ROTMAN STUDENT INVESTMENT FUND

# RSIF ANNUAL REPORT

# 2025

www.rotmanassetmanagement.com/rsif2023

rsif@rotmanassetmanagement.com

www.linkedin.com/company/rotman-student-investment-fund

# TABLE OF CONTENTS

01 INTRODUCTION
02 BOARD OF DIRECTORS
03 MESSAGE FROM THE DEAN
04 MESSAGE FROM THE BOARD OF DIRECTORS
05 MESSAGE FROM OUR SUPPORTERS
06 ABOUT US
07 RSIF PURPOSE & MISSION
08 ORGANIZATIONAL STRUCTURE
09 RSIF EXECUTIVE TEAM
11 RSIF ADVISORY BOARD
12 RSIF MENTORSHIP BOARD
15 RSIF SECTOR TEAMS
16 DEMOGRAPHICS
17 INTERNSHIP PLACEMENTS
18 ALUMNI NETWORK
19 COMMUNITY INVOLVEMENT
22 INVESTMENT PORTFOLIO
SECTOR OVERVIEW
24 • CONSUMER DISCRETIONARY
26 • CONSUMER STAPLES
28 • ENERGY & UTILITIES
29 • FINANCIAL
30 • HEALTHCARE
32 • INDUSTRIAL
33 • REAL ESTATE
34 • TECHNOLOGY & COMMUNICATIONS
35 ACKNOWLEDGEMENTS

# INTRODUCTION

Established in 2012, the Rotman Student Investment Fund (RSIF) is a student-managed fund that provides select graduate students with hands-on experience in investment research and portfolio management. The fund supports students in developing the skills and industry connections essential for a career in asset management. In 2023, RSIF received its first capital allocation from Mackenzie Investments. Following this, RSIF made its initial investments in 2023 and added a second round in 2025, expanding the portfolio to 16 securities across diverse sectors.

This year, RSIF significantly strengthened its support system by expanding its Advisory Board to 13 seasoned professionals. Our advisor's expert insights throughout the investment process were instrumental in enhancing the quality of research and decision-making by our analysts and Portfolio Managers. We also established a Mentorship Council comprising 11 dedicated industry mentors who generously guided our analysts in navigating their career paths within the financial services industry.

Notable highlights from the year include:

- Kick-off event with Andrea Hallett, Mackenzie Investments
- A presentation on stock selection by Arjun Tuteja, Jarislowsky Fraser
- Insights and lessons from a career in investment management with Blair Wilson and Robert Gill, Fairbank Investment Management
- Panel discussion with Callan Scott, Ontario Teachers' Pension Plan (OTPP); Jason Pearlstein and Jennifer Campbell, Healthcare of Ontario Pension Plan (HOOPP)
- Panel discussion with Cavan Yie, Manulife Investment Management; Hai Ho, Galibier Capital Management; and Rob Spafford, Cidel Asset Management
- Speaker series on Buy-side best practices featuring Jose Paul Alancherry, Juliana Faircloth, Linda Otamendi, and Vitali Mossounov, TD Asset Management (TDAM)
- Fireside chat with Paul Moroz, Mawer Investment Management
- A site visit to the Healthcare of Ontario Pension Plan (HOOPP)

These accomplishments would not have been possible without the energy and commitment of our executive team: Drishti Thakkar, Gaurav Hinduja, Linda Gu, Nishant Kumar, Sheena Khan, and Suyash Kharel. RSIF continues to thrive thanks to the dedication of our 21 passionate analysts and the unwavering support of our committed Board of Directors. A heartfelt thank you to all our supporters whose contributions have made it possible for us to maintain a successful and well-functioning student investment fund.

Sincerely,
Bezad Deboo
On behalf of the RSIF Executive Team 2024-25

# BOARD OF DIRECTORS

**HUY DAM**

MANAGER, FINANCE AND INVESTMENTS
ALTREE DEVELOPMENTS

**ERIC KIRZNER**

PROFESSOR EMERITUS, FINANCE
ROTMAN

**THAO LE**

SENIOR ANALYST - GLOBAL INFRASTRUCTURE INVESTMENTS
RBC GLOBAL ASSET MANAGEMENT

**YI SHI**

CLIENT PORTFOLIO MANAGER - THEMATIC EQUITIES
PICTET ASSET MANAGEMENT

**MIKE SIMUTIN**

PROFESSOR, FINANCE
ROTMAN

**MAUREEN STAPLETON**

ASSOCIATE PROFESSOR, FINANCE
ROTMAN

**HUSSEIN SUNDERJI**

VP AND PORTFOLIO MANAGER
MACKENZIE INVESTMENTS

**SEAN SWIFT**

DIRECTOR
MACKENZIE INVESTMENTS

# MESSAGE FROM THE DEAN

I am incredibly proud to see how the Rotman Student Investment Fund (RSIF) is progressing. This organization is so beneficial to Rotman students, and it would not be possible without the dedication and passion shown by our student leaders, faculty, alumni and advisors. We are profoundly grateful to Mackenzie Investments, our seed investor, who came on board in the fall of 2022. Their support has made it possible for RSIF to be a transformational, real-world learning experience for our students.

Rotman students who want to pursue a career in equity buy-side investing are getting unmatched real-world investing experience. They are gaining the experience of buying and selling securities with an understanding of legal reporting requirements and the actual market gains and losses. The portfolio managers and student analysts across 7 sector teams are benefiting from dedicated members of an advisory team established this year. Additionally, the events planned offer exclusive opportunities to learn from and network with industry professionals, which enhance students' learning and career preparation immensely.

RSIF helps our graduates become agile financial sector leaders with a solid understanding of good governance, risk management, ethical decision-making and purposeful leadership. This year has been particularly turbulent, with slowing economic growth, trade wars and geopolitical uncertainty. While trading in this type of volatility is challenging, our students will likely gain valuable insights that will guide them as they embark on their careers.

In addition to the remarkable hands-on experience for students, RSIF's annual distribution is being shared with designated charitable organizations, including scholarships and experiential opportunities, reinforcing the importance of giving back and reinvesting in the community.

On behalf of the Rotman School of Management, I thank the RSIF team for their enthusiasm, commitment and leadership in stewarding the fund through another successful year.

Sincerely,
Susan Christoffersen
Dean
William A. Downe BMO Chair in Finance
Professor of Finance
Rotman School of Management

# MESSAGE FROM THE BOARD OF DIRECTORS

The Board of Directors at RSIF was established to provide strategic and operational guidance to student leaders each year. The Board is tasked with ensuring oversight of the foundation's daily operations, reviewing decisions made by the operating committee, and enforcing strong governance practices. We have developed a scalable and repeatable program that will benefit both students and the investment management industry. Key achievements this year include:

- Annual Donation: Donated 3.5% of our total assets to the SickKids Foundation
- Launched a dedicated Mentorship Council of industry professionals to help students navigate careers in financial services.
- Introduced a quarterly portfolio monitoring process with regular commentary on the North American economy and fund holdings.
- Doubled the size of our Sector Advisory Council, bringing in more investment management professionals to support and guide students on their investment ideas and decision-making.

The operating and portfolio management committees played a key role in achieving these milestones through collaboration between students and industry professionals.

# MESSAGE FROM OUR SUPPORTERS

MACKENZIE Investments

Mackenzie Investments is proud to have been the flagship sponsor for RSIF, and we are delighted to see another successful year in the books. More specifically, to see the successful collaboration of students working towards a common goal, while advancing their own industry knowledge and giving back to the community. All student funds evolve over time. As the portfolio continues to be built out, we look forward to RSIF continuing to march towards a status of leading student fund in the Canadian market.

mcmillan

McMillan LLP is proud to have assisted the students of the Rotman School of Management and its alumni with various corporate governance matters related to the Rotman Student Investment Fund. The initiative provides students with a unique learning opportunity. This is an essential engagement for McMillan because, as we have seen with our own student program, real-world experience and mentorship are invaluable to the leaders of tomorrow. We also strongly value the important charitable objective of the initiative.

# ABOUT US

RSIF is a student-run investment analysis group focused on the principles of value investing, diligent research and careful quantitative modelling. Nested in the larger Rotman Asset Management Association (RAMA), RSIF enjoys the benefits of being part of a larger student organization while also enjoying the open dialogue and enriching experience of a smaller, close-knit group.

