

## 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 years with the bulk of total return coming from capital gains<sup>1</sup>.

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 Small Cap Index) that seek to double their key per share metrics over the coming 5 years<sup>2</sup>. The explicit anomalies we seek to exploit are growth (i.e. per share growth), lower beta (i.e. low volatility), and trade activity (i.e. illiquidity). 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 Small Capitalization Equity Fund

Style: <b>Quality Growth</b>	Number of holdings: <b>43</b>
Process: <b>Rule-based fundamental bottom-up</b>	Strategy AUM (CAD): <b>\$455 M</b> as of December 31, 2022
Horizon: <b>4-5 years</b>	Benchmark (CAD): <b>S&amp;P/TSX Small Cap Index</b>

## 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 55 holdings
- **Long-term investment focus** keeps emphasis on alpha generation

## Performance (%)

Annualized Returns as at December 31, 2022 (%)	3 Months	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years	Since 30-Nov-84
Montrusco Bolton Canadian Small Capitalization Equity Fund (CAD)	7.00	-22.00	-22.00	-3.01	6.10	11.14	5.00	6.22	10.74
S&P/TSX Small Cap Index* (CAD)	8.37	-9.29	-9.29	4.45	7.19	9.29	3.14	4.23	6.53
Added Value	-1.37	-12.72	-12.72	-7.46	-1.09	1.85	1.86	1.99	4.20
Quartile Ranking (eVestment)	4	4	4	4	3	3	3	4	

**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.

\*BMO Small Cap Equity Index prior to Jan-2012.

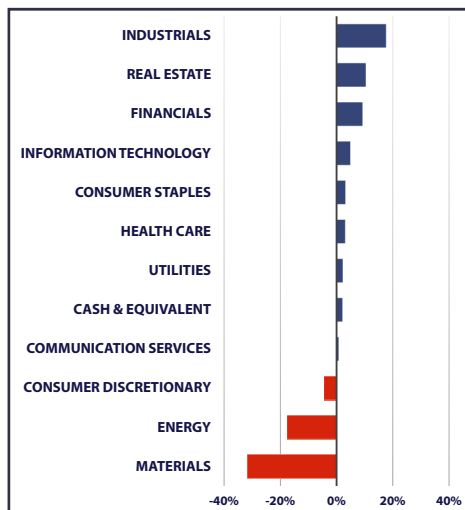
<sup>1 2</sup> Source: MBI

## Largest holdings (%)

	Fund	Benchmark
CALIAN GROUP LTD	5.8	0.7
TFI INTERNATIONAL INC.	5.7	0.0
ANDLAUER HEALTHCARE GROUP	5.3	0.0
CANADIAN WESTERN BANK	4.4	0.0
RICHELIEU HARDWARE LTD.	3.8	0.0
BOYD GROUP SERVICES INC.	3.7	0.0
JAMIESON WELLNESS INC.	3.7	1.3
COLLIERS INTERNATIONAL GROUP INC.	3.5	0.0
TRISURA GROUP LTD.	3.5	0.0
ENGHOUSE SYSTEMS LIMITED	3.4	0.0
	<b>42.6</b>	<b>1.9</b>

Source: MBI, as of December 31, 2022

## Sector deviation versus the Benchmark (%)



Source: MBI, as of December 31, 2022

## Portfolio characteristics

	Fund	Benchmark
<b>MARKET CAPITALIZATION (CAD M)</b>	3,082	946
<b>FINANCIAL STABILITY</b>		
D/E (x)	1.0	0.7
CF/D (x)	1.0	3.4
Net Debt/EBITDA (x)	2.9	2.5
<b>PROFITABILITY</b>		
ROE (%)	11.8	7.2
Net Margin (%)	6.4	5.9
<b>GROWTH</b>		
5 Yr. EPS Growth (%)	5.7	1.7
<b>VALUATION</b>		
LTM P/E (x)	14.7	16.4
NTM P/E (x)	17.9	11.8
P/CF (x)	12.6	7.3
P/BV (x)	2.0	1.1
Dividend Yield (%)	2.0	3.9
PEG (x)	0.0	0.0
<b>ACTIVE SHARE (%)</b>	93.5	
<b>BETA</b>	0.84	
<b>NUMBER OF HOLDINGS</b>	43	227

