

Barrantagh Small Cap Canadian Equity Fund

EQUITY MANAGEMENT

- Value bias
- Quality focus (strong Balance Sheet / full cycle profitability)
- Disciplined bottom up research process
- Management interviews
- Low turnover
- High conviction portfolios
- Minimum 7 GICS sectors
- F Series annual management fee 1.0%

Small Cap Canadian Equities

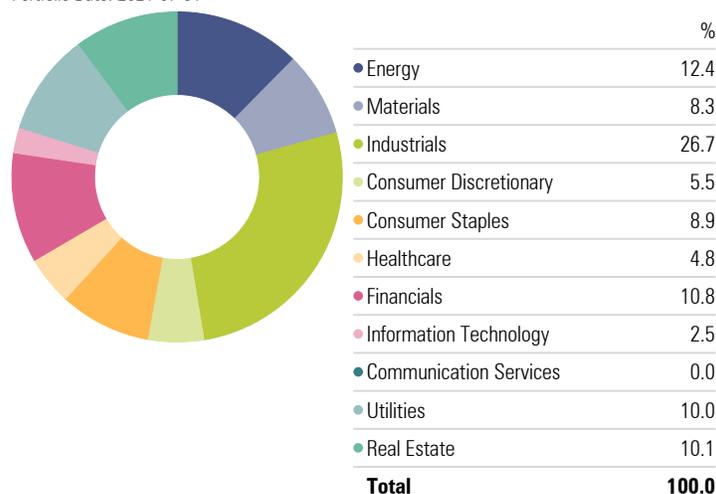
- 20 - 40 small cap Canadian stocks
- Target <\$2bn market cap, >1% dividend yield

Fund code: BMI105	Min Investment: \$1,000 initial, \$200 subsequent	Fund Size: \$88.2M	CUSIP: 993565548
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Barrantagh Investment Management Inc. is a bottom-up, value driven investment manager with over 20 years history of offering investment services to both high net worth and institutional clients. Our investment philosophy is based on three key values. When we look for investment ideas we start with superior businesses with clear competitive advantages and the ability to sustain their profitability throughout the full cycle. Once identified, we look to interview management and ensure they are quality people with goals and targets that align with shareholders. This includes a proven track record of conservative and clear business strategy. The final tenet is our buy and sell discipline around attractive prices, based our independent valuation. We use our own cash flow analysis to establish both buy and sell targets in order to build our high conviction and focused portfolios.

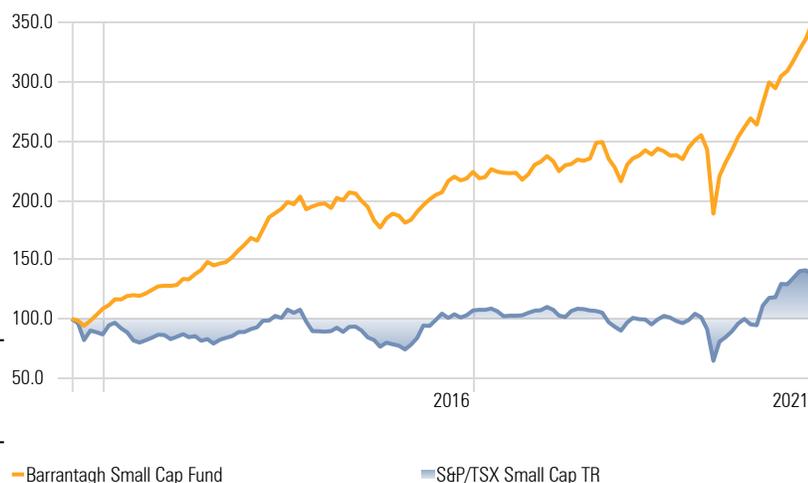
Current Portfolio - Equity Sectors (GICS)

