

BARRANTAGH

Investment Management

Update – Mar. 31, 2024

- Firm Update
- Key Mandate Review
 - Small Cap Canadian Equities
 - Global All Cap Equities
- Economic Update

RICHARDSON
Wealth

Small Cap Canadian Equities
Global All Cap Equities

Firm Update

FIRM PROFILE

- 100% employee-owned investment managers since 1995
- 17 employees, firm ownership expanded to 7 employee-shareholders
- AUM: \$1.5 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

PROMOTIONS:

- **Sean Wetmore** from Portfolio Manager to Vice President & Portfolio Manager– Small Cap Canadian Equities

Diversification Strategies:

- Small Cap – new prospectus fund launched in Q2/19
 - ‘F’ Class – 1.0% Mgmt Fee, 15 yr composite track-record
 - ‘A’ Class – 2.0% Mgmt Fee launched in Q2/2021

ESG Integration Update:

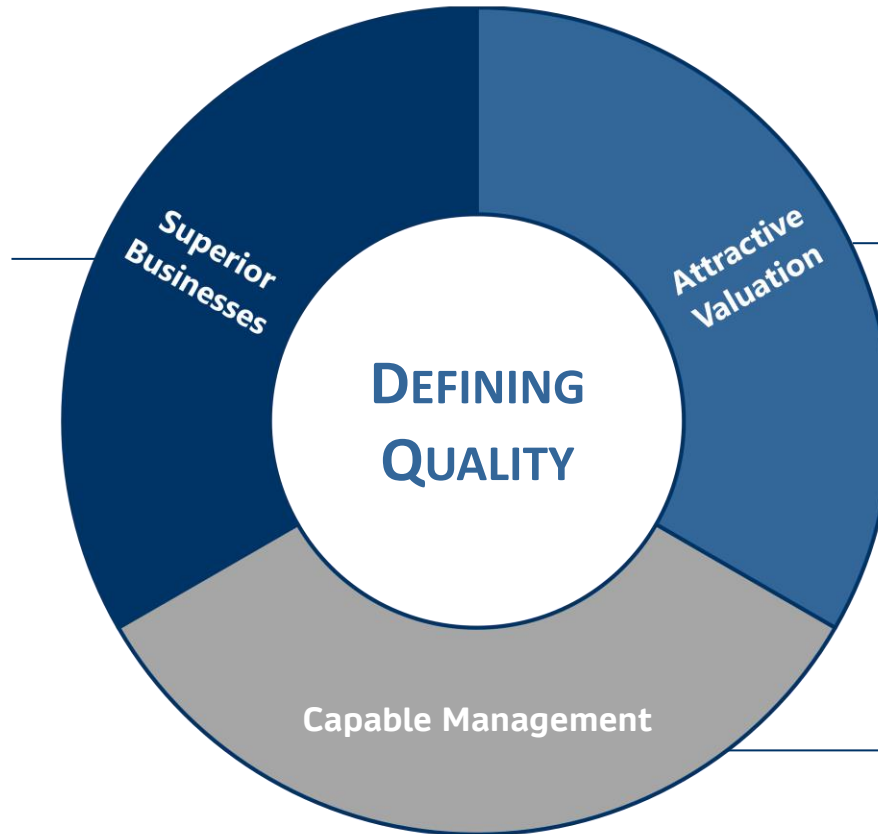
- Completed UN PRI signatory process (2019) & formalized BIM Responsible Investing Policy

Investment Philosophy

Defining Quality Value

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



MANDATE REVIEW

Small Cap Canadian Equities

2023 Canadian Market Review

Smaller Companies Sequentially Lagged Larger Companies | Valuation Advantage vs Large Caps

- 461 publicly traded Canadian companies sorted by size into quartiles
- Sequential decline in median 2023 returns moving largest to smallest
- Smaller companies offer considerable valuation advantage

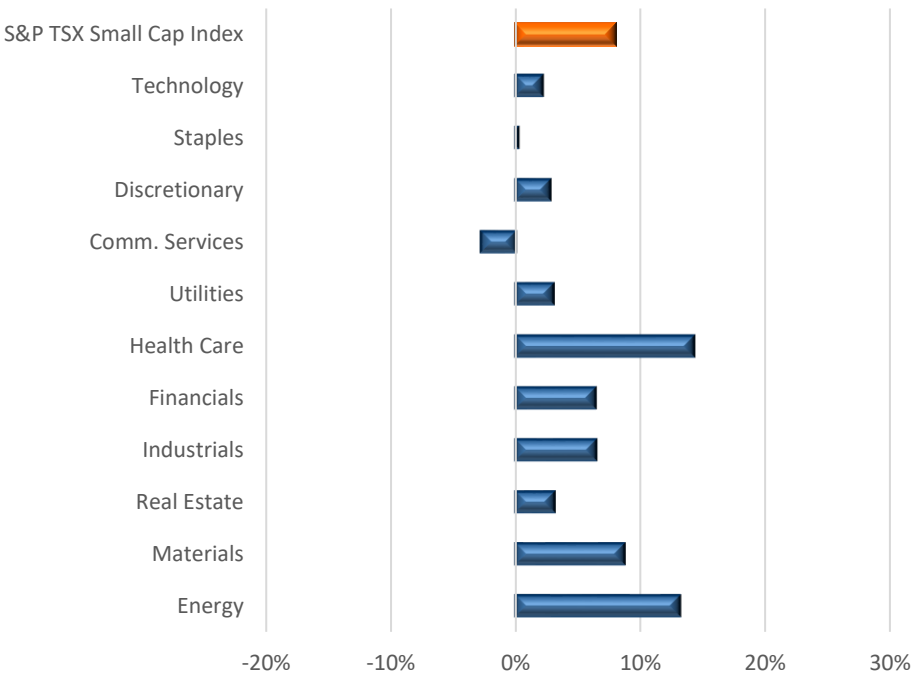
Company Market Cap		Market Cap Range (\$Bn's)	2023 Median Return (%)	Upside to Normal Valuation ¹ (%)
LARGEST	1 ST Quartile	188 – 4	11.7	5
	2 nd Quartile	4 - 1.3	2.8	17
	3 rd Quartile	1.3 – 0.4	1.5	20
SMALLEST	4 th Quartile	< 0.4	-12.8	32

