

BURGUNDY

ASSET MANAGEMENT LTD.

Ivey Business School

January 30, 2025

Background on Burgundy

- Founded in 1990 - based in Toronto, Canada
- 100% independent and employee owned
- Investment manager for high-net-worth individuals and institutional clients
- One investment approach across the firm
- Value philosophy with a quality bias
- Specialize in publicly traded equities and fixed income securities
- Invest in Canada, the U.S., Europe, Asia and Emerging Markets

100% Employee-Owned and Operated

Committed to Remaining Independent and Aligned with Clients

Burgundy's 100% employee-ownership enables us to:

- Uphold the integrity of our long-term investment philosophy
- Invest heavily in research tools & process
- Control strategy capacity
- Attract & retain outstanding people
- Cultivate a rich, enduring firm culture

Alignment of Interests

- Our ownership structure was set up to facilitate succession and sustain our independence:
 - 83% of our employees are shareholders
 - Senior investment partners are collectively the majority shareholders
- Partners are invested alongside our clients

Assets Under Management

Firm Assets by Client Domicile		
Client Domicile	\$	%
Canada	20,808	74
United States	5,824	21
International	1,232	4
Total	27,864	100

Institutional Assets by Client Type		
Client Type	\$	%
Pension	5,528	42
Foundation & Endowment	4,784	36
Corporate Taxable	1,525	12
Sub-Advisory	1,350	10
Insurance	21	0
Total	13,208	100

Institutional Clients
\$13 Billion (47%)

Private Clients
\$15 Billion (53%)



As of December 31, 2024
 Reported in millions, Canadian Dollars
 Note: Figures presented may not add up to the totals due to rounding.

Regional Team Structure

Burgundy's investment teams are grouped by regional focus

Regional teams...

- are autonomous to emphasize accountability
- allow for a deep understanding of the quality universe and regional nuances

Portfolio Managers and Investment Analysts are sector-agnostic

- Generalist coverage promotes independent thinking
- Comparing diverse industries helps identify true business quality
- Deepens bench strength and fosters development from Analyst

Geographic Focus with Global Perspective

Global Research Team

Chairman & Co-Founder: Tony Arrell
Chief Executive Officer: Robert Sankey
Vice Chair & Co-Founder: Richard Rooney

Chief Investment Officer: Anne Mette de Place Filippini
Director of Research: Michael Elkins
Company Meetings Conducted in 2024: 1100*

Canada

Canadian Equity

Portfolio Manager: David Vanderwood
Portfolio Manager: Stephen Shuttleworth
Analyst: Christian Sisak

Canadian Small Cap Equity

Portfolio Manager: Andrew Iu

United States

U.S. Large Cap Equity

Portfolio Manager: Doug Winslow
Analysts: Kyle Rathwell, Mitchell Rothman & Joshvir Sangha

U.S. Small Cap & U.S. Small/Mid Cap

Portfolio Manager: Steve Boutin
Analysts: Oliver Cardoso, Donald Gawel & James Boulter

U.S. Mid Cap Equity

Portfolio Manager: Steve Boutin
Deputy Portfolio Manager: Oliver Cardoso

14 Portfolio Managers with
average 24 years' experience

Portfolio Managers supported
by 15 Analysts

Asia

Asian Equity

Portfolio Manager: Craig Pho
Analysts: Matthew O'Meara & Steven Boisvert

Europe

European Equity

Portfolio Manager: Kenneth Broekaert
Deputy Portfolio Manager: Michael Elkins
Analysts: Lucas Bertrand-Sittler & Kyle Stolys

Emerging Markets

Emerging Markets Equity

Portfolio Managers: Ching Chang
& Dimitar Shapov
Analysts: Gustavo Ballvé, David Hao
& Chirag Asnani

Credit

Portfolio Manager: James Arnold
Analysts: Hayley Conacher & Julie Tanna

*Approximately 780 were considered one-on-one while the others were in a group setting. One-on-one meetings are conducted by a Burgundy Portfolio Manager and/or Investment Analyst with the management team or investor relations of the company.

