

# BARRANTAGH

Investment Management

## Update – Dec. 31, 2025

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



**ALIGNED**  
capital partners inc.

# Firm Introduction

## FIRM PROFILE

- 100% employee-owned investment managers since 1995
- 17 employees, firm ownership expanded to 7 employee-shareholders
- 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

*Superior Businesses*

**DEFINING  
QUALITY**

### INDEPENDENT VALUATION

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

*Attractive Valuation*

*Capable Management*

### 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

## Q4 Snapshot: Value Surfaces in Small Cap

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 Q4 strong contributions from energy, industrials, financials, health care, materials were experienced
3. Top 10 performers were diversified across 5 GICS industry sectors

### Q4 2025: Top 10 Performers

Q4 2025		
Extendicare	Health Care	<b>35%</b>
Aecon Group	Industrials	<b>27%</b>
Headwater Explor.	Energy	<b>26%</b>
Exchange Income	Industrial	<b>14%</b>
Savaria	Industrials	<b>14%</b>
Nuvista Energy	Energy	<b>13%</b>
Calian Group	Industrial	<b>12%</b>
Trisursa	Financials	<b>11%</b>
Chemtrade Logistics	Materials	<b>11%</b>
Major Drilling	Materials	<b>11%</b>

# Small Cap Canadian Equity

Performance at Dec. 31, 2025

For Periods Ending Dec. 31, 2025	Q4	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	6 Yrs	7 Yrs	8 Yrs	9 Yrs	10 Yrs
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<b>BIM Canadian Small Cap</b>	<b>2.6%</b>	<b>12.7%</b>	<b>12.1%</b>	<b>6.9%</b>	<b>3.6%</b>	<b>6.5%</b>	<b>8.8%</b>	<b>10.2%</b>	<b>7.6%</b>	<b>7.4%</b>	<b>8.6%</b>
S&P/TSX Small Cap Index	10.2%	50.2%	33.6%	23.2%	14.1%	15.3%	14.9%	15.1%	10.2%	9.4%	12.0%
S&P/TSX Small Cap Ex Mining	2.2%	12.3%	12.4%	10.1%	7.7%						

2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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<b>BIM Cdn Small Cap</b>	<b>12.7%</b>	<b>11.5%</b>	<b>-2.7%</b>	<b>-5.7%</b>	<b>18.8%<sup>1</sup></b>	<b>21.3%</b>	<b>19.0%</b>	<b>-8.9%</b>	<b>5.9%</b>	<b>19.8%<sup>1</sup></b>	<b>-5.3%</b>	<b>17.3%</b>	<b>30.9%</b>	<b>18.5%</b>	<b>15.6%</b>	<b>35.0%</b>	<b>43.8%<sup>1</sup></b>	<b>-22.9%</b>
S&P/TSX Small Cap	50.2%	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%

<sup>1</sup> 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

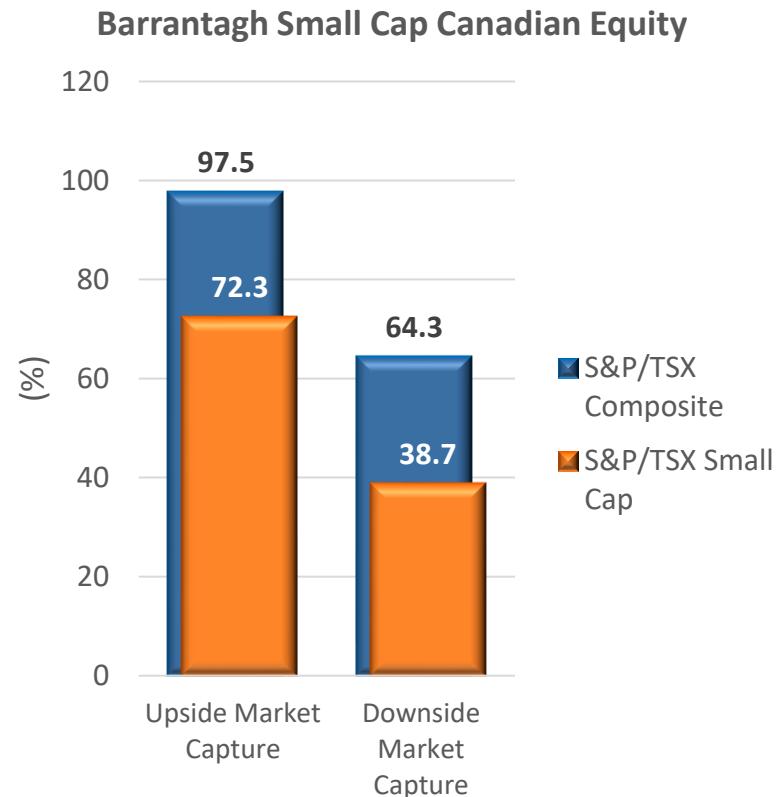
TOTAL PERIOD	
Jan. 2024 – Q4 2025	
BIM Small Cap	<b>25.4%</b>
TSX SC	<b><u>77.4%</u></b>
Alpha (%)	<b>-52.0%</b>
Alpha (bps)	<b>-5200</b>
Materials	<b>-4750</b>
Energy	<b><u>-630</u></b>
Commodities	<b>-5380</b>
BIM Alpha Ex-Commodities <sup>1</sup>	<b>+180</b>

<sup>1</sup> BIM Alpha Ex-Commodities = GICS Industries Ex - Energy & Materials

# Small Cap Canadian Equity

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

Dec. 31, 2025	Barrantagh Small Cap Cdn. Equities <sup>1</sup>	TSX Small Cap	Median
Annualized Return	11.2%	5.8%	9.9%
Standard Deviation	13.3%	20.1%	15.7
Sharpe Ratio	0.7	0.2	0.4

