langdon
PARTNERS

Q3 2026 INVESTOR UPDATE

LANGDON CANADIAN SMALLER COMPANIES PORTFOLIO

Net Performance (CAD, Class F)[1]	Q3 2026	YTD	1 Year	3 Year	Since inception[2]
Langdon Canadian Smaller Companies Portfolio	-4.9%	-7.8%	-2.6%	11.3%	10.1%
S&P/TSX Completion Total Return Index	1.7%	11.4%	20.6%	27.6%	20.8%

Net Calendar Year Performance (CAD, Class F)[1]	2025	2024	2023	2022[2]
Langdon Canadian Smaller Companies Portfolio	19.7%	13.1%	15.8%	2.6%
S&P/TSX Completion Total Return Index	42.5%	24.3%	10.4%	-0.7%

Please see IMPORTANT disclaimer below

Dear Partners,

The Langdon Canadian Smaller Companies Portfolio declined 4.9% during the third quarter of 2026, compared to a 1.7% gain for the benchmark.

That is a frustrating result. ATS Corporation and Aventus were the largest detractors and Logan a major bright spot this quarter.

A good business does not stop being good because of a difficult quarter. Nor does a strong record make it immune to change. With each holding, we asked the same question: is this a temporary setback, or a problem that changes what the business can earn for its owners?

With Aventus, the setback is temporary, and we remain owners. With ATS, it was not, and we sold. We explain both decisions below.

What matters to us is what ultimately determines returns: the growth in intrinsic value of the businesses we own.

ATTENTION IS NOT THE OPPORTUNITY

For much of the past several years, Canada has struggled to attract its share of global investment capital. That may be changing. In September, Prime Minister Mark Carney hosted the first Canada Investment Summit in Toronto, attended by investors from nearly 30 countries representing more than $100 trillion in assets.[3]

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[1]Performance as of September 30, 2026. Returns greater than one year are annualized. Past performance is not indicative of future performance. F Class. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

[2] Since inception date of August 26, 2022.

[3] Prime Minister of Canada (https://www.pm.gc.ca/en/news/news-releases/2026/09/15/first-canada-investment-summit-unleashes-nearly-500-billion-new)

For us, this is an observation, not a forecast. We do not invest in themes or narratives, and we will not begin doing so because Canada has suddenly attracted greater international attention. Attention does not create our opportunity. It can help other investors discover what is already there.

Our job remains the same: identify exceptional businesses where the combination of quality, growth and valuation provides an attractive opportunity to compound capital over long periods.

PERFORMANCE ATTRIBUTION

Top contributors for the quarter
Logan Energy
PrairieSky Royalty
Groupe Dynamite

Top detractors for the quarter
ATS Corporation
Aventus Capital
PharmaCorp Rx

We sold our position in ATS Corporation. We concluded that its businesses had more repositioning to do to deliver satisfactory returns on invested capital than we had previously realized. That misjudgment was costly this quarter.

Conviction in a business and conviction in an investment at a given point in time are separate judgments. The second must weigh the time and capital needed to restore returns. With ATS, we gave that too little weight.

Aventus Capital, formerly Westaim, declined after second-quarter results in August. Our thesis is that Aventus is building a world-class asset manager, CCaventus, attached to an annuities platform, Ceres Life, that can rapidly scale premium and therefore grow AUM organically.

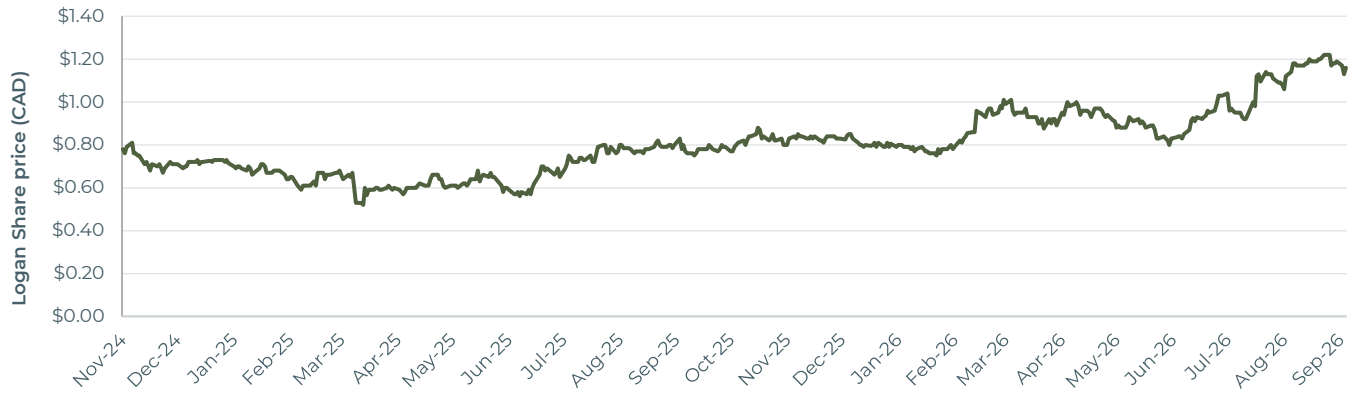
The evidence supports this thesis. Premium is scaling: Ceres has more than US$690 million issued and pending, and management believes it can grow to US$10 billion of assets at today's expense run rate. Hiring has strengthened the team; notably, Andrew Rabinowitz, a former 26North senior partner, is now CEO of CCaventus.