¹ Normal Valuation = 5 Yr Average

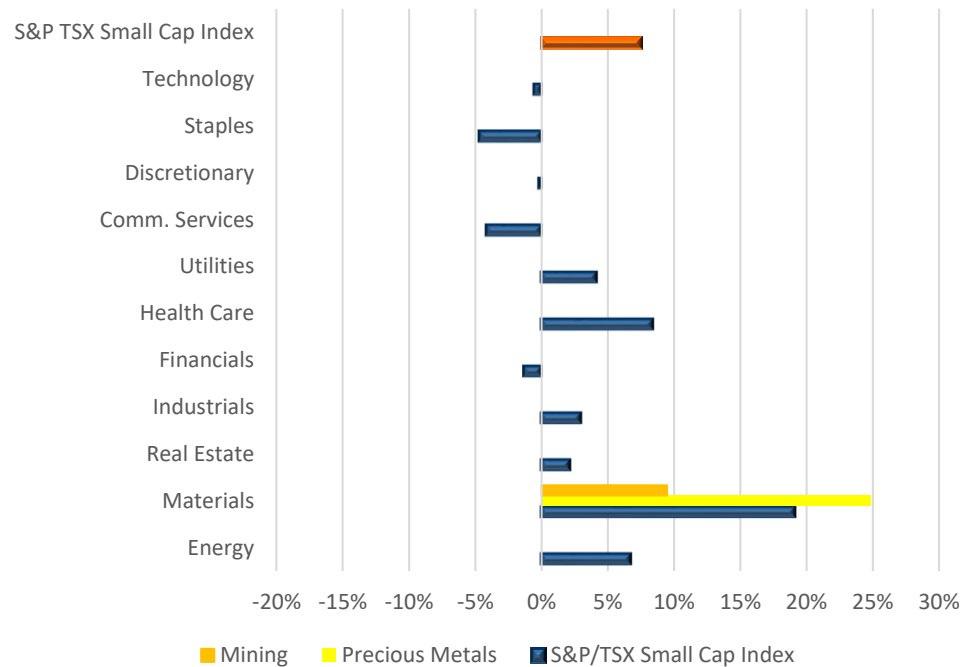
Small Cap Investing

2024: March Cyclical Rally Defines Q1

Q1 2024 Small Cap Index Returns by Industry



March 2024 Small Cap Index Returns by Industry

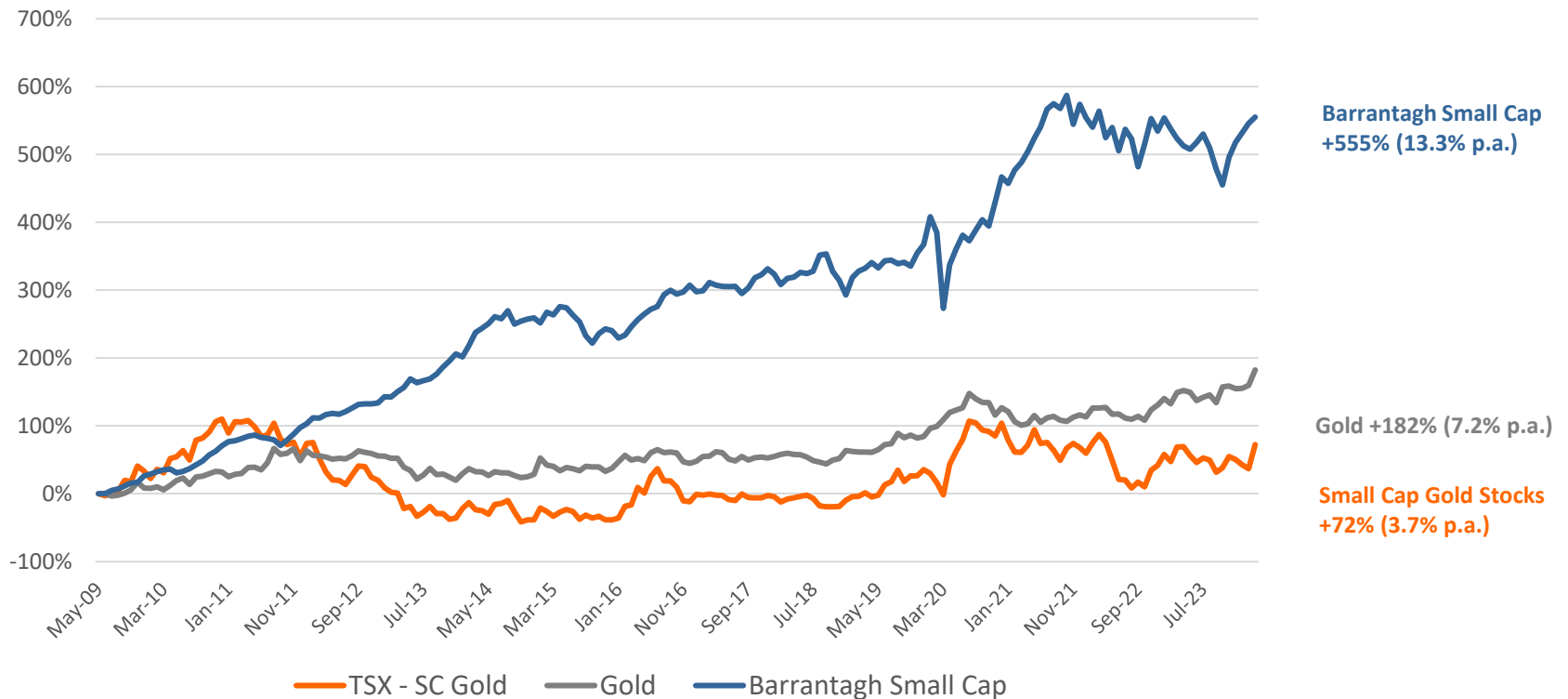


Source: Bloomberg, Barrantagh Research

Small Cap Canadian Equity Mandate

Junior Gold Miners: Underperforming/Volatile & Poor Commodity Tracking

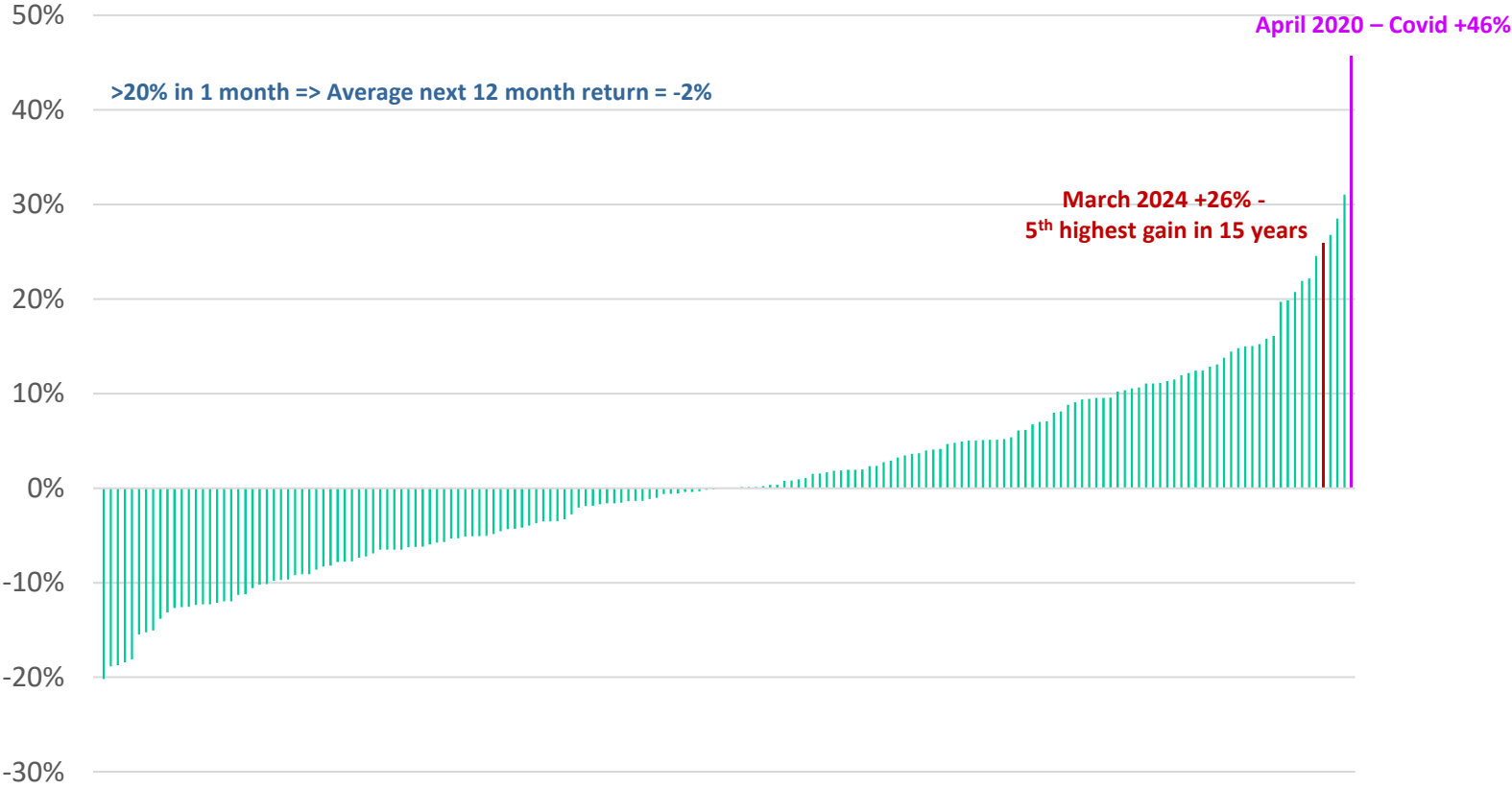
Cumulative Returns ~ 15 Years to March 31, 2024



Small Cap Canadian Equity Mandate

March Rise in Gold Prices was Unusually High

15 Years - Monthly Gold Prices Worst to Best Month



Small Cap Canadian Equity

Perspective on Recent Performance: 2022 – Q1 2024

	BIM SC Performance	S&P TSX Small Cap Index	Environment	Comment
2022	-5.7%	-9.3%	• Broad Market Sell Off	• Value is defensive
Jan. – Oct. 2023	-12.6%	-3.7%	• Narrow Cyclical Leadership	• Quality underweights cyclicals
Nov. 2023 – Feb. 2024	16.5%	9.2%	• Broad Market Rally	• Quality-Value valuations recover
	-1.8%	-2.1%		
March 2024	1.3%	7.5%	• Jr Gold/Silver deliver 63% of the index return	• Quality underperforms
Total Period	-1.2%	1.1%		

Canadian Small Cap Equity Portfolio

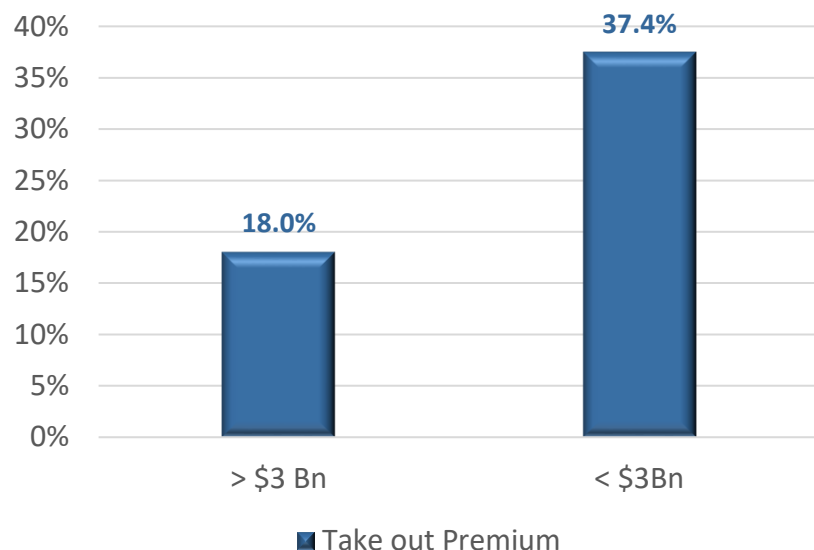
Fundamental Reconnect Rally Continues

Portfolio Holding		Top 10: Stock Reaction
		Nov 2023 – March 2024
Financials	Propel Holdings	+106%
Technology	Dye & Durham	+95%
Industrial	Brookfield Business	+66%
Industrials	Cargojet	+43%
Industrials	Savaria	+37%
Financials	Trisura	+37%
Technology	Softchoice	+33%
Industrials	AG Growth	+27%
Financials	EQB	+25%
Real Estate	Minto Apartment	+23%
BIM Small Cap Portfolio		+17.9%
S&P TSX Small Cap		+17.4%
S&P TSX Small Cap Ex Mining		+11.7%

Small Cap Investing

Increases M&A Activity Potential and Premium

M&A in Canada Since 2019



- 11 Deals completed > \$3Bn Total Value
- 67 Deals completed < \$3 Bn Total Value