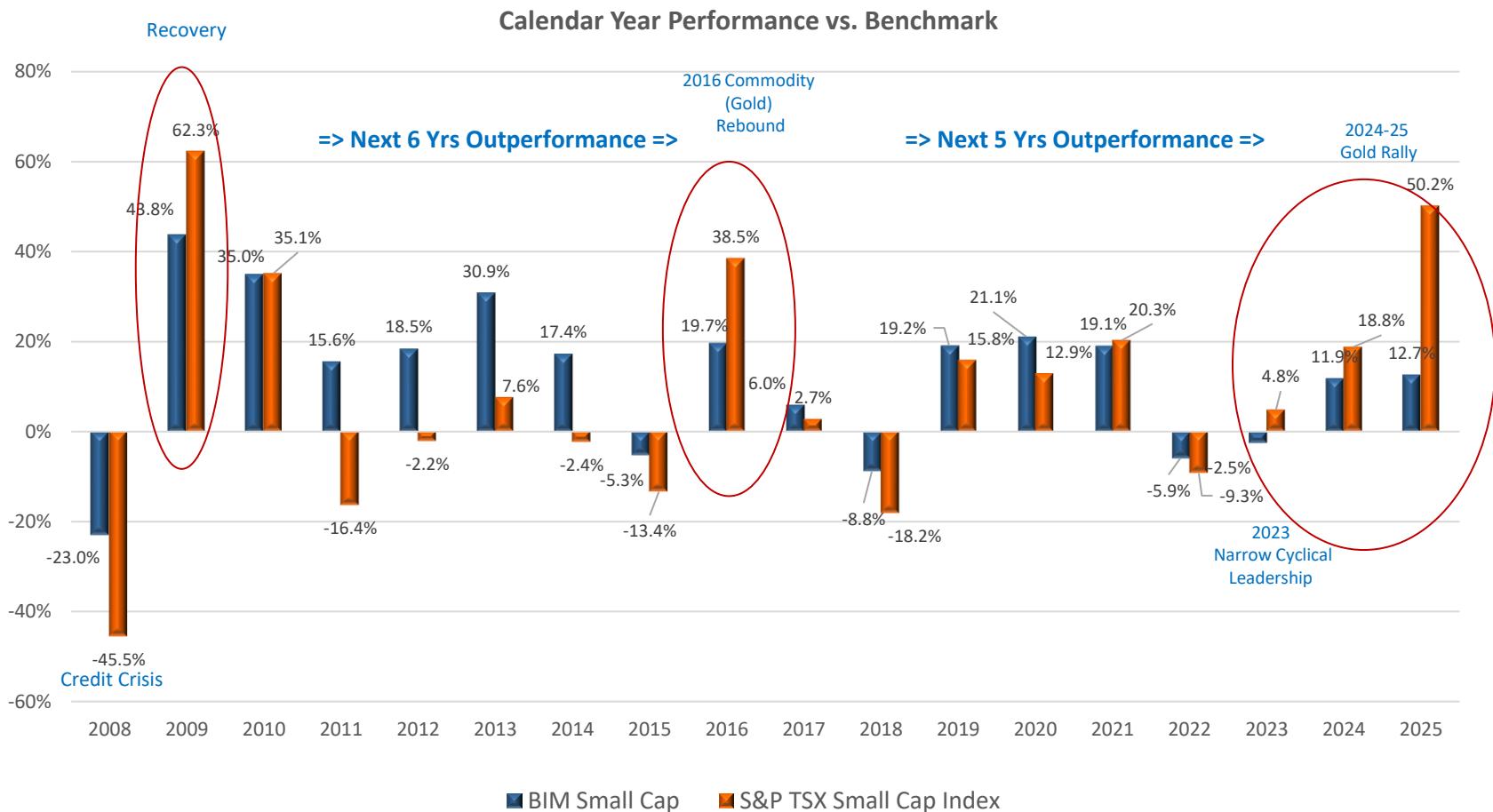


<sup>1</sup> Since Inception Jan. 1, 2008

<sup>2</sup> vs. Evestment Small Cap Universe

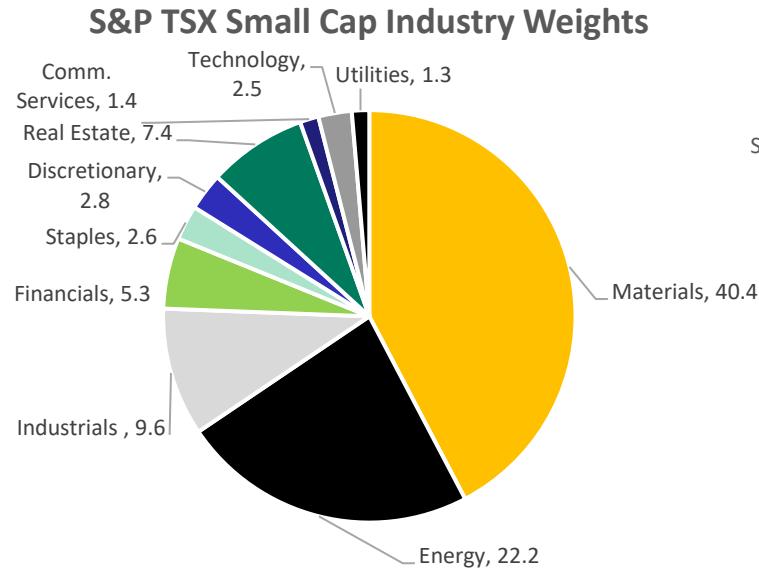
# Performance Update

## Investing over Market Cycles | Calendar Year Returns

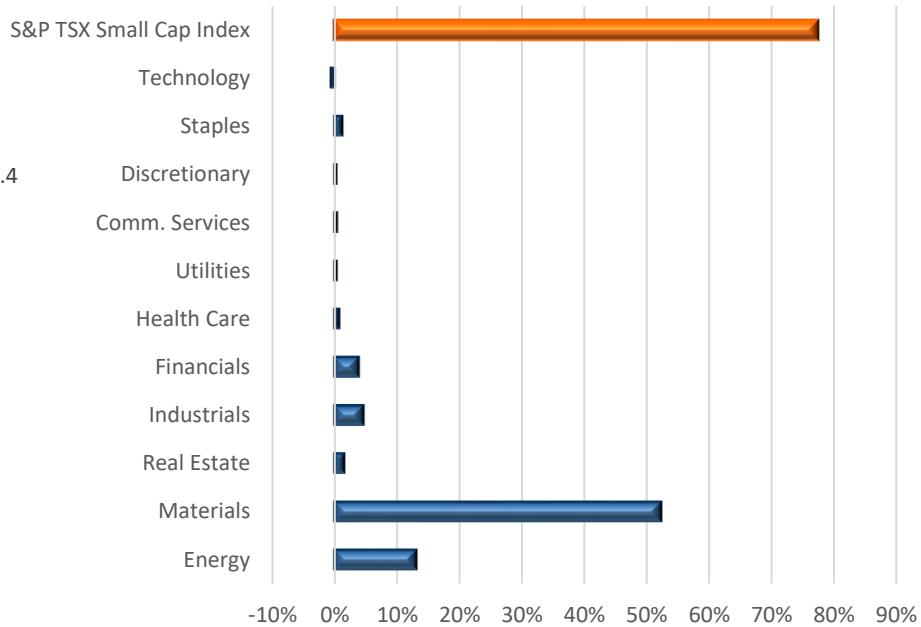


# Small Cap Investing

Commodities Contribute 84% of the TSX Small Cap Index Return – Jan. 2024 - Dec. 2025