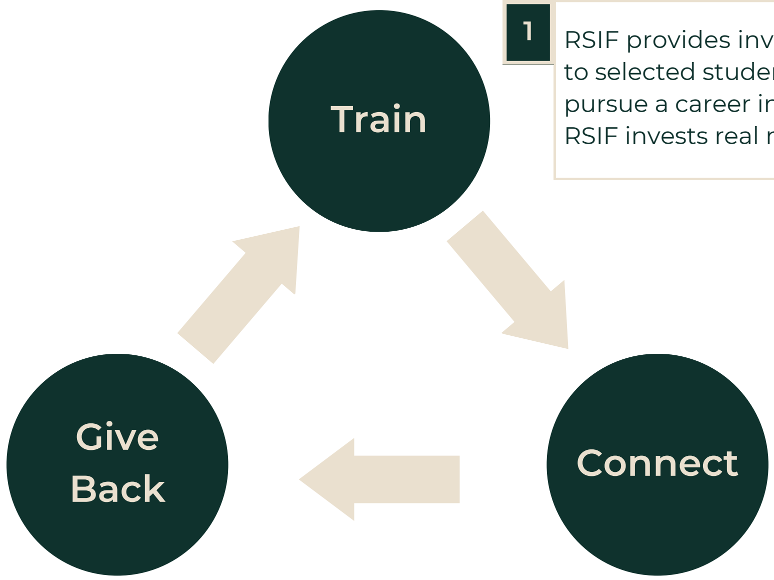
Over time, as the group's work grew in earnest and its network expanded throughout the industry, the Fund began to solidify its footing even further. In 2019, three key executives, Sean Swift, Alex Novikov and Yi Shi, advanced these objectives by securing real funding from Mackenzie Investments and began structuring the Fund like a real asset management firm.

With the support of the Rotman School of Management and University of Toronto's senior leadership, as well as key and pro bono legal support of McMillan LLP, a Toronto-based law firm, RSIF achieved legal status to operate as part of a charitable organization, as well as remaining a student-led initiative within RAMA.

Today, the Fund is run by seven student executives, who are Portfolio Managers (PM) of seven sectors, modelled along the Global Industry Classification Standard. These seven PMs are supported by three analysts in each sector, drawn from the high-quality pool of Rotman Master's students. Additionally, the Fund is supported by an esteemed group of Directors, comprised of three distinguished Rotman finance professors and five industry veterans.

# RSIF PURPOSE & MISSION

RSIF aims to provide students with practical skills to achieve their career goals. Our objective at RSIF is to provide more buy-side career opportunities for Rotman students by equipping them with the requisite technical skills and the invaluable experience of managing real money.




1 RSIF provides investing experience to selected students looking to pursue a career in equity buy-side. RSIF invests real money.

2 Exclusive coaching and networking sessions with seasoned industry professionals.

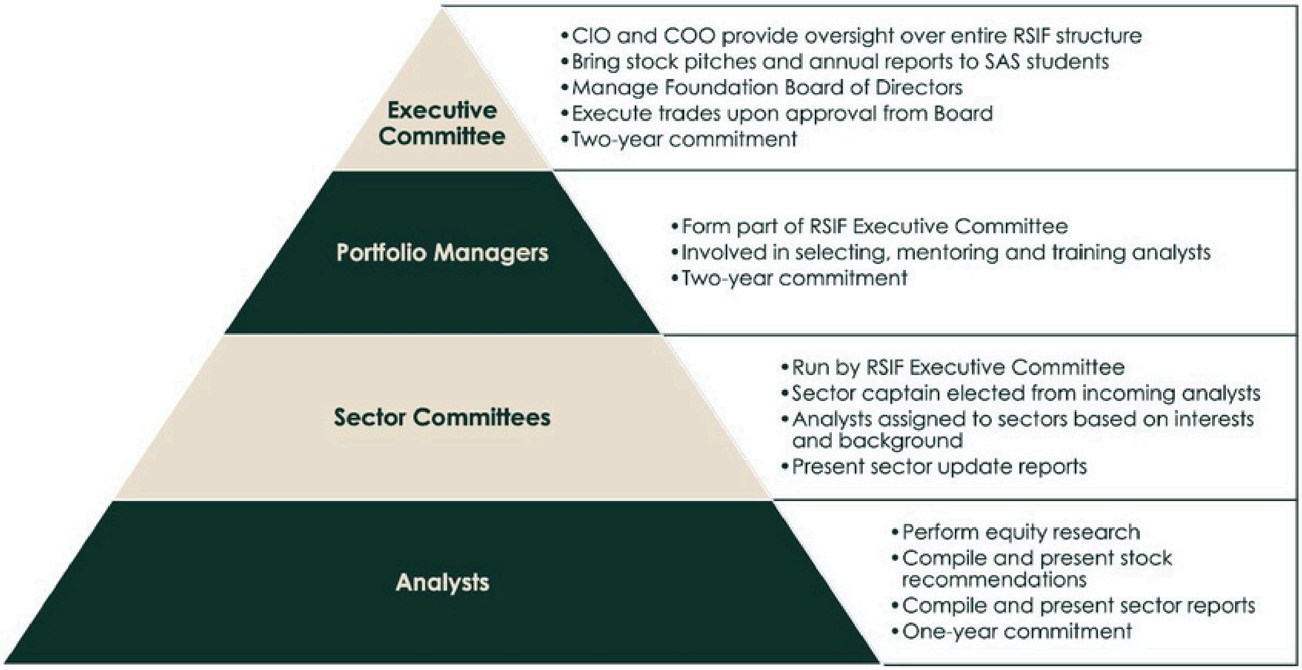
3 RSIF supports impactful community initiatives through annual donations. Currently, RSIF donates 3.5% of total assets to charity annually.

# ORGANIZATIONAL STRUCTURE

RSIF is composed of 21 analysts in their first or second year of the master's program. The analysts are grouped into three teams and assigned a sector based on their interests and expertise. There are seven sectors: (1) consumer discretionary, (2) consumer staples, (3) financials and real estate, (4) healthcare, (5) industrials and materials, (6) technology and communications, and (7) utilities and energy.

Out of the three analysts in a team, one is selected as a sector captain. The sector captain ensures the team is on track with its research and responsibilities. Each sector is mentored by one of the executive members. The analysts are responsible for undertaking thorough research on their sectors, staying up to date with market-related news, and analyzing and communicating the impact of such information on their sector and the stock they plan to pitch.

The RSIF Executive Committee is responsible for guiding and training the analysts for the flagship event— the final stock pitch, typically at the end of March. The Committee reports to the Board of Directors.



