



**STRATEGY DESCRIPTION**

B-CAP's Adventurer strategy aims to provide long-term capital appreciation, through direct exposure in the share capital of public companies identified by the manager. The construction of the portfolio is based on a mixed approach: dynamic exposure to opportune themes originate from a "top-down" framework, while stock selection is the result of both quantitative fundamental investigation and qualitative analysis. The management style puts emphasis on an issuer's strong competitive advantage for innovation and disruption and / or its industry's prospects for secular growth. In other circumstances, the manager identifies opportunities driven by macro themes or issuer-specific opportunities. The Adventurer model allows a greater level of flexibility in terms of sector concentration (max 40% per sector), size (max 25% <\$ 500M) and stock rotation (investment horizon 2-5 years), relative to most products offered by the industry; its agility to navigate off the beaten track sets it apart from several equity mandates.

**INVESTMENT HORIZON**



**ESTIMATED VOLATILITY**



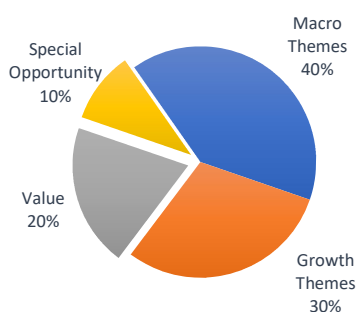
**SECTOR DIVERGENCE (vs benchmarks)**



**SECURITIES ROTATION**



**MANAGEMENT STYLE**



**CURRENT THEMES**

in no particular order

- Strengthening Oil and Natural Gas Prices
- Renewable Energy Roll-Out
- Energy Storage
- AI and System Optimisation
- Inflation of Agricultural Commodities
- Telecommunication Infrastructure
- 5G and IoT
- Supply Chain Management
- Electronic Payments and Tech Security
- Rare Earth Elements
- Transport Electrification and Automation

TOP HOLDINGS	Industry	Country	Weight
Birchcliff Energy Ltd	Energy Oil & Gas Exploration & Proc	CA	4.3%
MP Materials Corp	Materials Diversified Metals & Mining	US	3.7%
Pfizer Inc	Health Care Pharmaceuticals	US	3.1%
Broadcom Inc	Information T Semiconductors	US	3.1%
Uranium Royalty Corp	Energy Coal & Consumable Fuels	CA	3.0%
Alphabet Inc	Communicati Interactive Media & Services	US	2.9%
Energy Transfer LP	Energy Oil & Gas Storage & Transpo	US	2.9%
AltaGas Ltd	Utilities Gas Utilities	CA	2.9%
Bloom Energy Corp	Industrials Heavy Electrical Equipment	US	2.8%
Crown Castle International C	Real Estate Specialized REITs	US	2.7%
<b>Top 10 Total</b>			<b>31.2%</b>

TOP SECTORS	Adventurer	MSCI World Innovation
Industrials	24%	2%
Materials	18%	0%
Energy	17%	0%
Information Technology	17%	42%
Health Care	7%	28%

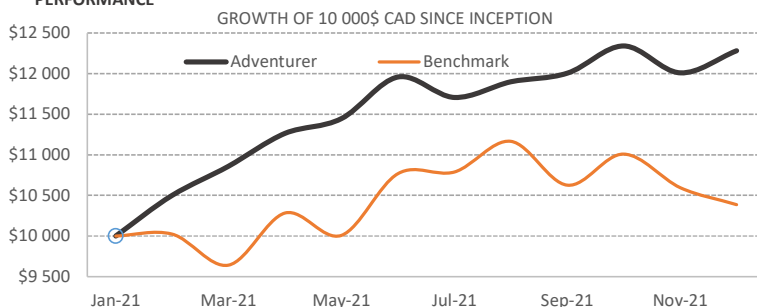
**MARKET CAP**

< \$500M	12%	0%
\$500M - \$1B	7%	0%
\$1B - \$5B	21%	3%
> \$5B	56%	96%
Cash	4%	0%

**SUMMARY PROFILE**

Primary Management Style	Thematic Investing
Selection Process	Top-Down and Bottom-Up
Eligible Securities	Common Shares, Small Caps Allowed
Number of Holdings Currently	38
% of Portfolio in CAD Currently	43%
Inception	January 26th, 2021
Growth of \$10K Since Inception	\$12,281
Min. Investment in Strategy	\$100,000
Min. Investment for B-CAP Clients	Yes
Investment Vehicle	Segregated Accounts
Complete Transparency	Yes
Portfolio Manager	B-CAP
B-CAP Management Fee	Degressive
	1% < \$1M, 0.80% thereafter. Global fee 0.60% > \$5M
Custodian	NBIN

**PERFORMANCE**



	1 month	3 months	6 months	1 year	Inception
Adventurer (B-CAP)	2.27%	2.31%	2.71%		22.81%
Benchmark	-1.99%	-2.24%	-3.56%		3.86%

**NEW** Note: Benchmark is the MSCI World Growth Index, in CAD.

	January	February	March	April	May	June	July	August	Sep	Octobre	November	December	Year (YTD)
<b>2021</b>	<i>inception</i>	5.00%	3.43%	3.72%	1.61%	4.48%	-2.09%	1.63%	0.89%	2.81%	-2.70%	2.27%	22.81%

Note: Strategy launched on January 26th, 2021. Performance data is presented net of fees and represent total return inclusive of distribution, in CAD. Past performance may not be repeated and is no guarantee of future results. The content is provided for information only and should not be considered as a sale of recommendation. Consult the back to read the complete legal notice.

