UNIVERSITÉ Concordia UNIVERSITY

JOHN MOLSON SCHOOL OF BUSINESS

VAN BERKOM INVESTMENT MANAGEMENT PROGRAM

Annual Report 2019

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1. Messages

1.1 Graduating Cohort

Reflecting on the completion of our tenure in the Van Berkom Investment Management Program (VBIMP), we cannot emphasize enough the impact that it had on our lives. To put it simply, the program opened the doors that otherwise would remain closed to us forever.

A little over two years ago, a group of individuals with diverse backgrounds, areas of expertise and field knowledge, were very fortunate to join the program. We all shared a few common features, though – a deep passion for capital markets, an insatiable thirst to learn, and an unparalleled work ethic. Participating in weekly meetings, discussing market developments, running screens, performing company and industry research, building valuation models, writing stock reports and pitching them to the investment committee did not just give us a taste of the real world but brought us a whole new perspective on equity research and portfolio management. This experience proved to be a tremendous catalyst in the development of a set of skills that greatly helped us during our internships, which in most of us, eventually became full-time employment. Aside from the multiple lessons that we learned over the last two years, we cultivated a culture of meaningful relationships that helped us to honor mutual commitments and respectfully navigate through the inevitable disagreements and constructive criticism.

This valuable experience would not be possible without J. Sebastian Van Berkom, whose very generous gift and involvement established the VBIMP. We appreciate his willingness to share wisdom and provide guidance. We were also tremendously lucky to learn from our Investment Committee, whose tough questions and comprehensive feedback challenged and pushed us to a whole new level. Our mentors taught us many valuable lessons and provided us guidance and encouragement to pursue our passion for investment management. It was our privilege to manage the fund under the thoughtful leadership of the Program Director, Amr Addas. He ensured that everyone was performing at their best and honouring their commitments, while also enjoying the process. Amr cultivated an environment that pushed us to perform beyond the levels that we imagined we were capable of. We want to thank the former Program Director, Denis Schweizer, former Program Assistant, Joe Abou Jaoude, and the previous cohort of Fund Managers, for all the efforts that they made to help us grow, and for challenging us to grow.

Thank you all. The VBIMP will always remain a part of our DNA.

1.2 Founder

It is my pleasure to present the second Annual Report of the Van Berkom Investment Management Program (VBIMP) at the John Molson School of Business (JMSB) at Concordia University. This program was established with a $1 million contribution from me personally in order to help outstanding students at the JMSB to gain hands on experience in investing in North American Small Cap stocks.

Although my contribution was made in late 2014, the investment of the money did not commence until late 2016 given the organization that had to be put in place by the University with a Director for the Program, an Investment Committee and mentors to help the students that would be chosen for the VBIMP. These two years of planning were essential in building the foundation for the long-term success of my Program.

The VBIMP could not have been successful without the outstanding commitment of the Senior Management of Concordia University, the Dean of the John Molson School of Business Anne-Marie Croteau, PhD, CDir, the Director of my Program this year, Mr. Amr Addas, the newly appointed Chair of the Investment Committee (IC) Mr. Donald Walcott, the other members of the IC, the Research Associates (RAs), the Fund Managers (FMs), the mentors to the students, colleagues at my office at Van Berkom and Associates Inc. (VBA), and leaders of the Montreal Investment community who have helped make this Program such a success.

In September 2019 the VBIMP celebrated the first graduates of the Stephen A. Jarislowsky Fellowship Program under the VBIMP at the JMSB at Concordia University. I am pleased to announce the following graduates of my Program who became Fellows: Stéphane Sevigny; Shawn Bant; Ryan Amsden; and Ganpathi Ramakrishnan. Congratulations to Stephen A. Jarislowsky for offering his name to this Fellowship Program and to the successful first graduates.

I would like to explain again how my Investment Program at JMSB works. The VBIMP provides a small group of select JMSB students at the undergraduate and masters levels at the School the opportunity of investing real money in North American small-cap stocks using a bottom-up stock-picking approach to analysis and investing. The RAs and the FMs must follow a strict Investment Policy to help guide them towards the kind of long-term stocks that may one day become large cap stocks. Each year on average, eight students will be admitted to the Program in order to actively manage a portfolio of small-cap stocks, with the aim of achieving investment rates of return that beat a passive Index of North American small-cap stocks. The Program's portfolio realized an annualized rate of return since inception on November 11, 2016 through the end of 2019 of 17.8% versus 5.7% for the North American Small-Cap Benchmark or a valued-added (alpha) of 12.2%! The current portfolio holds 16 individual stocks and has 36% in cash and equivalent investments as at the end of December. I would like to congratulate all the participants to this Program over the last four years for helping the students realize these outstanding relative results.

I would like to end my remarks by wishing the current RAs and FMs, continued success with the Program's portfolio during these very challenging times that we have not seen since the Great Depression of the 1930s. Finally, my heartfelt thanks to Concordia University, the Dean, the Director of the Program, the IC members, and mentors who give their time, experience and advice at every quarterly meeting of the IC.

Sincerely,

J. Sebastian van Berkom

1.3 Dean

It is my pleasure to present the 2019 Van Berkom Investment Management Program's Annual Report. This represents the hard work of an extremely talented group of students, and the unwavering dedication of knowledgeable and generous finance professionals.

At the John Molson School of Business (JMSB), experiential business learning is a priority for us. This program is a tremendous example of how we provide our undergraduate students with practical, hands-on investment management training.

On behalf of JMSB, I would like to thank J. Sebastian Van Berkom, a great alumnus and friend of the school, for his generosity that led to the establishment of this program. Sebastian is also actively involved in the program, and for this, we are extremely grateful. I would like to acknowledge the generous commitment of time and energy of the Investment Committee. Their insight and guidance help ensure that our students enjoy an unparalleled learning experience.

An integral element to the success of this program and the portfolio, is the recruitment of high-achieving, talented students. Program Director Amr Addas assembled a stellar team of students who delivered an outstanding performance based on return on invested capital.

I would like to congratulate the Class of 2019 Fund Managers, as well as the Research Associates, and wish them the very best in their future endeavours.

Anne-Marie Croteau, PhD, CDir
Dean

1.4 Outgoing Program Director

I am very pleased to co-present the second annual report on the Van Berkom Investment Management Program (VBIMP) at the John Molson School of Business (JMSB) at Concordia University for the period of 2019. It has been my great privilege and honour to have the opportunity to shape the VBIMP since mid-2016. After holding the program directorship for three exciting and successful years, I made a hard decision in mid-2019 to complete my term and hand the baton to a new program director, Amr Addas. Amr and I have worked closely over the past few months to ensure a smooth transition and to position the program distinctly for the future. Since Amr has assumed the directorship, he has done a stellar job, continuing to expand the program and bring it to the next level by continuously deploying capital and investing in more than 20 stocks as required by the Investment Policy Statement to end the transition period. I am filled with pride when I reflect on the program's vast development in such a short time, from its inception as a lofty idea to the powerhouse it has now become.

One of the most successful aspects of the program has been the Fund Managers' outstanding investment decisions, which resulted in a tremendous 39.4% outperformance of the benchmark through the end of 2018. This number increased even further during 2019 to 53.2% by the end of 2019 (simple alpha based on invested capital). Ultimately, the Fund Managers not only outperformed their given benchmark for three consecutive years, but they significantly outperformed the Investment Policy Statement's mandate of a 2% minimum over a four- or five-year moving average annual basis.

But such remarkable accomplishments are only possible when many crucial ingredients come together, beginning with our visionary donor, J. Sebastian van Berkom, who unwaveringly embedded his skills and investment approach into the program's "DNA." His leadership has been key to our success. Dean Anne-Marie Croteau, who always makes the program one of her top priorities, has also been integral to the program. Furthermore, the Investment Committee Members are a cornerstone of our support and market insights, the mentors act as important liaisons with industry, all the administrative staff tirelessly provide the logistics for a smooth operation, and, most importantly, the passionate students fill the program with life.

I congratulate the graduating Class of 2019, Vitalie Crestianov, Dany Naaman, and Vivek Varshney, on your impressive achievements within the Program. I am certain the knowledge and insights gained here will be invaluable to you in the future. It has been a highlight of my career to work with all of you!

Dr. Denis Schweizer, CFP, FRM

1.5 Incoming Program Director

I am very pleased to co-present, with outgoing director Denis Schweitzer, the 2019 annual report for the Van Berkom Investment Management Program (VBIMP) at the John Molson School of Business (JMSB) at Concordia University. This is my first report as director of the program, having succeeded Denis in June 2019.

VBIMP is a unique program launched in 2014 to fulfill the vision of Mr. J. Sebastian van Berkom of sharing his investment expertise in small cap equities with a select group of JMSB students. Thanks to Mr. van Berkom's generous donation of $1 million, VBIMP allows the students to complement their academic training with the real-life, cutting-edge experience of managing a portfolio of US and Canadian small cap stocks. During their two-year tenure, the students undergo a rigorous training process. In their first year, as Research Associates (RAs), the students are trained in valuation methodologies, learn report writing techniques, and refine their presentation skills as they pitch at least one stock each to the investment committee made up of senior industry professionals. In their second year, should they successfully fulfill the requirements of promotion to Fund Managers (FMs), the students begin to manage the portfolio, making buy and sell decisions, and gaining invaluable asset allocation and portfolio management expertise.

I am privileged to have taken over the directorship of VBIMP at a time when the program was ripe to blossom thanks to the tireless work done by my predecessor, Denis Schweitzer, and before him VBIMP's founding director Reena Atanasiadis. They both laid the groundwork that allowed me to focus on growing the program and supporting the students as they continued to maintain the impressive performance track record that VBIMP has maintained since the beginning. We had an excellent recruiting season last year, which allowed me to enrol 8 excellent students who now form the current cohort of RAs. They joined the truly impressive group of four FMs currently managing the portfolio, three of whom have already secured full time positions in the industry while the fourth is well positioned to do so upon his graduation next year. Next year we look forward to having our largest ever cohort of FMs while aiming to admit a group of RAs of the same caliber as this year's cohort.

During 2019, the VBIMP portfolio has maintained its track record of outperforming its benchmark, generating a return on invested capital (ROIC) of 22.1% by the end of December. Overall return on invested capital (ROIC), including cash, was 14.5% in 2019. Since inception, the portfolio has generated an annualized ROIC of 17.8%, 12.2% above the benchmark. Congratulations to all the current and former FMs for this impressive performance. It speaks to the quality of this program, but also to the success of Mr. van Berkom's vision of providing VBIMP members with best-in class small-cap investment management skills.

The success of this program would not be possible without the tremendous level of support provided to it and to me personally by Dean Anne-Marie Croteau. She recognizes the importance of VBIMP in attracting top students to JMSB and has made sure we have the resources and infrastructure necessary to maintain the highest standards. Mr. van Berkom's personal involvement and generosity with his time on the investment committee and during the recruitment process are also critical factors in the program's success. Outgoing Finance Department Chair Rahul Ravi has consistently been a champion for VBIMP and has provided me with all the support needed to smoothly manage the program. I look forward to continuing this level of collaboration with incoming Chair Imants Paeglis. I want to also thank the remaining members of the investment committee, Don Walcot (Chair of the Investment Committee), Gabriel Bouchard Philips, Owen Gibbons, Stephen Hui, Philippe Hynes, and Mike Shannon for their dedication and invaluable insights to the students. Finally, I wish to thank the mentors who continue to play an important role in supporting our students as they navigate their way through a highly competitive industry.

I wish to also thank the following people for whose support and cooperation I am very grateful: Reena Atanasiadis, John Boyronikos, Joseph Capano, Caroline D'Amour, Athena Jean Kournikakis, Ka Pong Law, Katie Malazdrewicz, Monika Melzer, Bob Menard, Yuri Mytko, Norma Paradis, Sandra Romanini, Sarah Sookman, Tania Testa, and Susanne Thorup.

Amr Addas
B.Sc. Eng, MBA

2. About the Van Berkom Investment Management Program

The VBIMP was established in 2016 through a generous donation by J. Sebastian van Berkom. The program provides a small group of select JMSB graduate students with an experience that will open the door to a career in the global capital markets. Each year, six to ten students are admitted to actively manage a portfolio of small capitalized stocks, with the aim of achieving returns that exceed a small-cap North American benchmark. New program recruits will complete their first year in the VBIMP as Research Associates. Upon entering their second year, Research Associates will assume the responsibility of managing the fund and earn the title of Fund Managers. The two-year program is a real-life financial experience of actively managing a CAD $1.0 million small-cap stock portfolio.

The investment opportunities undergo a rigorous due diligence process, including a thorough analysis of company financials, business model and environment, industry trends, and management team. Potential investment candidates must meet specific restrictions with respect to size and profitability, and must be approved by the Investment Committee following a stock pitch presentation. The students must also give quarterly presentations to the Investment Committee, which is comprised of top industry professionals. The VBIMP is Canadian-based and consolidates in Canadian dollars (CAD).

3. Fund Strategy

3.1 Outgoing Reflection on Strategy

The program's structure and investment policy statement (IPS) ensure continuity of the investment strategy across generations of the fund managers. Our cohort executed the mandate with a focus on a set of simple but powerful principles: invest solely in companies with a durable competitive advantage, run by an honest and capable management team, generating robust and predictable cash flow, producing ROIC consistently in excess of the cost of capital, and prioritizing a strong balance sheets. However, we never initiated a position unless a stock's price warranted a margin of safety of at least 20% relative to its intrinsic value. By emphasizing these characteristics, we deliberately attempted to build a portfolio that would be more rigid during a downturn.