# RSIF EXECUTIVE TEAM

**BEZAD DEBOO**
CHIEF INVESTMENT OFFICER

**DRISHTI THAKKAR**
CHIEF OPERATING OFFICER

**LINDA GU**
PORTFOLIO MANAGER

**SUYASH KHAREL**
PORTFOLIO MANAGER

**SHEENA KHAN**
PORTFOLIO MANAGER

**NISHANT KUMAR**
PORTFOLIO MANAGER

**GAURAV HINDUJA**
DIRECTOR

# RSIF ADVISORY BOARD

FINANCIALS &
REAL ESTATE

ROB SPAFFORD

LEAD PORTFOLIO
MANAGER
CIDEL ASSET
MANAGEMENT

FINANCIALS&
REAL ESTATE

FERNANDO
TORREALBA

ASSOCIATE,
INSTITUTIONAL EQUITY
RESEARCH
TD SECURITIES

INDUSTRIALS &
MATERIALS

KEVIN KIM

ANALYST
GLOBAL ALPHA CAPITAL
MANAGEMENT

INDUSTRIALS &
MATERIALS

RENATO MONZON

ANALYST
AGF INVESTMENTS

CONSUMER
DISCRETIONARY

CAVAN YIE

PORTFOLIO MANAGER
MANULIFE INVESTMENT
MANAGEMENT

CONSUMER
DISCRETIONARY

GRACE LI

MANAGER,
ACTIVE EQUITIES,
PSP INVESTMENTS

TECHNOLOGY &
COMMUNICATIONS

JUSTIN CAL

INVESTMENT ANALYST -
GLOBAL TECHNOLOGY
CI GLOBAL ASSET
MANAGEMENT

TECHNOLOGY &
COMMUNICATIONS

EVELYN SUN

ASSOCIATE PORTFOLIO
MANAGER
DESJARDINS GLOBAL
ASSET MANAGEMENT

# RSIF ADVISORY BOARD

CONSUMER STAPLES

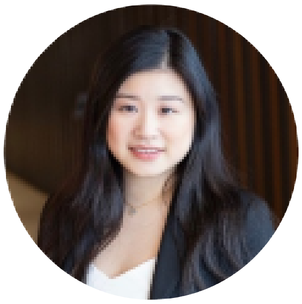
DAVID NEWMAN

PORTFOLIO MANAGER
PORTFOLIOHIWAY

CONSUMER STAPLES

ARJUN TUTEJA

INVESTMENT ANALYST
JARISLOWSKY FRASER



HEALTHCARE

CAROL WONG

HEALTHCARE EQUITY RESEARCH
NEPHRON RESEARCH

HEALTHCARE

ENDRI LENO

VICE PRESIDENT, INVESTOR RELATIONS
CHEMTRADE

ENERGY & UTILITIES

PULKIT SABHARWAL

INVESTMENT ANALYST
AGF INVESTMENTS

# RSIF MENTORSHIP BOARD

NIGEL D'SOUZA

RESEARCH ANALYST
AVIVA INVESTORS

HAI HO

INVESTOR
GALIBIER CAPITAL MANAGEMENT

PHILIP HARRINGTON

PORTFOLIO MANAGER
BMO GLOBAL ASSET MANAGEMENT

STEVEN KIM

PORTFOLIO MANAGER
QV INVESTORS

JOSE ALANCHERRY

CLIENT PORTFOLIO MANAGEMENT
TD ASSET MANAGEMENT

JAMES DAVIDSON

DIRECTOR, AMERICAS INSTITUTIONAL BUSINESS
BLACKROCK

RASIB BHANJI

INVESTMENT ANALYST
AGF INVESTMENTS

ROBERT GILL

PORTFOLIO MANAGER
FAIRBANK INVESTMENT MANAGEMENT

JASON CHIN

ASSISTANT PORTFOLIO MANAGER
ADDENDA CAPITAL

JOANNA WOLFF

PORTFOLIO MANAGER
SIONNA INVESTMENT MANAGERS

RAHUL BHAMBHANI

SENIOR ANALYST
SCHEER, ROWLETT & ASSOCIATES

# RSIF SECTOR TEAMS

## CONSUMER DISCRETIONARY

**DRISHTI THAKKAR**
PORTFOLIO MANAGER

**HARDIK KALIA**
ANALYST

**AYUSHI MEHTA**
ANALYST

**ANSH ARORA**
ANALYST

## CONSUMER STAPLES

**ECHO YANG**
PORTFOLIO MANAGER

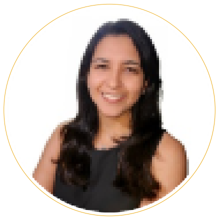
**TEJUMOLA AKINYELURE**
ANALYST

**BRYAN XU**
ANALYST

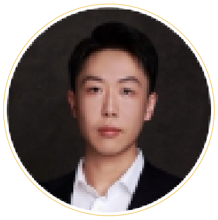
**BRIAN TO**
ANALYST

## FINANCIALS/REAL ESTATE

**SHEENA KHAN**
PORTFOLIO MANAGER



**FIORELLA TORRES**
ANALYST

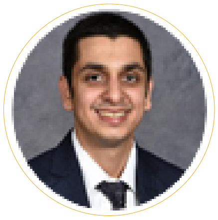


**NIKO ZHANG**
ANALYST

**TYLER BUSTARD**
ANALYST

# RSIF SECTOR TEAMS

## HEALTHCARE



**BEZAD DEBOO**
PORTFOLIO MANAGER

**WENZHONG LIU**
ANALYST

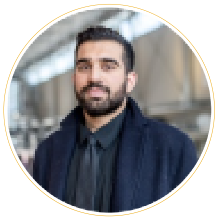
**LONG NGUYEN**
ANALYST

**VICTORIA SYPHER**
ANALYST

## INDUSTRIALS/MATERIALS

**SUYASH KHAREL**
PORTFOLIO MANAGER

**SIBEI LIU**
ANALYST



**JANAK PARMAR**
ANALYST

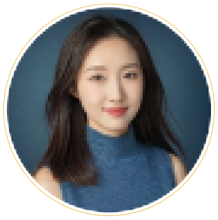
**ZAIN IQBAL**
ANALYST

## TECHNOLOGY/COMMUNICATIONS

**SUYASH & NISHANT**
PORTFOLIO MANAGER

**ADRIAN GONG**
ANALYST

**XIANG ZHOU**
ANALYST



**XIANGJIN PIAO**
ANALYST

# RSIF SECTOR TEAMS

## UTILITIES/ENERGY

**LINDA GU**

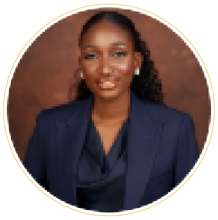
PORTFOLIO MANAGER

**JACK VANASELJA**

ANALYST

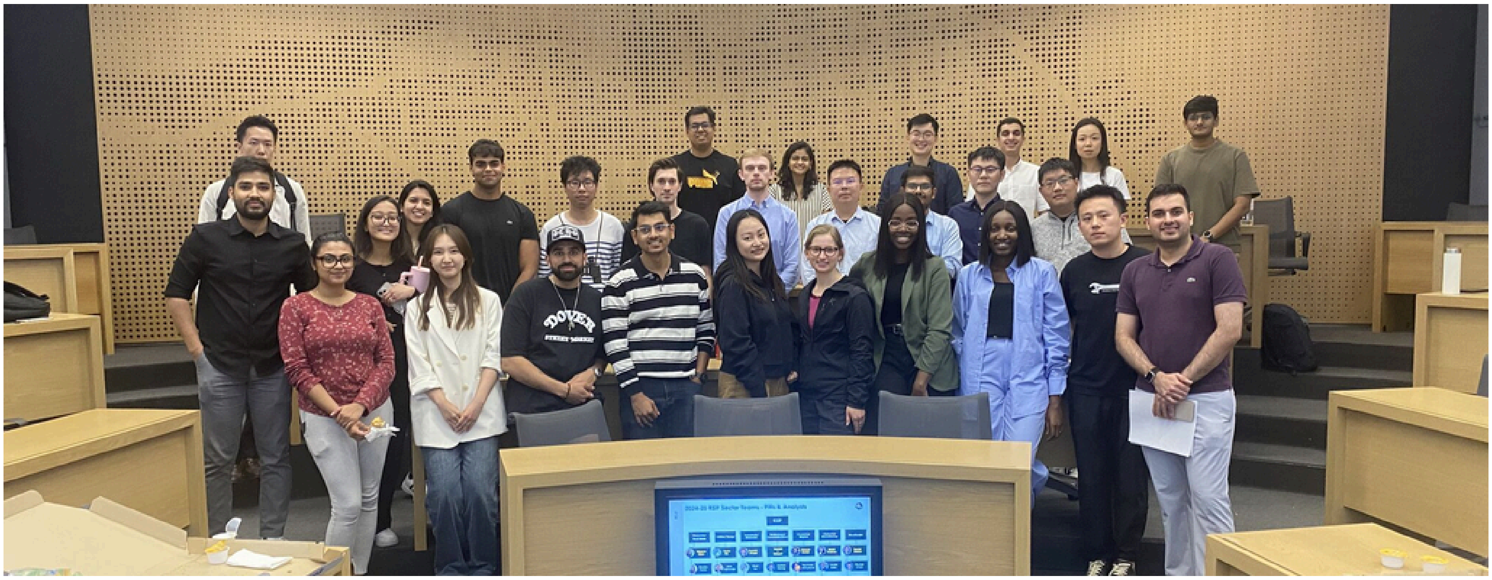
**AJEYA MADHAVA**

ANALYST



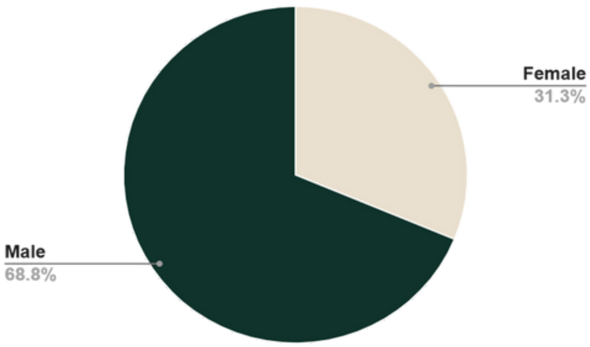
**ENIOLA OLABODE**

ANALYST

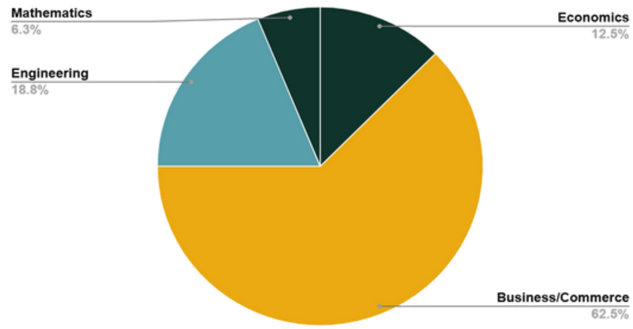


# RSIF ANALYSTS DEMOGRAPHICS

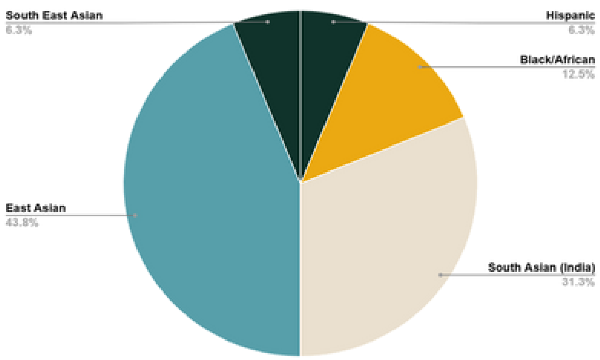
## GENDER



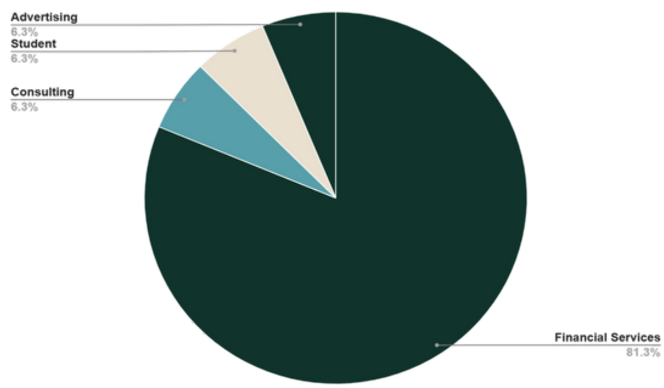

## ACADEMIC BACKGROUND




## ETHNICITY



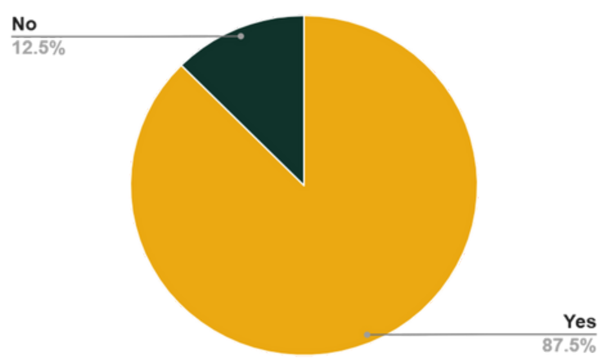

## INDUSTRY BACKGROUND




## CFA 1 OR ABOVE

RSIF recognizes the importance of diversity and inclusion in investment management.

Diversity broadens perspectives, ideas, and insights to the decision-making process → better investment outcomes.



