

RIVEMONT



Rivemont MicroCap Fund

April 2025





Explanatory Notes

Future results will differ from past results. Units of the Rivemont MicroCap Fund are available under exemptions from the prospectus requirements, pursuant to National Instrument 45-106 Prospectus and Registration Exemptions, and are available only to qualified investors. This document is not a recommendation nor an investment advice and is presented for informational purposes only.

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THE FIRM



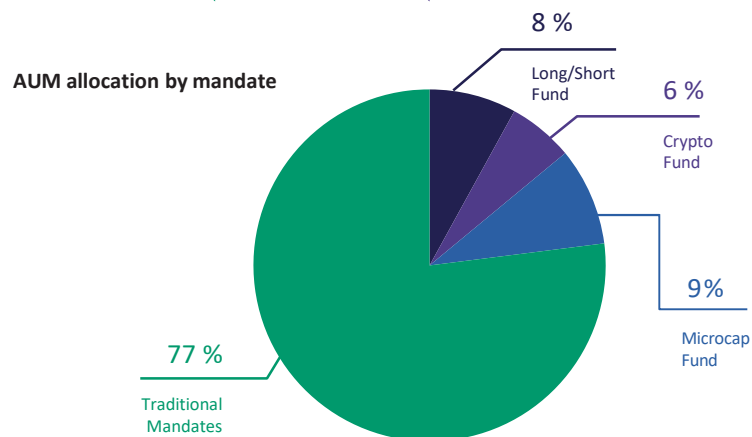
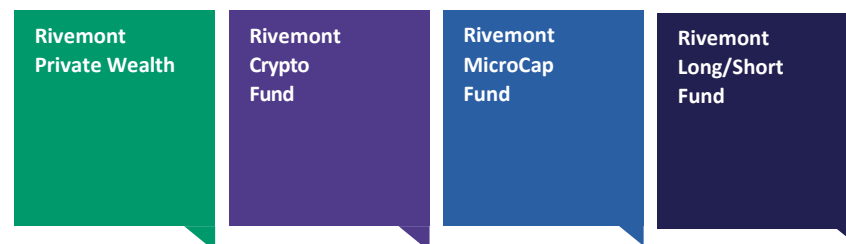
Rivemont Investments

Rivemont Investments is a Quebec-based firm founded in 2010 and duly registered with the « *Autorité des marchés financiers* » in Québec and the securities commissions of Alberta, British-Columbia, New-Brunswick, Manitoba, Ontario and Saskatchewan.

At Rivemont, our objective is to grow the portfolios of our clients by offering performing strategies in all market conditions. To that end, we manage the Rivemont MicroCap Fund that improves the risk/return profile of diversified portfolios.

- President and Founder: Martin Lalonde, CFA, MBA
- Firm assets: \$131 million

Our product offering





Portfolio Manager



Mathieu Martin

CFA

- Over 10 years of experience in the microcap sector
- Chartered Financial Analyst (CFA) charterholder
- Editor of the Stocks & Stones newsletter, a weekly publication about small public companies
- Regular contributor to industry publications (Planet MicroCap Review, Redeye), podcasts (Compounders, Planet MicroCap, Capital Compounders Show) and speaker at conferences (Planet Microcap, MicrocapClub, Smallcap Discoveries, Centurion One Capital, Adelaide Capital)
- Previously president of Espace MicroCaps, a blog and forum established as the premier source of microcap content in French
- Most of his personal net worth is invested in the Rivemont MicroCap Fund

