Université Concordia University

JOHN MOLSON
SCHOOL OF BUSINESS

VAN BERKOM INVESTMENT MANAGEMENT PROGRAM

ANNUAL REPORT 2021

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2.1 GRADUATING COHORT

The Van Berkom Investment Management Program (''VBIMP'') has impacted our cohort in more ways than we could have ever thought. Our tenure shortly started off with the global pandemic that forced the world at a standstill. As research associates, we were immediately pushed to support our fund managers in portfolio management decisions to ensure proper risk assessment of our, at the time, $1.2M portfolio. In those moments of fear and market volatility, we truly understood the meaning of the word conviction. These words followed us during our two years of being a part of this prestigious program, helping us focus on making decisions based on fundamental analysis, understanding the long-term opportunity, and setting aside the normal course of emotions that came with investing. Thanks to deeply ingrained philosophy that J. Sebastian van Berkom's installed in the program, we made our decisions based on outstanding management teams with track records of growth which acted as a foundation for our thinking during these uncertain times.

Our cohort is grateful to have experienced the market volatility from the start. It was a trial by fire where we were consistently tested to perform well under pressure. We would like to give special thanks to the Fund Managers that mentored us through those times: Augustine Jesmer, Aniss Gamassi, Alexander Tiscione and Emile Kandela. Not only did they guide us during their tenure but have become great alumni with whom we still maintain friendships to this day.

As we became Fund Managers in 2021, our goal was to fully invest the capital in the VBIMP portfolio as per our Investment Policy Statement while outperforming our benchmarks. With our experience gained in our first year, we were able to act on several opportunities in a timely manner for the portfolio, aided by new investment ideas from our new research associate cohort. We also had the opportunity to start the ESG process for the VBIMP program to help align our portfolio in a sustainable manner in the Small Cap universe. We are truly humbled to have reached, for the first time in VBIMP's history, a record level of assets under management of $2 million dollars during our tenure. This achievement not only showed to every single one of us the results of our consistent hard work, but what the power of 7 aligned students can have.

We would not have been able to achieve this without the astounding guidance provided by our Program Director, Amr Addas. His unique mentorship has allowed us to grow as both investors and individuals during a difficult virtual environment. Amr has always been present to re-align us towards the right direction, and we can confidently say that he has become a lifelong friend to all of us.

We were also tremendously lucky to learn from our experienced Investment Committee, whose tough questions and comprehensive feedback challenged and pushed us to a deeper level of critical thinking and portfolio assessment.

Finally, all of this would not have been possible without J. Sebastian van Berkom, whose generous gift of money and time, helped create the VBIMP program. Not only did this program open many doors for each one of us, but permitted us to make lifelong friendships, learn valuable lessons, and further develop a genuine passion for the stock market. We will always keep in mind the rigorous investment criterions that you have made us adopt in our future careers.

We cannot thank the VBIMP program enough for the valuable knowledge, and the rich opportunities that the program has given us. We look forward to the day we can make an impact, similar to that of J. Sebastian van Berkom, outside and within the investment community.

2.2 FOUNDER

Congratulations to the Fund Managers and Research Assistants for the exceptional rate of return of 38.9% for the Van Berkom Investment Management Program in 2021. The benchmark to which this Fund is compared is an Index comprising 50% S&P/TSX Small Cap Index and 50% Russell 2000 Index (CAD) which had a one year return of 17.6%. The Value-Added by the students was 21.3%! Since inception on November 11, 2016 the Fund has achieved a 22.3% annualized rate of return versus the above-mentioned Benchmark of 10.2% for a Value-Added performance of 12.1% annualized. Absolutely amazing results.

The initial one million that I invested in the Van Berkom Investment Management Program (VBIMP) in 2016 is now worth two million thanks to the past performance of all of the eligible students that became Fund Managers (FMs) and Research Assistants (RAs) over the past 5 years.

As I have mentioned in prior years, the purpose of the VBIMP is to expose eligible students who join the program to the real life challenges of investing real money into a focused strategy like small cap stocks. I also believe from my own experience that it is all about investment performance when it comes to building a business and it is all about working with outstanding people to achieve success.

Talking about people, the program is successful because of the excellent leadership from the very beginning by the following directors: Reena Atanasiadis, Denis Schweizer and now Amr Addas, all of whom have contributed significantly to launching the program, installing investment disciplines for the students to follow, and the on going leadership and mentoring that is required to make such a program successful.

The Investment Committee (IC) is the next group of people that play a very important role in helping the students understand stock selection as they present their investment thesis to the IC. The committee gives the students important feedback about their pitches which help them to better analyze stocks. The current members of the IC are Donald Walcott (Chair), Amr Addas, J. Sebastian van Berkom, Gabriel Bouchard-Philips, Owen Gibbons, Stephen Hui, Philippe Hynes, Michael Shannon and member Emeritus Ann-Maureen Hennessy.

The next important group that produced the amazing rates of return and that have graduated from the program in 2021 are the following students: Andrea Kilibarda, Balal Rasool, Benjamin Philippe, Gabriel Tran, Kevin Teo-Fortin, Michel Loutchkine and Paul Chaurand. They all found very good jobs at National Bank Financial, Van Berkom Global Asset Management, Bastion Asset Management, Desjardins Global Asset Management and at MNP.

Given the arrival of the COVID-19 virus in early 2020, all of the graduates of the VBIMP have not yet been honored in person. Thus, I would also like to congratulate the graduates of the VBIMP from 2019 and 2020. For 2019: Vitalie Crestianov, Dany Naaman and Vivek Varshney. For 2020: Alexander Tiscione, Aniss Gamassi, Augustine Jesmer and Emile Kandela. All of these graduates have found jobs at Van Berkom Global Asset Management, Bastion Asset Management, PSP and Morrison Park Advisors. All of the 2019, 2020 and 2021 graduates will be celebrate as Stephen A. Jarislowsky Fellows this summer. Hopefully, the pandemic will have evolved in a way that will allow us to celebrate this important recognition of the achievements of these graduated students in person.

I would like to share a message of thanks to my friend Kenneth Woods, who I got to know very well when I began thinking of how to give back again to my alter mater, Concordia University. I want to take this opportunity to thank Ken for his insights and guidance in starting my focused investment management program at the John Molson School of Business. As many of you may already know, he has developed the very successful Kenneth Woods Portfolio Management Program over the last 20 years, exposing students to the real world of top-down global investing. Hopefully, I will be as successful. So far, we have both successfully received Honorary Doctorate Degrees from Concordia together in 2017. Thank you Ken for your advice in helping me start my program at John Molson.

In closing, I would like to thank this year's class of FMs and RAs again for their incredible success that will be hard to surpass. Your hard work in analyzing many individual stocks, the convictions that you developed and the confidence you exhibited became more and more evident during the year. Finally, the quarterly reporting that the team presented to the members of the IC each quarter was outstanding in terms of its quality and thoughtfulness.

Congratulations!

Sincerely,

J. Sebastian van Berkom LL.D

Founder, Director & Partner

Chairman and Chief Executive Officer

Van Berkom and Associates Inc. (Canada)

Van Berkom Golden Dragon Limited (Hong Kong)

2.3 DEAN

It is my pleasure to present the 2021 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, 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 the school, 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 incredibly 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 Fund Managers and the Research Associates and wish them the very best in their future endeavours.

Anne-Marie Croteau, PhD, CDir

Dean

John Molson School of Business

Concordia University

2.4 PROGRAM DIRECTOR

I am very pleased to present the 2021 annual report for the Van Berkom Investment Management Program (VBIMP) at the John Molson School of Business at Concordia University. 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 John Molson 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.

2021 was the best year yet for VBIMP from a performance perspective. In November, the portfolio value reached the $2 million milestone for the first time. The fund managers achieved the remarkable feat of generating 38.9% return on assets, a record that may well stand for some time. This was achieved through the diligent application of VBIMP's investment philosophy in a disciplined and objective manner, unencumbered by market swings. The members of VBIMP and I are fully aware that such performance is never guaranteed and that there will good times and tough times. They key is to stick to the process, make sure we always follow our IPS, and maintain a relentless focus on management quality and our long-term investment objectives.

2021 was also a successful year for the program from a recruitment perspective. While still coping with the various pandemic-induced restrictions, we were able to have an excellent recruiting season. After receiving a record number of applications, seven new RAs were accepted into the program. The optimal number of students in each cohort has proven to be in the range of 6-8, which is what we have maintained over the last three years.

As director of VBIMP, I see my role as mentoring and guiding the students while making insure they buy into the program's investment philosophy and VBIMP's collaborative culture. Team dynamics and coherence help create the synergy that is one of the important components of the success of this program. Once again, the FMs proved their mettle in 2021 by not only effectively managing the portfolio and achieving phenomenal returns, but also doing an excellent job in training and preparing the RAs to take over the portfolio in 2022.

In 2021, VBIMP continued to make progress in marketing our students to employers. We now have regular standing arrangements with several employers in Montreal and Toronto to send them our students for internships. I am proud to say that all the FMs have secured excellent full-time jobs in capital markets and that each RA had at least one internship during 2021.

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 John Molson 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. I want to also thank the 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. In 2022, we also look forward to having Melissa Gasser join the investment committee. 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 would be remiss to not also thank the following people for whose support and cooperation I am very grateful: Guy Barbeau, John Boyronikos, Joseph Capano, Ka Pong Law, Katie Malazdrewicz, Bob Menard, Norma Paradis, Sandra Romanini, Sarah Sookman, Tania Testa, and Susanne Thorup.

Amr Addas

Program Director, Van Berkom Investment Management Program

3 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 John Molson undergraduate and 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 provides a real-life financial experience of actively managing a CAD $2 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 highly accredited industry professionals.

The VBIMP is Canadian-based and consolidates in Canadian dollars (CAD).

4 FUND STRATEGY

4.1 OUTGOING REFLECTION ON STRATEGY

When it comes to strategy, it all started when we established our ingoing Fund Manager strategy at the beginning of 2021. As every cohort does, we tried to interpret our Investment Policy Statement so that it fit what we saw back then as the best way to go about managing the portfolio during the year.

It's first important to set the scene. We had just lived through the beginning of COVID-19 as Research Associates and saw the importance of minimizing leverage in companies, so that in tough times your downside is partially protected. But we also saw the other side of the medal, that when it feels like the bottom is in for the market, you have to be willing to aggressively deploy capital in companies with sustainable competitive advantages, good management teams, low leverage and the ability to reinvest their free cash flow into high return on capital projects. By the end of 2020, while the previous cohort deployed a fair amount of capital, there was still significant undeployed cash left at VBIMP.

We set our strategy on the following pillars:

1. Fundamentals first, valuation second.

2. Strong, incentivized management with a track record for execution.

3. Great companies have a moat.

4. We will favor companies on the smaller end of the investible small cap spectrum.

5. Match conviction with weights.

This was heavily influenced by what we had witnessed in 2020, a rapid reversal that led to one of the strongest bull markets in recent history. It felt like opportunities were available left and right, and valuation seemed to matter less than it used to with record low interest rates.

This was obviously a strategy that worked in 2021, and it allowed us to get the fund past the $2 million dollars mark. We deployed capital aggressively into our highest conviction ideas. We had observed that the deployment of capital was taking a significant amount of time over multiple years, and that the largest weights did not always reflect the highest conviction investments, mainly due to the new cohort inheriting the portfolio of the last one. We decided to wipe the slate clean, get rid of certain investments that were made in the past and that we weren't attached to and did not have high conviction in.

We also decided that for recently pitched ideas, we would match weight and conviction by making them large positions in the fund right away. In the past we had seen excellent investments be pitched, but with only 1-2% weight put in them which ended up making a minor dent in performance once the stocks ran up. Examples of that during our tenure can be Donnelley Financial, Titanium Transportation or Thunderbird Entertainment.

Our first core lesson may sound simple, but it is difficult to implement on a day-to-day basis: stick to your strategy, and don't make concessions. During the year, as the performance got stronger, we relaxed some of our initial strategy with investments in companies that we thought had good fundamentals and that we had high conviction in. A couple of them did not meet the other criteria, management was not properly aligned with low insider ownership, and for some of them, management had no track record of execution past an up-cycle. This was the case for Genasys and Real Matters. The appeal of growth made us forget the rules we had established for ourselves which led us to the humbling experience of living through large losses.