**2024 + YTD 2025 Small Cap Index Contribution<sup>1</sup> by Industry**

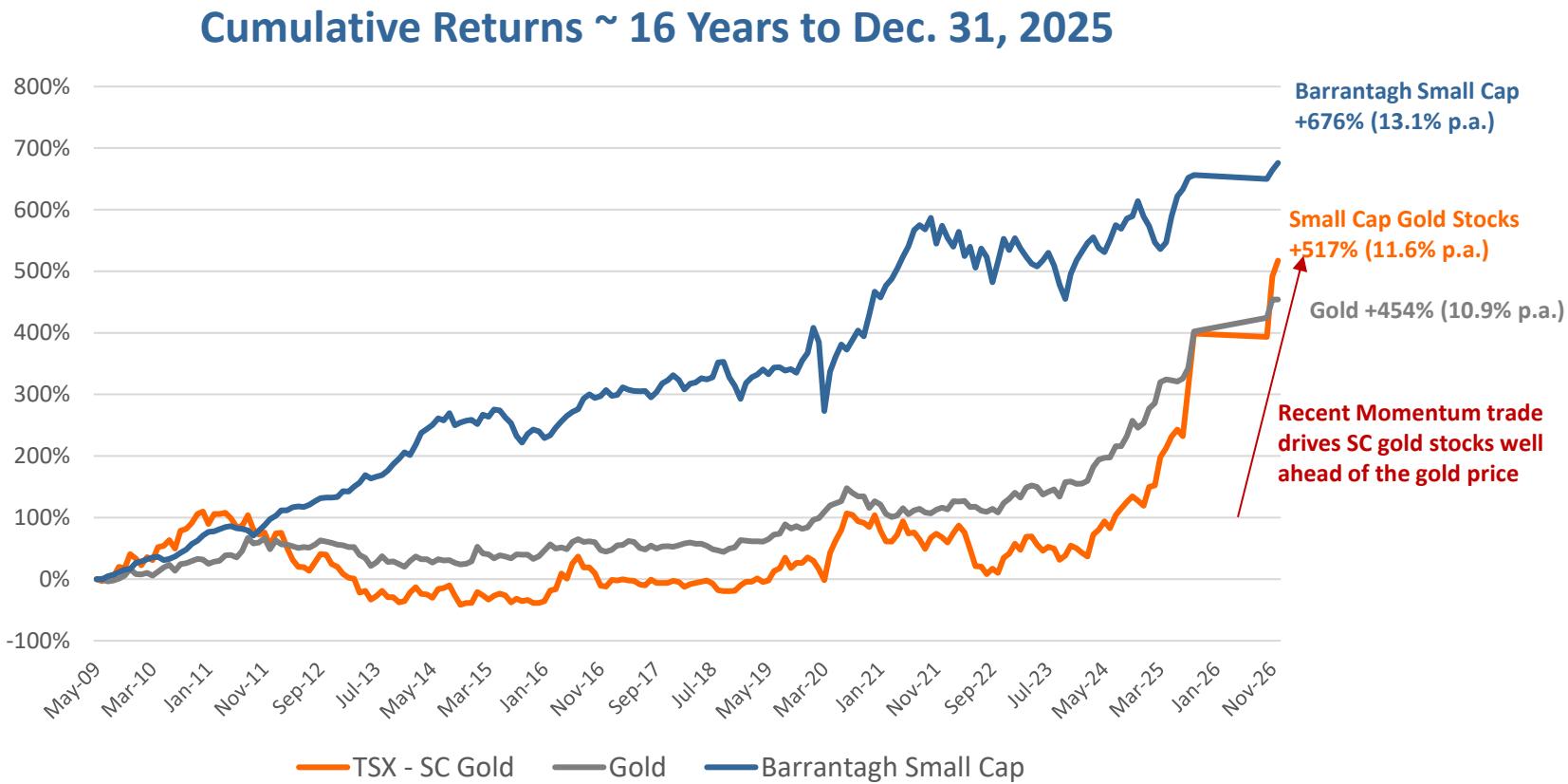


Contribution<sup>1</sup> = Return x Weight

Source: Bloomberg, Barranagh Research

# Small Cap Canadian Equity Mandate

## Junior Gold Miners: Underperforming/Volatile & Poor Commodity Tracking

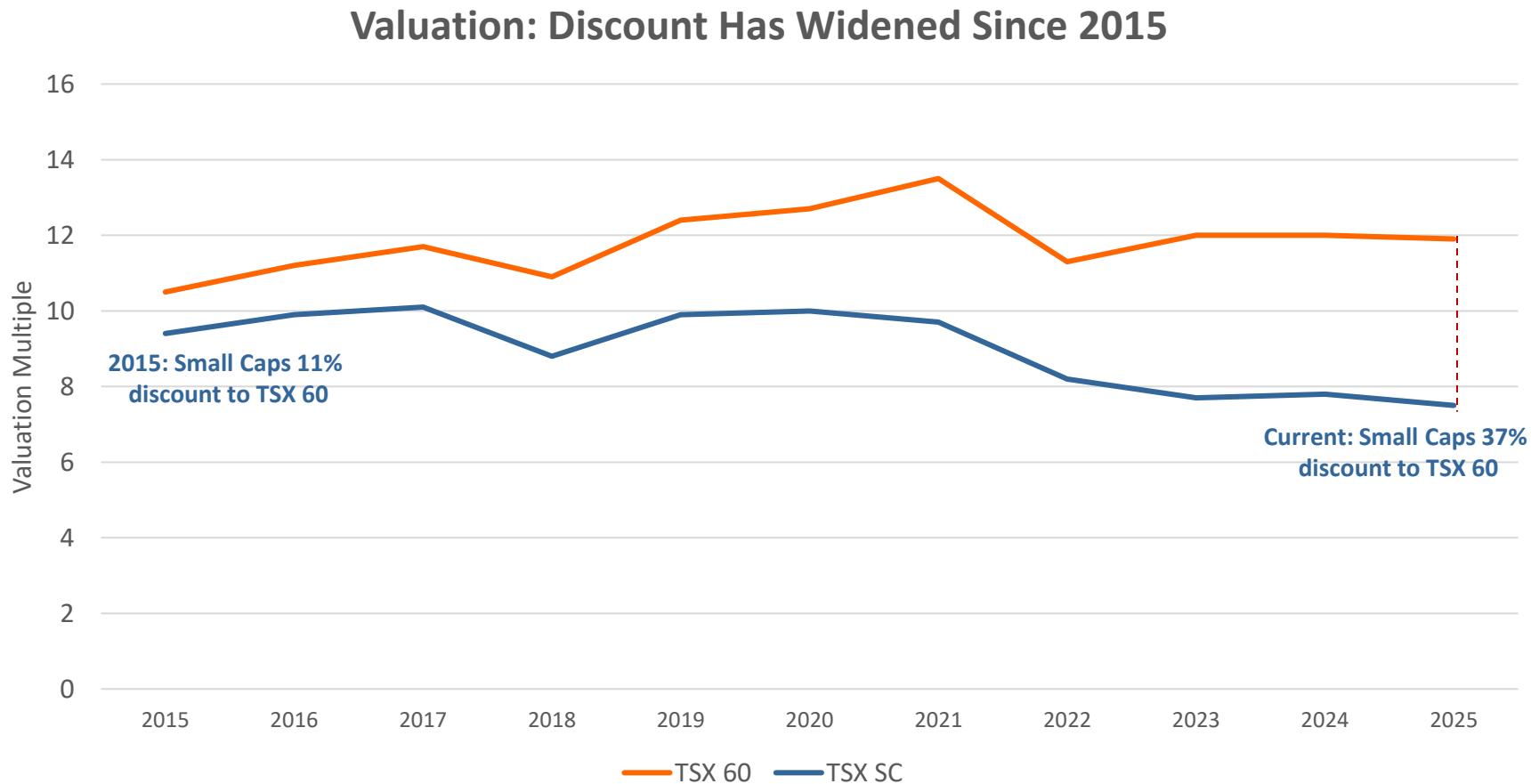


### Why do we bias away from deep cyclicals?

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

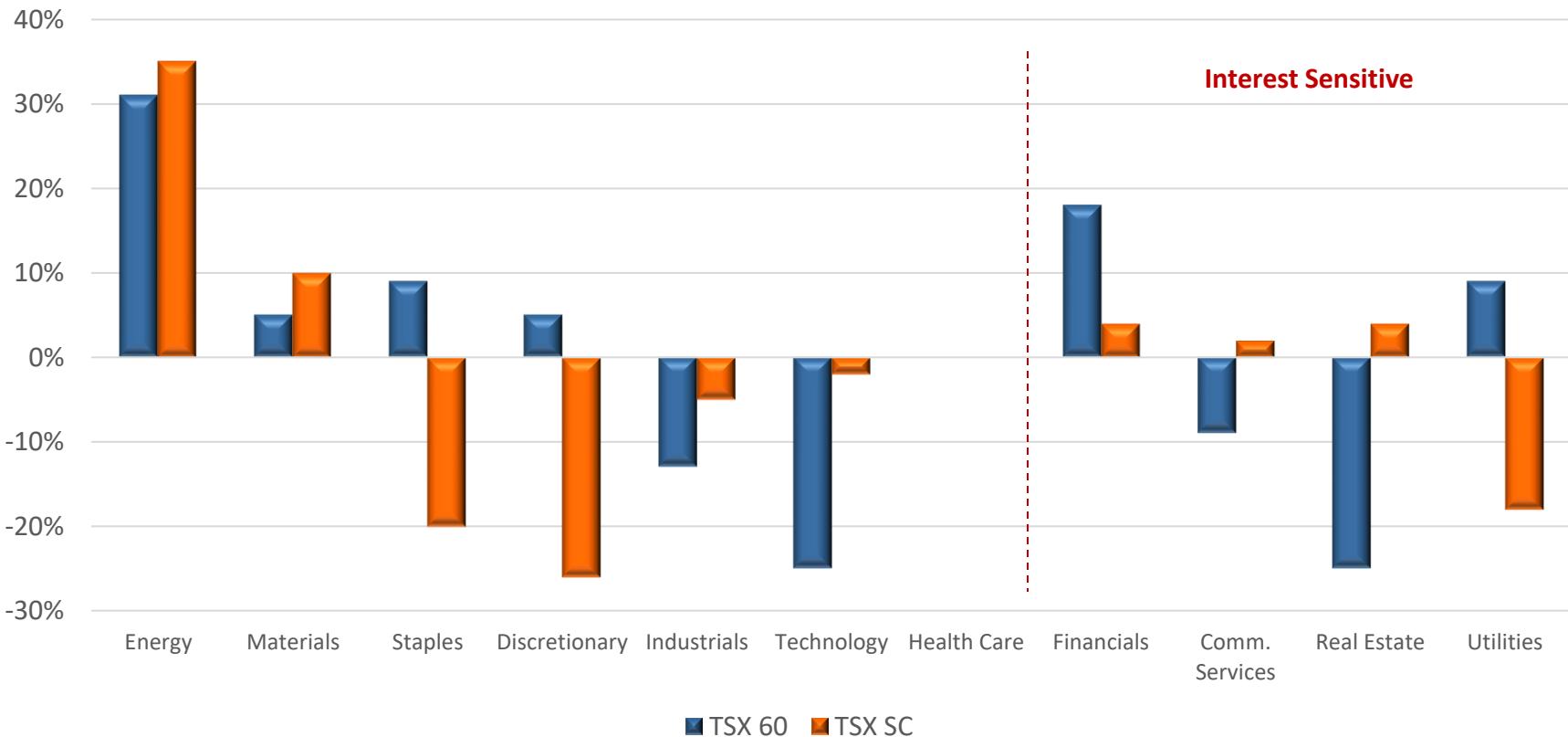
## Small Cap Markets: Broad Valuation Advantage vs Large Caps (Annual Since 2015)