However, we did not plan to remain on the sidelines of the ongoing bull market. As such, we favoured short-term spikes in market volatility as they provided us with investment opportunities that we decisively capitalized on. A tactic that we exploited several times was to initiate or increase a position after disappointing quarterly results, amid unjustified market pessimism despite the investment thesis remaining intact. Our investment rationale and discipline have been challenged plenty of times over the 9-month period that we owned Control4. We added the stock to our shortlist after it got approved by the Investment Committee. However, we did not initiate a position until a proper opportunity presented itself when the company posted quarterly results below market consensus due to unfavorable macro developments. As the market remained negative on Control4, we increased our position and averaged down the cost basis, upon concluding that its market position and growth opportunities remained intact, just like our investment thesis. Our discipline paid off when the company announced a take-private deal at a hefty premium to the market price.

Our buying and selling discipline, coupled with long-term investment horizon, entailed a certain level of immunity to the short-term irrationality of stock prices. A set of reasons to liquidate a position consisted of a situation where a stock approached the long-term target price, or our investment thesis was compromised. In the former case, we strived to trim our position slowly to capture a more substantial upside. However, the latter could result in permanent value destruction. Although evading the latter was our top priority, it was impossible to be sustainably right in every stock pick we made. When Stamps.com announced the termination of its exclusive partnership with the USPS, which we believed was its critical competitive advantage, we liquidated our position decisively at a significant loss, which would drastically expand if we were to hesitate.

Amid rising geopolitical risks, we focused on companies exercising ample pricing power. A business with a substantial portion of recurring revenue was preferable relative to otherwise similar peers due to higher revenue stickiness, regular nature, better visibility, and hence lower risk of the expected cash flow. We also wanted to de-emphasize those firms whose cost structure was skewed towards fixed costs, as during a downturn, cost deleveraging would smash their operating income. These criteria materialized in our investment in RE/MAX Holdings, whose pure franchise-based business model with low fixed costs structure and 2/3 of revenue being recurring, equipped it with a durable competitive advantage that stands out more than ever during market downturns.

Despite a few instances where we wish our strategy execution would be nimbler, we believe that our performance meets high standards set by prior cohorts, whereas our experience can provide useful insights for the future generations of the fund managers.

3.2 Incoming Fund Manager Strategy

As managers of a pure bottom-up small-cap fund, we intend to fulfill our mandate by investing in top-quality North American companies with sustainable competitive advantages that are run by remarkable management teams. Our goal is to generate solid free cash flows, as well as high returns on invested capital. The right management team is especially crucial in the small-cap universe because a single decision can make the difference between enormous returns and an investment collapse. We note that companies with a more robust competitive advantage tend to record superior performance over the long run, as the business exhibits superior economic value and can preserve its advantageous position. These two factors are meticulously examined within the track record of the companies we are exploring. Furthermore, our long-term investment perspective of up to five years stacks the odds of superior returns in our favor.

A comprehensive fundamental analysis is at the heart of our due diligence process. Since we invest exclusively in stocks that trade below their intrinsic values, we pay considerable attention to our valuation procedure, which is built around the discounted cash flow method. The key assumptions are subject to constant pragmatic examinations. We usually refrain from initiating a position until the market conjuncture provides a margin of safety of approximately 20% relative to intrinsic value. Moreover, since we are not macro-driven, we do not try to make market calls. However, we do remain cautious of the current business cycle, geopolitical risks, and global uncertainty. We favor short-term spikes in market volatility because they provide us with investment opportunities. For example, when pessimism prevails after a disappointing quarterly result, overly short-term-oriented investors may run out of patience and push prices down. If upon examination, the soundness of the underlying business and its long-term prospects prove to be unchanged, this becomes a perfect moment for us to initiate a position or average down the cost basis.

Our buying and selling discipline, coupled with our long-term investment horizon, comprises a certain level of immunity to the irrationality of equity prices. Although it is impossible to be correct in every stock pick, it is our top priority to avoid permanent value destruction. Entry into a position with a reasonable margin of safety protects us from the possible flaws of any particular valuation case. We are not afraid to remain patiently on the sidelines until a proper opportunity arises. Being fully invested by the end of the year remains one of our highest priorities, but we do not compromise our buying discipline to accomplish that objective. For example, one reason to liquidate our position would be if our investment thesis is compromised, or if a stock approaches our long-term target price. In the latter case, we would trim our position slowly to capture more substantial gains.

Amid rising geopolitical tensions, we focus on companies that exercise sufficient pricing power to pass increased costs on to their customers without hindering margins. Players with a substantial portion of recurring revenues are preferable to otherwise similar peers, due to higher revenue stickiness, greater stability, better visibility, and hence lower risk to their expected cash flows. We generally employ a more defensive approach in our stock-picking decisions, focusing primarily on the quality and soundness of the underlying businesses. Thus, we de-emphasize firms whose cost structures are skewed heavily toward fixed expenditures. In case of an economic downturn, when demand dries up and revenues decline abruptly, significant cost deleveraging will materially depress operating income and the bottom line. Regarding sector exposure, we do not generally overweight any particular sector, including those traditionally considered defensive. Rather, we emphasize those that exhibit secular trends. Amid a possible economic downturn, companies with sustainable competitive advantages, strong balance sheets, outstanding management, and predictable cash flows will best endure environmental shocks with minimal disruption. They can also profit from cheap roll-up opportunities, thereby gaining more power within their market segments.

4. Portfolio Ramp-Up

The VBIMP initiated its first positions on November 11, 2016, and is continuing to ramp up its portfolio to full investment (see Table 1). The rate at which investments are made has been limited by two main factors: 1) the gradual rate of stock approvals by the Investment Committee at its quarterly meetings, and 2) the gradual rate at which our deployable capital was made available (the unavailable portion of our $1.0m capital is referred to as restricted cash). In order to proceed with an investment, all stocks must be pitched to and approved by the Investment Committee. There were some instances when stocks had significantly run up by the time they were approved by the Investment Committee, and thus our window of opportunity to enter at an attractive price was missed. Either the five-year upside potential became rather limited, or the stock became overvalued based on a Discounted Cash Flow Approach (both requirements of our Investment Policy). In Q3 & Q4 2019, a significant amount of capital was deployed in three new positions, all of which had been recently approved by the Investment Committee (MYR Group, Sleep Country Canada, and RE/MAX Holdings Inc.).

In 2019, the VBIMP experienced its second fund manager cohort turnover, with a new portfolio vision enacted by the 2019 fund managers. The cohort made it a priority to fully deploy the capital provided by Mr. van Berkom by the end of 2019, without compromising the inherent investment philosophy of the fund. That said, 2019 went on to become a record year for the market, with the stock market at an all-time high and valuations more expensive than ever. Although the fund managers strove to be fully invested, many companies flew past the fund's 5-year target prices in less than 6 months. In accordance with the IPS set forth in 2016, which sets provisions for the managers of the portfolio to trim or sell positions that have exceeded their 5-year target price, the fund managers diligently trimmed various positions that had a significant run, but were fairly- or over-valued. For all intents and purposes, deployed capital remained flat in 2019 as compared to 2018.

Once fully ramped up, the cash position according to our investment philosophy is limited to 5%, and U.S./CA equities cannot exceed a 65%/35% or 35%/65% split. As of December 31, 2019, the portfolio held 36.0% of its funds in cash, down from 38.0% in 2018. Although the Investment Committee is not pressuring us to deploy capital, the VBIMP students nevertheless aim for a complete ramp-up by the end of 2020.

Table 1: *Portfolio Ramp-Up*

	Cumulative Quarterly Returns 2019				
	Q1	Q2	Q3	Q4	Inception to Date
Portfolio Value	1,119,435.29	1,151,035.88	1,158,102.49	1,201,961.95	+201,961.95
Deployed Capital (%)	56.5%	52.7%	62.7%	64.4%	64.4%
Stocks Owned	14	13	15	16	16

[1] *As at December 31, 2019*

[2] *VBIMP Benchmark consists of 50% S&P TSX Small Cap and 50% Russell 2000*

[3] *Returns based on invested capital during portfolio ramp-up period*

Note: Deployed capital is based on total portfolio value.

5. Portfolio Asset Details

5.1 2019 Asset Details

As of December 31, 2019, 64.4% of the total portfolio value was invested, while 35.6% remained in cash (see Table 2). Diversified across eight Revenue-based Industry Classification System (RBICS) sectors, we observe that Technology, Business Services, and Industrials held the highest exposures, at 19.8%, 11.1%, and 10.8%, respectively (see Table 2 and Figure 2).

Throughout 2019, the portfolio decreased its exposure to the U.S. market, bringing weights in U.S. and Canadian equities to 25.1% and 39.3%, respectively (see Figure 1). This geographical shift reflects the Fund Managers' decision to liquidate various names in the portfolio that performed exceptionally in Q1 & Q2 2019.

Table 2: *Portfolio Asset Details as of December 31, 2019*

	2018		2019							
	Q4		Q1		Q2		Q3		Q4	
	Market Value	Weight	Market Value	Weight	Market Value	Weight	Market Value	Weight	Market Value	Weight
Technology	**181,929.15**	**19.2%**	**151,829.19**	**13.6%**	**153,645.01**	**13.3%**	**203,780.99**	**17.6%**	**238,028.37**	**19.8%**
Canada	132,027.60	13.9%	103,348.90	9.2%	107,359.93	9.3%	135,978.00	11.7%	169,064.30	14.1%
TECSYS Inc.	18,540.00	2.0%	20,790.00	1.9%	20,700.00	1.8%	45,900.00	4.0%	64,110.00	5.3%
Enghouse Systems Limited	25,235.80	2.7%	25,794.40	2.3%	26,318.80	2.3%	27,740.00	2.4%	36,616.80	3.0%
Calian Group Ltd.	52,185.00	5.5%	56,764.50	5.1%	60,341.12	5.2%	62,338.00	5.4%	68,337.50	5.7%
Tucows Inc.	36,066.80	3.8%								
U.S.	49,901.55	5.3%	48,480.29	4.3%	46,285.09	4.0%	67,802.99	5.9%	68,964.07	5.7%
InterDigital, Inc.	49,901.55	5.3%	48,480.29	4.3%	46,285.09	4.0%	67,802.99	5.9%	68,964.07	5.7%
Industrials	77,841.87	8.2%	130,293.95	11.6%	95,429.64	8.3%	126,976.09	11.0%	130,294.57	10.8%
Canada	60,173.88	6.3%	95,575.88	8.5%	95,429.64	8.3%	126,976.09	11.0%	130,294.57	10.8%
Savaria Corporation										
Richelieu Hardware Ltd	60,173.88	6.3%	62,825.88	5.6%	58,529.64	5.1%	67,785.12	5.9%	71,948.76	6.0%
NFI Group Inc.			32,750.00	2.9%	36,900.00	3.2%	28,120.00	2.4%	26,650.00	2.2%
MYR Group Inc.							31,070.97	2.7%	31,695.81	2.6%
U.S.	17,667.99	1.9%	34,718.07	3.1%						
Control4 Corporation	17,667.99	1.9%	34,718.07	3.1%						
Consumer Cyclicals	57,140.16	6.0%	37,972.24	3.4%	43,514.78	3.7%	61,710.19	5.3%	67,791.02	5.6%
U.S.	57,140.16	6.0%	37,972.24	3.4%	43,514.78	3.7%	61,710.19	5.3%	67,791.02	5.6%
Superior Group of Companies, Inc.										
LCI Industries	33,757.11	3.6%	37,972.24	3.4%	43,514.78	3.7%	44,995.48	3.9%	51,400.71	4.3%
Stamps.com Inc.	23,383.04	2.5%								
Sleep Country Canada Holdings Inc							16,714.71	1.4%	16,390.31	1.4%
Business Services	110,663.95	11.7%	117,738.88	10.5%	116,996.73	10.2%	127,949.31	11.0%	132,920.96	11.1%
U.S.	110,663.95	11.7%	117,738.88	10.5%	116,996.73	10.16%	127,949.31	11.0%	132,920.96	11.1%
Comfort Systems USA, Inc.	52,499.17	5.5%	61,591.57	5.5%	58,635.44	5.09%	69,979.82	6.0%	77,248.37	6.4%
Hackett Group, Inc.	58,164.78	6.1%	56,147.31	5.0%	58,361.28	5.07%	57,969.49	5.0%	55,672.59	4.6%
Finance	34,084.80	3.6%	37,775.43	3.4%	46,725.99	4.1%	58,446.85	5.0%	68,929.45	5.7%
Canada	34,084.80	3.6%	37,775.43	3.4%	46,725.99	4.1%	58,446.85	5.0%	68,929.45	5.7%
Altus Group Limited	34,084.80	3.6%	37,775.43	3.4%	46,725.99	4.1%	58,446.85	5.0%	32,493.76	2.7%
RE/MAX Holdings, Inc.									36,435.69	3.0%
Consumer Services	56,265.50	5.9%	54,567.00	4.9%	56,760.00	4.9%	56,308.50	4.9%	41,882.00	3.5%
Canada	56,265.50	5.9%	54,567.00	4.9%	56,760.00	4.9%	56,308.50	4.9%	41,882.00	3.5%
Recipe Unlimited Corporation	56,265.50	5.9%	54,567.00	4.9%	56,760.00	4.9%	56,308.50	4.9%	41,882.00	3.5%
Consumer Non-Cyclicals	76,532.24	8.1%	102,759.94	9.2%	93,701.87	8.1%	90,626.72	7.8%	93,977.47	7.9%
Canada	49,980.00	5.3%	71,221.50	6.4%	63,903.00	5.6%	58,905.00	5.1%	62,475.00	5.2%
Waterloo Brewing Ltd.	49,980.00	5.3%	71,221.50	6.4%	63,903.00	5.6%	58,905.00	5.1%	62,475.00	5.2%
U.S.	26,552.24	2.8%	31,538.44	2.8%	29,798.87	2.6%	31,721.72	2.7%	31,502.47	2.6%
Five Below, Inc.	26,552.24	2.8%	31,538.44	2.8%	29,798.87	2.6%	31,721.72	2.7%	31,502.47	2.6%
Healthcare	54,785.24	5.8%								
U.S.	54,785.24	5.8%								
Omnicell, Inc.	54,785.24	5.8%								
Cash	298,416.94	31.5%	486,498.67	43.5%	544,261.87	47.3%	432,303.85	37.3%	428,138.11	35.6%
Total Market Value	947,659.85	100.0%	1,119,435.29	100.0%	1,151,035.88	100.0%	1,158,102.49	100.0%	1,201,961.95	100.0%
Restricted Cash										
Total Portfolio	**947,659.85**	**100.0%**	**1,119,435.29**	**100.0%**	**1,151,035.88**	**100.0%**	**1,158,102.49**	**100.0%**	**1,201,961.95**	**100.0%**