Our second core lesson has been to always care about valuation. As you can see above, our original strategy did not include anything on valuation, and this was mainly a function of the times. During the 2020-2021 bull market valuation seemed to be an irrelevant factor. While we always aim for 100% 5-year upside, stocks that seemed attractive on a relative basis were in hindsight too expensive. We learned that relative valuation matters but isn't everything. If an entire group is overvalued, no matter how cheaper our investment was, its multiple will still come back down with the group.

While we greatly valued quality, quality must come at a reasonable price. We have had wonderful successes with richly valued business at a time when the market, enabled by low interest rate, gave tremendous credit to the long-term growth potential of businesses. But it is always important to consider valuation, no matter the behavior of the stock market. As established in our investment policy statement, companies should be valued based on a 10% discount rate. Mr. van Berkom also emphasized to us back when 10-year yields were at all-time lows that this was not sustainable, and that our valuation should not embed record low risk-free rates.

Mistakes are the greatest source of learning, and we are very happy that we have been able to make multiple of them all while maintaining what we think was strong performance. We would also like to acknowledge the work of past cohorts, whose efforts have allowed tremendous investments to make it into the portfolio, and the Investment Committee for their views on the market and on portfolio construction that allowed us to become better fund managers.

4.2 INCOMING FUND MANAGER STRATEGY

As we begin the new year, we would first like to express our utmost appreciation to all the investment committee members who have helped us learn portfolio management fundamentals and shaped our views on how to find and analyze great businesses. As recently named fund managers, we have taken the opportunity to reflect on the previous cohort's investment philosophy, as well as everything we have learned throughout the last year, to form our own approach.

It should be noted that 2022 marks the beginning of a new era for the Van Berkom Investment Management Program. For the first time in the program's history, we are fully invested with cash below 5%. For this reason, we must adopt a new methodology for our investment process. One that puts additional emphasis on portfolio management and relative conviction rather than the absolute search of great companies. For this, we will rely on the following key principles.

Weights should always reflect conviction level. As we are fully invested, this will remain at the core of our investment approach. Within a reasonable timeframe, we will look to match every buy with a sell and vice-versa. This will require us to have a firm grasp on where our convictions lie at all times, as well as relative potential upside for each of our positions. This will ensure that we remain within IPS confines and maintain cash below 5% as well as aide in the pursuit of maximizing overall returns.

Maximum initiation size of 3%. Although we have always been careful not to rush into any position, the importance of this has never rung truer than it does now. In the past, newly accepted ideas were evaluated against cash, as that was the only available alternative. Whereas now, new ideas will be evaluated directly against current holdings. Since the need to dispense cash is no longer, we can afford to be even more patient and diligent with our position sizing and have decided to initiate at no more than 3%. If company continues to execute well, we may consider adding at a higher price. Generally, this does not worry us. Averaging up indicates that your initial thesis was correct, and we would rather have more certainty in our positions with higher weights. Furthermore, as it becomes increasingly difficult to find great companies at good prices, we do not believe this rule will be too restrictive given the current market environment.

As we transition to a concentration on portfolio management, having a firm grasp on relative position sizing has never been more important. In order to do so, we will need to maintain and evaluate an evolving list of our holdings based on our valuation and conviction level. The latter of which will be determined based on a number of factors, which we have attempted to summarize below.

Clear competitive advantage. A company's MOAT reflects its competitive advantage within its industry and amongst its peers, leading us to conduct comparable analysis. While competitive advantage is a qualitative aspect of fundamental analysis that cannot be overlooked, we want to ensure that these advantages translate into consistently increasing market share, relative to a company's competitors. As we invest in and research small-cap equities, it can be difficult for businesses to capture additional share from their larger competitors, and this is where competitive advantage persists. When discovering new ideas in the coming year, as well as our process pertaining to portfolio management, we will be attempting to find and retain companies with sustainable competitive advantages, so we can witness growth internally and through market share gains.

Experienced management team aligned with shareholders. The importance of a competent, aligned management team can never be overstated. This is especially true in the world of small caps. Management serves to captain the ship and be the deciding voices behind vital decisions. Of course, while the competence of management is absolutely crucial, this is generally a given once a great company is found. Yet, what we believe to be equally, if not more important, is management's alignment with shareholders. Simply, proper shareholder alignment ensures that management has our interests in mind with every decision they make. Therefore, being personally invested in the company or having incentives tied to shareholder interests is a non-negotiable facet of every company we look to invest in.

Fundamentals, fundamentals, fundamentals. It is easy to get influenced by stock price movements and contrive this as evidence for a company's success or failure. Yet, in actuality, the stock price of a company tells us nothing fundamental about the company's success and only tells us what someone is willing to buy and sell that security for on a given day. For any company, anywhere, the financial statements are what demonstrate the past fundamental success of a company. Furthermore, having superior return metrics, such as ROIC and ROE, is equally important. We will orient ourselves using these true fundamental indicators rather than stock price alone and look to only invest in companies which are fundamentally sound.

Strong ESG profile. Our previous cohort made great strides in terms of improving and showcasing our portfolio's ESG standing. We believe that a lot more can still be achieved on that front. We will be incorporating ESG risk analysis into our overall business analysis by taking a closer look at physical and transitional risks for every stock to be pitched. We are in favor of more qualitative measurement when it comes to ESG as we find many quantitative indicators to often be misleading. For the many of our holdings which don't report ESG, we will develop a recommendation sheet based on peer best practices. Our aim is to develop our existing ESG ranking tool, and to further supplement our ESG analysis with an ESG risk assessment.

We believe that these guiding principles will help to better direct us in the management of the VBIMP portfolio over the coming year and to continue to generate meaningfully high returns. We would like to thank you for your trust and continued support as we begin our tenure as fund managers.

5 PORTFOLIO RAMP-UP

The VBIMP initiated its first positions on November 11, 2016 and is continuing to ramp up its portfolio to be fully invested (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 the Investment Committee approved them. Thus, our window of opportunity to enter at an attractive price was missed. Either the five-year upside potential became limited, or the stock became overvalued based on a Discounted Cash Flow Approach (both requirements of our Investment Policy).

In the year of 2021, our portfolio's performance showcased excellence as we learned the value of adaptability in the efforts of re-evaluating the pandemic's continued impact on our investments. We are fortunate to have learned and adapted as investors over the past quarters that have been truly historic for the markets – we witnessed the end of a decade-long bull run, a market crash, and a swift market recovery to pre-pandemic levels.

We continue to uphold our target of steadily deploying our cash reserves as we carefully monitor inflationary concerns and trends which are shaping our investment environment. Although we prioritize the identification of our business' idiosyncratic risks and moats, we remain cognizant of how our investments could perform in unforeseen circumstances and continue to take a diligent approach with our risk analyses. The pandemic had fundamentally changed consumer preferences in certain aspects, and with that we are continuously monitoring the competitive advantages and industry positionings for several of our businesses. The ensuing inflationary environment brought on by a mix of supply chain/labor market bottlenecks and Fed policy have also reshaped the way that we view our investments, some being impacted to a higher degree than what we are comfortable with.

After adjusting our valuation models for our investments, either the five-year upside potential became limited for some of our stocks, or they became overvalued on a Discounted Cash Flow approach. The ensuing supply chain disruptions brought on by geopolitical factors have also reshaped the way that we view our investments, some being impacted to a higher degree than what we are comfortable with.

In Q3 and Q4, we exited our positions in Sleep Country, InterDigital, Wabash National, and LCI Industries and utilized the cash outflows to invest in resilient businesses that showcased a higher upside potential despite macroeconomic whirlwinds. Some of these businesses were new additions to our portfolio, such as Titanium Transportation, IES Holdings, Thunderbird Entertainment, Trisura Group, and IBI Group, whereas in other instances we increased the portfolio weight of our existing holdings, such as Donnelley Financial Solutions and Maximus. Deployed capital increased to 95.9% in 2021 as compared to 74.6% in 2020.

As the portfolio is now fully ramped up, we aim to maintain a cash position limited to 5%. U.S./Canadian equities must not exceed a 65%/35% or 35%/65% split per the IPS. As of December 31, 2021, the portfolio held 4.1% of its funds in cash, down from 25.4% in 2020.

Table 1: Portfolio Ramp-Up

	2021 Cumulative Quarterly Returns				
	Q1	Q2	Q3	Q4	Inception to Date
Portfolio Value	1,687,836.21	1,822,179.87	1,834,863.90	2,017,489.81	+1,017,489.81
Deployed Capital (%)	80.3%	80.4%	93.2%	95.9%	95.9%
Stocks Owned	21	22	24	24	24

[1] As at January 1, 2022

[2] Deployed capital is based on total portfolio value

6 PORTFOLIO ASSET DETAILS

6.1 2021 ASSET DETAILS

As of December 31, 2021, 95.9% of the total portfolio value was invested, while 4.1% remained in cash (Table 2). Diversified across seven Revenue-based Industry Classification System (RBICS) sectors, we observe that Industrials, Technology, and Consumer Cyclicals held the highest exposures, at 29.7%, 20.6%, and 11.5%, respectively (Table 2 and Figure 2). The increase in portfolio composition towards Industrials, up from 14.3% of the portfolio from last year, is explained by the addition of IES Holdings, Titanium Transportation, and IBI Group into the portfolio over the course of the year. The decrease in Consumer Cyclical investments from 20.5% of the portfolio last year is explained by the exit of LCI Industries, Sleep Country and Funko. Technology increased from 14.7% of the portfolio, driven by investments in Donnelley Financial, Genasys and Real Matters which was offset by the divestment of InterDigital. Business Services, which made up 2.9% of the portfolio last year, increased to 9.4%, mainly from the initiation in Thunderbird Entertainment, occurring in Q3. Throughout 2021, the portfolio slightly increased its relative exposure to the U.S. market, bringing weights in U.S. and Canadian equities to 46.8% and 49.1%, respectively, when including cash (Figure 1).

