

**BARRANTAGH**  
Investment Management

**Update – Mar 31, 2026**

- Firm Update
- Small Cap Canadian Equities
- Economic Update



**ICS Program**

# 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

### Investment

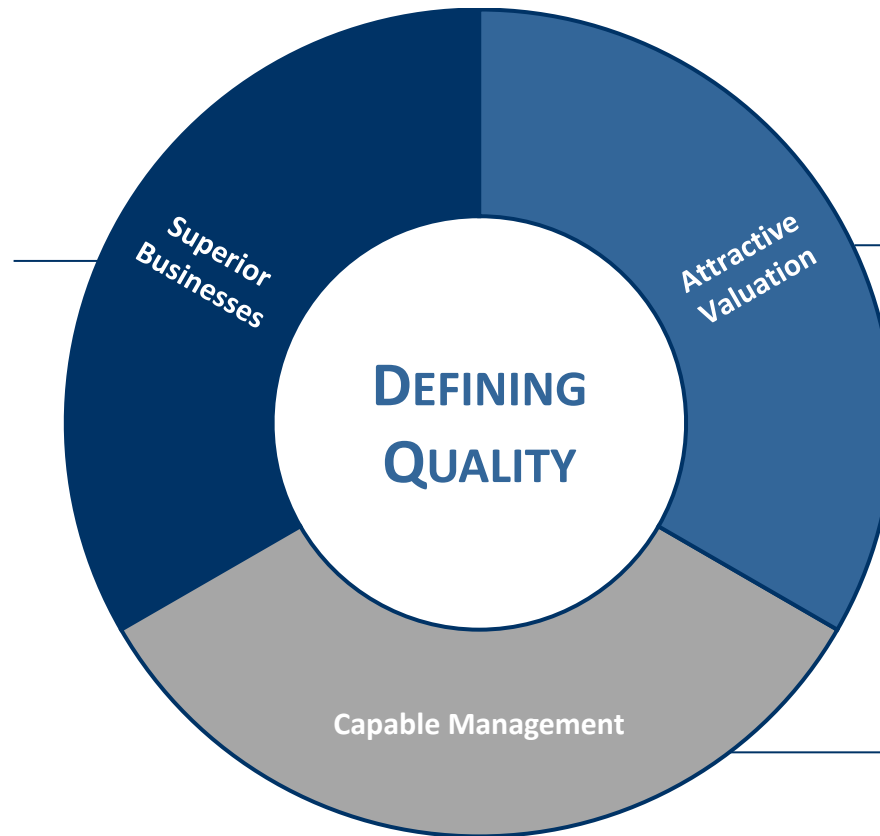
- Boutique Firms – Canada – Top 3 Brand awareness

# 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

## 2026 Q1 Snapshot: Value Surfaces in Small Cap, Market Broadens

### Q1 2026: Top 10 Performers

		YTD Mar/2026
Bird Construction	Industrials	<b>40%</b>
Spartan Delta	Energy	<b>39%</b>
Headwater Explor.	Energy	<b>38%</b>
MDA Space	Industrials	<b>35%</b>
Aecon Group	Industrials	<b>34%</b>
Calian Group	Industrials	<b>32%</b>
Westshore Terminals	Industrials	<b>30%</b>
Exchange Income	Industrials	<b>28%</b>
Major Drilling	Materials	<b>24%</b>
Trican Well Services	Energy	<b>24%</b>

	YTD Feb. 2026	March	Q1/2026
BIM Small Cap	<b>14.6%</b>	<b>-3.8%</b>	<b>10.2%</b>
TSX SC	<b>22.4%</b>	<b>-9.0%</b>	<b>11.4%</b>
Alpha (%)	<b>-7.8%</b>	<b>+5.2%</b>	<b>-1.2%</b>
TSX Composite	<b>8.6%</b>	<b>-4.3%</b>	<b>3.9%</b>

# Small Cap Canadian Equity

## Performance at March 31, 2026

For Periods Ending Mar. 31, 2026	Q1	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	6 Yrs	7 Yrs	8 Yrs	9 Yrs	10 Yrs
<b>BIM Canadian Small Cap</b>	<b>10.3%</b>	<b>34.0%</b>	<b>14.1%</b>	<b>11.0%</b>	<b>6.4%</b>	<b>7.8%</b>	<b>16.1%</b>	<b>10.2%</b>	<b>9.3%</b>	<b>8.4%</b>	<b>9.4%</b>
S&P/TSX Small Cap Index	11.4%	65.8%	35.7%	25.8%	14.9%	15.7%	26.7%	15.1%	12.9%	10.5%	12.3%
S&P/TSX Small Cap Ex Mining	<b>9.8%</b>	<b>32.9%</b>	<b>15.3%</b>	<b>13.0%</b>	<b>6.1%</b>						

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<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

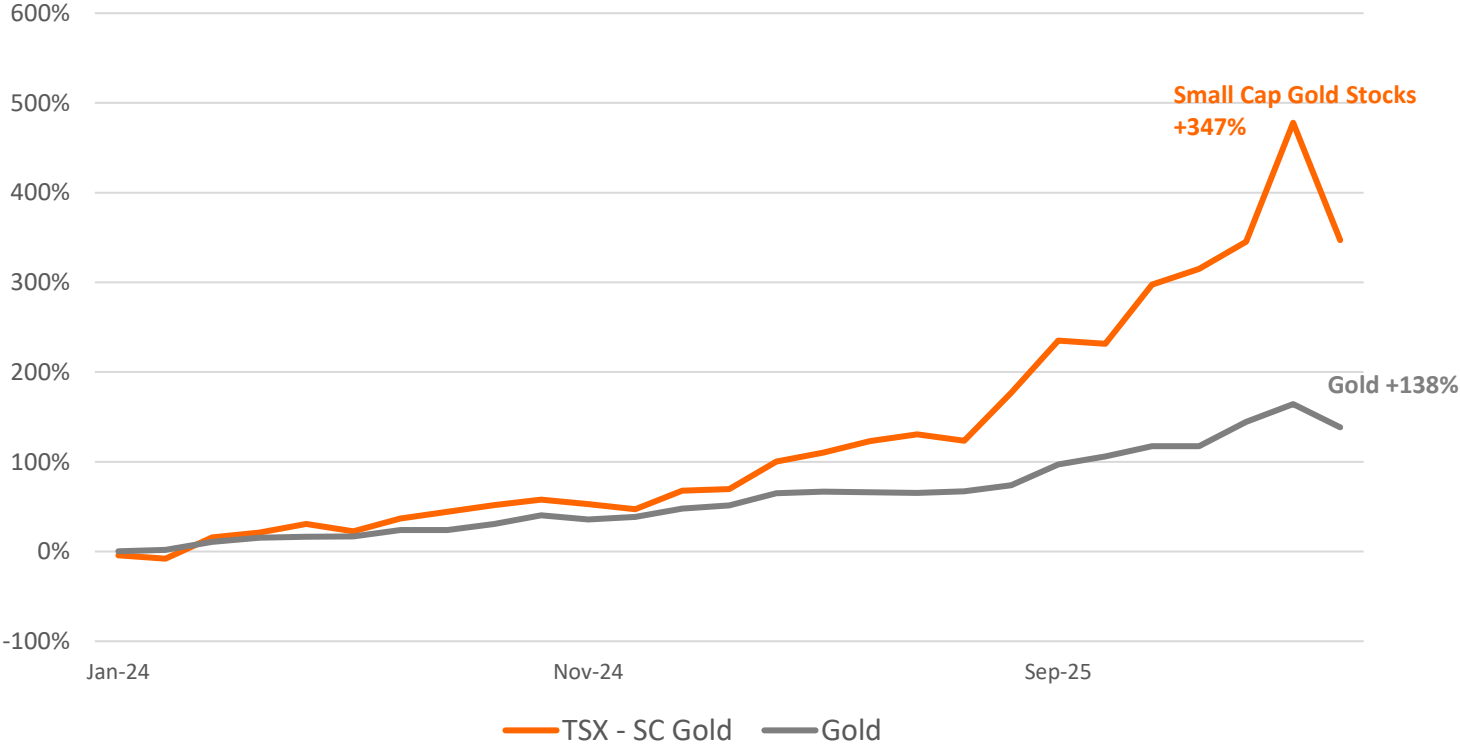
	TOTAL PERIOD Jan. 2024 – Q1 2026
BIM Small Cap	38.1%
TSX SC	<u>97.7%</u>
Alpha (%)	-59.6%
Alpha (bps)	-5960
Materials	-5310
<u>Energy</u>	<u>-1080</u>
Commodities	-6390
BIM Alpha Ex-Commodities <sup>1</sup>	+430