Source: Bloomberg and B-CAP calculations based on information as provided by the custodian NBIN and portfolio administration system Ndex.

As of 2021-12-31





## MANAGER'S QUARTERLY COMMENTS

B-CAP's Adventurer strategy rose 2.3% in Q4, 450 basis points above its new benchmark. The latter has indeed been changed to the MSCI World Innovation index, better reflecting the investment objective of the strategy. Attributes related to thematic growth, especially innovation, underperformed the stock market during the quarter, partly penalized by the prospects of higher interest rates. The Adventurer managed to generate a positive quarterly return, explained by its sector allocation, mainly its overweights in the Industrial (+1 700pts) and Consumer Staples (+ 500pts) sectors. The latter benefited from SFM's 28% jump. From a stock selection point of view, the best moves are found in the Materials and Healthcare sectors, with for example jumps of around 40% for MP Materials and Pfizer, while Energy includes the worst selection exposure via the Fossil Energy Service investments. The end of the year saw a reshuffle of positions. First of all, the Consumer Staples sector saw its two members SFM and TSN leave the boat (target prices reached), replaced by thematic investments associated with stronger agricultural commodity prices: AGCO, Corteva, SQM and an addition to Canadian co AG Growth. The double investment in the packaging industry (CAS-T and WRK) was pulled, the industry failing to convince of its ability to pass the cost increases. Also in the Wood complex, a new position was initiated in Stella Jones, a Canadian manufacturer of treated wood products. Exposure to Energy was changed, in favor of renewable energies ... the refiner VLO and the Canadian services firm CMG are withdrawn from the strategy, making way for solar energy with the American Sunrun, as well as biogas and hydrogen with the Canadian firm Xebec Adsorption. SQM, previously mentioned, also owns a large lithium exploration franchise. Finally, the manager seized the opportunity to increase exposure to Technology, by initiating an investment in the semiconductor manufacturer II-VI and by lowering the average cost of the existing position in the electronic materials company 5N Plus. These purchases were funded by the full disposition of defense company NOC (target price reached), software company REAL (lack of growth and catalyst) and financial services firm X which operates the TSX exchange (increased competition on its market, no longer meeting the investment objective).

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### About the Custodian:

Committed to this business for more than 25 years, National Bank Independent Network is one of Canada's leading providers of custodial, trading, clearing, settlement and record keeping services to independent registered portfolio managers and introducing brokers through innovative product development, expert client care and leading technology. National Bank Independent Network is a division of National Bank Financial Inc., and is also a registered trademark of National Bank of Canada and a wholly owned subsidiary of National Bank of Canada, which is a public company listed on Canadian stock exchanges. National Bank Financial Inc. is a Member of the Canadian Investor Protection Fund (CIPF) and the Investment Industry Regulatory Organization of Canada (IIROC).

NBIN <https://www.nbin.ca>

CIPF <https://www.cipf.ca>

IIROC <https://www.iiroc.ca>

### About the Management Technology and Portfolio Administration System:

Ndex is the only fully independent, multi-custodian wealth management technology provider in Canada. Ndex has grown to support more than 1,300 companies managing more than \$200 billion in assets for more than 14 million customers. It interacts with over 200 custodians across North America. Its platform unique approach provides the flexibility and scalability needed to serve a diverse industry. Its clients range from independent brokers and family offices to large wealth management, brokerage and accounting firms. Ndex's fully integrated system supports both single and multi-custodian platforms. Its top-notch design supports portfolio management, CRM, securities management, trade order management, compliance, expense management, operations, reporting and tax reconciliation for our clients. Ndex's adaptable platform is well positioned for expansion and supports operations around the world.

Ndex <https://www1.ndexsystems.com>

Historical publications on this investment strategy are available on our website:

<https://b-cap.ca/en/strategies/#adventurer>

For more information on the benchmark index:

[https://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_ACWI\\_IMI\\_Innovation\\_Index\\_April2020.pdf](https://www.msci.com/eqb/methodology/meth_docs/MSCI_ACWI_IMI_Innovation_Index_April2020.pdf)

<https://www.msci.com/documents/10199/a3f32c5b-2588-24c2-d643-1d85f4589413>

