

Update – June 30, 2025

- Firm Update
- Small Cap Canadian Equities
- Economic Update

Morgan Stanley

Firm Introduction

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
 - All Cap Cdn Equities
 - Income – yield focus
 - Global Equities – Global leaders + Special situations

FIRM UPDATE

Staffing:

- 17 employees, no changes over the last 3 years

ESG Integration Update:

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

UMA/Sub-Advisory Update

- New mandate with Morgan Stanley upcoming program launch

Evestment

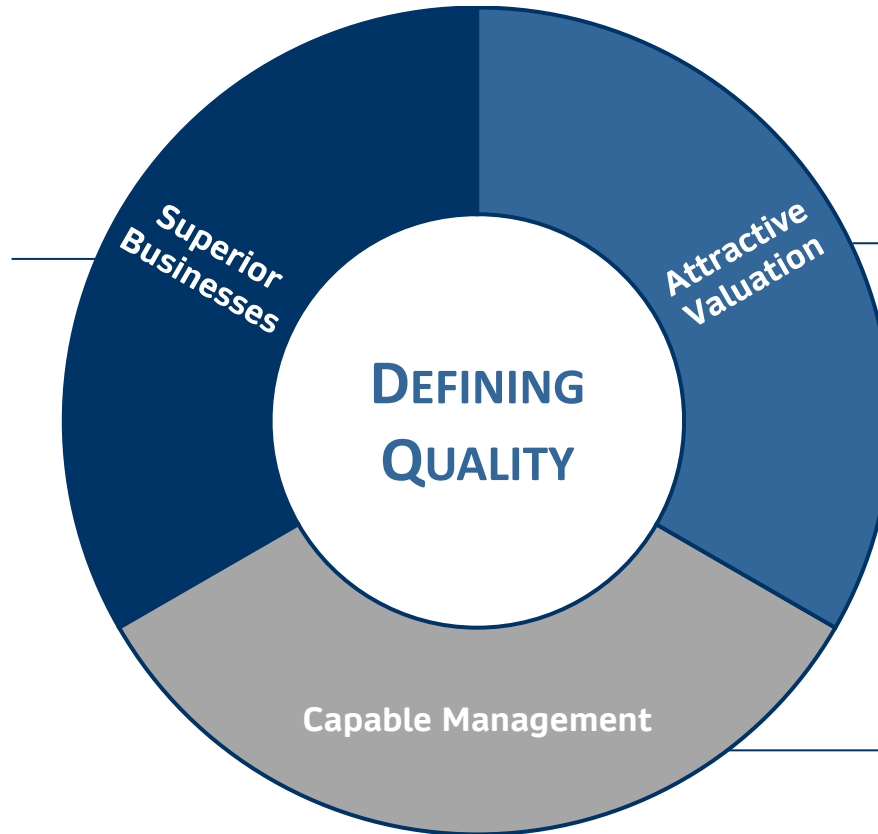
- Boutique Firms – Canada – Top 3 Brand awareness

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

Small Cap Canadian Equity

Q2 Snapshot: Value Surfaces in Small Cap

Q2 2025 Performance

BIM Small Cap Canadian +13.6%

TSX SC +11.8%

TSX Composite +8.5%

MSCI World +5.7%

1. Broad themes of multiple recovery, earnings resiliency and reduced expected tariff impacts positively impacted many portfolio holdings
2. Despite gold's continued rise during Q2 strong contributions from financials, industrials, health care holdings outweighed the headwind of gold's continued rise in Q2
3. Top 10 performers (37% of the portfolio) were diversified across 6 GICS industry sectors
4. Acquisitions continue to play a role as smaller companies are targets

Q2 2025: Top 10 Performers

		Q2 2025	Q1 Earnings	Multiple Recovery	Other
Propel Holdings	Financials	63%		+	Recovery from Q1 sell-off
Andlauer					Acquired (+31% Premium)
HealthCare	Health Care	35%			
Trisura	Financials	32%		+	Recovery from Q1 sell-off
Pet Valu	Discretionary	25%	+	+	PE shareholder overhang eliminated
Exchange Income	Industrials	24%		+	Increased defense spending. Canada North M&A
Definity Financial	Financials	24%			Acquisition of Travellers Canada
Savaria	Industrials	22%	+	+	Continued strong execution on margin recovery
AG Growth	Industrials	20%		+	Outlook stabilizing, recovery from Q1 sell-off
Jamieson Wellness	Staples	17%	+	+	Strong start to 2025, reiterate guidance
Chemtrade					
Logistics	Materials	16%	+		Earnings beat & raised guidance

Small Cap Canadian Equity

Performance at June 30, 2025

For Periods Ending Jun. 30, 2025	Q2/2025	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	6 Yrs	7 Yrs	8 Yrs	9 Yrs	10 Yrs
BIM Canadian Small Cap	13.6%	10.9%	8.2%	6.1%	3.1%	9.9%	8.5%	7.9%	7.5%	7.7%	7.1%
S&P/TSX Small Cap Index	11.8%	23.1%	18.7%	14.1%	6.3%	15.1%	10.4%	7.6%	7.3%	6.9%	7.2%

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
BIM Canadian Small Cap	11.5%	-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	18.8%	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.

Small Cap Canadian Equity

Perspective on Recent Performance: Adjusted for Commodity Volatility

Stock Selection Positive in Non-Commodity Sectors

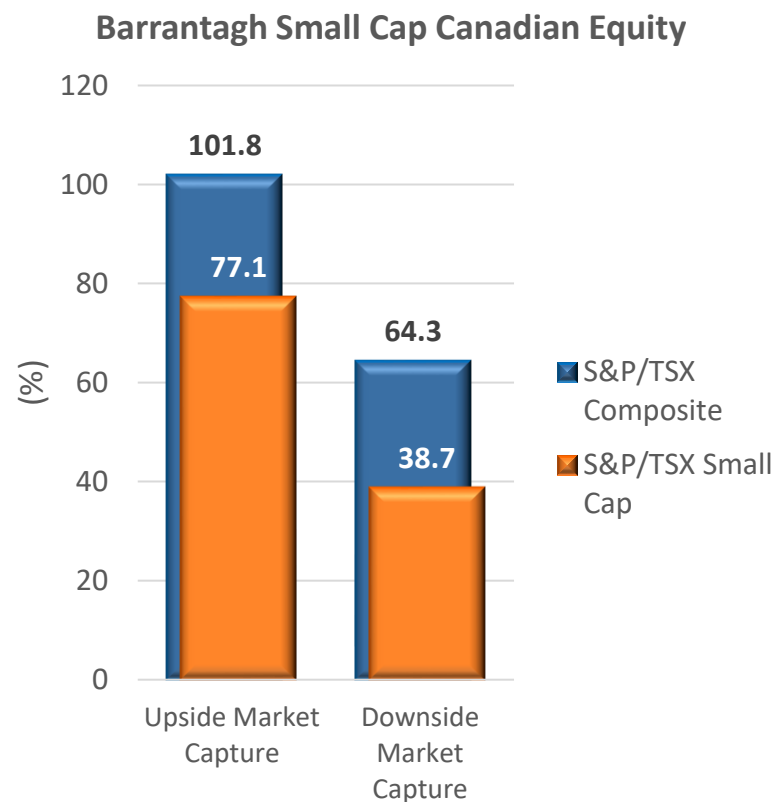
	Q2 2025	YTD 2025	1 Yr Ending Q2 2025	TOTAL PERIOD Jan. 2024 – Q2 2025
BIM Small Cap	13.6%	4.9%	10.9%	17.3%
TSX SC	<u>11.8%</u>	<u>12.8%</u>	<u>23.1%</u>	<u>33.5%</u>
Alpha (%)	+1.8%	-7.9%	-12.2%	-16.2%
Alpha (bps)	+180	-790	-1220	-1620
Materials	-454	-1100	-1501	-1984
Energy	<u>0</u>	<u>-30</u>	<u>-50</u>	<u>-334</u>
Commodities	-454	-1130	-1551	-2318
BIM Alpha Ex-Commodities ¹	+634	+340	+331	+698

