



Broadview Dark Horse LP

An investment partnership managed by Ewing Morris & Co. Investment Partners Ltd.

Investor Presentation February 2019

Ewing Morris & Co. Investment Partners Ltd.
1407 Yonge St., Suite 500 | M4T 1Y7 | Toronto ON
www.ewingmorris.com | 416.640.2791

-PRIVATE & CONFIDENTIAL-

Guiding Principle

“Our goal is to build an investment firm of which we would want to be clients.”

– John Ewing & Darcy Morris

-PRIVATE & CONFIDENTIAL-

Contents

I.	Ewing Morris Overview	4
II.	Track Record	5
III.	Ewing Morris Team	6
IV.	Broadview Dark Horse LP Overview	7
V.	Appendix	13
VI.	Contact Us	15
VII.	Disclaimer	16

Ewing Morris Overview

Who We Are

- ▶ Value-driven Canadian boutique investment firm
 - \$339 million of assets under management
 - 6 investment professionals
- ▶ Broadview Dark Horse LP (the “Fund”) – launched in 2009
 - 10.6% annualized net return to limited partners since inception⁽¹⁾
 - Co-PMs Anthony Hammill and Lee Matheson
 - Merged with Ewing Morris in 2017

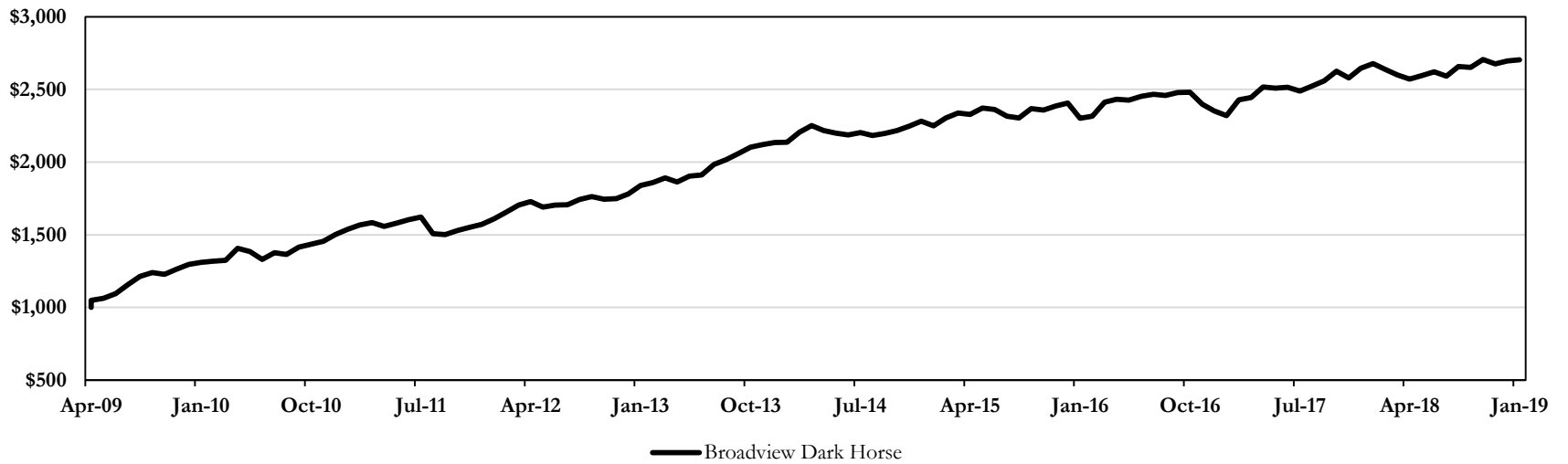
Strategy Overview

- ▶ North American long /short strategy
- ▶ Capital structure agnostic seeking “equity like” returns
- ▶ Heavy due diligence and continued involvement in companies
- ▶ Focus on small capitalization companies

(1) As of January 31, 2019. Fund inception was April 3, 2009. Past returns are not indicative of future performance. Returns and AUM are estimates until NAV is finalized.

