

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:

- Strong portfolio construction discipline to ensure **diversified sources of return**
- A **quality- and 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
- 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
- 15 investment professionals¹
- \$9.7 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.

Preserving Capital During Market Declines

Pyrford’s **quality and value-focused** investment process has a **demonstrated track record** of preserving capital during some of the market’s biggest drawdowns. In fact, the Pyrford North American Equity Portfolio (unconstrained) has **outperformed the benchmark² in 9 of the 10 biggest drawdowns** in its history.

Portfolio Outperformance During Largest Benchmark Drawdowns

Rank	Benchmark Drawdown	Pyrford NA Equity Portfolio (Unconstrained) Drawdown	Relative Performance	Drawdown Period
1	-17.54%	-12.86%	4.68%	January 1, 2022 to June 30, 2022
2	-15.25%	-15.43%	-0.18%	February 1, 2020 to March 31, 2020
3	-9.55%	-6.16%	3.40%	September 1, 2018 to December 31, 2018
4	-6.55%	0.13%	6.68%	January 1, 2016 to February 29, 2016
5	-6.21%	-1.50%	4.71%	August 1, 2015 to September 30, 2015
6	-5.38%	-5.34%	0.04%	May 1, 2019 to May 31, 2019
7	-4.74%	-4.49%	0.25%	September 1, 2023 to October 31, 2023
8	-4.40%	-2.10%	2.30%	September 1, 2020 to October 31, 2020
9	-4.26%	-2.97%	1.28%	May 1, 2017 to July 31, 2017
10	-4.04%	-2.79%	1.25%	September 1, 2021 to September 30, 2021

Source: Pyrford International, as of December 31, 2025. Past performance is not indicative of future results.

Managing Volatility Amid Historic Market Concentration

In 2024, benchmark performance skewed toward the top 5 companies in the index to a degree not seen in nearly 60 years.³ Pyrford’s quality – and value-driven philosophy actively screens out companies with expensive price-to-earnings (P/E) ratios, including some of the top Technology firms. As such, **the portfolio is not overexposed to the index’s top-heavy names**, which Pyrford believes makes it **better positioned to manage volatility** going forward.



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 sheets.

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 market

Amphenol (APH): Global manufacturer of electronic and fibre optic connectors, cable and interconnect systems such as coaxial cables

- **Beneficiary** of increasing electronics demand and complexity
- **Decentralised corporate culture** allows company to meet customer needs on price, complexity and performance
- **Strong focus on profitable growth** with a track record of successful acquisitions and a diversified business model participating in many verticals

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

	3-Month	Year-to-Date	1-Year	3-Year	5-Year	10-Year
Pyrford North American Equity Portfolio (Unconstrained)	1.4%	17.2%	17.2%	17.1%	14.8%	13.0%

Source: BMO Nesbitt Burns, Q4 2025 Performance Summary, as of December 31, 2025.

Past performance is not indicative of future results.

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 December 31, 2025.

² Benchmark: MSCI North America Index.

³ Source: Pyrford, Bloomberg.

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