



Brownstone Asset Management

Brownstone Small Cap Mandate | As at March 31, 2024

POOL CHARACTERISTICS

| | |
|---|----------------------------------|
| Investment Manager: | Brownstone Asset Management Inc. |
| Holdings: | 31 |
| Average Market Cap: | \$1.4 billion |
| Median Market Cap: | \$778 million |
| Largest Market Cap: | \$7.9 billion |
| Smallest Market Cap: | \$42 million |
| Weighted Average Dividend Yield: | 2.70% |
| Benchmark: | S&P/TSX SmallCap Index |
| Benchmark Dividend Yield: | 2.52% |
| Minimum Investment: | \$500K minimum account size |
| Structure | Segregated account |

TOP 10 HOLDINGS

Weighting (%)

| | |
|---|------|
| Hudbay Minerals Inc. <i>A copper-focused mining company with projects in North America and Peru.</i> | 4.9% |
| Major Drilling Group International <i>One of the world's largest drilling & mine service companies.</i> | 4.8% |
| GoEasy Ltd. <i>A leading alternative financing business.</i> | 4.7% |
| Headwater Exploration Inc. <i>Canadian energy company.</i> | 4.7% |
| EQB Inc. <i>The 7th largest bank in Canada.</i> | 4.3% |
| Tamarack Valley Energy Ltd. <i>Canadian energy company.</i> | 4.3% |
| Black Diamond Group Ltd. <i>A leading provider of modular buildings and workforce housing solutions.</i> | 4.0% |
| Wajax Corp. <i>A leading Canadian industrial products and services providers.</i> | 3.9% |
| GameHost Inc. <i>Hospitality and gaming property operator in Alberta.</i> | 3.9% |
| Alaris Equity Partners Income Trust <i>A provider of capital to private enterprises in North America.</i> | 3.7% |

What Does the Pool Invest In?

The Brownstone Small Cap mandate invests in smaller Canadian equities. The mandate can invest in small and medium-sized companies from any industry or sector, and seeks out businesses that are overlooked by larger institutional investment managers. The investments in the mandate will change over time.

What is the Investment Objective?

The Small Cap mandate seeks to generate above-average returns over the long-term through capital appreciation while earning a higher dividend yield than the benchmark. The Manager balances potential upside with a robust risk management framework to target a moderate overall risk tolerance. The mandate is invested with a medium-to-long-term time horizon.

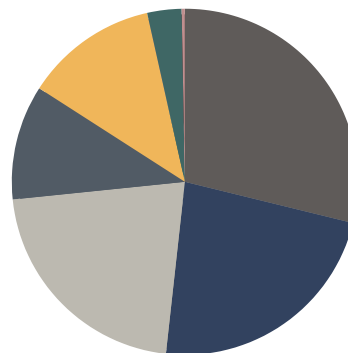
Investment Strategy

Similar to Brownstone's core Large Cap mandate, a disciplined, bottom-up, research-driven investment process is applied to select stocks and construct a broadly diversified portfolio of smaller Canadian equities. The Small Cap mandate is biased towards companies with characteristics such as strong financial strength, sustainable corporate earnings growth, significant cash flow generation, and a history of paying resilient dividends over time. The Manager utilizes a long-term holding period to allow for corporate growth, tax-efficient compounding, and to minimize transaction costs.

Investment Restrictions

The Small Cap mandate will hold between 30 and 45 individual positions at any one time. The maximum position weighting of any individual holding is 10%. The maximum sector weighting is 40% and there are no minimum number of sectors. The Small Cap mandate is currently only offered in segregated accounts with a minimum investment amount of \$500K.

INVESTMENT MIX



| | |
|------------------------|-------|
| Energy | 28.8% |
| Industrials | 22.9% |
| Financials | 21.6% |
| Materials | 12.4% |
| Consumer Discretionary | 10.7% |
| Real Estate | 3.2% |
| Cash | 0.3% |

SECTOR WEIGHTS