Figure 1: *Portfolio Weighting as of December 31, 2019*

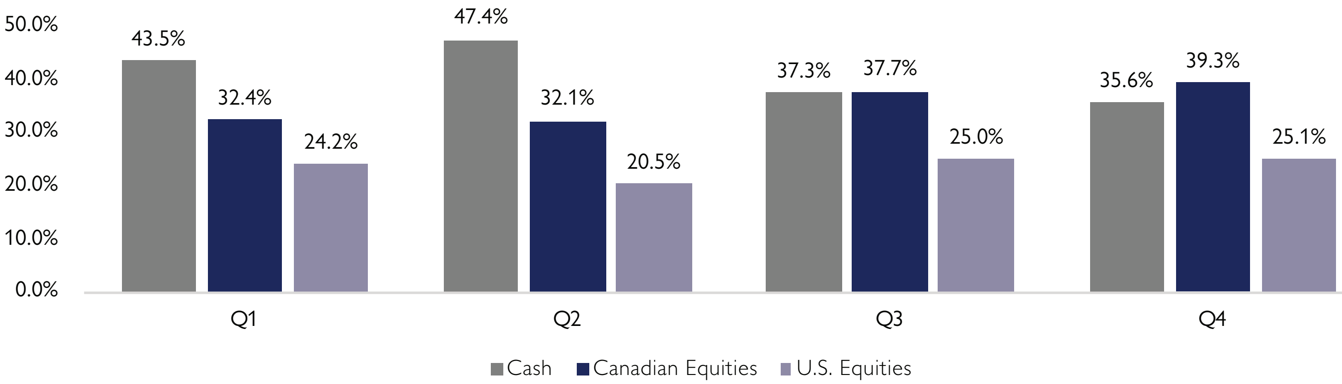
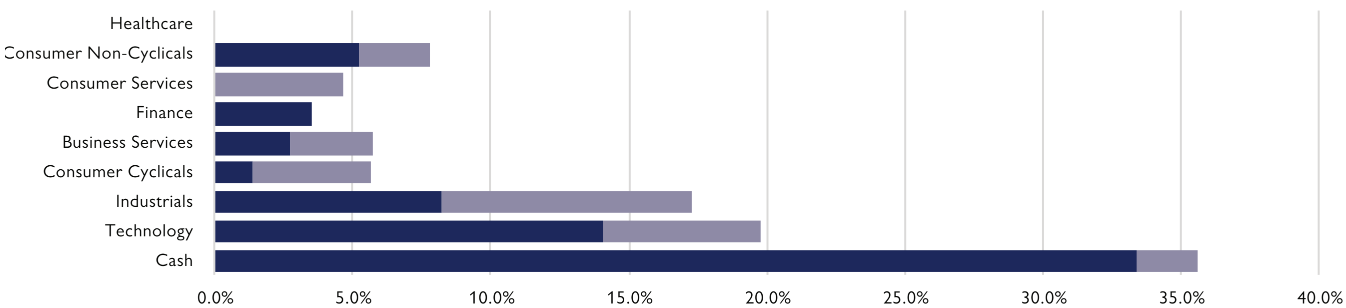


Figure 2: *Sector Allocation as of December 31, 2019*



	Cash	Technology	Industrials	Consumer Cyclicals	Business Services	Finance	Consumer Services	Consumer Non-Cyclicals	Healthcare
CAD	33.4%	14.1%	8.2%	1.4%	2.7%	3.5%	0.0%	5.2%	0.0%
USD	2.2%	5.7%	9.1%	4.3%	3.0%	0.0%	4.6%	2.6%	0.0%

6. Financial Highlights

6.1 Performance Summary

The VBIMP fund initiated its first transaction on November 11, 2016, and, as of December 31, 2019, had returned 67.3% on invested capital. It effectively outperformed its benchmark by 53.2% (simple alpha), which consisted of the 50/50 S&P/TSX Small Cap Index and the Russell 2000 Dynamic Composite Index (see Figure 3 and Table 4). Including un-deployed cash, the portfolio has returned 37.9% since inception, and is still outperforming its benchmark by 23.8%. The excess return was driven largely by the outperformance of our Canadian equities in 2017, U.S. equities in 2018, and both geographies in 2019. Evaluating the portfolio's risk-adjusted performance for the fiscal year (FY) 2017-2018 period yields a Sharpe ratio of 2.31.[1]

More specifically, Enghouse Systems Limited, Five Below, Inc., and TECSYS Inc. were our top three performers since entry, at 88.8%, 80.0%, and 72.6%, respectively (see Table 5). Conversely, Stamps.com Inc., InterDigital Inc., and Brick Brewing Co. Limited have all declined since our entry, at -53.8%, -21.9%, and -10.5%, respectively.

In FY 2019, the Technology and Industrials sectors contributed 7.3% and 5.9%, respectively, to the portfolio's annual 22.1% return on invested capital (see Table 3). Consumer Services and Business Services weighed down performance by -1.6% and -0.0%, respectively (see Table 3).

By December 31, 2019, the portfolio had grown by C$154,302, going from C$1.05M to C$1.2M. This represents a 14.7% growth in total market value (AUM) during FY 2019. (see Table 4).

Figure 3: *Indexed Portfolio Performance versus VBIMP Benchmark*

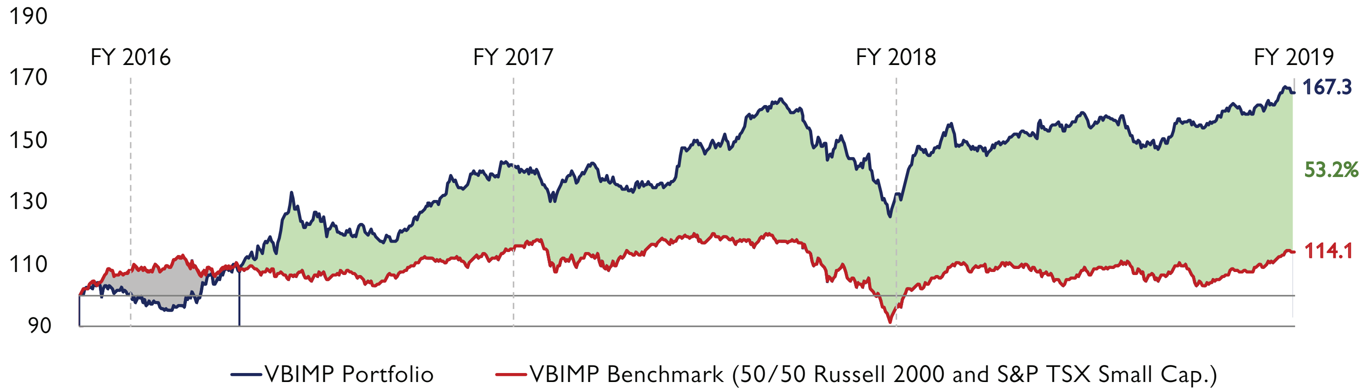


Table 3: *VBIMP Performance by Sector (2019)*

	Q1 2019			Q2 2019			Q3 2019			Q4 2019			FY 2019
RBICS Sector	Return	Weight	Positions	Return	Weight	Positions	Return	Weight	Positions	Return	Weight	Positions	
Technology	2.1%	24.1%	4	0.4%	25.4%	4	(0.3%)	28.1%	5	4.6%	30.7%	5	7.3%
Industrials	1.6%	30.0%	1	3.1%	25.2%	1	(0.4%)	26.9%	1	1.5%	26.6%	2	5.9%
Consumer Cyclicals	(0.8%)	6.2%	2	0.9%	7.4%	1	(0.1%)	8.7%	1	0.9%	8.9%	2	0.9%
Business Services	(0.3%)	8.9%	2	0.4%	9.7%	2	(0.0%)	8.1%	2	(0.1%)	7.3%	2	(0.0%)
Finance	0.4%	6.0%	1	1.4%	7.7%	1	1.9%	8.1%	1	0.4%	8.9%	1	4.4%
Consumer Services	(0.2%)	8.6%	1	0.3%	9.3%	1	(0.1%)	7.8%	1	(1.9%)	5.5%	1	(1.6%)
Consumer Non-Cyclicals	3.9%	16.1%	1	(1.3%)	15.3%	2	(0.5%)	12.4%	2	0.5%	12.1%	2	2.9%
Healthcare	2.4%	-	1	0.0%	-	1	0.0%	-	1	0.0%	-	1	2.4%
Total	9.1%	100.0%	13	5.1%	100.0%	13	0.5%	100.0%	14	5.9%	100.0%	16	22.1%

1 This is based on monthly portfolio returns (ROIC) using GIPS methodology from January 2019 to December 2019, and the risk-free rate of 2.395% using a one-month U.S. Treasury bill as of January 1, 2019.

***Table 4**: VBIMP Performance Summary (2019)*

		Cumulative Quarterly Returns								
	Weight	2018				2019				Annualized Inception to Date Returns
	(%)1	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
VBIMP Portfolio										
VBIMP Fund	100.0%	(1.7%)	3.6%	14.0%	(4.7%)	9.1%	14.7%	15.3%	22.1%	17.8%
VBIMP Benchmark		(4.2%)	2.4%	2.5%	(15.4%)	11.6%	11.4%	10.0%	17.7%	5.7%
Alpha		2.5%	1.2%	11.5%	10.7%	(2.4%)	3.3%	5.3%	4.5%	12.2%
Canadian Equities										
VBIMP Canadian Equity	35.0%	0.3%	(2.2%)	(0.1%)	(16.2%)	12.7%	15.6%	19.8%	26.9%	17.2%
S&P TSX Small Cap		(8.2%)	(2.7%)	(6.0%)	(20.1%)	10.7%	10.4%	9.1%	15.8%	2.0%
Alpha		8.5%	0.5%	5.9%	3.9%	2.0%	5.2%	10.7%	11.1%	15.2%
U.S. Equities										
VBIMP US Equity	29.4%	(7.7%)	5.0%	27.9%	0.9%	8.8%	18.5%	14.6%	23.5%	18.7%
Russell 2000		(0.1%)	7.7%	11.5%	(11.0%)	12.4%	12.4%	10.9%	19.5%	11.1%
Alpha		(7.6%)	(2.7%)	16.3%	11.9%	(3.6%)	6.0%	3.7%	4.0%	7.7%
Cash	35.6%									
Portfolio Value		1,074,364.45	1,110,176.62	1,181,421.82	1,047,659.85	1,119,435.29	1,151,035.88	1,158,102.49	1,201,961.95	+201,961.95
Deployed Capital (%)		59.2%	63.7%	61.2%	62.0%	56.5%	52.7%	62.7%	64.4%	64.4%
Stocks Owned		12	13	14	16	14	13	15	16	16

1 As at December 31, 2019

[2] VBIMP Benchmark consists of 50% S&P TSX Small Cap and 50% Russell 2000

[3] Returns based on invested capital during portfolio ramp-up period

Table 5: *VBIMP Portfolio Holdings and Returns as of December 31, 2019*

	Portfolio Weight	Avg. Cost	Price	Avg. Exit Price	% Return*
Cash	35.6%				
Enghouse Systems Limited	3.0%	26.06	48.18		88.8%
Five Below, Inc.	2.6%	71.64	127.86		80.0%
TECSYS Inc.	5.3%	12.59	21.37		72.6%
Omnicell, Inc.	0.0%	45.32	81.72	83.06	63.4%
Savaria Corporation	0.0%	11.07	13.95	16.60	53.3%
Superior Group of Companies, Inc.	0.0%	18.60	13.54	27.06	47.9%
Tucows Inc.	0.0%	65.96	81.83	96.09	45.6%
Comfort Systems USA, Inc.	6.4%	36.96	49.85		39.5%
Altus Group Limited	2.7%	28.94	37.96		39.3%
Calian Group Ltd.	5.7%	33.00	38.50		23.7%
RE/MAX Holdings, Inc.	3.0%	31.87	38.49		20.8%
Control4 Corporation	0.0%	20.38	-	23.77	15.8%
Hackett Group, Inc.	4.6%	15.20	16.14		13.3%
MYR Group Inc.	2.6%	28.85	32.59		10.1%
Sleep Country Canada Holdings Inc	1.4%	20.82	20.21		(3.0%)
Richelieu Hardware Ltd	6.0%	30.17	27.13		(8.4%)
LCI Industries	4.3%	127.78	107.13		(8.8%)
NFI Group Inc.	2.2%	31.08	26.65		(8.8%)
Recipe Unlimited Corporation	3.5%	22.55	19.48		(9.3%)
Brick Brewing Co. Limited	5.2%	4.08	3.50		(10.5%)
InterDigital, Inc.	5.7%	69.89	54.49		(21.9%)
Stamps.com Inc.	0.0%	206.06	83.52	95.21	(53.8%)

** Return accounts for capital gains (losses), FX translation and accumulated dividends*

Values in local currencies

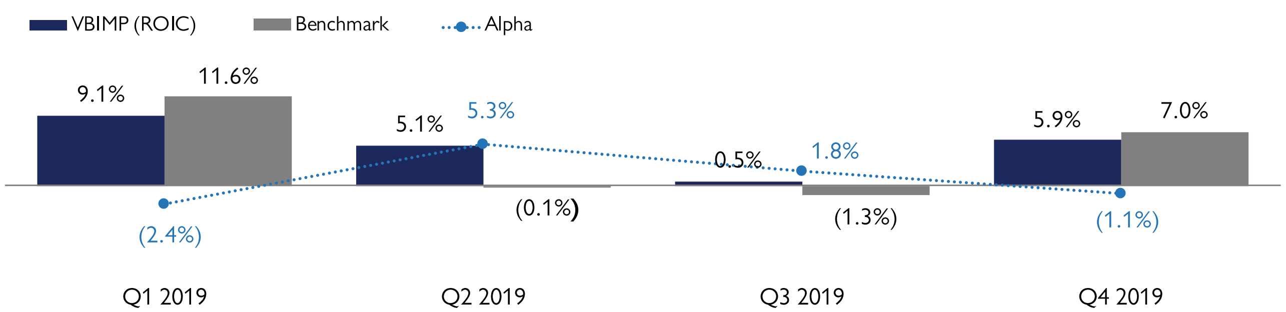
Weights based on total portfolio value (includes restricted cash)

6.2 Quarterly Performance

Over the course of 2019, the VBIMP portfolio outperformed the composite benchmark in Q2 and Q3 by 5.3%, and 1.8%, respectively. It underperformed by -2.4% and -1.1% in Q1 & Q2, respectively (see Figure 4). Overall, the portfolio returned 22.1% in 2019 based on invested capital with an excess return of 4.5% when compared to the 17.7% return of the composite benchmark.

