



LESTER ASSET MANAGEMENT

RESPONSIBLE GROWTH



CANADIAN EQUITY REPORT June 30, 2025

INVESTMENT STRATEGY AND PROCESS

Lester Asset Management Inc. ("LAM") launched an actively managed All-Cap Canadian Equity strategy for its segregated accounts in July 2006 and created a pooled version through the LAM Canadian Equity Fund (the "Fund") in January 2012. The strategy's aim is to be different from the S&P/TSX Composite Index and achieve higher returns than the market with lower risk as measured by low market correlation, low cyclical exposure, and better industry diversification. The portfolio is invested in 30 to 40 small, mid and large cap Canadian listed companies selected using a research process based on fundamental bottom-up analysis, strict quantitative and qualitative criteria, and a sound understanding of each company and the industry in which each operates, complemented by a macro-economic outlook. The investment style is value-driven and opportunistic, seeking to buy shares at a discount to a company's true worth, with the goal of maximizing shareholder value through dividend growth, share buybacks, spin-offs or an outright sale.

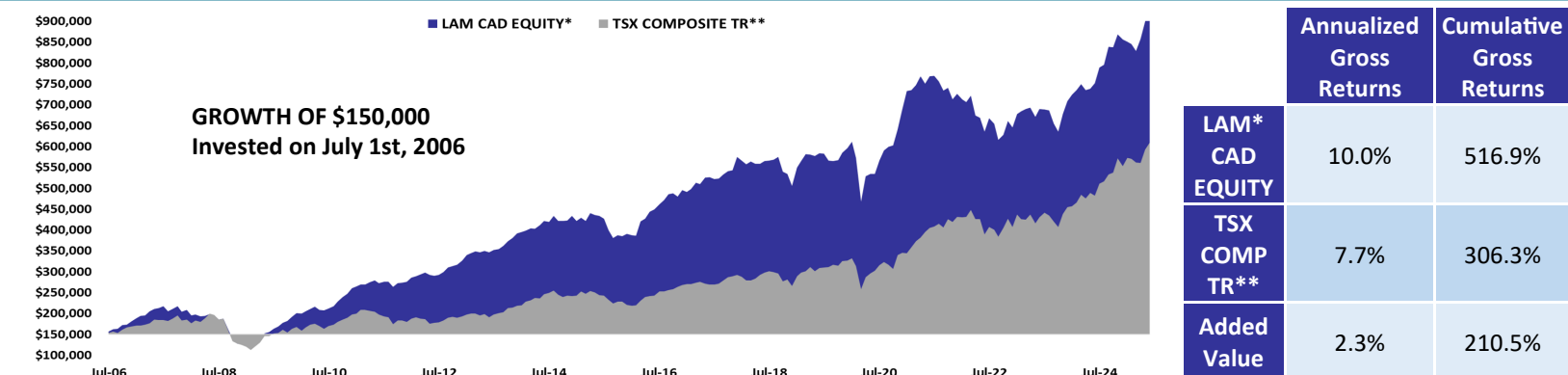
CALENDAR YEAR GROSS RETURNS (except for 2006 which is for 6 months)

	2025 YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
LAM CAD EQUITY*	8.0%	20.9%	9.8%	-11.2%	5.4%	15.6%	18.0%	-11.9%	15.8%	26.6%	-9.6%	10.5%	19.3%	17.6%	5.8%	29.7%	60.2%	-40.0%	15.4%	20.7%
TSX COMPOSITE	10.2%	21.7%	11.8%	-5.8%	25.1%	5.6%	22.9%	-8.9%	9.1%	21.1%	-8.3%	10.5%	13.0%	7.2%	-8.7%	17.6%	35.1%	-33.0%	9.8%	12.5%

ANNUALIZED GROSS RETURNS (except for 1 month and 3 months returns)

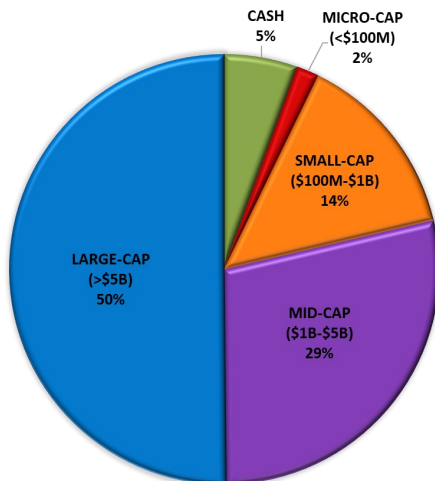
	1 MONTH	3 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE JULY 1, 2006
LAM CAD EQUITY*	2.9%	11.6%	23.2%	13.3%	11.6%	7.9%	10.0%
TSX COMPOSITE TR**	2.9%	8.5%	26.4%	16.1%	15.0%	9.6%	7.7%

CUMULATIVE GROSS RETURNS VERSUS TSX COMPOSITE TR** SINCE JULY 1, 2006



FUND ALLOCATION BY SECTOR AND MARKET CAP

INDUSTRIALS	23.2%
FINANCIALS	16.3%
DISCRETIONARY	12.4%
TECHNOLOGY	10.1%
STAPLES	8.1%
MATERIALS	6.3%
UTILITIES	6.2%
COMMUNICATIONS	5.6%
CASH & EQUIVALENTS	5.5%
ENERGY	3.6%
REAL ESTATE	2.7%
HEALTHCARE	0.0%



