



**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**



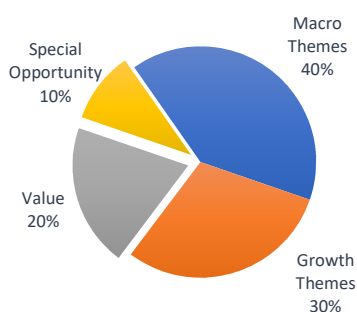
**SECTOR DIVERGENCE (vs benchmarks)**



**SECURITIES ROTATION**



**MANAGEMENT STYLE**



**CURRENT THEMES**

in no particular order

- Renewable Energy Transition
- AI, Cloud and System Optimisation
- 5G and IoT
- Supply Chain Management
- Cybersecurity
- Rare Earth Elements
- Slowing Inflation and Its Benefit to Select Sectors
- Manufacturing and Intellectual Westbound Reshoring
- Automation
- Semiconductors
- Cycle: Slowdown (Duration) and Recovery (Cyclicals)

TOP HOLDINGS	Industry	Country	Weight
5N Plus Inc	Materials Specialty Chemicals	CA	3.8%
Bank of Nova Scotia/The	Financials Diversified Banks	CA	3.5%
Applied Materials Inc	Information T Semiconductor Materials & I	US	3.5%
Intuit Inc	Information T Application Software	US	3.4%
Broadcom Inc	Information T Semiconductors	US	3.3%
Coveo Solutions Inc	Information T Application Software	CA	3.3%
Palo Alto Networks Inc	Information T Systems Software	US	3.3%
Alphabet Inc	Communicatit Interactive Media & Services	US	3.2%
Premium Brands Holdings Cc	Consumer Sta Packaged Foods & Meats	CA	3.2%
Kinaxis Inc	Information T Application Software	CA	3.2%
Top 10 Total			33.9%

TOP SECTORS	Adventurer	MSCI World Innovation
Information Technology	27%	33%
Industrials	21%	3%
Materials	11%	0%
Financials	8%	17%
Health Care	8%	25%

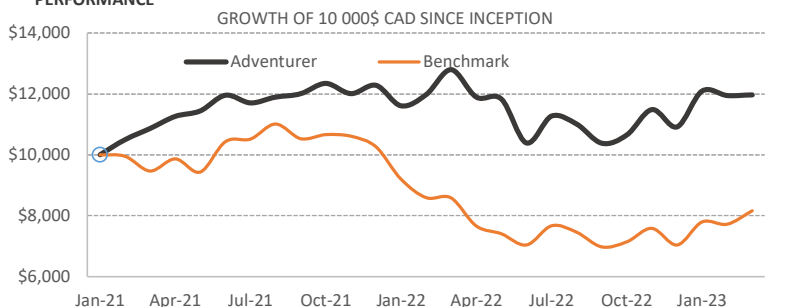
**MARKET CAP**

< \$500M	9%	0%
\$500M - \$1B	5%	1%
\$1B - \$5B	13%	4%
> \$5B	70%	94%
Cash	3%	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	45%
Inception	January 26th, 2021
Growth of \$10K Since Inception	\$11,972
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
	0.9% < \$1M, 0.75% thereafter. Global fee 0.60% > \$5M
Custodian	NBIN

**PERFORMANCE**



	3 months	6 months	1 year	2 years*	YTD	Since Inception*
Adventurer (B-CAP)	9.66%	15.33%	-6.44%	5.00%	9.66%	8.66%
Benchmark	16.02%	16.98%	-4.91%	-7.16%	16.02%	-8.95%

Note: Benchmark is the MSCI World Innovation Index, in CAD. \* = annualized returns.

	January	February	March	April	May	June	July	August	Sep	Octobre	November	December	Year (YTD)
2023	10.78%	-1.26%	0.25%										9.66%
2022	-5.46%	3.16%	6.83%	-7.07%	-0.48%	-12.20%	8.46%	-2.30%	-5.71%	2.58%	7.88%	-4.97%	-11.10%
2021	inception	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 or recommendation. Consult the back to read the complete legal notice.

Source: Bloomberg and B-CAP calculations based on information as provided by the custodian and portfolio administration system. As of the end of the period analyzed.





## MANAGER'S QUARTERLY COMMENTS

The year 2023 started with a bang for B-CAP's Adventurer strategy, generating a gain of almost 11% in January, to finally end with a quarterly total return of 9.7%, net of fees. Trades made in the last quarter of 2022 were especially profitable, with 4/6 buys posting a gain of more than 22% and breaking into the top 7 in Q1, with the best performing addition being MELI (+55%). If the return of the Adventurer is high in absolute terms and beats the TSX as well as the S&P 500 during the 1st quarter, it is however well below its benchmark index, the MSCI Innovation, which jumped by 16%. The underperformance of the strategy is attributed to the selection side, specifically within the Info Tech sector where the model was absent NVDA (important constituent which climbed 90% in Q1). The manager reacted to various opportunities during the period. At the beginning of the year, exposure to Natural Gas was further reduced with the disposal of ALA. Financial Services CF stock was sold 1% below the management-buyout offer price. The amounts raised in January were partially reinvested in BNS to lower its average cost, then also made it possible to initiate new non-consensual positions where stock market valuations are undemanding, specifically the lender goeasy (opportunity to increase its market share against the banks) and the auto parts manufacturer Magna (opportunity to improve its margins and optimism on the European side). Five more substitutions were made at the end of the period, improving the overall quality of the portfolio. Having both reached their target price, half of AFN and all of GIB.a were sold. Also liquidated: COHR (financial and technical underperformance), ECL (indirect exposure to oil production and preference for Automation within Industrials) and FISV (fierce competition within Payments). On the Canadian side, two defensive stocks with high dividends were initiated, on weakness moreover: the Electricity Producer Northland Power and the Telecommunications firm Telus (the most 'techy' in the Canadian sector). Taking advantage here too of a gradual fall in interest rates, Amazon was added, increasing exposure to Tech, more specifically the Cloud and Artificial Intelligence. The preference for Automation manifested itself through the purchase of the Swiss company ABB, a world leader. Finally, the manager took the opportunity to buy Bank of NY Mellon following its sudden fall of 20% (stock market valuations 25% below historical average) in the spontaneous context of a few US bank defaults, while BK is the largest and most diversified custodian in the world, benefiting from a stable business model.

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### About the Custodian:

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

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

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

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>