¹ BIM Alpha Ex-Commodities = GICS Industries Ex - Energy & Materials

Small Cap Canadian Equity

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

Jun. 30, 2025	Barrantagh Small Cap Cdn. Equites ¹	TSX Small Cap	Median
Annualized Return	11.1%	4.3%	8.7%
Standard Deviation	13.5%	20.2%	15.9%
<i>Sharpe Ratio</i>	<i>0.7</i>	<i>0.1</i>	<i>0.4</i>



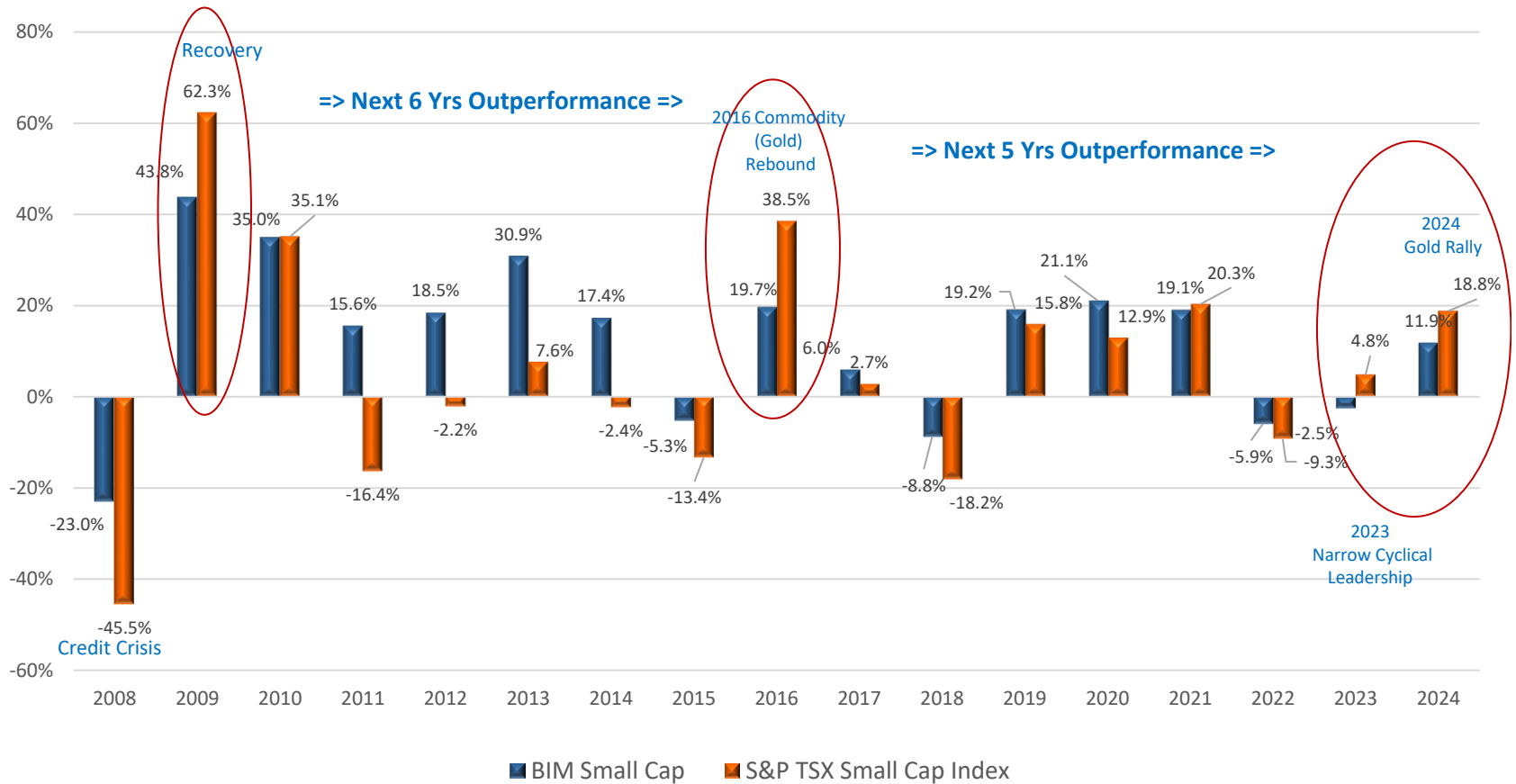
¹ Since Inception Jan. 1, 2008

² vs. Evestment Small Cap Universe

Performance Update

Investing over Market Cycles | Calendar Year Returns

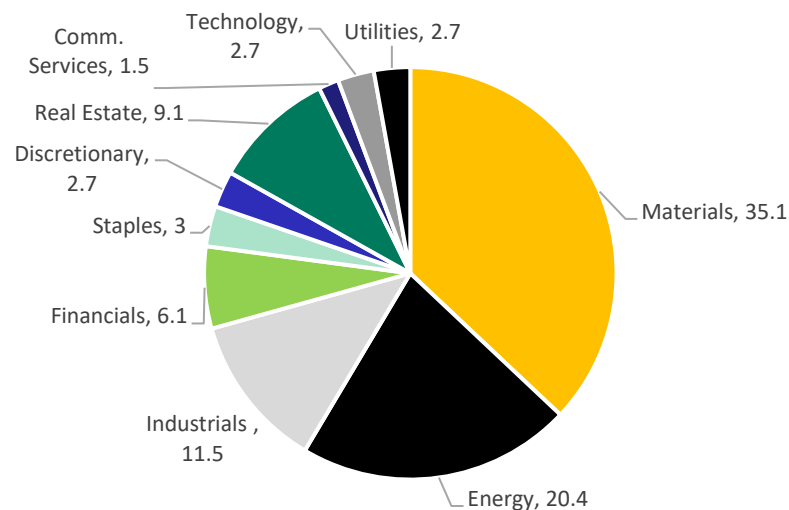