Source: Bloomberg, as of December 31, 2022

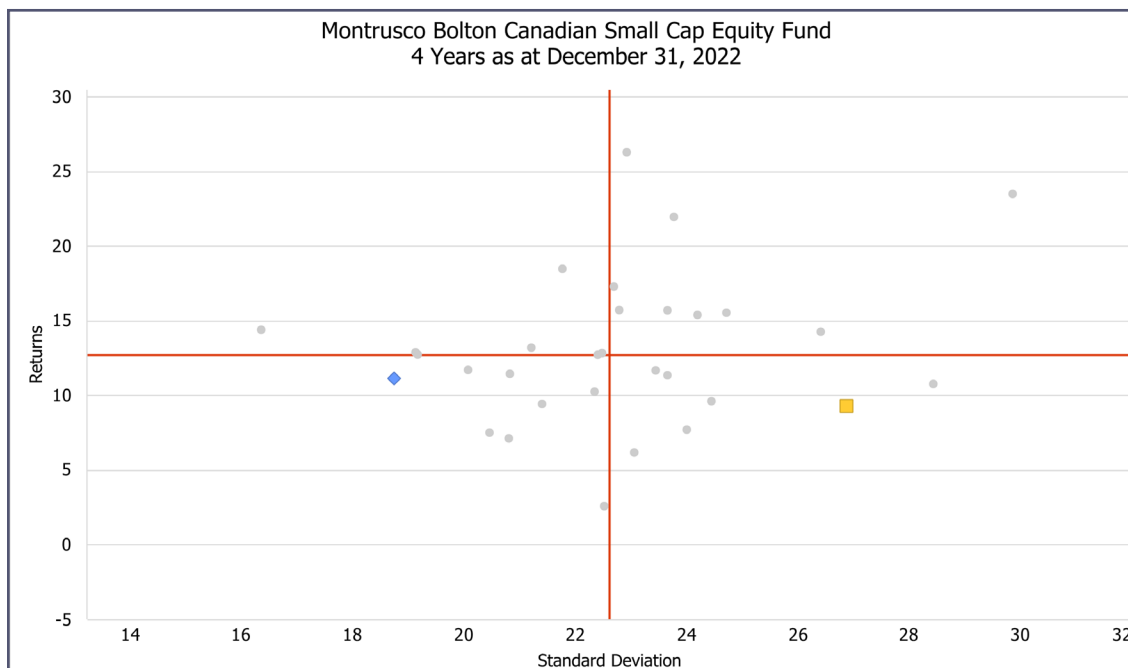
## Statistics (%)

Statistics	%
Annualized outperformance	2.0
Upside capture ratio	67.2
Downside capture ratio	63.5

Dates: 31-Dec-12 to 31-Dec-22

Sources: MBI, eVestment

## Risk/return



- ◆ Montrusco Bolton Canadian Small Capitalization Equity Fund
- S&P/TSX Small Cap Index
- + eVestment - Canadian Small Cap Equity

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 2009 and Head of Canadian Equities since 2017. He is the Lead Manager for all Canadian equity strategies. He is supported by Kimberly Cheong, Portfolio Manager and Co-manager for the Small Cap, Mid Cap, Canadian Equity and Equity Income strategies and Simon Simonian, Portfolio Manager and Co-manager on Small Cap, Mid Cap and Canadian Equity strategies, as well as by three dedicated analysts.

### Disclosures

**Past performance is not necessarily indicative of future returns.** Performance may vary in the future from that shown in this presentation for a variety of reasons, including market conditions and in response to economic, political and other developments. Investments are not guaranteed or insured by the CDIC or any other government agency and may lose value.

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The S&P/TSX Small Cap Index provides an investable index for the Canadian small cap market. The index is float adjusted and market cap weighted and was developed with industry input as the ideal benchmark for those with small cap exposure of the Canadian equity market. The Toronto Stock Exchange (TSX) serves as the distributor of both real-time and historical data for this index.

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