Since inception, the portfolio has outperformed its benchmark of 50/50 Russell 2000/S&P TSX Small Cap composite index eight out of twelve full quarters. In 2019, quarterly outperformance averaged 3.5%, while underperformance averaged 2.4%. Since 2017, the portfolio's quarterly outperformance has averaged 7.0%, versus a 1.7% quarterly underperformance.

Figure 4: *Quarterly Returns (2019)*



Q1 2019

In the first quarter of 2019, the VBIMP portfolio returned 9.1% on invested capital, which provided an excess return of (2.4%) versus the composite benchmark at 11.6% (Figure 4). At the end of the quarter, $632,936 CAD (56.5%) of our capital was deployed, with 42.7% in U.S. equities and 57.3% in Canadian equities, returning 8.8% and 12.7%, respectively (Table 4). Foreign exchange rate fluctuations had a -1.15% impact on the portfolio returns. The sector allocation was: Technology 13.6%, Industrials 11.6%, Consumer Cyclicals 3.4%, Finance 3.4%, Consumer Services 4.9%, Business Services 10.5%, Consumer Non-Cyclicals 9.2%, and Cash 43.4% (Table 2). Considering only invested capital, the sector allocation was: Technology 24.0%, Industrials 20.6%, Consumer Cyclicals 6.0%, Finance 6.0%, Consumer Services 8.6%, Business Services 18.6%, and Consumer Non-Cyclicals 16.2%. Over the quarter, we initiated a position in New Flyer Industries and exited positions in Omnicell, Tecsys, and Stamps.com, the net effect of which resulted in a total of 14 positions. The top performer was Waterloo Brewing, with a 42.5% return, which we attributed to the announcement of a sizable share buyback program and general overselling by the market during the previous quarter. Stamps.com was the bottom performer, with -38.8% following the cancelation of their partnership with USPS, displayed weak quarterly results, and lowered fiscal year guidance.

Q2 2019

In our second quarter of 2019, the VBIMP portfolio returned 5.1% on invested capital, which provided an excess return of 5.3% versus the composite benchmark at (0.1%) (Figure 4). At the end of the quarter, deployed capital was $606,744 CAD (10.7%), with 39.0% in U.S. equities and 61.0% in Canadian equities, returning 11.0% and 2.6% (18.5% and 15.6% cumulatively), respectively (Table 4). Foreign exchange rate fluctuations influenced our returns by 0.6%. The sector allocation was as follows: Technology 13.3%, Industrials 8.3%, Consumer Cyclicals 3.7%, Finance 4.1%, Consumer Services 4.9%, Business Services 10.2%, Consumer Non-Cyclicals 8.1%, and Cash 47.4%. (Table 2). Considering only invested capital, the sector allocation was: Technology 25.3%, Industrials 15.7%, Consumer Cyclicals 7.2%, Business Services 19.3%, Finance 7.7%, Consumer Services 9.4%, and Consumer Non-Cyclicals 15.4%. In the quarter, Control4 was liquidated due to the company being brought private, bringing the total number of holdings to 13. The top performer Control4, with a 40.5% return, entered into an agreement to be taken private by SnapAV in an all-cash deal for $23.91 per share (~40% premium to the last closing price on May 8th). The bottom performer was Waterloo Brewing, with a -9.6% return, which was caught up in a minor market selloff despite strong Q1 results.

Q3 2019

In the third quarter of 2019, the VBIMP portfolio returned 0.5% on invested capital, outperforming the -1.3% return of the composite benchmark by 1.8% (Figure 4). By the end of the quarter, $725,798 CAD (62.7%) of our capital was deployed, with 39.8% in U.S. equities and 60.2% in Canadian equities, which returned -4.8% and 3.7% (14.6% and 19.8% cumulatively), respectively (Table 4). Foreign exchange rate fluctuations negatively influenced our returns by -0.96%. Sector allocation was: Technology 17.6%, Industrials 11.0%, Consumer Cyclicals 5.3%, Finance 5.0%, Consumer Services 4.9%, Business Services 11.0%, Consumer Non-Cyclicals 7.8%, and Cash 37.3% (Table 2). Considering only invested capital, the allocation was: Technology 28.0%, Industrials 17.5%, Consumer Cyclicals 8.5%, Business Services 17.6%, Finance 8.1%, Consumer Services 7.8%, and Consumer Non-Cyclicals 12.5%. Over the quarter, the program initiated positions in MYR Group and Sleep Country Canada, which increased our total holdings to 15. The top performer was Altus Group, with a return of 23.1%, which we attribute to the launch of ARGUS software now on-demand, and the rapid transition of customers from on-premise to cloud. The company also posted solid Q2 results. The bottom performer was New Flyer Industries, with a -23.2% return, which was a result of considerable one-time charges due to the acquisition of Alexander Dennis Limited and losses due to supply chain disruptions, weather-related setbacks, and production delays.

Q4 2019

In the fourth quarter of 2019, the VBIMP portfolio closed out 2019 with a 5.9% return on invested capital, which provided an excess return of (1.1%) versus the composite benchmark of 7.0% (Figure 4). By year-end, $773,823 CAD (64.4%) of our capital was deployed, with 38.9% in U.S. equities and 61.1% in Canadian equities, returning 5.6% and 8.9% (23.5% and 26.9% cumulatively), respectively (Table 4). Foreign exchange rate fluctuations negatively impacted our returns by (0.92%). The sector allocation was: Technology 19.8%, Industrials 10.8%, Consumer Cyclicals 5.6%, Business Services 11.1%, Finance 5.7%, Consumer Services 3.5%, Consumers Non-Cyclicals 7.9%, and Cash 35.6% (Table 2). Considering only invested capital, the allocation was: Technology 30.8%, Industrials 16.8%, Consumer Cyclicals 8.8%, Finance 8.9%, Consumer Services 5.4%, Business Services 17.2%, and Consumer Non-Cyclicals 12.1%. Over the quarter, we initiated positions in RE/MAX Holdings, which increased our total holdings to 16 (Table). In early October, the program added to its position in Tecsys, and subsequently, became the top performer, delivering a strong 40.1% return in the quarter after beating on revenue and earnings per share (EPS) estimates, as well as reporting a 72% increase in total contract value bookings, adding 10 new accounts and 25 new bookings across three continents, and displaying strong market demand for cloud omnichannel fulfillment solutions in retail. The bottom performer was Recipe Unlimited, which posted flat year over year revenue and a 43% decrease in operating income, with same-restaurant revenue down 3.1% (which was the fourth consecutive quarter of decline).

7. Investment Details

Since the VBIMP Portfolio's inception, the program has placed 50 trades, investing in 22 different companies (11 headquartered in the U.S. and 11 in Canada) and exiting six investments.

In Q4 2016, the VBIMP team invested in three companies: TECSYS, Savaria, and Superior Group of Companies, deploying 5.8% of fund capital. By December 31, 2017, the team had deployed 41.6% of total fund capital, placing 13 trades and adding 7 new companies (total of 10 holdings). It added Enghouse Systems, Richelieu Hardware, Comfort Systems, Altus Group, Recipe Unlimited, Calian, and The Hackett Group.

In 2018, the VBIMP team had deployed 62.0% of total fund value, placing 18 trades, adding 8 new companies, and exiting two investments (total of 16 holdings). It added Tucows, Brick Brewing, LCI Industries, Omnicell, Five Below, InterDigital, Control4, and Stamps.com, and exited Savaria and Superior Group of Companies. A summary of the VBIMP Portfolio buy and sell decisions for 2018 is in Figure 5.

In 2019, the VBIMP team had deployed 64.4% of the total fund value, placing 15 trades, adding 4 new companies, and exiting four investments (total of 16 holdings). The program added NFI Group Inc., MYR Group Inc., Sleep Country Canada Holdings Inc., and RE/MAX Holdings Inc., and exited Omnicell Inc., Stamps.com Inc., Tucows Inc., and Control4 Corporation. A summary of the VBIMP Portfolio buy and sell decisions for 2018 is in Figure 6.

Figure 5: *Trade Summary (2018)*

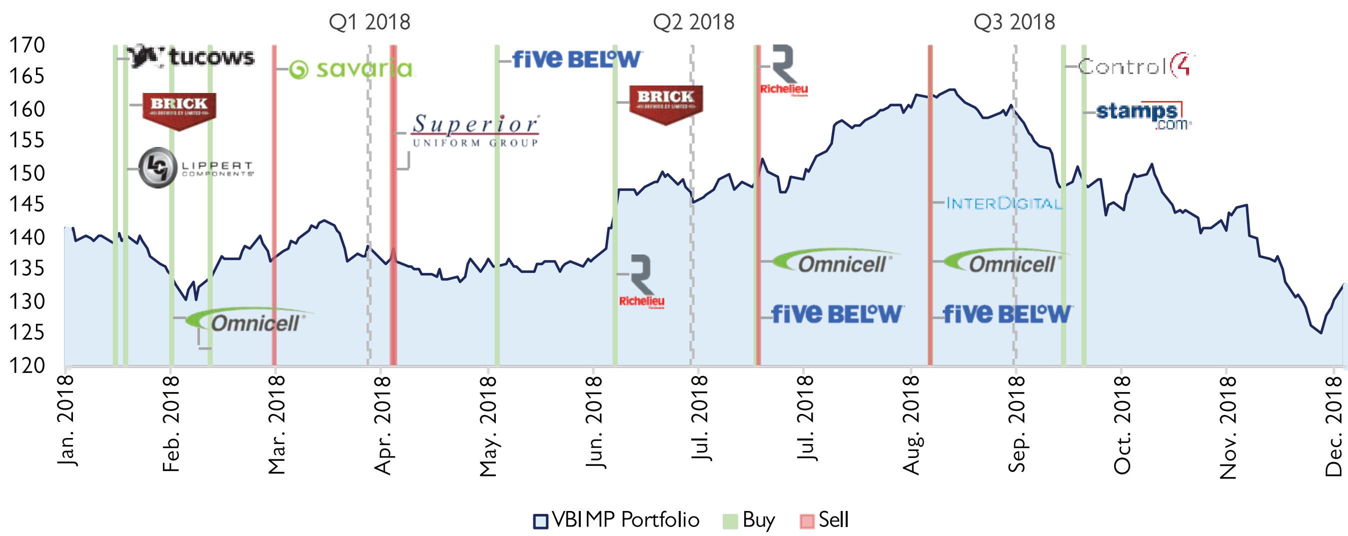
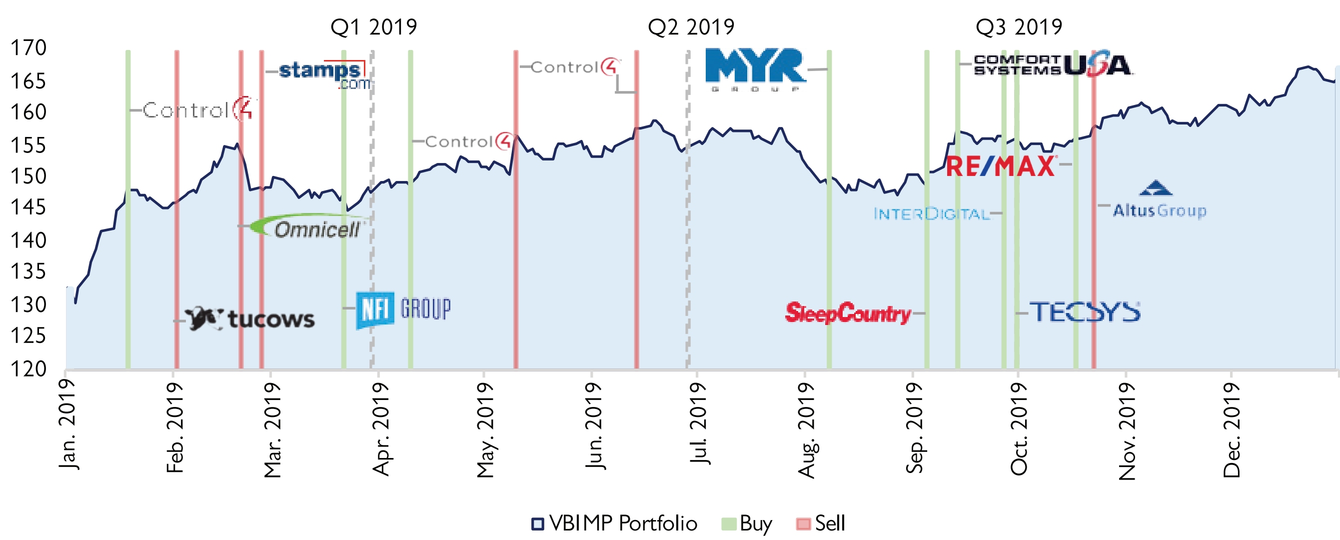