Calendar Year Performance vs. Benchmark



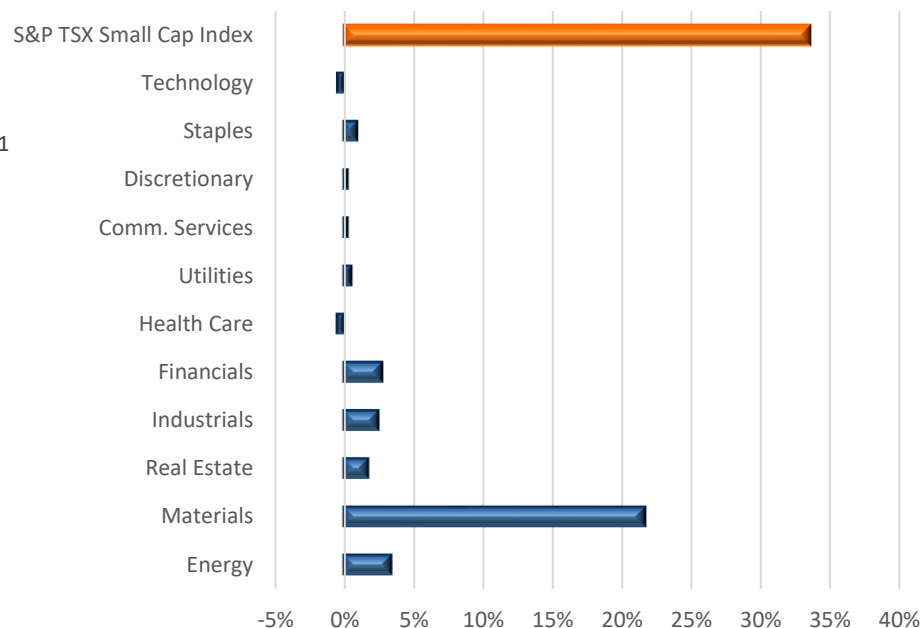
Small Cap Investing

Commodities Contribute 78% of the TSX Small Cap Index Return – 2024 + YTD 2025

S&P TSX Small Cap Industry Weights



2024 + YTD 2025 Small Cap Index Contribution¹ by Industry



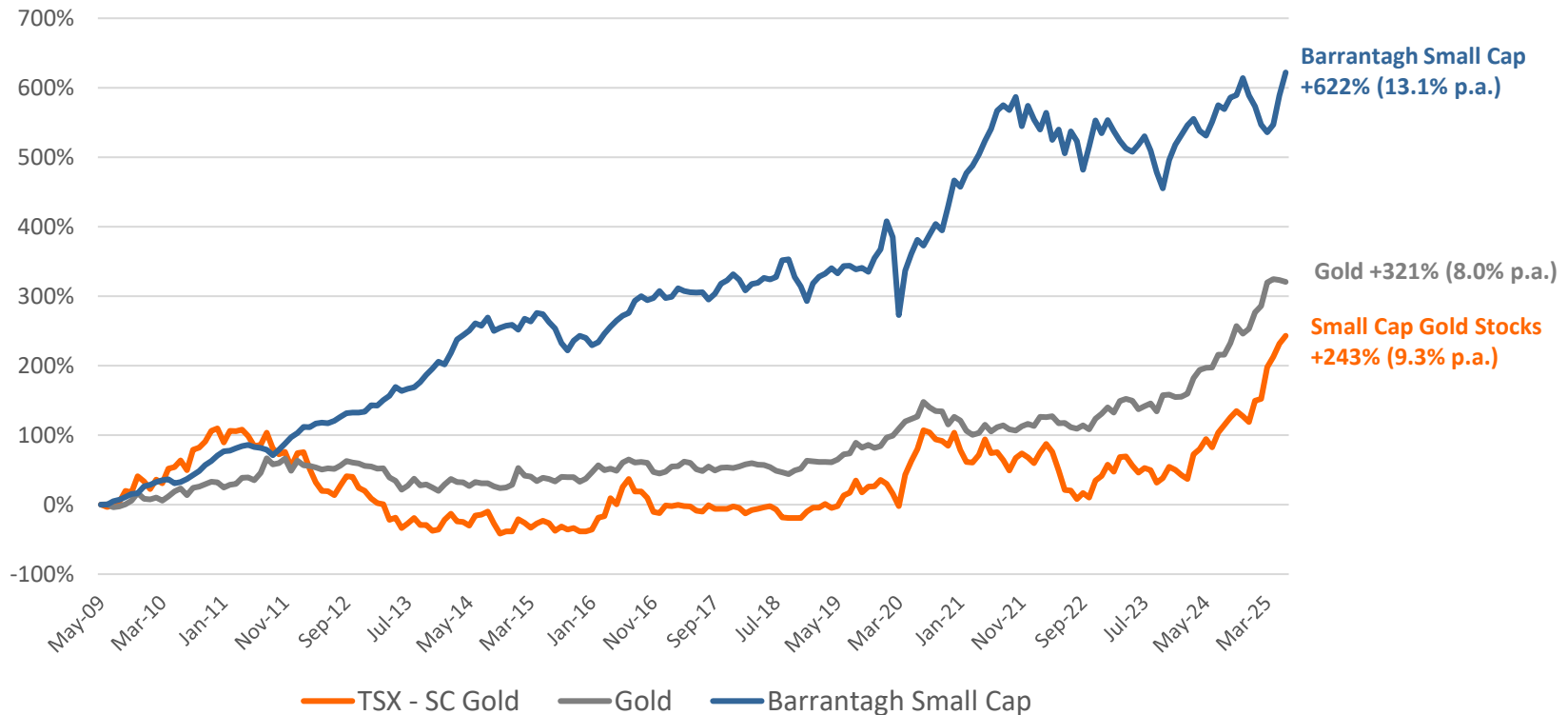
Contribution¹ = Return x Weight

Source: Bloomberg, Barrantagh Research

Small Cap Canadian Equity Mandate

Junior Gold Miners: Underperforming/Volatile & Poor Commodity Tracking

Cumulative Returns ~ 16 Years to June 30, 2025



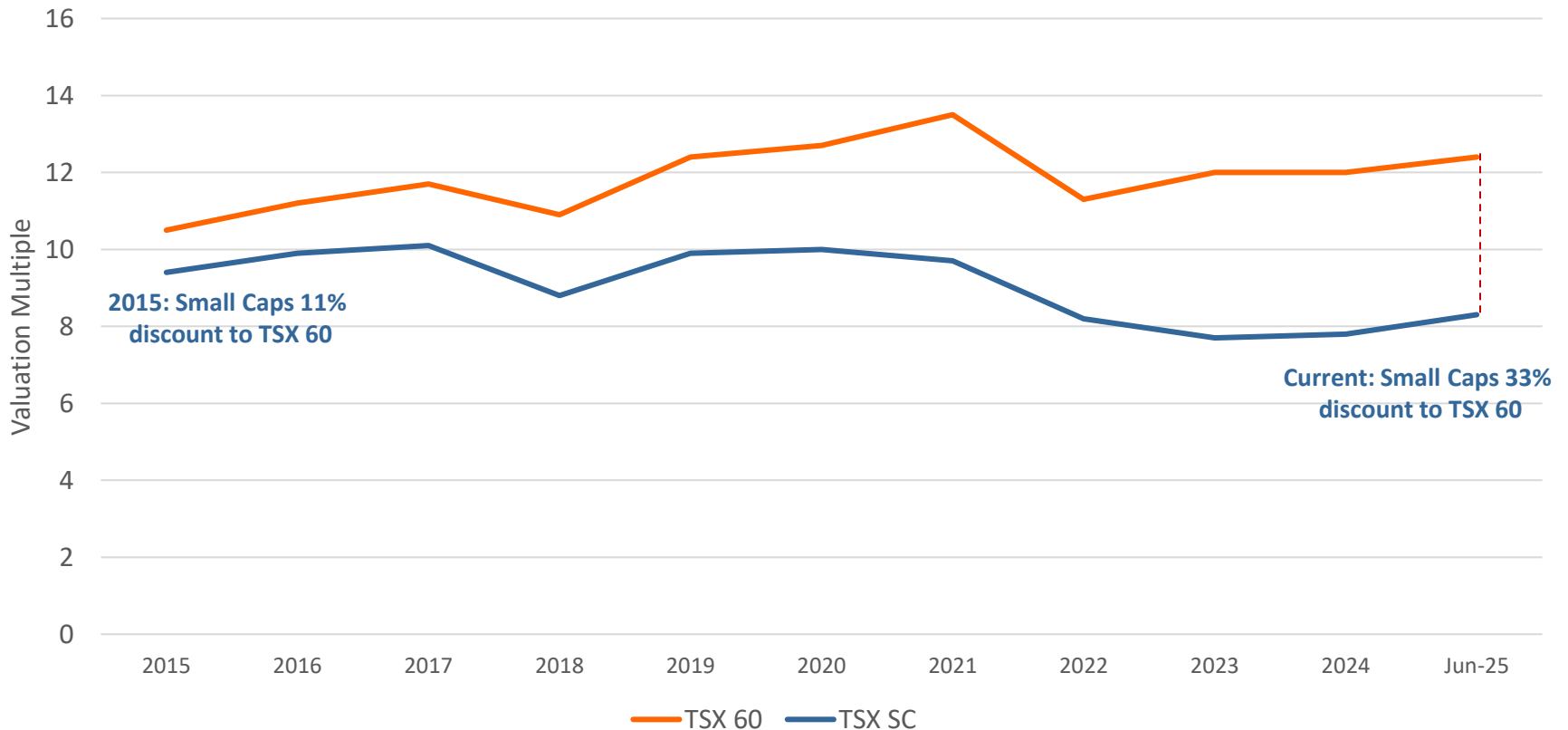
