

BARRANTAGH

Investment Management

Update – March 31, 2022

- Firm Update
- Key Mandate Review
 - Small Cap Canadian Equities
 - NEW MANDATE: Global All Cap Equities (Available Now)
- Economic Update

RICHARDSON
Wealth

Small Cap Canadian Equities
Global All Cap Equities



FIRM UPDATE

Firm Update

FIRM PROFILE

- 100% employee-owned investment managers since 1995
- 17 employees, firm ownership expanded to 7 employee-shareholders
- AUM: \$1.4 Bn (private wealth, institutional, sub-advisory)
- Fundamental quality value style

STRATEGIES OFFERED

- Balanced Mandates – active asset mix mgmt.
- Fixed Income – Credit barbell + active duration mgmt.
- Equity Strategies – Focus Portfolios (20 – 40 stocks in a strategy):
 - **Small Cap – quality/yield focus**
 - Mid Cap – S&P TSX Completion Index
 - All Cap Cdn Equities
 - Income – yield focus
 - **Global Equities – Global leaders + Special situations**

FIRM UPDATE

COVID 19:

- Operating remotely with full trading, portfolio accounting, investment team and client service capability
- Rotating limited office schedule & video conferencing

Diversification Strategies:

- Small Cap – new prospectus fund launched in Q2/19
 - ‘F’ Class – 1.0% MER, 13-year composite track-record
 - ‘A’ Class – 2.0% MER launched in Q2/2021
- Mid Cap – reached 4-year track record end of Q2/21

ESG Integration Update:

- Completed UN PRI signatory process (2019) & formalized BIM Responsible Investing Policy
- 2021 – subscribed to ISS ESG Global database (ESG company data, Controversies, Portfolio Analysis)

Sub-Advisory News:

- Awarded new SMA mandate (Global Equities) continuing to broaden our offerings with 5 leading IIROC firms

Website Upgrade 2020:

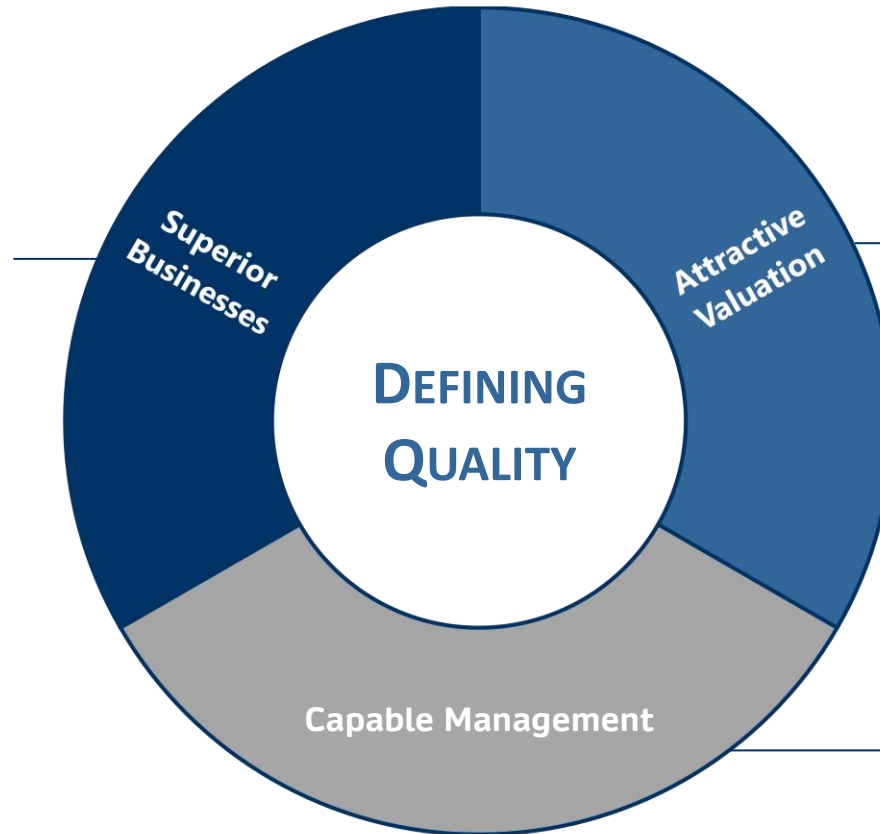
- Launched July, 2020
- Advisor Portal

Investment Philosophy

Defining Quality

IDEA GENERATION

- Competitive advantages
- Industry leaders
- Pricing Power
- High return on capital
- Low capital intensity
- **ESG** Profile



INDEPENDENT VALUATION

- Cashflow analysis
- Independent valuation
- Forecast use of leverage
- Quality reduces risk
- Buy/Sell Targets

MANAGEMENT INTERVIEWS

- Aligned with shareholders
- Clear business strategy
- Record of value creation
- Low cost operators
- Conservative use of leverage



OBSERVATIONS:

Small Cap Canadian Equities

Small Cap Canadian Equity

Performance at March 31, 2022

For Periods Ending Mar. 31, 2022	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	6 Yrs	7 Yrs	8 Yrs	9 Yrs	10 Yrs
BIM Canadian Small Cap	-1.2%	13.3%	38.0%	15.4%	12.3%	10.1%	11.5%	9.0%	8.8%	11.5%	12.1%
S&P/TSX Small Cap Index	8.8%	19.2%	54.5%	15.6%	11.0%	7.2%	10.6%	8.1%	5.7%	6.7%	5.3%
S&P/TSX Composite Index	3.8%	20.2%	31.7%	14.1%	12.6%	10.3%	11.7%	8.9%	8.6%	9.4%	9.1%

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
BIM Canadian Small Cap	18.8%¹	21.3%	19.0%	-8.9%	5.9%	19.8%¹	-5.3%	17.3%	30.9%	18.5%	15.6%	35.0%	43.8%¹	-22.9%
S&P/TSX Small Cap Index	20.3%	12.9%	15.8%	-18.2%	2.7%	38.5%	-13.4%	-2.4%	7.6%	-2.2%	-16.4%	35.1%	62.3%	-45.5%

¹ Periods where index performance was driven by commodity rallies (Mining & Oil Exploration & Production)

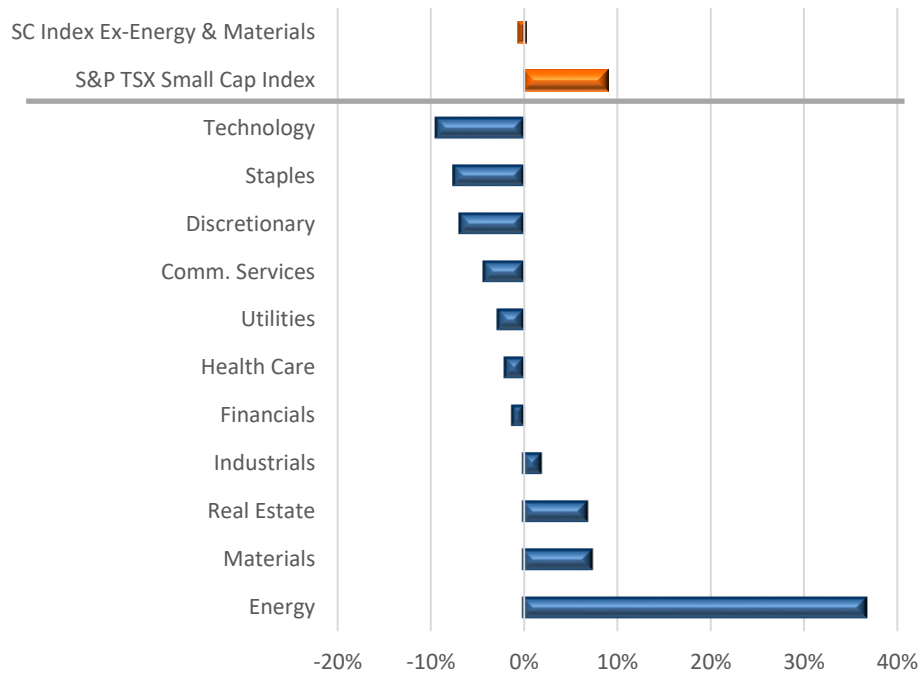
Green indicates periods that Barrantagh Small Cap outperformed

Returns are gross of fees. Composites include actual accounts managed by Barrantagh. Past performance is no guarantee of future returns.