# INTERNSHIP PLACEMENTS

RSIF is proud of the analyst class for landing internships at leading Canadian investment banks and asset managers. Securing these internships highlights both their dedication and the quality of the training they've received through the program. The hands-on experience will be invaluable for their careers and will allow them to bring fresh insights back to the RSIF community. These opportunities will also help grow the RSIF network by building connections with industry professionals and potential future employers.

# ALUMNI NETWORK

RSIF boasts a diverse and extensive alumni network, with successful professionals in some of the most prestigious Canadian and global investment banks, asset managers and other finance-related organizations. The RSIF alumni network is a testament to the program's success and impact on the finance industry.

The RSIF team welcomes alumni who wish to give back to the program by volunteering their time and expertise to help current and future analysts. Alumni engagement is crucial to building a robust and dynamic network, and the RSIF team is committed to creating opportunities for alumni to connect and collaborate.

In addition to engaging with alums directly, the RSIF team recognizes the value of utilizing alumni connections to expand the network further. Alumni can provide introductions to potential employers, mentorship opportunities and industry insights. The RSIF team aims to leverage these connections to provide current and future analysts access to various resources and opportunities.

# COMMUNITY INVOLVEMENT

RSIF is committed to philanthropy and giving back to the community. Our recent donation to the Hospital for Sick Children in Toronto (SickKids) is just one example of our dedication to this mission. Giving back to the community helps others and gives us fulfillment and purpose. We understand the importance of supporting initiatives that make a difference in people's lives and will continue prioritizing philanthropy as an integral part of our organization's values.


(L-R) Ayushi Mehta, Meghna Nambiar (SickKids representative), Jack Vanaselja

# INVESTMENT PORTFOLIO OVERVIEW

1st tranche of shares bought in **March, 2023** (ATKR, BEI, CHTR, MSFT, QSR)
2nd tranche of shares bought in **April, 2023** (CP, CPRI, MRK, KDP, QCOM)
3rd tranche bought in **February 2025** (UNH, HD, AIT, TSM, CCO)
4th tranche bought in **May 2025** (CAT, BJ, AMZN, NEE, ABT, DOL)

Holdings as of September 26, 2025

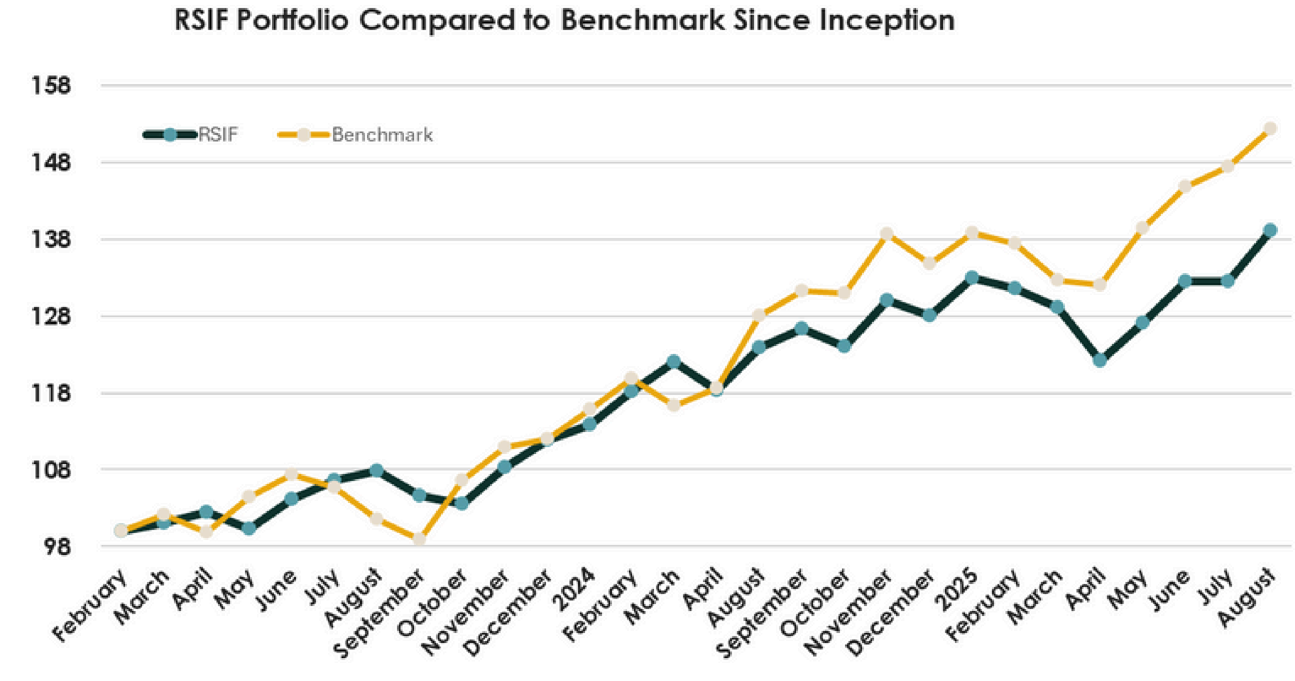
| Company | Sector | Weight % | CTR (Since inception) | CTR (Annual Return, YTD2025) |
|---|---|---|---|---|
| Vanguard FTSE Canada All Cap | CAD Equities ETF | 28.8% | 12.3% | 5.0% |
| Vanguard Financials ETF | Financials | 14.2% | 0.9% | 0.9% |
| Taiwan Semiconductor ADR | IT | 5.0% | 1.5% | 1.5% |
| Caterpillar | Industrials | 4.4% | 1.2% | 1.2% |
| Qualcomm | IT | 4.0% | 2.2% | 0.4% |
| Vanguard S&P 500 ETF | US Equities ETF | 3.9% | 16.8% | 1.0% |
| Microsoft | IT | 3.9% | 4.5% | 0.9% |
| Cameco Corp | Energy | 3.8% | 2.2% | 2.2% |
| Vanguard Materials ETF | Materials | 3.8% | 0.1% | 0.1% |
| Vanguard Communication Services ETF | Communication Services | 3.7% | 0.5% | 0.5% |
| Applied Industrial Tech | Industrials | 3.5% | 0.1% | 0.1% |
| Canadian Pacific Kansas City | Industrials | 2.6% | 0.1% | 0.1% |
| Amazon.com | Consumer Discretionary | 2.3% | 0.2% | 0.2% |
| Home Depot | Consumer Discretionary | 2.2% | 0.1% | 0.1% |
| Nextera Energy | Utilities | 2.1% | 0.1% | 0.1% |
| Boardwalk Real Estate Investment | Real Estate | 1.7% | 1.0% | 0.3% |
| Dollarama Inc | Consumer Discretionary | 1.7% | 0.2% | 0.2% |
| Vanguard Energy ETF | Energy | 1.5% | 0.2% | 0.2% |
| Merck & Co | Healthcare | 1.4% | -1.0% | -0.9% |
| BJ's Wholesale Club Holdings | Consumer Discretionary | 1.4% | -0.4% | -0.4% |
| Abbott Laboratories | Healthcare | 1.3% | 0.0% | 0.0% |
| Keurig Dr Pepper | Consumer Staples | 1.1% | 0.3% | 0.2% |
| Canadian Dollar | - | 1.0% | -0.4% | -0.4% |
| United States Dollar | - | 0.6% | 0.5% | 0.1% |