Why do we bias away from deep cyclical?

1. Allows for greater confidence in long-term DCF models & longer holding periods to allow company strategies to play out – less guess-work & valuation matters
2. Delivers very low risk portfolios (std. dev., beta, risk-adjusted returns) with supporting dividend yield

Canadian Market Review

Small Cap Markets: Broad Valuation Advantage vs Large Caps (Annual Since 2015)

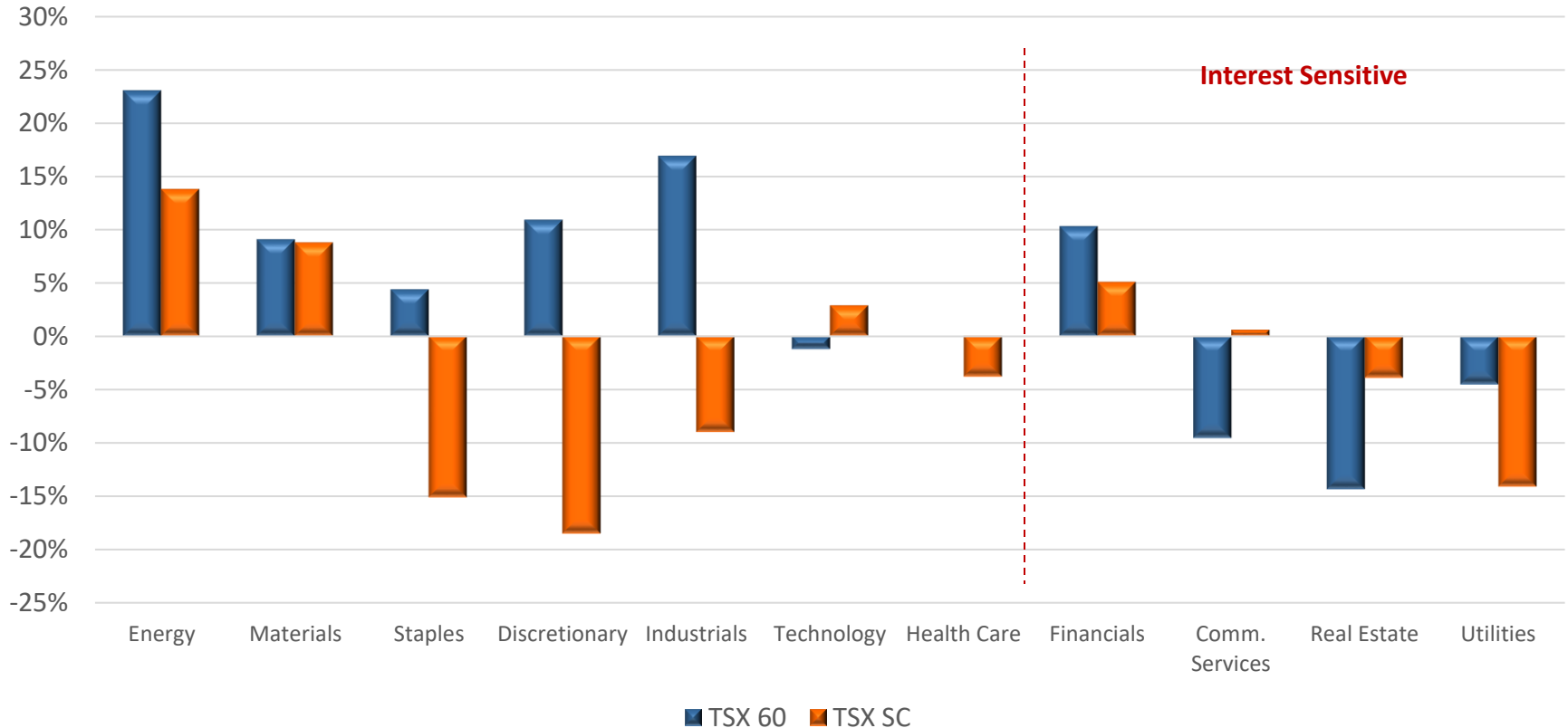
Valuation: Discount Has Widened Since 2015



Canadian Market Review

Small Cap Markets: Broad Valuation Advantage vs Large Caps (at June 30th, 2025)