Table 2: Portfolio Asset Details as of January 1, 2022

	2020		2021							
	Q4		Q1		Q2		Q3		Q4	
	Market Value	Weight	Market Value	Weight	Market Value	Weight	Market Value	Weight	Market Value	Weight
Technology	**222,543.11**	**14.7%**	**294,075.60**	**17.4%**	**411,757.54**	**22.6%**	**410,082.84**	**22.3%**	**415,338.25**	**20.6%**
Canada	**118,213.34**	**7.8%**	**157,006.50**	**9.3%**	**259,065.13**	**14.2%**	**193,431.23**	**10.5%**	**179,429.00**	**8.9%**
TECSYS Inc.	66,410.06	4.4%	58,185.45	3.4%	83,536.38	4.6%	113,526.36	6.2%	105,114.78	5.2%
Photon Control Inc.			53,829.87	3.2%	72,176.38	4.0%				
Real Matters, Inc.					56,286.24	3.1%	30,755.96	1.7%	26,128.40	1.3%
Calian Group Ltd.	51,803.28	3.4%	44,991.18	2.7%	47,066.13	2.6%	49,148.91	2.7%	48,185.82	2.4%
U.S.	**104,329.77**	**6.9%**	**137,069.10**	**8.1%**	**152,692.41**	**8.4%**	**216,651.61**	**11.8%**	**235,909.25**	**11.7%**
InterDigital, Inc.	75,450.97	5.0%	79,867.20	4.7%	29,524.46	1.6%	28,462.68	1.6%		
Donnelley Financial Solutions, Inc.					68,385.21	3.8%	75,293.99	4.1%	119,566.14	5.9%
Genasys, Inc.							51,063.77	2.8%	40,424.82	2.0%
Qualys, Inc.	28,878.80	1.9%	57,201.90	3.4%	54,782.74	3.0%	61,831.17	3.4%	75,918.30	3.8%
Industrials	**216,163.71**	**14.3%**	**371,220.93**	**22.0%**	**329,645.06**	**18.1%**	**585,252.40**	**31.9%**	**598,276.31**	**29.7%**
Canada	**110,402.01**	**7.3%**	**210,327.62**	**12.5%**	**220,107.13**	**12.1%**	**342,003.71**	**18.6%**	**381,879.39**	**18.9%**
Savaria Corporation	43,495.68	2.9%	88,217.74	5.2%	97,835.28	5.4%	100,569.20	5.5%	93,539.12	4.6%
Andlauer Healthcare Group, Inc.			41,852.80	2.5%	42,548.80	2.3%	56,898.00	3.1%	62,674.80	3.1%
Titanium Transportation Group Inc							106,034.10	5.8%	126,663.45	6.3%
IBI Group Inc.									62,568.34	3.1%
Magellan Aerospace Corporation	66,906.33	4.4%	80,257.08	4.8%	79,723.05	4.4%	78,502.41	4.3%	36,433.68	1.8%
U.S.	**105,761.70**	**7.0%**	**160,893.31**	**9.5%**	**109,537.93**	**6.0%**	**243,248.69**	**13.3%**	**216,396.92**	**10.7%**
MYR Group Inc.	57,425.55	3.8%	109,844.86	6.5%	67,382.63	3.7%	76,340.99	4.2%	82,388.33	4.1%
IES Holdings, Inc.							123,561.22	6.7%	134,008.59	6.6%
Wabash National Corporation	48,336.15	3.2%	51,048.46	3.0%	42,155.30	2.3%	43,346.48	2.4%		
Consumer Cyclicals	**310,665.57**	**20.5%**	**249,740.93**	**14.8%**	**294,046.00**	**16.1%**	**248,817.14**	**13.6%**	**232,270.38**	**11.5%**
Canada	**150,041.71**	**9.9%**	**137,417.93**	**8.1%**	**151,583.91**	**8.3%**	**121,736.23**	**6.6%**	**135,586.50**	**6.7%**
Aritzia, Inc.	76,931.57	5.1%	93,129.26	5.5%	110,609.64	6.1%	121,736.23	6.6%	135,586.50	6.7%
Sleep Country Canada Holdings Inc	73,110.14	4.8%	44,288.67	2.6%	40,974.27	2.2%				
U.S.	**160,623.86**	**10.6%**	**112,323.00**	**6.7%**	**142,462.09**	**7.8%**	**127,080.91**	**6.9%**	**96,683.88**	**4.8%**
LCI Industries	21,477.60	1.4%	22,274.69	1.3%	21,852.52	1.2%	22,614.61	1.2%		
Funko, Inc. Class A	53,227.08	3.5%								
XPEL, Inc.	85,919.17	5.7%	90,048.31	5.3%	120,609.57	6.6%	104,466.30	5.7%	96,683.88	4.8%
Business Services	**43,943.19**	**2.9%**	**62,624.59**	**3.7%**	**64,214.62**	**3.5%**	**100,276.46**	**5.5%**	**190,544.64**	**9.4%**
U.S.	**43,943.19**	**2.9%**	**62,624.59**	**3.7%**	**64,214.62**	**3.52%**	**100,276.46**	**5.5%**	**190,544.64**	**9.4%**
Comfort Systems USA, Inc.	43,943.19	2.9%	62,624.59	3.7%	64,214.62	3.52%	61,487.96	3.4%	81,859.32	4.1%
Thunderbird Entertainment Group Inc							38,788.50	2.1%	108,685.32	5.4%
Finance	**97,543.99**	**6.4%**	**101,115.82**	**6.0%**	**68,193.15**	**3.7%**	**73,708.60**	**4.0%**	**147,070.14**	**7.3%**
Canada	**97,543.99**	**6.4%**	**101,115.82**	**6.0%**	**68,193.15**	**3.7%**	**73,708.60**	**4.0%**	**147,070.14**	**7.3%**
Altus Group Limited	42,604.38	2.8%	72,200.32	4.3%	68,193.15	3.7%	73,708.60	4.0%	84,596.24	4.2%
Trisura Group Ltd.									62,473.90	3.1%
RE/MAX Holdings, Inc.	54,939.61	3.6%	28,915.50	1.7%						
Consumer Non Cyclicals	**163,123.45**	**10.8%**	**183,482.31**	**10.9%**	**192,869.58**	**10.6%**	**184,806.17**	**10.1%**	**189,342.34**	**9.4%**
Canada	**81,756.00**	**5.4%**	**93,716.60**	**5.6%**	**104,011.80**	**5.7%**	**104,466.00**	**5.7%**	**43,981.70**	**2.2%**
Waterloo Brewing Ltd.	81,756.00	5.4%	93,716.60	5.6%	104,011.80	5.7%	104,466.00	5.7%	43,981.70	2.2%
U.S.	**81,367.45**	**5.4%**	**89,765.71**	**5.3%**	**88,857.78**	**4.9%**	**80,340.17**	**4.4%**	**145,360.64**	**7.2%**
Tucows Inc.									49,974.05	2.5%
Five Below, Inc.	81,367.45	5.4%	89,765.71	5.3%	88,857.78	4.9%	80,340.17	4.4%	95,386.58	4.7%
Healthcare	**75,022.59**	**5.0%**	**93,432.56**	**5.5%**	**104,925.53**	**5.8%**	**107,815.45**	**5.9%**	**161,938.56**	**8.0%**
Canada	**56,840.00**	**3.8%**	**71,050.00**	**4.2%**	**83,636.00**	**4.6%**	**86,702.00**	**4.7%**	**102,060.64**	**5.1%**
Hamilton Thorne Ltd.	56,840.00	3.8%	71,050.00	4.2%	83,636.00	4.6%	86,702.00	4.7%	102,060.64	5.1%
U.S.	**18,182.59**	**1.2%**	**22,382.56**	**1.3%**	**21,289.53**	**1.2%**	**21,113.45**	**1.2%**	**59,877.92**	**3.0%**
MAXIMUS, Inc.	18,182.59	1.2%	22,382.56	1.3%	21,289.53	1.2%	21,113.45	1.2%	59,877.92	3.0%
Cash	**384,405.43**	**25.4%**	**332,143.47**	**19.7%**	**356,528.38**	**19.6%**	**124,104.83**	**6.8%**	**82,709.19**	**4.1%**
Total Market Value	**1,513,411.03**	**100.0%**	**1,687,836.21**	**100.0%**	**1,822,179.87**	**100.0%**	**1,834,863.90**	**100.0%**	**2,017,489.81**	**100.0%**
Restricted Cash										
Total Portfolio	**1,513,411.03**	**100.0%**	**1,687,836.21**	**100.0%**	**1,822,179.87**	**100.0%**	**1,834,863.90**	**100.0%**	**2,017,489.81**	**100.0%**

Figure 1: Portfolio Weighting as of January 1, 2022

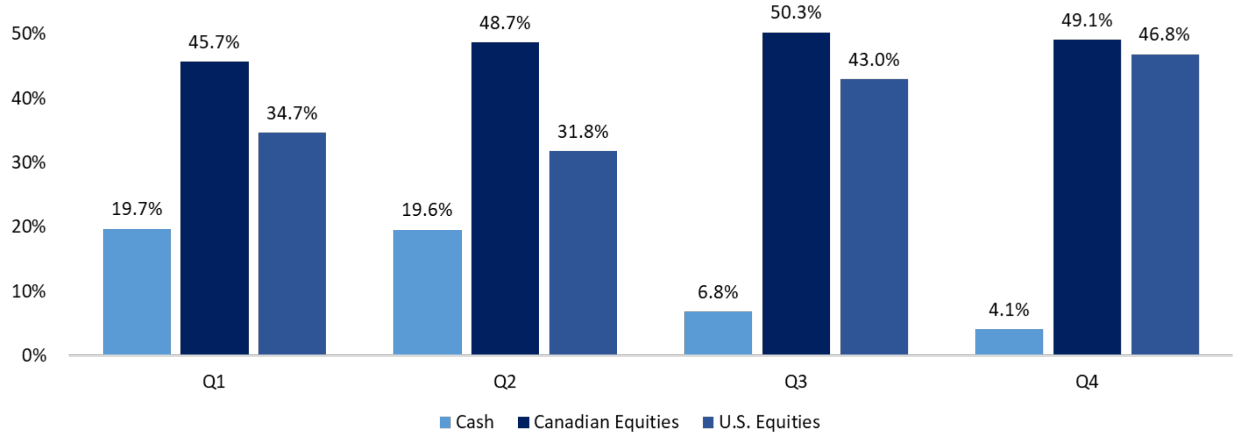
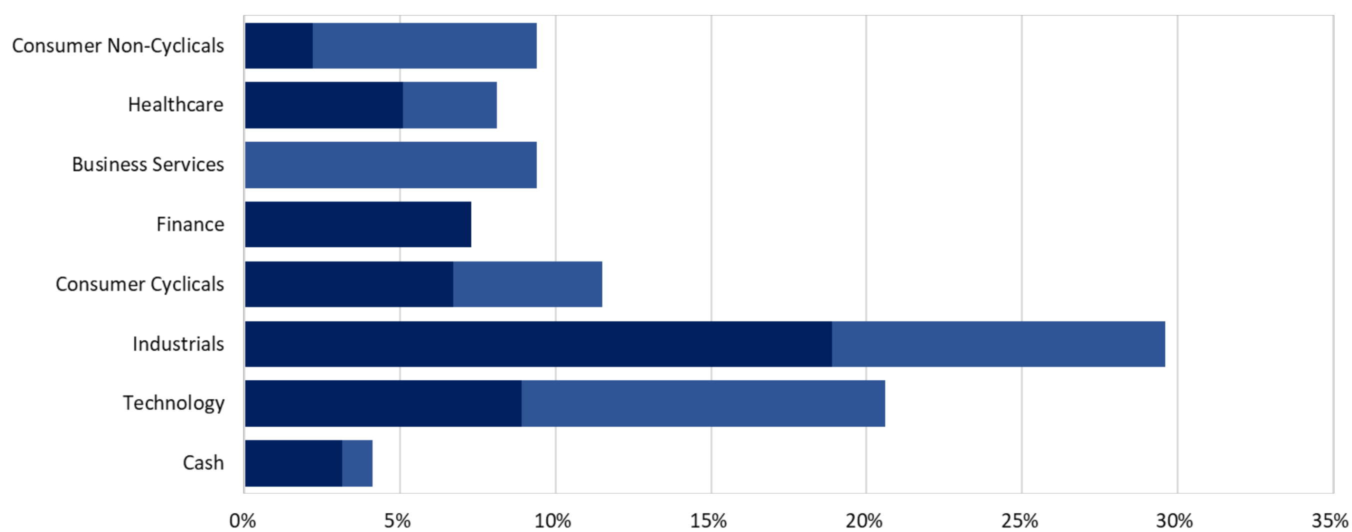


Figure 2: Sector Allocation as of December 31, 2021



	Cash	Technology	Industrials	Consumer Cyclicals	Finance	Business Services	Healthcare	Consumer Non-Cyclicals
■ CAD	3.1%	8.9%	18.9%	6.7%	7.3%	0.0%	5.1%	2.2%
■ USD	1.0%	11.7%	10.7%	4.8%	0.0%	9.4%	3.0%	7.2%

7 FINANCIAL HIGHLIGHTS

7.1 PERFORMANCE SUMMARY

The VBIMP fund initiated its first transaction on November 11, 2016, and, as of December 31, 2021, had returned 210.8% (24.6% annualized) on invested capital. It effectively outperformed its benchmark, which returned 67.4% (10.5% annualized) since inception, by 143.4%. The benchmark consists of the 50/50 S&P/TSX Small Cap Index and the Russell 2000 Dynamic Composite Index (Figure 3 and Table 4). Including un-deployed cash, the portfolio has returned 106.7% (20.6% annualized) since inception and is still outperforming its benchmark 39.3%. The excess return was driven largely by the outperformance of our Canadian equities in 2017, U.S. equities in 2018, Canadian equities in 2019, both geographies in 2020 and in 2021. Evaluating the portfolio's risk-adjusted performance for the year ended December 31, 2021, yields a Sharpe ratio of 3.49.[1]

More specifically, XPEL, Tecsys, and Aritzia, were our top three performers since entry, at 259.6%, 198.8%, and 185.9%, respectively (Table 5). Conversely, Real Matters, Genasys, and Thunderbird have all declined since our entry by -50.6%, -30.8%, and -8.4%, respectively.

In 2021, the Industrials and Consumer Cyclicals sectors contributed 10.8% and 15.6%, respectively, to the portfolio's annual 35.9% return on invested capital (Table 3).

By December 31, 2021, the portfolio had grown by C$329,653, going from C$1,687,836 to C$2,017,489. This represents a 19.5% growth in total market value (AUM) during FY 2021. (Table 4).

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[1] This is based on monthly portfolio returns (ROIC) using GIPS methodology from January 1, 2021, to December 31, 2021.