Small Cap Canadian Equity

Q1 – Narrow Energy-Led Market

Q1 2022 Small Cap Index Returns by Industry

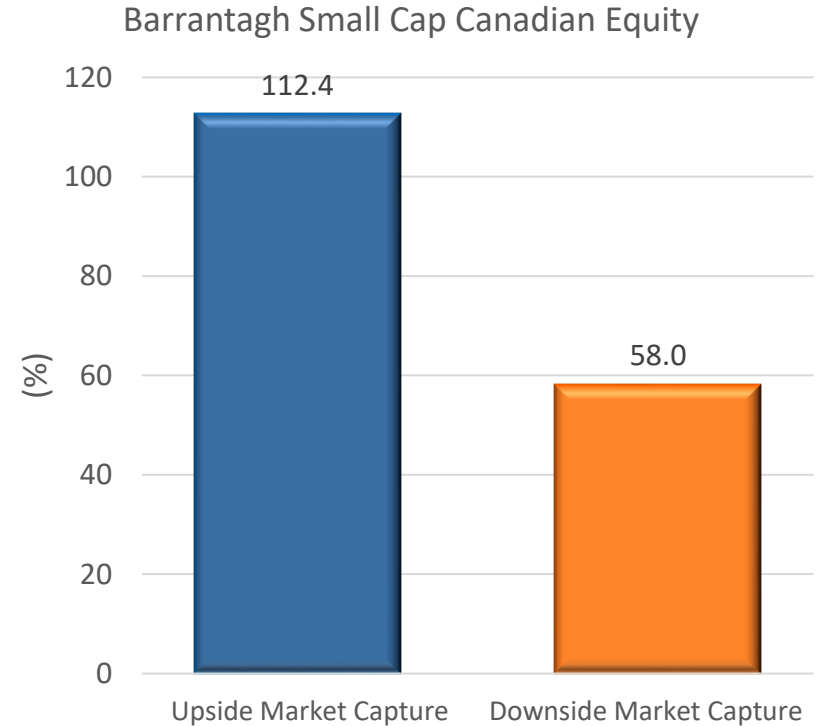


- Ukraine invasion has accelerated the commodity rally (energy in particular) & had a broad negative impact on other sectors
- 7 industry sectors posted negative returns
- Small cap index Q1 return of 8.8% is reduced to (-0.6%) by excluding Energy & Materials
- 95% of small cap strategies underperformed the index in Q1

Small Cap Canadian Equities

Conservative Exposure to Commodities Delivers Much Lower Portfolio Risk vs. Market

Mar. 31, 2022	Barrantagh Small Cap Cdn. Equites ¹	TSX Small Cap	Median
Annualized Return	13.2%	4.1%	8.0%
Standard Deviation	13.6%	21.0%	17.9%
<i>Sharpe Ratio</i>	<i>1.0</i>	<i>0.19</i>	<i>0.44</i>



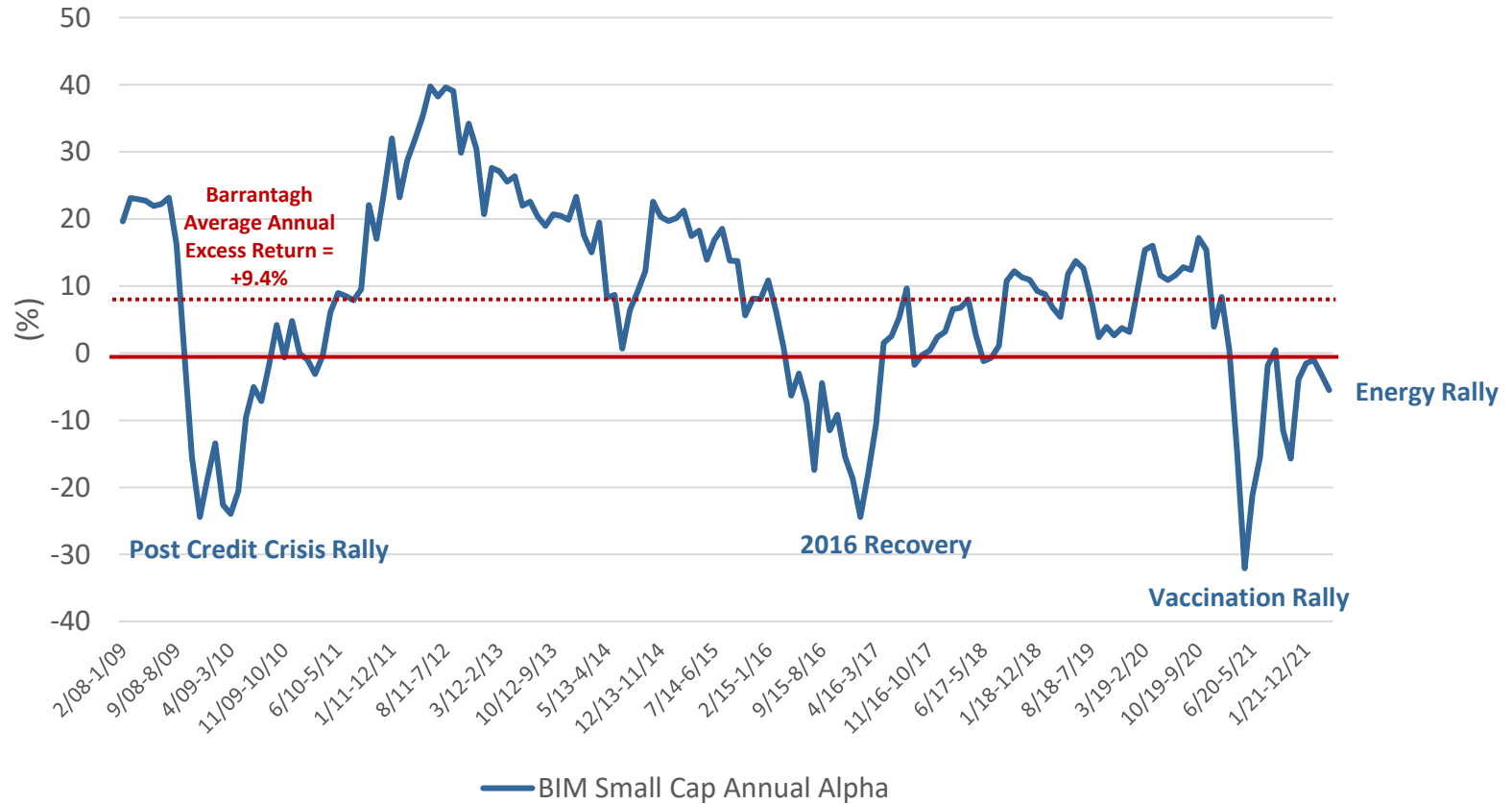
¹ Since Inception Jan. 1, 2008

² vs. Evestment Small Cap Universe

Small Cap Canadian Equity

Excess Returns: Substantial Commodity Rallies are Infrequent & Short-Lived

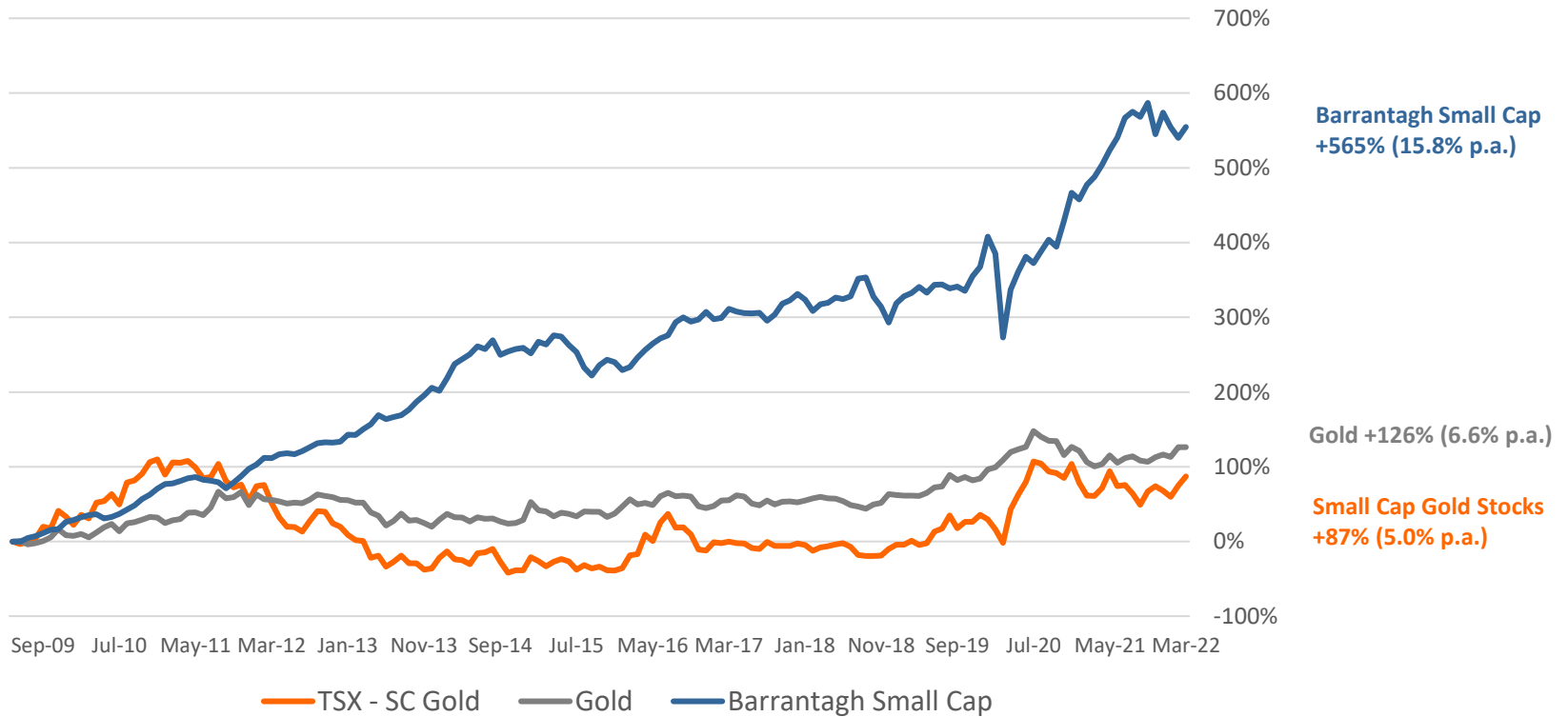
Rolling 1 Yr Excess Returns: Barrantagh Small Cap Annual Alpha vs. TSX Small Cap



