



# Brownstone Asset Management

Brownstone Small Cap Mandate | As at December 31, 2024

## POOL CHARACTERISTICS

<b>Investment Manager:</b>	Brownstone Asset Management Inc.
<b>Holdings:</b>	32
<b>Average Market Cap:</b>	\$2.9 billion
<b>Median Market Cap:</b>	\$815 million
<b>Largest Market Cap:</b>	\$45 billion
<b>Smallest Market Cap:</b>	\$28 million
<b>Weighted Average Dividend Yield:</b>	3.03%
<b>Benchmark:</b>	S&P/TSX SmallCap Index
<b>Benchmark Dividend Yield:</b>	2.43%
<b>Minimum Investment:</b>	\$500K minimum account size
<b>Structure</b>	Segregated account

## TOP 10 HOLDINGS

Weighting (%)

<b>Hudbay Minerals Inc.</b> <i>A copper-focused mining company with projects in North America and Peru.</i>	5.9%
<b>GoEasy Ltd.</b> <i>A leading alternative financing business.</i>	4.9%
<b>Tamarack Valley Energy Ltd.</b> <i>Canadian energy company.</i>	4.9%
<b>Propel Holdings Inc.</b> <i>A financial technology company providing financial services primarily in the US market.</i>	4.8%
<b>EQB Inc.</b> <i>The 7th largest bank in Canada.</i>	4.7%
<b>Alaris Equity Partners</b> <i>A provider of capital to private enterprises in North America.</i>	4.7%
<b>ACT Energy Technologies Ltd.</b> <i>A Canadian oilfield services business with operations in Canada and the USA.</i>	4.6%
<b>Yangarra Resources Ltd.</b> <i>A provider of capital to private enterprises in North America.</i>	4.4%
<b>Black Diamond Group Ltd.</b> <i>A leading provider of modular buildings and workforce housing solutions.</i>	4.3%
<b>Major Drilling Group International</b> <i>One of the world's largest drilling &amp; mine service companies.</i>	4.2%

## 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.

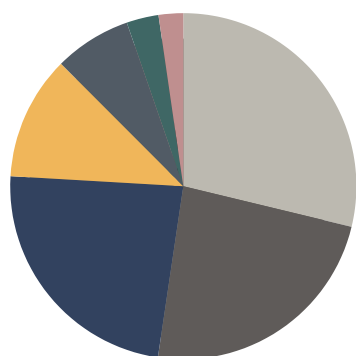
## Investment Strategy

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 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	28.8%
Energy	23.6%
Industrials	23.6%
Materials	11.6%
Consumer Discretionary	7.2%
Real Estate	3.0%
Cash	2.3%

## SECTOR WEIGHTS