Signatory of:



~ 1100 Company Meetings Across the Globe

Calendar Year 2024

Burgundy Portfolio vs. Other

32%

with regional
portfolio companies

68%

with Dream Team
or other companies

Management vs. Investor Relations

64%

with Senior
Management

36%

with Investor Relations
& Broker Analyst

Meetings by Region



As at December 31, 2024

The figures provided are estimates based on internal tracking during calendar year 2024. During this period, approximately 780 meetings were considered one-on-one while the others were in a group setting. One-on-one meetings are conducted by a Burgundy Portfolio Manager and/or Investment Analyst with the management team or investor relations of the company.

What We Look For

High-Quality Businesses Available at a Discount

Quality Criteria

Characteristics we look for:

Business	Managerial	Financial
<ul style="list-style-type: none">• Strong and sustainable—or increasing—barriers to entry and competitive advantages• Attractive value proposition to customers• Manageable macro, political, and regulatory risks—and ideally some opportunities	<ul style="list-style-type: none">• Capable and honest• Good capital allocators• Practical on ESG matters• Interests aligned with shareholders and focused on long-term value creation	<ul style="list-style-type: none">• Long-term growth in free cash flow and intrinsic value• High underlying returns on capital• Resilience, avoidance of high cyclicality• Conservative debt levels

Valuation Assessment

Determining what we think the company is worth:

1. Calculate intrinsic value using in-house discounted cash flow and scenario analyses
2. Use valuation multiple comparisons to the company's history, comparable companies, and merger and acquisition transactions

Buy Principle

Continuously seeking to upgrade the quality/value profile of the portfolio.

Dream
Team



Margin of Safety



Portfolio
Candidate

Deep Independent Bottom-Up Research

Multifaceted Idea Generation

- Ready to act opportunistically on Dream Team list that has been refined over decades.
- Thoughtful screening of quality and value attributes.
- Co-location facilitates idea and knowledge sharing across regions.
- Quality companies that are competitors, customers or suppliers of portfolio and Dream Team companies.
- Ideas from conferences, broader reading, entrepreneurial alertness, etc.

Deep Research

- Historical financial analysis across business cycles.
- Detailed review of company disclosures, including footnotes.
- Significant attention given to management interviews, triangulated against expert interviews from outside the company.
- Independent valuations using DCFs, historical and private market multiples.
- Deep thought and analysis on barriers to entry, competitive advantages, and growth opportunities.

Clear Decision Making

- Portfolio Manager has ultimate authority and responsibility for portfolio decisions.
- Flat organization and co-location allows direct PM and analyst relationships.
- Collaboration between PMs and analysts, through formal and ad hoc meetings, facilitate knowledge sharing and debate.

Diligent Portfolio Maintenance

- Track against our investment thesis and intrinsic value estimates.
- Close monitoring of company and competitor disclosures.
- Maintain contact with management, especially closely when warranted.
- Continue to triangulate with outside experts.
- Engage with management and boards to drive change when warranted.

Risk Management

- Focus is on **strong fundamentals** of great companies trading at a discount to intrinsic value; *not* macro forecasting
- Avoid large permanent losses by not investing in companies with too much complexity, overvaluation, excessive debt, weak management, insufficient advantages, etc.
- In depth, proprietary, **on-the-ground research** reduces (but unfortunately doesn't eliminate) mistakes
- **Impactful engagement** with companies when required
- Monitor the portfolio for appropriate **diversification** by region, sector, and overall thesis drivers. Security weights by region based upon our **conviction in value & quality**.
- **Minimize liquidity risk** with market cap and trading volume minimums and **monitoring** to ensure Burgundy can act opportunistically and clients have peace of mind in entering or exiting
- Many countries (especially in Emerging Markets) not deemed to have sufficient conditions for safe investments (e.g. Russia, Turkey, etc.).

BURGUNDY

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