Figure 6: *Trade Summary (2019)*



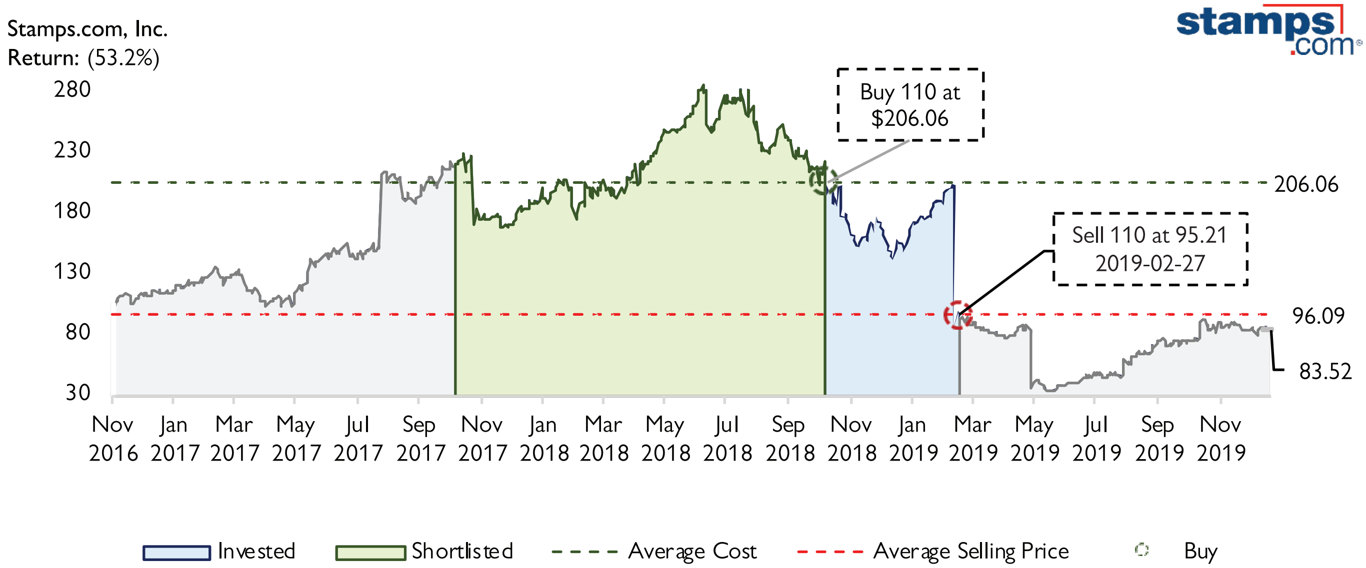
7.1 Discussion of Select Trades

7.2 Stamps.com, Inc.

7.2.1 Company Overview

Stamps.com, Inc. is an internet-based mailing and shipping solution provider. Stamps' enables small businesses, large enterprises, and online retailers to print postage approved by the U.S. Postal Service. Catering mostly to online retailers and SMEs, Stamps employs a multi-faceted growth strategy to maintain its edge, especially in the United States Postal Service (USPS) products and services-based business.

Figure 7: *Stamps.com Inc. Trade Summary*



7.2.2. Investment Thesis

Our initial investment thesis for Stamps Inc. was based on the company's robust business model, a wide MOAT through its exclusive agreement with USPS and an increasing ARPU.

- **Highly efficient business model:** Stamps has benefited from a top-line growth of 33.2% CAGR over the past five years on top of attractive EBITDA and net margins standing at 38.3% and 20.7%, respectively. These impressive financials have most notably been the result of a successful symbiotic relationship with the USPS.
- **Large MOAT:** As the first company to be approved by USPS to act as an online postage reseller, it has had a significant opportunity to establish its market share. Stamps had the luxury of focusing solely on the improvement and expansion of its portfolio of services while rapidly gaining market share due to the highly regulated environment with substantial barriers to entry.
- **Increasing ARPU:** Stamps single interface platform allows for an excellent customer value proposition for shippers, small businesses, and large enterprises by providing up to 20 domestic and international carriers while being able to support customers selling channels. By exploiting the synergies between their different brands, the company has been able to enhance customer monetization further and expand its customer base from 363,000 to 738,000 through organic growth and acquisitions while growing costs at a much smaller pace.

7.2.3. Catalysts

- The development and launch of Stamps CRM and inventory management tools represented a significant opportunity for the company to gain another source of recurring revenue. With Stamp's current customers registry for the basic CRM and inventory management tools, the launch could lead to an estimated increase in revenue growth of 5% to 15%.

7.2.4 Risks

- The company's ability to do business was mainly dependent on Stamps' relationship with the USPS, and by extent, their ability to participate as a reseller and obtain NSAs. Cancellation of these programs by USPS or its regulatory board could significantly affect Stamps.com's revenue generation and reduce its MOAT in a significant way.

7.2.5 VBIMP Commentary

Stamps was initially pitched to the Investment Committee in Q3 2017. We carefully monitored the company and its stock as we were attracted by its high growth potential stemming from its exclusive partnership with the USPS and its outstanding business operations. These advantages permitted Stamps to leverage its client base and obtain a significant discount upon the purchase of stamps in bulk.

We decided to initiate a position in Stamps following its Q3 2018 earnings. We saw an alignment of Stamps' growth rate with the proposal that management had for its international and ARPU expansion. With a large MOAT and premium multiples versus its competitors and peers, we believed that Stamps' history of strong earnings through its successful business operations would lead the company to regain its value and grow into its historical 5-year average EV/EBITDA of 19x.

Following a rapid drop in the stock market in late 2018, we were hesitant to increase or sell our position heading into 2019 as there was a looming risk that the U.S Government might impose a price increase on USPS products. At the same time, Stamps' management decided not to renew its exclusive contract with USPS, which resulted in the realization of one of the most impactful risks VBIMP saw for this company.

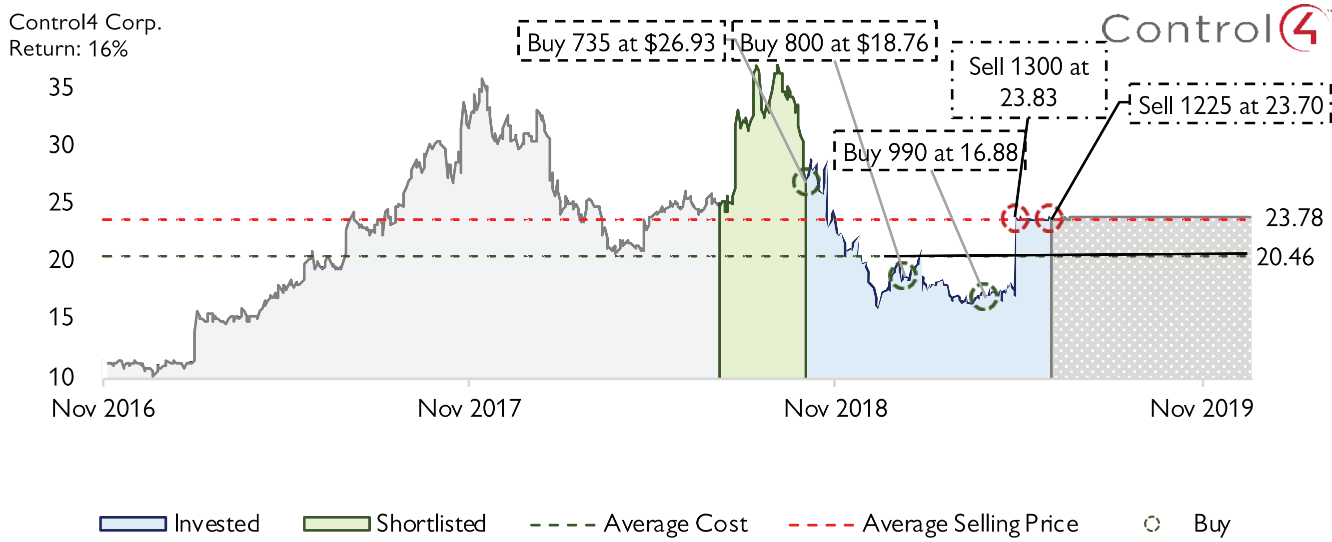
The cancellation of this agreement at the end of February 2019 broke our investment thesis and cut revenue outlook for the company by more than 50%. We disagreed with management's decision to abandon such a large customer. We no longer felt comfortable with the company's position within the internet mailing and shipping solution market following this behaviour. For this reason, we sold our entire position on the first day of trading following the announcement of the dissolution of their USPS contract. Although we ultimately realized a loss on our investment, we moved quickly to sell our position immediately after the announcement to minimize further downside on our Stamps position.

7.3 Control4 Corporation

Company Overview

Control4 Corporation (CTRL) is a smart home and business solutions provider. It is a pure play on connected home technology. It allows its customers to integrate all their connected devices into an automated system making their home and business experience more comfortable, secure, efficient, and enjoyable.

Figure 8: *Control4 Corp. Trade Summary*



7.3.1 Investment Thesis

Our investment thesis was based on the following three pillars:

- **Open ecosystem:** The company's platform integrates, on average, more than 40 devices per household and its technology is currently interoperable with over 11,700 third-party devices. Its SDDP technology strengthens and expands Control4's ecosystem. This integration is important as device manufacturers worldwide are increasingly recognizing the value of making their products SDDP-enabled. The lack of or insufficient interoperability of connected home devices is one of the main barriers of technology adoption. Control4's strategy of an open ecosystem drives the industry and reinforces its robust leading position.
- **Scalable and diverse dealership network:** Through a growing network of 5,600 independent dealers and distributors, each having local presence and expertise, Control4 caters to clients in over 100 countries. Control4 works closely with its partners to efficiently expand the network and equip it with a best-in-class market offering. The company continues to invest in marketing, product training, installation best practices, as well as numerous programs to attract and secure new business. Its dealer network is scalable and has immense room to grow both the number of partners and revenue per dealer across all its markets.
- **Best-in-class solutions:** Control4 gains its edge by focusing its ongoing efforts on product quality and innovation through its investment in R&D. The superiority of Control4's solutions and its brand leadership provide the company with a pricing power that is substantiated by premium price points and higher margins. Its commitment to a superior market offering is solidified through its extensive award reception from various industry groups.

7.3.2 Catalysts

The launch of Control4's 140 certified showrooms in 25 cities across the globe revolutionizes how people learn about, experience, and interact with Control4 smart home solutions. The program is designed to direct homeowners, architects, and designers in the market for smart home solutions to a specialized showroom where they can experience Control4 solutions in an ideal environment and, by extent, find the right installation partner for their needs. The fully equipped showrooms that are entirely financed by dealers will result in a notable increase in the volume of business for Control4 and its brand recognition.

7.3.3 VBIMP Commentary

We came across Control4 in Q2 2018 and were impressed by the company's growth prospects, business model and unit economics, residential and commercial market opportunities, and attractive valuation levels. These factors subsequently led to initiating a position in the stock in October 2018 after a noticeable drop in the share price. Shortly thereafter, management reported weak forward guidance, putting further pressure on the stock price, even though they reported satisfactory Q4 results.

After a careful analysis of the headwinds, investment thesis, and valuation assumptions, we concluded that the current depressed price of CTRL was not justified and increased our position in the first months of 2019, averaging down our cost basis. Although the slowdown in new housing and the US-China tensions created a turbulent environment for the connected-home solutions market, we remained confident in the long-term opportunities in the industry. We believed Control4 was the leading provider of the professionally installed home automation solutions and the best choice to play the wave of the IoT revolution. The company expanded its dealer network from 5,600 independent dealers when the company was pitched to the investment committee to over 6,000. Likewise, its solutions were now interoperable with over 13,000 third party products, an impressive total of 1,300 additions in the same time frame.

On May 9th, 2019, Control4 entered into an agreement to be taken private in an all-cash deal by SnapAV, backed by the private equity firm Hellman & Friedman, at a 40% premium to the last closing price of $23.91. The board of directors of Control4 unanimously approved the decision and recommended for shareholders to vote in favour of the transaction. The BOD would conduct a 30-day "go-shop" process to actively solicit competing bids. However, Control4's stock ceased to diverge from the approved transaction price following the announcement, implying the market considered the deal practically done. On June 11th, the Federal Trade Commission and Australia Foreign Investment Review Board approved the transaction. Two days later, while the deal remained subject to shareholder approval, we liquidated the remainder of our holdings and realized a 16% return in the 8-month holding period. Shortly after, Control4 was successfully bought out by SnapAV.

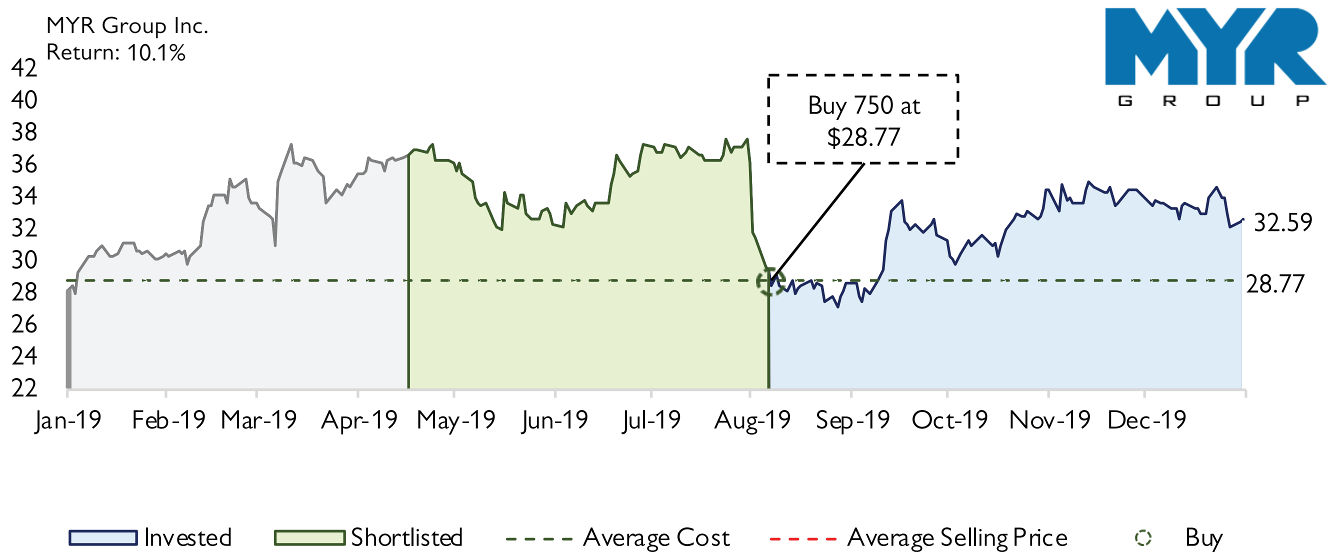
It is worth noting that we did not approve of the deal, given the low consideration awarded to Control4's shareholders. We believe the purchase price for Control4 was not representative of the company's best-in-class solutions and long-term growth prospect. We can only speculate on the reasons why the board did not push for a more generous consideration, given the recent underperformance that left many investors underwater despite the 40% premium.