Portfolio Date: 2021-07-31



Investment Growth (CDN \$) *

Time Period: 2011-08-01 to 2021-07-31

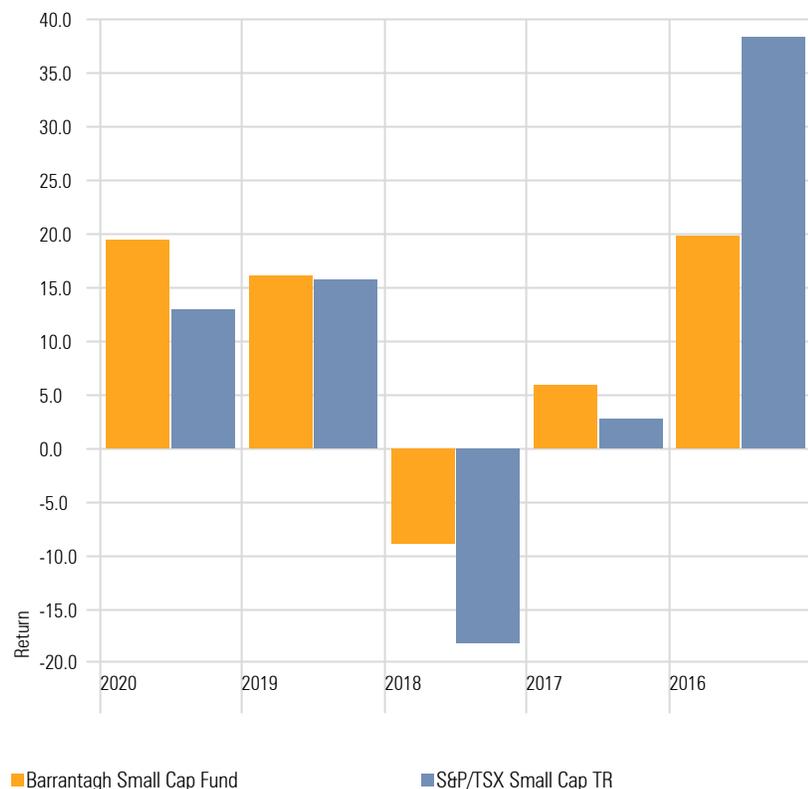


Trailing Returns *

As of Date: 2021-07-31

	YTD	1 Year	3 Years	5 Years	10 Years
Barrantagh Small Cap Fund	16.69	37.90	14.10	11.07	13.34
S&P/TSX Small Cap TR	16.57	42.97	8.61	5.62	3.23

Investment Performance Chart *



* Barrantagh Small Cap Canadian Equity Composite performance is used to reflect periods prior to Fund Inception. Investment returns shown are provided for informational purposes only and are calculated net of management fees, trading and operating expenses. Returns are annualized for periods greater than 1 year and calculated on a total return basis which includes changes in net asset value, income and capital gains (losses). Returns do not include the impact of any sales, redemption, optional charges, or any income taxes payable by the unitholder. Past performance is no guarantee of future performance and future performance will fluctuate with future market outcomes.

Barrantagh Small Cap Canadian Equity Fund



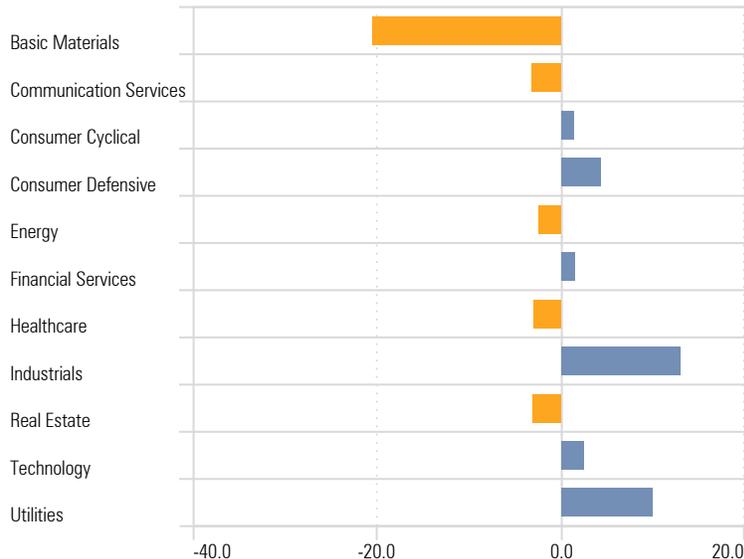
Top 10 Holdings

Portfolio Date: 2021-07-31

	Portfolio Weighting %
Trisura Group Ltd Registered Shs	7.14
Andlauer Healthcare Group Inc Ordinary Shares (Sub Voting)	4.63
LifeWorks Inc	4.43
Boyd Group Services Inc Ordinary Shares	4.05
Superior Plus Corp	3.78
Tidewater Midstream and Infrastructure Ltd	3.68
Cargojet Inc	3.62
Jamieson Wellness Inc	3.47
Savaria Corp	3.40
Intertape Polymer Group Inc	3.39

