



### Corporate Overview

#### Matco Financial

400.407-8<sup>th</sup> Ave SW, Calgary, Alberta T2P 1E5

AUM: ~\$500 Million Inception: 2006 14 Employees

Independent Canadian Investment Management Firm dealing with:

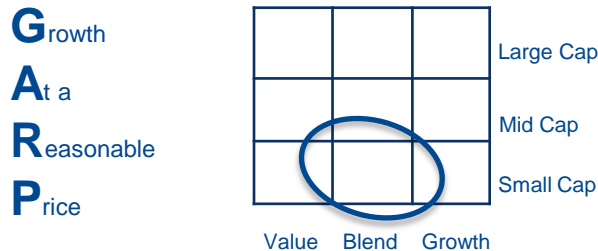
- Private Clients
- Institutions (Not-For-Profit) & Condo Boards
- Advisors

Specializes in Canadian Investments:

#### Matco Small Cap Fund

- Seeks to provide long-term capital appreciation and income by investing primarily in small and mid capitalization Canadian companies
- Concentrated Portfolio: 30-45 Securities
- Total Fund Assets: ~\$ 45 Million
- Inception: March 1, 2010
- Purchase options:
  - Series A (MAT400), F (MAT401) and O(MAT402)
- Portfolio Constraints:
  - Ability to invest up to 30% in U.S. Small and Mid-cap companies
  - Minimum 7 of 10 GICS sectors
  - Maximum 10% weight in any security
- Co-Managers:
  - Bill K. Dickie, CFA & Jill Angevine, CA, CFA, ICD.D

### Investment Style



### Characteristics

	Matco Small Cap	TSX Small Cap Index	Checklist
Return on Equity (%)	13.1	6.1	✓
Reinvestment Rate (%)	5.3	-2.6	✓
Yield (%)	2.6	2.6	✓
Bottom-Line Growth (%)	-3.2	-49.2	✓
Price-to-Earnings (Trailing)	16.0	99.2	✓
Price-to-Earnings (Forward)	14.0	54.3	✓
5 Year Beta (vs TSX)	0.7	1.0	✓

\* Sources: CPMS, Bloomberg

### Top Ten Holdings



### Key Performance Metrics

Metrics	Matco Small Cap Fund
5 Year Cumulative Return	40.7%
5 Year Dividend Income / Total Return	33.1%
Dividend Paying Companies	82.9%
Canadian Revenue Exposure	39.3% ↑
US Revenue Exposure	42.3% ↓
Global Revenue Exposure (Ex Canada/US)	16.3% ↑
% of Companies that have Executed Acquisitions Over Last 2 Years	72.3%
% Portfolio Seeking Acquisitions for Growth	93.5%
Current Q3 2015 EPS Beat Ratio	76% ↑
Debt/Assets	27.2%
Annual Management Teams Meetings	75+

\* Sources: Bloomberg, Morningstar, Ndex Portfolio Management Software

### Activity

- Increased Energy, Technology, Materials, & Financials
- Decreased Staples, Discretionary
- Increased ROE
- Earnings Growth Ex Energy increased QOQ

### Outlook

- Favoring Quality and Growth characteristics:
- Increasing Bottom Line Earnings Growth
  - Increasing ROE

### Repeatable Process with Strong Downside Protection



### Performance:

	YTD	6 Month	1 Year	3 Year	5 Year	Incept.
Matco Small Cap Fund*	2.50%	4.80%	3.92%	10.26%	7.06%	9.28%
S&P/TSX Small Cap Total Return Index	8.58%	11.40%	-6.03%	-0.61%	-4.96%	1.23%
S&P/TSX Composite Total Return Index	4.54%	3.08%	-6.57%	5.03%	2.10%	6.47%
	2010	2011	2012	2013	2014	2015
Matco Small Cap Fund*	N/A	-12.39%	12.69%	26.42%	2.69%	7.27%
S&P/TSX Small Cap Total Return Index	N/A	-16.43%	-3.72%	8.66%	-2.58%	-12.62%
Value Added	N/A	+4.04%	+16.41%	+17.76%	+5.27%	+19.89%

