opportunities** – driven by growing semiconductor demand due to technological “mega-trends” (e.g., AI) and increasing architectural and process control complexity
- **A highly differentiated, need-to-have product** – allows the company to command monopoly-like gross margins with tools unique to the marketplace
- **A balanced approach to capital allocation** – paying a progressive dividend and repurchasing shares after prioritizing R&D (research and development), capex and potential M&A (mergers and acquisitions)

Past performance is not indicative of future results.

Performance

	Q2 2024	1 year	3 years	5 years	10 years
Pyrford North American Equity Portfolio (Constrained)	-0.6%	20.2%	14.0%	13.1%	14.4%

Source: BMO Nesbitt Burns, Q2 2024 Performance Summary, as of June 30, 2024.

Contact your BMO Nesbitt Burns Investment Advisor for more information about the Pyrford North American Equity Portfolio (Constrained) available through the BMO Nesbitt Burns Architect Program.

BMO GAM Managed Account Contacts

Western Canada

**Brent Chernenkoff**

Director,
Western Region
778-330-7169

brent.chernenkoff@bmo.com

Central Canada

**Dimitri Mastoras**

Vice President,
Central Region
416-272-2720

dimitrios.mastoras@bmo.com

Eastern Canada

**Martin Lafrance**

Vice President,
Eastern Region
438-864-1842

martin.lafrance@bmo.com

National

**Rob Butler**

Managing Director,
Intermediary Distribution
403-615-6508

rob.butler@bmo.com

**Amaan Zahid**

Vice President, Managed
Accounts Distribution
647-210-1741

amaan.zahid@bmo.com

¹ The constraints are: alcohol, gambling, tobacco, pornography and financial institutions.

² As of June 30, 2024.

BMO Global Asset Management is a brand name under which BMO Asset Management Inc. and BMO Investments Inc. operate.

"BMO (M-bar roundel symbol)" is a registered trademark of Bank of Montreal, used under licence.

This document is for information purposes. The information contained herein is not, and should not be construed as, investment, tax or legal advice to any party. Investments should be evaluated relative to the individual's investment objectives and professional advice should be obtained with respect to any circumstance.

Any statement that necessarily depends on future events may be a forward-looking statement. Forward looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Although such statements are based on assumptions that are believed to be reasonable, there can be no assurance that actual results will not differ materially from expectations.

Investors are cautioned not to rely unduly on any forward-looking statements.

BMO Nesbitt Burns Inc. is a Member of the Canadian Investor Protection Fund. BMO Nesbitt Burns Inc. is a Member of the Canadian Investment Regulatory Organization.

Pyrford International Limited is a provider of global asset management services. Clients include pension schemes, local and municipal government authorities, and corporate entities, regulated and unregulated collective investment schemes (registered and private funds). Pyrford International Limited's investment philosophy is based on a quality- and value-driven, absolute return approach, identifying companies that are fairly valued or undervalued in relation to their potential long-term earnings growth. It is a wholly owned subsidiary of Columbia Threadneedle Investments UK International Limited, whose direct parent is Ameriprise Inc., a company incorporated in the United States. Prior to November 8, 2021, Pyrford International Limited was a wholly-owned, indirect subsidiary of Bank of Montreal, the parent company of BMO Investments Inc.

The information provided herein does not constitute a solicitation of an offer to buy, or an offer to sell securities nor should the information be relied upon as investment advice. All investing involves risk, including the potential loss of principal. Past performance is not a guarantee of future results.