# Canadian Market Review

## Small Cap Markets: Broad Valuation Advantage vs Large Caps (at Dec. 31<sup>th</sup>, 2025)

### Valuation: Discount to 5 Year Average



# Canadian Market Review

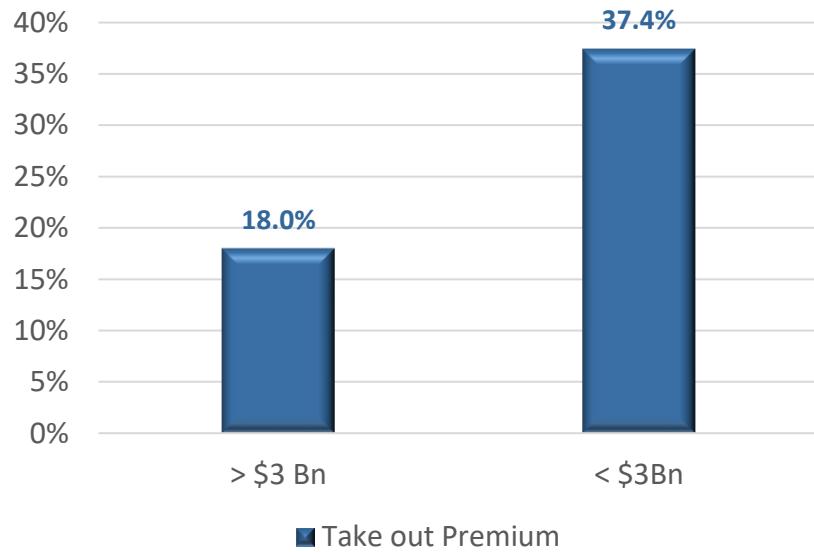
## Small Cap Markets: Industrial Sector Valuation Gap is Very Wide (Annual Since 2015)



# 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

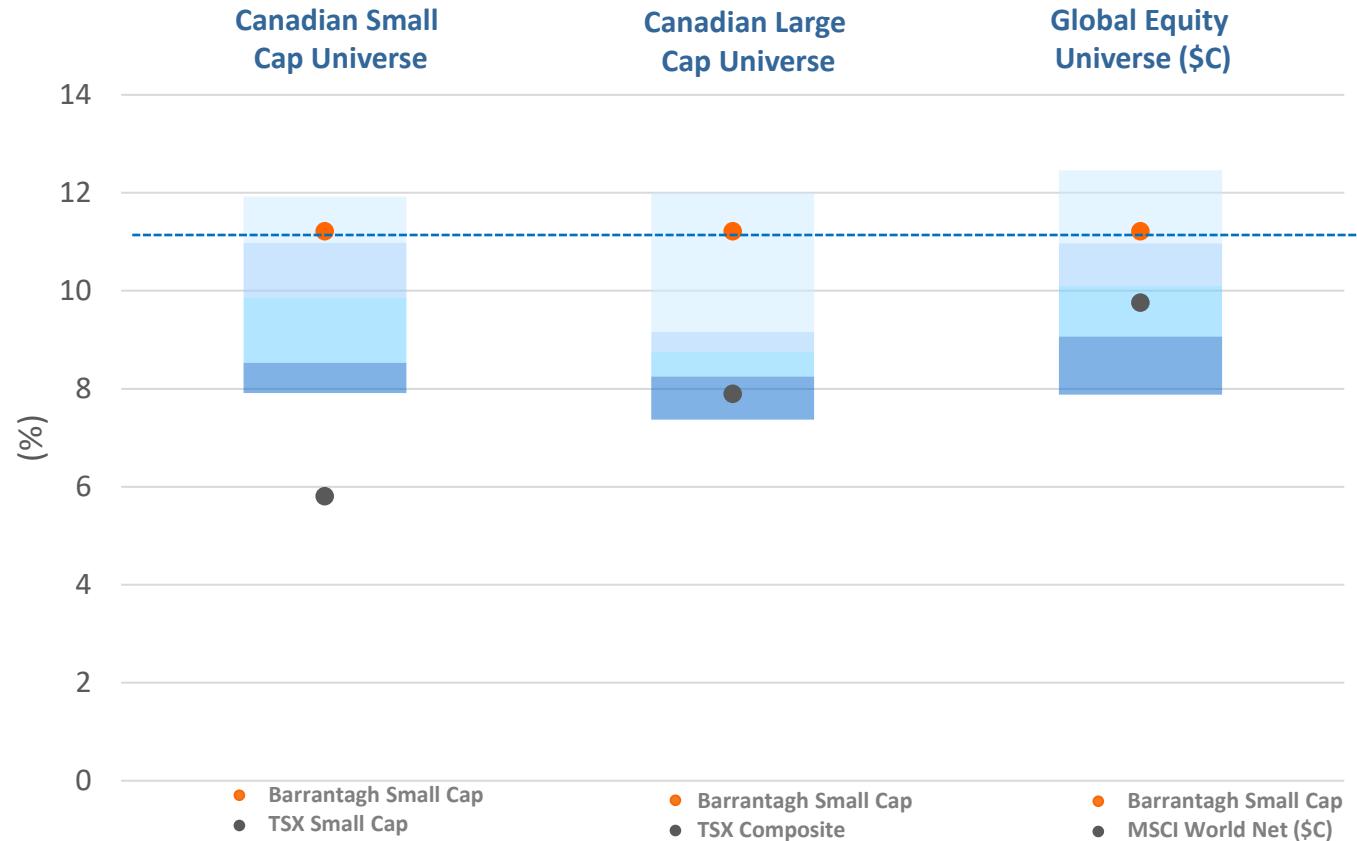
Source: Bloomberg, Barrantagh Research

### 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

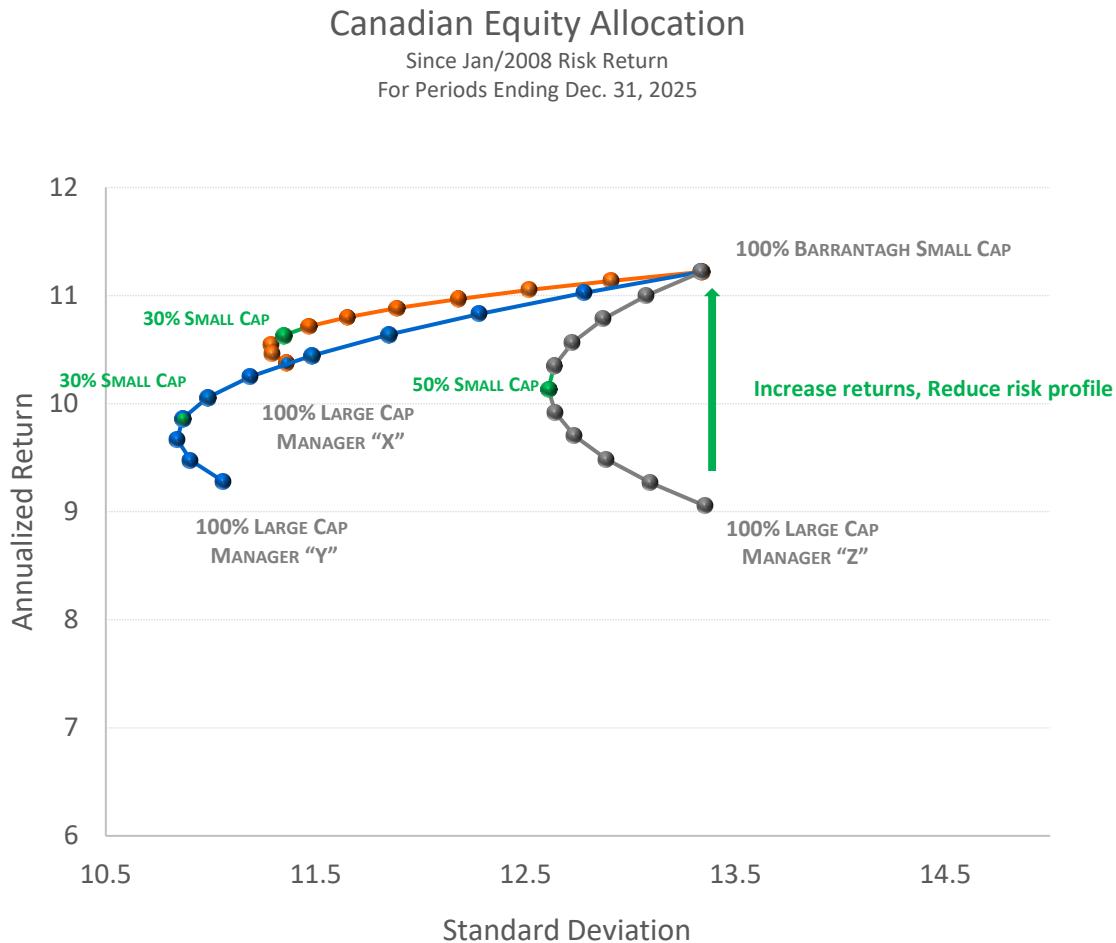
Strong Performance vs. Large Cap Cdn & Global Equities (for Periods Ending Dec. 31, 2025)