Small Cap Canadian Equity Mandate

Junior Gold Miners: Underperforming/Volatile & Poor Commodity Tracking

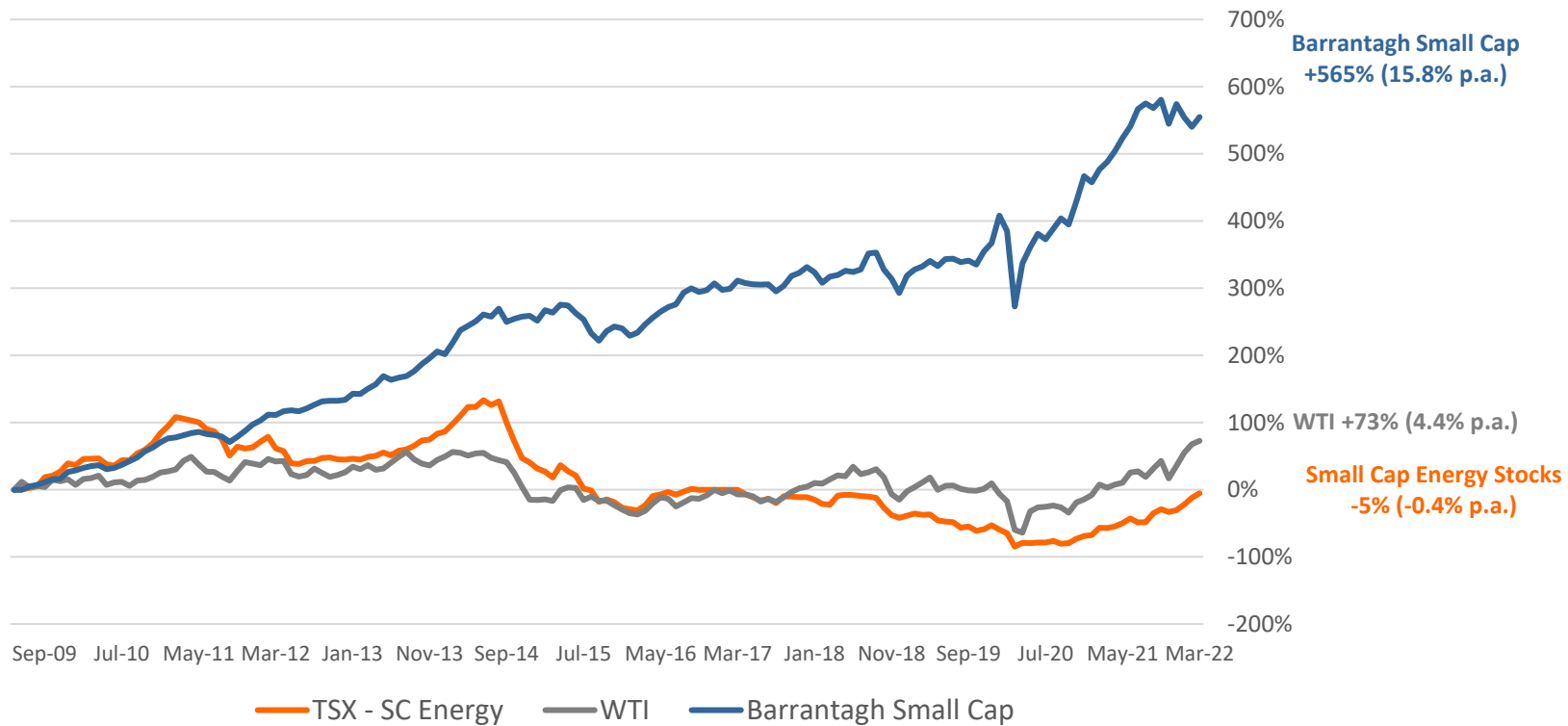
Cumulative Returns ~ 13 Years to March 31 2022



Small Cap Canadian Equity Mandate

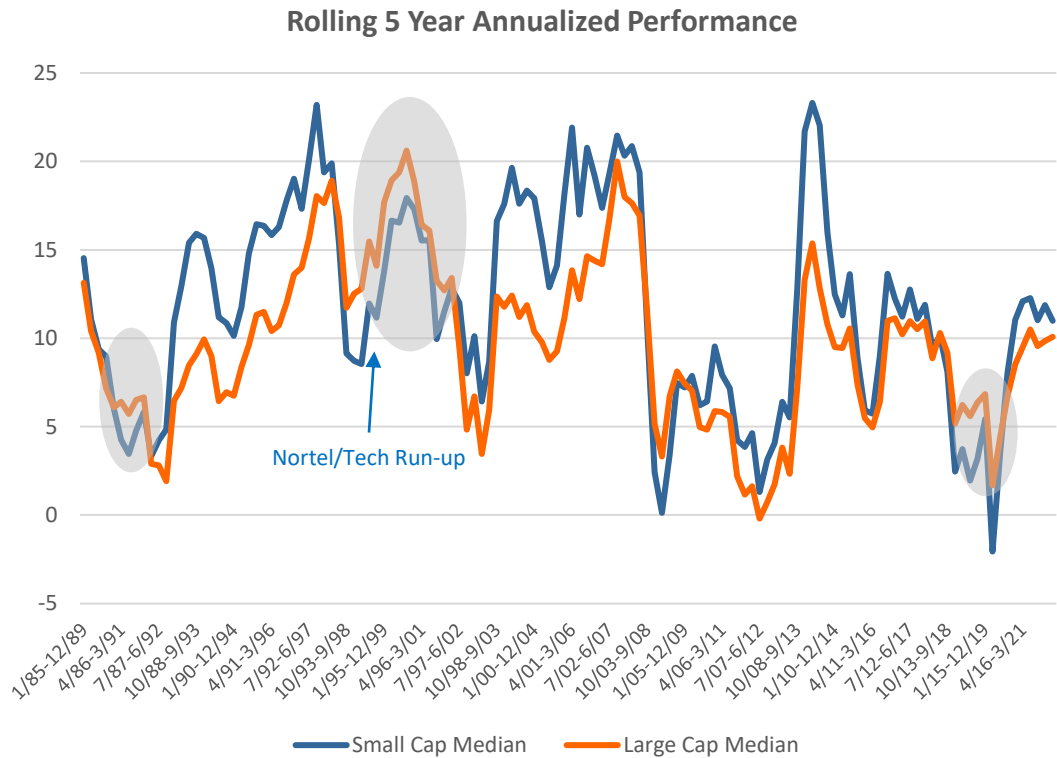
Small Cap Energy: Underperforming/Volatile & Poor Commodity Tracking

Cumulative Returns ~ 13 Years to December 31 2021



Canadian Equity Markets

Small Cap Median Beats the Large Cap Median 72% of the time Since 1985



- Periods of small cap *active manager* underperformance are not persistent and as the shaded areas indicate the difference in performance for those periods was only 2-3%

- ← **5 year medians at Mar. 31/2022:**
- Small cap median ~100bps higher than large cap

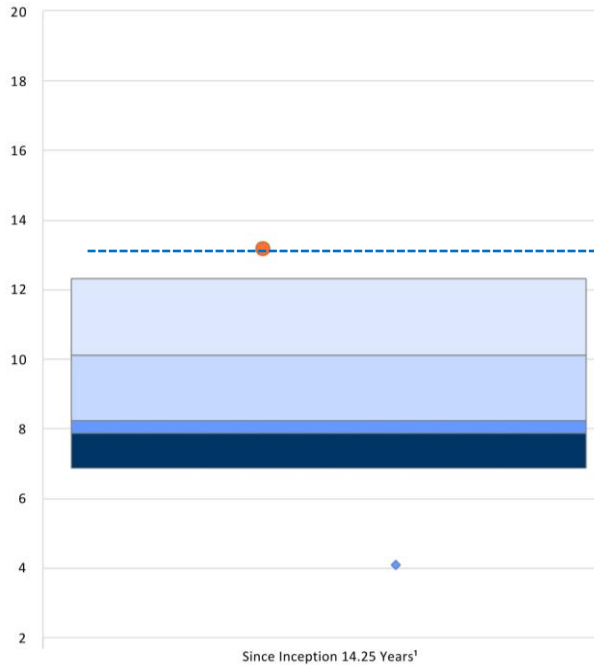
¹Evestment Large Cap Canadian Equity

²Evestment Small Cap Canadian Equity

RETURNS: Small Cap Canadian Equities

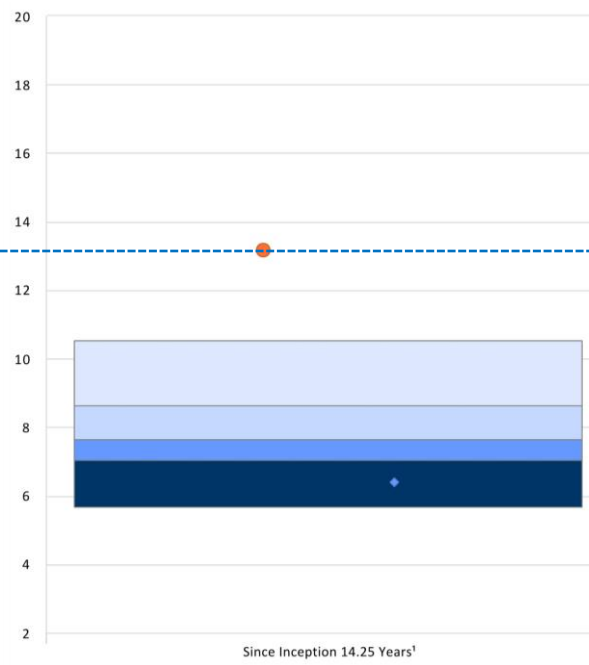
Strong Performance vs. Large Cap Cdn & Global Equities (for Periods Ending Mar. 31, 2022)

