

Strategy Description

We are a high-conviction bottom-up investment manager focusing on Canadian securities that exhibit superior quality (margins, returns on capital and leverage) and per share metric growth rates. We believe that this combination will provide superior risk-adjusted returns in a low global growth and low interest rate environment. Our goal is to double the invested capital over 5-7 years with the bulk of total return coming from capital gains¹.

Our concentrated Quality Growth investment style, combined with a repeatable rule-based risk management system, enables us to focus on high quality per share growth companies (versus the S&P/TSX Composite Index) that seek to double their key per share metrics over the coming 5-7 years². The explicit anomalies we seek to exploit are growth (i.e. per share growth), lower beta (i.e. low volatility), and profitability (i.e. margins/ROE). The implicit or secondary benefit this provides the portfolio is lower downside capture and improved risk-adjusted return metrics.

Investment Process



Fund Profile / Montrusco Bolton Canadian Equity Fund

Style: Quality Growth	Number of holdings: 41
Process: Rule-based fundamental bottom-up	Strategy AUM (CAD): \$164 M as of March 31, 2022
Horizon: 4-5 years	Benchmark (CAD): S&P/TSX Composite Index

Why Invest in this Strategy?

- Rule-based investment process ensures **repeatability** and **consistency**
- **Capital preservation bias** with focus on **defense** especially in flat to down markets
- **Superior risk-adjusted returns**
- **Concentrated** active management with less than 50 holdings
- **Long-term investment focus** keeps emphasis on alpha generation

Performance (%)

Annualized Returns as at March 31, 2022 (%)	3 Months	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years	Since 31-Jan-86
Montrusco Bolton Canadian Equity Fund (CAD)	-4.01	-4.01	12.63	25.87	12.63	10.54	9.26	8.62	9.01
S&P/TSX Composite Index (CAD)	3.82	3.82	20.19	31.67	14.15	12.61	10.34	9.08	8.63
Added Value	-7.83	-7.83	-7.56	-5.79	-1.52	-2.07	-1.08	-0.46	0.38
Quartile Ranking (eVestment)	4	4	4	4	3	3	3	4	
Sharpe Ratio			1.17	2.18	0.81	0.68	0.65	0.72	
Quartile Ranking (eVestment)			4	4	3	3	2	3	

Past performance is not indicative of future results. There is a risk that invested capital may be lost.

Returns are gross of management fees. Fees, commissions and other charges may negatively impact the net return to an investor. Sources: Montrusco Bolton Investments Inc. («MBI»), eVestment.

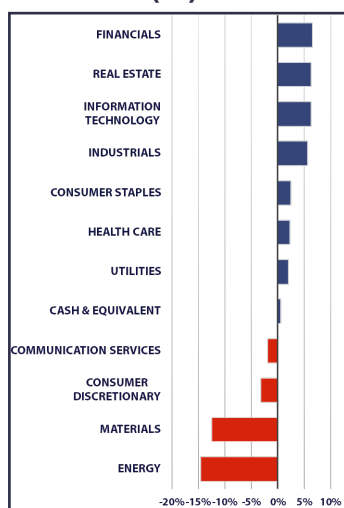
^{1 2} Source: MBI

Largest holdings (%)

	Fund	Benchmark
ROYAL BANK OF CANADA	8.5	6.1
TORONTO-DOMINION BANK	8.4	5.7
BROOKFIELD ASSET MANAGEMENT	6.5	3.2
BROOKFIELD INFRASTRUCTURE PARTNERS	4.0	0.8
IA FINANCIAL CORP	4.0	0.3
TFI INTERNATIONAL INC.	3.6	0.3
BANK OF NOVA SCOTIA	3.5	3.4
CONSTELLATION SOFTWARE INC.	3.5	1.3
INTACT FINANCIAL CORPORATION	3.4	1.0
ALIMENTATION COUCHE-TARD INC.	3.0	1.5
	48.4	23.7

Source: MBI, as of March 31, 2022

Sector deviation versus the Benchmark (%)



Source: MBI, as of March 31, 2022

Portfolio characteristics

	Fund	Benchmark
MARKET CAPITALIZATION (CAD M)	61,845	68,780
FINANCIAL STABILITY		
D/E (x)	2.6	1.5
CF/D (x)	0.4	3.2
Net Debt/EBITDA (x)	5.6	2.8
PROFITABILITY		
ROE (%)	11.7	14.0
Net Margin (%)	-2.1	13.1
GROWTH		
5 Yr. EPS Growth (%)	15.1	18.7
VALUATION		
LTM P/E (x)	#N/A	18.5
NTM P/E (x)	17.7	13.9
P/CF (x)	10.7	11.1
P/BV (x)	2.9	2.2
Dividend Yield (%)	2.0	2.8
PEG (x)	0.2	1.4
ACTIVE SHARE (%)	62.5	
BETA	0.99	
NUMBER OF HOLDINGS	41	239