Strategy Inception Date: Jan. 1, 2008

# DIVERSIFICATION: Small Cap Canadian Equities

Improve Returns & Lower Risk by Combining with Large Cap Managers



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 ( $\omega$ ) of underlying components
- Risk ( $\sigma$ ) of underlying components
- Correlation ( $\rho$ ) of components

*Portfolio Standard Deviation( $\sigma_p$ )*

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

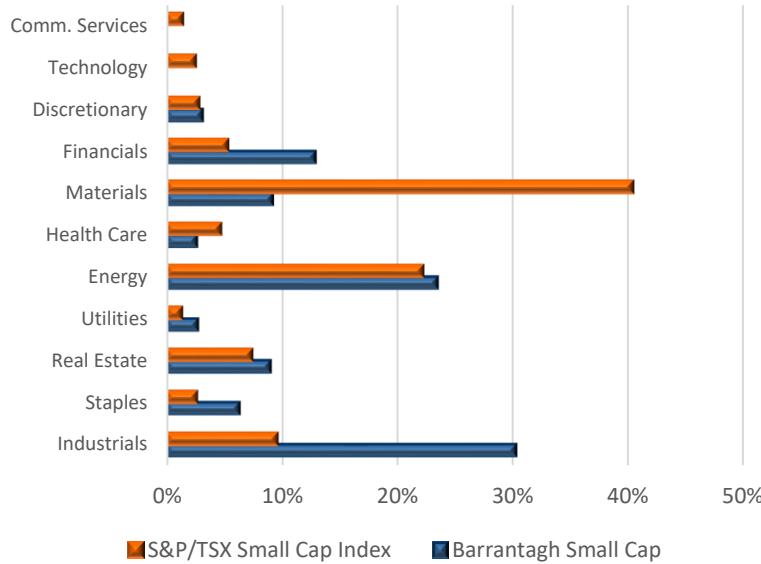
# Profile: Small Cap Canadian Equities

## Portfolio at Dec. 31, 2025

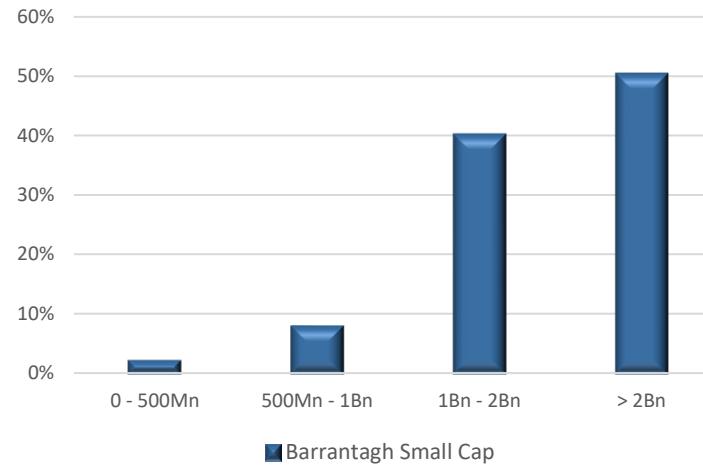
### CHARACTERISTICS

Number of Holdings	32
Avg. Market Cap	\$2.5 Bn
# Industry Sectors	9
Dividend Yield	2.4%

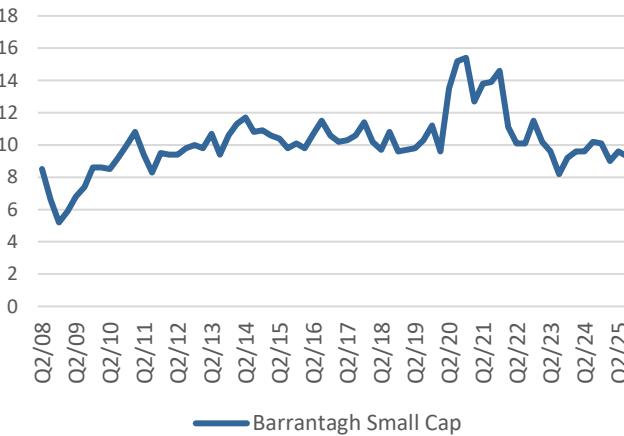
### Barrantagh Small Cap Industry Weight vs. Index



### Market Cap Exposure



### Historic P/CF



# Canadian Small Cap Equity Portfolio

Portfolio at Dec. 31, 2025 | Q4 Transactions

	Portfolio Weight		Portfolio Weight		Portfolio Weight
<b>Consumer Discretionary</b>		<b>Industrials</b>		<b>Utilities</b>	
Pet Value (-)	<u>3.1%</u>	Aecon (NEW)	1.2%	Boralex	<u>2.7%</u>
	3.1%	Black Diamond Group (NEW)	1.9%		2.7%
<b>Consumer Staples</b>		Bird Construction (+)	3.3%	<b>Materials</b>	
Jamieson Wellness	3.5%	Boyd Group	3.0%	Chemtrade Logistics	4.7%
North West Co.	<u>2.6%</u>	Brookfield Business (-)	3.3%	Major Drilling	<u>4.3%</u>
	6.1%	MDA Space (NEW)	2.1%		9.0%
<b>Energy</b>		Calian Group (-)	3.6%		
Headwater Exploration	5.2%	Exchange Income Corp.	4.1%	Cash & Equivalent	3.1%
Gibson Energy	3.3%	K-Bro Linen	2.0%	Total	100.0%
Logan Energy	2.1%	Savaria (-)	3.1%		
Kelt Exploration (NEW)	2.6%	Westshore Terminals	<u>1.8%</u>	<b>Sold</b>	
Nuvista Energy (-)	2.5%		29.4%	<b>AG Growth</b>	
Topaz Energy	2.8%	<b>Real Estate</b>		<b>Cargojet</b>	
Trican Well Service (-)	<u>4.3%</u>	First Capital REIT	4.0%		
	22.8%	Mainstreet Equity	2.0%		
<b>Financials</b>		Storagevault Canada	<u>2.7%</u>		
Definity Financial (-)	3.3%		8.7%		
GoEasy (+)	2.8%	<b>Health Care</b>			
Propel Holdings (-)	2.0%	Extendicare (NEW)	<u>2.6%</u>	<b>TRIM = (-)</b>	
Trisura Group	<u>4.4%</u>		2.6%	<b>ADD = (+)</b>	
	12.5%				

# Summary

## Current Small Cap Opportunity

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### 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. Rate moderation will benefit small caps (greater use of floating rate debt, M&A activity, dividend payers)
4. 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)