7.4 MYR Group Inc.

7.4.1 Company Overview

MYR Group Inc. is a pure play specialty electric contractor. They provide design, engineering, construction, upgrade, maintenance, and repair services for public and private utilities, power generation markets, and public and private infrastructure clients.

Figure 9: *MYR Group Inc. Trade Summary*



7.4.2. Investment Thesis

Our investment thesis for MYR Group relied on three specific thesis points:

- **Ageing Electrical Infrastructure:** There is an increasing demand for system reliability and replacement of the ageing grids. MYRG has an excellent execution track record in completing electrical construction contracts efficiently and on time. They have been in business for over 100 years and maintain relationships with the most important public and private utility companies.
- **Shifting Power Mix:** Hundreds of coal plants will be retired soon in the United States. New power generation capacity, primarily renewable energy, presents an opportunity for MYRG to bid on the projects as these power sources will need to be connected to the grid.
- **Favourable infrastructure regulation and spending trends:** Regional trends and increased infrastructure spending on roads, bridges, airports, hospitals, and data centres planning by both the public and private sector mean more favourable bidding opportunities and fairer, more reasonable pricing for MYRG. These types of projects with demanding environments are a specialty of MYR Group.

7.4.3 Catalysts

Our catalysts revolved around two specific points. MYR Group's highly specialized workforce and expertise are winning them projects in high margin businesses, especially for the C&I segment. Coupled with the accelerating grid replacement in the United States, MYR Group was poised for both short-term and long-term financial outperformance.

7.4.4 VBIMP Commentary

We came across MYR Group in Q1 2019 and were impressed by the company's robust organic growth, acquisition pipeline, and favourable industry trends. Following poor Q2 2019 results, driven largely by cost overruns in one of their larger projects, the stock pulled back significantly.

The company's costs overrun were related to project delays that were exacerbated by poor weather conditions throughout the first half of 2019. In addition, their profitability was impacted by their recent acquisitions. That said, the VBIMP team was expecting the impact coming into the quarter.

After rigorous due diligence and discussions with various sell-side analysts, we concluded that the poor results exhibited were largely one-time in nature. While the market often tends to have a one- to two-year outlook, our investment philosophy focuses on a 5-year horizon. This fundamental difference in investment philosophy allows us to capitalize on short-term price movements to enter at attractive levels.

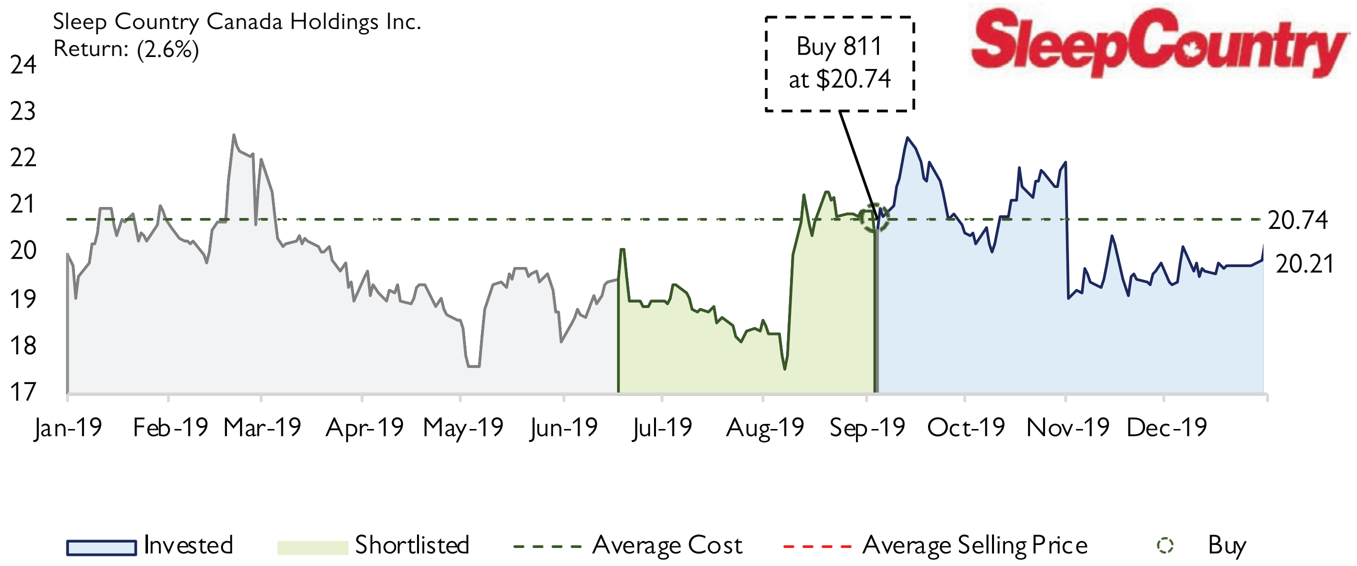
Following heated discussions surrounding the stock's underperformance, we decided to initiate a position in MYR Group. We felt that the stock's performance was clearly out of synch with the business' long-term prospects. Our theory was confirmed in the subsequent quarter; the company reported stellar results, with both organic growth and margins recovering nicely from their Q2 2019 levels.

7.5 Sleep Country Canada Holdings Inc.

7.5.1 Company Overview

Sleep Country Canada is the largest retailer of mattresses and sleep accessories in Canada. These include adjustable lifestyle bases, pillows, duvets, sheets, headboards, frames, mattress/pillow protectors, and weighted blankets. The company also has a large presence in the mattress-in-a-box industry, with popular brands such as Endy, Bloom, and Simba under its banner.

Figure 10: *Sleep Country Canada Holdings Inc. Trade Summary*



7.5.2 Investment Thesis

Our investment thesis with Sleep Country was a combination of existing competitive advantages and those that they were in the process of investing in.

- **Sleep Country has a dominant market position** in a niche industry. At the time of the initial report, the company had 31% market share in the Canadian mattress and sleep industry. Their share has been growing at an 8% CAGR for the previous 5 years. There are no other mattress stores that specialize as much as Sleep Country does in the category of sleep.
- **Sleep Country is pursuing an omni channel strategy** to sell mattresses and sleep accessories. At the time of the report, there were 265 physical Sleep Country stores across Canada, which made them available to almost every metropolitan neighborhood. At the same time, Sleep Country was investing in its online presence to take advantage of the online mattress-selling potential. They made a gargantuan move to purchase Endy for $88M in 2018, a Canadian mattress-in-a-box start-up. At the time, Endy was one of the fastest growing start-ups in Canada. Since then, Sleep Country has made numerous more investments in their online presence, leveraging Endy's best-in-class digital marketing and ecommerce expertise. They aim to meet customers wherever they want to shop, whether that be online or in a store.
- **New store openings and existing store redesigns** drive traffic, conversion, and increased accessory purchases. At the time of the initial report, Sleep Country was in the midst of a dramatic store renovation project, on the road to upgrading all of their existing stores to a new design that highlights higher-margin accessories and makes the overall shopping experience more enjoyable for the customer. Sleep Country has impressive store economics, with each one being able to pay back the initial investment in about a year, and upgraded stores delivering 300bps more of same store sales over their legacy counterparts.

7.5.3 Catalysts

Sleep Country was in the middle of a lot of exciting projects at the time of initiation. They were investing hugely into upgrading their internal POS system, a complete revamp of their website to make it easier for both customers and vendors to navigate all on Oracle's cloud, a new inventory management system, and additional advertising and sales training. This is all on top of the new store openings, legacy store redesigns, and investments in mattress-in-a-box. We believe management is pursuing the right strategies to transition itself to the retailer the future and to retain and grow market share.

7.5.4 VBIMP Commentary

As a program that looks at North American stocks with large competitive advantages and a long runway for growth, Sleep Country was an obvious choice to consider. They are well known across the country and are proudly a Canadian made brand. You can drive down every major city street and find a Sleep Country (or Dormez-Vous? in Quebec) store. They have operated in Canada since 1994 but have only been public in its current state since 2015. The stock was trading at an EV/EBITDA multiple of 7.4x in mid-2019, far below its long-term average of about 10.9x. In the middle of 2017, ZZZ was trading near $40. As at mid-2019, the stock was around $19. We believe this was due to the disappointing same store sales growth prints they were showing in 2018 and 2019, at some points heading into negative territory. There was a lot of pessimism baked into the stock. Investors were not entirely sure of the brick and mortar exposure of the company, especially in light of the dramatic switch to ecommerce business models.

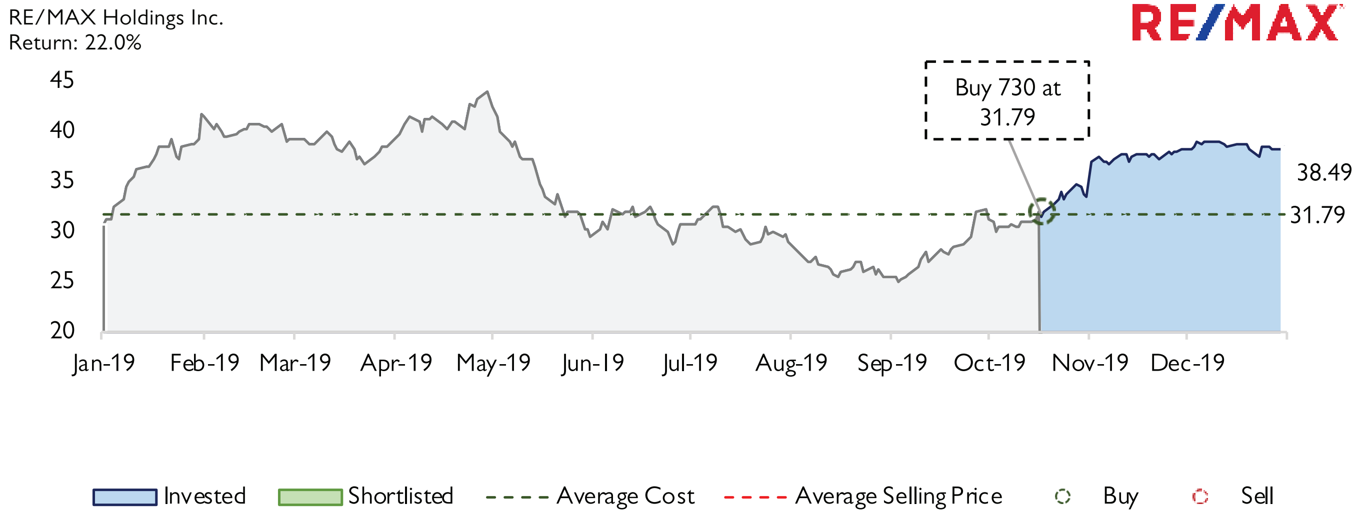
Management's response to this showcases their ability to think on their feet and adapt to the changing times. This is when they got serious about the burgeoning online mattress-in-a-box model with their acquisition of Endy, which is an obviously accretive addition to their existing sleep business. We think that this retailer will continue to be Canadian's #1 choice for sleep shopping and are excited to see this stock compound for the long term and continue to take market share. The VBIMP added ZZZ to the portfolio for the first time on September 4, 2019 at an average price of $20.74. At the end of CY2019, the stock was trading at $20.21.

7.6 RE/MAX Holdings Inc.

7.6.1 Company Overview

RE/MAX is a pure franchisor of residential real estate and mortgage brokerages. Its network includes over 127,000 agents operating in more than 8,200 offices located in 118 countries and territories. RE/MAX's operates its U.S. mortgage brokerages under the brand Motto Mortgage.

Figure 11: *RE/MAX Holdings Inc. Trade Summary*



7.6.2 Investment Thesis

Our investment thesis is based on RE/MAX's robust operating model. The company's experienced management team has leveraged this strength to gain a superior position in the industry.

- **RE/MAX pioneered the industry with a commission split structure** that appeals to the most productive agents who are well-incentivized to outperform the competition 2 to 1. RE/MAX boasts an extremely high retention rate among its agents, securing a healthy operating leverage, given the highly productive nature of their agents.
- **RE/MAX has wielded its franchising nature to provide two clear advantages:** a high proportion of recurring revenue and low fixed costs and capital requirements. Together, these advantages yield consistently high margins and cash flows. It also gives RE/MAX a robust base of recurring revenue that stands out more than ever amid the housing market drawdowns.
- **Motto Mortgage operates a similar business model to its parent RE/MAX** and is well-positioned to disrupt the mortgage industry. RE/MAX continues to capitalize on this advantage of being the only national mortgage brokerage franchisor. Motto has substantial growth opportunities within RE/MAX real estate brokerages as well outside the brand, although the lion's share of the franchises is sold to RE/MAX affiliates.