Figure 3: Indexed Portfolio Performance versus VBIMP Benchmark

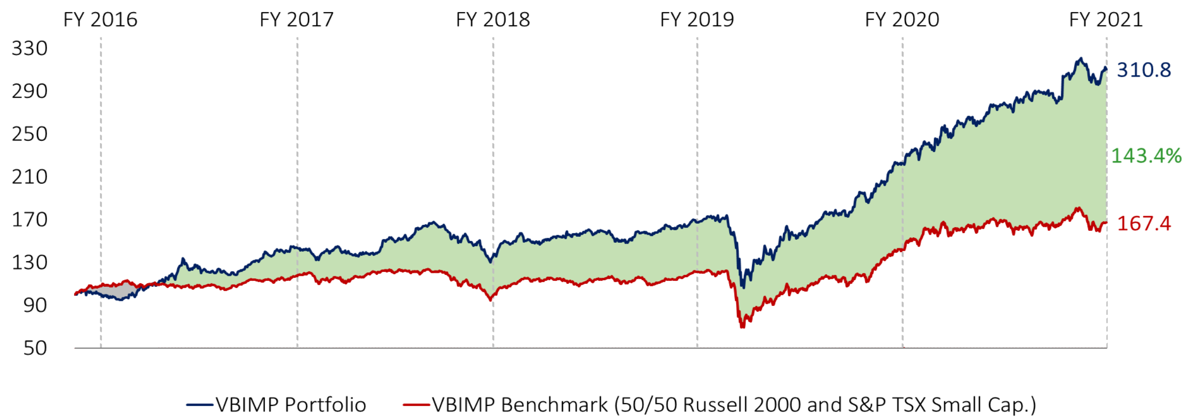


Table 3: VBIMP Performance by Sector (2021)

	Q1 2021			Q2 2021			Q3 2021			Q4 2021			FY 2021
RBICS Sector	Return	Weight	Positions	Return	Weight	Positions	Return	Weight	Positions	Return	Weight	Positions	Return
Technology	(0.9%)	21.7%	5	2.8%	28.1%	7	0.9%	24.0%	7	0.9%	21.5%	6	3.9%
Industrials	3.2%	27.4%	5	2.2%	22.5%	5	0.8%	34.2%	7	3.4%	30.9%	7	10.8%
Consumer Cyclicals	3.8%	18.4%	4	5.1%	20.1%	4	0.7%	14.5%	3	4.0%	12.0%	2	15.6%
Business Services	1.4%	4.6%	1	0.3%	4.4%	1	(0.2%)	5.9%	2	0.8%	9.8%	2	2.3%
Finance	1.5%	7.5%	2	(0.3%)	4.7%	1	0.3%	4.3%	1	0.7%	7.6%	2	2.2%
Consumer Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Consumer Non-Cyclicals	1.4%	13.5%	2	0.9%	13.2%	2	(0.2%)	10.8%	2	(0.0%)	9.8%	3	2.1%
Healthcare	1.4%	6.9%	2	0.9%	7.2%	2	(0.7%)	6.3%	2	0.8%	8.4%	2	2.5%
Total	11.8%	100.0%	21	11.6%	100.0%	22	1.3%	100.0%	24	10.4%	100.0%	24	39.5%

**Weight corresponding to the end of the quarter and are based on the total portfolio value, which excludes cash*

Table 4: VBIMP Performance Summary (2021)

	Weight (%)[1]	Cumulative Quarterly Returns 2021 Q1	Q2	Q3	Q4	Annualized Inception to Date Returns
VBIMP Portfolio						
VBIMP Fund	100.0%	11.8%	11.6%	1.4%	10.3%	24.6%
VBIMP Benchmark		11.3%	6.7%	(3.4%)	2.6%	10.4%
Alpha		0.5%	4.8%	4.8%	7.7%	14.2%
Canadian Equities						
VBIMP Canadian Equity	49.1%	11.5%	10.6%	3.5%	10.7%	25.4%
S&P TSX Small Cap		9.7%	9.2%	(2.5%)	3.0%	7.5%
Alpha		1.8%	1.5%	6.1%	7.6%	17.9%
U.S. Equities						
VBIMP US Equity	46.8%	14.0%	14.6%	(3.6%)	11.1%	24.4%
Russell 2000		12.7%	4.3%	(4.4%)	2.1%	13.0%
Alpha		1.3%	10.3%	0.7%	9.0%	11.4%
Cash						
VBIMP Cash	4.1%					
Portfolio Value		1,687,836.21	1,822,179.87	1,834,863.90	2,017,489.81	+1,017,489.81
Deployed Capital (%)		80.3%	80.4%	93.2%	95.9%	95.9%
Stocks Owned		21	22	24	24	24

[1] *As at January 1, 2022*

[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, 2021

	Portfolio Weight	Average Cost	Price	Average Exit Price	% Return*
Cash	4.1%				
XPEL, Inc.	4.8%	$18.06	$68.28		259.6%
TECSYS Inc.	5.2%	$17.92	$52.61		198.8%
Aritzia, Inc.	6.7%	$18.31	$52.35		185.9%
Five Below, Inc.	4.7%	$72.07	$206.89		175.5%
Comfort Systems USA, Inc.	4.1%	$36.96	$98.94		172.2%
Altus Group Limited	4.2%	$32.89	$70.97		127.0%
Enghouse Systems Limited	0.0%	$26.06	$61.65	$54.78	114.7%
Calian Group Ltd.	2.4%	$33.00	$61.54		110.3%
Sleep Country Canada Holdings Inc	0.0%	$18.66	$37.53	$32.41	85.2%
Waterloo Brewing Ltd.	2.2%	$4.08	$5.81		63.5%
Photon Control Inc		$2.38	N/A	$3.60	50.7%
Savaria Corporation	4.6%	$13.40	$19.16		49.1%
Andlauer Healthcare Group	3.1%	$36.53	$54.03		48.5%
Donnelley Financial Solutions	5.9%	$32.67	$47.14		46.3%
LCI Industries	0.0%	$127.78	$155.87	$158.74	43.5%
Wabash National Corporation	0.0%	$10.93	$19.52	$15.65	35.5%
Funko, Inc. Class A	0.0%	$10.77	$18.80	$15.12	34.5%
Hamilton Thorne Ltd.	5.1%	$1.54	$2.06		33.5%
Qualys, Inc.	3.8%	$101.09	$137.22		33.0%
RE/MAX Holdings, Inc.	0.0%	$30.09	$30.49	$38.65	16.9%
Trisura Group	3.1%	$43.38	$47.69		9.9%
IBI Group	3.1%	$12.51	$13.54		8.2%
MAXIMUS, Inc.	3.0%	$72.85	$79.67		7.1%
InterDigital, Inc.	0.0%	$69.89	$71.63	$69.48	4.1%
IES Holdings	6.6%	$49.35	$50.64		3.0%
Magellan Aerospace Corporation	1.8%	$11.22	$9.96		(0.2%)
Titanium Transportation Group	6.3%	$3.09	$3.05		(0.2%)
Tucows Inc.	2.5%	$84.06	$83.82		(1.5%)
Thunderbird Entertainment Group	5.4%	$4.78	$4.38		(8.4%)
Genasys	2.0%	$5.79	$3.98		(30.8%)
Real Matters	1.3%	$16.80	$8.30		(50.6%)

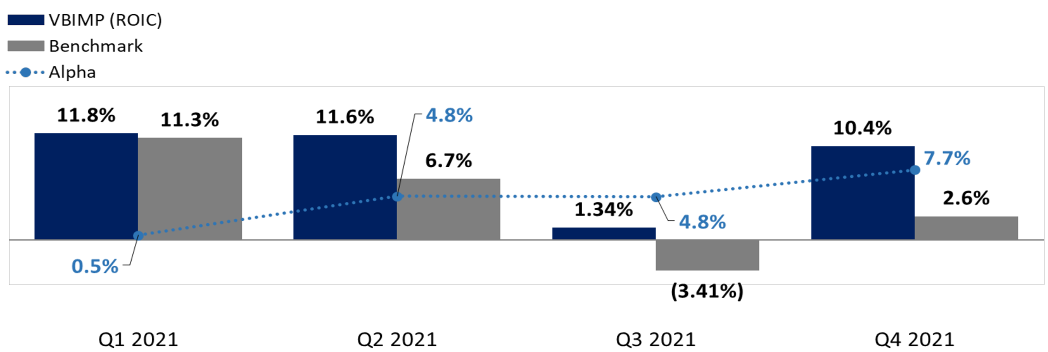
** Absolute returns are ITD and account for capital gains (losses), realized gains (losses), and accumulated dividends*
Values and returns in local currencies
Weights based on total portfolio value, which includes cash

7.2 QUARTERLY PERFORMANCE

Over the course of 2021, the VBIMP portfolio outperformed the composite benchmark every quarter by 0.5% in Q1, 4.8% in Q2 and Q3, and 7.7% in Q4. (Figure 4). Overall, the portfolio returned 39.5% in 2021 based on invested capital with an excess return of 21.8% 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 fourteen out of twenty full quarters. In 2021, quarterly outperformance averaged 4.5%. Since 2017, the portfolio's quarterly outperformance has averaged 5.9%, versus a -2.5% quarterly underperformance.

Figure 4: Quarterly Returns (2021)



7.2.1 Q1 2021

The first quarter of 2021 saw many sectors and industries emerging from their lows during COVID-19. Technology stocks continued to climb alongside strong recoveries in the energy, industrials, and financial sectors. The energy sector saw a recovery of 30% due to the anticipation of an economic reopening and a turnaround from significant underperformance the prior year. The financial sector returned 19.3% due to a spike in long-term treasury yields, predominantly the 10-year U.S. yield at 1.6%. Finally, with business conditions slowly improving from the pandemic, the industrials sector returned 15.2% due to increased demand for products and services. The VBIMP portfolio was able to capture 100% of the benchmark's upside and only 28% of its downside due to our exposure to the industrials and consumer discretionary sectors, both of which performed well in Q1 coming out of the first year of the pandemic.

Many names in the portfolio had returns generated by several themes. For example, Funko saw the highest return of 89.6% after management adopted NFTs into their repertoire, taking advantage of the trend, while Hamilton Thorne returned 25%, beating expectation. In addition, Savaria returned 22.1% due to a significant transformative acquisition. Our quarterly trades were mixed between buys and sells. We sold Sleep Country due to tough comparable results from prior periods and Re/Max due to a lack of conviction in their business model. We bought names such as Andlauer Healthcare Group due to a pullback leading to an enticing cheaper price and Qualys due to a new interim CEO that led to a price decline.

Furthermore, the market saw sector rotation out of high multiple stocks towards value companies as investors looked for opportunities in sectors that have previously underperformed. As such, companies like Magellan Aerospace returned 18.8% this quarter. The market continued to experience increased home improvement trends and the shift to a stay-at-home lifestyle led to inflationary pressures on the associated products and services. Lumber prices rose significantly due to increased demand and limited supply in the materials sector. Companies like Richelieu Hardware benefitted from the home improvement trend and returned 25.0% and companies like Sleep Country returned 20.7%, benefitting from the increased time spent at home. Finally, investors continued to anticipate a premature reopening of the global economy which led to a strong performance in the consumer discretionary sector. Names like Aritzia performed well and returned 13.2% this quarter.

By the end of the quarter, we had outperformed our benchmark on invested capital by +0.5% (Figure 4) and underperformed total AUM by -1.8% due to negative foreign exchange contributions.

7.2.2 Q2 2021

In the second quarter of the year, our benchmark returns were driven by the continued recovery of the energy sector and the reopening of the economy. The energy sector rallied significantly by 38% for the Russel 2000 and 73% for the TSX Small Cap Index, driven by a recovery in oil prices which are now back at 70$ per barrel. Consumer discretionary returned ~30% in both benchmarks as vaccination rates have ramped up in North America. Investors continued to expect higher demand for products & services as the economy was coming back to normal. Industry metrics tracking consumer savings had shown that a high savings rate remained relative to pre-pandemic levels.

After an astonishing performance in the last quarter from the tech sector, Q2 was a breathing period as it returned only 7% in the quarter in the Russel 2000 and -4% in the TSX small-cap index. As tech was facing tough comps from being a COVID-19 beneficiary, investors were looking for returns in other sectors. Therefore, post-pandemic reopening plays were a strong trend in the quarter. Although some believed that the home improvement trend had relaxed, many housing projects were still delayed from high costs and supply chain-related issues.

Despite the portfolio not being invested in the energy sector, the VBIMP portfolio outperformed by almost 500 bps in alpha. The returns were driven once again by Xpel with its outstanding management successfully executing this quarter, Photon Control getting acquired at a significant premium and becoming the stock with the shortest coverage time in the VBIMP history, and Aritzia becoming a reopening benefiter and announcing its expansion into men's clothing. Overall, Q2 2021 was a successful quarter for the VBIMP.

By the end of the quarter, we had outperformed our benchmark on invested capital by 4.8% (Figure 4).