Source: Bloomberg, Barrantagh Research

Barrantagh Positions Targeted

	Announce Date	Premium ¹
Neighbourly Pharma	10/2023	55%
Summit Industrial	04/2022	31%
Lifeworks	Q2/2022	88%
Intertape Polymer	Q1/2022	67%
People Corp.	Q4/2020	75%
Enercare	Q3/2018	64%
Spartan Energy	Q2/2018	5%
Pure Industrial	Q1/2018	21%

¹Premium to 1 Month Average Price

Small Cap Canadian Equity

Performance at March 31, 2024

For Periods Ending Mar. 31, 2024	Q1/24	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	6 Yrs	7 Yrs	8 Yrs	9 Yrs	10 Yrs	15 Yrs
BIM Canadian Small Cap	6.0%	5.0%	-0.7%	3.7%	17.0%	8.7%	7.8%	6.9%	8.3%	6.7%	6.8%	14.3%
S&P/TSX Small Cap Index	7.9%	8.2%	-2.7%	4.0%	22.5%	7.8%	6.1%	4.2%	7.1%	5.6%	3.9%	8.0%
S&P/TSX Composite Index	6.6%	14.0%	3.9%	9.1%	17.0%	10.0%	9.6%	8.5%	9.7%	7.8%	7.7%	9.6%

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
BIM Canadian Small Cap	-2.7%	-5.7%	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	4.8%	-9.3%	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%

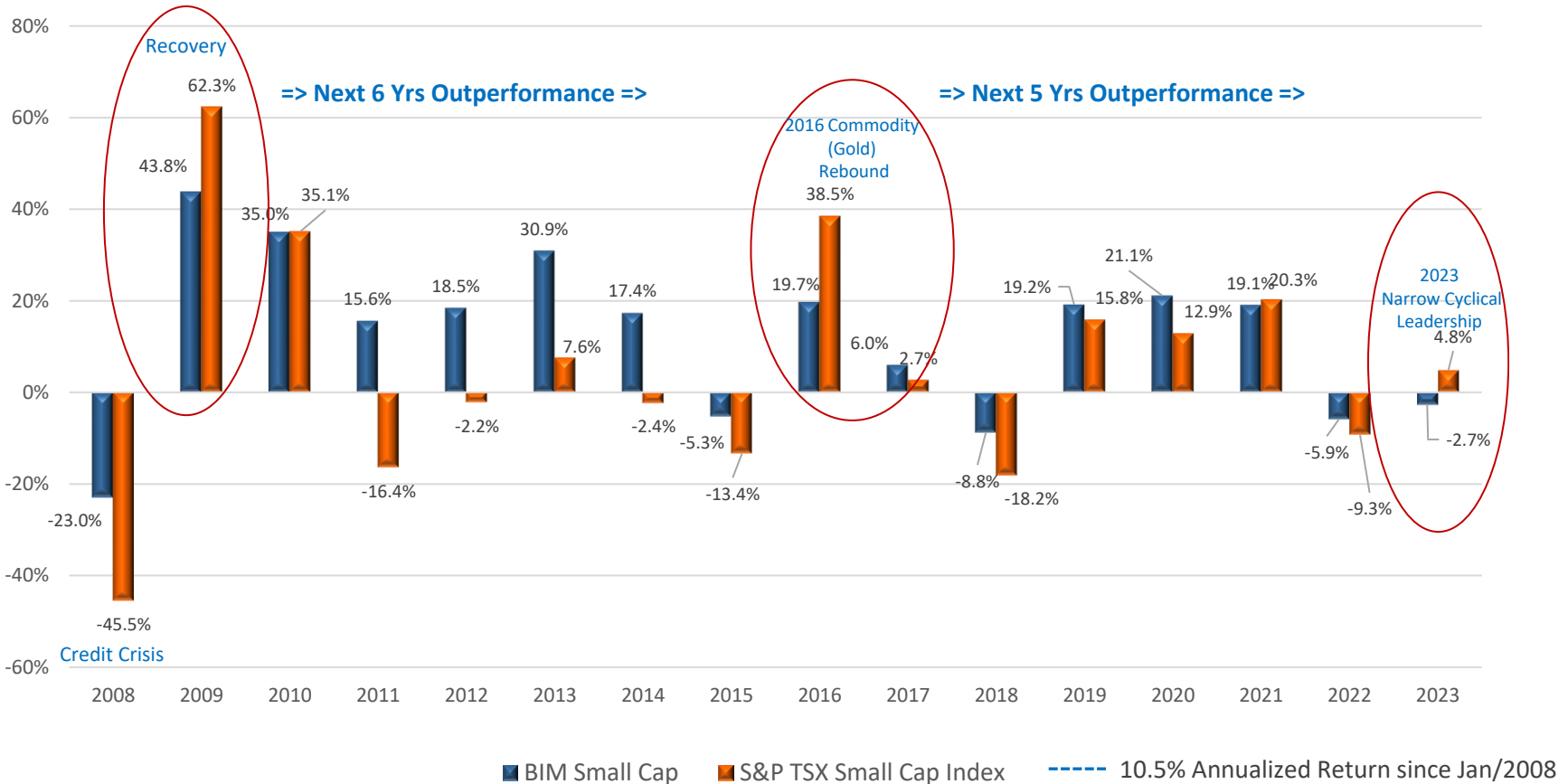
¹ Periods where index performance was driven by commodity rallies (Mining & Oil Exploration & Production)
Green indicates periods that Barrantagh Small Cap outperformed

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

Performance Update

Investing over Market Cycles | Calendar Year Returns

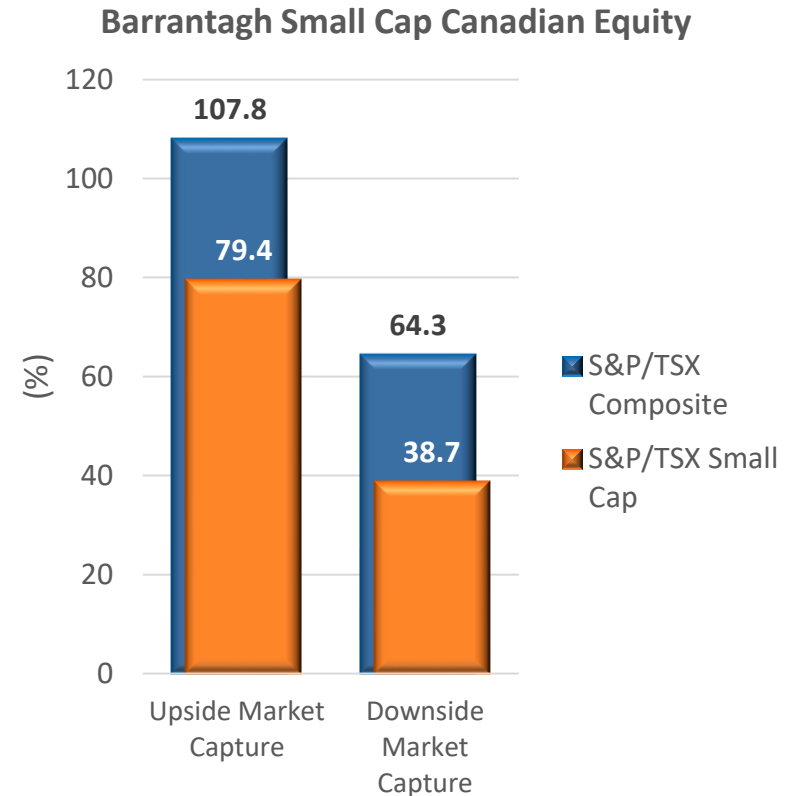
Calendar Year Performance vs. Benchmark



Small Cap Canadian Equity

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

Mar. 31, 2024	Barrantagh Small Cap Cdn. Equites ¹	TSX Small Cap	Median
Annualized Return	11.4%	3.2%	7.4%
Standard Deviation	13.7%	20.7%	17.7%
<i>Sharpe Ratio</i>	<i>0.7</i>	<i>0.1</i>	<i>0.35</i>