7.6.3 Catalysts

At the outset, RE/MAX pursued an accelerated growth model by selling regional master franchise rights to independent owners in certain regions. A typical term of a master agreement was 20 years with up to three renewal options. The independent franchise owners have exclusive rights to sell franchises in their regions and earn a larger share of commissions that RE/MAX would receive otherwise. The company has since ceased this practice in its North American operations and has in fact began to repurchase the franchiser rights for these independent regions in its two core markets.

These acquisitions are very compelling to RE/MAX as it will normalize the average annual revenue per independent region agent by about 3.5x from $750 to the average annual revenue per company-owned region agent of $2,650.

7.6.4 VBIMP Commentary

We came across this company towards the latter stages of Q2 2019. We were impressed by the operating model and the recent price performance accentuated our curiosity in the company. We believed an opportunity had presented itself given the robust nature of recurring revenues and the discount to its intrinsic value. First, we had to identify the reasons for weakness in price performance. At that point, there had been a generally negative macro housing data for 16 consecutive months. Although this is a strong risk to contemplate, the VBIMP philosophy focuses on what the company can do to mitigate such outside factors. This led us to weigh the impact of such macro data against RE/MAX's franchise model and highly recurring revenues. We were satisfied and convinced in the business model and decided to pursue the company.

During the pitch to the investment committee, one of the members of the board pointed out an overlooked risk factor; namely, the threat stemming from Compass, an emerging player attempting to disrupt the industry and luring agents from traditional brokerages, by offering them better rates on commissions. Even though this strategy leaves Compass with severe net losses, the market has not been overly punishing to such companies as of late, and Compass is able to pursue more capital to fuel its aggressive growth. In light of this information, the lead fund manager countered that while this is a strong threat that we underestimated, RE/MAX boasts a long tenure on most of its agent base, making them loyal. Furthermore, RE/MAX's brand is a powerful asset for any seasoned real estate agent to wield. Forgoing this brand prowess is not a decision most RE/MAX agents will be comfortable making.

Upon approval of the stock by our investment committee, we initiated our position in RE/MAX right at the market open. We had taken on a 2% position in the stock, or 7340 shares at $31.79 USD. RE/MAX proceeded to report solid results for Q3 2019. We were encouraged to see the management team confirming the existence of a positive trend in the housing market as shown in industry data. Despite another quarter of negative growth in North American agent count, we were pleased to see signs of stabilization in the decline, as well as management initiatives to market more aggressively. This strategy was well received by us as we knew that the average North American agent stays with RE/MAX for a long period of time. This means that the short-term marketing costs to acquire agents have a long-term payoff rooted in the company's excellent operating leverage.

By the end of 2019, our investment in RE/MAX had appreciated by roughly 20%. Our investment thesis remained intact, and our conviction in their compelling set of durable competitive advantages remained strong.

8. Life in the VBIMP

8.1 Investment Committee Meetings

Our Investment Committee meetings take place on a quarterly basis. At these meetings, the students update the Investment Committee members on the performance of the fund and of particular stocks in the portfolio. They also have the opportunity to pitch new stocks.

Before a stock pitch, students complete an in-depth report that includes a company overview, industry analysis, investment thesis, summary of risks and challenges, and a detailed valuation model. The stock pitch is sent to the Investment Committee at least two weeks before the meeting to ensure sufficient time for review. Each pitch is about 10 minutes in length and offers the students a valuable opportunity to sharpen their presentation skills. Following the stock pitch, the Investment Committee members ask detailed and challenging questions about the stock, and the presenter must respond on the spot while defending the investment idea. The Investment Committee members then vote on whether to include the stock on a short-list. Final approval on portfolio inclusion is at the Fund Managers' discretion. They decide on the timing and the portfolio weight. Students pitch up to three stocks at each quarterly meeting.

8.2 Van Berkom and Associates Inc. Top Management Sessions

Van Berkom and Associates Inc. (VBA) has extended invitations to the VBIMP team to participate in meetings at VBA that host top management of companies (or competitors of companies) being evaluated by the team. These sessions provide an opportunity to interact directly with top management and allow us to perform a more thorough due diligence and obtain a deeper understanding of the companies under consideration. In the following, we describe sessions held with top management of Calian Group and Winnebago.

8.2.1 Calian Group

We met with Calian Group's CEO, Kevin Ford, and their CFO, Jacqueline Gauthier, as well as Gabriel Bouchard and Benoit Durand from Van Berkom and Associates Inc. During the first hour of Gabriel and Benoit's questioning, our confidence in Calian's capabilities regarding product portfolio innovation and expansion through R&D and acquisitions, which we believe puts them well ahead of the competition, was reinforced. We were also pleased to hear how they emphasize culture and alignment through all levels, because of their heavy reliance on skilled workers.

During our subsequent period of questioning, we sought clarity on their ability to perform during a downturn, given market sentiment at the time. Additionally, since the new Liberal Party budget had reduced national defense spending, we wanted to ascertain how they planned to continue growing.

The management team did not hesitate to tell us that they did not fear either downturns or reduced spending. They explained that, because their offerings are so diverse, they believe they could lose an entire division and make up for it with one of their other divisions. Additionally, due to the size of recent DND projects, they have seen fewer competing bids, as other firms are unable to handle the contract requirements.

Following the meeting, we were solidly reassured about our position in Calian Group.

8.2.2 Winnebago

VBIMP took a position in LCII just before the RV industry was hit with very negative analyst reports. Thus, Van Berkom and Associates Inc. invited us to participate in a meeting with Winnebago's management, alongside Owen Gibbons, in order to obtain further clarity on the reports.

During our questioning, we remained doubtful about the content of these reports and about the severity of the cloud that looms over the industry. However, the company was investing in growth, they were not particularly concerned about decreases in demand, and they provided sensible reasoning for the poor sentiment. They noted that the strongest selling season was coming up, and they expected above-average demand from the southern regions to more than offset slower sales in the northern regions due to unusually cold weather. Increasing inventory levels, which were the main driver of the apparent decreasing demand, were identified as reasonable for their level of revenue growth. This was later supported by our calculations.

After the meeting, we maintained our position in LCII. However, the stock continued to fall, due to uncertainty about the ability to pass on increased input pricing to customers. Winnebago's management had identified this as a risk. In their case, they were at least secure in terms of production volume due to supply contracts.

8.3 Management Calls and Meetings

The VBIMP requires that all investments have a strong management team. One of the most useful tools and most valuable learning opportunities lies in discussions with management. Throughout 2017, 2018, and 2019 the team has frequently contacted the top management teams of nearly all the investment opportunities screened. The next section describes select management calls and meetings.

8.3.1 Richelieu Hardware

Prior to making a final investment decision about Richelieu Hardware, we arranged to meet with the CFO, Antoine Auclair. Our objective was to obtain a sense of management's vision for the company, and how they planned to continue their extremely thoughtful expansion plan.

Mr. Auclair instilled great confidence in us about the company's ability to achieve its goals by outlining their supply contracts with Amazon, their continuously expanding and innovative product portfolio, an increased online presence with thoughtful physical locations, astounding fill rates with no obsolescence, and a continued focus on responsiveness throughout their expansion. Moreover, he illustrated the type of organizational alignment that drives such success with a simple display of camaraderie. While walking through the warehouse, an employee jokingly asked him, "Hey Antoine, my stock is only up $0.30 today, what's going on?" A C-level executive having everyday conversations with warehouse employees and office workers promotes support at all levels of the firm, and this was evident in the atmosphere.

Given this visit, we were even more impressed by an already impressive company, and made the decision to take a position in the stock.

8.3.2 Waterloo Brewing (Formerly Brick Brewing)

As we were analyzing Brick Brewing, we found we needed clarification on a few items from management prior to making an investment decision. At the time, Brick had just completed an expansion and full integration of their facilities. A CFO transition was also imminent, as David Birch was preparing to take over from Sean Byrne. Additionally, the legalization of marijuana threatened the industry's demand environment.

We were immediately reassured of Sean Byrne's succession planning because David Birch was also present on the call, months before his start date, to answer whatever questions we had. Mr. Byrne informed us that Mr. Birch would be working alongside him every day until his departure. The alignment between the management team, and the excitement surrounding their Waterloo and Landshark brands, was evident, which instilled great confidence around the handoff.

The new facility boasted many new efficiencies and additional capabilities. It also greatly expanded capacity and increased overhead. Mr. Byrne explained that they had found another co-packaging client to help with their upcoming $3.5 million expansion, increasing their bottling capacity by 150,000HL to 400,000HL as of May 2018. That news had only been released that morning. They had indicated to a client that they lacked about 15% of the capacity to service them, and the client was willing to help in return for their delivery on quality. Considering that they had successfully weathered a similar situation in the past (with Mott's), we were immediately satisfied with their ability to fill the excess capacity.

The legalization of marijuana was a potential major threat to the industry overall because there was some concern as to whether marijuana would ultimately complement or substitute for alcohol products. In Washington and Colorado, where the recreational use of marijuana had been legalized, the alcohol market had seen a decline, mostly due to a rise in value beer sales. Mr. Byrne reassured us that the strength of the black market for marijuana in Canada would likely have already cannibalized alcohol sales, and that perhaps this was an opportunity for them to move into infused drinks with partners such as Molson.

Following our conversation with the CFOs, we were confident in our decision to invest at our target price, which we actually increased due to the information around the ability to fill capacity.

9. Program Creation Process

9.1 Stephen A. Jarislowsky Fellowship

From left to right: Concordia's former President Alan Shepard; Stéphane Brutus, former interim dean, John Molson School of Business; J. Sebastian van Berkom, president and CEO, Van Berkom and Associates Inc.; Stephen A. Jarislowsky, founder and chairman of the board, Jarislowsky Fraser: Global Investment Management; Bram Freedman, vice-president, Advancement and External Relations

The Stephen A. Jarislowsky Fellowship was established during the creation of the VBIMP. The fellowship program was announced and celebrated with a ceremony at JMSB in May 2016 that included prominent guests such as Stephen A. Jarislowsky, the program donor, J. Sebastian van Berkom, as well as Concordia's former President Alan Shepard, and former interim dean Stéphane Brutus. Graduates from the VBIMP will become Fellows under the Stephen A. Jarislowsky Fellowship.

9.2 Mentor Cocktail Meeting

From left to right: Martin Landry (Stifel GMP), Dominic Beauregard (CN Investment Division), Steve DiGregorio (Canoe Financial), Evelyn L'Archevêque (Montrusco Bolton), J. Sebastien van Berkom (Van Berkom and Associates Inc.), Melissa Papanayotou (Letko Brosseau), Martin Tzakov (Pembroke), Charles Haggar (Formula Growth Ltd), Sain Godil (Global Alpha Capital)

The VBIMP hosted a mentor's event, with over half a dozen industry professionals who specialize in the coverage of equities in the U.S., Canada, and Asia. The event was organized to offer students the opportunity to meet and interact with their prospective mentors. Over their two years in the program, students have exclusive access to successful portfolio managers and equity research analysts based in Montreal and Toronto, whose expertise is scattered across a wide spectrum of industries. The mentors play a crucial role in the success of the program by guiding students through their development and helping them navigate different market cycles. The industry exposure students garner helps them hone their understanding of different sectors and widen their knowledge of capital markets.

The mentors who attended represented a diverse base of firms, including Lester Asset Management, Walter Financial, Canoe Financial, Montrusco Bolton, Gildan, CDPQ, Dynamic Funds, TD Securities, Global Alpha, GMP, CN, Formula Growth, Pembroke, and Giverny Capital. ≠This first meeting left a highly positive impression on the students, who appreciated the wealth of information these long-time practitioners could provide, along with their welcoming and amiable personalities. The mentors' feedback following the event seemed to indicate that they reciprocated the students' good opinions. They found the VBIMP students to be well prepared and to have a significant head start due to their involvement in the program. Being part of an organization that acts as a bridge between academia and practice is a somewhat rare opportunity, and the mentors felt it would significantly enhance the candidates' value once they join the job market.

After this launch event for the mentorship program, the mentors held one-on-one sessions with the students. The goal of these sessions is to nurture a relationship in a setting where there are no limitations imposed on topics discussed. Having industry veterans as a resource by their side allows students to develop a set of hard and soft skills that will be invaluable in today's market. Everything learned is aimed toward elevating the Research Associates' and Fund Managers' skills, and helping them become more well-rounded analysts. In any context outside the program, it is nearly impossible for an individual (especially during her or his university years) to have such close contact with an industry insider. For that reason, the VBIMP is extremely proud of being able to offer a platform where, each year, a new group of students gets valuable access to its network of professionals.

9.3 Mentor Cocktail Meeting

On September 25, 2019 Concordia University invited Mr. van Berkom to speak to students motivated to learn more about small cap investing, investing in general, and the story of how the founder and CEO of van Berkom and Associates Inc. (VBA) went on to build his firm. Mr. van Berkom described his personal investing experience investing which began long before starting his career at the Bell Canada Pension Fund in 1971. Students learned that he became a Partner of LRM Investment Management, and in 1984 co-founded Montrusco Bolton Investments. Mr. van Berkom then proceeded by explaining his personal investment philosophy, which VBA has been founded upon. Specifically, VBA looks for companies that have outstanding management teams, sustainable competitive advantages, strong operating cash flows, and high returns on capital. Since the team at VBA are fundamental bottom-up stock pickers, and stocks must be trading at a significant discount to intrinsic value for a position to be initiated.

Students were also provided with the possibility to ask questions to Mr. van Berkom, who in every instance responded with the same level of excitement that small cap investing brings in his daily life. The afternoon was followed by a networking session where students could personally converse with Mr. van Berkom and amongst each other to not only dive deeper into more distinct areas of small cap investing, but to get to know one another more personally.