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THE STRATEGY



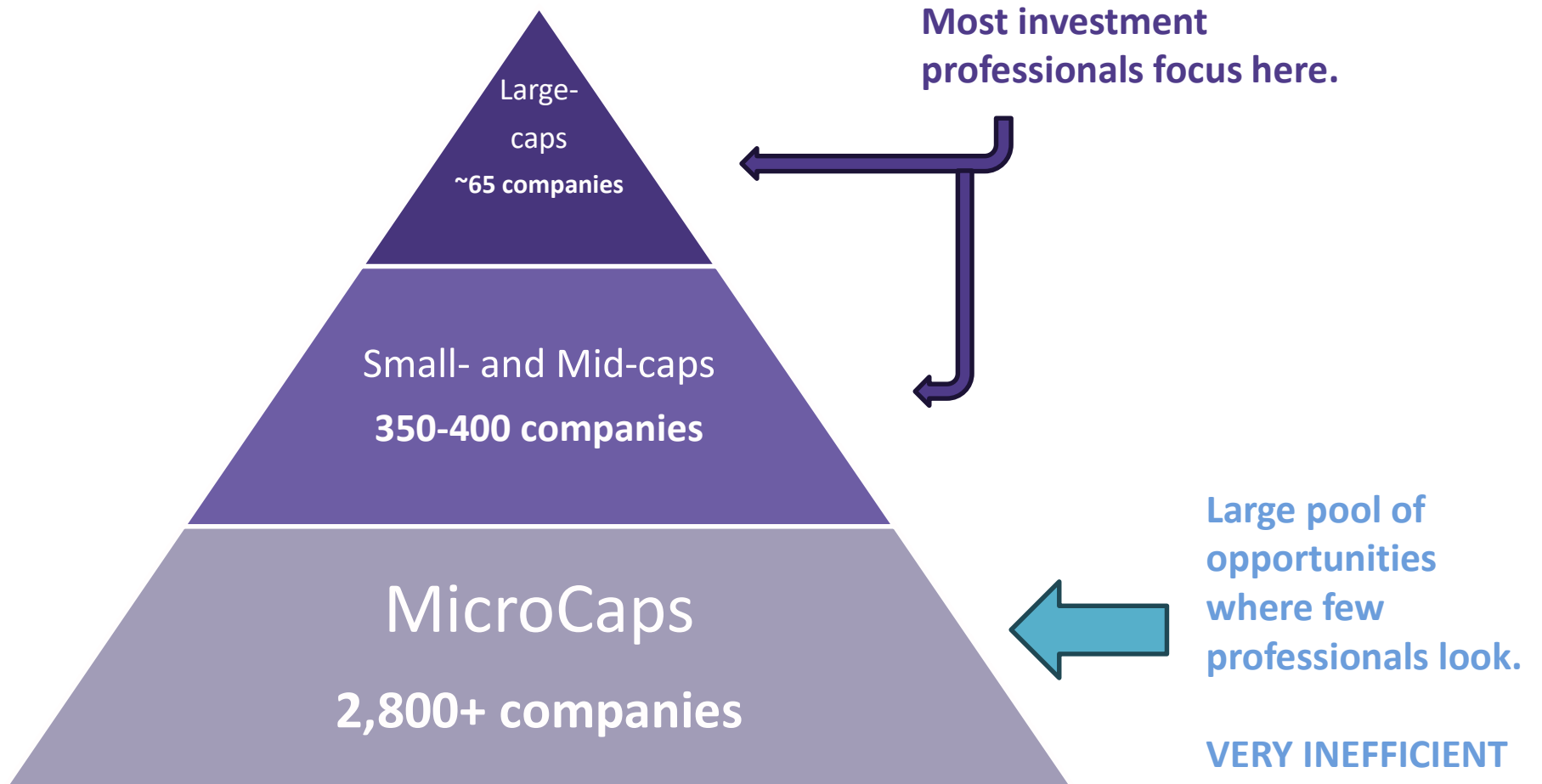


Investment Thesis

The Canadian microcap market is one of the most inefficient places to invest.

