

Pyrford North American Equity Portfolio (Unconstrained)

Quality and Value to Grow Wealth Across Cycles

Accessible through the BMO Nesbitt Burns Architect Program, the Pyrford North American Equity (Unconstrained) mandate is focused on protecting portfolios from short-lived trends and sky-high valuations to deliver on continuous, stable performance.

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)

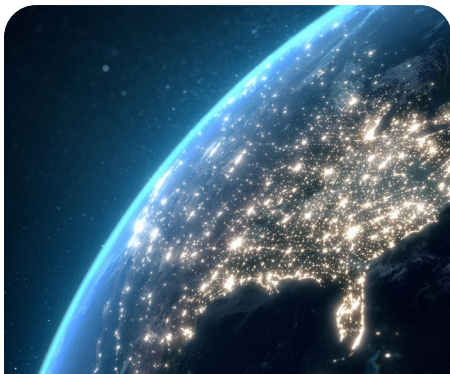
About Pyrford International

- Established 1987
- 16 investment professionals¹
- \$10.97 billion AUM¹
- 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

Toromont (TIH): Owner of Caterpillar Franchises in Eastern Canada

- **Has successfully grown** its Caterpillar footprint while maintaining a 20% ROE
- **Capital light** and so generates high free cash flow while employing little debt; it has compounded earnings per share (EPS) and dividend per share (DPS) at > 10% per year over the last decade
- **50% of revenues from product support** – meaning it is relatively insulated from the cyclical nature of some of its end markets

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 (Unconstrained)	0.9%	18.9%	11.1%	12.4%	14.2%

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 (Unconstrained) Portfolio** available through the BMO Nesbitt Burns Architect Program.

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¹ As of June 30, 2024.

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