



Why this \$6.3-billion small-cap manager is buying Kits Eyecare and Integra Resources

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Money manager Alex Etsell isn't just being patriotic when he chooses to invest in Canadian small-cap stocks.

The partner and senior portfolio manager at Toronto-based Hillsdale Investment Management Inc. believes the sector remains attractive even after last year's strong results. The S&P/TSX SmallCap Index had a total return of 50.2 per cent in 2025, driven by precious metals stocks.

"[Gold] is still a nice space to invest [in], but there are lots of other names to choose from in the diverse small-cap space," Mr. Etsell says, pointing to opportunities in industrials, technology and consumer products.

Mr. Etsell oversees about \$6.3-billion of his firm's \$11-billion in assets alongside Chris Guthrie, the firm's chief executive officer and founding partner.

The duo also manage the \$190-million Hillsdale Canadian Micro Cap Equity Fund, which is geared to investors with an above-average risk tolerance.

Its top five holdings today, which range between 2.5 and 4.2 per cent of the portfolio, include Thor Explorations Ltd. [THX-X](#) **+1.25%**, Stingray Digital Group Inc. [RAY-A-T](#) **+0.53%**, Haivision Systems Inc. [HAI-T](#) **-0.63%**, CareRx Corp. [CRRX-T](#) **-1.30%** and Amerigo Resources Ltd. [ARG-T](#) **-2.71%**

The fund, which holds about 80 micro- and small-cap stocks, returned 29.6 per cent over the past year. Its three- and five-year annualized returns were 22.5 per cent and 18.4 per cent, respectively. All performance numbers are based on total returns, net of fees, as of Dec. 31, 2025.

The Globe asked Mr. Etsell to discuss three stocks he owns and likes right now, and one he recently sold:

Name three stocks you own today and why.

Haivision Systems Inc. HAI-T **-0.63%**, the Montreal-based, mission-critical video technology company, is a stock we bought in September last year for about \$5 a share.

HAIVISION SYSTEMS INC 9.53 +4.82 (102.34%)
PAST YEAR

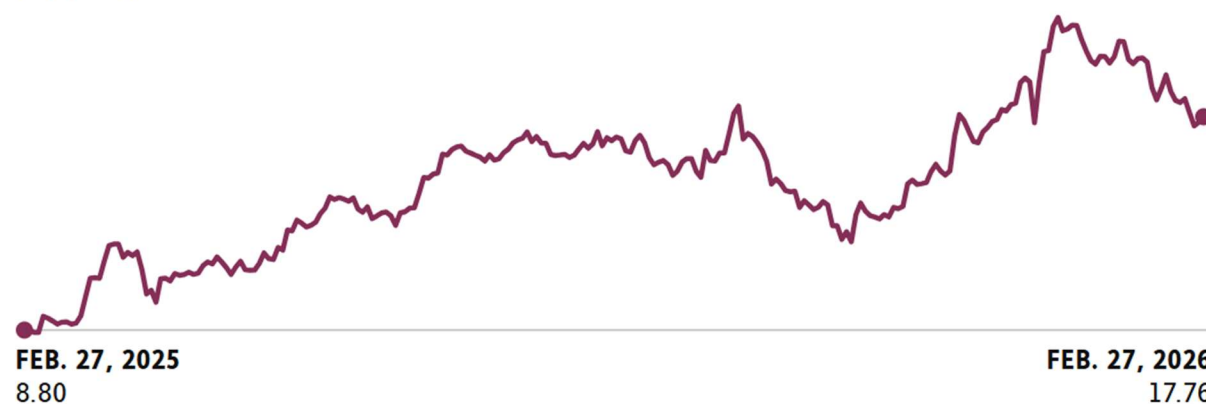


SOURCE: BARChart

Haivision focuses on real-time video for industries, such as defence and aerospace, government and public safety, entertainment and finance. The increased focus on defence spending has been a significant tailwind for the company. The entertainment industry is also a significant pillar. Haivision has won many contracts in recent months across different industries. The company is also starting to report consistent profits.

Kits Eyecare Ltd. KITS-T **+1.31%**, the Vancouver-based eyeglasses and contact lens company, is a stock we bought in early December at about \$15.40 a share.