Canadian Small Cap Universe



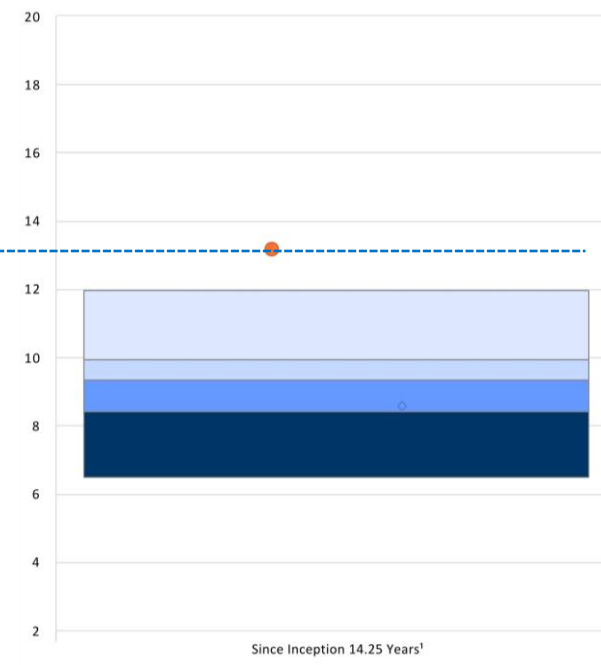
● Barrantagh Small Cap
◆ TSX Small Cap Index

Canadian Large Cap Universe



● Barrantagh Small Cap
◆ TSX Composite Index

Global Equity Universe (\$C)



● Barrantagh Small Cap
◆ MSCI World Net (\$C)

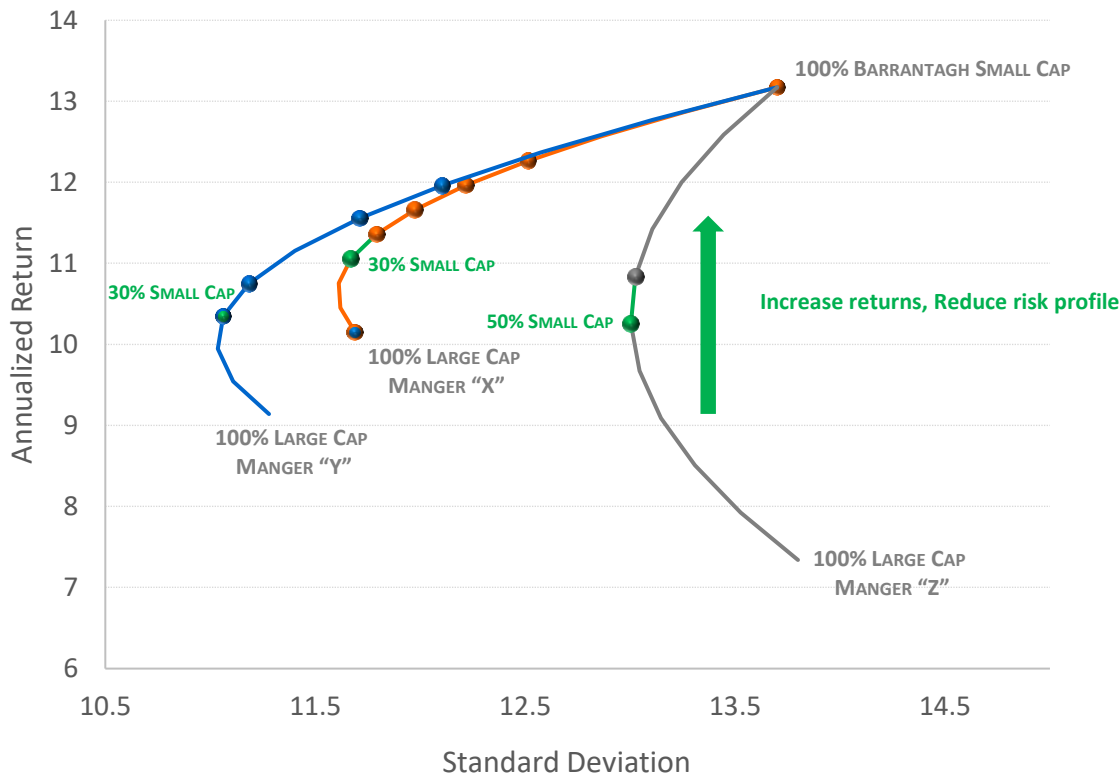
Strategy Inception Date: Jan. 1, 2008

DIVERSIFICATION: Small Cap Canadian Equities

Improve Returns & Lower Risk by Combining with Large Cap Managers

Canadian Equity Allocation

Since Jan/2008 Risk Return
For Periods Ending Mar. 31, 2022



Most large-cap Cdn. Equity managers are **highly correlated (>0.9)** – with each other and the index

Barrantagh small cap offers **very low correlation with large cap (0.6)** and indices

- Allocation can *reduce overall portfolio risk* + increase return

Total Portfolio Risk a function of:

1. Weights (ω) of underlying components
2. Risk (σ) of underlying components
3. Correlation (ρ) of components

Portfolio Standard Deviation(σ_p)

$$= \sqrt{\omega_A^2 \sigma_A^2 + \omega_B^2 \sigma_B^2 + 2\omega_A \omega_B \sigma_A \sigma_B \cdot \rho_{AB}}$$



MANDATE REVIEW

Small Cap Canadian Equities

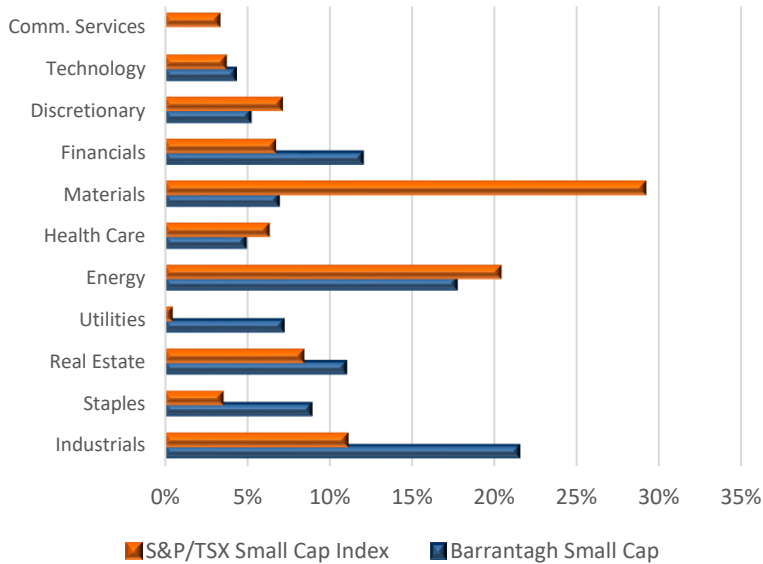
Profile: Small Cap Canadian Equities

Portfolio at March 31, 2022

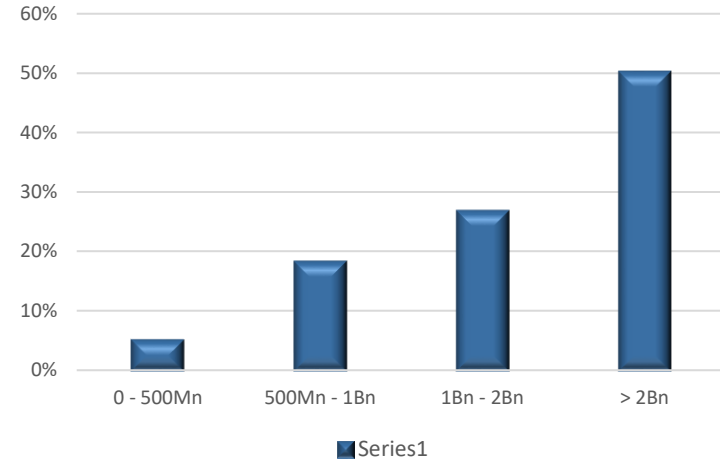
CHARACTERISTICS

Number of Holdings	30
Avg. Market Cap	\$2.5 Bn
# Industry Sectors	10
Dividend Yield	2.0%