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

# Small Cap Canadian Equity Mandate

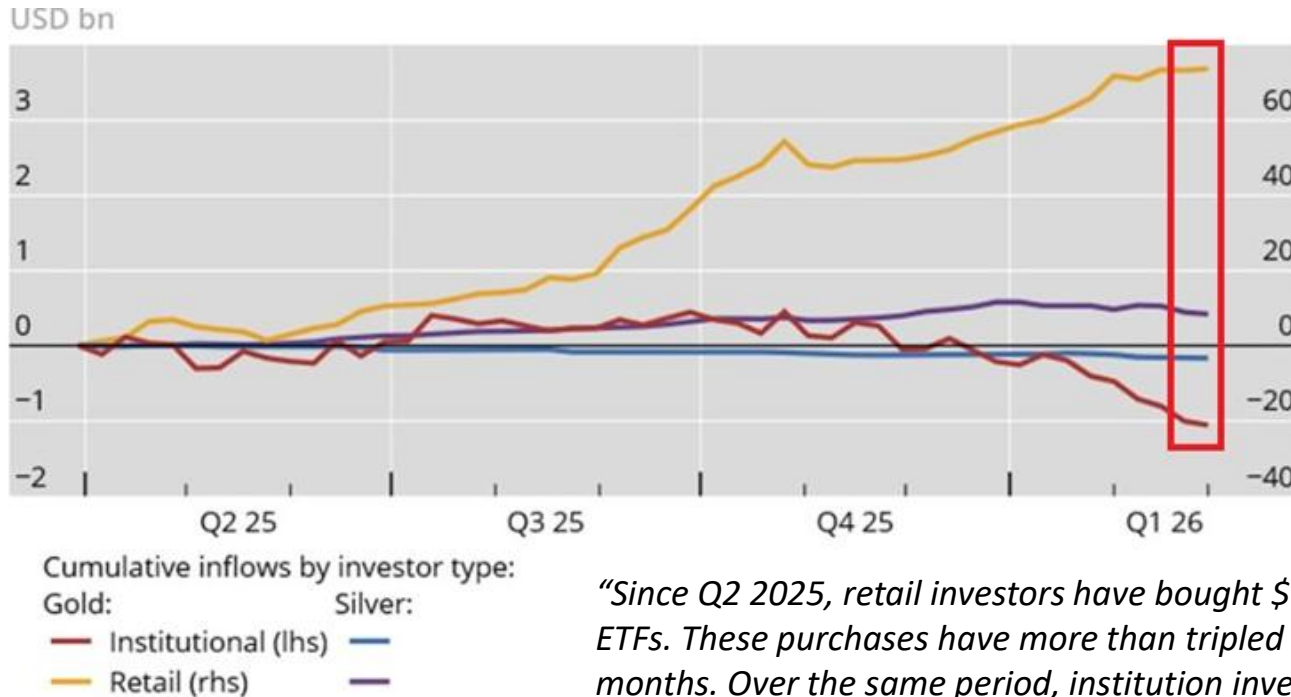
## Junior Gold Miners: Speculation?, ETF Frenzy?

### Cumulative Returns: Jan/2024 – March/2026



# Small Cap Canadian Equity Mandate

## ETF Retail Frenzy?



*“Since Q2 2025, retail investors have bought \$70BN in gold ETFs. These purchases have more than tripled over the last 6 months. Over the same period, institution investors have sold \$1BN with outflows accelerating in late January after gold prices crashed 20% in three days.”*

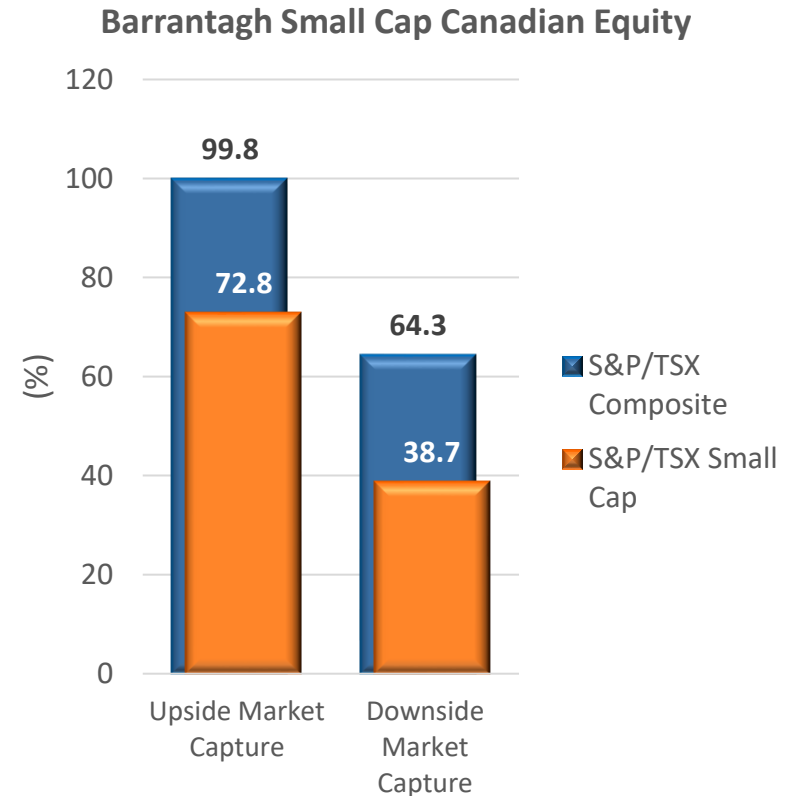
© Bank for International Settlements



# Small Cap Canadian Equity

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

Mar. 31, 2026	Barrantagh Small Cap Cdn. Equites <sup>1</sup>	TSX Small Cap	Median
<b>Annualized Return</b>	<b>11.7%</b>	<b>6.4%</b>	<b>9.5%</b>
Standard Deviation	13.4%	20.4%	16.9
<i>Sharpe Ratio</i>	<i>0.8</i>	<i>0.2</i>	<i>0.5</i>