TOP 20 FUND HOLDINGS

LARGE CAP	%	SMALL/MID CAP	%
BMO	4.0	MDA SPACE	4.6
DEFINITY FINANCIAL	3.9	POLLARD BANKNOTE	4.1
ENBRIDGE	3.6	PET VALU	3.8
ROYAL BANK	3.5	SAVARIA	3.6
ALTAGAS	3.5	EQB	3.5
ELEMENT FLEET	3.4	JAMIESON WELLNESS	3.3
CCL	3.2	STELLA JONES	3.1
WSP GLOBAL	3.2	BORALEX	2.7
CN RAILWAY	3.2	TECSYS	2.7
DOLLARAMA	3.0	ALTUS GROUP	2.7

QUARTERLY COMMENTARY

For the 2nd quarter of 2025, the **LAM Canadian Equity Fund** rose **+11.6%** on a gross basis versus +8.5% for the TSX Composite Total Return. Global equity markets were highly volatile during the quarter due to geopolitical and macroeconomic uncertainty caused by Donald Trump's tariff threats, initially plunging in April only to rebound strongly during May and June as he back-pedaled and delayed most tariffs. Year-to-date, we are up **+8%** versus +10.2% for the TSX, our underperformance being solely due to our lack of exposure to the gold sector which was up over 40% and added +3.3% to the TSX return. Our strong outperformance versus the TSX during the quarter was mainly due to positive market reaction following solid financial results announced by most companies in our portfolio. We had also added to positions that had declined unreasonably on tariff fears such as **Savaria**, **CCL**, **Stella Jones**, **Pollard Banknote** and **Jamieson Wellness**, yet subsequently rebounded sharply, adding to our returns. Our top contributors for the quarter included space technology company **MDA**, P&C insurer **Definity Financial** which announced that it would acquire Travellers' Canadian operations, pet supply franchisor **Pet Value**, home accessibility supplier **Savaria**, discount retailer **Dollarama**, supply chain solutions provider **Kinaxis**, and vehicles manager **Element Fleet**. Detractors were mainly limited to supply chain software provider **TECSYS**, energy infrastructure holdings such as **Enbridge** and **Altagas**, and IT consultants **CGI Group**. As stated in previous reports, we believe that our portfolio is relatively immune to U.S. tariffs or a consumer slowdown and will continue to take advantage of market declines to add to oversold stocks. Conversely, we are trimming positions that have become overweight or expensive.

PORTFOLIO MANAGERS



Stephen Takacsy – CEO, Chief Investment Officer and Lead Manager Canadian Equity

Stephen joined the firm in 2006 as Chief Investment Officer and developed its Canadian Equity and Fixed Income strategies. He became Chief Executive Officer in 2017. Stephen's diverse career in finance spans over 30 years, including roles in corporate lending, investment banking, and managing the cash proceeds from the sale of a publicly traded company where he was Chief Financial Officer. His extensive experience in corporate finance, mergers & acquisitions, valuation analysis and investments has added value to client returns.

Co-Managers: Matthew Kaszel, CFA and Olivier Tardif-Loiselle, CFA

STRATEGY CHARACTERISTICS

Inception Date	July 1st, 2006
Strategy AUM	\$151 million
Style	All–Cap, value-driven, GARP, opportunistic
Process	Fundamental bottom-up analysis
Portfolio	30 to 40 diversified holdings
Risk Metrics (since inception)	Low cyclical exposure Low market correlation (low Beta) Low Portfolio turnover Maximum position size: 5% Maximum sector weight: 25%

POOLED FUND TERMS

Inception Date	January 3rd, 2012			
Fund AUM	\$76 million			
Minimum Investment	\$150,000 (or less for accredited investors)			
Eligible Accounts	Non-Registered and Registered (RRSP, RESP, TFSA...)			
Distribution	AB, BC, MB, ON, QC, by way of Offering Memorandum			
Management Expense Ratio (MER)	Management Fee (as listed below) + a maximum of 0.1% for operating expenses, as well as trading and custodial charges			
Fund Units***	SERIES	FUNDSERV CODE	NAV	MGMT. FEE
	F	LAF100	\$26.66	1.5%
	I	LAF101	\$20.57	1.0%
	O	LAF102	\$16.22	TBD

ABOUT THE FIRM

Lester Asset Management is a Montreal-based independent portfolio management firm serving private clients and institutions, with a fiduciary duty to always act in the best interests of its clients. The Firm also manages institutional funds for the *Quebec Emerging Managers Program*. The Firm is committed to preserving and growing the financial wealth of its clients through responsible and ethical investing while also providing a high level of personalized service to meet its clients' evolving needs. The Firm is focused on the active value-added management of its core strategies: Canadian Equity, Canadian Fixed Income, and Global Equity, aiming to outperform the main indices and add value by achieving higher returns than the market with lower risk. In 2021, the Firm received a Global Manager Research (GMR) *Top Performer* award for its 1-year return in the Canadian Fixed Income category, and in 2022 it received two more GMR *Top Performer* awards for its 5-year and 10-year returns in the Canadian Fixed Income Plus category. The Firm is also a signatory of the United Nations' Principles of Responsible Investing and is a member of the Taskforce on Nature-related Financial Disclosure (TNFD) Forum and the Nature Action 100 engagement team.

FOR MORE INFORMATION:

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FREQUENT CONTRIBUTOR ON



*Returns for LAM's Canadian Equity strategy are gross of management fees and based on dollar-weighted gross returns for the Canadian Equity composite of segregated portfolios managed by LAM using the same strategy from July 2006 until the launch of the Fund in January 2012, and on gross returns of the LAM Canadian Equity Fund thereafter. **The S&P/TSX Composite Total Return Index is the benchmark that has been used since the inception of LAM's Canadian Equity strategy in July 2006 and the Fund in January 2012, and reflects the policy of investing only in Canadian Equity securities.*** Returns on the different unit series of the Fund will vary due to applicable management fees. Please read the Offering Memorandum before investing in the Fund. Pooled fund returns are not guaranteed as unit values change frequently and past performance may not be repeated.