

# 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

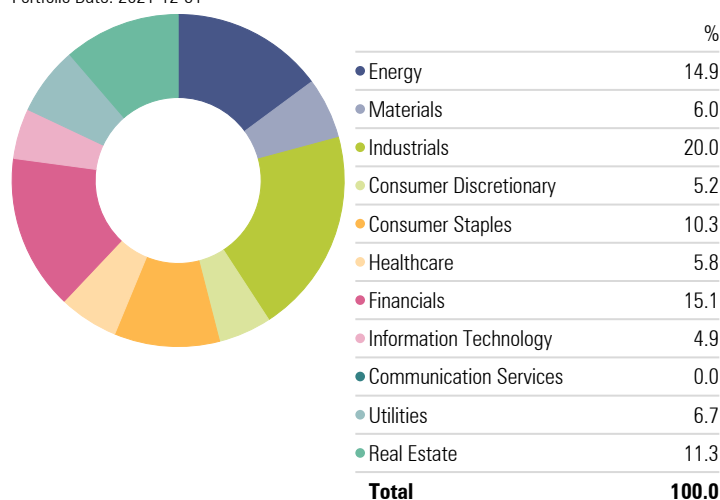
- 20 - 40 small cap Canadian stocks
- Average market cap at time of purchase <\$2bn, dividend yield >1%

Fund code: BMI105	Min Investment: \$1,000 initial, \$200 subsequent	Fund Size: \$98.7M	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.

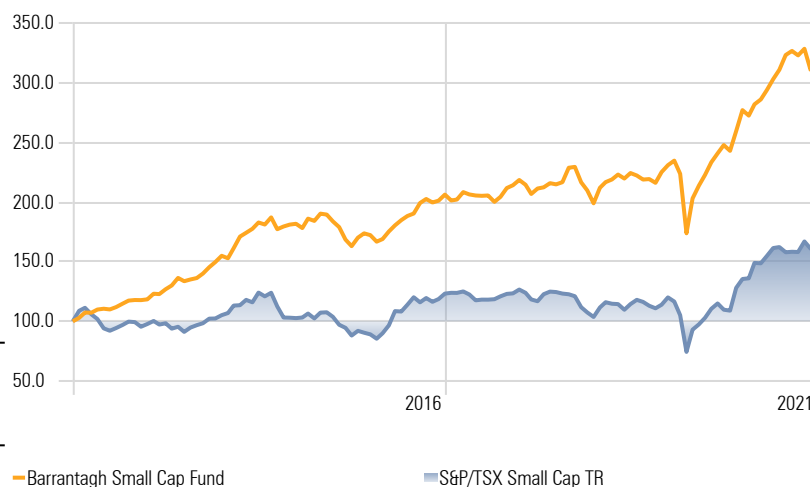
## Current Portfolio - Equity Sectors (GICS)

Portfolio Date: 2021-12-31



## Investment Growth (CDN \$) \*

Time Period: 2012-01-01 to 2021-12-31

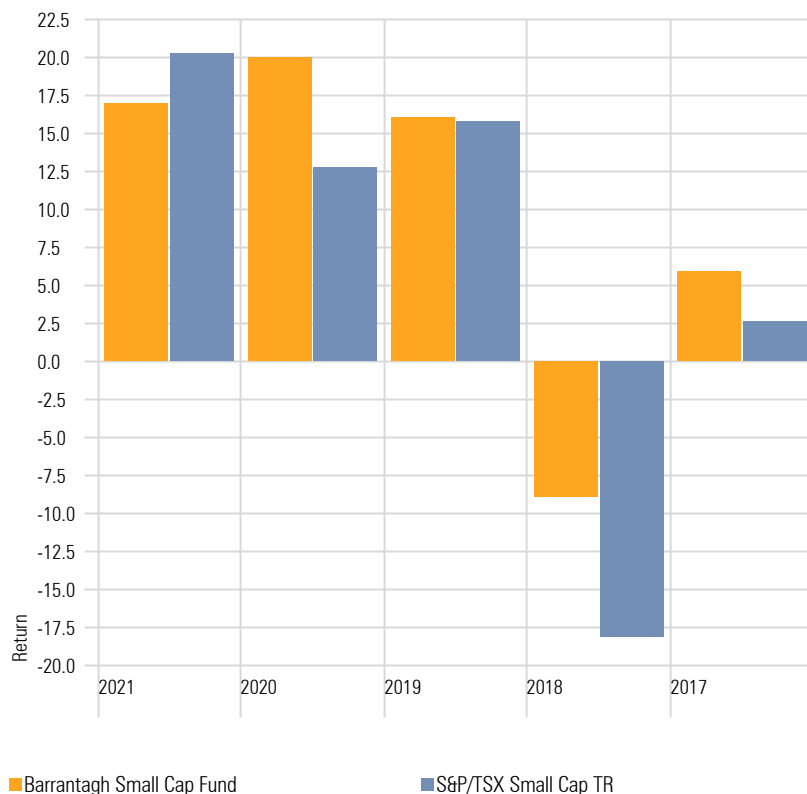


## Trailing Returns \*

As of Date: 2021-12-31

	YTD	1 Year	3 Years	5 Years	10 Years
Barrantagh Small Cap Fund	17.04	17.04	17.69	9.48	12.50
S&P/TSX Small Cap TR	20.27	20.27	16.28	5.75	5.01