### AECON (ARE)



### BORALEX (BLX)



### PET VALUE(PET)



### BOYD GROUP (BYD)



### STORAGEVAULT (SVI)





# MANDATE REVIEW

## ALL CAP GLOBAL EQUITIES

# Barrantagh Differentiators

## Repeatable Advantages

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- Low-risk alpha generator
- Low tracking error (achieved through diversification)
- High active share (20 – 40 stocks – best ideas)
- All cap approach (exposure to broad market cap spectrum)
- Low turnover (tax advantages and long-term horizon)
- Seasoned team with longevity (consistency in approach)

# Global Equity Mandate

Performance at Dec. 31, 2025

For Periods Ending Dec. 31, 2025	Q4/25	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	6 Yrs	7 Yrs	8 Yrs	9 Yrs	10 Yrs
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<b>BIM Global Equities</b>	<b>0.1%</b>	<b>3.5%</b>	<b>14.1%</b>	<b>15.5%</b>	<b>9.6%</b>	<b>10.8%</b>	<b>10.4%</b>	<b>13.9%</b>	<b>12.1%</b>	<b>12.3%</b>	<b>11.7%</b>
MSCI World (Net)	1.6%	15.4%	22.2%	21.6%	12.1%	13.8%	13.8%	14.8%	12.8%	13.0%	12.0%
MSCI World Equal Weight (Net)	1.0%	15.7%	16.6%	15.6%	8.3%	9.4%	9.1%	10.3%	8.4%	9.1%	8.7%

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
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<b>BIM Global Equities</b>	<b>3.5%</b>	<b>25.7%</b>	<b>18.4%</b>	<b>-6.2%</b>	<b>15.6%</b>	<b>8.6%</b>	<b>37.4%</b>	<b>0.1%</b>	<b>13.7%</b>	<b>7.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>39.6%</b>	<b>16.0%</b>
MSCI World (Net)	15.4%	29.4%	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

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

# GLOBAL EQUITIES:

## 2025 –Narrow Markets: Detractors focused to limited Mega Cap Tech, EAFE Tariff Reaction

	2025	Benchmark <sup>1</sup>	Difference
Global Equities	3.5%	15.4%	-11.9%
Technology (AI semis) <sup>3</sup>			-7.3
Communication Services			-3.1
Domestic Industries (EAFE) <sup>2</sup>			-2.2
S&P 500	12.4		
MSCI EAFE	25.1		

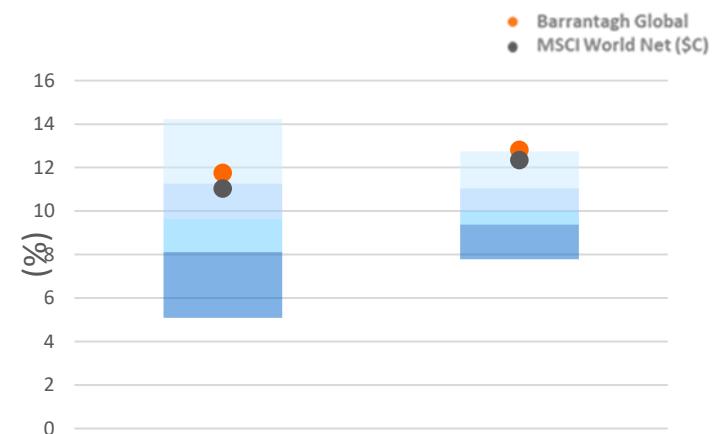
<sup>1</sup>Benchmark = MSCI World (Net) (CAD)

<sup>2</sup> Domestic-facing industries revalue in response to U.S. tariffs (Financials, Utilities)

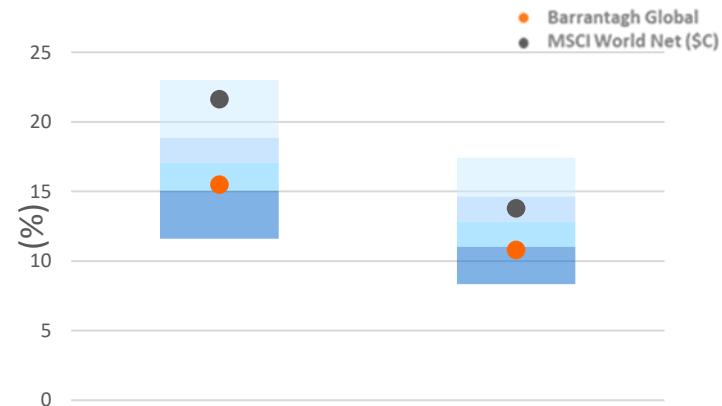
### NVIDIA<sup>3</sup>

- P/E=40X, Dividend = 0.02%
- 2025: +33%
- Largest Co. in MSCI World (5.5%)

Global Large Cap Value Managers (Dec. 31 2024)



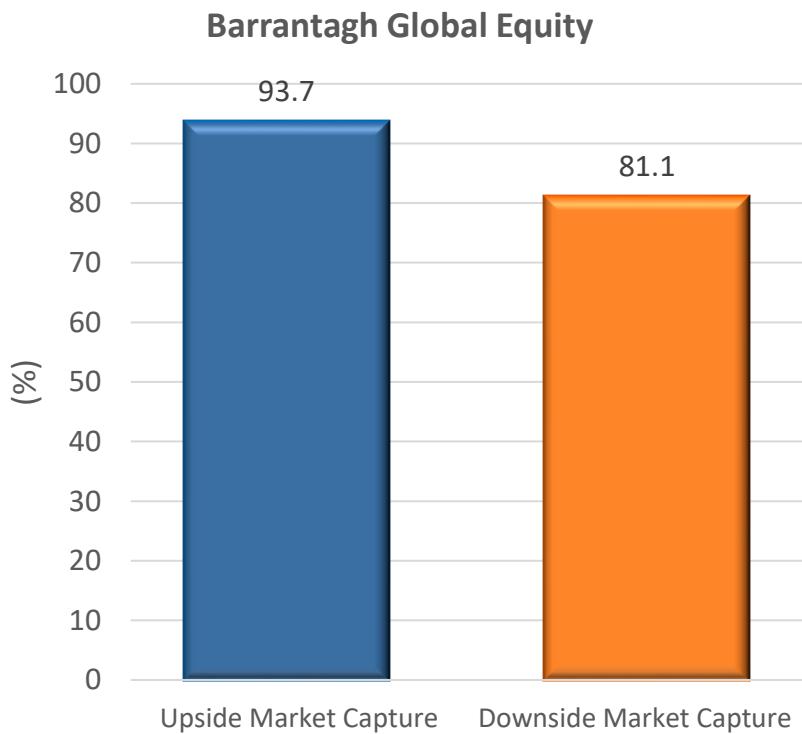
Global Large Cap Value Managers (Dec. 31 2025)



# Global Equities

## Risk Statistics vs. Global Equity (for Periods Ending Dec. 31, 2025) (CAD)

	Barrantagh Global Equities <sup>1</sup>	Percentile Rank <sup>2</sup>
Annualized Return	<b>14.2%</b>	<b>17</b>
Sharpe Ratio	<b>1.13</b>	<b>19</b>
Information Ratio	<b>0.0</b>	<b>17</b>
Treynor Ratio	<b>13.7</b>	<b>30</b>