7.2.3 Q3 2021

The market in the third quarter of 2021 took a breather from the strong gains in the first half of the year with the VBIMP benchmark returning -3.4%. The negative performance was caused by a new problem across the globe: supply chain issues. At the beginning of the quarter, the price of a shipping container was $4,500 and by the end of the quarter it has increased to over $10,500. Supply chain disruptions were caused by two factors: the inability to find the actual containers, and labor shortages at manufacturing plants and at ports. The inability to find containers was caused by canceled orders as a result of the pandemic and the fact that Chinese shipping container manufacturers had been producing 2-3 weeks of supply and had been unable to catch up to demand. In terms of labor, the lack of labor in ports caused containers to not be emptied which prevents new ships from coming in and unloading their cargo. This problem was made clear when 70 containerships were waiting outside of the Port of Los Angeles. Furthermore, the shipping time from China to the U.S. increased from 40 to 80 days in the third quarter of 2021.

During this time, many of our stocks continued to outperform, with the fund outpacing our benchmark by 450 bps. At the very beginning of the quarter, MKS Instruments announced the acquisition of one of our then newest holdings: Photon Control. Our position was initiated at $2.80 and MKS offered $3.60 per share, a price that we were satisfied with as it represented a return of ~28.6%. Due to the supply chain issues, companies such as Tecsys and Andlauer posted mid double-digit returns and were the main source of the fund's outperformance. Tecsys was a prime beneficiary of the focus on the fragile supply chain and its revenues increased 18%. Andlauer executed on all fronts and increased revenues by 52% and EBITDA by 67% year-over-year. This quarter, we used our first joker card on Thunderbird Entertainment. Since we initiated the position, the stock returned 17% and proved be a successful use of our first ever joker card. In the third quarter of 2021, we exited our entire position of Sleep Country because we did not believe in the company's ability to continue to grow based on the record results achieved in the second half of 2020 and the first half of 2021. This decision was well-timed as we saw the company's share price decline since we sold the shares.

By the end of the quarter, we had outperformed our benchmark on invested capital by +4.8% (Figure 4).

7.2.4 Q4 2021

In the fourth and final quarter of the year, our benchmarks showed renewed strength after a negative return in the prior quarter. Both benchmarks have shown positive returns of ~2 to 3%. The S&P/TSX Small Cap index and the Russell 2000 were supported by the Materials and Utilities sectors, respectively and were both weighed down by the Health Care sector. Although shipping costs have experienced a slight decline, global markets continue to face supply chain issues. In addition, the new Omicron COVID-19 variant appeared in North America near the end of the quarter and renewed fear in society. Companies in our portfolio have continued to be adversely affected by supply chain issues and labor shortages, most notably Savaria, Richelieu, and Xpel to some extent. A hot topic throughout 2021 was inflation. Although the US Federal Reserve was saying that inflation was transitory, inflation in the US hit 7%, a number not seen since 1982. The high levels of inflation are most impactful to companies who cannot pass along costs to customers, like Five Below for example. With the Health Care sector experiencing double-digit declines in the US and Canada, SIS proved that VBIMP chooses high-quality businesses that can weather market downturns by only seeing a mid-single-digit decrease.

The returns were driven mostly by Comfort Systems, Donnelley Financial, and Aritzia, three companies who reported strong and encouraging earnings. Comfort Systems surpassed all estimates and reached an all-time high of $90.68, implying a return of just under 40% for the quarter. Donnelley Financial's 36% quarterly return was caused by an earnings report where software was shown to outperform the print & distribution segment. Finally, Aritzia posted great results and saw US revenues grow to account for more sales than the traditional business. On the other hand, Real Matters reported underwhelming financial results and the stock price reacted accordingly, slumping an additional 17.3% in this quarter on top of the 30%+ decline in Q3 2021. Furthermore, Genasys reported a disappointing quarter with lower than anticipated software execution as it only accounted for half the revenue that the company expected. After updating our assumptions based on company guidance, we derived a 5-year upside of 35% and planned to exit the position. Overall, our winners outperformed our losers, and we were able to generate 700 bps of alpha.

8 INVESTMENT DETAILS

Since the VBIMP Portfolio's inception, the program has placed 146 trades, investing in 40 different companies (20 headquartered in the U.S. and 20 in Canada) and exiting 17 investments.

In Q4 2016, the VBIMP team invested in 3 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). The program added Enghouse Systems, Richelieu Hardware, Comfort Systems, Altus Group, Recipe Unlimited, Calian, and The Hackett Group.

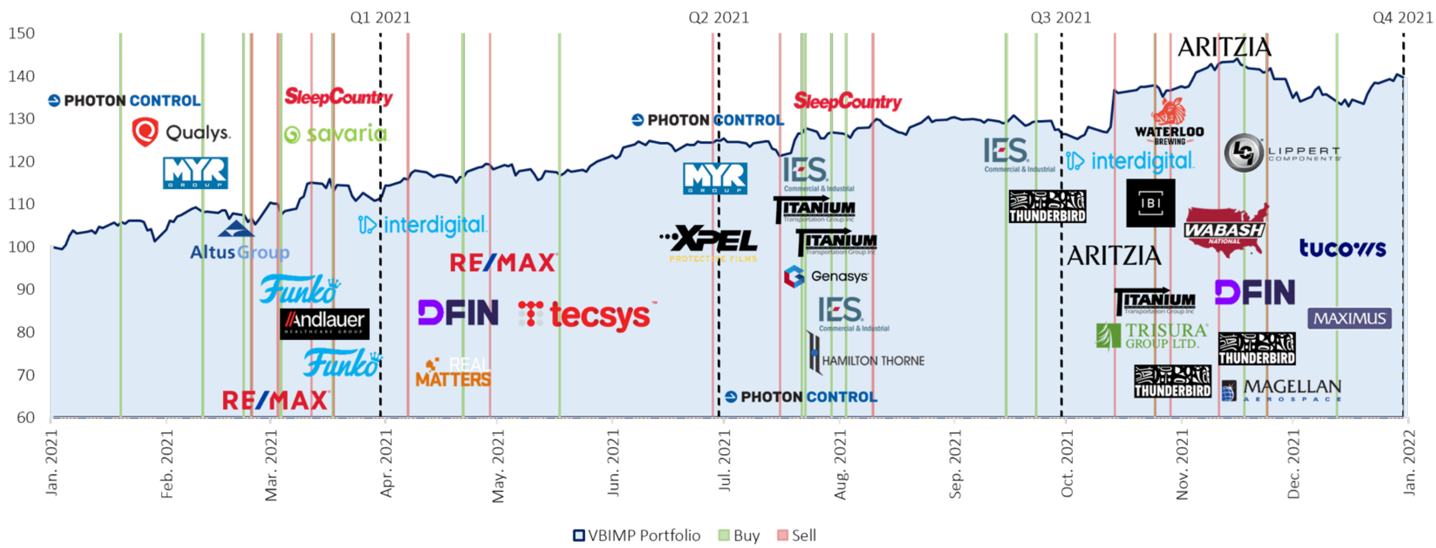
In 2018, the VBIMP team had deployed 62.0% of total fund value, placing 18 trades, adding 8 new companies, and exiting two investments (total of 16 holdings). The program added Tucows, Brick Brewing, LCI Industries, Omnicell, Five Below, InterDigital, Control4, and Stamps.com, and exited Savaria and Superior Group of Companies.

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.

In 2020, the VBIMP team had deployed 74.6% of the total fund value, placing 54 trades, adding 10 new companies (7 newly initiated in the year), and exiting 7 investments (total of 20 holdings). The program added Magellan Aerospace, Funko, Wabash National Corporation, Aritzia, Tetra Tech, Omnicell, XPEL, Qualys Hamilton Thorne, and Maximus, and exited Recipe Unlimited, NFI Group, The Hackett Group, Richelieu Hardware, Omnicell, Enghouse Systems, and Tetra Tech. Figure 5 provides an illustrative summary of the VBIMP Portfolio buy and sell decisions in 2020.

In 2021, the VBIMP team had deployed 86.4% of the total fund value, placing 42 trades, adding 12 new companies (9 newly initiated in the year), and exiting 6 investments (total of 24 holdings). The program added Photon Control, Andlauer, Donnelley Financial Solutions, Real Matters, Integrated Electrical Services, Titanium Transportation, Genasys, Thunderbird Entertainment, Trisura Group, IBI Group, Tucows and exited Funko, RE/MAX Holdings Inc, Sleep Country Canada, InterDigital, Wabash National Corporation, LCI Industries. Figure 5 provides an illustrative summary of the VBIMP Portfolio buy and sell decisions in 2021.

Figure 5: Trade Summary (2021)



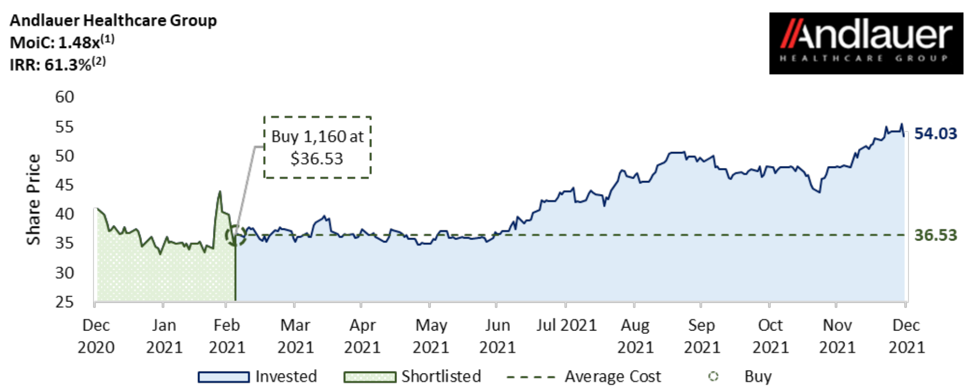
8.1 DISCUSSION OF SELECT TRADES

8.2 ANDLAUER HEALTHCARE GROUP (TSE:AND)

8.2.1 COMPANY OVERVIEW

Andlauer Healthcare Group is a supply chain management company with a platform of customized third-party logistics and specialized transportation solutions for the healthcare sector. It offers its services mainly to healthcare manufacturers, wholesalers, distributors, and 3PL providers.

Figure 6: Andlauer Healthcare Group, Inc. Trade Summary



(1) MoiC refers to the multiple on invested capital. It is calculated as the average selling price over the average buying price, inclusive of trading fees. As at December 31, 2021, a MoiC of greater than 1 indicates profit, whereas a MoiC of less than 1 indicates a loss. If we maintained a position in the stock at the end of the calendar year on December 31, 2021, the average selling price assumes all remaining shares are liquidated as at the closing price on that date.

(2) IRR refers to the internal rate of return, or annualized return, of the investment since its inception. It takes into consideration the time interval of capital deployed and realized, time value of money, and effect of compounding.

8.2.2 INVESTMENT THESIS

1. Sole player with a national scale within the healthcare transportation space: Andlauer maintains a sustainable competitive advantage through their position as the sole provider of national supply chain management and transportation services within the healthcare transportation segment. They have built an impressive network of temperature-controlled facilities, vehicles, equipment, and trained personnel dedicated to serving the healthcare sector.

2. Operational excellence and management's strong attention to detail: Management has on average 30 years of industry experience and a track record for operational excellence. AHG extensively monitors and manages temperature conditions to provide documented proof of the conditions within their facilities and vehicles.

3. Upside from further M&A: AHG is well-positioned financially and has expressed a strong interest in further acquisitions to increase their presence in both the Canadian and American markets.

8.2.3 CATALYSTS

1. U.S. Expansion: Andlauer has recently made a strategic US-based acquisition in order to bolster their growth outside of Canada. Since then, this new segment has performed above expectations and looks to be a significant driver of future growth. We expect Andlauer to continue to focus on this expansion opportunity which should provide significant upside for shareholders in the immediate future.

2. Expanding regional services into new geographies: Management has been expanding their pharmacy home delivery service business, MEDDS, for Canada-wide coverage. Both through acquisitive expansion and greenfield investments, Andlauer can continue to roll-out its services to all of Canada. Domestic growth may not be as large as its US expansion but is still a significant driver of value in the short term.

3. Well positioned to delivery Covid-auxiliary products: Andlauer was able to benefit from the pandemic by being instrumental in the shipment of test kits and other auxiliary products. As the pandemic seems to reach endemic levels, the need for these products should persist and Andlauer is primed to benefit from these additional revenue channels.