| Sectors | Ticker | Weight % |
|---|---|---|
| Communication Services | VOX | 3.7% |
| Utilities | NEE | 2.1% |
| IT | MSFT, QCOM, TSM | 12.9% |
| Healthcare | MRK, ABT | 2.7% |
| Consumer Discretionary | AMZN, HD, BJ, DOL | 7.6% |
| Consumer Staples | KDP | 1.1% |
| Financials | VFH | 14.2% |
| Real Estate | BEI.UN | 1.7% |
| Industrials | CAT, CP, AIT | 10.5% |
| Materials | VAW | 3.8% |
| Energy | CCO | 5.3% |
| Canada Market | VCN | 28.8% |
| United States Market | VOO | 3.9% |
| Cash | - | 1.6% |

| Country | Weight % |
|---|---|
| Canada | 39% |
| U.S.A | 60% |
| Cash | 2% |
| | 100% |

# PERFORMANCE REVIEW

On a year-to-date basis, the RSIF portfolio generated a return of 8.6% compared to the benchmark's 13%. The U.S. equity market has experienced strong momentum driven by gains in labor productivity, resilient corporate earnings, and robust investor enthusiasm around artificial intelligence. Anticipated interest rate cuts further supported market sentiment. Growth stocks have led the rally and propelled the S&P 500 to all-time highs. Expectations of corporate tax reform and regulatory easing also contributed to positive market performance. Despite these favorable conditions, the RSIF portfolio lagged due to limited exposure to AI-related opportunities and the underperformance of select holdings, including UNH and MRK. In early 2025, rising concerns over impending tariffs and escalating geopolitical uncertainty tempered market gains and weighed on several portfolio positions, though most securities rebounded by mid-year.




*Benchmark is 47.5% S&P 500, 47.5% TSX TR, 5% Cash

# PERFORMANCE REVIEW

Largest Contributors in 2025

Cameco (+58.8% YTD): Cameco's stock surged on the back of rising uranium prices and accelerating global demand for nuclear energy as a clean power source. Supply disruptions from competitors further highlighted Cameco's secure and diversified production base. Strong contract wins provided revenue visibility and supported long-term growth expectations. Momentum around energy transition themes positioned Cameco as a leading beneficiary.

TSMC (+35.6% YTD): TSMC's strong performance was driven by resilient semiconductor demand, particularly from AI and high-performance computing applications. The company benefited from pricing power in advanced nodes such as 3nm where it remains the dominant player. Supply chain normalization also supported margin recovery. With its unmatched technology leadership, TSMC is positioned as the key enabler of the global AI boom.

Largest Detractors in 2025

UNH (-31.8% YTD): UnitedHealth Group's stock declined sharply as medical cost inflation outpaced company forecasts and pressured margins. Higher utilization rates in Medicare Advantage and Medicaid drove expenses beyond expectations. Despite its scale advantages and integrated model, the company struggled to offset the rising claims environment. Investor sentiment weakened as uncertainty over earnings visibility grew. We exited our position in UNH due to limited visibility into its earnings outlook.

MRK (-20.8% YTD): Merck underperformed amid concerns about its pipeline depth following the expected patent expiration of Keytruda. Uncertainty around its vaccines portfolio intensified as the new U.S. administration signaled a less supportive stance toward vaccines. Investors grew cautious about the company's ability to sustain growth in the post-Keytruda era. These headwinds outweighed its otherwise stable operating performance.

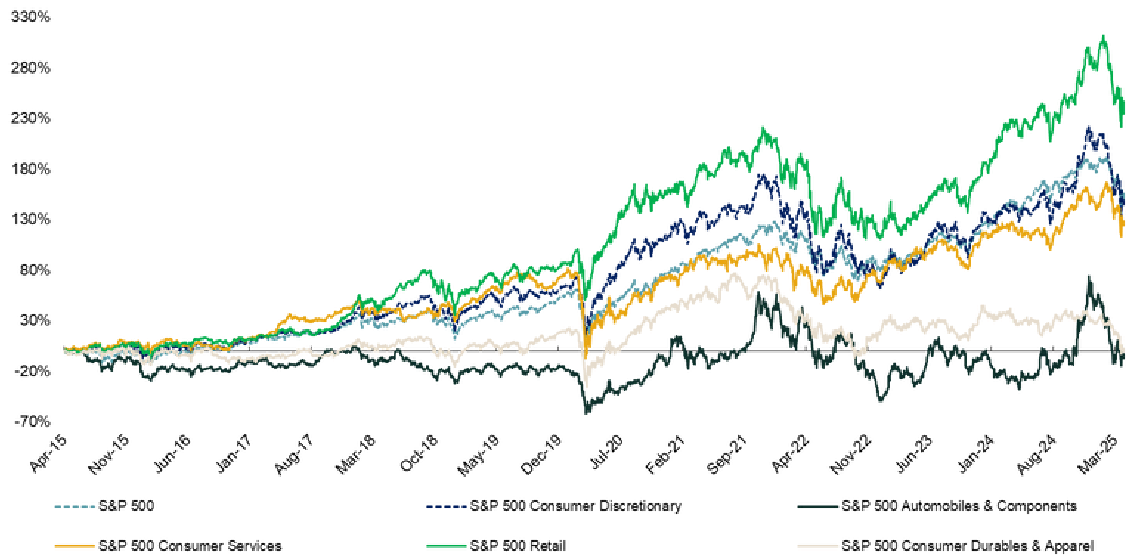
# CONSUMER DISCRETIONARY

Over the past decade, the S&P 500 Consumer Discretionary sector has delivered an annualized total return of ~11.3%, modestly outperforming the broader S&P 500's 10.5% return. This performance has been driven by resilient consumer spending, e-commerce expansion, and innovation across home improvement, travel, and experiential categories. More recently, sector volatility has increased amid persistent inflationary pressures, evolving consumer preferences, and rising trade-related uncertainties. In FY2025, the sector exhibited a bifurcated recovery: housing-related and convenience-driven spending stabilized alongside moderating inflation, while luxury and fashion remained under pressure due to softer demand in China, cautious U.S. wholesale activity, and eroding brand equity among mass-affluent consumers. The prospect of renewed tariffs on Chinese and European imports further compounds margin risks and could dampen discretionary spending. Given the sector's heightened sensitivity to macroeconomic conditions, we believe selective exposure to operationally resilient, category-leading companies remains critical to preserving capital and capturing long-term growth.