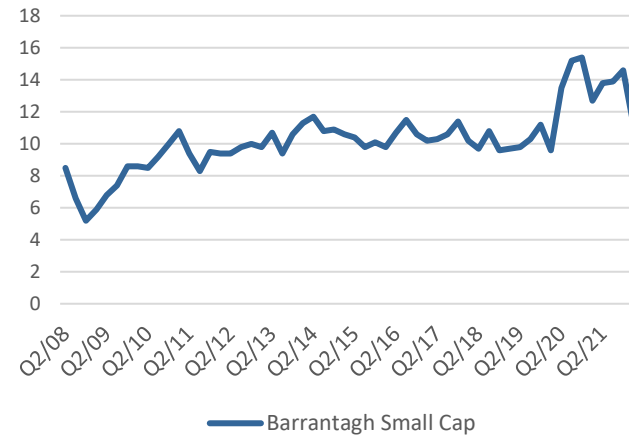
Barrantagh Small Cap Industry Weight vs. Index



Market Cap Exposure



Historic P/CF



Canadian Small Cap Equity Portfolio

Portfolio at March 31, 2022 | Q1 Transactions

	Portfolio Weight		Portfolio Weight		Portfolio Weight
Consumer Discretionary		Industrials		Utilities	
MTY Food Group	2.3%	Aecon Group	3.3%	Boralex	4.1%
Diversified Royal (-)	2.7%	Boyd Group	2.8%	Superior Plus	2.9%
	5.0%	Brookfield Business Corp. (NEW)	1.0%		7.0%
Consumer Staples				Materials	
Jamieson Wellness	3.9%	Cargojet	4.1%	Chemtrade Logistics	2.8%
Neighbourly Pharmacy	2.2%	Calian Group	4.1%	Intertape Polymer (-)	3.8%
Premium Brands	2.5%	Savaria	2.8%		6.7%
	8.6%	Lifeworks	2.7%		
			20.8%		
Energy		Real Estate		Cash & Equivalent	
Arc Resources (-)	4.2%	Minto Apartment REIT	2.9%		3.4%
Gibson Energy	3.3%	Storagevault Canada	4.7%	Total	100.0%
Enerflex	2.4%	Summit Industrial REIT	3.1%		
Tamarack Valley (+)	3.8%		10.7%	SOLD	
Tidewater Midstream	3.5%	Health Care			
	17.2%	Andlauer Healthcare	4.8%		
			4.8%		
Financials		Information Technology			
Definity Financial	3.4%	Dye & Durham (+)	4.2%		
Equitable Group	2.7%		4.2%		
Propel Holdings	1.3%			TRIM = (-)	
Trisura Group (-)	4.2%			ADD = (+)	
	11.6%				

Canadian Small Cap Equity Portfolio

Select Holdings – Brand Recognition

JAMIESON WELLNESS (JWEL)



CARGOJET (CJT)



Amazon optional ownership stake ~15%



BORALEX (BLX)



AECON (AEC)



BOYD GROUP (BYD)



STORAGEVAULT (SVI)





MANDATE REVIEW GLOBAL EQUITIES

Global Equity Mandate

Performance at March 31, 2022

For Periods Ending Mar. 31, 2022	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	6 Yrs	7 Yrs	8 Yrs	9 Yrs	10 Yrs
BIM Global Equities	-6.1%	6.0%	15.4%	13.4%	12.7%	11.9%	12.6%	11.4%	11.9%	13.9%	14.1%
MSCI World (Net)	-6.2%	9.4%	22.0%	12.4%	11.2%	11.0%	12.2%	10.1%	11.5%	13.3%	13.4%

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
BIM Global Equities	15.6%	8.6%	37.4%	0.1%	13.7%	7.0%	14.0%	14.0%	39.6%	16.0%
MSCI World (Net)	20.8%	13.9%	21.2%	-0.5%	14.4%	3.8%	18.9%	14.4%	35.2%	13.3%

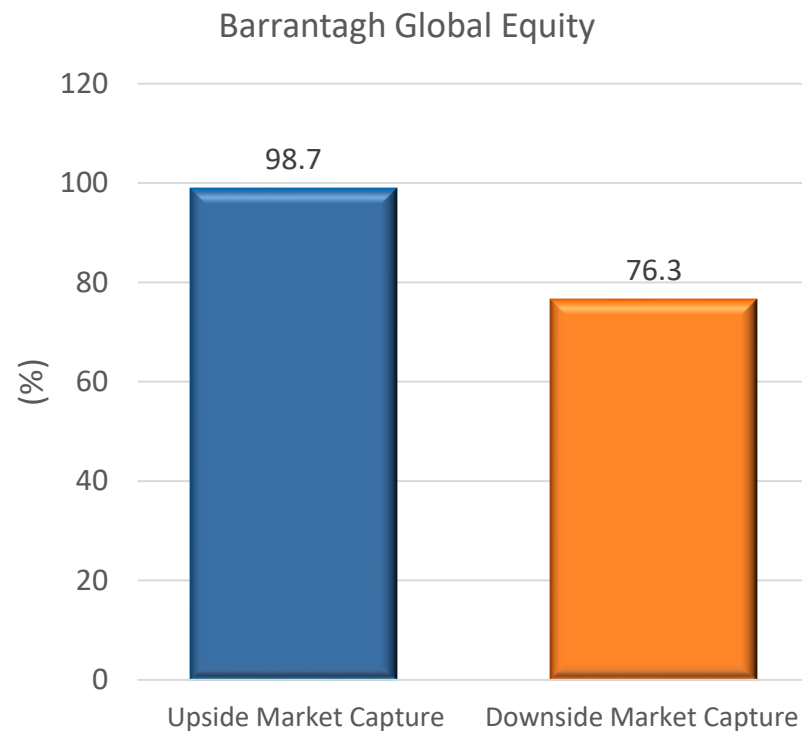
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Global Equities

Risk Statistics vs. Global Equity (for Periods Ending March 31, 2022)

	Barrantagh Global Equities ¹	Percentile Rank ²	
Annualized Return	16.0	7	1st Quartile
Standard Deviation	10.42	25	Lower Volatility than Median
<i>Sharpe Ratio</i>	<i>0.56</i>	<i>7</i>	<i>High risk-adjusted return</i>
Beta	0.89	29	Low risk vs. market
<i>Treynor Ratio</i>	<i>6.52</i>	<i>8</i>	<i>High risk-adjusted return</i>

