

NEWS

Hillsdale Launches New Canadian Micro Cap Equity Fund

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Hillsdale is pleased to announce the launch of the Hillsdale Canadian Micro Cap Equity Fund. The Fund offers the highest return potential of Hillsdale's products by investing in Canadian companies with a market capitalization of less than \$250M. The Fund is suitable for investors who seek to maximize capital gains and who have an above average risk tolerance. Since 2009, this micro cap strategy has added significant value within the Hillsdale Canadian Performance Equity Fund. Hillsdale is pleased to now offer this strategy as a standalone fund.

Investing in micro cap stocks is both challenging and hugely rewarding. With most research focused on large cap stocks, micro cap companies are neglected by institutional investors with the result that they are significantly cheaper. While only a portion will ultimately succeed, those that do will grow to many times their original investment.

Effective micro cap investing requires significantly more skill than simply buying the average company, focusing on one sector, or listening to consensus. It implies having very detailed fundamental information on a large universe of stocks (we cover 2300 Canadian micro cap companies), actively filtering using very specific criteria, taking initial positions well before others, monitoring holdings daily, executing trades efficiently and exiting positions at the right time. It also demands a thorough understanding of risk with the ability and willingness to take on and control risk in a consistent manner.

The key benefits of this Fund include:

- ❖ A premium return when compared to larger capitalization and passive strategies
- ❖ An ideal complement to traditional equities or a substitute for small cap equities
- ❖ One of two Canadian micro cap funds available in Canada (*Morningstar, November 2013*)
- ❖ Access to companies that are under-followed or ignored (*Institutional investors account for only 20% of micro cap ownership*)
- ❖ Ownership of companies that are the centre of mergers and acquisitions activity (*average of 140 deals per year since 2009*)
- ❖ Experienced Canadian small cap investment team with one of the longest and most successful track records in Canada
- ❖ Rigorous real-time risk management with stocks selected from a diversified range of sectors

The rewards of micro cap investing are claimed by a combination of skill, discipline, effort, experience and patience. The Hillsdale Canadian Micro Cap Equity Fund is designed to harvest these rewards by leveraging skills developed over Hillsdale's 18 years in small cap investing.

For more information on this Fund, please download the attached Fund Brochure or contact us at (416) 913-3900.