Home Depot, Dollarama, and Restaurant Brands International (RBI) form our current consumer discretionary exposure. Capri Holdings (NYSE: CPRI) was among our weakest performers in FY2025, declining ~58% following the FTC's block of its acquisition by Tapestry, amid weakening fundamentals at Michael Kors and Versace and no clear standalone catalyst. We sold Capri after determining there was little prospect for recovery. Home Depot (NYSE: HD) remained a pillar of strength, with FY2024 revenues rising 4% to $159.5 billion, supported by the SRS Distribution acquisition and Pro segment growth. Stable margins (~13.5%) despite housing headwinds, category dominance, and exposure to structural repair/remodel trends underpin our decision to increase exposure. RBI reported nearly 20% revenue growth, driven by Tim Hortons and Burger King international expansion, though U.S. softness at Burger King and Popeyes persists. New acquisitions, including Carrols and Popeyes China, added scale but weighed on near-term margins. We remain cautiously optimistic on RBI, given its global brand strength, asset-light model, and long-term growth potential.

We have added Dollarama (TSX: DOL) to the portfolio. Dollarama commands an 81% share of Canada's dollar-store market, supported by a scalable store model, disciplined sourcing, and strong cost control. The company has demonstrated consistent margin expansion and free cash flow growth, even amid inflationary pressures. International expansion through Dollarcity in Latin America and the acquisition of The Reject Shop in Australia provides additional growth optionality. With a resilient value proposition and a defensible market position, Dollarama is well-positioned to deliver stable returns in a dynamic consumer environment.

# CONSUMER DISCRETIONARY



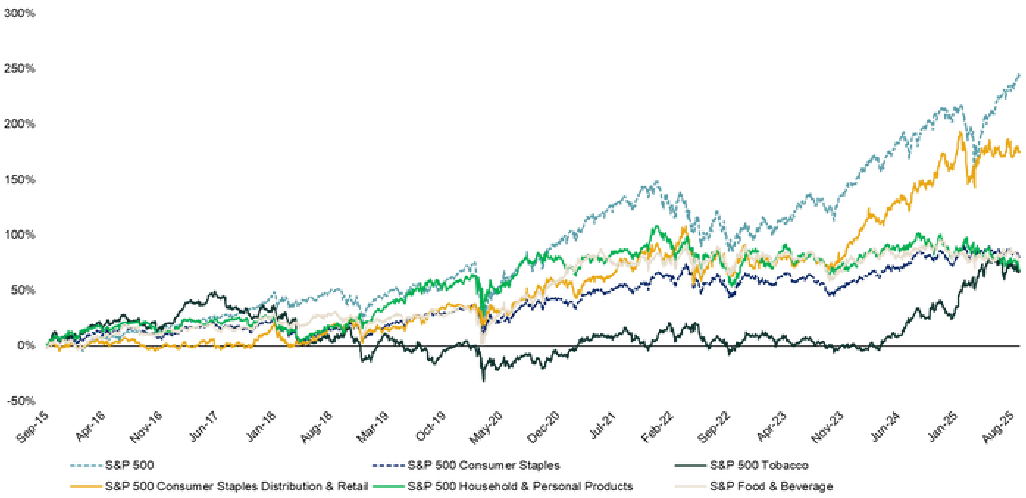
# CONSUMER STAPLES

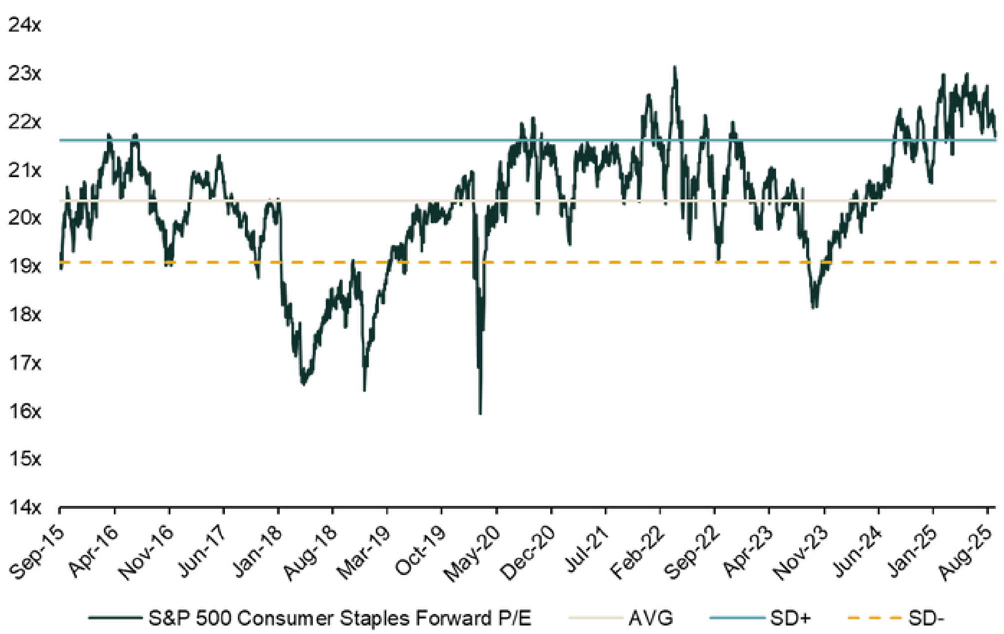
Over the last decade, the consumer staples sector in North America has primarily underperformed relative to the S&P 500, with all subsectors trailing behind. While the industry has experienced some P/E expansion, it faces significant challenges ahead. These include the potential impact of GLP-1 drugs, which could reduce appetite and consumption of food products, the increasing shift by retailers towards private labels, and a growing trend among consumers toward healthier options.

Despite these headwinds, we continue to hold **Keurig Dr Pepper** in our portfolio. According to Beverage Digest, Dr. Pepper has recently surpassed Pepsi to become the second-largest soda brand in the U.S., commanding ~8.5% of the volume market share. The company has proactively adapted to evolving consumer preferences by expanding its portfolio to include more energy and non-carbonated beverages while maintaining its position as the undisputed leader in the single-serve coffee market. However, Keurig Dr Pepper has underperformed the S&P 500, partly due to sluggish demand in its coffee business, and investors have reacted cautiously to news of the KDP–JDEP merger.

We have added BJ’s Wholesale Club to the portfolio. BJ’s Wholesale Club offers an attractive opportunity due to its strong financial performance and efficient management, achieving margins and returns comparable to Costco despite operating at a smaller scale. The company has significant growth potential through rapid club expansion, increasing digital adoption, and private label penetration, while still trading at a discount relative to peers. Finally, its U.S.-focused operations, value-oriented model, and grocery-heavy sales mix make it a resilient defensive play in an uncertain macroeconomic and geopolitical environment.

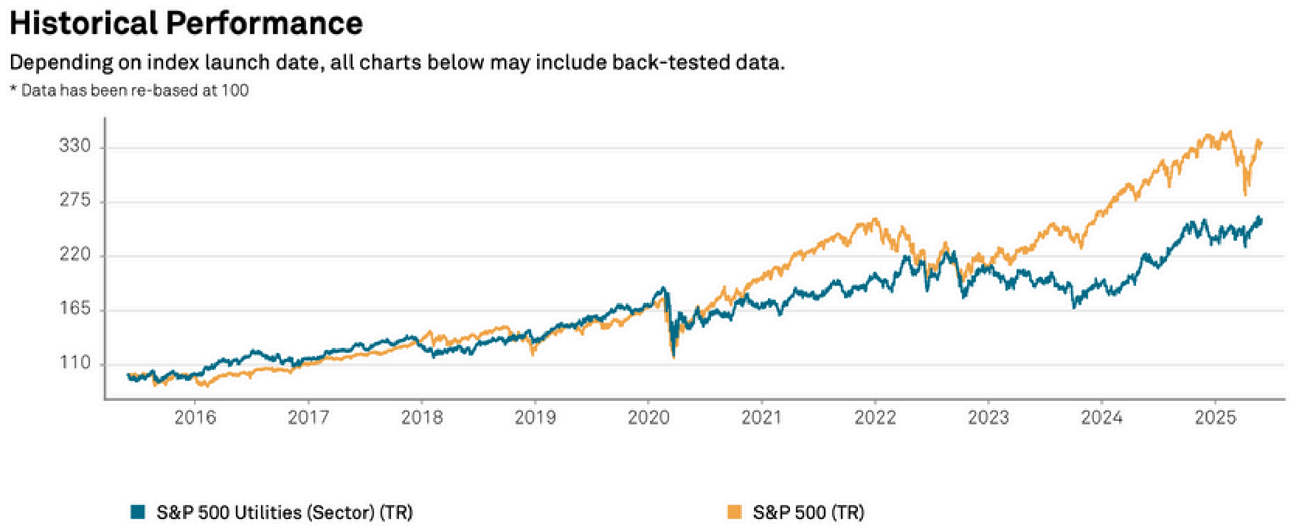
# CONSUMER STAPLES



# ENERGY & UTILITIES

The energy and utilities sectors in 2025 are navigating macro and structural shifts: oil prices have stabilized near $72 per barrel following post-pandemic and geopolitical volatility, while electricity demand continues to climb steadily—driven by electrification, economic growth, and data center expansion. Despite the Energy sector's strong run in 2021–22, its performance has since moderated. In 2024, the S&P 500 Energy index posted flat returns, underperforming the broader S&P 500, which gained ~24%. The multi-year divergence in returns between the broader market and energy sector persists, yet the negative correlation of energy stocks with the broader market continues to offer valuable diversification.