8.2.4 INVESTMENT RISKS

1. Management Voting Power: Michael Andlauer controls over 80% of the voting power attached to all the shares. This means that he holds the final executive decisions. While this does pose an inherent risk with a lack of investor control, Michael Andlauer has proven to be an exceptional decision maker and allocator of capital. We remain confident in his ability to add value with such a large percentage of voting shares.

2. Increase in driver compensation, difficulties attracting and retaining drivers: Increases in regulations and intense competition for drivers may require an

increase in their compensation package. With inflationary pressures affecting wages on every level, a heightened impact may be felt in the trucking industry. The lackluster supply of truckers as well as their aging demographics may lead to a sharp increase in wages. This is an industry-wide risk which we continue to carefully monitor.

3. Large spike in fuel prices: High fuel prices may affect margins in the short term. Although these are mainly passed on through variable fuel rates in contract pricing, some contracts do have a lag before adjustments can be made. While this may have a negative impact on margins in the short term, Andlauer remains one of the highest margin trucking companies in the industry and should be able to handle any short-term issues with relative ease. We maintain our belief that their long-term margin profile would be virtually unaffected by this risk.

8.2.5 VBIMP COMMENTARY

We initiated a position in Andlauer in early February of 2021. They have executed on all fronts and the integration of Skelton USA provides extensive growth opportunities in the US. We believe their acquisition of Skelton was a very strong strategic move as it is very much aligned with their existing competitive advantage in the Canadian market. Skelton too is considered the standard in the industry for 2-8 degree Celsius transportation. We believe the mutual knowledge between these companies will help to create further synergies.

Andlauer continued to invest in organic growth by expanding multiple distribution facilities mainly for their fastest growing segments of last mile and dedicated delivery. Yet, they have not stayed complacent on the acquisition front by any means. We believe the continued accretive tuck-ins Andlauer is targeting will provide additional value to the company and shareholders alike.

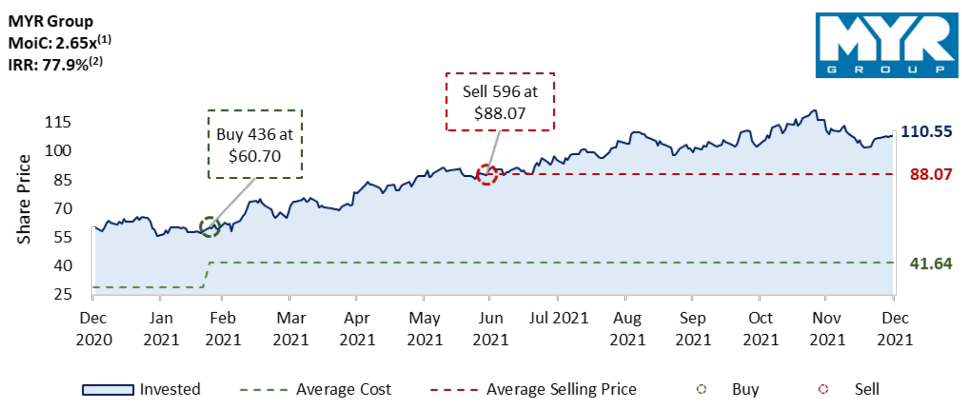
We also maintain that the company will continue to benefit from the distribution of Covid-auxiliary products even as the pandemic wanes. Although margins began to normalize at the end of 2021, we believe they have a strong ability to pass on costs due to their expensive competitive advantage in the refrigerated transportation industry. Demand remains strong and the only significant headwind may be the increase of land prices making organic expansion increasingly difficult. Our investment in Andlauer provided an IRR of 61.3% for the year.

8.3 MYR GROUP (NASDAQ:MYRG)

8.3.1 COMPANY OVERVIEW

MYR Group 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 infrastructure clients. They have a strong and growing exposure to the renewable energy market.

Figure 7: MYR Group, Inc. Trade Summary



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(2) IRR refers to the internal rate of return, or annualized return, of the investment since its inception. It takes into consideration the time interval of capital deployed and realized, time value of money, and effect of compounding.

8.3.2 INVESTMENT THESIS

1. Aging electrical infrastructure: Increasing demand for system reliability and the needed replacement of an ageing electrical grid will provide MYRG with sustained demand. MYR Group has an excellent track-record in completing electrical construction contracts efficiently and on time. They have been in this business for over 100 years and maintain solid relationships with key utilities companies. They are extremely well positioned to directly benefit from increasing demand and further bidding opportunities in this space. They have also shown an extensive ability to win profitable contracts.

2. Shifting power mix: Hundreds of coal plants have been and continue to be retired. New power generation capacity, primarily renewables and natural gas, presents a unique opportunity for MYRG. After significant investments in their renewable energy capabilities and key acquisitions, they have demonstrated success in both the construction of renewable projects and the integration of these projects into the electric grid. Their growing success and

scope of renewable work should continue and will certainly benefit from these macro-level tailwinds.

3. **Favourable infrastructure regulation and spending trends:** Governmental spending on improving bridges, roads, airports, data centers, etc., present further bidding opportunities for MYRG. These types of projects are in high demand and MYRG will be a direct beneficiary. Infrastructure spending is expected to increase for a number of years.

8.3.3 CATALYSTS

1. **Imminent increasing in spending:** With Biden's infrastructure budget soon to come into affect, MYRG should benefit from an imminent increase in governmental infrastructure spending in the short term. Furthermore, emphasis has been placed on renewable energy projects of which MYRG can help build and also integrate into the electrical grid. Increased contract availability may not only provide revenue growth but also has the potential to increase margins with a higher percentage of renewable integration work.

8.3.4 INVESTMENT RISKS

1. **Economic downturn:** A downturn in the US economy could lead to lower than anticipated economic opportunities, transmission spending and irrationality in the bidding process. That being said, much of the expected work is seen as absolutely critical and even in the face of an economic downturn would be prioritized.

2. **Enhanced competition:** Large players looking to capitalize on positive trends can cause bidding wars and slimmer margins for MYRG. The significant history of success, client relationships and general expertise of MYRG greatly mitigate this risk. They have demonstrated continued success in the bidding process and this should not change for the time being.

3. **Deregulation:** Loosening regulations may slowdown the pace of renewable energy replacement and electrical infrastructure spending. Given recent spending trends, this does not seem to be a material risk for the time being although we will continue to follow commentary on renewable construction to see if a change would occur.

8.3.5 VBIMP COMMENTARY

MYRG has benefitted from very attractive macro conditions, strong performance and industry-wide multiple expansion throughout 2021. As the valuation seemed favourable given the macro environment and history of execution, we decided to add to our position at the beginning of the year.

The company continued to post very strong results with the kickoff of multiple front-end heavy C&I projects boosting margins temporarily. They also had significant contract wins in the renewable industry as well as the healthcare space in California and Western Canada. Their T&D segment continued to benefit from much needed public and private spending which we believe will persist into the future.

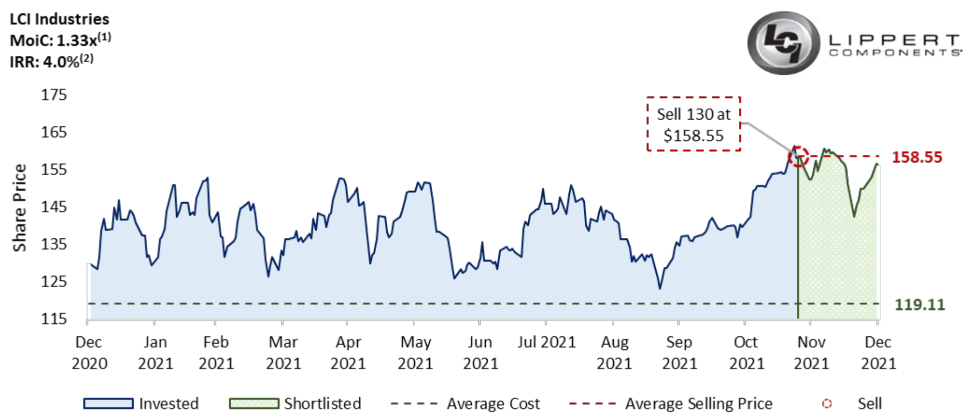
As their stock price increased significantly throughout the year, we decided to significantly trim our position when upside became limited. In June, we sold 596 shares of MYRG at an approximate EV/NTM EBITDA multiple of ~10x, much higher than historical levels. Furthermore, their exposure to fixed price contracts and limited operational leverage with high fixed costs worried us about their ability to pass on inflationary costs. Their stock price declined shortly after this move. This position produced an IRR close to 78% for the year. While upside was limited from a valuation perspective, we hold our belief in MYRG as a company and will actively follow the stock for any buying opportunities in the future.

8.4 LCI INDUSTRIES, INC. (NYSE:LCII)

8.4.1 COMPANY OVERVIEW

LCI Industries provides highly engineered components for leading original equipment manufacturers (OEMs) internationally in the recreation and transportation markets. LCI's primary customers operate in the recreational vehicle (RV) and adjacent industries such as buses, trailers, livestock, trucks, boats, and modular housing. Additionally, the company supplies components to the corresponding aftermarkets of these industries via dealers, distributors, and service centers. LCI currently operates over 120 manufacturing facilities in North America and Europe.

Figure 8: LCI Industries, Inc. Trade Summary



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8.4.2 INVESTMENT THESIS

1. Diversification Strategy and Aftermarket Expansion: As part of LCI's growth strategy, management actively pursues diversification strategies through the expansion of its aftermarket segment. Currently, the majority of LCI's sales are represented by RV OEMs at 80% of sales. The RV industry is prone to cyclical trends and lower operating margins, whereas the aftermarket segment generates better margins. LCI expands this segment through acquisitions.

2. International Exposure: The company maintains a strong presence in Europe and Australia, two markets with high outdoor leisure participation. Management estimates the total addressable market outside North America to be well over $1 billion and international net sales grew at a CAGR of 76% since 2015. The company expands its international segment through acquisitions.

3. Innovation and Technology Track Record: LCI focuses on integrating innovation and technology in its products and owns 540 US patents. The company launched the Lippert One product suite which provides security, control, convenience, and connectivity to RV end users. These innovations are driven by LCI's participation in almost every major RV event which allows the company to readily gauge consumer trends and act accordingly. We are confident that LCI will continue to add value to customers by bringing more innovative developments to market and improving previous successes.

8.4.3 CATALYSTS

1. Margin Expansion Initiatives: The company focuses on expanding its margins through several initiatives such manufacturing process improvements through increased automation. In 2021, the company allocated a record amount of capital towards these and had over 15 larger automation projects set to go live in 2022 and beginning 2023. Additionally, LCI's aftermarket segment expansion is expected to increase margins in the long-term.

2. Growth through M&A: LCI has shown a deft hand at producing highly accretive and synergistic acquisitions. Six companies were acquired in 2021 alone, one of which granted LCI access to a $1.5 billion addressable market in North America through aftermarket and OEM channels. Given LCI's ready access to capital and the current stressed supply-chain environment, management is likely to find high payoff acquisitions at bargain prices and accelerate their penetration into adjacent industries, lower costs through vertical integration, and grow TAM.

8.4.4 INVESTMENT RISKS

1. Customer Concentration: In 2021, Thor industries and Berkshire Hathaway Inc (Forest River and Clayton Homes) have represented 23% and 20% of LCI's net sales. However, high customer concentration is common among LCI's customers and peers in the industry.

2. Cyclicality: Recreational Vehicles are highly discretionary products and swings in demand will quickly reverberate to RV OEM suppliers like LCI. This is where LCI's adjacent and aftermarket channels will create the most value: by providing sales uncorrelated to RV demand and a stable revenue floor from the repair/rehaul of previous batches of RVs.

3. Supply Chain Disruptions: In 2021, the industry was heavily impacted by supply chain disruptions which caused raw material shortages and cost increases. This included increases in the cost of steel, aluminium, and freight as well as wage inflation. The company was able to mitigate this through strategic inventory management and price increases.

8.4.5 VBIMP COMMENTARY

The recreational vehicle industry had a strong year in 2021 fueled by heightened demand due to pandemic-related restrictions that started in 2020 and hindered travelling. LCI's position in the market allowed it to strongly benefit from this trend, which resulted in sales reaching record-levels. The year was also characterised by supply chain disruptions causing raw material costs to increase drastically, with the company reporting steel cost increasing by 250% and aluminum growing by 60% since 2020 in Q2 2021. The company was able to mitigate this through strategic inventory management by building up on certain items to avoid shortages, and through price increases to its customers. Additionally, the company was able to offset some of these cost increases through automation initiatives to expand margins. This allowed LCI to continuously respond to the growing demand from its RV OEM customers and therefore expand its market share.