KITS EYECARE LTD 17.76 +8.96 (101.82%)
PAST YEAR



SOURCE: BARChart

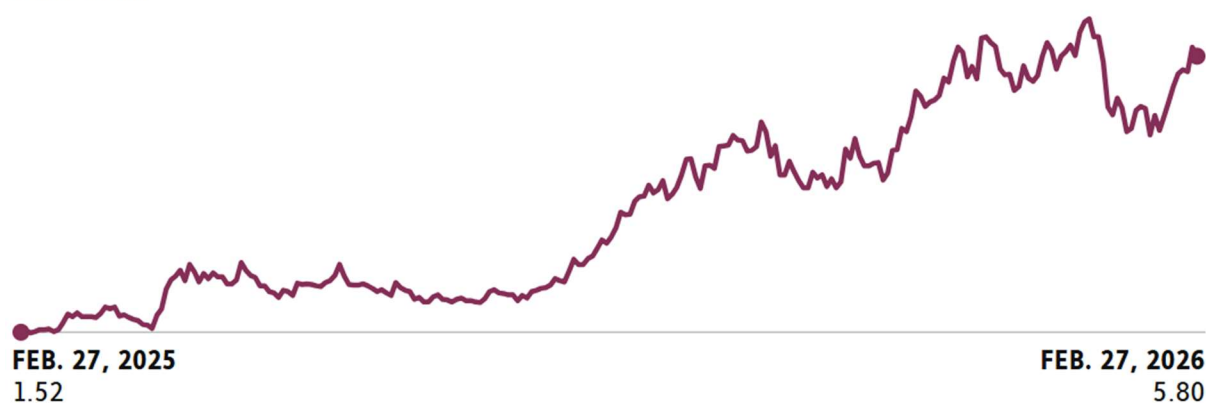
Kits has been growing quickly, and much of that growth is recurring revenue, especially from its contact lens business. What's unique about the company in this space is its level

of vertical integration, from manufacturing through customer fulfilment. It allows the company to drive higher margins.

It's a stock we exited in our micro-cap strategy in September, before the pullback [last fall], and then bought again late last year. We traded it very well – a bit of luck – but the valuation was looking a little stretched, and then we saw an opportunity to get back in.

Integra Resources Corp. ITR-X **-3.03%**, a Vancouver-based precious metals producer, is a stock we bought in August at \$2.55 a share. It's one of a handful of gold stocks we hold.

INTEGRA RESOURCES CORP 5.80 +4.28 (281.58%)
PAST YEAR



SOURCE: BARCHART

It's a medium-cost producer with a management team that has had significant past success and has been investor-friendly. It operates the Florida Canyon Mine in Nevada, which is a relatively safe jurisdiction compared with some other places in the gold investment world.

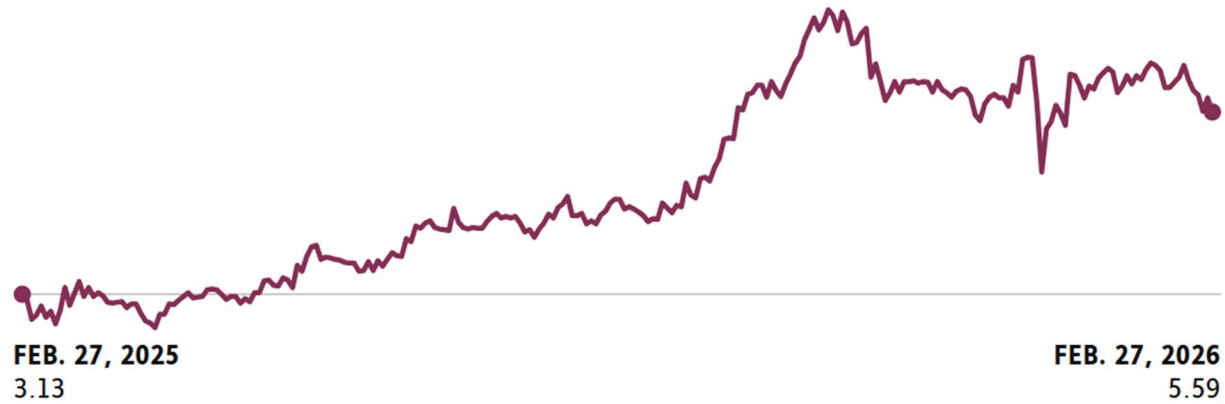
The stock recently dropped after the company announced an equity financing, which created a reasonably good entry point for investors. The company is actively investing in expanding production and building out new mine sites with the capital it has raised. If you want torque to the space versus just buying a relatively boring gold ETF, Integra is the sort of name that can give you that kind of exposure.

Name a stock you sold or trimmed recently.

Zedcor Inc. ZDC-X **-3.11%**, the Canadian security systems provider, is a stock we sold in early December in the Canadian Micro Cap Equity Fund at around \$5.80 a share. We bought it last summer for around \$4.20. It was a good holding for us, and it is still a good stock, but we thought the valuation was getting too expensive.

ZEDCOR INC 5.59 +2.46 (78.59%)

PAST YEAR



SOURCE: BARCHART

<https://www.theglobeandmail.com/investing/globe-advisor/advisor-funds/article-why-this-63-billion-small-cap-manager-is-buying-kits-eyecare-and/>

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