\*Matco Series O Fund Returns/ Matco Small Cap Inception Date: Mar 1, 2010

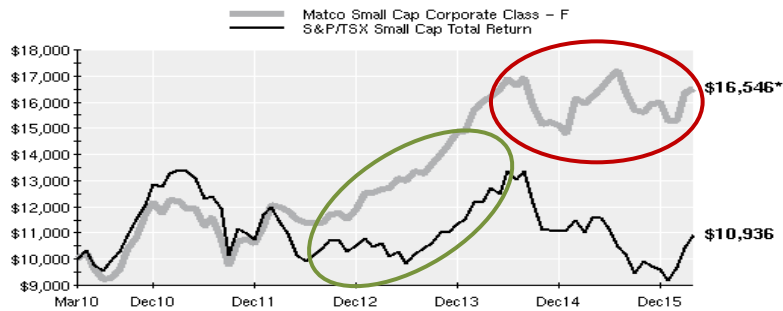
### GARP Style + Characteristics =

- Outperform in Slow Growth Environments/ Sideways Markets – Higher quality companies with high ROEs outperform
- Outperform in Bear/Down Markets - Lower P/E, Beta, Volatility reduces downside
- Underperform in Commodity Driven Bull Markets – Lower P/E, lower Beta companies increase less than high beta companies

### Focus on Risk Adjusted Returns:

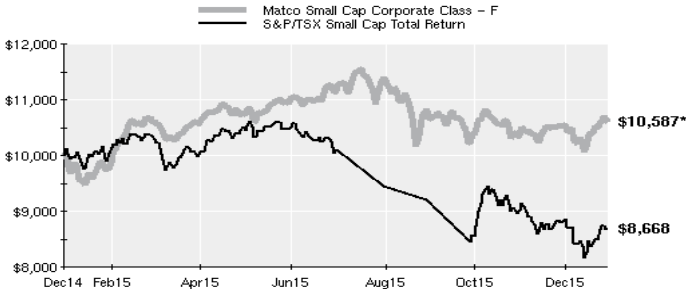
3 Year Risk Adjusted Return	Matco Small Cap Fund	TSX Small Cap Index	5 Year Risk Adjusted Return	Matco Small Cap Fund	TSX Small Cap Index
Sharpe Ratio	0.88	-0.01	Sharpe Ratio	0.59	-0.25

Growth of \$10,000



### Downside Protection

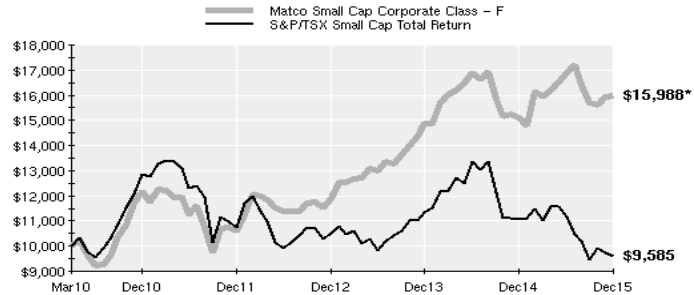
Growth of \$10,000



-Charts from Globe - Investor, Upside Downside Capture - Morningstar, Sharpe Ratio - Bloomberg

### Upside Capture

Growth of \$10,000



		1 Year	3 Year	5 Year
Matco Small Cap Fund Series F vs. TSX Composite Total Return Index	Upside Capture	59.51	78.60	97.80
	Downside Capture	25.11	31.18	62.57
Canadian Small/ Mid Cap Equity Category vs. TSX Composite Total Return Index	Upside Capture	86.81	89.98	92.16
	Downside Capture	88.31	72.81	88.65

Sources: Bloomberg, Morningstar