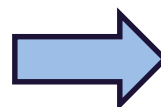
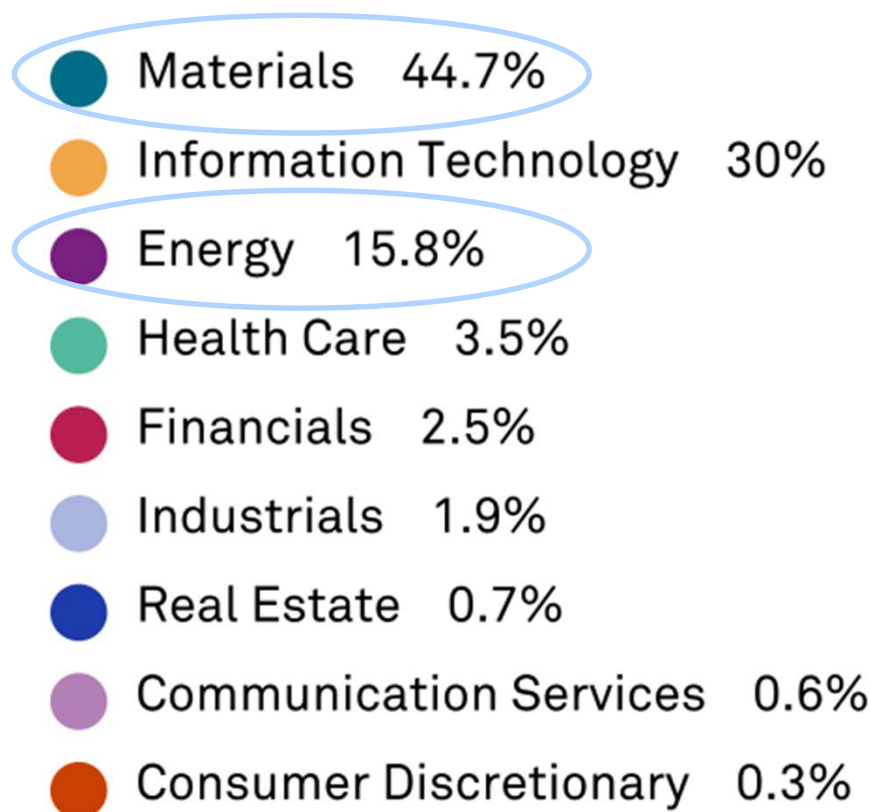


Canadian Market Overview





Industry Breakdown (TSX Venture Index)

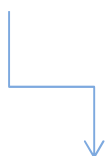


**Most investors focus
on natural resources
(60%+ of the market)
and neglect other
industries**



The Discovery Cycle of Microcap Companies

Our goal is to invest as early as possible in the discovery cycle



No man's land

- ✓ Typically below \$100 million in market cap
- ✓ Low trading volume
- ✓ Few institutional investors and analysts
- ✓ Difficult to raise growth capital

Increasing awareness

- ✓ Companies that execute get rewarded with a higher valuation
- ✓ Trading volume improves
- ✓ Analysts begin to cover the company
- ✓ Small institutional investors begin to buy the stock
- ✓ Raising capital becomes easier

Full Discovery

- ✓ Valuation multiples expand
- ✓ Stock price increases rapidly
- ✓ Trading volume improves dramatically
- ✓ Analysts from all major brokerage firms cover the company
- ✓ The stock becomes a must-own for smallcap institutional investors
- ✓ Multiple options to raise capital at attractive terms

A Repeatable Process to Source Ideas

FIND

- We skim through **all the public filings** on the Canadian market **every day**.
- Some ideas come from our network (sell-side firms, other investors, online message boards, conferences)

FILTER

- We analyze quantitative and qualitative attributes to narrow down the investable universe.
- We follow 150+ companies on a regular basis.

RESEARCH

- We talk to different management teams **every week**.
- We perform on-the-ground research (product demos, site visits, customer calls, etc.)



The Perfect Idea Has Crucial Ingredients

It's Small

- Market capitalization under \$300 million (the smaller, the better)
- Not on the radar of other institutional investors YET

It's changing

- We picked up on a positive fundamental change as part of our daily filings review or after talking with management
- Examples: revenue growth accelerating, reaching profitability, a significant order, a new management team, etc.