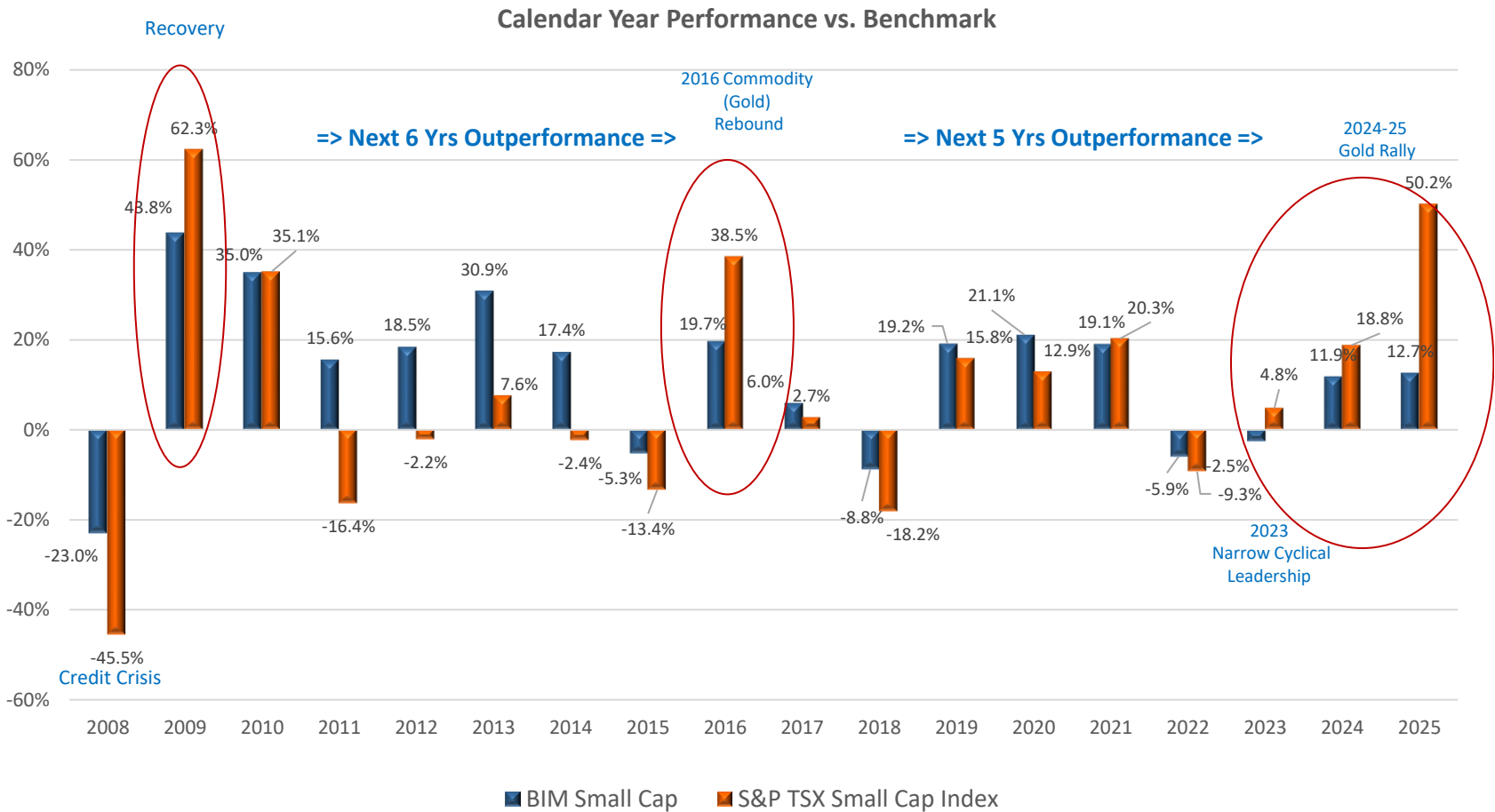


<sup>1</sup> Since Inception Jan. 1, 2008

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

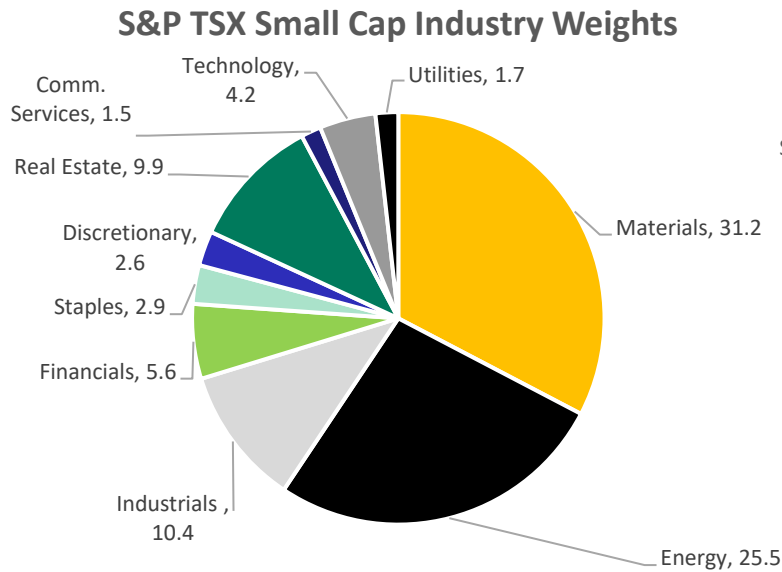
# Performance Update

## Investing over Market Cycles | Calendar Year Returns

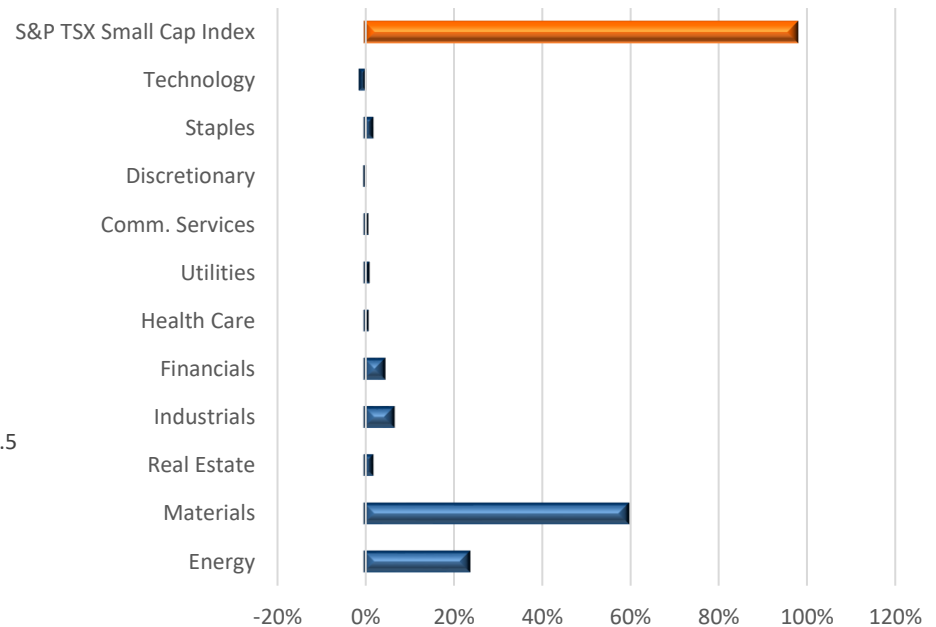