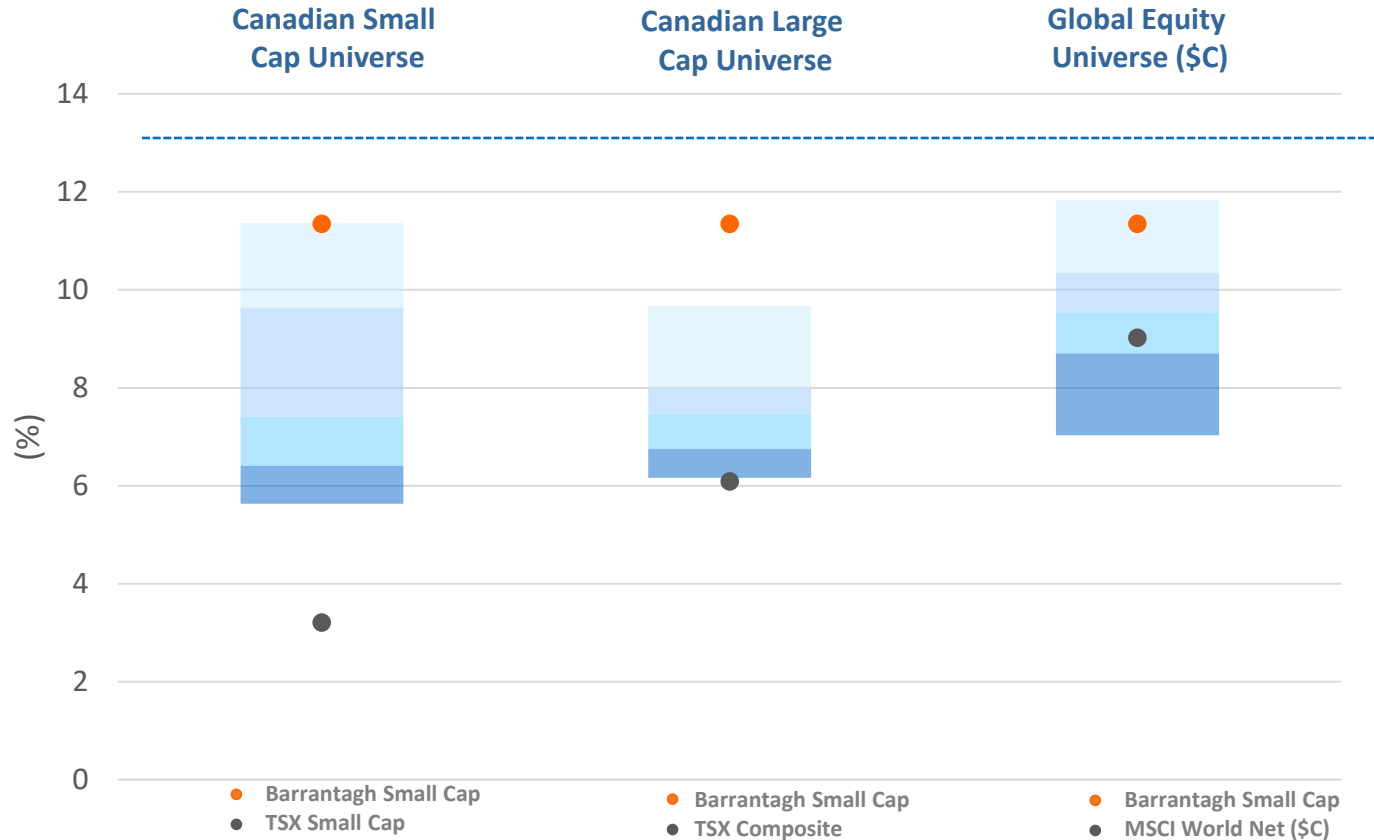


¹ Since Inception Jan. 1, 2008

² vs. Evestment Small Cap Universe

RETURNS: Small Cap Canadian Equities

Strong Performance vs. Large Cap Cdn & Global Equities (for Periods Ending Mar. 31, 2024)



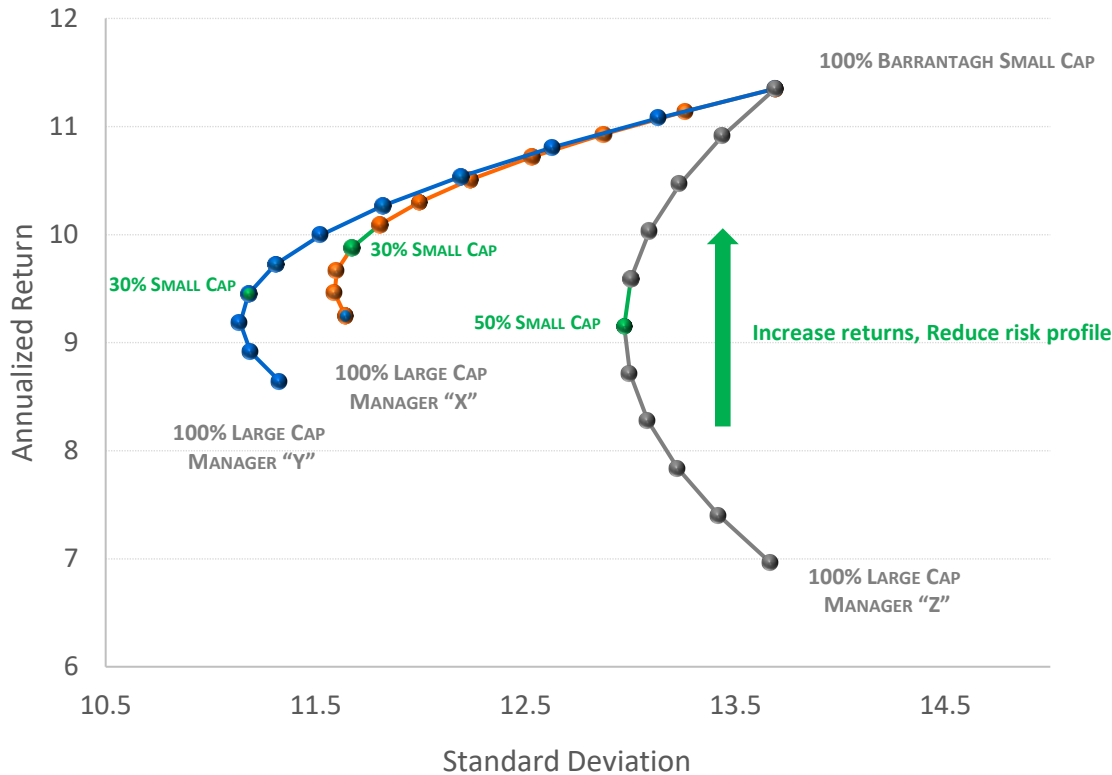
Strategy Inception Date: Jan. 1, 2008

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, 2024



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:

- Weights (ω) of underlying components
- Risk (σ) of underlying components
- Correlation (ρ) of components

Portfolio Standard Deviation(σ_p)

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

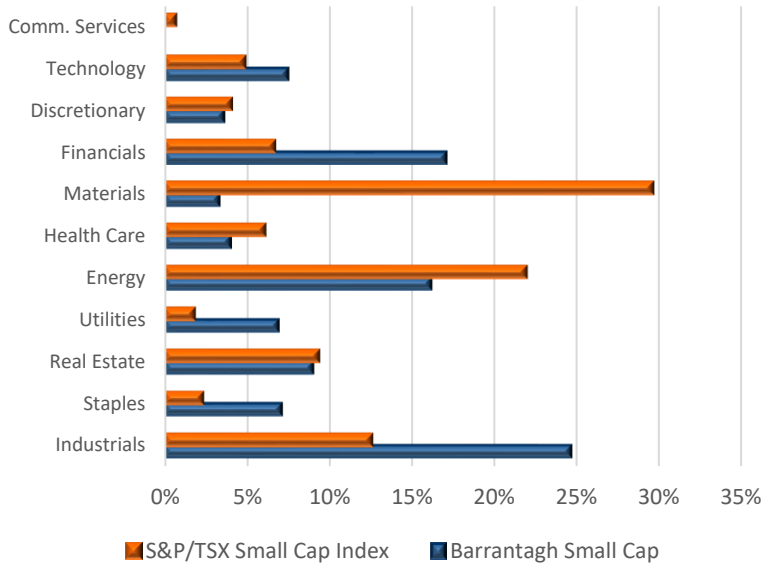
Profile: Small Cap Canadian Equities

Portfolio at March 31, 2024

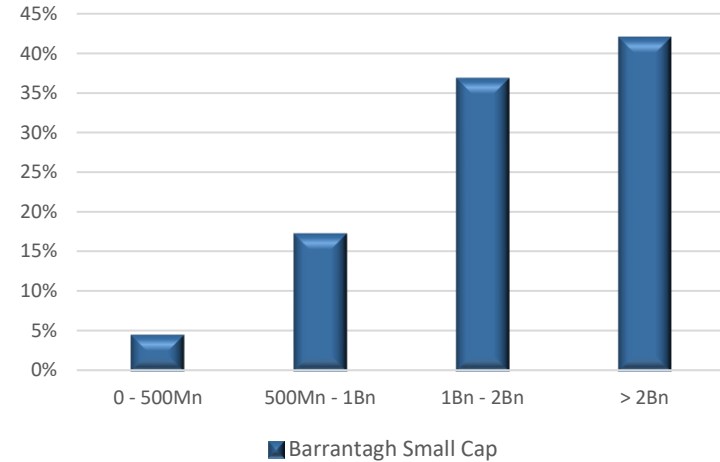
CHARACTERISTICS

Number of Holdings	27
Avg. Market Cap	\$2.6 Bn
# Industry Sectors	10
Dividend Yield	2.1%

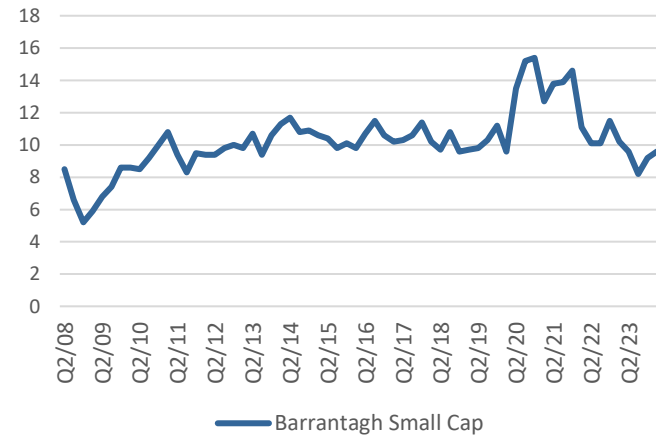
Barrantagh Small Cap Industry Weight vs. Index