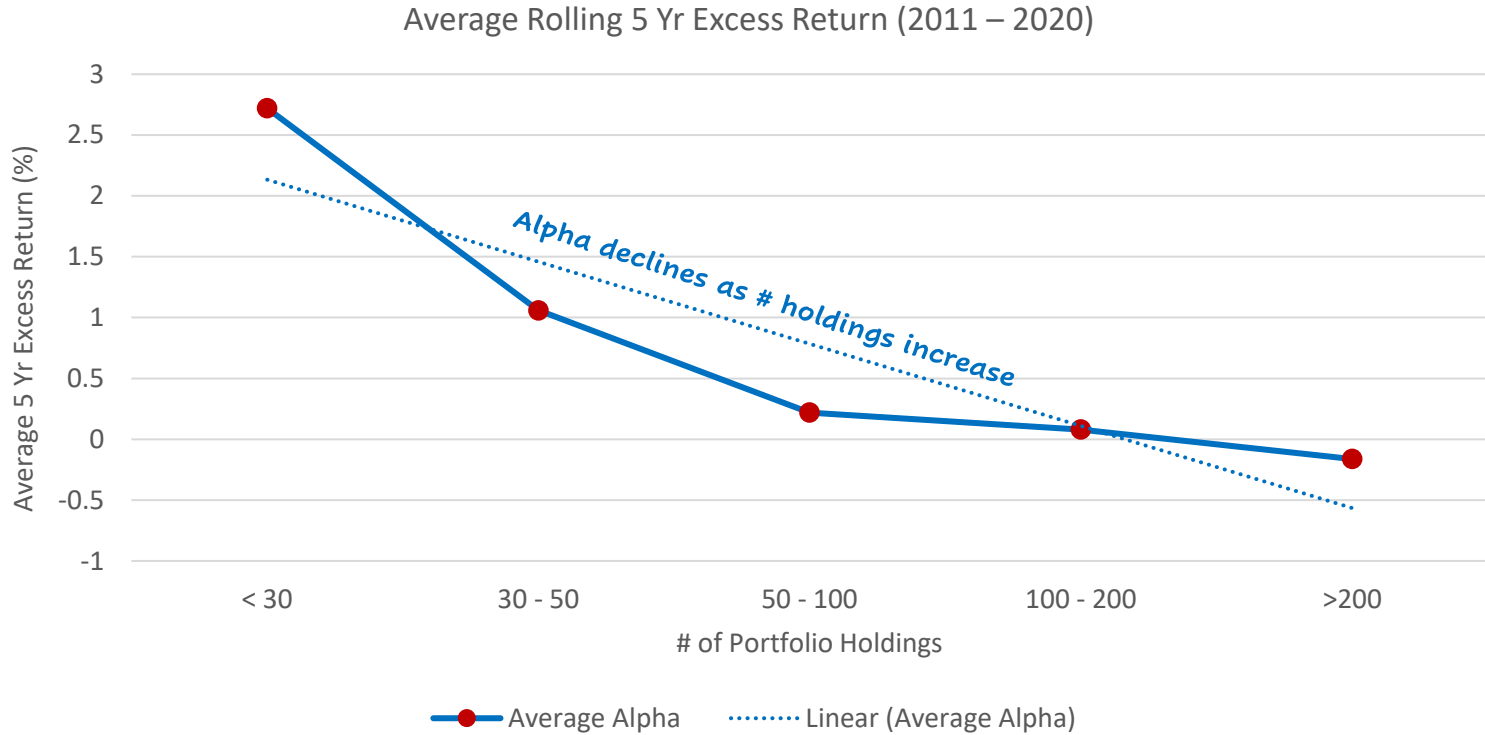


¹ Since Inception Jan. 1, 2012

² vs. Evestment All Cap Value Universe

Concentrated Global Equity Advantages

Holdings & Alpha Generation



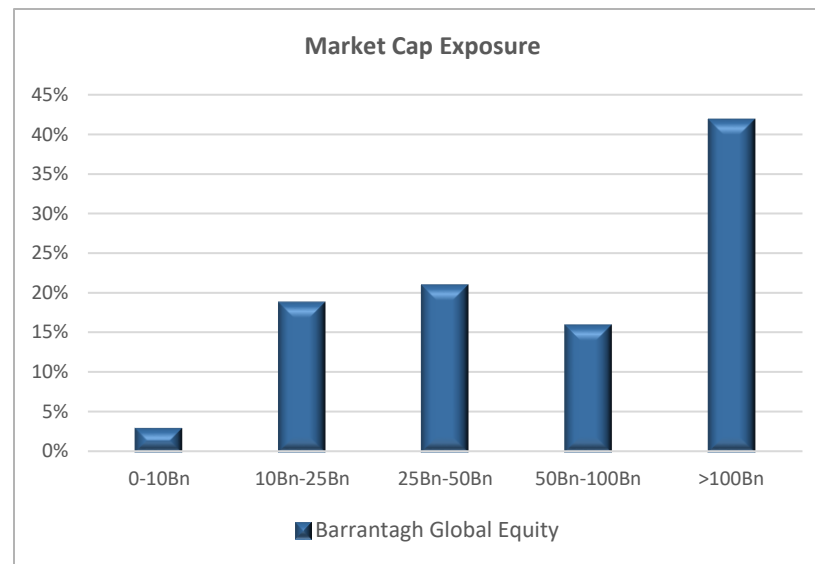
Excess Returns (CAD) vs. MSCI World Index (Net)

Global Equities

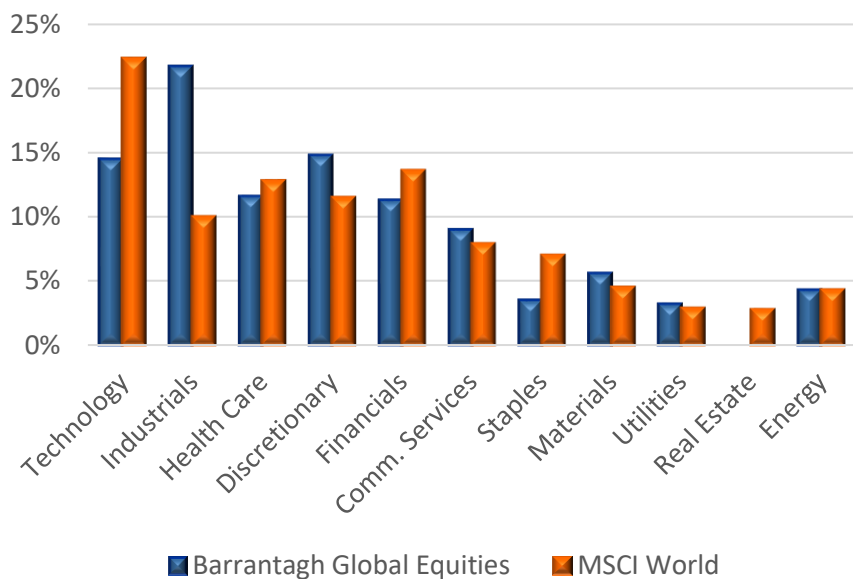
at March 31, 2022

CHARACTERISTICS

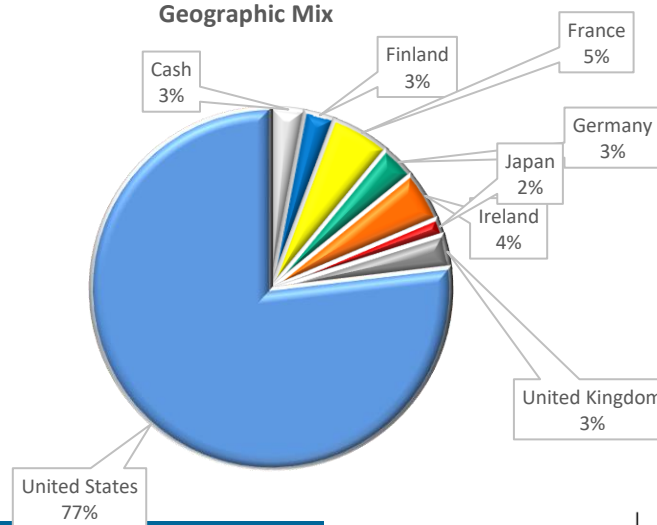
Number of Holdings	31
# Industry Sectors	10
Average Market Cap	\$465.4Bn
P/CF	14.0X
Dividend Yield	1.4%



Barrantagh Global Equities Industry Weight vs Index



Geographic Mix



Global Equities

Portfolio at March 31, 2022 | Q1 Transactions

	Portfolio Weight		Portfolio Weight		Portfolio Weight
Consumer Discretionary		Industrials		Financials	
Dollar General	3.5%	Metso Outotec (+)	2.7%	Bank of America	3.9%
Advance Auto Parts (-)	2.9%	Kubota	1.5%	Wells Fargo	2.8%
Amazon (NEW)	3.5%	Vinci S.A. (NEW)	1.9%	JP Morgan Chase	2.2%
Compass Group (+)	3.0%	Quanta Services (-)	4.0%	Willis Towers Watson	2.1%
VF Corp.	1.6%	Regal Rexnord	1.9%		11.0%
	14.5%	Schneider Electric	3.4%	Information Technology	
Consumer Staples		Union Pacific (-)	4.3%	Dynatrace (+)	3.0%
Constellation Brands	3.4%	Wabtec (NEW)	1.5%	Microchip Technology	3.2%
	3.4%		21.2%	Mastercard	3.5%
Materials		Health Care		Microsoft	4.4%
CRH (+)	2.4%	Boston Scientific	4.2%		14.1%
International Flavours & Frag. (-)	3.1%	Thermo Fisher Scientific	3.6%	Communication Services	
	5.5%	United Health Group (-)	3.5%	T-Mobile (-)	3.3%
Utilities			11.3%	Alphabet	5.5%
RWE Aktiengesellschaft	3.1%	Energy			8.8%
	3.1%	EOG Resources (+)	4.3%	Cash & Equivalents	2.6%
			4.3%	Total	100.0%
Sold		TRIM = (-)			
Ferrovial		ADD = (+)			
Ericsson					



ECONOMIC REVIEW

Outlook

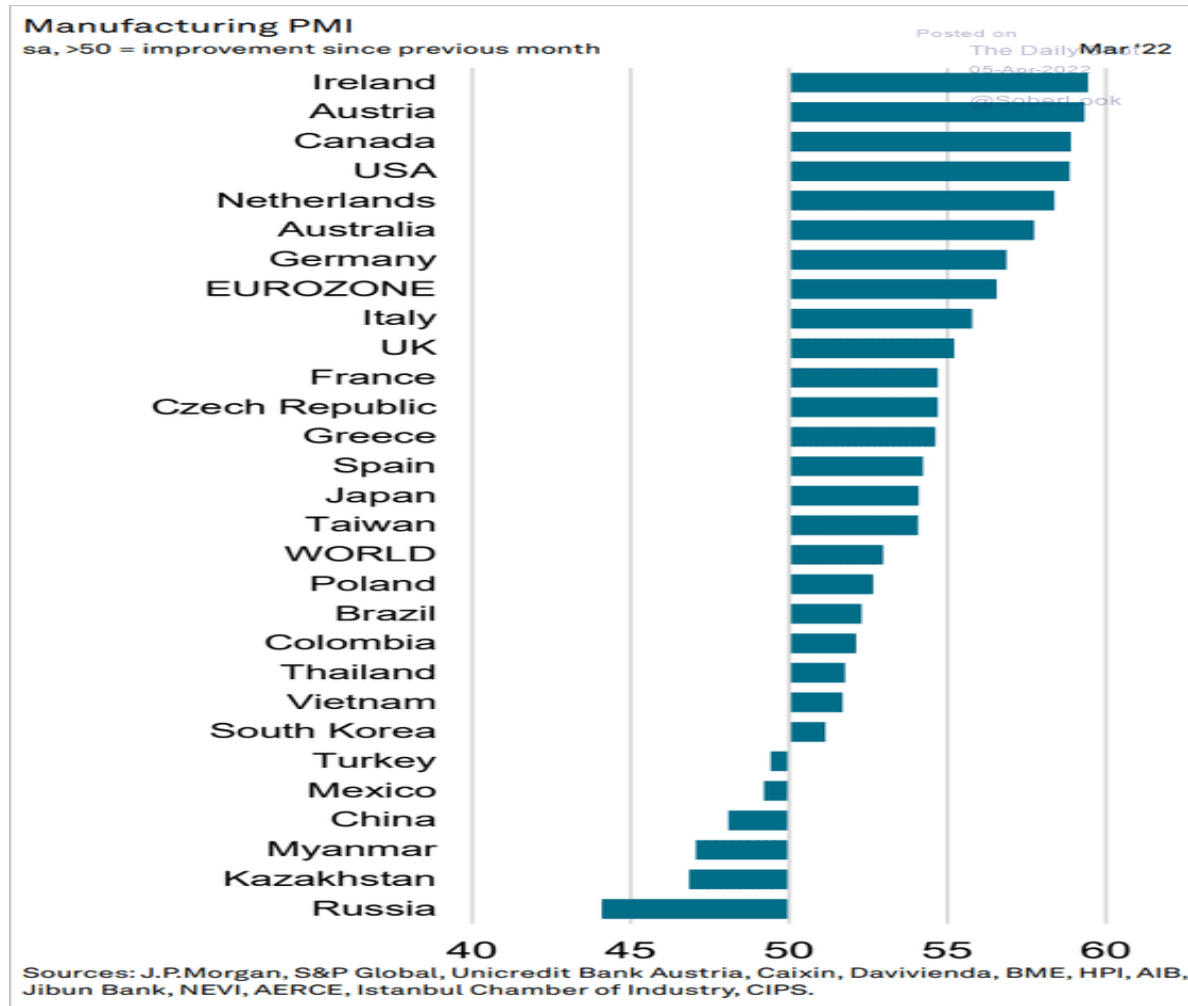
World:

- Fiscal stimulus, monetary support, credit supports, regulatory burden relief
- Despite lower global GDP expectations near-term support:
 - Buybacks, manufacturing activity
 - Consumer support, Business Re-Investment
- Monitor Risks
 - Inflation, rising yields, tightening cycle, supply chain bottlenecks, geopolitical
- Equity markets tracking earnings
 - Rotation into Value

Canada:

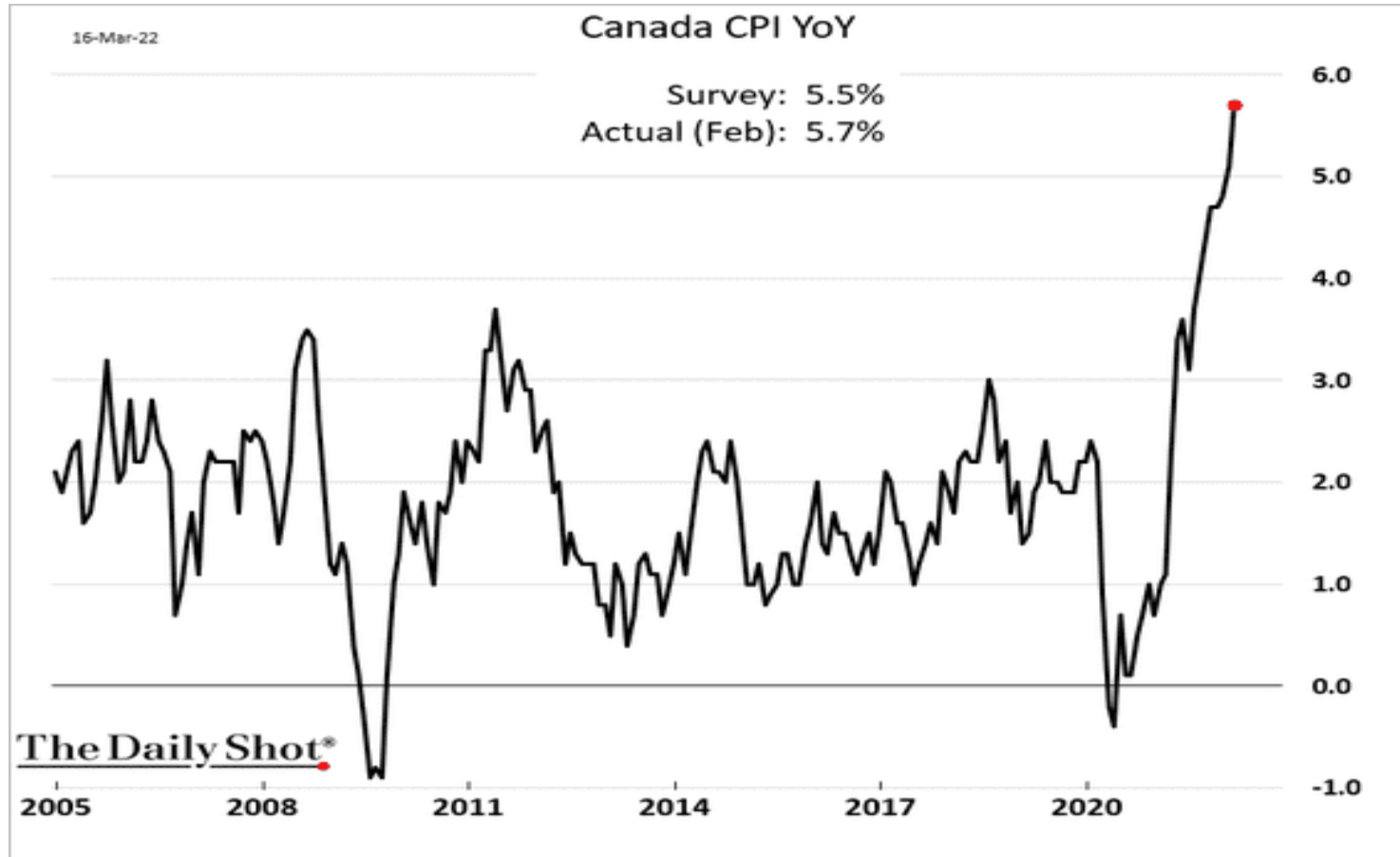
- Foreign buyer support
- Energy stocks second leg up on Ukraine invasion