LCI's strong performance however was not showcased through the company's stock price which remained between $125 and $155 throughout the year. Given our valuation being unfavorable at this range and indicating low upside, we did not add to our position and kept a small position in our portfolio.

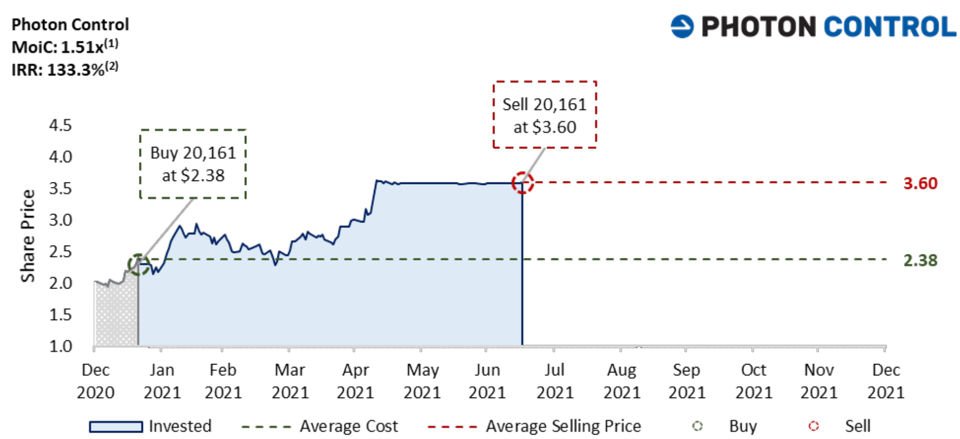
By the end of the year, in Q4 2021, the RVIA forecasts as well as management guidance showcased a potential decline in RV demand driven by normalized trends as the pandemic restrictions dissipate. In fact, according to management, the second half of FY 2022 will experience a large decline in RV OEM sales, and according to RVIA, 2021 RV shipments will end at a 34% y/y growth while 2022 will end at 4%, representing a major drop in growth. LCI's efforts to diversify its revenues through its aftermarket segment expansion was not enough to mitigate the risk of drastically lower demand in RVs as RV OEM revenues represented over 80% of total sales. Thus, we decided to exit our position as the company reached its peak price level of $158 on November 24th.

8.5 PHOTON CONTROL INC. (TSE:PHO)

8.5.1 COMPANY OVERVIEW

Photon Control, Inc. was a supplier and developer of componentry systems for Wafer Fab Equipment OEMs specializing in optical sensor temperature and position measurement systems. These are used by faber manufacturers on integrated circuits for semiconductors which are ultimately integrated into high-end electronic devices. It was acquired by MKS Instruments, provider of instruments, systems, subsystems, and process control solutions in 2021.

Figure 9: Photon Control, Inc. Trade Summary



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8.5.2 INVESTMENT THESIS

1. **Exclusive Patents and Partnerships:** Photon Control was focusing on advancing its phosphor fiber optic sensors since it was founded in 2988. As such, the company had built an arsenal of exclusive patents that were customizable for its customers' needs. Photon Control maintained a competitive advantage through its product differentiation which led to its success as well as its ability to benefit from higher product margins than peers.

2. **Track Record of Success and Long-Standing Reputation enabling Expansion into new Markets:** Photon had established itself as a reliable player within the precision measurement business in the WFE OEM market. The company's

continued partnerships and acquisitions would allow it to tap into new sectors that diversified its revenues and further grew its total addressable market, which was approximately $55 billion for the WFE industry.

3. Customized Sensors Built into the Processes of WFE OEMs: Photon had built extensive knowledge on its customer base through its relationship-focused selling approach. This allowed the company to customize its products on-demand as they were sold, which was highly beneficial for WFE OEMs as it would avoid the need to diverge from their usual wafer process protocols to integrate additional solutions. Since Photon's sensors would be integrated into the OEMS' wafer process, it created a sticky relationship and product once scaled.

8.5.3 CATALYSTS

1. Market Share Expansion through Acquisitions, Partnerships, and R&D: Photon operated in a highly evolving industry as companies continuously discovered new technologies and processes to manufacture their products. With a large cash position at over $40m, the company was focused on pursuing M&A opportunities to expand its market share and capabilities. Additionally, management remained focused on partnerships and R&D to keep up with trends, diversify revenues, and drive backlog activity.

2. Significant Avenues for Growth through FiSens Exclusive Partnership and Micronor Acquisition: Photon completed a partnership with FiSens as well as the acquisition of Micronor in FY 2020, benefitting from added vertical capabilities and synergetic technologies. Photon's expertise in the field, the add-on of Micronor's technologies and FiSens patents would ultimately offer promising technologies to increase wafers' performance, helping Photon stay competitive while expanding its product offering to WFE OEMs and other industries.

8.5.4 INVESTMENT RISKS

1. Concentrated Customer Base: As of FY 2021, over 90% of revenue stemmed from three large customers. However, Photon Control sensors were usually customized for their customers, which created stickiness to its products. Additionally, management had expressed its eventual plan to further diversify its revenue stream into other industries such as the medical and aerospace.

2. Building Tensions Between the US and China on Tech: The Trump administration had imposed export restrictions on 60 Chinese companies, including China's largest semiconductor manufacturer. Photon Control generated approximately 40% of its revenue from Asian markets. However, this didn't solely represent revenues from China. Additionally, Asia was and remains a large hub

for semiconductor production, including giants such as Taiwan Semiconductor Manufacturing Co and Samsung.

3. **Cyclicality Embedded within the Company's Operations:** The semiconductor industry is highly cyclical due to constant innovations. Therefore, Photon needed to be cautious to avoid succumbing to large inventory build-ups. We believed that the business has demonstrated its resilience against downtrends in the industry. Additionally, its strong cash position had permitted the company to weather the storms and always enter new cycles with higher revenues.

8.5.5 VBIMP COMMENTARY

We initiated a position in Photon Control on January 20th, 2021. We believed the company had strong growth avenues and benefitted from increased demand for sensing products within the semiconductor industry as work from home prevailed and the need for semiconductor chips was growing rapidly. This was due to accelerated key technological trends such as AI, automatic vehicles, and 5G, propelling a continued increase in manufacturing semiconductors. As chips became smaller and more complex, higher capital was required in the industry to keep up with technology needs. In 2021, global semiconductor capital spending reached $154bn USD, a 36% increase compared to 2020. The company was in a strong position to benefit from this trend. Given Photon’s product differentiation and competitive advantage, we believed that it would strongly benefit from key trends in the industry and believed that the cycle was in the company’s favor.

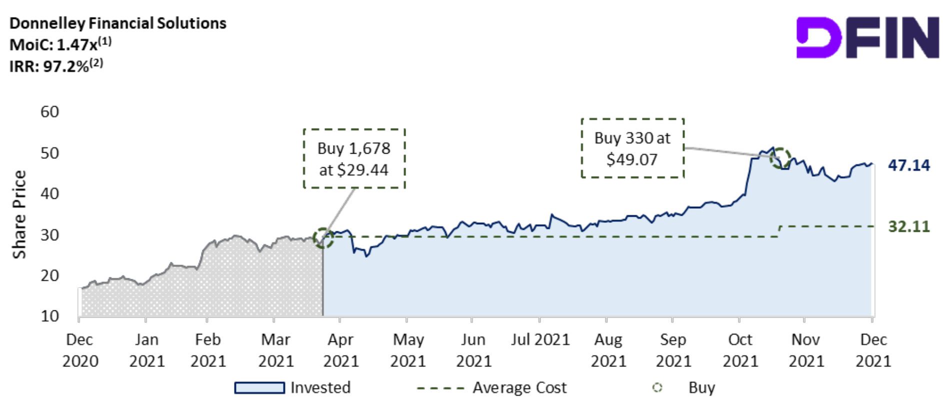
By May 2021, Photon announced that it had agreed to be acquired by MKS Instruments. The acquisition was for $3.60 per share and was approved by 87.4% of shareholders. The offer represented 4.5x consensus EV/Sales and 4.9x VBIMP 2022 estimates, a premium to the peer average of 3.8x. We held our position until the transaction closed in Q3 2021.

8.6 DONNELLY FINANCIAL SOLUTIONS, INC. (NYSE : DFIN)

8.6.1 COMPANY OVERVIEW

DFIN is a provider of compliance solutions globally and operates through 4 segments. These include Capital Markets – Software Solutions (CM-SS), Capital Markets – Compliance and Communications Management (CM-CCM), Investment Companies – Software Solutions (IC-SS), and Investment Companies – Compliance and Communications Management (IC-CCM). The company's offerings supply a one-stop-shop for regulatory filing, whether it be for public debuts (IPO or SPAC) or for M&A activity.

Figure 10: Donnelly Financial Solutions, Inc. Trade Summary



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8.6.2 INVESTMENT THESIS

1. Market Does not see DFIN as a Software Company: Until 2021, Print and Distribution made up for much of DFIN's sales and have been a drag on growth over the past few quarters. Software overtook Print as a proportion of sales, most recently 32% of sales in Q4 2021. This is vital for DFIN as they strive to meet their goal of 44% software sales by 2024. We believe they are on track to beat their targets and should be re-rated as a software company. DFIN currently trades at an NTM EV/EBITDA multiple of 4.57x, well below its 5-year average. Until the market changes its perspective on DFIN, our conviction remains very high and we see the company as undervalued.

2. Capital Allocation: Since their spin-off in 2016, DFIN has strengthened their balance sheet, allowing them to authorize share buyback programs, repay debt to ensure value creation, and decrease their annual interest payments drastically. In addition, strong free cash flow margins offer the company additional inorganic growth avenues and the opportunity to pursue acquisitions and partnerships.

8.6.3 CATALYSTS

1. Strong Transaction Market: We do expect a weak IPO market to persist throughout 2022. However, DFIN has supported 100 public debuts via SPAC over the past 12 months and we can expect them to have a large share of public offerings this year. In addition, the M&A market continues to grow and we anticipate the foundation of DFIN's FY 2022 growth to come from the transactional market.

8.6.4 INVESTMENT RISKS

1. Weaker Than Expected IPO Landscape: We do anticipate a weak IPO market this year however we might be surprised at just how few companies decide to go public. There is conjecture regarding an impending recession, which, in addition to war in European countries, economic recovery from COVID-19, and combatting heavy inflationary pressure, might adversely affect DFIN to a point where the M&A market does not provide enough of a foundation for growth in 2022.

2. Acquisition Target: This has been a risk we had from the start. Since the spin-off, the company has sustainably reduced its debt and strengthened its product offering by selling certain assets and reducing capital expenditures in its declining print segment. The company's product offering could be an ideal fit for Broadridge Financial Solutions (NYSE:BR), the market leader in proxy solutions, or any other large FinTech company looking to enter the capital and investment industry's compliance and regulatory space.

8.6.5 VBIMP COMMENTARY

We initiated our position in DFIN on April 22, 2021, and since we believe that there is a nice runway for DFIN to keep outperforming, we added to our position, bringing our portfolio weight to approximately]5.7% and lowering our cost basis to $32.29. Our new intrinsic value and 5-year targets are $58.70 and $79.20, respectively.

Management has consistently outshone the street's expectations and have met all their own predictions, quarter after quarter. As they ramp up the software side of the business and reduce the printing business, we should only see increased margins moving forward (this plays into their 44 in 24 goal, which is in reach and likely to be beaten). Furthermore, DFIN is working on bolstering their software offering through various partnerships, enabling them to be a one-stop-shop for regulatory filing capabilities.

Q4 2021 saw great performance in the software segment. Print and distribution sales were negatively impacted due to management's decision to expire certain contracts. Print and distribution sales are expected to decrease 4 – 5% moving forward while maintaining mid-teens growth in software segments. A big caveat moving into 2022 would be the unpredictable outlook for IPO/SPAC activities. The back half of 2021's SPAC mania was a risk we expected and we hope that the M&A market will provide growth in 2022.

DFIN's shares had a run-up of 108.2% from May 12th – November 15, 2021, jumping from $24.74 to $51.50. Since, shares have fallen 35.4% to $33.26 which presented us with additional buying opportunities. We view DFIN as being undervalued and currently, it trades well below its historical averages.

9 PROGRAM CREATION PROCESS

9.1 STEPHEN A. JARISLOWSKY FELLOWSHIP

The Stephen A. Jarislowsky Fellowship was established during the creation of the VBIMP. The fellowship program was announced and celebrated with a ceremony at the John Molson School of Business 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.