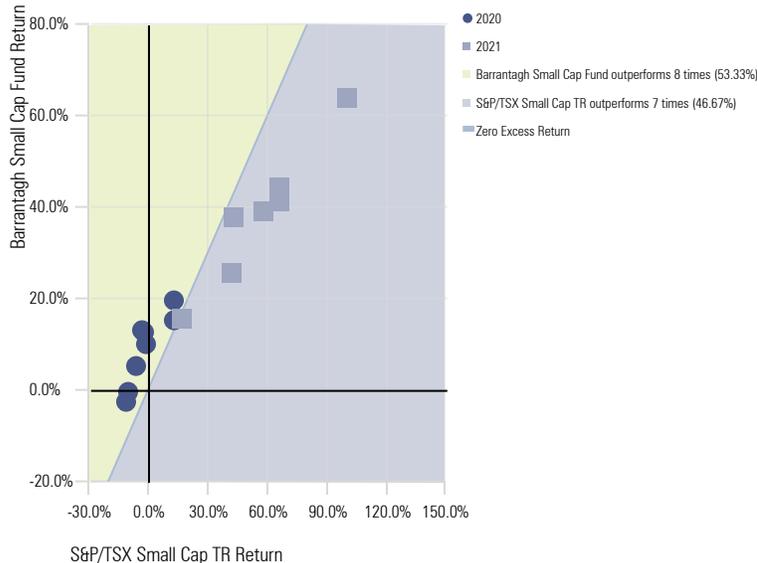
Sector Diversification (% Over/Under vs. Benchmark)

Time Period: 2021-05-01 to 2021-07-31



Over/Under Benchmark Performance

Time Period: 2019-06-01 to 2021-07-31 Rolling Window: 1 Year 1 Month shift Calculation Benchmark: S&P/TSX Small Cap TR



Risk - Barrantagh Small Cap Fund

Time Period: 2019-06-01 to 2021-07-31

Calculation Benchmark: S&P/TSX Small Cap TR

Return	19.26
Std Dev	21.90
Downside Deviation	11.13
Alpha	5.98
Beta	0.62
R2	84.29
Sharpe Ratio (arith)	0.83
Tracking Error	15.22

Second Quarter Commentary

In the quarter, the Fund performed in line with its benchmark, the S&P/TSX Small Cap Index.

The second quarter brought a return to more "normal" market conditions after the manic drops and euphoric rallies of recent periods. In general, risk assets performed well in conjunction with strong economic growth and increasing demand / earnings expectations. There was some "noise" under the hood with some deflation/rotation winners on pause mid quarter and technology stocks rallying (coinciding with the recent peak in the US 10-year) but the broader equity rally that commenced last March continued largely unabated.

Over recent periods Canadian equities and small caps specifically have put up strong returns. A big driver is the resurgence of the energy sector, given its importance to the Canadian economy, as oil prices have rallied from the COVID-onset troughs to WTI at multi-year highs of ~US\$75/bbl exiting the period. In 2021, energy is the top performing sector across Canadian equities with the respective component of the TSX Composite +37%, TSX Mid Cap +52% and TSX Small Cap +82%. Given this large rise and its prominence in the resource-heavy S&P/TSX Small Cap index, small cap energy stocks have accounted for ~50% of the year-to-date returns and account for the entirety of the Fund's relative year-to-date shortfall to the benchmark. In a rapidly rising commodity tide that lifts all boats (even the low quality names) it can be hard to keep pace in the short term given our investment philosophy but we continue to be constructive on the sector near-term, while picking our spots and navigating the longer-term structural headwinds.

One new position added during the period was Neighbourly Pharmacy (NBLY), a national consolidator of independent pharmacies that came to market in an initial public offering (IPO). This business shared similarities to other opportunities that have proven a successful recipe for value creation in the past, specifically:

- Attractive and stable organic tailwinds – aging demographics, increasing scope of services, and resilient demand;
- Fragmented market with sizable and accretive M&A opportunity – NBLY is third largest pharmacy group in Canada with only ~1% market share and competing in a differentiated pool (rural/clinical) than its largest competitors;
- Capable management team, strong balance sheet and reasonable valuation – non-promotional and experienced management team with conservative debt profile and priced at an attractive "small cap" discount to peers and our assessment of intrinsic value.

As world economies collectively exit pandemic mode (at varying speeds) pent up demand is driving a surge of economic growth, supply chain constraints and higher inflation – this is now well understood by markets. To what extent this has peaked, or when, and what "normal" growth looks like as we mature in the business cycle is now the key consideration. We remain in the camp that we are in a healthy environment for stocks and though pockets of the market look more fully valued, businesses that can demonstrate strong cash flow growth and exceed expectations should perform quite well.