10. Investment Committee Members

From left to right: Owen Gibbons, Philippe Hynes, Gabriel Bouchard Phillips, Judith Kavanagh, Stephen Hui, Ann-Maureen Hennessy, J. Sebastian van Berkom, and Donald Walcott

10.1 J. Sebastian van Berkom

J. Sebastian van Berkom, B.Comm., LL.D. founded Van Berkom and Associates Inc. (VBA) in 1991 and is Chairman, President and Chief Executive Officer. He is also Chairman, President and Chief Executive Officer and Responsible Officer (RO) of Van Berkom Golden Dragon Limited (VBGD) in Hong Kong that was incorporated on February 22, 2012.

In his roles, J. Sebastian van Berkom ensures that the investment philosophy, process and disciplines at VBA and VBGD are properly implemented, resourced and incented. His investment career commenced in 1971 at the Bell Canada Pension Fund. In 1979, he became a Partner of LRM Investment Management, and in 1984 co-founded Montrusco Bolton Investments Inc. He has won the Small-Cap Manager of the Year Award in 1997 and was a Finalist at the Annual Ernst & Young Entrepreneur of the Year Awards in 1998. In 2003, he funded the Van Berkom Endowed Chair in Small-Cap Equities at the John Molson School of Business at Concordia University in Montreal. In 2005, he became a Founding Director of the Institute for Governance of Private and Public Organizations in Canada (IGOPP), and on August 29, 2010, he was appointed to the Audit and Investment Committees. In December 2013, he was appointed President of the Investment Committee.

In 2011, he funded the Van Berkom JMSB Small-Cap Case Competition at Concordia. On February 19, 2013, J. Sebastian van Berkom was appointed to the Investment Committee of the Montreal Children's Hospital Foundation. On November 28, 2014, J. Sebastian funded the Van Berkom Small-Cap Investment Management Program at the John Molson School of Business with C$1 million to provide real funds to invest in North American small capitalization stocks using VBA's time proven investment philosophy.

Since September 16, 2015, the Stephen A. Jarislowsky Fellowship was established under the VBIMP at the JMSB at Concordia. On June 6, 2017, J. Sebastian van Berkom received an Honorary Doctor of Laws Degree (honoris causa) from Concordia University.

10.2 Gabriel Bouchard Philips, CFA

Gabriel Bouchard Phillips is a Partner and Portfolio Manager at Van Berkom and Associates for a $2.2 billion GARP-focused Canadian small-cap equity portfolio. Sectors of coverage include information technology, industrials and manufacturing, consumer discretionary and staples, media, telecom, infrastructure and engineering and special situations. Gabriel was the recipient of the Brendon Wood TopGun award from 2014-2018.

10.3 Owen Gibbons

Owen Gibbons, MPhil, CIM is Partner, Lead Portfolio Manager, U.S. Small-Mid-Cap Equities and was promoted to this position effective in early 2017. In January 2014, Owen was promoted to Portfolio Manager, U.S. Small-Cap Equities. He is responsible for all investment decisions related to this product, as well as the management of the U.S. Small-Mid-Cap Equity Team including the marketing and servicing of this product. He is also responsible for conducting research on a broad spectrum of the U.S. small-mid-cap equity markets. Prior to joining VBA in 2009, Owen worked over a 10-year period as a buy-side and sell-side Investment Analyst for Morgan Stanley, Deutsche Asset Management and as Vice-President, Global Equities at Natcan Investment Management Inc.

10.4 Ann-Maureen Hennessy

Ann-Maureen Hennessy received an MBA International Finance - HEC (Montreal). She has been teaching in the Finance Department of the John Molson School of Business since 2012. Ann-Maureen has over 35 years experience as a manager of investment and private placements portfolios for a number of the larger Canadian pension funds (Caisse de Depot et Placement, Bimcor, Imasco). Her primary focus during this period was the management of small cap Canadian and U. S. Portfolios with a primary focus on the U. S. small cap market. In her role as manager of Private Placements she served on the Board of Directors of two oil and gas companies (Dome-Mesa Carve-Out and Guard Resources) over a five-year period. Ann-Maureen was also a Board Member at Desautel Capital Management (McGill University) from 2011 - 2013 and Chairman of the Board 2013 -2015

10.5 Stephen Hui, CFA

Stephen Hui, CFA is a partner and portfolio manager at Pembroke Management Ltd., a boutique investment firm focused on investing in North American small and mid-cap growth stocks. He has been named as a TopGun Investment Mind by Brendan Wood International on several occasions, most recently in 2017. Stephen joined Pembroke in 2000 after graduating from the University of British Columbia with a Bachelor of Commerce degree in 2000 as a Leslie Wong Fellow, and is a CFA charterholder.

10.6 Philippe Hynes

Philippe Hynes joined Tonus Capital in 2009 and has been the President since 2011. Before joining Tonus Capital, Philippe Hynes was partner of Van Berkom & Associates Inc. (VBA), where he was a member of the U.S. small-caps team. His main duty was finding and analyzing U.S. companies with a market capitalization of less than US$3 billion in which to invest.

Philippe has also worked for Standard Life Investments as a research analyst in the oil and gas sector and for the Caisse Centrale Desjardins in the Treasury Department. He is also an adjunct faculty member at Concordia University's John Molson School of Business, where he teaches a class in practical equity analysis and portfolio management.

Philippe holds a master's degree from the École des hautes études commerciales (HEC, Montreal) and a Bachelor's Degree in Finance from Concordia University. He obtained his CFA designation in 2004 and is a member of the Montreal CFA Association.

10.7 Michael Shannon

Michael Shannon has over 30 years of financial and investment management experience. Prior to retiring, he was a sector generalist focusing on North American publicly traded equities for individual and institutional accounts. Mike conducted thousands of interviews with senior executives of public and private companies, focusing on the strategic and tactical merits of investing in their companies, including in-depth analysis of their company financial metrics. He has significant experience cultivating and managing client relationships which should translate directly in providing key feedback to the students of the Program.

10.8 Donald Walcot

Donald Walcot is a graduate of McGill University, has a Master's degree in Business Administration from the University of Western Ontario, and is a CFA charterholder. From 1968 to 1987 he held several investment positions at Ontario Hydro, culminating in the position of Assistant Treasurer and Pension Fund Investments. In 1987, he joined Sun Life Investment Management Ltd as President and Chief Executive Officer. In 1992, he returned to Montreal as Chief Investment Officer of Bimcor, a position from which he retired in 2004. Donald Walcott was also a member and chair of numerous pension investment committees and boards, including McConnell Foundation, McGill University, Concordia University, York University, Ontario Workers Safety and Insurance Board, Invesco Trimark, Imasco.

11. Mentors

In 2017, the VBIMP launched its student-mentor program. The VBIMP mentors are industry professionals who commit to meeting with students to discuss market issues, specific stocks, and career development, among other things. We would like to sincerely thank all mentors for their contributions, and we are pleased to announce the successful implementation of the student-mentor pairing program into the VBIMP.

B

Dominic Beauregard, CFA
Investment Officer
CN Investment Division

Jean-Philippe Bouchard
Vice President and Portfolio Manager
Giverny Capital

D

Steve Di Gregorio, MBA
Portfolio Manager
Canoe Financial

E

Amr Ezzat
Equity Research Analyst
Echelon Wealth Partners

F

Vincent Felteau
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Sain Godil, MSc
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Charles Haggar, CFA, CPA
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Stephen Hui, CFA
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Pembroke Wealth Management

L

Martin Landry
Managing Director
Stifel GMP

Evelyne L'Archevêque, CFA
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P

Melissa Papanayotou, MBA
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S

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Omar Shash
Investment Advisor
RBC Dominion Securities

T

Martin Tzakov, CFA
Research Associate
Pembroke Management Ltd.

W

Andrew Wetherly
Investment Professional
Walter Financial Inc.

12. Student Bios

12.1 Graduating Cohort (2019)

Vitalie Crestianov

Vitalie obtained an undergraduate degree in Finance and Banking from the Academy of Economic Studies of Moldova, subsequently working in commercial banking for ProCredit Bank and Mobias-banca-Groupe Société Générale for six years. During that period, he worked as a Commercial Loan Officer, Credit Coordinator and Branch Manager. Since moving to Canada from Moldova in 2014, Vitalie has worked as an accountant at a footwear manufacturing company located in Montreal. He is responsible for the full accounting cycle of its retail division.

Vitalie is currently pursuing a part-time Bachelor of Commerce with a major in Finance and a minor in Data Intelligence. He is a member of the Beta Gamma Sigma Society, on the Dean's List, and the recipient of the Campaign for the New Millennium Student Contribution Scholarship. In October 2016, Vitalie completed the Canadian Securities Course by CSI. In December 2017, he passed the CFA level 1 examination. Upon graduation, Vitalie will be joining Global Alpha Asset Management on a full-time basis. In his spare time, Vitalie likes reading, managing his portfolio, listening to financial podcasts, playing and watching basketball and soccer.

Dany Naaman

Dany is currently pursuing a Bachelor of Commerce degree at JMSB, majoring in Finance. While he initially opted for a degree in Engineering, he discovered a passion for finance through readings and interactions with his surroundings, which led him to change his field of study. Dany is also working as a lab specialist at the Formula Growth Trading Room where he routinely provides students with Bloomberg and Excel seminars.

Dany completed his first internship at Ivanhoé Cambridge where he was part of the investments and growth markets team and joined Novacap's TMT group for his second internship last fall. Dany is a member of Beta Gamma Sigma, the Golden Key International Honor Society, and is on the Dean's List.

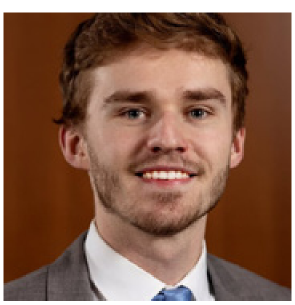
Upon graduation, Dany will be joining the Caisse de Dépôt et de Placement du Quebec on a full-time basis. His interests include music, art, chess and reading financial books and news.

Vivek Varshney

Vivek Varshney completed his Bachelor of Technology specializing in Electrical and Electronics systems from Guru Gobind Singh Indraprastha University in India. Following his studies, Vivek acquired five years of experience in developing and managing financial software in the Fintech industry, starting his career as a Systems Engineer at the second biggest IT firm in India, Infosys Ltd.

Currently, Vivek is pursuing his MBA, specializing in Finance, and the CFA designation, having completed all three levels.

12.2 Incoming Fund Managers (2020)



Augustine Jesmer

Augustine Jesmer is a third year undergraduate Finance student at the John Molson School of Business.

During his first year in university, Augustine became involved in the Finance and Investment Students' Association (FISA), where he now serves as Vice President Internal. FISA works hard to bring high quality finance events to the students of the John Molson School of Business, as well as forging valuable ties with financial professionals in Montreal and Toronto.

In the Fall of 2019, Augustine completed an internship at PSP Investments on the Global Equity Research team covering Utilities, Renewables, and Power. The team he worked with supported three portfolios with an approximately $6bn combined AUM in both long and short strategies. He will be returning for another internship with the same team at PSP in the Summer of 2020.

Prior to this, Augustine completed two internships at Bombardier Aerospace in Dorval, Quebec. These internships included financial controlling and business transformation/special projects finance. Augustine intends to pursue a career in investment management and to write the CFA in the next year.

Augustine was also involved in the Jeux du Commerce and the Financial Open at John Molson. Augustine enjoys playing sports like Ultimate Frisbee, basketball, and soccer, reading, and spending time in nature.

Aniss Gamassi

Aniss is currently finishing his Bachelors of Commerce at JMSB, majoring in Finance with a minor in Accounting. During his time at JMSB, Aniss was actively involved in the Finance and Investment Student Association, which is an association that organizes various events and workshop for the finance student body. In addition to his involvement within the student life of the university, he tutored and taught various accounting and statistic classes in front of hundreds of students. He is on the Dean's List and the recipient of the Campaign for the New Millennium Student Contribution Scholarship.

Throughout his university degree, Aniss completed various internship, namely, at Ivanhoé Cambridge, Ernst & Young, DNA Capital, and more recently, Formula Growth, as an Investment Analyst. Upon graduating, he will be joining the Formula Growth team as in Investment Analyst.

In his spare time, Aniss enjoys reading fantasy novels and participating in thrill-seeking activities, holding both his scuba diving and skydiving certifications.

Alexander Tiscione

Alexander Tiscione graduated from the John Molson School of Business in 2015 with a Bachelor of Commerce, majoring in Finance. He was also a member of the John Molson Investment Society (JMIS), a program for students to share and develop their knowledge of finance. During that time and the years that followed, he worked as a financial advisor for TD Bank, where he helped his clients achieve financial peace of mind with investment and financing solutions.

After writing and passing CFA level I, Alexander decided to follow his passion for capital markets and began his studies at the Goodman Institute of Investment Management at Concordia University. This unique MBA program integrates the CFA curriculum, with the goal of obtaining both MBA and CFA designations upon completion. He is now a CFA level III candidate, writing in December 2020.

Alexander had the opportunity to work as an intern analyst in the Relationship Investing team at the Caisse de dépôt et placement du Quebec (CDPQ). The team's objective is to secure significant minority shareholdings in international public companies in order to constructively achieve a value creation agenda. They use levers like governance, strategy, operations, M&A, and capital allocation to create value for shareholders.

Upon graduating, Alexander joined Stifel GMP as an Associate for the Equity Research team, primarily covering the consumer discretionary and consumer staple sectors.

On his spare time, Alexander enjoys reading books, flight simulators, building and riding motorcycles, and playing baseball, football, and golf with his friends.

Emile Kandela

Emile Kandela is currently pursuing a Bachelor of Commerce degree at JMSB, with a double major in Finance and Accounting. Emile is the captain of the team representing Concordia University at the Rotman International Trading Competition and is also the Director of the John Molson Trading League.

Emile is currently completing an internship at Valsoft Corporation, as an M&A analyst. He is also working as a lab specialist at the John Dobson Trading Room where he regularly gives tutorials on Bloomberg, Factset, and Excel.

Upon graduating, Emile plans on pursuing a CFA designation, and a career as an equity analyst. His interests include cooking, reading, listening to music and financial podcasts, as well as playing and watching soccer.

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