Last year, we initiated a position in Cameco Corporation, a $24 billion uranium producer that benefits from rising demand for nuclear energy. With its net income projected to grow from $264 million in 2023 to $576 million by 2026, Cameco remains a strategic holding as the world looks for reliable clean energy sources.

In contrast, the utilities sector has consistently underperformed the S&P 500 over the past decade, returning an average of 9.5% annually versus 13.2% for the S&P 500. However, within the sector, renewable-focused and water utilities have significantly outperformed traditional electric and multi-utility peers. We had historically avoided utility investments, citing their defensive nature and limited upside—but that changes this year.

# ENERGY & UTILITIES

In 2025, we trimmed our position in **Cameco** and added **NextEra Energy** (NYSE: NEE) to the portfolio. NEE is the world's largest producer of electricity from wind and solar, operating through two core segments: Florida Power & Light (regulated utility) and NextEra Energy Resources (renewable IPP). The company is planning $85–95 billion of capital investment through 2025 and aims to add 36.5–46.5 GW of new renewables and storage capacity by 2027. Its scale and execution track record make it a leader in the U.S. clean energy build-out. We view Florida as a high-quality utility market with strong GDP and customer growth, and FPL has grown its rate base ~12% annually in the past two years. NEE also benefits from a cost-of-service regulatory framework that enables it to pass on inflationary costs, reducing exposure to macro headwinds such as tariffs or fuel volatility.

Despite temporary headwinds in 2023–24—including CFO turnover and a guidance cut at affiliate NEP—NEE has retained strong fundamentals, growing EPS and dividends twice as fast as peers over the past two decades. Management targets 6–8% EPS growth over the next three years and 10% annual dividend growth in 2025 and 2026. The stock currently trades at a 14% discount to its intrinsic value of $81.74 (as of March 2025), supported by our DCF and peer multiple analysis, while offering a 3.2% dividend yield and a low beta of 0.57. The improving sentiment around interest rates and potential restart of assets like the Duane Arnold nuclear facility provide additional upside optionality.

We believe the inclusion of NextEra aligns with our long-term investment horizon and positions the portfolio to benefit from both stable cash flows and structural energy transition tailwinds.

# FINANCIAL

Historically, the Financial Sector has underperformed the overall market. However, the online banking sector has experienced significant growth accelerated by the global pandemic and was valued at $9.3 trillion, globally, in 2023. Furthermore, it is estimated to reach $16.6 trillion in 2033, growing at a CAGR of 5.6%. In 2024, the S&P 500 Financials sector rose by approximately 30% and outperformed the S&P 500 by approximately five percentage points. Entering 2025, expectations for steady economic growth initially suggested continued tailwinds for the sector, including stronger loan demand, lower default rates, and a supportive interest rate environment driven by the Federal Reserve's rate cut in 2024. However, increasingly volatile US trade policy has introduced a significant headwind by dampening growth prospects and creating inflationary pressures. These developments have created a more unstable macroeconomic backdrop, complicating forecasts for key drivers such as GDP growth, inflation, and interest rates. For financial institutions this uncertainty may pressure earnings visibility and risk management. As a result, while near-term fundamentals remain relatively strong, the outlook for the sector is clouded by heightened policy-driven volatility.

Canada's non-prime lending sector is growing rapidly, supported by strong consumer demand and fintech innovation, despite rising macro risks. Over 29.9% of Canadians now have non-prime credit scores, with balances increasing from $168B in 2021 to $218B in 2024. Credit performance is weakening amid ~6.2% unemployment, yet digital lending and AI-powered risk tools are helping lenders adapt. Opportunities remain in underserved markets, and diversified loan offerings.

goeasy (TSE: GSY) was pitched during this year's stock pitch. goeasy Ltd. is a Canadian financial services company that specializes in non-prime consumer lending, primarily serving individuals who do not qualify for traditional bank loans due to limited credit history or lower credit scores. The company has compelling upside potential, underpinned by the following core factors: (1) multiple structural growth drivers supporting scalable loan expansion, and (2) high-quality execution and disciplined credit underwriting that ensure downside resilience. However, the stock was ultimately not selected as it was determined to be a less optimal fit with RSIF's investment approach at this time.

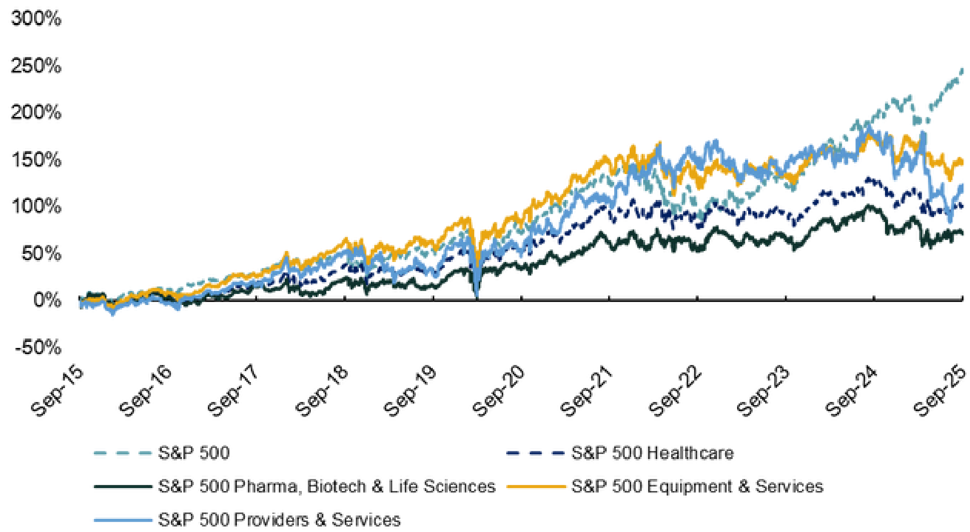
While the financial sector has shown resilience and growth, we currently do not hold any financial stocks but continue to monitor the sector for potential investment opportunities that align with our investment philosophy.

# HEALTHCARE

Over the past decade, the healthcare sector has generally underperformed the S&P 500, delivering cumulative returns of ~100%. The S&P 500 Healthcare Equipment & Services Index gained 150%, the Providers & Services Index rose 124%, and the Pharma Biotech & Life Sciences Index delivered 71%, all well below the S&P 500's ~240% return.

Our current holding Merck underperformed the S&P 500 due to concerns about the sustainability of its pipeline after Keytruda loses patent protection and uncertainty around its vaccines portfolio as the new government is not favorable towards vaccines. Despite this, we maintain conviction in Merck's long-term potential given its leadership in oncology, vaccines, and animal health. Its upcoming product launches, including Sotatercept and MK-0616, and its conservative valuation further support a positive long-term outlook. We held UnitedHealth Group (UNH) in the portfolio at the start of 2025. However, we exited the position as medical cost inflation exceeded our expectations, making margin pressure increasingly difficult to manage.

We have decided to initiate a position in Abbott Laboratories this year. Abbott Laboratories offers a compelling long-term investment opportunity supported by a diversified business model, strong innovation pipeline, and leadership in high-growth healthcare segments. The company benefits from revenue diversification, resilience during economic cycles, and cross-segment synergies. A core pillar of Abbott's growth is its market leadership in diabetes care, led by the FreeStyle Libre continuous glucose monitoring (CGM) system. Valuation remains attractive relative to peers, particularly considering Abbott's consistent performance, innovation-driven growth, and macro resilience.