Source: Bloomberg, as of March 31, 2022

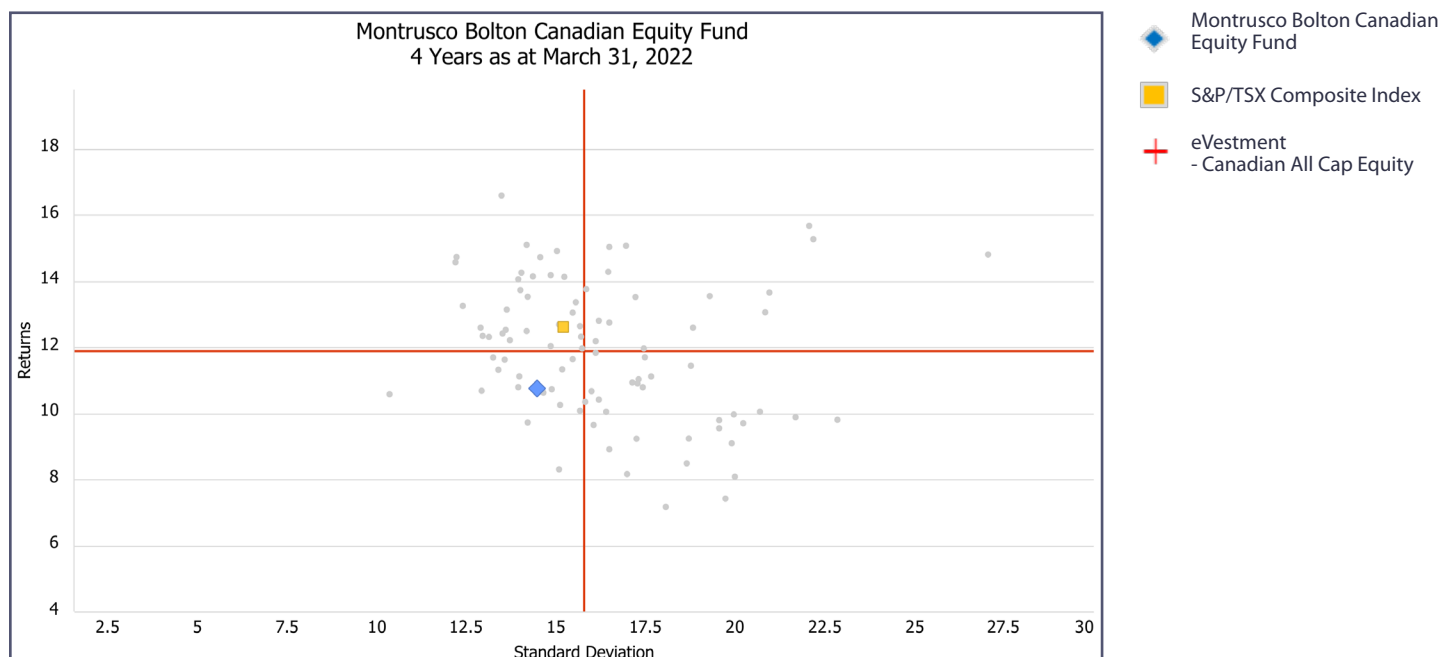
Statistics (%)

Statistics	%
Annualized outperformance	-0.5
Upside capture ratio	88.0
Downside capture ratio	86.2

Dates: 31-Mar-12 to 31-Mar-22

Sources: MBI, eVestment

Risk/return



This chart indicates a track record of high absolute returns (=Returns) combined with low variance in absolute returns (=Standard deviation). It shows how the strategy has performed better than its benchmark with a high level of consistency over the past 4 years. - Source: eVestment

The Team behind the Numbers

John Goldsmith has been Portfolio Manager since 2014 and Head of Canadian Equities since 2017. He is the Lead Manager for all Canadian equity strategies. He is supported by Simon Simonian, Portfolio Manager, and a team which includes another Portfolio Manager and 3 dedicated analysts.

Disclosures

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The S&P/TSX Composite Index is the headline benchmark for the Canadian equity market. It is the broadest in the S&P/TSX family and is the basis for multiple sub-indices including but not limited to equity indices, income trust indices, capped indices, GICS indices and market cap-based indices. The Toronto Stock Exchange (TSX) serves as the distributor of both real-time and historical data for this benchmark.

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