Track Record

Broadview Dark Horse LP cumulative return on \$1,000,000



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 ⁽³⁾	Cumulative Since Inception ⁽²⁾	Annualized Since Inception
Broadview Dark Horse LP ⁽¹⁾	15.8%	4.7%	13.4%	19.9%	6.9%	5.4%	-2.2%	12.5%	1.9%	0.3	170.4%	10.6%

⁽¹⁾ Fund returns are net of all fees and expenses. Past returns are not indicative of future performance. Returns are estimates until NAV is finalized.

⁽²⁾ Fund inception was April 3, 2009.

⁽³⁾ As of January 31, 2019.

-PRIVATE & CONFIDENTIAL-

Experienced Team

Investment Team

<u>Investment Partner</u>	<u>Background</u>	<u>Industry Experience</u>	<u>Investment Partner</u>	<u>Background</u>	<u>Industry Experience</u>
John Ewing	Burgundy	12 years	Randy Steuart	Norrep, Marret	13 years
Darcy Morris	Burgundy	12 years	Alex Ryzhikov	Burgundy	9 years
Lee Matheson	Broadview, AIC	16 years	Anthony Hammill	Broadview, AIC	20 years

Advisory Board

Martin Connell, O.C.	Former CEO & Chair of Conwest Energy, Co-Founder of Ace Bakery	Rosamond Ivey	Head of JRS Investments	Harry Rosen, O.C.	Founder of Harry Rosen, Inc.
Ira Gluskin	Co-Founder of Gluskin Sheff	John MacIntyre	Founder & Principal of Birch Hill Private Equity	Bill Stedman	Former CEO of Pembina Pipeline, former CEO of ENTx Capital
Linda Haynes, O.C.	Co-Founder of Ace Bakery	David Peterson, O.ONT.	Chair of Cassels Brock, former Premier of Ontario	David Wilson	Former Vice-Chairman of Scotiabank, former Head of Ontario Securities Commission

For full biographies, please visit: <https://www.ewingmorris.com/team/>

-PRIVATE & CONFIDENTIAL-

Broadview Dark Horse LP Overview

-PRIVATE & CONFIDENTIAL-

Security Selection

Long/short fund; Alpha longs, Alpha shorts and index hedges

- ▶ Competitive advantage – we can do what others cannot or will not
- ▶ Look for structural, nuanced or temporal inefficiencies
 - We are value investors and content to look very different from peers
- ▶ Heavy due diligence and continued involvement in virtually all files
 - “Activist” involvement as back-up plan

Underwriting Process

Idea Generation

- Identify situations with likely mispricing
 - Distress, disinterest, complication

Expertise

- Focus on businesses we understand well and can properly handicap
 - Strong preference for recurring, contractual cash flow streams

Private Value

- Determine value through the lens of Private Market Value
 - What would a sophisticated, arm's length buyer with full data pay?

Deep Diligence

- Business operations, industry structure, creditors/credit environment, shareholders, board of directors/management

Scenario Analysis

- Determine fair value range using spectrum of scenarios
 - Acquire at meaningful discount to probability weighted fair value
 - Payoff asymmetry & liquidity help determine position sizing

Risk Management

Framework	<ul style="list-style-type: none">• Asset/Liability matching framework<ul style="list-style-type: none">○ Prevent against over-investing in illiquid securities
Exposure Limit	<ul style="list-style-type: none">• Exposure limits<ul style="list-style-type: none">○ Will not go over 100% gross long or 100% gross short
Sector Limit	<ul style="list-style-type: none">• Sector Limits⁽¹⁾<ul style="list-style-type: none">○ Will not exceed 20% gross long
Position Limit	<ul style="list-style-type: none">• Position Limits<ul style="list-style-type: none">○ Will not exceed 8% long exposure to any single issuer○ Will not exceed 4% short exposure to any single issuer

(1) Sector classifications may differ from commonly used classifications such as GICS.