# Small Cap Investing

## Commodities Contribute 86% of the TSX Small Cap Index Return – Jan. 2024 - Mar. 2026



**2024 – Q1 2026 Small Cap Index Contribution<sup>1</sup>  
by Industry**



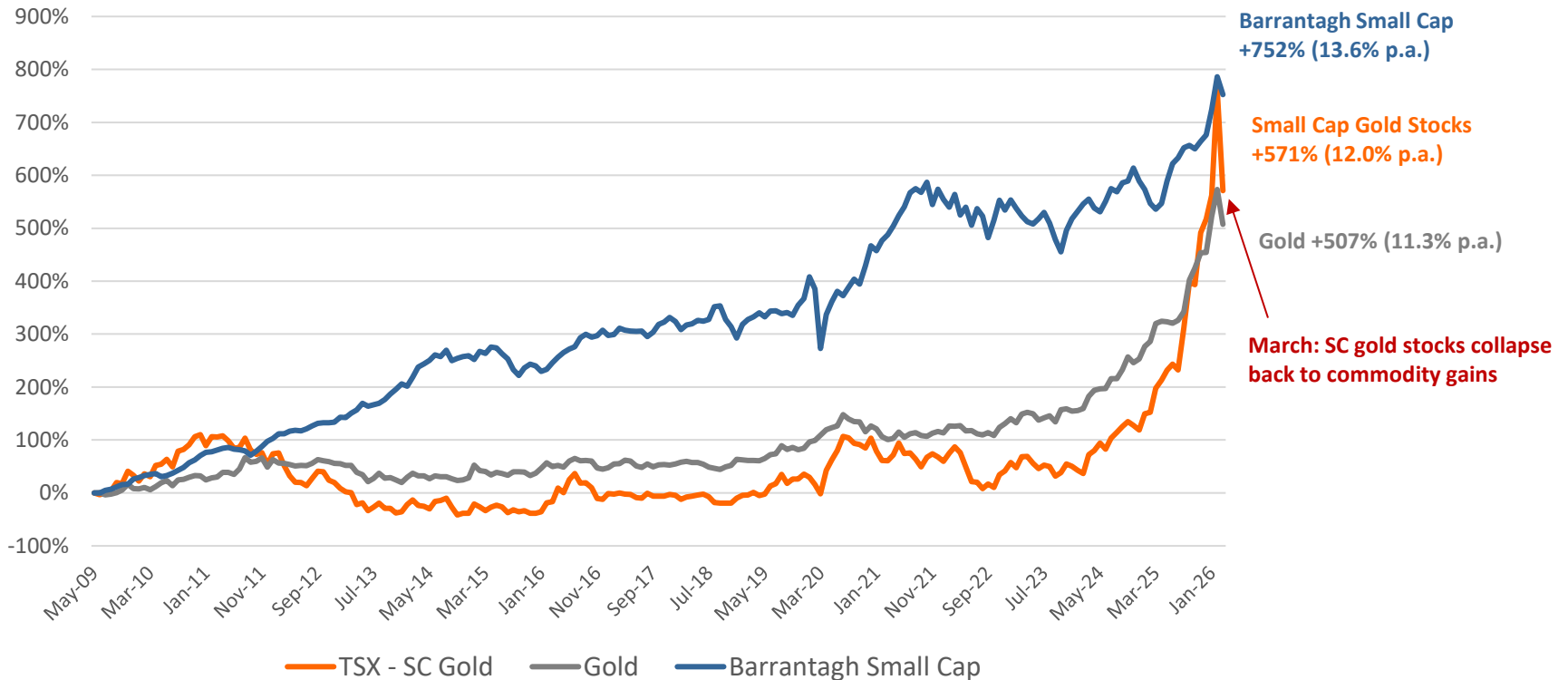
Contribution<sup>1</sup> = Return x Weight