Global Manufacturing PMI



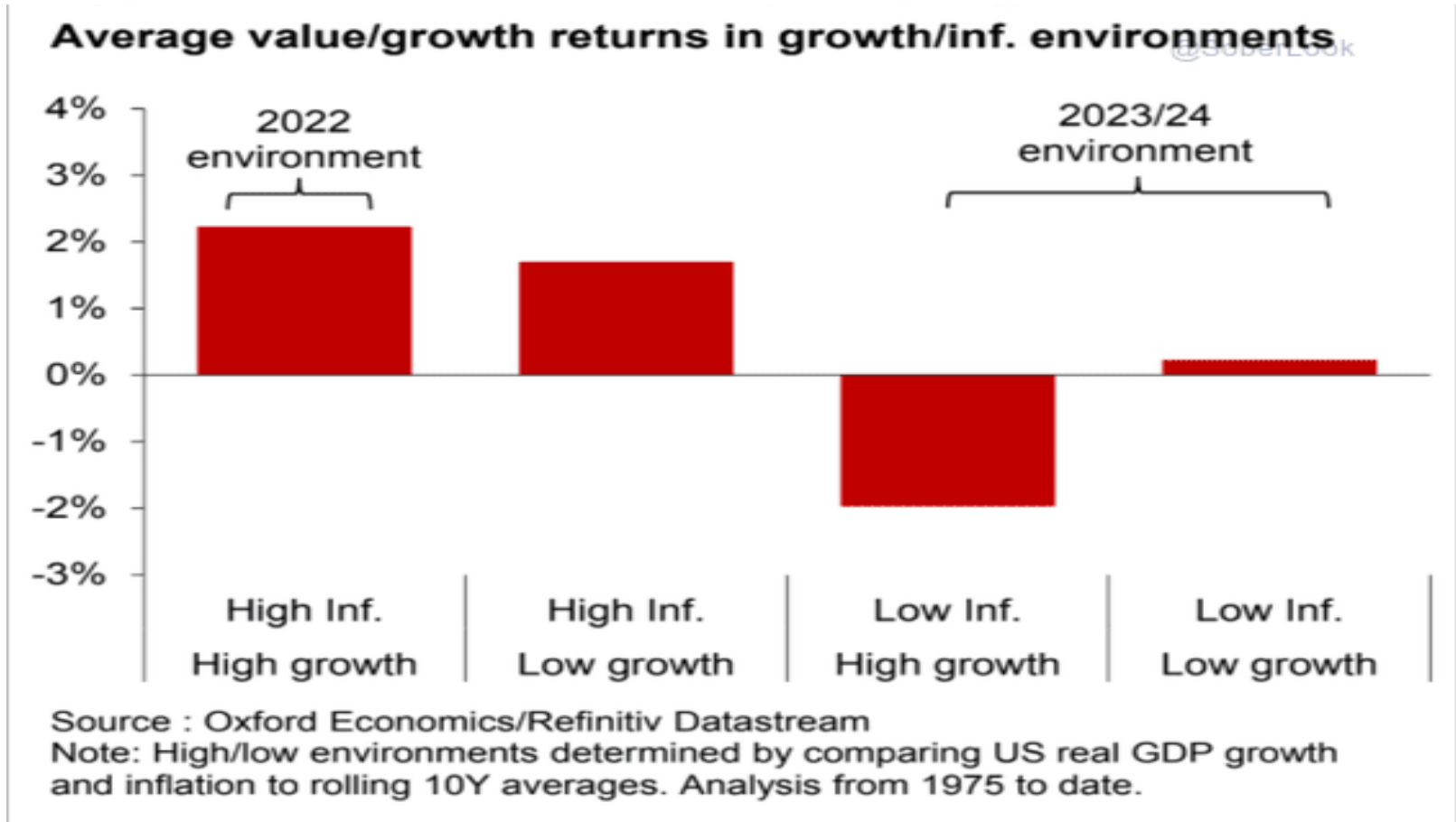
Source: The Daily Shot

Canada's Inflation



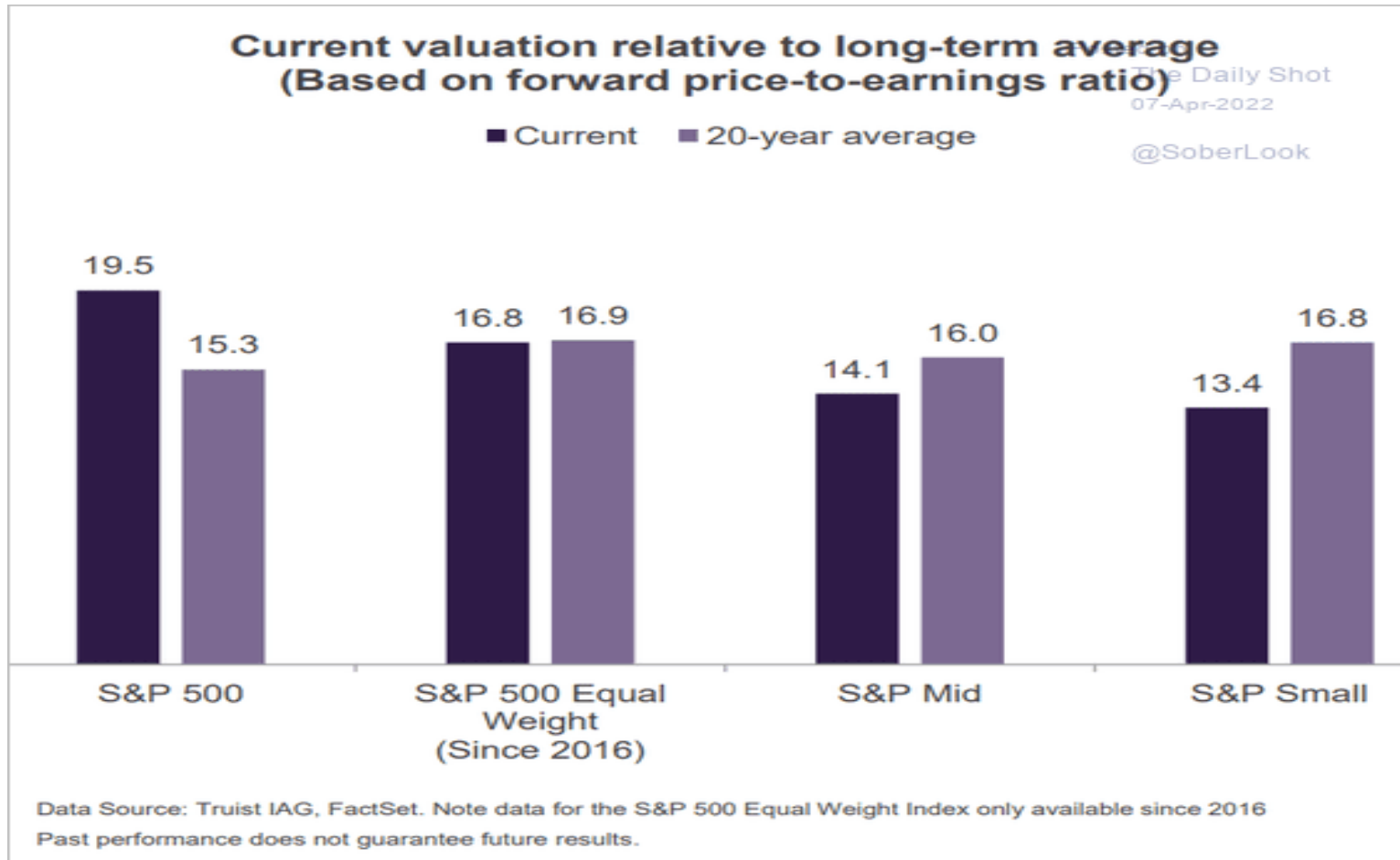
Source: The Daily Shot

Value vs Growth – Higher Inflation Favours Value



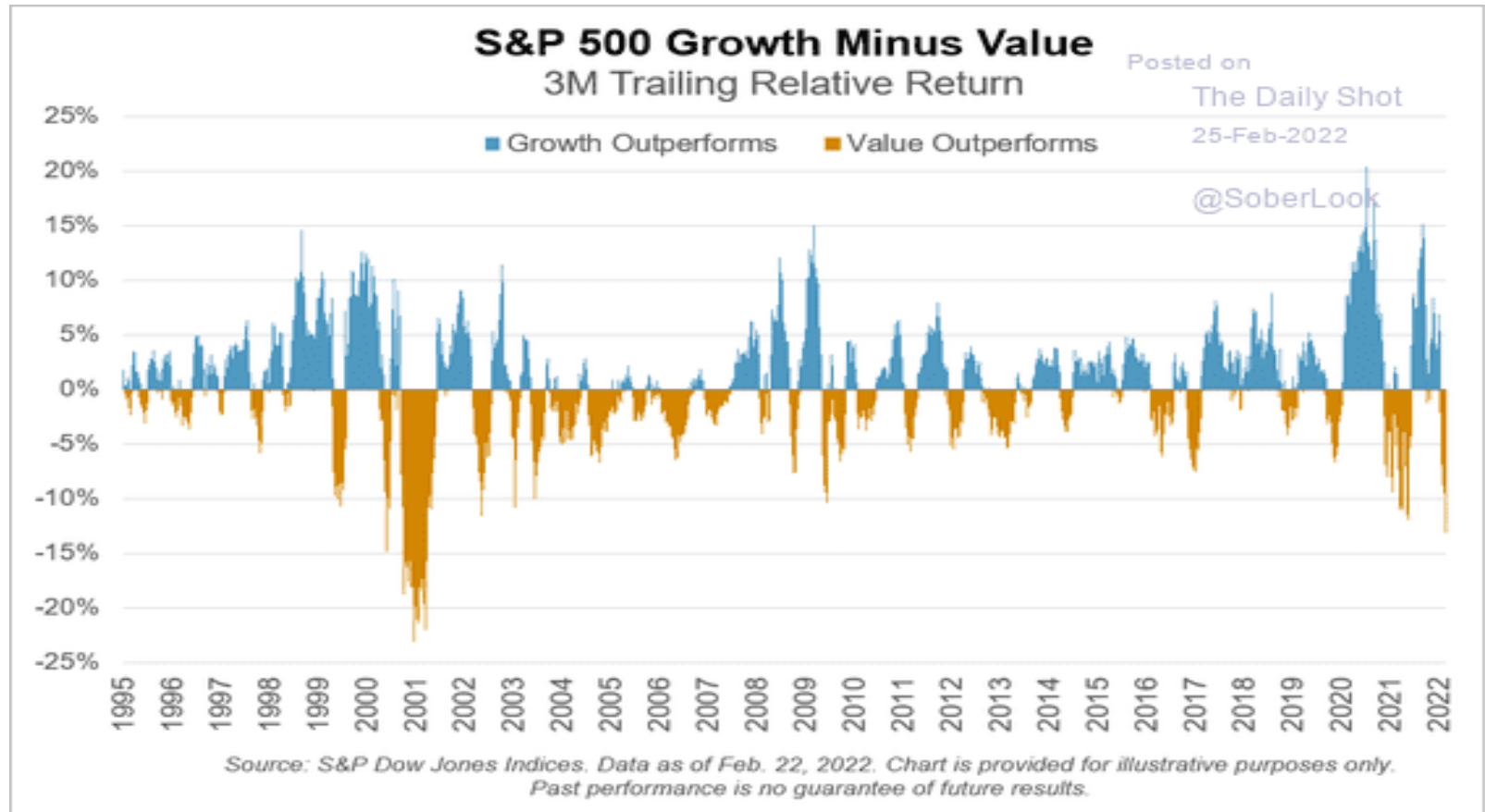
Source: The Daily Shot, Oxford, Refinitiv, Lehman, Bloomberg

Relative Market Valuation



Source: The Daily Shot

Growth and Value Stock Performance Rotation



Source: Daily Shots

Working with You

- Why Small Cap Canadian Equities
 1. Adds **low-risk alpha** & yield to client portfolios
 2. Diversification - **reduce** overall client portfolio **risk** (low correlation)
- Barrantagh Small Cap Canadian Equity Fund
 - **F Class** Fund Code: BMI105, 1% MER, Minimum: \$1,000
 - **NEW: A Class** Fund Code: BMI110, 2% MER, Minimum: \$1,000
- SMA Minimum Account: \$100K(Small Cap), \$150K (Global All Cap Equities)
- Advisor Portal (barrantagh.com) password: Richardson4

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