

Q2 2025 INVESTOR UPDATE

Langdon Canadian Smaller Companies Portfolio

Performance	Q2-2025	YTD	1 Year	2 Year	3 Year	Since Inception ²
Langdon Canadian Smaller Companies Portfolio ¹	13.9%	5.7%	14.6%	12.5%	NA	13.1%

¹ LEPI10 (Class F) - performance is net of fees
² Since date of August 26, 2022
Performance as at June 30, 2025

Returns greater than one year are annualized
Past performance is not indicative of future performance. Please see the important information in the endnote below

The Canadian Smaller Companies Portfolio was up 14% in the second quarter of 2025, and we were pleased to see many of the businesses that had been laggards during the tariff-related market downturn rebound. This was a constructive quarter following a disappointing first quarter, but it does not change the work we are doing to continue to uncover attractively valued world-class businesses in our own backyard.

Portfolio Attribution

Groupe Dynamite was up over 90% and **Aritzia** was up 39%, as both businesses proved to the market that while tariffs were a drag on their operations, they were far from insurmountable. Each delivered very strong growth with margin expansion. This is exactly the type of business we seek to underwrite and invest in. Not only have both companies experienced external 'shocks' to their operations, but they have also been through many economic cycles and are anything but new to navigating these challenges, led by capable and proven management teams. Groupe Dynamite was founded in 1975, and Aritzia in 1984!

Other strong performers in the quarter were Andlauer (+38%), Definity (+24%), and ATS Corporation (+21%). We discussed Andlauer and its acquisition by UPS in our [last commentary](#).

Definity, a property & casualty (P&C) insurance company that operates under the Economical banner, has been sitting on excess capital since its IPO in 2021 and it had long been expected that the company would undertake a large acquisition. In May, Definity acquired the Canadian P&C business of Travelers, making it the 4th largest insurer in Canada. The combined business will see benefits of scale in the coming years, and we believe Definity will improve the profitability of Travelers Canada, providing an earnings tailwind. The day we first met Definity

we were impressed by the caliber of the management team, many of whom were formerly with RSA Canada (acquired by Intact) and had scaled insurance businesses before. Definity is a textbook example of a small-cap business with large-cap talent. This is a rare but potent combination.

ATS, a provider of automation equipment to the life sciences, food & beverage, and industrial industries, saw its performance improve following an improvement in its balance sheet. This was driven by the settlement of a long-standing dispute with a customer in its EV business (GM), which had refused to pay for automated EV battery pack assembly lines that were completed and operational. After several months of negotiations, the two reached a settlement which frees up capacity on ATS's balance sheet. Equally, if not more importantly, we believe this removes an overhang on reinvestment, as the growing and more durable Life Sciences business should be well positioned to receive incremental capital in the quarters to come.

As unitholders of the Canadian Smaller Companies Portfolio, you own a stake in **EQB**, Canada's challenger bank, which has contributed meaningfully to the portfolio since inception. Andrew Moor built this bank over the past 18 years, and it is now Canada's 7th largest bank. We had been fortunate to spend time with him over the past 5 years and have an appreciation for his strategy to bring the best financial services technology and experience to Canadians nationwide; never one to follow in the footsteps of the Big-6 Canadian banks.

Andrew was in the process of succession planning when, tragically and much too soon, he passed away in late May. Our thoughts are with Andrew's family, friends, and all of his colleagues at EQB. We believe that the business he has built over the past two decades is positioned to continue to grow. While Andrew leaves a big pair of shoes to fill, both from a strategic and cultural standpoint, we are pleased that former CFO, Chadwick Westlake, who has been with the business since 2020 is rejoining as CEO. This is another business with a deep pool of talent that is positioned to continue to deliver in the years to come, and coincidentally, the CEO of Definity also sits on EQB's Board of Directors.

Follow the right companies and pay the right price

We're pleased with the resilient performance that many of our holdings delivered in the quarter. If you spent a week in the Langdon office, it wouldn't be long until you heard one of us say "Follow the right companies and pay the right price." We will often follow a business for years before taking a position; a lot of work must be done ahead of market dislocation in order to take advantage of the opportunity. We were able to take advantage of this in Q2 and believe there will be more compelling opportunities to deploy capital in the months and years ahead.

Thank you for your continued support and trust.



Written by

Joel Hurren

Investor

Class F. These net performance figures covers the period from August 26, 2022 to June 30, 2025, and has been provided to Langdon Equity Partners Ltd. by State Street Trust Company Canada for the Global Portfolio ("LGSCP"). 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.

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