

US SMALL-CAP EQUITIES FUND

Inception Date 31 October 2019	Performance Benchmark Russell 2000	Currency USD
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STRATEGY DESCRIPTION

Our small cap strategy is designed to deliver significant capital appreciation over time while also providing stability during market downturns. We use a rigorous investment discipline based on deep, first-person research that begins with a bottom-up perspective. The Fund is concentrated in our best ideas with an objective of holding 30 stocks.

HIGHLIGHTS

Style	Small-Cap Value
Process	Fundamental Bottom-Up
Turnover	~ 40%
Investment horizon	3-to-5 years
Number of holdings	Approximately 30
Sector deviation	Min. of 6 of the 11 Sectors
Active Risk Target	90% +

TONUS' 3 PILLARS

Quality

Invest in quality companies with a history of allocating capital well and delivering high returns on invested capital

Process

Execute buy/sell decisions based on: in-house, fundamental research; proprietary modelling and analysis; and an independent thesis

Alignment

Seek investments aligned with the firm's principles and values in order to minimise any negative impacts from its investment decisions

WHY INVEST IN THIS STRATEGY

The investment team thinks independently from the broader market and avoids herd-like decisions, which means Tonus Capital often invests in a contrarian manner from current, popular themes

The firm has more than 15 years experience and a demonstrable track record of investing in U.S. small-caps

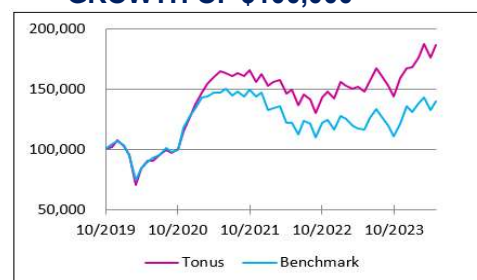
The firm's smaller size allows for faster and nimbler transactions in a structured approach

Historical evidence supports the thesis that small-cap stocks outperform large-cap stocks over the long-term

ANNUALIZED GROSS RETURNS

	3 mo	6 mo	YTD	1 yr	2 yr	3 yr	Incep
● Tonus	2.0%	4.5%	14.4%	25.6%	21.2%	6.0%	14.2%
Index	5.6%	9.2%	11.0%	26.5%	17.3%	1.7%	8.8%
+/-	-3.6%	-4.7%	3.4%	-0.9%	3.9%	4.3%	5.4%

GROWTH OF \$100,000



CALENDAR YEAR / RELATIVE RETURN

	YTD	2023	2022	2021	2020	2019*
● Tonus	14.4%	18.1%	-12.4%	28.0%	18.2%	7.3%
+/-	3.4%	1.4%	8.2%	13.4%	-0.2%	0.2%

* partial year

Disclaimer: Past performance is not indicative of future performance. An investment in this fund can increase or decrease, and the investor may not get back the full amount invested. The performance is presented gross of management fees

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GROSS PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year
2019											1.7%	5.5%	7.3%
2020	-4.1%	-6.9%	-26.0%	19.1%	7.3%	0.7%	5.1%	3.9%	-2.5%	3.7%	14.6%	10.1%	18.2%
2021	8.3%	7.4%	4.7%	4.0%	2.9%	-0.9%	-1.8%	1.5%	-1.3%	3.2%	-5.9%	3.7%	28.0%
2022	-5.7%	1.9%	0.9%	-6.8%	2.1%	-8.5%	6.2%	-2.8%	-7.7%	9.8%	3.3%	-4.1%	-12.4%
2023	9.9%	-2.1%	-1.4%	1.0%	-2.6%	6.1%	6.7%	-4.1%	-5.0%	-5.7%	10.6%	5.3%	18.1%
2024	0.6%	4.6%	6.6%	-6.0%	5.9%	-1.9%	6.5%	-1.0%	-1.0%				14.4%

PERFORMANCE ANALYSIS

Annualized Return	14.2%
Beta	0.91
Standard Deviation	23.7%
Sharpe Ratio	0.60
Up-market Capture	1.16
Down-market Capt.	0.78
Active Share	99%
Top-10 weight	43.6%

TOP-5 HOLDINGS (alphabetical)

Stock	Sector
Hillman	Industrials
ICF International	Industrials
National Cinemedia	Communications
Primerica	Financials
Strategic Education	Consumer Staples

PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
Avg. Market Cap	2,648	3,360
Net debt / EBITDA	1.0x	5.3x
P/E FY1	15.4x	15.7x
Dividend Yield	1.5%	1.2%
ROIC	11.6%	8.5%
# stocks	30	1935

INVESTMENT TEAM

Team member	Role	Experience
Philippe Hynes, CFA	Port. Manager	21
Aaron Warnongbri	Analyst	11
Léo-Pierre Trudel	Analyst	1

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Disclaimer: Please note that Tonus Capital serves as the portfolio manager for the Tonus U.S. Small-Cap Fund. This fund is part of the Québec Emerging Managers Program. Innocap acts as the exempt market dealer for the Fund. Past returns are not necessarily indicative of future performance. Information pertaining to the Fund is not to be construed as a public offering of securities in any jurisdictions of Canada and is for informational purposes only. The information provided herein does not constitute investment advice and it should not be relied on as such. The securities described herein are only available to Accredited Investors and Institutional Investors by private placement in accordance with applicable securities laws, and only to those investors who meet certain eligibility or minimum purchase requirements. Returns are presented gross of management fees. From October 2019 to March 2021, the performance presented is that of a segregated account managed by Tonus Capital. From April 2021 on, the performance presented is that of the Tonus U.S. Small Cap Equity Fund L.P. managed by Tonus Capital before management fees. Any investment in the Fund is speculative and involves substantial risk, including the risk of losing a substantial amount of the investment. While the information and material in this document are believed to be accurate at the time they are prepared, Tonus Capital Inc. cannot give any assurance that they are accurate, complete or current at all times.