Source: Bloomberg, Barrantagh Research

# Small Cap Canadian Equity Mandate

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

### Cumulative Returns ~ 17 Years to Mar. 31, 2026



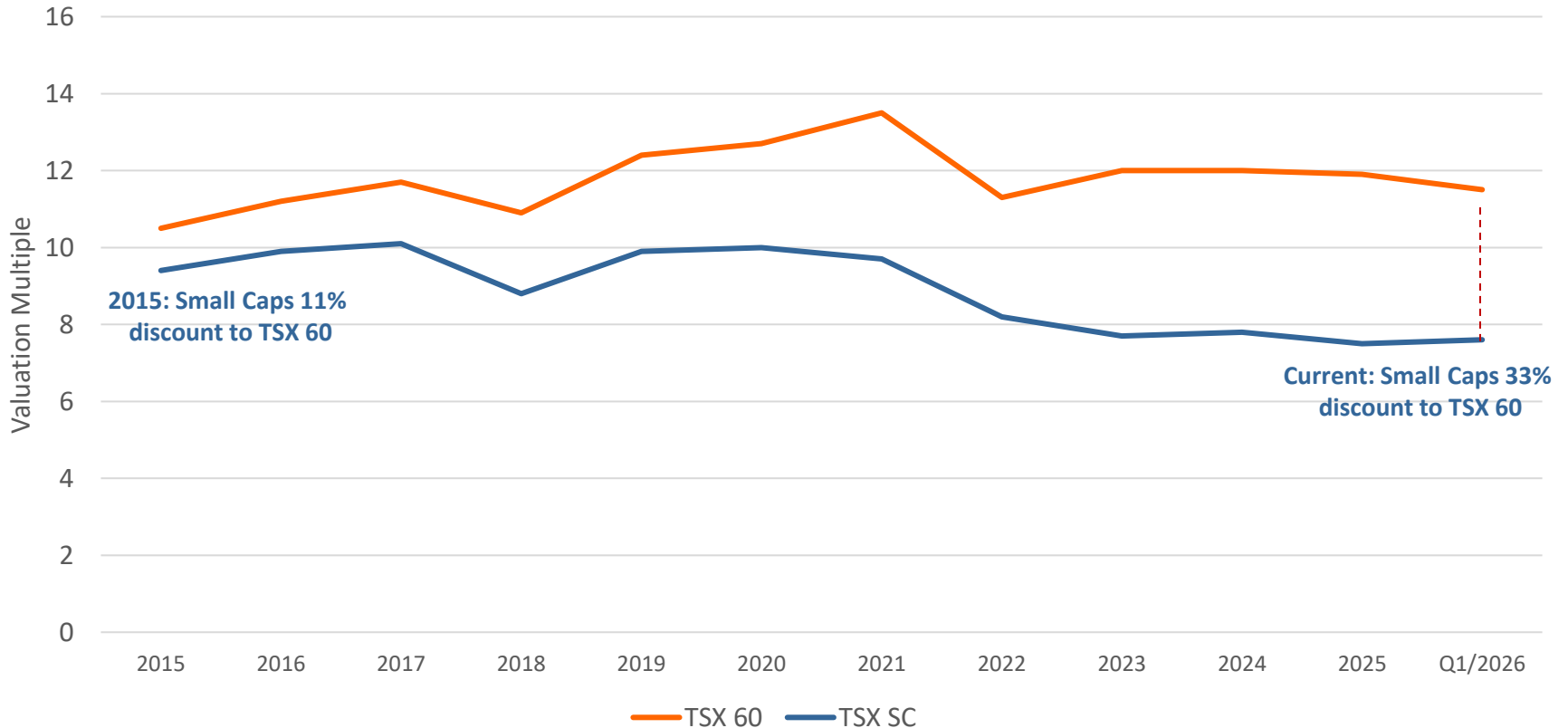
#### Why do we bias away from deep cyclicals?

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)

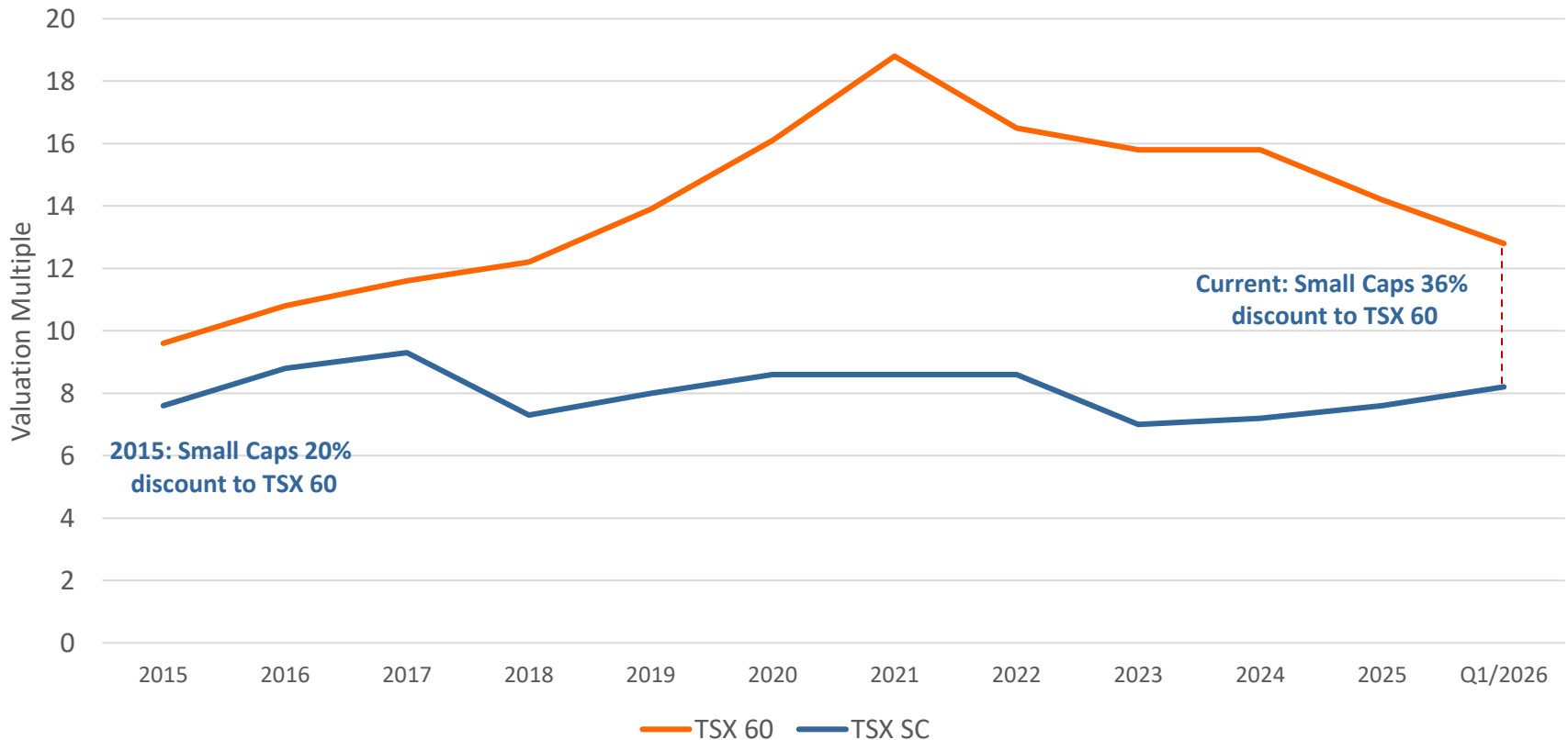
### Valuation: Discount Has Widened Since 2015