It's misunderstood

- The market has not perceived the fundamental change YET
- Perhaps there's even an unjustified negative perception (unattractive industry, lumpiness in quarterly results, insider selling, etc.)

It's underpriced

- The risk/reward profile is highly skewed to the upside

Risk Mitigation Strategies

Sound Investment Criteria

- Revenue growth (ideally 20%+)
- Profitability
- Healthy balance sheet
- Competitive advantages (“moat”)
- Honest and competent management team

Portfolio Construction

- Target of 15 to 25 positions
- 50%+ invested in the top 5 positions
- New positions start between 0.5% and 3% of the portfolio
- Allocations are based on business and management quality, perceived discount to intrinsic value and overall conviction
- Maximum position size of 15% at initiation



Competitive Advantages

Our process is designed to find inefficiencies early and to act quickly.

Idea Sourcing Process

- Repeatable process
- Requires a lot of time and manual work.
- Requires a lot of primary due diligence (very little sell-side research available).

Cumulative Knowledge

- Hundreds of companies tracked, interviewed, analyzed and vetted over time.
- Ability to act quickly and decisively when an opportunity presents itself.

Structural

- The smallest part of the asset class is structurally inaccessible to large pools of capital
- We are capacity constrained (estimated at \$25-50M)
- \$11M in AUM currently

Some examples



Xebec Adsorption (TSX: XBC)

- From \$0.70 to \$8.92*
- 1,174% return in 34 months



Kraken Robotics (TSX-V: PNG)

- From \$0.17 to \$2.70*
- 1,488% return in 6.5 years



MediaValet (TSX: MVP)

- From \$0.41 to \$2.92*
- 612% return in 27 months


* Our initial cost basis to the highest price we have sold shares.

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THE NUMBERS





Fund Snapshot

March 31, 2025

\$11M

Assets Under Management

18

Number Of Portfolio Positions

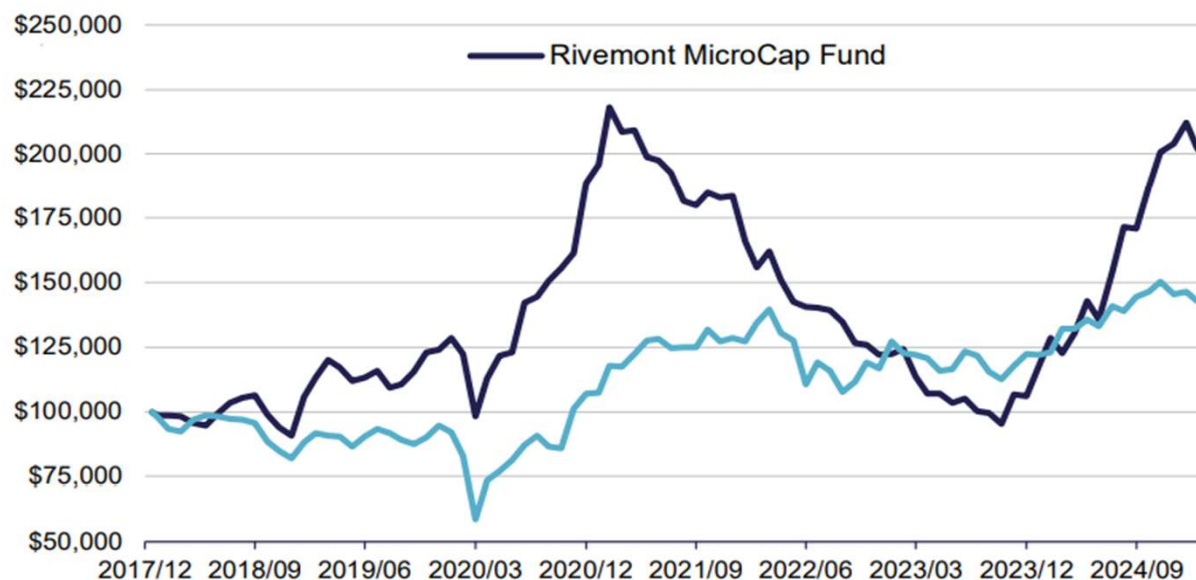
60%

Invested In The Top 5 Holdings

Sector Allocation:

Consumer Discretionary	11.2%
Consumer Staples	9.0%
Energy	0.0%
Financials	0.0%
Healthcare	23.0%
Industrials	15.7%
Information Technology	35.3%
Materials	0.0%
Real Estate	0.0%
Telecommunication Services	0.0%
Utilities	0.0%
Cash	5.8%

Historical Performance – March 31, 2025



Annualized returns	1 mo.	3 mos.	6 mos.	YTD	1 yr	2 yrs	5 yrs	Inception
Rivemont MicroCap Fund	-3.2	-4.0	14.6	-4.0	59.6	31.4	14.8	9.8
Benchmark	2.6	0.9	1.6	0.9	11.1	9.6	20.1	5.5
Annual returns	2018	2019	2020	2021	2022	2023	2024	2025
Rivemont MicroCap Fund	-9.3	36.5	52.4	-2.9	-33.4	-13.3	92.8	-4.0
Benchmark	-18.2	15.8	12.9	20.3	-9.3	4.8	18.8	0.9

Explanatory notes: Returns are net of all fees (management, custody and commissions) and in Canadian dollars. Returns are those of the Rivemont MicroCap Fund Class A. The benchmark is the S&P/TSX Smallcap Index. Future investment results will differ from past results.

Management Fees

Annual rate	CLASS A \$100k - \$1M	CLASS B \$1M +
Fixed fee	1.75%	1.50%
Performance fee*	20%	20%
High water mark	Yes	Yes

* Applied on returns in excess of 7%, net of fixed fees.