The Dark Horse vs. Indices

		Dark Horse	TSX Composite	TSX Small Cap
Return	1 Month	0.3%	8.7%	7.66%
	Most Recent Quarter	0.3%	8.7%	7.66%
	1 Year (LTM)	1.0%	0.5%	-10.0%
	3 Year Annualized	5.5%	9.8%	9.3%
	5 Year Annualized	4.8%	5.6%	0.9%
Return	Since Inception Total Return	170.4%	128.4%	105.91%
	Total Return Annualized	10.6%	8.8%	7.6%
Risk	3 Year Std. Deviation	6.0%	9.2%	13.8%
	Std. Deviation Annualized	7.0%	10.4%	15.7%
Sharpe Ratio	Excess Return Per Unit of Risk	1.3	0.7	0.4
Correlation	Since Inception Correlation	---	0.1	0.1
Max Drawdown		7.4%	16.5%	31.5%

*As of January 31, 2019. The used indices are representative of widely known and followed investment alternatives.

-PRIVATE & CONFIDENTIAL-

The Dark Horse

82 Up Months vs. 35 Down Months

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	S&P TSX
2019	0.33													
2018	1.22	-1.52	-1.48	-1.02	0.91	1.04	-1.18	2.53	-0.20	2.07	-1.13	0.70	1.85	-8.89
2017	-1.42	4.75	0.66	2.93	-0.35	0.27	-1.00	1.30	1.45	2.58	-1.74	2.60	12.48	9.10
2016	-4.33	0.67	4.12	0.85	-0.22	1.03	0.55	-0.31	0.84	0.05	-3.31	-1.90	-2.21	21.08
2015	-1.44	2.46	1.50	-0.46	1.89	-0.41	-1.98	-0.49	2.79	-0.45	1.17	0.84	5.42	-8.32
2014	0.03	3.23	2.07	-1.46	-0.82	-0.57	0.77	-0.94	0.60	0.95	1.36	1.53	6.85	-10.55
2013	3.18	1.09	1.78	-1.52	2.23	0.42	3.80	1.60	2.06	2.20	0.81	0.70	19.85	12.99
2012	2.46	2.84	2.94	1.37	-2.16	0.85	0.05	2.11	1.18	-0.96	0.20	1.87	13.37	7.19
2011	2.45	1.93	1.03	-1.58	1.36	1.51	1.17	-7.13	-0.30	1.86	1.46	1.24	4.71	-8.71
2010	1.07	0.62	0.50	6.23	-1.59	-3.90	3.44	-0.86	3.65	1.42	1.37	3.20	15.80	17.61
2009				4.79	1.47	3.02	5.66	4.87	2.08	-0.87	2.83	2.61	29.60	28.49

*Master series performance. Performance numbers reported net of all fees in CAD
2019 numbers are unaudited*

As of January 31, 2019. Used indices are representative of widely known and followed investment alternatives.

-PRIVATE & CONFIDENTIAL-

Appendix

-PRIVATE & CONFIDENTIAL-

Summary of Key Terms

Alignment of interests	Over 25% insider assets are invested in the Fund
Fees	Class A: 1.65% annual fee + performance fee, 30-day redemption notice period Class B: Available to certain institutional investors at the discretion of the Manager
High Water Mark	Perpetual; performance fee does not start accruing until after the previous losses have been recouped + hurdle rate
Performance Fee	20% of profits over a hurdle rate equal to the higher of 3% or the 1-year Bank of Canada Treasury Rate
Lockup provision	None
Liquidity	Monthly (2% early redemption fee payable to LP)
Reporting	Monthly investment statements and pricing Quarterly commentary Annual Limited Partners Meeting
Custodian/Prime Broker	Bank of Montreal
Legal	Borden Ladner Gervais LLP
Auditors	PricewaterhouseCoopers LLP
Fund Administrator	SS&C Commonwealth Fund Services

-PRIVATE & CONFIDENTIAL-

Contact Us

Darcy Morris	CEO & Investor Relations	darcymorris@ewingmorris.com 416.406.4802
Lee Matheson	Portfolio Manager	leematheson@ewingmorris.com 416.640.2791
William Jones	Investor Relations	williamjones@ewingmorris.com 416.317.0050

Disclaimer

This document does not constitute an offer to sell units of the Ewing Morris Broadview Dark Horse LP. Units of the Ewing Morris Broadview Dark Horse LP are only available to investors who meet investor suitability and sophistication requirements. The Fund has a flexible investment mandate. Therefore the Fund's composition is materially different than major indices.