Market Cap Exposure



Historic P/CF



Canadian Small Cap Equity Portfolio

Portfolio at March 31, 2024 | Q1 Transactions

	Portfolio Weight		Portfolio Weight		Portfolio Weight
Consumer Discretionary		Industrials		Utilities	
MTY Food Group	3.4%	AG Growth	3.4%	Boralex	3.5%
	<u>3.4%</u>	Boyd Group	5.5%	Superior Plus	<u>3.0%</u>
Consumer Staples		Brookfield Business	3.8%		6.5%
Jamieson Wellness	3.3%	Cargojet	3.4%	Materials	
Premium Brands	<u>3.3%</u>	Calian Group	3.5%	Chemtrade Logistics	<u>3.1%</u>
	6.6%	Savaria	<u>3.4%</u>		3.1%
Energy			23.0%	Cash & Equivalent	
Arc Resources	3.6%	Real Estate			7.4%
Gibson Energy	3.5%	Mainstreet Equity (NEW)	1.3%	Total	100.0%
Logan Energy	1.7%	Minto Apartment REIT	3.1%		
Tamarack Valley	4.0%	Storagevault Canada	<u>3.6%</u>	Sold	
Tidewater Midstream	<u>2.3%</u>		8.0%	Neighbourly Pharma	
	15.1%	Health Care			
Financials		Andlauer Healthcare	<u>3.8%</u>		
Definity Financial	4.8%		3.8%		
EQB Group	3.9%	Information Technology			
Propel Holdings	2.3%	Dye & Durham	3.4%		
Trisura Group	<u>5.0%</u>	Softchoice	<u>3.7%</u>		
	16.0%		7.1%	TRIM = (-)	
				ADD = (+)	

Canadian Small Cap Equity Portfolio

Select Holdings – Brand Recognition

JAMIESON WELLNESS (JWEL)



CARGOJET (CJT)



Amazon optional ownership stake ~15%



BORALEX (BLX)



PREMIUM BRANDS (PBH)



BOYD GROUP (BYD)



STORAGEVAULT (SVI)





MANDATE REVIEW

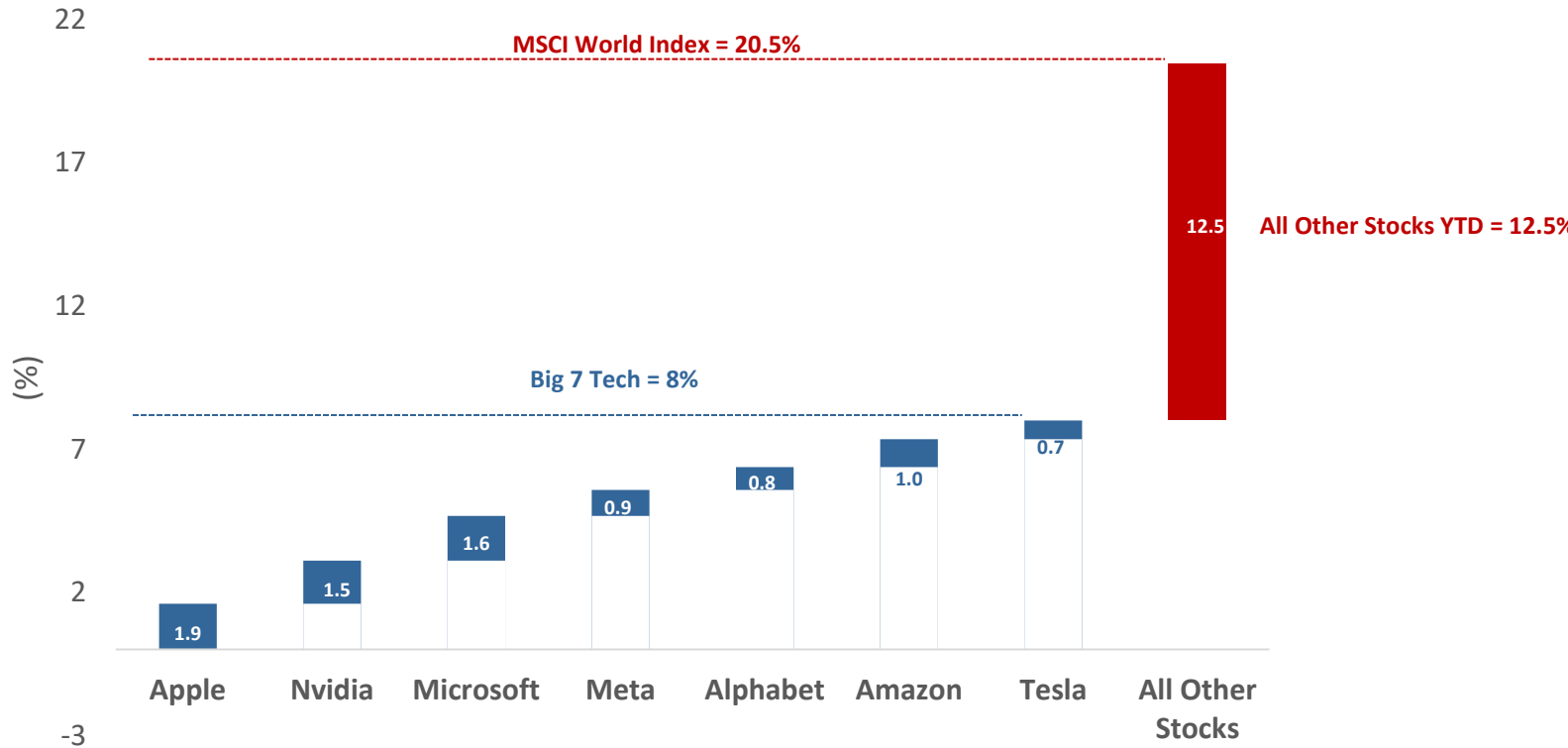
ALL CAP GLOBAL EQUITIES

Global Market Performance

Narrow Market: 7 Mega Cap Tech Stocks Dominate

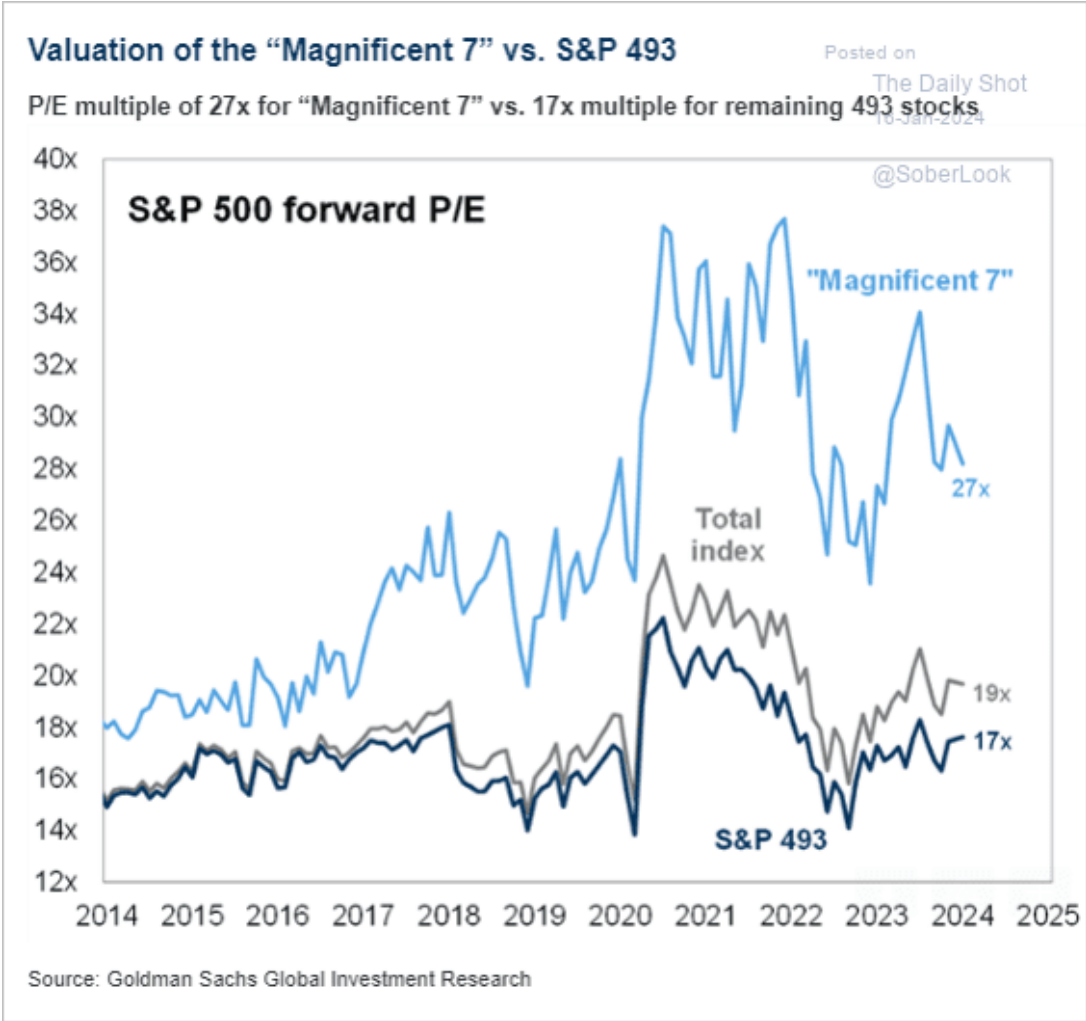
MSCI World Return Attribution

YTD as of Dec. 31, 2023



2023 Performance	50%	197%	53%	174%	52%	76%	122%	
Weight in BIM Global	-	-	6.0%	-	5.1%	3.0%	-	

Tech Valuations Are Elevated



Source: The Daily Shot

All Cap Global Equity Mandate

Performance at March 31, 2024

For Periods Ending Mar. 31, 2024	Q1/24	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	6 Yrs	7 Yrs	8 Yrs	9 Yrs	10 Yrs
BIM Global Equities	11.0%	26.2%	14.5%	11.6%	14.9%	13.9%	13.3%	12.6%	13.1%	12.1%	12.5%
MSCI World (Net)	11.7%	25.1%	12.3%	11.3%	17.0%	12.4%	11.6%	11.3%	12.2%	10.6%	11.6%

