

Mawer Investment Management Ltd.

Mandate: CANADIAN SMALL CAP STRATEGY

Risk Category 8

OBJECTIVE

To manage Canadian small cap equity portfolios for the Summit Program where the objective is to outperform the Nesbitt Burns Small Cap Index over a rolling 4 year period.

BACKGROUND

- Independent partnership of investment professionals founded in 1974 with initial focus on high net worth investors.
- Eighteen investment professionals across all asset classes, including Canadian equity (small cap and mid-large cap), U.S. equity, International equity, Bonds (high yield and Canadian), Balanced (registered and non-registered).
- Firm has a long term 19 year record of managing Canadian small cap equities

INVESTMENT PHILOSOPHY AND PROCESS

- Long-term value-oriented approach with emphasis on maximizing returns while managing company and portfolio risk.
- Disciplined bottom up style, focused on companies that create wealth (companies able to generate superior risk adjusted returns on their capital).
- Aim of research is to identify those wealth creating companies trading below their intrinsic value.
- Portfolio characteristics tend to be higher ROE and lower P/E and Debt to Equity.
- Low turnover. Typical holding period is three years.
- Typically between 30 and 50 names.

BIOGRAPHIES OF KEY PERSONNEL

Martin Ferguson, B. Comm., CFA, joined Mawer in 1996 and has 25 years of investment experience. He is the small cap Canadian equity portfolio manager.

Jim Hall, MBA, CFA, joined Mawer in 1997 and has 13 years of investment experience. He is a Canadian equity portfolio manager and part of the small cap Canadian equity team.

Craig Senyk, B. Comm., CFA, joined Mawer in 1997 and has over 13 years experience. He is Director of Portfolio Management, a portfolio manager, and member of the institutional team.

Jamie Hyndman, B.A., CFA, joined Mawer in Dec 2005 as an institutional portfolio manager, and has 13 years experience.

SUMMARY

Location:	Calgary, Alberta
Founded:	1974
Ownership:	100% by Management
Staff:	44
Managers/Analysts:	18

Assets:	
Institutional	\$2.6 billion
Mutual Funds	0.5 billion
Individual	1.0 billion
TOTAL	\$4.2 billion

Portfolio Characteristics:

Style	Growth at a Reasonable Price
ROE	Higher than market
P/E	Lower than market
Debt/Equity	Lower than market
Average Capitalization	Small Cap

Turnover:
Should not exceed 150% per annum

Style			
	Value	Blend	Growth
Large			
Medium			
Small		●	

The Summit Program



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