# Canadian Market Review

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

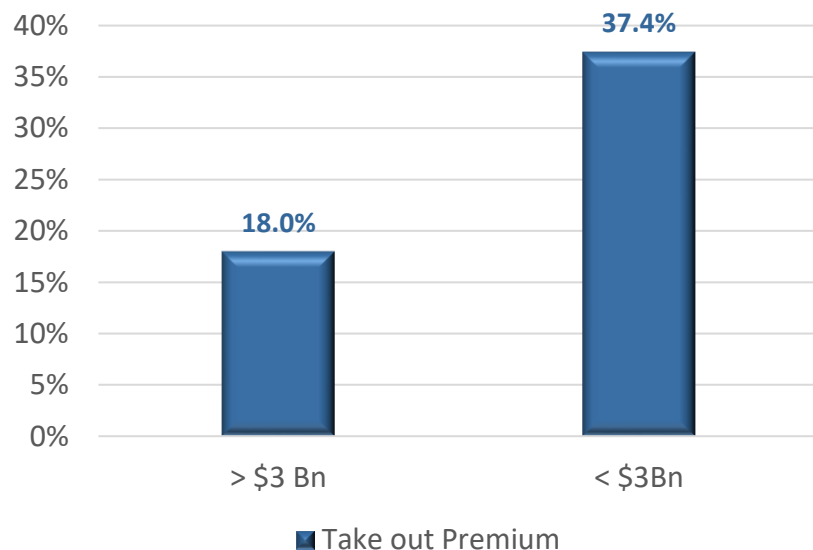
### Industrials: Discount Has Widened Since 2015



# 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

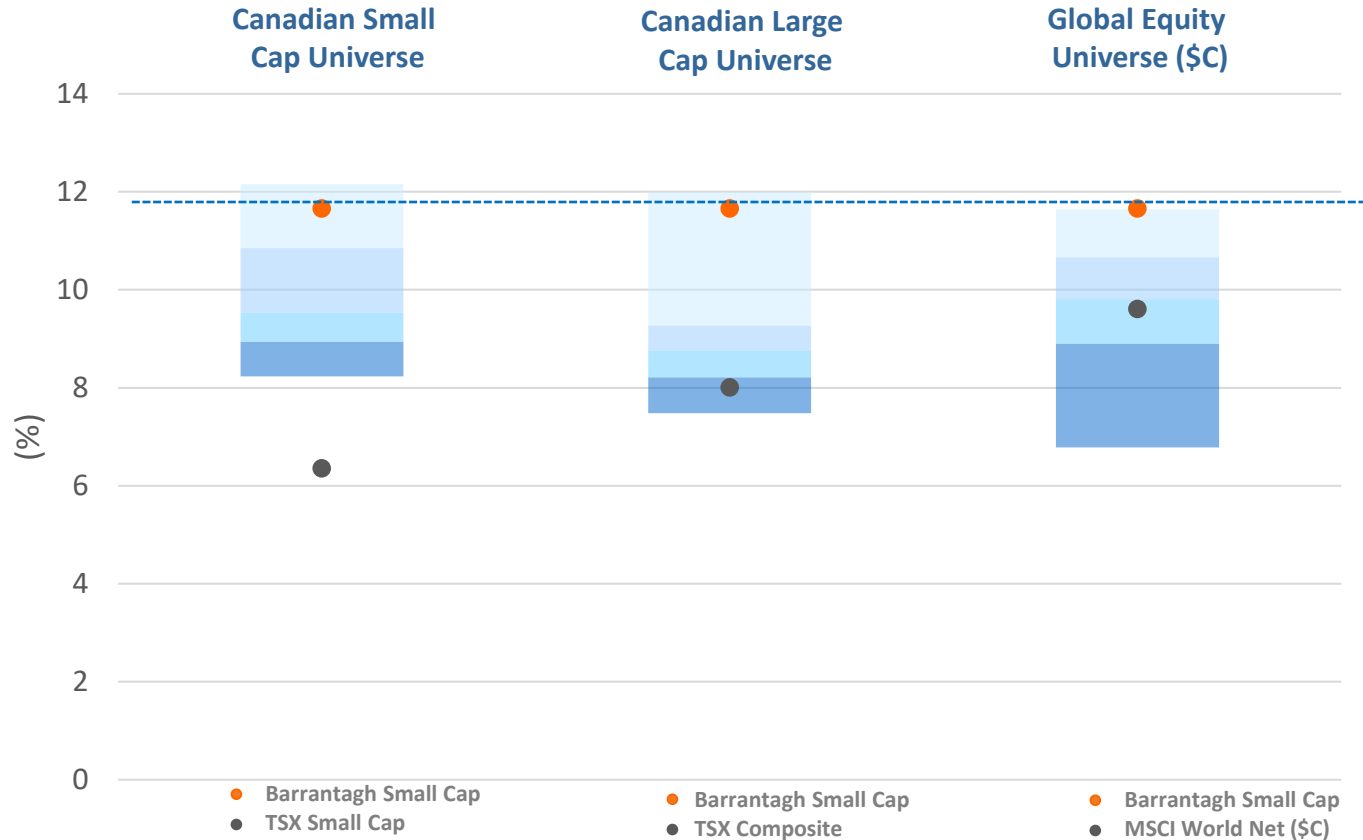
Source: Bloomberg, Barrantagh Research

Barrantagh Positions Targeted

	Announce Date	Premium
Nuvista Energy	11/2025	21%
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 Mar. 31, 2026)



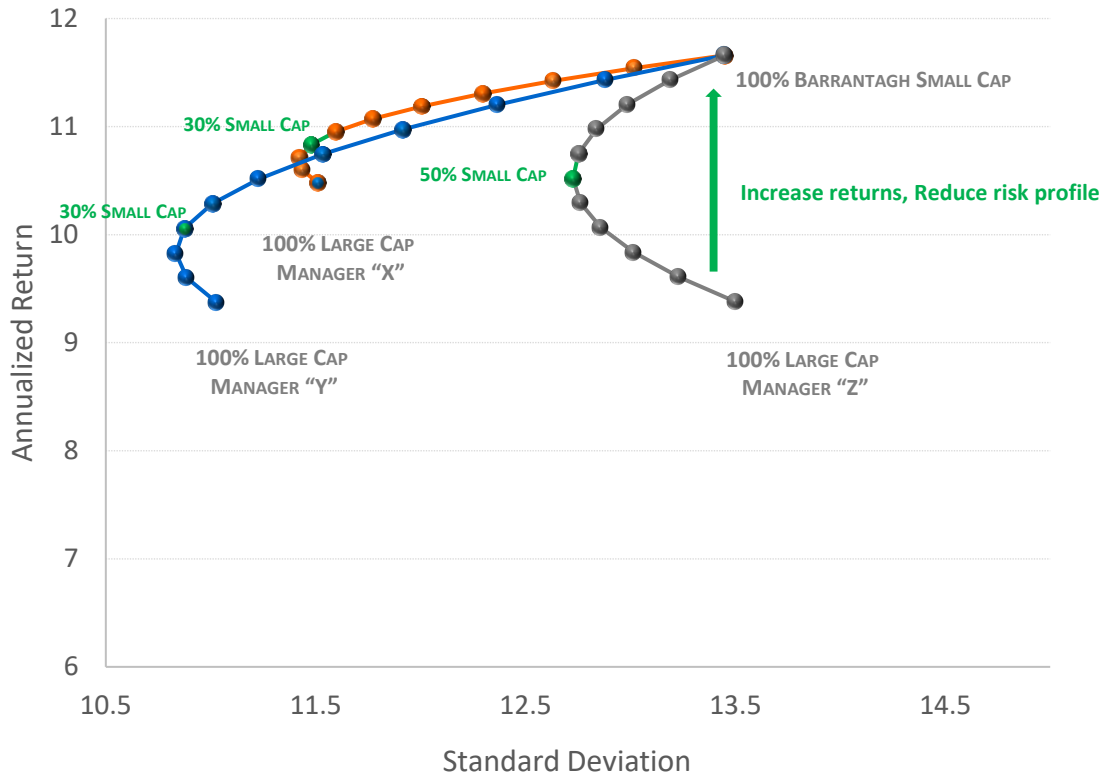
Strategy Inception Date: Jan. 1, 2008

# 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, 2026



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 ( $\omega$ ) of underlying components
2. Risk ( $\sigma$ ) of underlying components
3. Correlation ( $\rho$ ) of components

