

Portfolio Strategy

Investment Strategy Portfolios July 2025

Large Cap Canadian PLUS Equity Portfolio

The Canadian Large Cap PLUS model portfolio was up 3.3% in June, performing in line with its benchmark.

- Oracle, Goldman Sachs and NVIDIA were top performers in June.
- These gains were offset by weakness in Lululemon, Restaurant Brands and Waste Connections.
- Relative Performance: June = -0.1%; YTD = -2.4% vs. benchmark

North American Dividend Growth Portfolio

The North American Dividend Growth portfolio was up 2.2% in June, outperforming its benchmark by 0.5% in June.

- Goldman Sachs, Texas Instruments and Cisco were top performers in June.
- These gains were slightly offset by weakness in Restaurant Brands, McDonald's and Waste Management.
- Relative Performance vs. Div Aristocrats: June = 0.5%; YTD = 1.2% vs. benchmark

US Large Cap Disciplined Value Portfolio

The US Large Cap Disciplined Value portfolio was up 4.9% in June, outperforming the Russell 1000 Value index by 147bps.

- Oracle, AMD and Goldman Sachs contributed the most to performance.
- Restaurant Brands, McDonald's and Eastman Chemical were the worst-performing names.
- Relative Performance: June = 1.5%; YTD = 0.5% vs. benchmark

US Equity PLUS Portfolio

The US Equity PLUS model portfolio was up 5.2%, outperforming its benchmark by 46bps in June.

- Oracle, AMD and Goldman Sachs were top performers in June.
- These gains were partially offset by weakness in Lululemon, Tesla and Restaurant Brands.
- Relative Performance: June = 0.5%; YTD = 0.9% vs. benchmark

Canadian Equity ex MEF Portfolio – 'Anything but the Big 3'

The Canadian Equity ex MEF portfolio was up 3.2% in June, outperforming the S&P/TSX by 0.3% and outperforming the TSX ex MEF benchmark by 1.4%.

- Celestica, MDA Space and Finning were top performers in June.
- These gains were partially offset by weakness in Restaurant Brands, Waste Connections and Alimentation Couche-Tard.
- Relative Performance: June = 0.3%; YTD = 1.5% vs. benchmark

US All Cap Equity Portfolio

The US All Cap Equity portfolio was up 5.7% in June, outperforming its benchmark by 76bps.

- Oracle, AMD and Vistra were top performers in June.
- These gains were slightly offset by weakness in Lululemon, On Holding and Tesla.
- Relative Performance: June = 0.8%; YTD = 0.9% vs. benchmark

Small Cap Canadian Equity Portfolio

The Canadian Small Cap portfolio was up 6.0% in June, performing in line with its benchmark.

- Groupe Dynamite, MDA Space and Hudbay Minerals were top performers in June.
- Calibre Mining, Dye & Durham and Altus Group were the largest drag on performance.
- Relative Performance: June = -0.1%; YTD = -1.8% vs. benchmark

Investment Strategy

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US Strategy – Recommended S&P 500 Sector Weightings

Sector		Target
Communication Services	MW	9.0%
Consumer Discretionary	OW	11.0%
Consumer Staples	UW	4.5%
Energy	MW	3.5%
Financials	OW	14.5%
Health Care	UW	9.5%
Industrials	MW	8.5%
Information Technology	OW	33.0%
Materials	MW	2.0%
Real Estate	MW	2.5%
Utilities	MW	2.0%

Source: BMO Capital Markets Investment Strategy Group.

Canadian Strategy – Recommended S&P/TSX Sector Weightings

Sector		Target
Communication Services	MW	3.0%
Consumer Discretionary	OW	4.5%
Consumer Staples	UW	2.5%
Energy	MW	17.0%
Financials	OW	33.5%
Health Care	UW	0.0%
Industrials	MW	12.5%
Information Technology	OW	9.5%
Materials	MW	12.0%
Real Estate	OW	3.0%
Utilities	UW	2.5%

Source: BMO Capital Markets Investment Strategy Group.