# INDUSTRIAL

The industrials sector in North America has generally underperformed the broader market over the past decade, particularly in the last five years following the post-pandemic market recovery. While the sector posted a 200% return over the past ten years, the S&P 500 delivered a stronger 243% return, largely driven by the tech sector's significant rally. However, this gap narrowed in the past year, with the industrials sector returning 13%, compared to the market return of 16%.

As of writing this report, our portfolio includes three stocks. First, we hold CPKC, which has returned -11% over the past year. Despite the negative returns, CPKC posted strong first-quarter results, reporting an 8% revenue increase and improvements in both the reported and core adjusted operating ratios. We believe that CPKC's focus on a low-carbon transition, addressing labor negotiation challenges, and reducing cost ratios while maintaining its competitive moat makes it a solid business for long-term investment.

Another stock in our portfolio is Atkore, which has returned -28% over the past year. We acquired Atkore with a value proposition in mind, but the stock has underperformed due to a sharp decline in average selling prices, reduced sales volumes, and increased competition from lower-cost imports, particularly from Mexico. These pressures have significantly eroded revenue and profit margins, with net income and EBITDA down more than 50% year-over-year. Operational setbacks, such as inefficiencies at its Hobart facility, and legal risks related to alleged price collusion in the PVC pipe market have further dampened investor sentiment. Although Atkore has initiated a $500 million share buyback, the stock continues to face pressure from margin compression, a weak earnings outlook, and rising legal risks. As a result, we removed Atkore from our portfolio and reallocated capital to higher-conviction ideas.

AIT, on the other hand, has produced a return of 16.5% over the past year. In the short term, the company is experiencing some demand softness in industrial end markets, but its strong balance sheet and ongoing M&A strategy, including the recent acquisition of Hydradyne, have the potential to drive future value. Long-term, AIT is well-positioned to benefit from trends in automation and operational efficiency. Given its solid fundamentals, reasonable valuation, and diverse customer base, we will continue to hold the stock.

We do not currently hold any materials stocks, as their cyclical nature, capital intensity, and competitive characteristics do not align with our investment philosophy.

# INDUSTRIAL

This year, we are planning to add Caterpillar Inc. (NYSE: CAT) to our portfolio due to its leadership in the heavy machinery sector, robust cash flow generation, and a positive outlook driven by global infrastructure spending. Caterpillar's strategic positioning in key industries such as construction, mining, and energy, combined with its operational efficiency, makes it well-placed to benefit from economic recovery and infrastructure development initiatives. Over the past decade, Caterpillar has demonstrated impressive growth. From 2010 to 2024, annual revenues increased from $42.57 billion to $64.81 billion, a ~ 5.5% CAGR. Similarly, net income has also shown substantial growth, rising from $2.7 billion in 2010 to $10.79 billion in 2024, a ~11.5%. Given this robust financial track record, competitive moat and favorable valuation, we believe Caterpillar should be in our portfolio.

# REAL ESTATE

Over the past decade, the S&P 500 Real Estate Index has underperformed the broader S&P 500 index. The real estate investment and consulting services industry in the United States reported a revenue of $90.6 billion in 2024 with a projected compound annual growth rate (CAGR) of 2.6% extending to 2030. The sector's revenue in Canada was $5.1 billion in 2024 with a CAGR of 1.0% extending to 2029.

Canadian commercial real estate investment to reach $48 billion in 2025, driven by easing capital costs, and returning institutional capital. For commercial real estate, the office sector continues to experience higher vacancy rates as remote and hybrid work dampens demand. In retail, the market remains tight due to elevated construction costs limiting new supply, resulting in low vacancy and rising rents. The industrial sector is experiencing oversupply and softening demand following expansion during the pandemic. In multifamily, near-term risks such as government-imposed immigration caps and a surge in new supply are creating downward pressure on rents and pushing vacancy rates higher.

The real estate sector faces a mixed outlook in 2025 as macroeconomic uncertainty, geopolitical tensions, and affordability challenges continue to weigh on demand. While rate cuts have been expected to ease some pressure on mortgage servicing costs, homebuyers remain cautious in an environment of high home prices.

We continue to hold Boardwalk REIT (TSX: BEI.UN). Boardwalk maintains a strong market position in affordable rental properties, particularly in areas experiencing population growth like Alberta. Boardwalk REIT reported strong results for Q1 2025 as resilient demand for affordable housing drives high occupancy rates (97.8%) and same property rental revenue growth of 7.5% YOY.

# TECHNOLOGY & COMMUNICATIONS

The past year has seen exceptional performance from technology companies with the Information Technology sector up ~27% compared to the S&P 500's 16%. This surge is largely driven by the AI boom with NVIDIA experiencing substantial gains that have further fueled the trend. Since 2022, there has been a notable shift towards profitability with ongoing layoffs and strategic shifts in a sector that historically prioritized innovation over profitability.

While AI emerges as a transformative trend, monetizing the technology remains a challenge. We believe B2B applications within the AI value chain offer greater upside potential than consumer-focused applications. The growth of digital experiences continues with major companies exploring AI, AR, and VR technologies.

We hold significant stakes in **Microsoft** and **Qualcomm**. Microsoft has delivered consistent double-digit growth over the last five years and we are confident it will continue this trajectory in the coming years with the demand for its cloud and AI products and services. Microsoft remains our top holding. Qualcomm has benefited from expansion in IoT and handset chip markets and is expected to see growth stabilize in the high single digits. While growth may slowdown, Qualcomm's attractive valuation relative to industry peers and its solid competitive advantages make it a strong candidate for long-term holding.

We remain confident in the value proposition of the semiconductor industry which are critical to both the technology and communications sectors and view them as valuable additions to any portfolio. In this context, we are considering adding **TSMC** to our portfolio. As the dominant player in semiconductor foundries and the sole manufacturer of NVIDIA's chips, TSMC stands to benefit greatly from the AI boom. TSMC's attractive financials including impressive margins driven by economies of scale makes it an appealing investment opportunity at the current entry point.

ACKNOWLEDGMENTS

**RSIF Donor**
Mackenzie Investments

**RSIF Board of Directors**
**Founders**
Aleksandr Novikov, Client Portfolio Manager, TD Asset Management
Sean Swift, Senior Investment Analyst, Mackenzie Investments
Yi Shi, Client Portfolio Manager - Thematic Equities, Pictet Asset Management

**Industry Professionals**
Hussein Sunderji, VP and Portfolio Manager, Mackenzie Investments
Huy Dam, Manager of Finance and Investments, Altree Developments
Thao Le, Senior Analyst, Global Infrastructure Investments, RBC GAM

**Professors**
Eric Kirzner, Professor Emeritus of Finance
Maureen Stapleton, Associate Professor, Finance
Mike Simutin, Professor, Finance

**Corporate Partners**
Rotman Asset Management Association (RAMA)

**RSIF Executive Team 2023-24**
GuanHua Wang, Chief Investment Officer
Pavithra Bhaskaran, Portfolio Manager
Bradley Sadoff, Portfolio Manager
Echo Yang, Portfolio Manager
Jagannath Kshtriya, Portfolio Manager
Puru Kawatra, Portfolio Manager

**Guest Speakers**
Andrea Hallett, Vice President and Portfolio Manager, Mackenzie Investments
Arjun Tuteja, Senior Analyst and Vice President, Jarislowsky Fraser
Blair Wilson, Portfolio Manager, Fairbank Investment Management
Callan Scott, Principal, Ontario Teachers' Pension Plan
Cavan Yie, Senior Portfolio Manager, Manulife Investment Management
Hai Ho, Investor, Galibier Capital Management
Jason Pearlstein, Portfolio Manager, Healthcare of Ontario Pension Plan
Jennifer Campbell, Principal, Healthcare of Ontario Pension Plan
Jose Paul Alancherry, Vice President, TD Asset Management
Juliana Faircloth, Vice President and Director, TD Asset Management
Linda Otamendi, Investment Analyst, TD Asset Management
Paul Moroz, Portfolio Manager, Mawer Investment Management
Rob Spafford, Lead Portfolio Manager, Cidel Asset Management
Robert Gill, Portfolio Manager, Fairbank Investment Management
Vitali Mossounov, Managing Director and Head of Research, TD Asset Management

**Service Providers**
McMillan LLP

ROTMAN STUDENT
INVESTMENT FUND

If you're interested in hiring our analysts, please contact rsif@rotmanassetmanagement.com to gain access to our resume book and lookbook.

www.rotmanassetmanagement.com/rsif2023

rsif@rotmanassetmanagement.com

www.linkedin.com/company/rotman-student-investment-fund