Portfolio Standard Deviation( $\sigma_p$ )

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

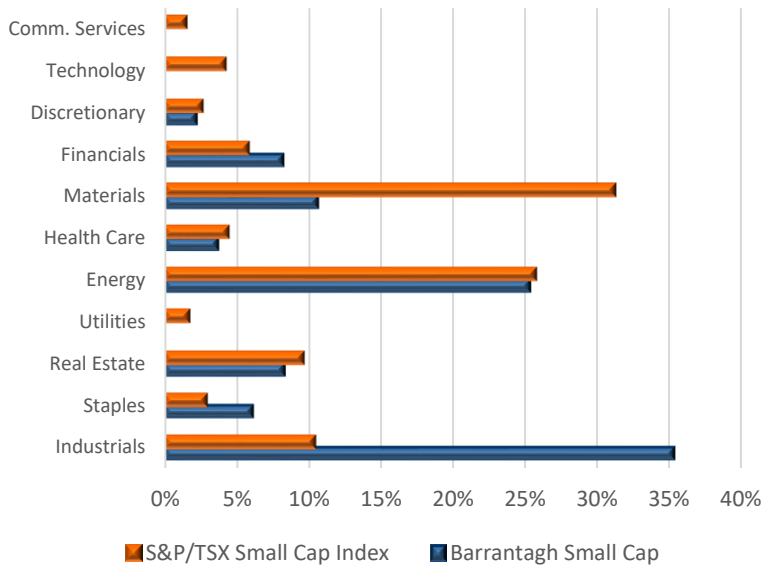
# Profile: Small Cap Canadian Equities

Portfolio at March 31, 2026

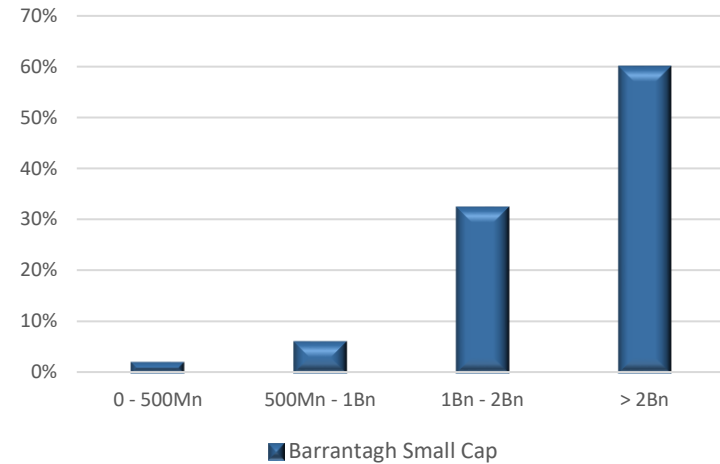
## CHARACTERISTICS

Number of Holdings	32
Avg. Market Cap	\$3.0 Bn
# Industry Sectors	8
Dividend Yield	2.0%

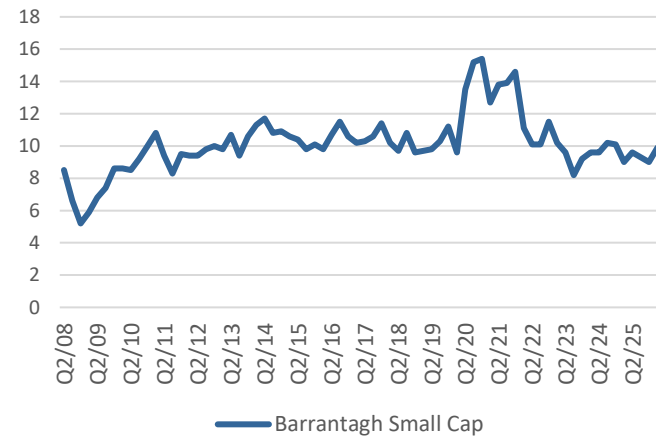
Barrantagh Small Cap Industry Weight vs. Index



Market Cap Exposure



Historic P/CF



# Canadian Small Cap Equity Portfolio

Portfolio at March 31, 2026 | Q1 Transactions

	Portfolio Weight		Portfolio Weight		Portfolio Weight
<b>Consumer Discretionary</b>		<b>Industrials</b>		<b>Materials</b>	
Pet Value	2.2%	Aecon	1.5%	Chemtrade Logistics (-)	4.1%
	2.2%	Black Diamond Group	1.9%	Major Drilling (-)	3.8%
<b>Consumer Staples</b>		Bird Construction	4.3%	ERO Copper (NEW)	1.2%
Jamieson Wellness	3.3%	Boyd Group	2.3%	Taseko Mines (NEW)	0.9%
North West Co.	2.7%	Brookfield Business	2.7%		10.0%
	6.0%	MDA Space (+)	4.2%		
<b>Energy</b>		Calian Group	4.4%	Cash & Equivalent	5.2%
Headwater Exploration (-)	4.4%	Exchange Income Corp.	4.9%	Total	100.0%
Gibson Energy	3.6%	K-Bro Linen	1.8%		
Spartan Delta (NEW)	2.7%	Savaria	3.3%	<b>Sold</b>	
Kelt Exploration (+)	4.6%	Westshore Terminals	2.1%	<b>Nuvista Energy</b>	
Enerflex (NEW)	2.2%		33.2%	<b>Logan Energy</b>	
Topaz Energy	2.9%	<b>Real Estate</b>		<b>Goeasy</b>	
Trican Well Service (-)	4.1%	First Capital REIT	4.0%	<b>Boralex</b>	
	24.5%	Mainstreet Equity	1.8%		
<b>Financials</b>		Storagevault Canada	2.4%		
Definity Financial	2.7%		8.2%		
Propel Holdings	1.4%	<b>Health Care</b>		<b>TRIM = (-)</b>	
Trisura Group	4.1%	Extendicare	2.9%	<b>ADD = (+)</b>	
	8.2%		2.9%		