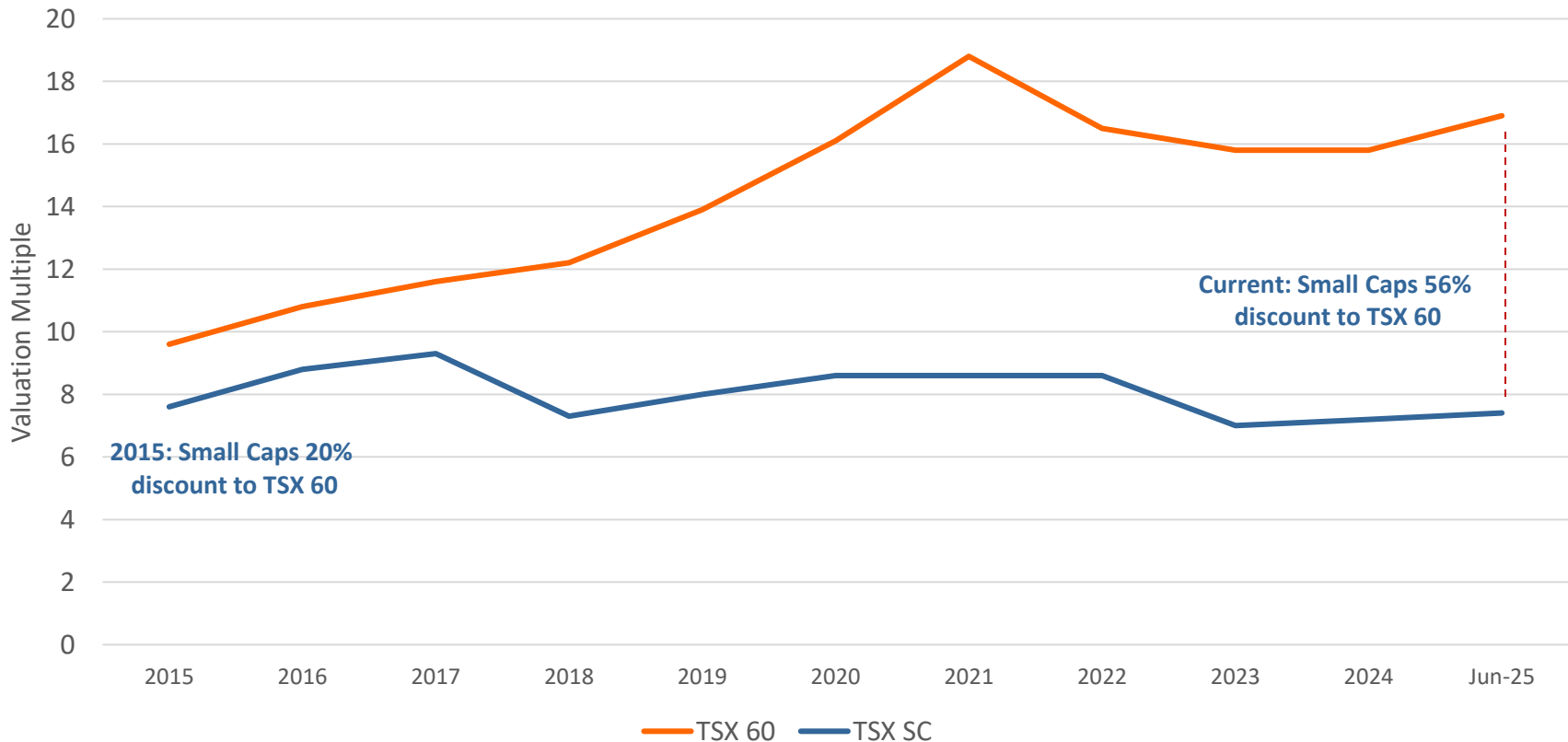
Valuation: Discount to 5 Year Average



Canadian Market Review

Small Cap Markets: Industrial Sector Valuation Gap is Very Wide (Annual Since 2015)

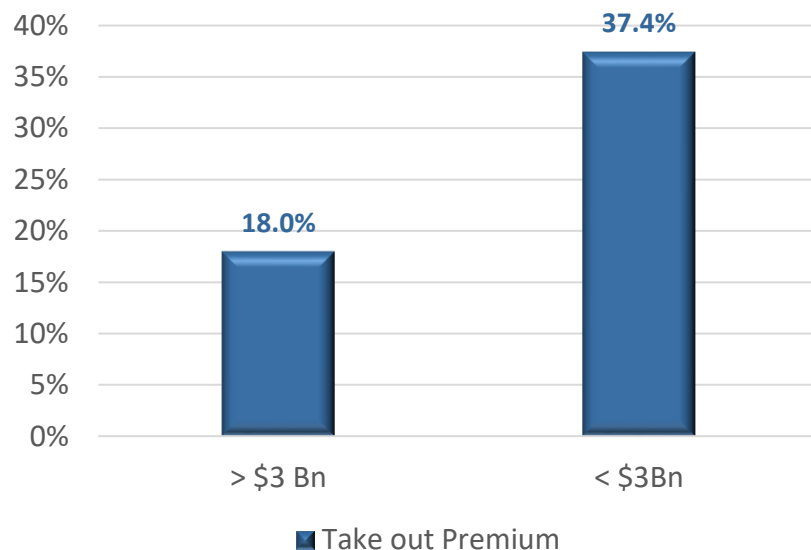
Industrials: Discount Has Widened Since 2015



Small Cap Investing

Lower Rates: Support 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

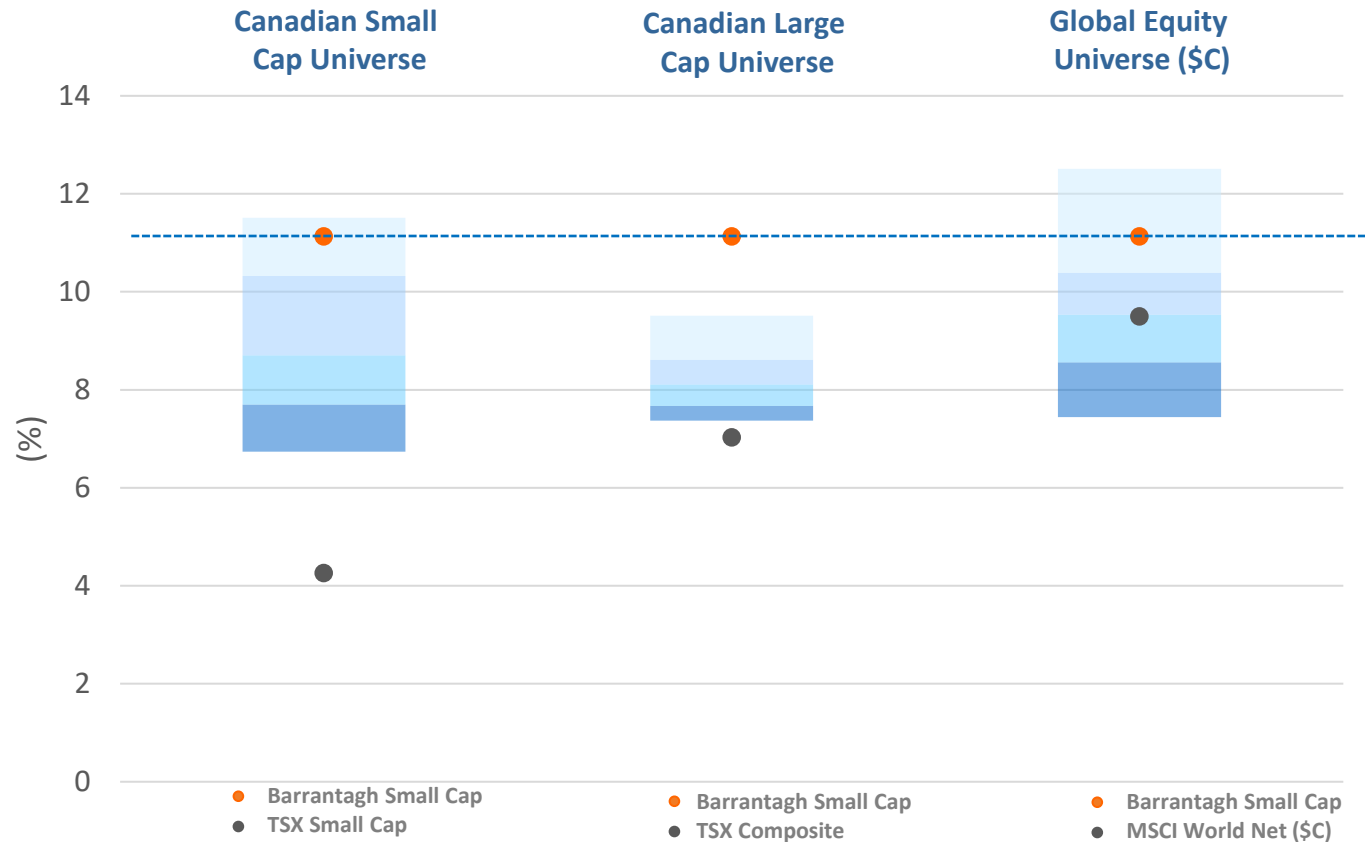
Source: Bloomberg, Barrantagh Research

Barrantagh Positions Targeted

	Announce Date	Premium
Andlauer Healthcare	4/2025	31%
Softchoice	12/2024	14%
Sleep Country	7/2024	28%
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%