## 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

**BARRANTAGH**  
Investment Management

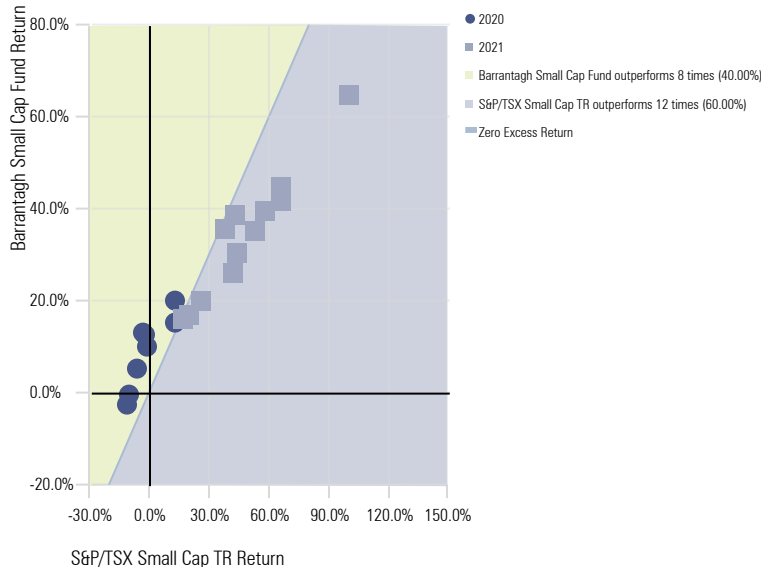
## Top 10 Holdings

Portfolio Date: 2021-12-31

	Portfolio Weighting %
Trisura Group Ltd Registered Shs	6.62
Andlauer Healthcare Group Inc Ordinary Shares (Sub Voting)	5.66
StorageVault Canada Inc	4.81
Dye & Durham Ltd Ordinary Shares	4.77
Jamieson Wellness Inc	3.96
Calian Group Ltd	3.71
ARC Resources Ltd	3.63
Boralex Inc Class A	3.38
Tidewater Midstream and Infrastructure Ltd	3.38
Summit Industrial Income REIT	3.34

## Over/Under Benchmark Performance

Time Period: 2019-06-01 to 2021-12-31 Rolling Window: 1 Year 1 Month shift Calculation Benchmark: S&P/TSX Small Cap TR



## Fourth Quarter Commentary

In the quarter, the Fund underperformed its benchmark, the S&P/TSX Small Cap Index.

A volatile finish to 2021 capped a very eventful year for equities. Through the noise most indices moved higher. Some major themes for the year continued in the fourth quarter (oil and gas strong, mega-cap tech dominance), while others reversed (non-profitable tech companies pressured, COVID "winners" reversed). In Canada, small caps lagged in Q4 with some risk-off themes emerging (supply chain constraints, Omicron spread), while the larger cap S&P/TSX Composite rallied strong to finish the year.

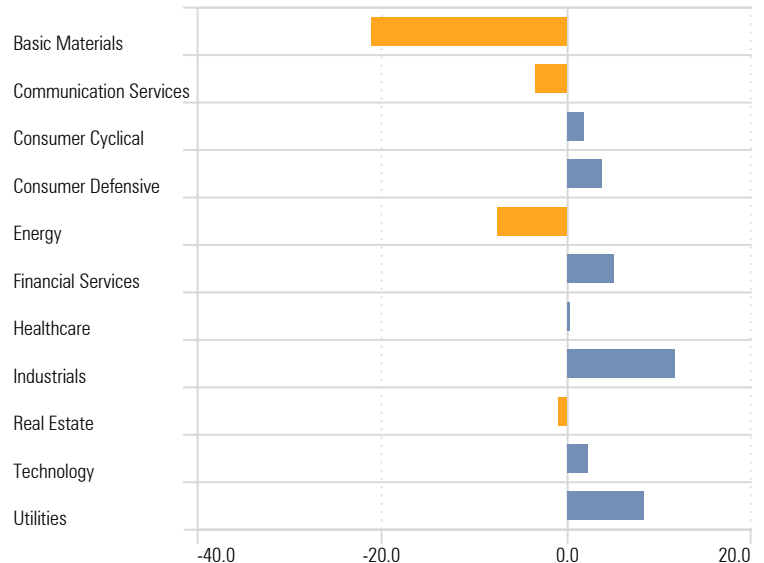
Relative performance was mixed during the year, which proved a challenging period for some quality-value names versus more levered cyclical businesses. Overall, the Fund met or outperformed in eight of eleven GICS sectors but one massive area of lag (Energy) hurt performance. Outside of energy the Fund was roughly ~10% ahead of the benchmark.

The fourth quarter proved very active for the portfolio, as we looked to take advantage of the increased market volatility. Some existing positions were added to, as well as three new names purchased; Propel Holdings, Definity Financial, and Tamarack Valley Energy. To fund these additions, the Fund exited positions in Altius Minerals, Badger Infrastructure, TransAlta Renewables and Mullen Group where we saw inferior upside to our internal valuation targets.

With the reset in certain areas of the market and underperformance across some quality-value names, we are increasingly constructive heading into 2022. Current headwinds look manageable, and we expect the global economy will continue to expand and earnings growth in our universe to continue. Overall Canadian small caps screen as attractive given the large cap outperformance to finish the year. We continue to high-grade our small cap holdings, searching for mispriced risk-reward in quality businesses at attractive valuations.

## Sector Diversification (% Over/Under vs. Benchmark)

Time Period: 2021-10-01 to 2021-12-31



## Risk - Barrantagh Small Cap Fund

Time Period: 2019-06-01 to 2021-12-31

Calculation Benchmark: S&P/TSX Small Cap TR

Return	16.27
Std Dev	20.66
Downside Deviation	10.55
Alpha	4.50
Beta	0.63
R2	82.32
Sharpe Ratio (arith)	0.75
Tracking Error	14.31