The stock sold off because new accounting rules (IFRS), reduced book value on paper. We believe that is a question of timing, not lifetime profit. June 30 book value per share of US$16.77 after the change, versus US$18.93 beforehand (US GAAP). We expect a US listing and broader analyst coverage in 2027, which should provide the clarity needed due to the accounting sell-off.

We continue to believe in the long-term thesis and the team.

Logan Energy and PrairieSky Royalty were positive contributors, and we discuss Logan below. As always, quarterly share-price movements tell us considerably less about a business than changes in its competitive position, balance sheet, free cash flow and ability to reinvest capital. We continue to evaluate each holding through that lens.

COMPANY COMMENTARY – LOGAN ENERGY[4]



Energy has always been a core part of how we invest in Canada, with its weight fluctuating as it competes for capital with less cyclical opportunities in our other core areas. Since the inception of this portfolio in 2022 to the end of the third quarter of 2026, the weight has increased from around 4% to 42%.

We are particularly excited about it today. Capital intensity has come down considerably, ironically as venture and technology businesses have become more capital-intensive, and based on our historical experiences, we believe we

[4] Chart data source: Bloomberg

know who the best management teams are. Political will and the policy agenda are more supportive, but that is a tailwind, not our thesis.

Logan Energy illustrates what we look for. It began operating in June 2023, when Spartan Delta spun out its early-stage Montney basin assets after selling its larger Montney position to Crescent Point for $1.7 billion. Logan started with about 4,500 BOE per day, no debt and the team behind the Spartan companies, led by Rick McHardy and Brendan Paton.

That team's record matters to us. The same group built Spartan Energy and sold it to Vermilion in 2018 for about $1.4 billion. In 2020, during the pandemic downturn, Spartan Delta acquired the Bellatrix assets. In 2023, it sold its Montney assets and returned $9.50 per share in cash to shareholders. That is countercyclical capital allocation in practice.

Logan has grown quickly from its Montney assets at Simonette and Pouce Coupe in Alberta and Flatrock in British Columbia. Second-quarter production averaged 17,239 BOE per day, up 44% from a year earlier, while operating costs fell to $7.53 per BOE. In July, Logan raised its 2026 production guidance to 17,000 to 18,000 BOE per day, a 34% increase over 2025 at the midpoint. The balance sheet remains strong: net debt was $139 million, or 0.7 times annualized second-quarter adjusted free cash flow.[5]

What matters most to us is value per share, not production alone. Adjusted funds flow per diluted share rose 75% from a year earlier, while shares outstanding rose 16%. In the second quarter, Logan also increased its Simonette Montney acreage by 17%, through a $12.2 million acquisition and Crown land sales.

We own Logan because it meets our investment standards.

LOOKING AHEAD

Last quarter, we wrote that a select number of exceptional Canadian businesses had lost their audience as capital became increasingly concentrated around a handful of global narratives. Three months later, some of the world's largest pools of capital are spending considerably more time looking at Canada. We do not know whether that attention will persist.

What we do know is that we continue to find businesses with strong balance sheets, talented management teams, attractive reinvestment opportunities and valuations that we believe materially understate their long-term value. If international capital increasingly recognizes those attributes, it could provide a meaningful tailwind.[5]

Our investment case does not require Canada to become popular. But after years of being overlooked, it is difficult not to notice who has started looking.

Thank you for your continued trust and partnership.



Written by
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[5] Past performance is for illustrative purposes only and is not indicative of future performance.

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Link to the Target Market Determination: **here**

For historic TMD's please contact Pinnacle Client Service Phone 1300 010 311 or Email service@pinnacleinvestment.com

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