

# MAVRIX Small Companies Fund

## small companies = BIG OPPORTUNITIES!

The Mavrix Small Companies Fund is uniquely positioned in the Canadian marketplace and is not just another small cap mutual fund. Instead, the Mavrix Small Companies Fund focuses on the micro-capitalization market, an area that is usually ignored by the professional investment marketplace.

### Why Do We Like Small Companies?

We like the micro-cap marketplace because it includes many highly dynamic, high-growth companies offering the potential for significant capital appreciation. Because this area is generally ignored by fund managers, valuation multiples can be attractive. When micro capitalization companies succeed, share prices can increase due to both growth in the company's business and growth in the company's valuation multiples.

Why do other fund managers ignore the micro-capitalization area? We think that most fund managers ignore these companies because their funds are too large to allow micro-capitalization companies to have a meaningful impact on the portfolio. The Mavrix Small Companies Fund is small and nimble enough to benefit from investments in these companies.

### What Do We Look For When We Make Investments?

As manager, Mavrix applies a variety of analytical techniques in selecting investments for the fund.

We look for attractive but undiscovered stories in the market-place. Our preferred target areas for investment are emerging growth companies and unappreciated turnaround situations. In both of these segments, we face less competition to buy stocks from other institutional investors, which allows us to buy stocks on more attractive terms than in the broader market. Successful stock picks in these segments will benefit investors both from improving corporate results as well as an improvement in valuation multiples, if the improving corporate results attract a wider audience of investors.

### What Sectors Does The Fund Invest In?

The fund will consider investments in all sectors of the markets and will actively manage sectoral exposure depending on market conditions. Technology, biotech, industrial products and resources are expected to be areas of particular focus for the fund.

### The Fund Makes It Easy To Invest In Small Companies

Micro-cap investing can present unique challenges to individual investors and their advisors. The Mavrix Small Companies Fund helps address these challenges.

Many investors would like to invest in the micro-capitalization sector but can only allocate a small part of their portfolio to this investment category. This prevents many investors from building a diversified micro-capitalization stock portfolio.

Because of our focus on microcapitalization stocks, we are able to invest the time and effort necessary to make informed investments in the sector.

The Mavrix Small Companies Fund offers investors a carefully selected, diversified portfolio that encompasses a wide range of industry sectors.

**The Mavrix Small Companies Fund: small companies = Big Opportunities!**

# MAVRIX Small Companies Fund



## PORTFOLIO MANAGER

**Roger Dent, MBA**  
Vice President and  
Portfolio Manager  
Mavrix Fund Management Inc.

## TYPICAL INVESTOR

Individual investor seeking a 100% RSP eligible sector investment yielding high long-term growth levels above broad equity market indices.

Roger joined Mavrix in January 2003 and is the lead advisor of the Mavrix Small Companies Fund. Roger has also been providing advice for the Mavrix Canadian Growth Fund and the Mavrix Strategic Small Cap Fund, which is only available on a private placement basis.

## INVESTMENT METHODOLOGY

### A sector-specific, disciplined, high-quality bottom-up approach.

- Focused on Canadian small cap and micro-cap companies.
- Fund will look for undiscovered, undervalued opportunities in the market.
- Growth companies in turnaround situations are particular targets.
- Agile and active trading style aims to enhance unitholder value.

**Mavrix Fund Management Inc., one of Canada's most innovative fund organizations, brings to investors a diversified and unique micro-cap investment opportunity.**

The above should be used as a general source of information and every effort has been made to ensure that the material is accurate at the time of publication. However, Mavrix Fund Management Inc. can not guarantee the accuracy and accepts no responsibility for any loss arising from the use of or reliance on the information contained herein. Commissions, trailing commissions, management fees and expenses may be associated with mutual fund investments. Mutual funds are not guaranteed, their values change frequently and past performance provides no assurance or indication of future performance. Mutual fund securities are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. All performance data assume re-investment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Please review the Fund(s) prospectus carefully for important information before investing. (May 2010)

## INVESTMENT POLICY DATA

**Asset class:** Small cap and Micro-cap

**Portfolio composition:** 50-80 Canadian stocks; complementary US stocks when value-adding

**Style bias:** Growth

**Sector weightings:** Not predetermined

**Benchmark:** S&P\TSX Composite Index/TSX Venture Exchange

**Target return:** Outperform S&P\TSX Composite Index over long-term periods and the TSX Venture Exchange

**Volatility control:** Diversification across a variety of small cap and micro-cap companies

## FUND DATA

<b>Fund codes:</b>	<b>Front:</b>	MAV114
	<b>DSC:</b>	MAV214
	<b>Low Load DSC:</b>	MAV514
	<b>F Class:</b>	MAV734

*I Class (Institutional) and O Class (HNW) available*

**Inception:** September 28, 2004

**Distributions:** Annually, if any

**RRSP Eligibility:** 100%

## SERVICE FEES:

**Front:** 1.25%

**DSC:** 0.50%

**Low Load DSC:** 1.00%