



Brownstone Asset Management

Brownstone Small Cap Mandate | As at September 30, 2024

POOL CHARACTERISTICS

Investment Manager:	Brownstone Asset Management Inc.
Holdings:	31
Average Market Cap:	\$1.5 billion
Median Market Cap:	\$747 million
Largest Market Cap:	\$9.1 billion
Smallest Market Cap:	\$18 million
Weighted Average Dividend Yield:	2.50%
Benchmark:	S&P/TSX SmallCap Index
Benchmark Dividend Yield:	2.49%
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>	6.1%
Canadian Western Bank <i>A diversified financial services institution based in Edmonton, Alberta.</i>	5.8%
EQB Inc. <i>The 7th largest bank in Canada.</i>	5.1%
GoEasy Ltd. <i>A leading alternative financing business.</i>	4.9%
Tamarack Valley Energy Ltd. <i>Canadian energy company.</i>	4.4%
Alaris Equity Partners <i>A provider of capital to private enterprises in North America.</i>	4.2%
Major Drilling Group International <i>One of the world's largest drilling & mine service companies.</i>	4.2%
ACT Energy Technologies Ltd. <i>A Canadian oilfield services business with operations in Canada and the USA.</i>	4.2%
GameHost Inc. <i>Hospitality and gaming property operator in Alberta.</i>	4.0%
Black Diamond Group Ltd. <i>A leading provider of modular buildings and workforce housing solutions.</i>	3.8%

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.

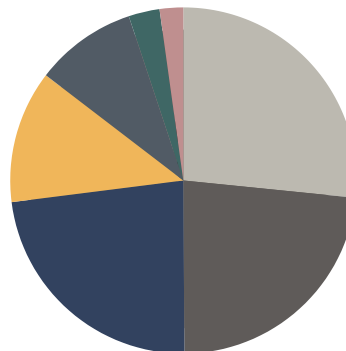
Investment Strategy

Similar to Brownstone's core Large Cap mandate, a disciplined, bottom-up, research-driven investment process is applied to 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 maximize 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



Financials	26.6%
Energy	23.3%
Industrials	23.1%
Materials	12.4%
Consumer Discretionary	9.5%
Real Estate	2.9%
Cash	2.2%

SECTOR WEIGHTS