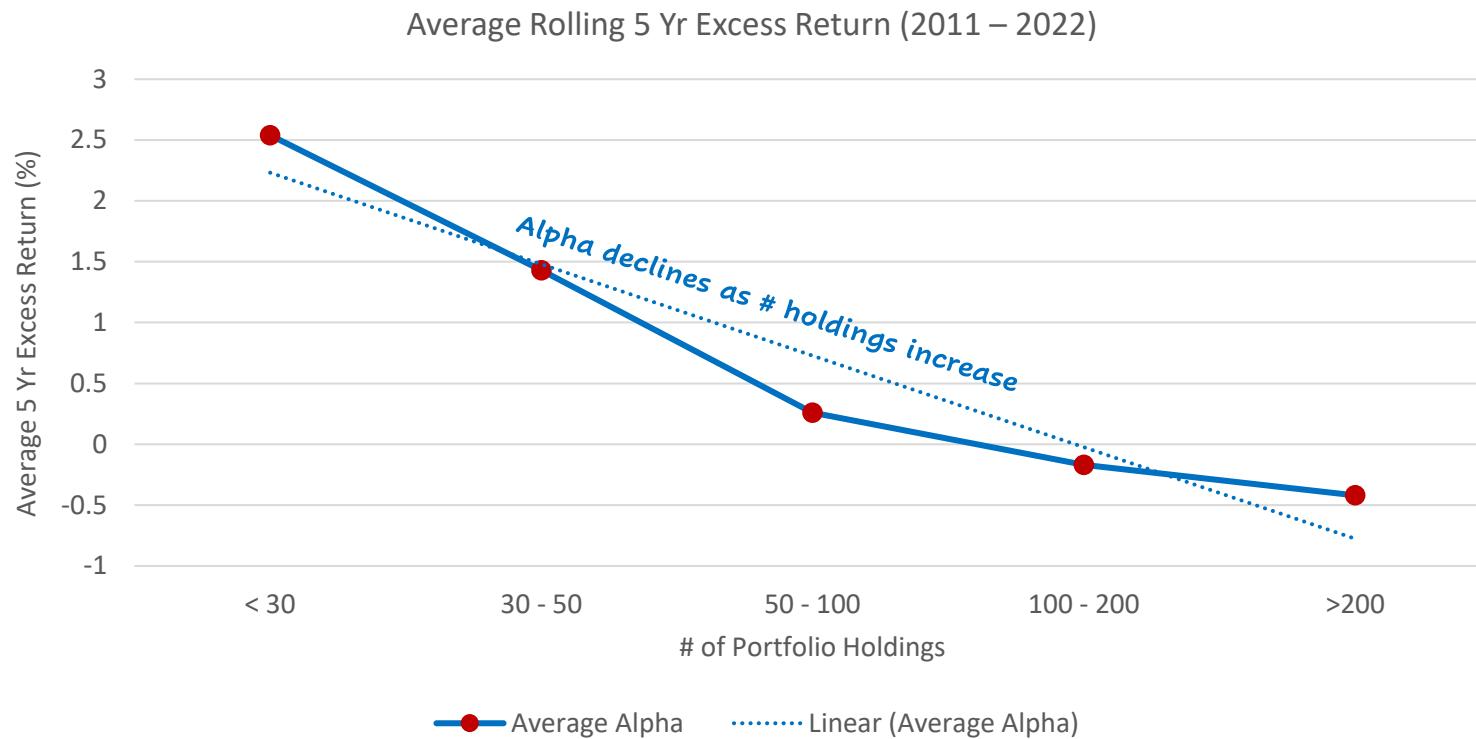


<sup>1</sup> Since Inception Jan. 1, 2012

<sup>2</sup> vs. Evestment Large Cap Value Universe

# Concentrated Global Equity Advantages

## # Holdings & Alpha Generation



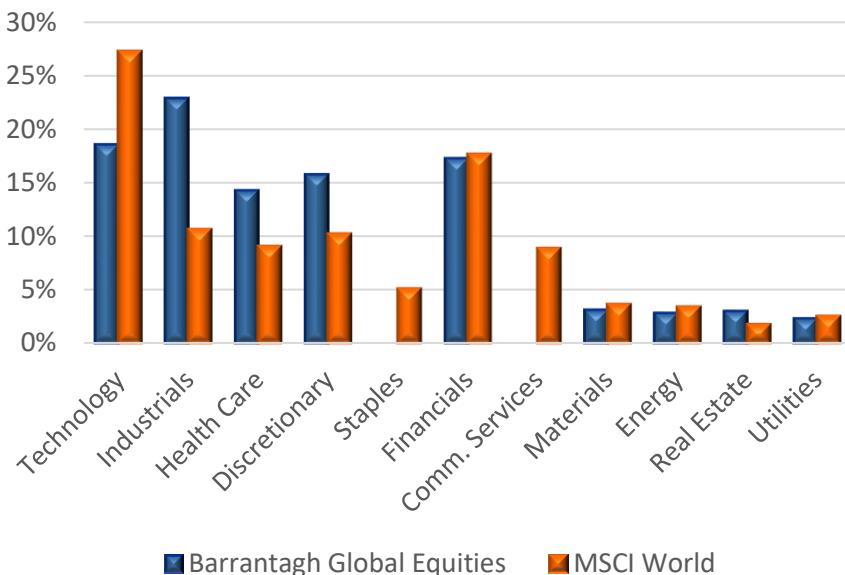
# Global Equities

at Dec. 31, 2025

## CHARACTERISTICS

Number of Holdings	36
# Industry Sectors	9
Average Market Cap	\$680.7Bn
P/CF	14.6X
Dividend Yield	1.2%

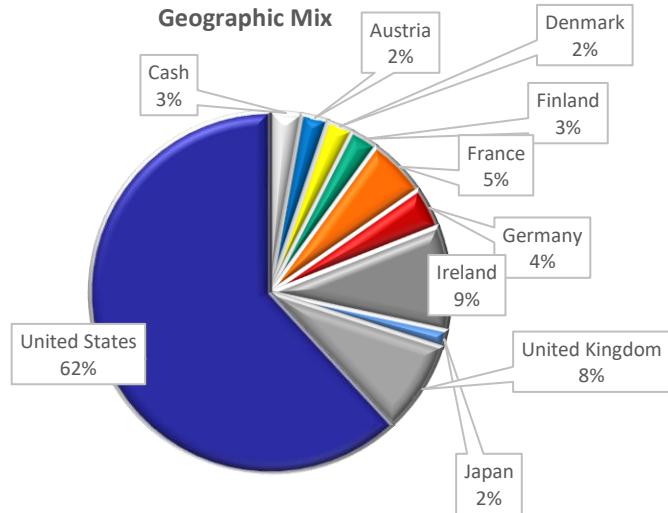
## Barrantagh Global Equities Industry Weight vs Index



## Market Cap Exposure



## Geographic Mix



# Global Equities

## Portfolio at Dec. 31, 2025 | Q4 Transactions

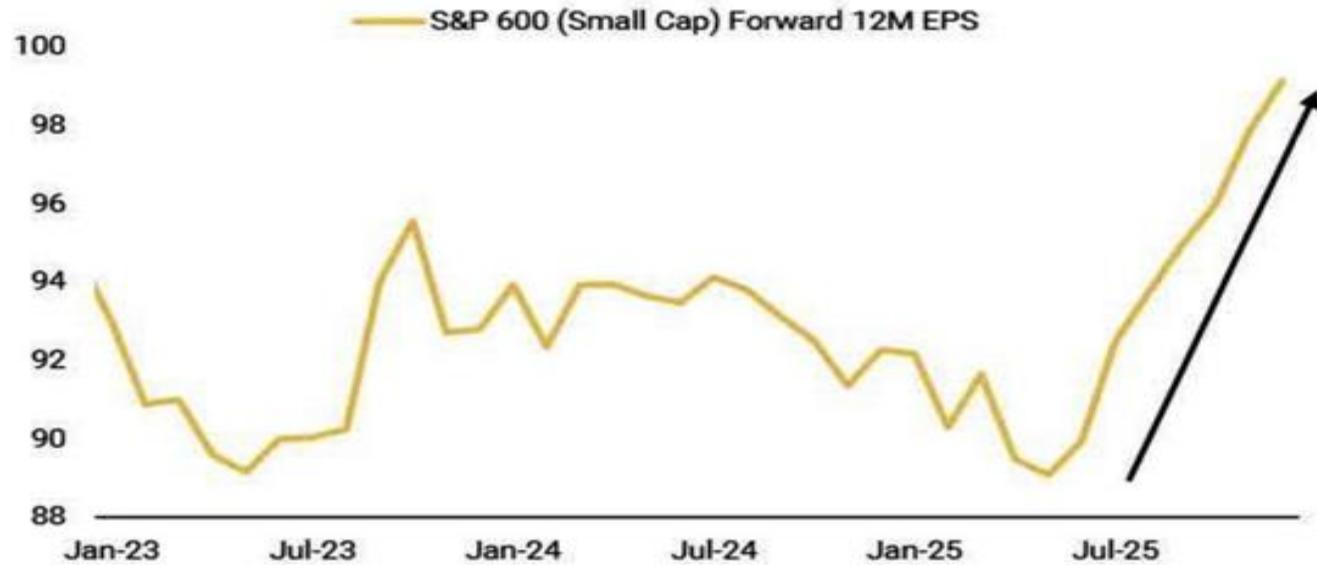
	Portfolio Weight		Portfolio Weight		Portfolio Weight
<b>Consumer Discretionary</b>		<b>Industrials</b>		<b>Financials</b>	
Amazon	5.3%	Itochu Corp. (NEW)	1.6%	Wells Fargo (-)	3.4%
Compass Group (-)	2.4%	Metso Outotec (-)	2.5%	JP Morgan Chase (-)	4.1%
Dick's Sporting Goods (+)	1.9%	Vinci S.A. (-)	2.1%	Mastercard	2.0%
Service Corp. Int'l (NEW)	1.4%	Jacobs Solutions (+)	2.4%	Erste Group Bank (NEW)	2.3%
Starbucks (NEW)	1.5%	Regal Rexnord	2.7%	Standard Chartered (NEW)	1.6%
Somnigroup	<u>2.8%</u>	DSV A/S	2.3%	Willis Towers Watson	<u>3.3%</u>
	15.3%	Schneider Electric	3.2%		16.7%
<b>Materials</b>		Union Pacific	2.3%	<b>Information Technology</b>	
CRH (-)	<u>3.1%</u>	Wabtec	<u>2.9%</u>	Marvell Technology	2.9%
	3.1%		22.1%	Dynatrace	2.0%
<b>Real Estate</b>		<b>Health Care</b>		Itron	2.6%
First Realty	<u>2.9%</u>	Astrazeneca	4.1%	Accenture (+)	2.9%
	2.9%	Boston Scientific (-)	1.7%	Teledyne Technologies (NEW)	1.3%
<b>Energy</b>		Cooper Cos.	2.8%	Microsoft	<u>6.3%</u>
EOG Resources	<u>2.8%</u>	Siemens Healthineers	1.4%		18.0%
	2.8%	Thermo Fisher Scientific	<u>3.9%</u>		
<b>Sold</b>			13.9%	Cash & Equivalents	2.9%
Constellation Brands		<b>Utilities</b>		Total	100.0%
Sysco		E.ON	<u>2.3%</u>		
American Tower			2.3%		
Intertek Group					
<b>TRIM = (-)</b>					
<b>ADD = (+)</b>					