Investment Strategy Portfolios – Total Return (June 2025)

	1M	YTD	1-yr	3-yr	5-yr	Live Portfolio Inception	Model Portfolio Inception
CDN Equity PLUS (\$CAD)	3.3%	4.6%	21.6%	21.2%	16.7%	14.3%	10.9%
Benchmark (\$CAD)	3.4%	7.0%	22.5%	18.1%	15.7%	12.3%	9.4%
Relative	-0.1%	-2.4%	-0.9%	3.1%	1.0%	2.0%	1.6%
North American Dividend Growth	2.2%	7.9%	17.3%	12.5%	14.1%	11.6%	12.8%
DVY Blended Benchmark	1.7%	6.7%	14.6%	9.6%	13.1%	9.4%	9.7%
Relative	0.5%	1.2%	2.64%	2.9%	1.1%	2.2%	3.1%
US Large Cap Disciplined Value	4.9%	6.5%	19.5%	16.7%	16.7%	12.1%	11.8%
Benchmark	3.4%	6.0%	13.7%	12.8%	13.9%	10.0%	9.6%
Relative	1.5%	0.5%	5.8%	3.9%	2.7%	2.1%	2.2%
US Equity PLUS	5.2%	9.6%	21.9%	23.3%	18.2%	13.2%	13.3%
Benchmark	4.7%	8.6%	18.0%	18.3%	16.3%	11.5%	11.6%
Relative	0.5%	0.9%	3.9%	4.9%	1.9%	1.7%	1.7%
Canadian Equity ex MEF (\$CAD)	3.2%	11.7%	22.6%	15.1%	12.1%	10.7%	10.2%
Benchmark (\$CAD)	2.9%	10.2%	26.4%	16.1%	15.0%	11.8%	10.1%
Relative	0.3%	1.5%	-3.7%	-1.0%	-2.9%	-1.0%	0.1%
US All Cap Equity	5.7%	6.5%	18.6%	23.5%			12.2%
Benchmark	5.0%	5.6%	14.5%	19.0%			11.8%
Relative	0.8%	0.9%	4.2%	4.4%			0.3%
Small Cap Canadian Equity	6.0%	11.0%	16.5%	16.4%	18.3%		17.3%
Benchmark	6.2%	12.7%	23.1%	14.1%	15.1%		5.6%
Relative	-0.1%	-1.8%	-6.6%	2.4%	3.2%		11.8%
S&P 500	5.1%	6.2%	15.2%	19.7%	16.6%		
S&P/TSX (\$CAD)	2.9%	10.2%	26.4%	16.1%	15.0%		

Please Note: The performance numbers listed above are derived from our model portfolios. As such, they are not AIMR compliant nor have they been properly audited and are gross of fees unless otherwise stated. Performance is stated in USD, unless otherwise noted.

The CDN Equity PLUS 'Model Portfolio Inception' performance was calculated from July 31, 2005, and 'Live Portfolio Launch' from December 31, 2012.

The North American Dividend Growth 'Model Portfolio Inception' performance was calculated from September 12, 2016, and 'Live Portfolio Launch' from January 31, 2017.

The US Large Cap Disciplined Value 'Model Portfolio Inception' performance was calculated from November 31, 2015, and 'Live Portfolio Launch' from December 31, 2015.

The US Equity PLUS 'Model Portfolio Inception' performance was calculated from October 7, 2014, and 'Live Portfolio Launch' from November 30, 2014.

The Canadian Equity ex MEF 'Model Portfolio Inception' performance was calculated from March 31, 2017, and 'Live Portfolio Launch' from March 28, 2019.

The US All Cap Equity 'Model Portfolio Inception' performance was calculated from March 31, 2021, and 'Live Portfolio Launch' from March 31, 2021.

The Small Cap Canadian Equity 'Model Portfolio Inception' performance was calculated from December 31, 1986.

Source: BMO Capital Markets, FactSet

Calendarized Total Returns (as at December 31, 2024)