** A class F is also available for institutional investors and portfolio managers.

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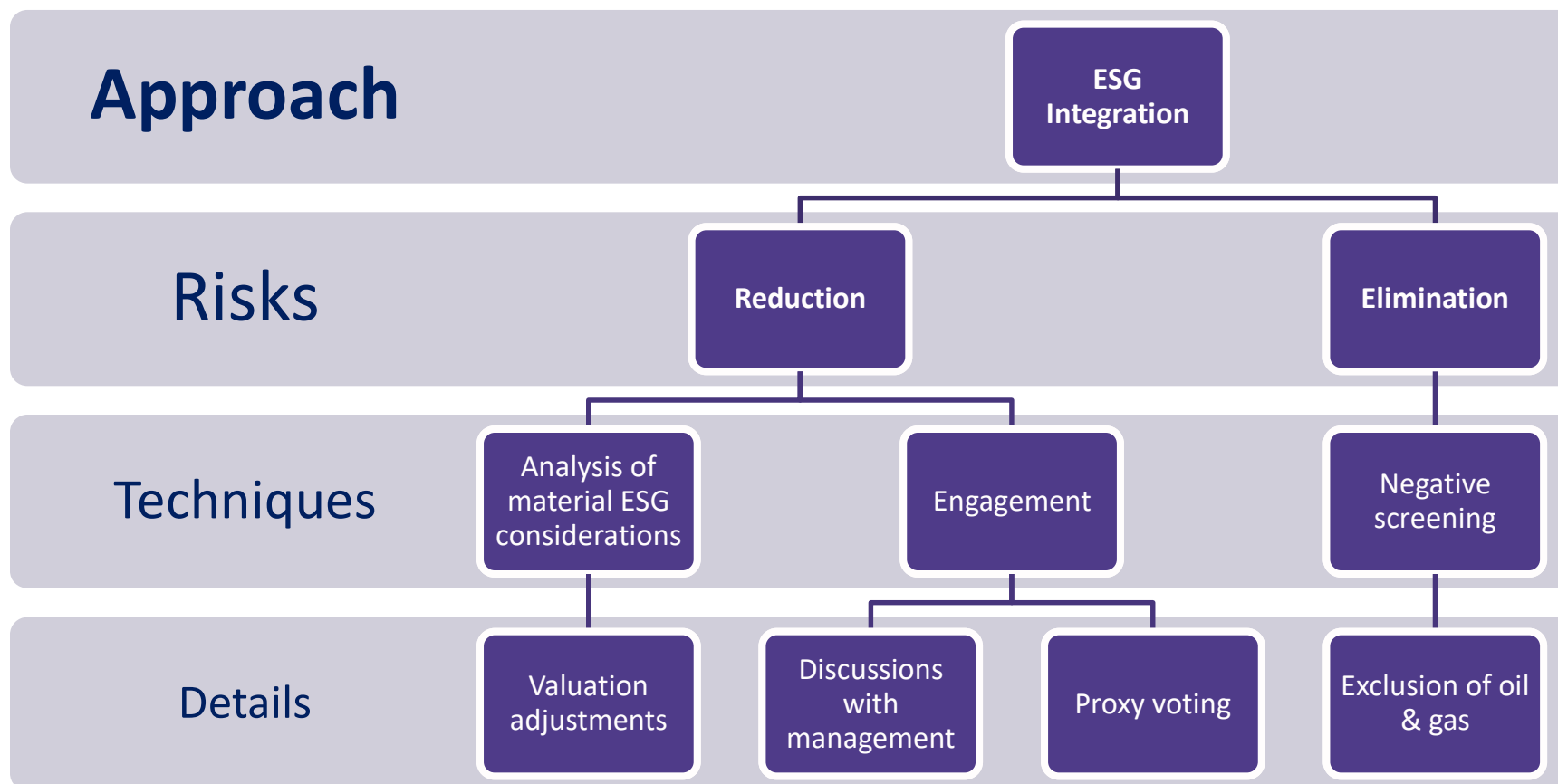
valerie.marquis@rivemont.ca

Appendix A Structure and Stakeholders

Structure	Mutual Fund Trust	Administrator	SGGG Fund Services
Units	Private placements, accredited investors only	Registrar	SGGG Fund Services
Investment Fund Manager	Rivemont Investments Inc.	Prime Brokers	NBCN, Interactive Brokers Canada Inc.
Investment Advisor	Rivemont Investments Inc.	Auditor	Deloitte
Eligible for RRSP and TFSA	Yes	Legal Documents	Fasken Martineau
Valuation/subscriptions/redemptions	Weekly	Trustee	Equity Financial Trust Company
High Water Mark	Yes		



Appendix B Responsible Investing



Appendix C

Diversification Benefits

Microcaps are not perfectly correlated with other asset classes, notably large caps.

Adding microcaps to a diversified portfolio can provide two important benefits:

- An **increase** in potential returns
- A **decrease** in volatility (risk)

Adding a microcap allocation to a portfolio of stocks and bonds, 25 years ending 12/31/2003				
Allocation			Annualized Return	Standard Deviation
Stocks	Bonds	Microcaps		
60	40	0	7,7%	13,3%
55	40	5	8,2%	12,7%
50	40	10	8,7%	11,6%
45	40	15	9,2%	10,6%
40	40	20	9,6%	9,9%
35	40	25	10,2%	9,3%
30	40	30	10,6%	9,0%
25	40	35	10,9%	8,8%
20	40	40	11,1%	8,6%
15	40	45	11,2%	8,9%

Stocks: S&P 500, Bonds: Lehman Government Corporation, Microcaps: Dow Jones Wilshire US Micro-Cap

Source: Richard Imperiale, *The Micro Cap Investor*