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
BIM Global Equities	18.4%	-6.2%	15.6%	8.6%	37.4%	0.1%	13.7%	7.0%	14.0%	14.0%	39.6%	16.0%
MSCI World (Net)	20.5%	-12.2%	20.8%	13.9%	21.2%	-0.5%	14.4%	3.8%	18.9%	14.4%	35.2%	13.3%

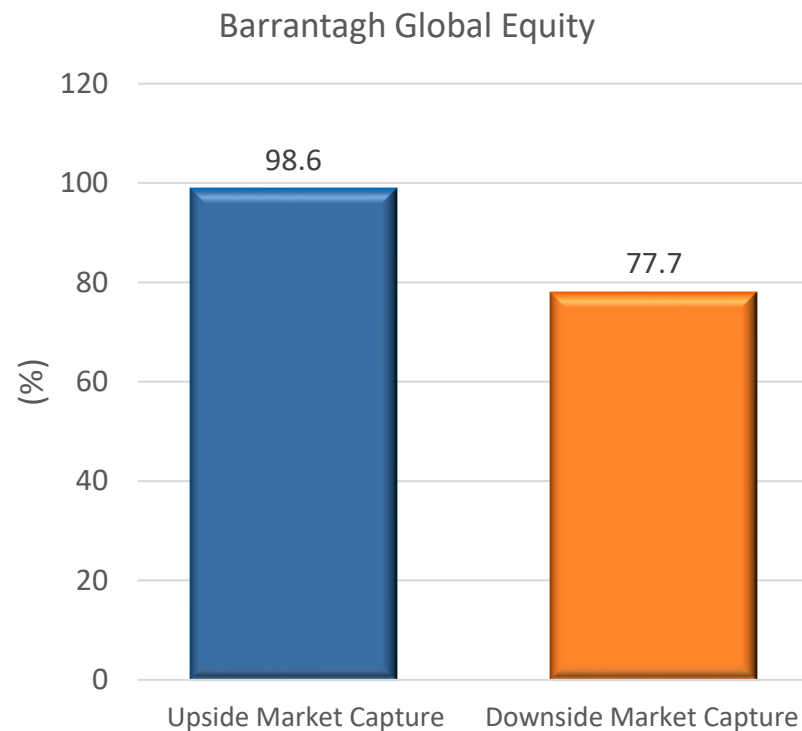
Green indicates periods that Barrantagh outperformed

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Global Equities

Risk Statistics vs. Global Equity (for Periods Ending March 31, 2024) (CAD)

	Barrantagh Global Equities ¹	Percentile Rank ²	
Annualized Return	14.8%	3	1st Quartile
Standard Deviation	11.1%	33	Lower Volatility than Median
<i>Sharpe Ratio</i>	<i>1.22</i>	<i>7</i>	<i>High risk-adjusted return</i>

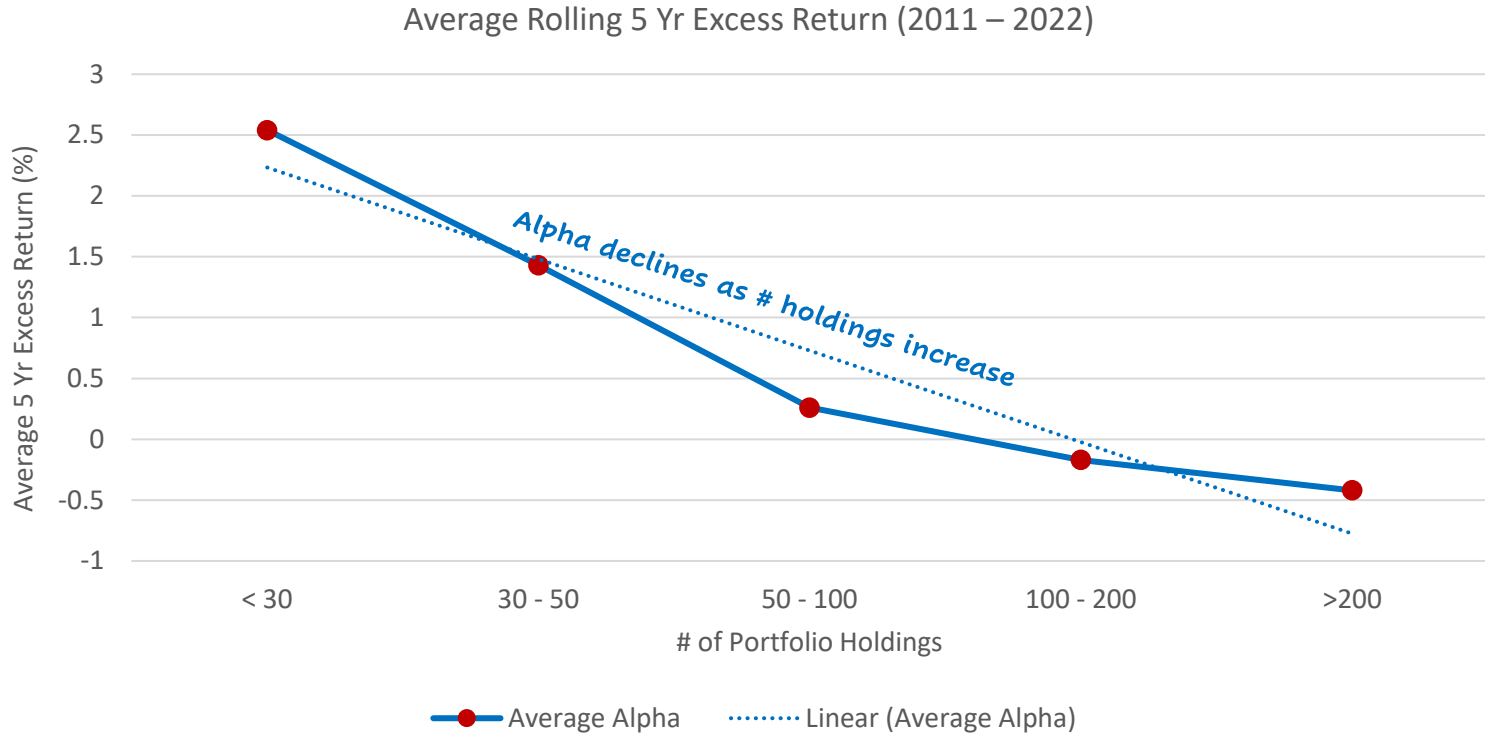


¹ Since Inception Jan. 1, 2012

² vs. Evestment Large Cap Value Universe

Concentrated Global Equity Advantages

Holdings & Alpha Generation



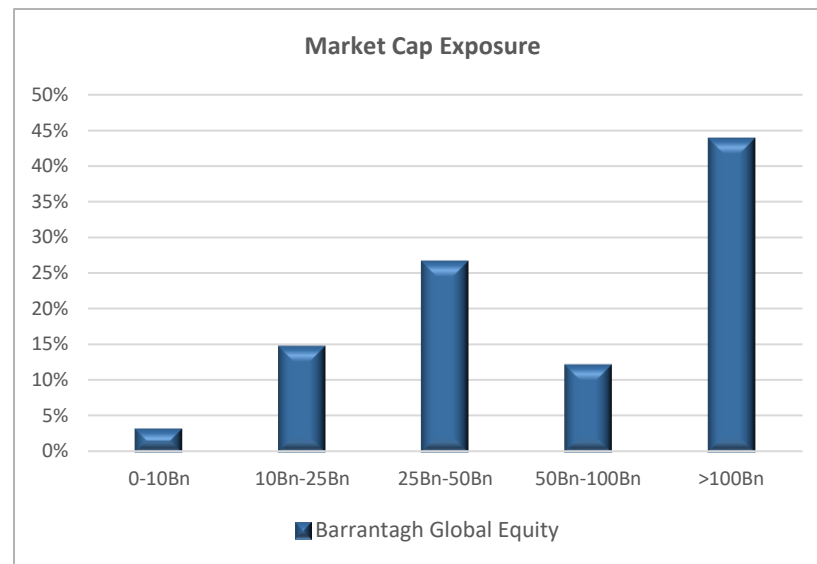
Excess Returns (CAD) vs. MSCI World Index (Net)