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, former vice-president, Advancement and External Relations*

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 John Molson School of Business 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 John Molson School of Business 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 Senior 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 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.

10.5 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.

10.6 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.

10.7 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

E

Amr Ezzat

Equity Research Analyst

Echelon Wealth Partners

F

Vincent Felteau

Senior Director

PSP Investments

G

Marco Giurleo

Senior Director

RBC

Sain Godil, MSc

Partner and Portfolio Manager

Global Alpha Capital Management Ltd.

H

Charles Haggar, CFA, CPA

Vice President and Portfolio Manager

Formula Growth Ltd.

Stephen Hui, CFA

Portfolio Manager

Pembroke Wealth Management

K

Ram Kumar

Investment Banking Associate

DNA Capital

L

Martin Landry

Managing Director

Stifel GMP

Evelyne L'Archevêque, CFA

Investment Officer

CN Investment Division

Zhuo Ling, CFA

Partner and Senior Analyst

Van Berkom and Associates Inc.

P

Vishal Patel, CFA

Portfolio Manager

Dynamic Funds

S

Jordan Steiner

Portfolio Manager

LionGuard Capital Management

Omar Shash

Investment Advisor

RBC Dominion Securities

T

Martin Tzakov, CFA

Portfolio Manager

Pembroke Management Ltd.

W

Andrew Wetherly

Investment Professional

Walter Financial Inc.

12 STUDENT BIOS

12.1 GRADUATING COHORT (2021)

12.1.1 ANDREA KILIBARDA

Andrea Kilibarda completed her Bachelor of Commerce degree at John Molson, majoring in Finance. She was the President of the Finance and Investment Students' Association (FISA) for the 2020 academic year and previously occupied the Vice President of External Affairs role.

Andrea was also selected as one of 7 students to participate in the University's Sustainable Investing Practicum that launched in May 2020, in collaboration with Manulife Investment Management. The practicum's aim is to provide students with the opportunity to manage a portfolio of best-in-class companies from an ESG perspective.

In the Summer of 2021, Andrea completed an internship with the Investment Banking Division at National Bank Financial in Montreal, with a focus on sustainable finance. Upon graduation, Andrea joined the Sustainable Advisory & Finance team at National Bank Financial in the Investment Banking Division.

In her free time, Andrea enjoys reading, listening to podcasts, hiking, and cooking.

12.1.2 BALAL RASOOL

Balal Rasool is an undergraduate finance student pursuing a Bachelor of Commerce at John Molson.

He has been interested in the world of finance and business since he was 16 years old and has been investing personally and for family members since he was 18 years old.

Balal is currently working at Van Berkom and Associates. He also completed an internship at EdgePoint Wealth Management in Toronto during Summer 2021.

Upon graduating, Balal plans on pursuing a CFA designation, and a career in asset management. In the long run, he aspires to open up his own fund.

In his free time, Balal loves to listen to podcasts, read books and learn about finance, business, science, and technology.

12.1.3 BENJAMIN PHILIPPE

Benjamin Philippe finished his Bachelor's degree with a major in finance at the John Molson School of Business.

During his time at John Molson, he was an academic delegate and coach for multiple case competitions. He was also the Chapter Head of the Association of Intercollegiate Investment Clubs at Concordia.

During his 4 years at John Molson, he completed 4 internships: Capital Markets at Cushman & Wakefield, Investments at Ivanhoe Cambridge, Small Cap Equities at Fiera Capital and Public Equities & PIPEs at Ontario Teachers.

He now works as an Investment Analyst for Bastion Asset Management.

During his free time, he enjoys cooking, making cocktails and travelling to remote locations because "he hates tourists" (and would like to talk to you if you've ever travelled to Baffin Island).

12.1.4 GABRIEL TRAN

Gabriel Tran graduated with a Bachelor of Commerce at John Molson, majoring in Finance. He competed in various case competitions throughout his undergraduate degree such as: The National Investment Banking Competition (Final Round), the CN Investment Division Equity Challenge (2018 Finalist), the ENGCOMM competition, and the Real Estate Games. In addition, he competed as a Finance Academic Delegate at the JDC Central and the Financial Open competition.

In the Fall of 2019, Gabriel completed an internship with the Canadian Equity team at Desjardins Global Asset Management, located in Montreal, Quebec. The fund evaluates and allocates capital in attractive investment opportunities to generate value. He returned for a second internship with the Global Equity team at DGAM in the summer of 2020 and returned for a third internship in the winter of 2021. He now works as a Global Equity Analyst for Desjardins Asset Management.

In his leisure time, he enjoys road cycling, powerlifting, reading books, listening to podcasts and playing various sports.

12.1.5 KEVIN TEO-FORTIN

Kevin Teo-Fortin completed his Bachelor of Commerce degree in Finance at the John Molson School of Business (John Molson).

During his first year at John Molson, Kevin became an active member of the John Molson Trading League (JMTL), where he served as Co-Director. Amongst other activities at John Molson, Kevin also joined the inaugural Concordia Sustainable practicum as a fund manager in May of 2020.

Kevin completed internships at Canso Investment Counsel as a fundamental credit research associate, at Bimcor Inc as a financial analyst for the private markets team and at Mackenzie Investments as an Inside Sales Associate.

Upon graduation, Kevin joined Canso Investment Counsel as an Analyst. In his leisure time, he enjoys travelling, attending live music concerts, and playing golf and with friends.

12.1.6 MICHEL LOUTCHKINE

Michel Loutchkine finished his Bachelor of Commerce degree at John Molson with a major in finance and a specialization in statistics and programming.

During his time at John Molson, he was an academic delegate and coach for multiple case competitions. He finished 2nd in Market Finance at Financial Open 2021 and 3rd in Corporate Finance at JDC Central 2021. He also led Concordia University as a Captain to rank top 9th in the top 10 leaderboard ranking at the Rotman International Trading Competition 2021.

He completed four internships. First in Global Macro Trading at Ocram Capital, then completed 2 internships in Sales & Trading at Scotiabank Global Markets in FX & Rates Derivatives and High-Yield Credit Structuring in Toronto. He completed his last internship at Fiera Capital in small/micro-cap equities.

Upon graduation, Michel joined Bastion Asset Management as an Investment Analyst. In the long run, he aspires to open his own fund. In his spare time, he enjoys reading books about finance, science, and technology, playing games such as chess and poker, and running.

12.1.7 PAUL CHAURAND

Paul Chaurand completed his Bachelor of Commerce degree with an Honours in Finance and minor in Data Intelligence. During his second year, Paul became involved in the Data Intelligence Society of Concordia where he previously served as Vice-President of Finance. In addition, Paul was an academic delegate in the John Molson Case Competition Program where he competed in Finance and International

Business Strategy in business case competitions on a provincial, national, and international scale.

In 2018, Paul completed an 8-month co-op internship at MNP as an Analyst in the firm’s Financial Advisory Services, principally in corporate restructuring. In 2020, he completed an 8-month internship at the Caisse de dépôt et placement du Québec (CDPQ) in Private Equity, Direct International Investments. In Summer 2021, Paul completed an internship at Alfar Capital, a private equity firm based in Westmount.

Upon graduation, Paul launched his career at MNP as an Analyst in the firm's Valuations practice. In his leisure time, Paul enjoys reading mostly non-fiction books, going for outdoor runs, listening to podcasts of all sorts, and spending time in nature.

12.2 INCOMING FUND MANAGERS (2022)

12.2.1 BRANDON MUNDL

Brandon Mundl is a second-year undergraduate student pursuing a Bachelor of Commerce degree at the John Molson School of Business, majoring in finance. He is the Vice President of External Affairs at the Finance and Investment Students' Association, an analyst for the Concordia chapter of ACIIC, and an active member of the John Molson Investment Society.

Brandon is currently working as an investment analyst at Tonus Capital, a bottom-up fund focused on North American small cap equities. He is responsible for company research and ESG analysis of the fund's holdings.

Upon graduation, Brandon intends to pursue a CFA designation and a career in asset management or investment banking. In the long-term, his goal is to open his own fund.

In his free time, Brandon loves to golf, ski and go scuba diving.

12.2.2 ELI MINKOWITZ

Eli Minkowitz is in his second year of the Goodman Institute MBA program and is a Level 2 CFA Candidate.

Previously, Eli attended York University in Toronto, where he graduated with an Honours B.Sc. in Kinesiology and Health Sciences. Upon completion of his degree, Eli worked as a Business Development Analyst at a healthcare based Private Equity firm called Dwek Capital, where he was responsible for establishing relationships with M&A partners.

This summer, Eli worked as a Junior Analyst for a home office in Montreal where he researched multiple industries. He gained experience working one-on-one with a portfolio manager and has exposure to many companies through conferences and meetings with management.

After completing his MBA in Investment Management, Eli plans on pursuing a career in investment management with the aspiration of opening his own fund.

In his spare time, Eli enjoys playing and watching hockey, skiing, reading, and drawing.

12.2.3 MICHEL DUBREUIL

Michel Dubreuil is a second-year undergraduate student pursuing a Bachelor of Commerce, majoring in Finance at Concordia University's John Molson School of Business.

Michel has started investing personally at the age of 18 which prompted him to leave his career as an electrician to pursue a career in finance. Michel was selected as one of

11 students to participate in the University's Sustainable Investing Practicum that launched in May 2020, in collaboration with Manulife Investment Management. The practicum's aim is to provide students with the opportunity to manage a portfolio of best-in-class companies from an ESG perspective.

Michel is a research analyst intern (Winter 2022) at Global Alpha Capital Management. Upon graduating, Michel plans on pursuing a CFA designation, and a career in asset management.

In his leisure time, he enjoys snowboarding, reading books, and camping.

12.2.4 SAANYA AFROZE

Saanya Afroze is an undergraduate Finance student at the John Molson School of Business. Before starting her undergraduate degree, Saanya completed an internship at S&P Global where she focused on auditing financial models for REITs. Saanya's first internship, her role as an Equity Analyst at the John Molson Investment Society, as well as a four-month mentorship program at RBC Capital Markets is what fuelled her passion for pursuing a career in capital markets within her first year.

Saanya has since completed a Sales & Trading internship on the FX & Precious Metals desk at Scotiabank in Toronto during the Winter 2021 semester. She also interned at RBC Capital Markets on the Global Equities desk as a Sales & Trading Summer 2021 Analyst in Toronto. She is the current Vice President of External Affairs at the Finance and Investment Students' Association.

Saanya will be joining National Bank Financial as a Summer 2022 Investment Banking Analyst at the Toronto office. Upon graduation, she intends on completing her CFA designation and pursuing a career in investment banking, private equity or venture capital.

In her spare time, Saanya enjoys hiking, cooking, and travel.

12.2.5 WAEL ABOU AMMAR

Wael is a banking and Finance graduate who has over a year of experience in Financial Consulting at EY. During his time at EY, he was mainly operating on a job in the health sector in the middle east.

Currently Wael is a candidate for the accelerated MBA in Investment Management program at the John Molson's Goodman Institute of Investment Management. Wael completed his CFA level I Exam in June 2019. He also did an internship at ClearSkies Investment management.

Wael is joining Fitch ratings in full-time capacity as a senior analyst in the ESG ratings team.

In his free time, Wael enjoys working out and meeting friends.

12.2.6 YASMIN ISMAIL

Yasmin Ismail is pursuing a Bachelor of Commerce degree majoring in finance at the John Molson School of Business.

She is currently involved in the Finance and Investments Student Association (FISA) as Director of Events and has completed an internship at Fiera Capital in the small and micro-cap equities team. Prior to that, she did an internship at National Bank Financial in Wealth Management. She has also been an active member of the John Molson Investment Society ever since she started her degree.

Yasmin will be joining Van Berkom and Associates as an intern in Summer 2022. Upon graduation, Yasmin plans on pursuing a career in asset management or private equity.

In her spare time, she enjoys playing soccer, watching movies, and travelling.

12.2.7 STEPHANO PASCALI

Stephano Pascali is an undergraduate student in Finance at the John Molson School of Business. He is currently interning as an Analyst for StonePine Asset Management and previously interned as a Small Cap Analyst for Fiera Capital and as a Marketing Analyst for HumanFirst AI.

Prior to starting CEGEP at Marianopolis College, Stephano attended Cambridge University in England for a summer program with a major in medical sciences as well as a minor in Debating. Shortly thereafter, he created a small e-commerce business which continued successfully for several years. He has been a member of Mensa since 2017.

In his free time Stephano enjoys playing chess, biking and meditation.