# 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)



### MDA SPACE (MDA)



### PET VALUE(PET)



### BOYD GROUP (BYD)



### STORAGEVAULT (SVI)

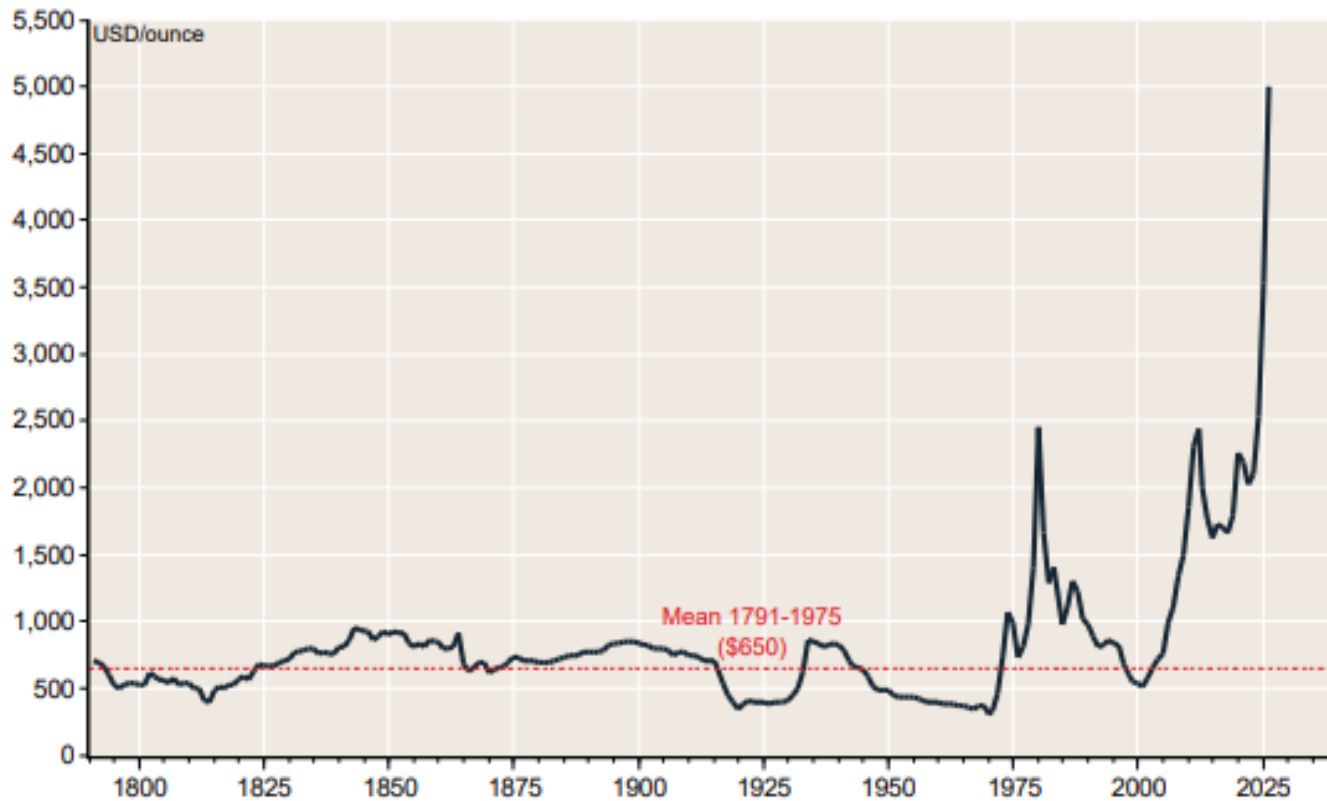




## ECONOMIC OUTLOOK

# Gold: Rich By Historical Standards

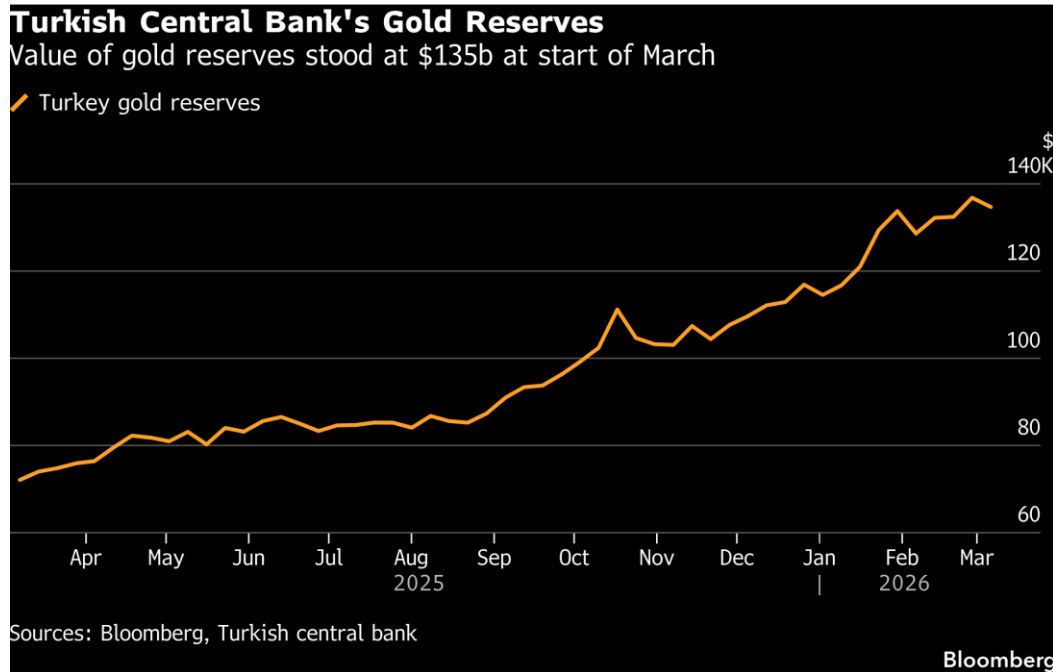
Constant 2025 dollars



Source: NBC Economics

# Small Cap Canadian Equity Mandate

## Turkey Considers Tapping \$135 Billion Gold Reserve for Lira Defense



- The bank has held discussions about conducting gold-for-foreign currency swap transactions in the London market
- Turkey has been one of the world's most aggressive gold buyers over the past decade as the country's leadership sought to trim exposure to US dollar-denominated assets.
- Turkey is especially vulnerable to inflation shocks and balance-of-payment concerns should the war in Iran prolong because it needs to import almost all of its oil and gas.
- Officials are already struggling to rein in an inflation rate that last registered at 31.5% in February, one of the highest in the world.

# 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)
- SMA Minimum: \$80,000
- Advisor Portal available [www.barrantagh.com](http://www.barrantagh.com) Password: CIBC3

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