	2017	2018	2019	2020	2021	2022	2023	2024	Benchmark
CDN Equity PLUS (\$CAD)	16.2%	-4.5%	25.6%	10.8%	26.7%	-11.0%	20.0%	30.9%	2/3 TSX + 1/3 SPX
North American Dividend Growth (\$CAD)	27.2%	-9.2%	34.4%	5.4%	26.6%	-8.0%	12.6%	13.8%	60% SP500DIV + 40% TSX Dividend Aristocrats
	18.8%	-1.0%	27.6%	3.6%	25.5%	-1.3%	9.6%	24.1%	
US Large Cap Disciplined Value (\$CAD)	21.9%	-12.3%	30.9%	1.2%	29.6%	-5.5%	10.3%	22.3%	Russell 1000 Value
	13.9%	-3.8%	24.3%	-0.5%	28.5%	1.3%	7.4%	33.4%	
US Equity PLUS (\$CAD)	21.6%	-7.9%	35.4%	17.0%	29.1%	-19.8%	30.8%	24.1%	75% SPX + 25% TSX
	13.6%	0.4%	28.6%	15.0%	28.0%	-13.9%	27.3%	35.1%	
CDN Equity ex MEF (\$CAD)		-5.5%	25.2%	14.2%	17.8%	-11.1%	14.0%	10.4%	TSX
US All Cap Equity (\$CAD)						-22.3%	30.0%	29.9%	S&P 1500
						-16.7%	26.5%	36.3%	
Small Cap Canadian Equity (\$CAD)	17.2%	-15.6%	27.1%	34.1%	25.2%	-12.3%	15.1%	15.3%	S&P/TSX Small Cap Index
S&P 500	28.7%	28.7%	26.1%	18.5%	28.7%	-18.1%	26.3%	25.0%	
Russell 1000 Value	13.7%	-8.3%	26.5%	2.8%	25.2%	-7.5%	11.5%	14.4%	
S&P/TSX (\$CAD)	9.1%	-8.9%	22.9%	5.6%	25.1%	-5.8%	11.8%	21.7%	

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Source: BMO Capital Markets, FactSet

Portfolio Changes for July 2025:

	Adding	Removing
Large Cap Canadian PLUS Equity	Aritzia (ATZ)	Lululemon (LULU)
North American Dividend Growth		
US Large Cap Disciplined Value	Lululemon (LULU) Fifth Third Bancorp (FITB)	Nike (NKE) Restaurant Brands Int. (QSR) Prologis (PLD)
US Equity PLUS		Lululemon (LULU)
Canadian Equity ex MEF – Anything but the Big 3		
US All Cap Equity		
Small Cap Canadian Equity	Peyto Exploration & Development (PEY)	Calibre Mining (CXB) Veren (VRN)

Change Commentary:

Additions:

Aritzia (ATZ): We are adding Aritzia to the Large Cap Canadian PLUS Equity portfolio. Aritzia is a design house and fashion retailer of women's apparel brands. It designs apparel and accessories for its collection sold under the Aritzia banner, as well as selected sub-brand banners (Wilfred, Babaton, Tna). It operates through Canadian and US geographical segments. The company was founded by Brian Hill in 1984 and is headquartered in Vancouver, Canada. (Link to recent [report](#))

Lululemon (LULU): We are adding Lululemon to the US Large Cap Disciplined Value portfolio. LULU is a designer, distributor and retailer of technical athletic apparel and has established itself as one of the strongest retail growth stories. (Link to recent [report](#))

Fifth Third Bancorp (FITB): We are adding Fifth Third Bancorp to the US Large Cap Disciplined Value portfolio. Fifth Third Bancorp is a bank holding company, which engages in the provision of diversified financial services.

Peyto Exploration & Development (PEY): We are adding Peyto Exploration & Development to the Small Cap Canadian Equity portfolio. Peyto Exploration & Development is an oil and gas producer focused on the development of the Deep Basin area in west-central Alberta, where the company targets production in the Cardium, Notikewin, Falher, Wilrich and Bluesky trends. (Link to recent [report](#))

Deletions:

Lululemon (LULU): We are removing Lululemon from the Large Cap Canadian Equity PLUS and US Equity PLUS portfolio in place of higher conviction alternatives.

Nike (NKE): We are removing Nike from the US Large Cap Disciplined Value portfolio in place of higher conviction alternatives.

Restaurant Brands Int. (QSR): We are removing Restaurant Brands Int. from the US Large Cap Disciplined Value portfolio in place of higher conviction alternatives.

Prologis (PLD): We are removing Prologis from the US Large Cap Disciplined Value portfolio in place of higher conviction alternatives.

Veren (VRN): We are removing Veren from the Small Cap Canadian Equity portfolio as Whitecap and Veren closed the recently announced merger, which was valued at an enterprise value of \$15 billion.

Calibre Mining (CXB): We are removing Calibre Mining from the Small Cap Canadian Equity portfolio as Equinox has closed its acquisition of Calibre Mining.

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Hold	Market Perform	42.6 %	16.5 %	34.7 %	39.3 %	29.8 %	37.5%
Sell	Underperform	3.5 %	23.5 %	4.1 %	2.0 %	1.6 %	4.8%

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http://researchglobal.bmocapitalmarkets.com/documents/2013/rating_key_2013_to_2016.pdf

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