Global Equities

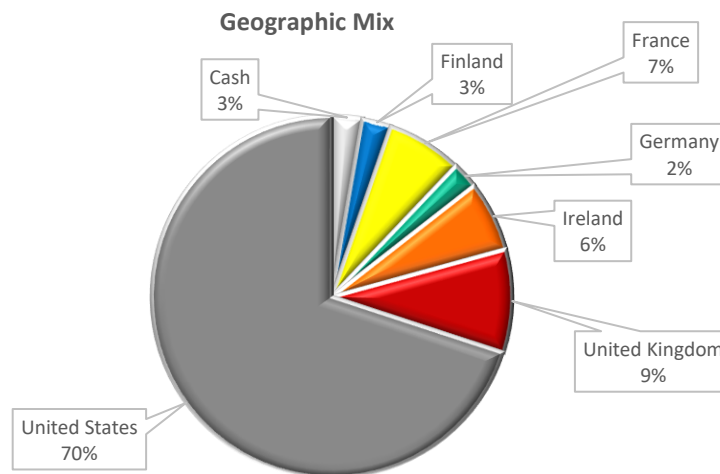
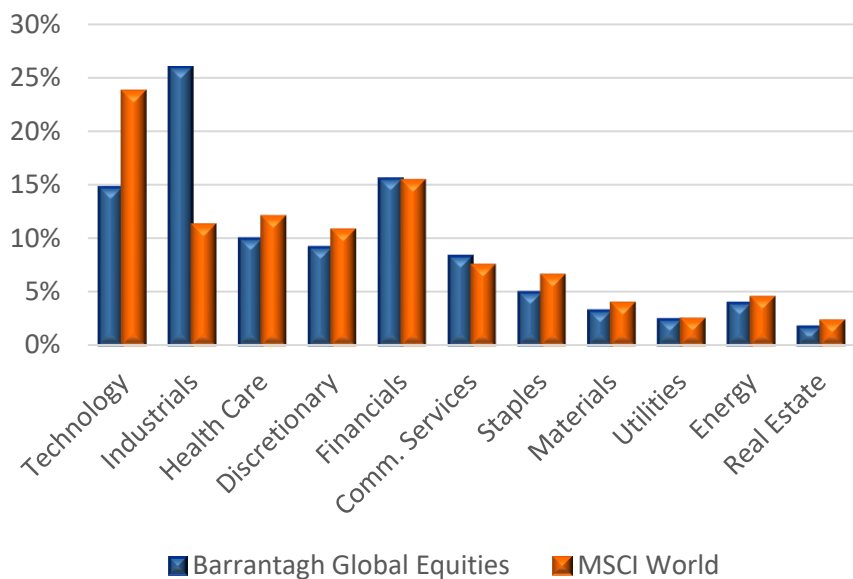
at March 31, 2024

CHARACTERISTICS

Number of Holdings	33
# Industry Sectors	11
Average Market Cap	\$649.9Bn
P/CF	13.7X
Dividend Yield	1.2%



Barrantagh Global Equities Industry Weight vs Index



All Cap Global Equities

Portfolio at March 31, 2024 | Q1 Transactions

	Portfolio Weight		Portfolio Weight		Portfolio Weight
Consumer Discretionary		Industrials		Financials	
Amazon	3.3%	Leidos Holdings	2.5%	Bank of America	3.0%
Compass Group	3.3%	Metso Outotec	2.6%	Wells Fargo	2.8%
Intercontinental Hotels (-)	<u>2.3%</u>	Vinci S.A. (+)	3.4%	JP Morgan Chase	2.7%
	8.9%	Quanta Services	2.9%	Mastercard	3.4%
Consumer Staples		Regal Rexnord	3.1%	Willis Towers Watson	<u>3.2%</u>
Constellation Brands	3.4%	Rentokil Initial (NEW)	1.4%		15.2%
Sysco (NEW)	<u>1.5%</u>	Schneider Electric	3.3%	Information Technology	
	4.9%	Union Pacific	2.9%	Dynatrace	2.5%
Materials		Wabtec	<u>3.1%</u>	Itron	2.9%
CRH (-)	<u>3.2%</u>		25.2%	Microchip Technology	2.7%
	3.2%	Health Care		Microsoft	<u>6.2%</u>
Utilities		Astrazeneca	2.3%		14.3%
RWE Aktiengesellschaft	<u>2.4%</u>	Boston Scientific (-)	3.0%	Communication Services	
	2.4%	Thermo Fisher Scientific	3.0%	T-Mobile	2.4%
Real Estate		United Health Group (-)	<u>1.4%</u>	Alphabet (+)	<u>5.8%</u>
American Tower (+)	<u>1.7%</u>		9.7%		8.2%
	1.7%	Energy			
		EOG Resources	<u>3.8%</u>	Cash & Equivalents	2.5%
			3.8%	Total	100.0%
Sold		TRIM = (-)			
International Flavours & Frag.		ADD = (+)			



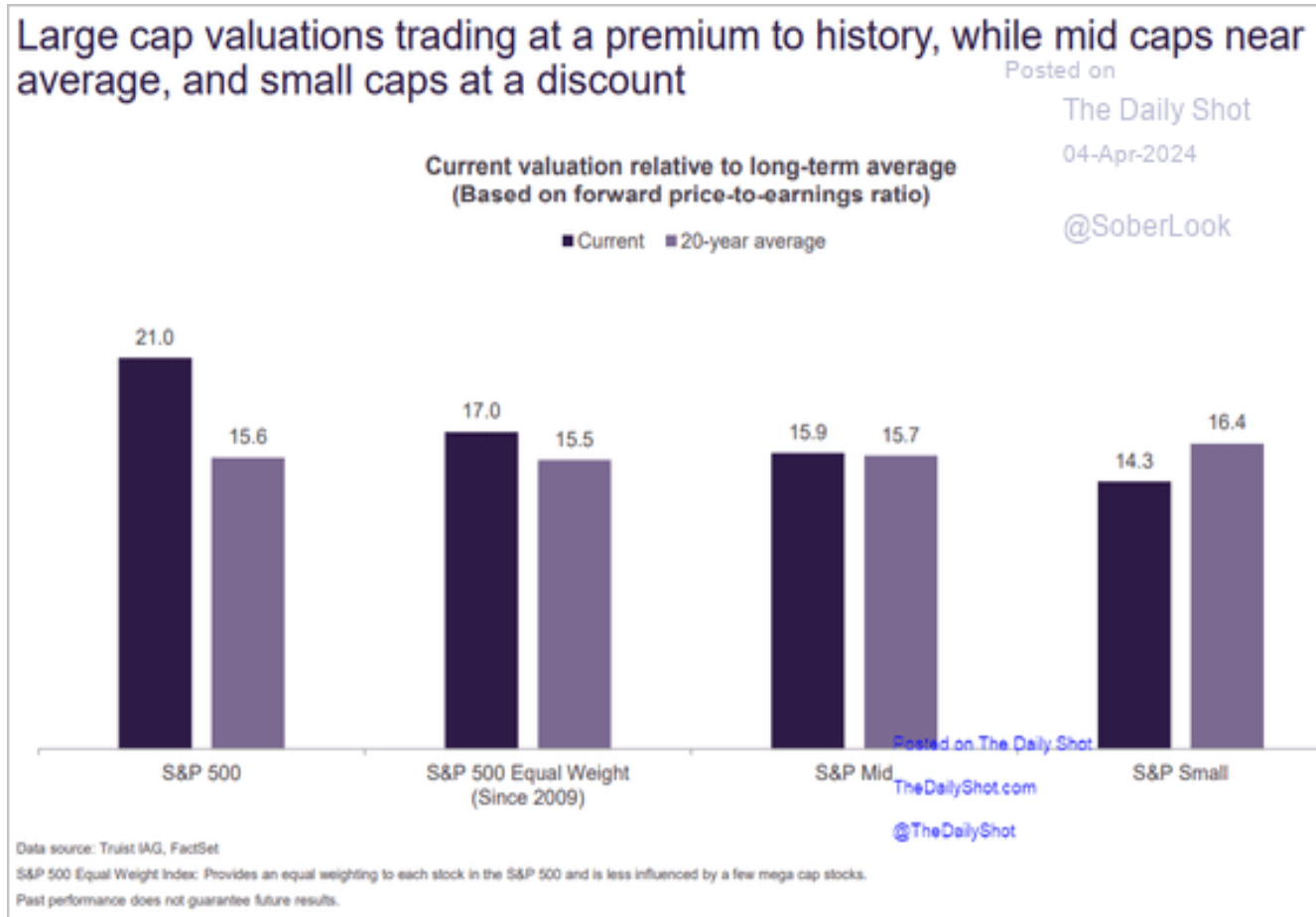
ECONOMIC REVIEW

Outlook

World:

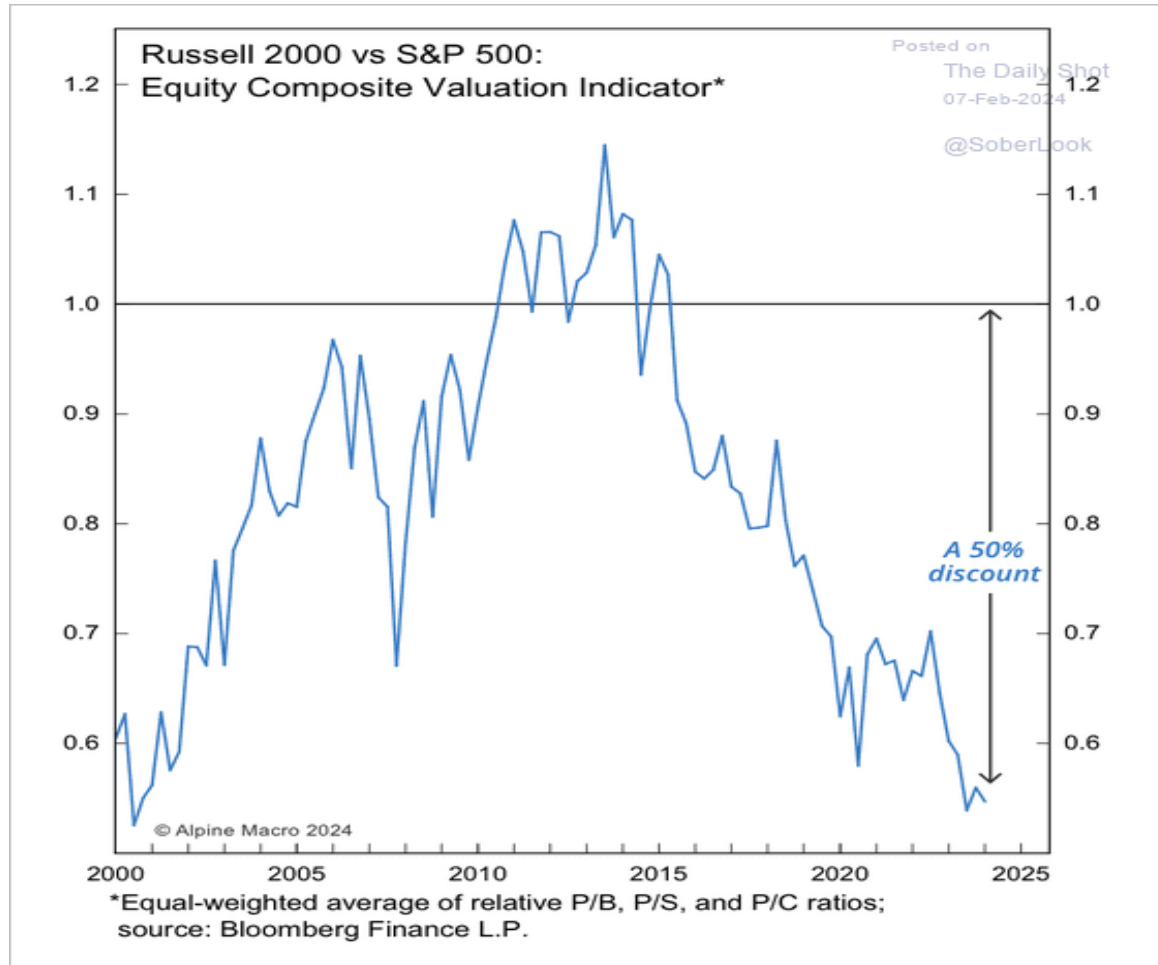
- Economic growth remains positive
 - Employment & wage increases are supportive
 - Manufacturing PMI's rebound
 - Inflation remains elevated
- Narrow leadership in equity markets (Global – Technology, Canada - Cyclical)
 - Growth indices remain expensive vs. Value
 - Small cap and Income stocks are supported by current valuations