RETURNS: Small Cap Canadian Equities

Strong Performance vs. Large Cap Cdn & Global Equities (for Periods Ending June 30, 2025)



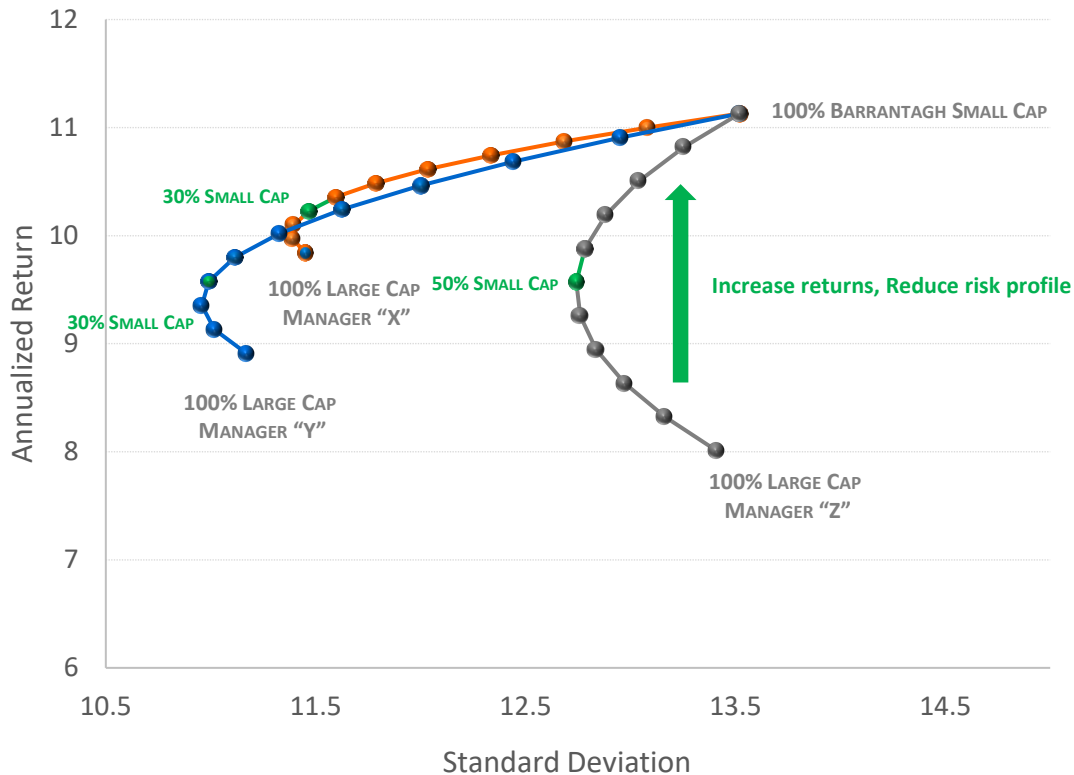
Strategy Inception Date: Jan. 1, 2008

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 Jun. 30, 2025



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)

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

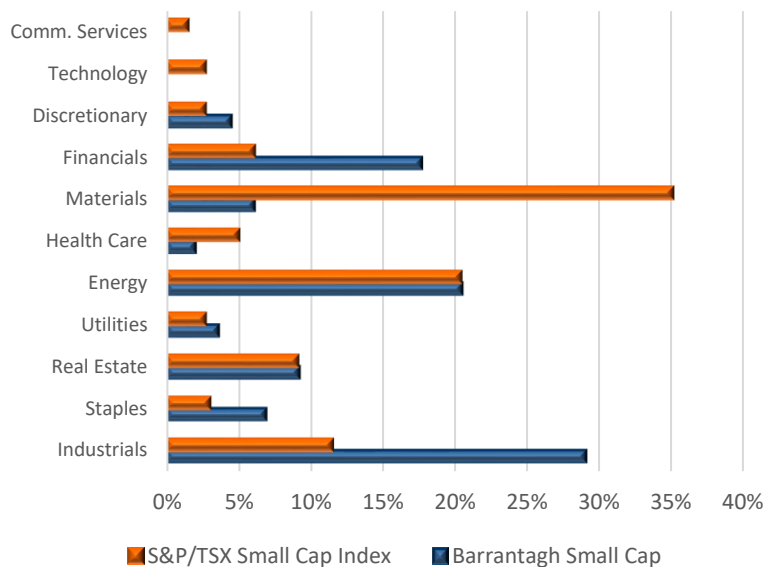
Profile: Small Cap Canadian Equities

Portfolio at June 30, 2025

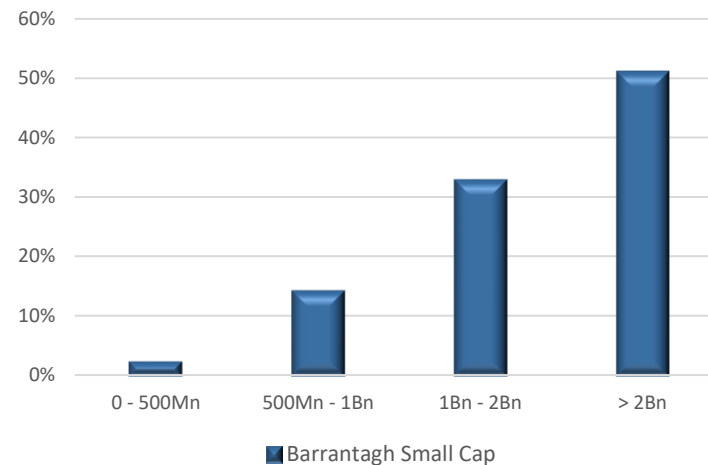
CHARACTERISTICS

Number of Holdings	30
Avg. Market Cap	\$2.6 Bn
# Industry Sectors	9
Dividend Yield	2.4%