## ECONOMIC OUTLOOK

# Small Cap Forward Earnings Estimates

**Exhibit 5:** Small Cap Forward EPS Is Picking Up Materially

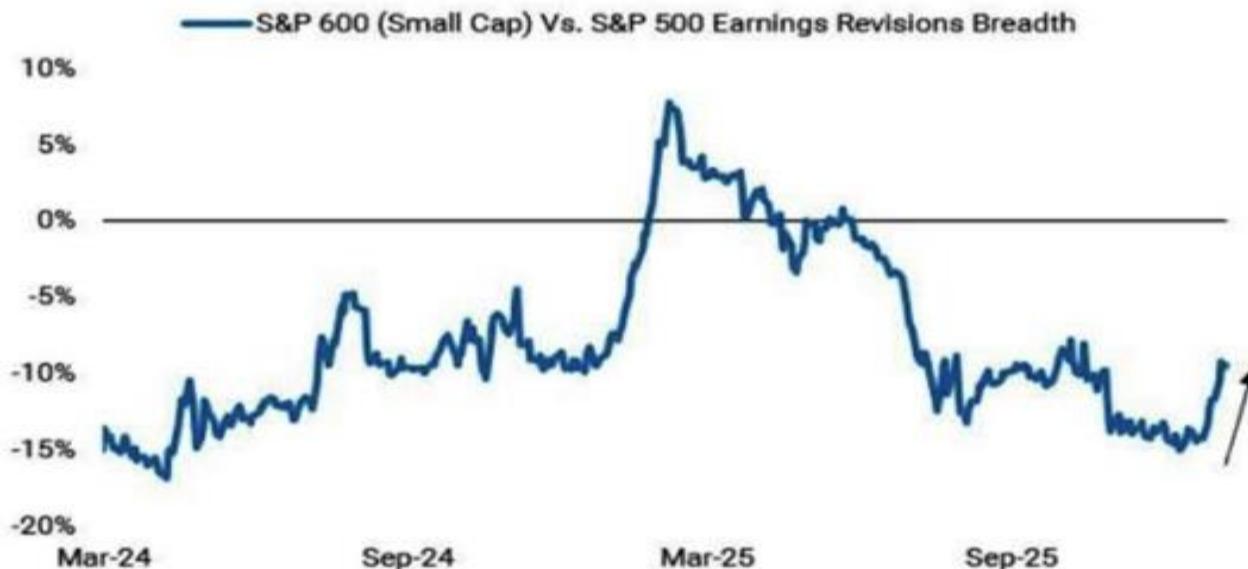


Source: FactSet, Morgan Stanley Research.

Source: The Daily Shot

# Small Cap Forward Earnings Estimates

**Exhibit 9:** Small Cap Vs. Large Cap Relative Earnings Revisions  
Breadth Also Inflecting Higher



Source: FactSet, Morgan Stanley Research.

Source: The Daily Shot

# High Quality Stocks Underperformance

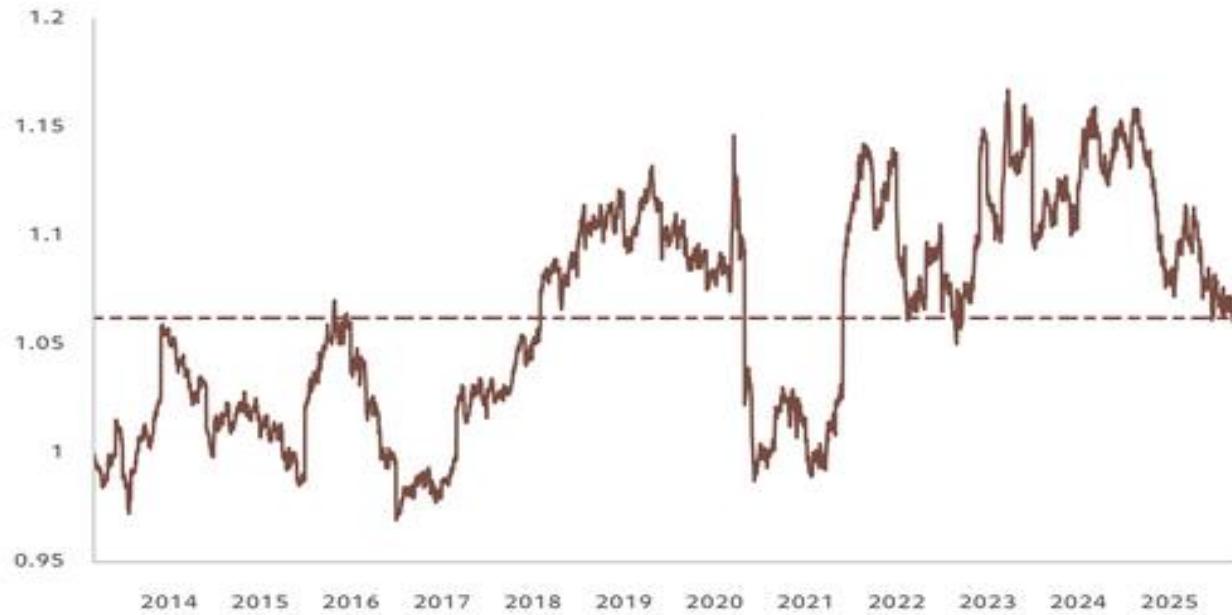


S&P 500 High Quality Stocks – ROE, Debt Ratio, Accruals Ratio

Source: The Daily Shot, @JeffWeniger

# Quality Stocks Valuations Near Long-term Average

12-month P/E ratio: MSCI Quality Index vs MSCI broad index\*



S&P 500 High Quality Stocks – ROE, Debt Ratio, Accruals Ratio

Source: The Daily Shot, LSEG, MSCI, Pictet Asset Management

# Gold Continues to Shine

## Bullion: To infinity and beyond?

Gold price in constant 2025 dollars



# Working with You

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- 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
  - **NEW: A Class** Fund Code: BMI110, 2% Mgmt Fee, Minimum: \$1,000
- SMA Min. Investment Small Cap: \$40,000 , Global Equities: \$100,000
- Advisor Portal available [www.barrantagh.com](http://www.barrantagh.com) Password: AC5

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