Market Valuations



Source: The Daily Shot

Small Cap – Widest Valuation Gap Since Tech Bubble



Source: The Daily Shot

Small Cap – Leadership

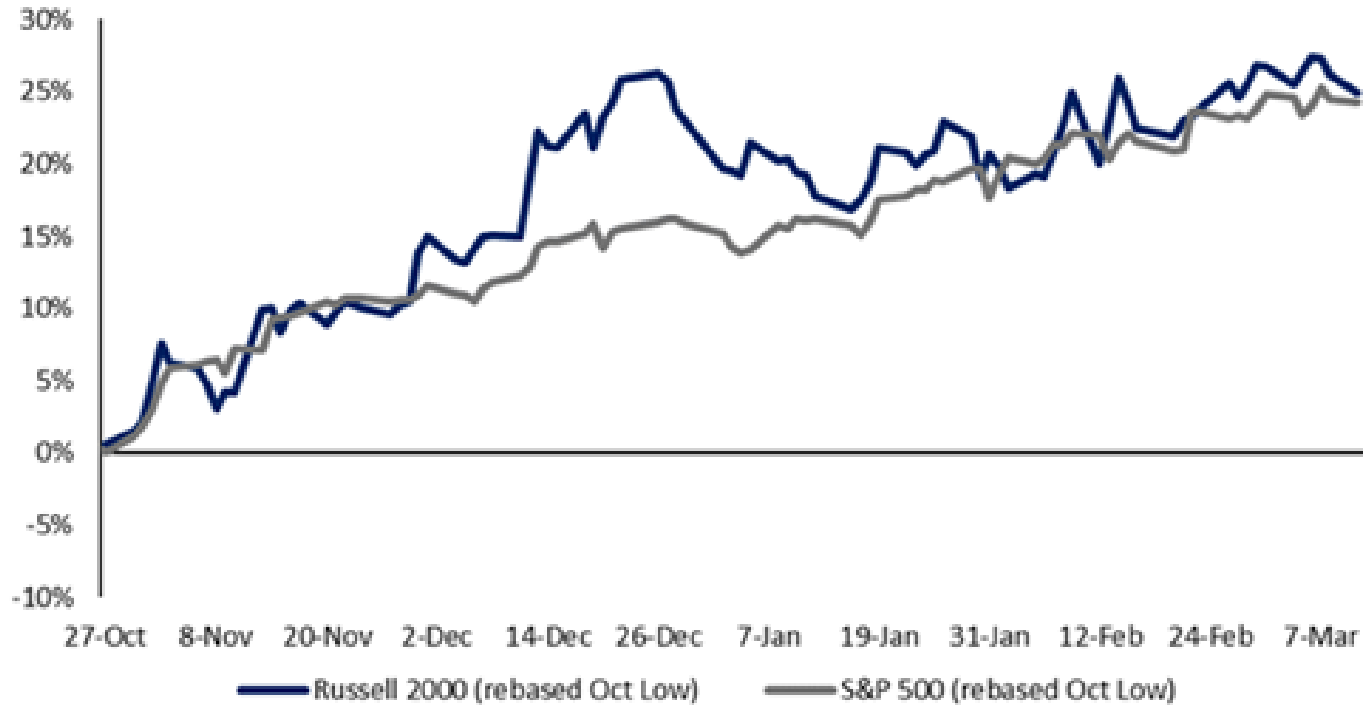
Post Concentrated Large Cap Markets

2000 - 15 Year + Hot Streak for Small Caps

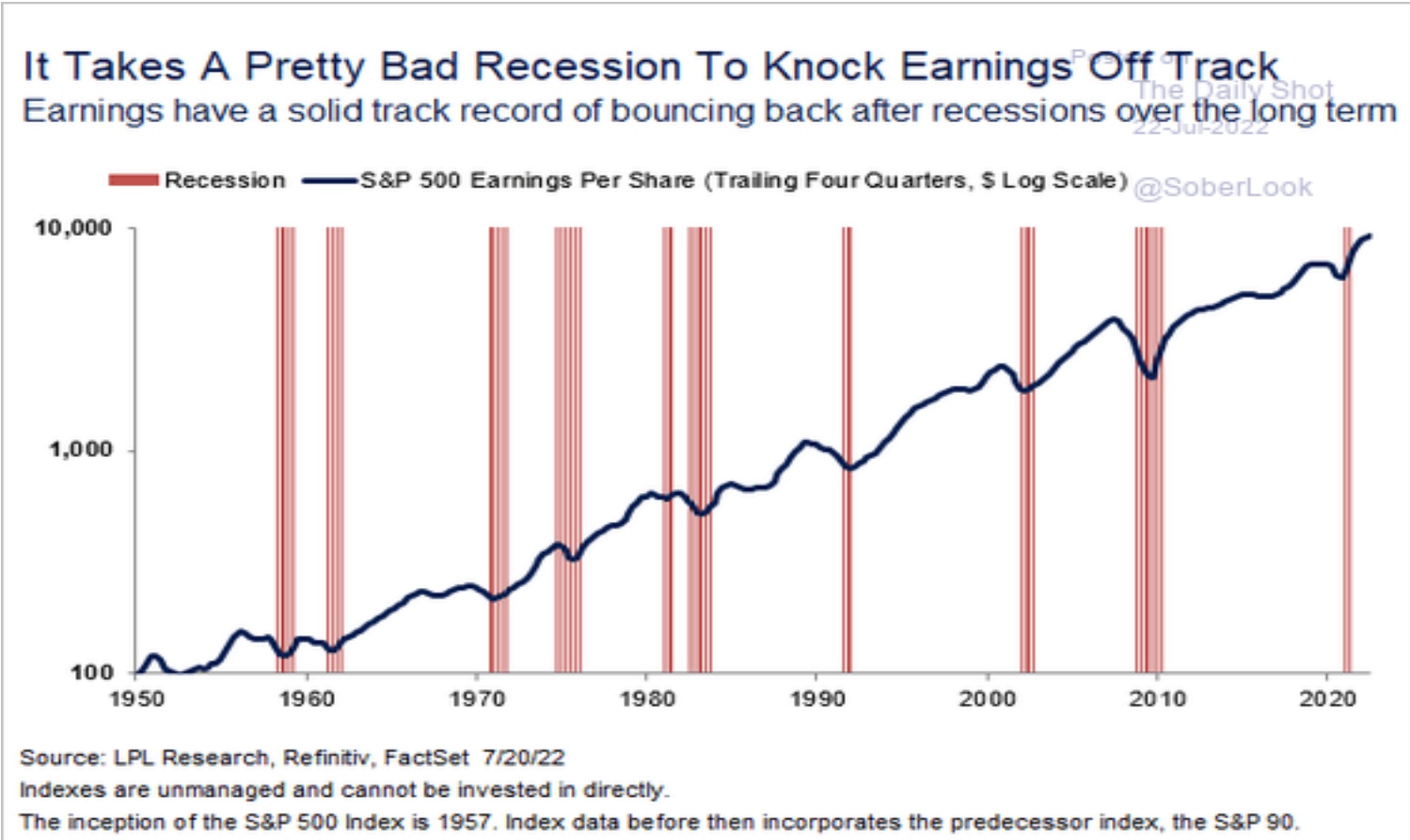


Small Cap – Widest Valuation Gap Since Tech Bubble

Russell Has Actually Outperformed from Oct. Lows



Take a Long Term View – Earnings are Resilient



Source: The Daily Shot

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% Mgmt Fee, Minimum: \$1,000
 - **A Class** Fund Code: BMI110, 2% Mgmt Fee, Minimum: \$1,000
- SMA Minimum Account: \$100K(Small Cap), \$150K (Global All Cap Equities)
- Advisor Portal (barrantagh.com) password: Richardson4

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