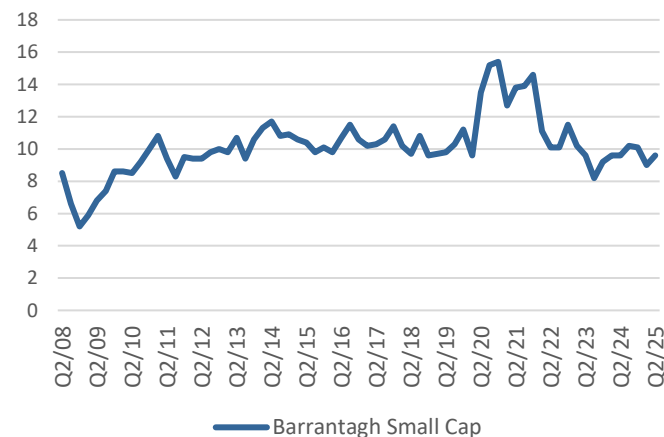
Barrantagh Small Cap Industry Weight vs. Index



Market Cap Exposure



Historic P/CF



Canadian Small Cap Equity Portfolio

Portfolio at June 30, 2025 | Q2 Transactions

	Portfolio Weight		Portfolio Weight		Portfolio Weight
Consumer Discretionary		Industrials		Utilities	
Pet Value	4.3%	AG Growth	2.1%	Boralex	3.5%
	4.3%	Bird Construction (NEW)	2.2%		3.5%
Consumer Staples		Boyd Group	3.1%	Materials	
Jamieson Wellness	3.9%	Brookfield Business	4.0%	Chemtrade Logistics	3.7%
North West Co.	2.7%	Cargojet	3.3%	Major Drilling (+)	2.0%
	6.6%	Calian Group	3.7%		5.7%
Energy		Exchange Income Corp. (NEW)	3.4%		
Headwater Exploration	4.0%	K-Bro Linen (NEW)	0.3%	Cash & Equivalent	4.2%
Gibson Energy	3.4%	Savaria	3.6%	Total	100.0%
Logan Energy	1.5%	Westshore Terminals (NEW)	1.9%		
Nuvista Energy	4.3%		29.6%	Sold	
Topaz Energy	2.7%	Real Estate		Dye & Durham	
Trican Well Service	3.6%	First Capital REIT	4.1%		
	19.5%	Mainstreet Equity	2.2%		
Financials		Storagevault Canada	2.6%		
Definity Financial	5.7%		8.9%		
EQB Group (-)	2.6%	Health Care			
Propel Holdings	4.6%	Andlauer Healthcare (-)	2.0%		
Trisura Group	4.8%		2.0%	TRIM = (-)	
	17.7%			ADD = (+)	

Summary

Current Small Cap Opportunity

Catalysts:

1. Small Cap valuations are low vs. large cap – company fundamentals remain good (earnings, balance sheets)
2. A pullback in Gold prices will have a significant positive impact on relative performance
 1. Global uncertainty, wars led central banks to increase gold reserves
 2. Retail momentum buying ensued
 3. Peace agreements can serve to lessen the demand for gold & unwind the momentum trade
3. Risk-Off trading on tariff-risks began in Nov. following the U.S. Election
 1. Smaller cap companies have already pulled back considerably further than large caps
 2. Any moderation in the extent and/or duration of how the tariff threat plays out will close the small-large cap valuation gap
4. Rate moderation will benefit small caps (greater use of floating rate debt, M&A activity, dividend payers)
5. Lower global GDP growth + stagflation risk – this benefits small caps that are more capable of growing at much higher than GDP rates

Canadian Small Cap Equity Portfolio

Select Holdings – Brand Recognition

JAMIESON WELLNESS (JWEL)



CARGOJET (CJT)



Amazon optional
ownership stake ~15%



BORALEX (BLX)



PET VALUE(PET)



BOYD GROUP (BYD)



STORAGEVAULT (SVI)

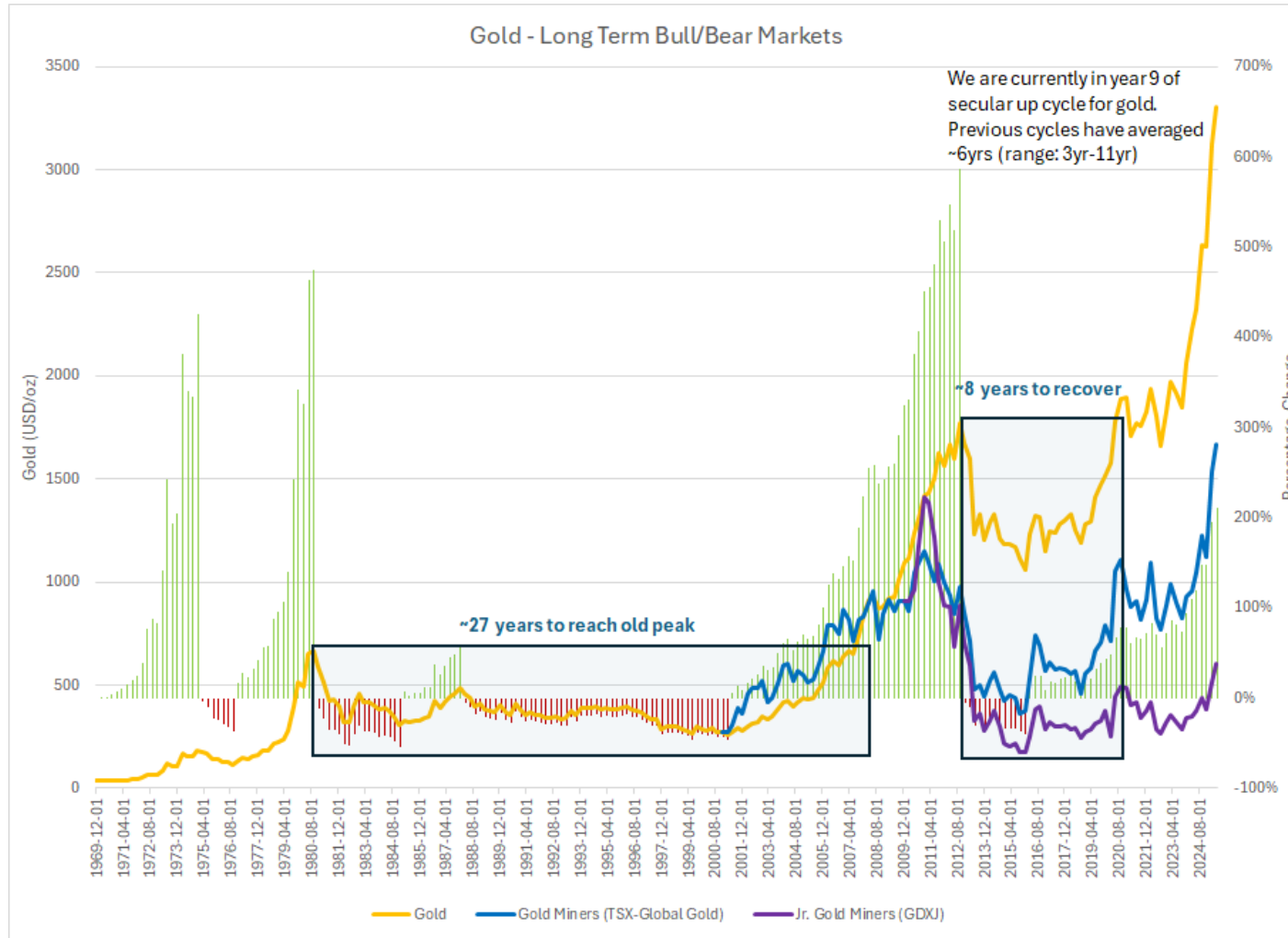




ECONOMIC OUTLOOK

Long-Term View on Gold Prices

Up-Cycle is Longer than Past

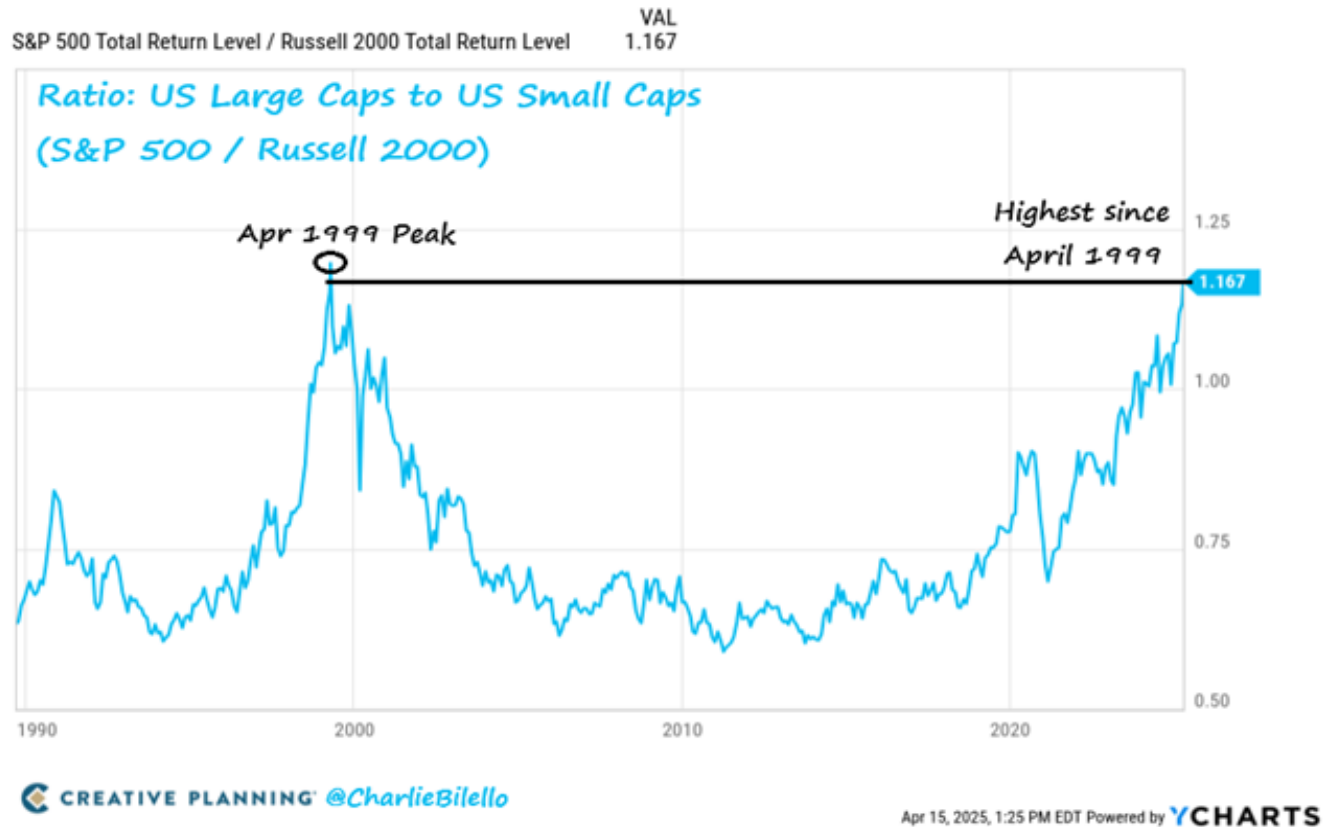


Gold

- Inflation
- Central banks buying
- Geo-political unrest, wars
- Tariff/Trade war uncertainty
- Retail momentum demand

Small Cap to Large Cap Valuation Gap

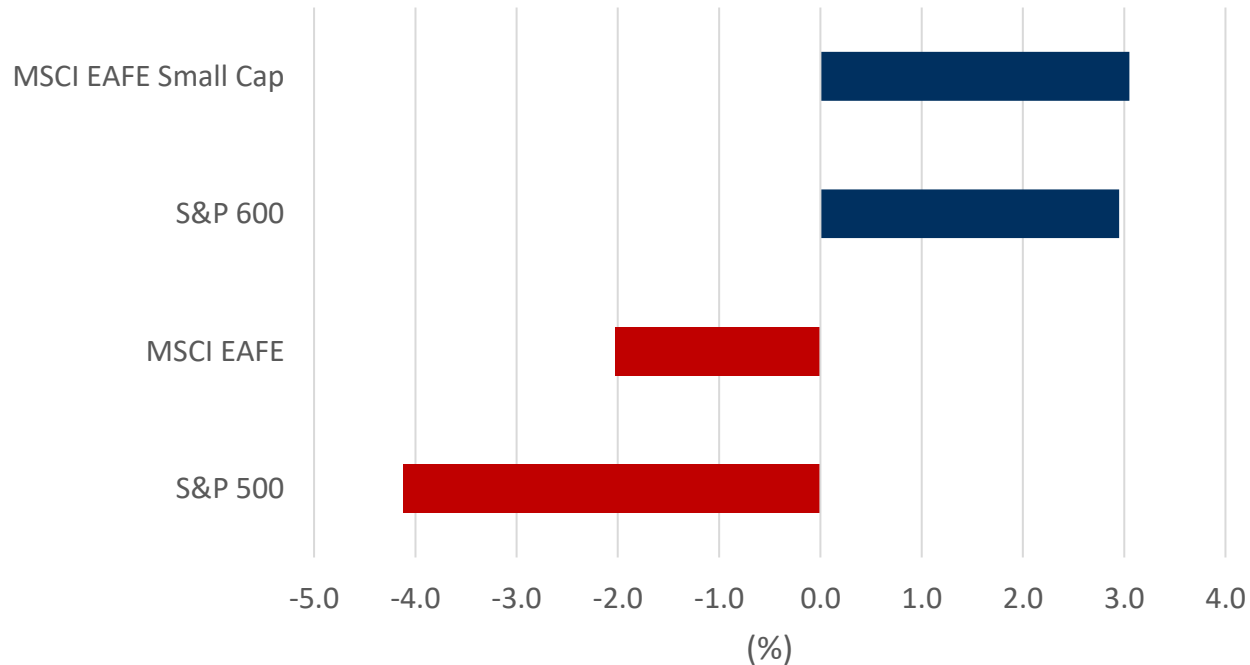
Three Standard Deviations Above Historical Mean



Canadian Small Caps

Past Period of Narrow Large Cap Leadership

The 2000's: Large Caps Lag
Annualized Total Returns 2000 - 2009



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)
- SMA Minimum: \$50,000
- Advisor Portal available www.barrantagh.com Password: MS6

Contact (Toronto):

Alan Daxner, Senior Vice President
adaxner@barrantagh.com
(416) 864-7958

Contact (Vancouver):

Robin Ferguson, Vice President
rferguson@barrantagh.com
(778) 990-3445

BARRANTAGH

Investment Management

100 Yonge Street, Suite 1700
Toronto, Ontario M5C 2W1
(416) 868-6295
www.barrantagh.com