Q1 2019

ANTARES INVESTMENT MANAGEMENT

BALANCED PORTFOLIO

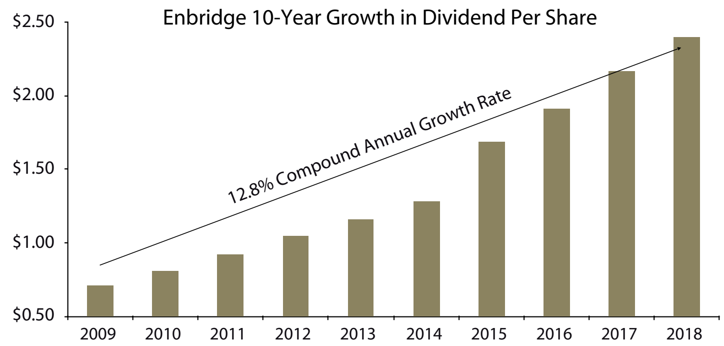
The Antares Balanced Portfolio focuses on income-generating investments, including high quality companies with a proven capability of paying recurring and growing dividends, high quality bonds, and real estate. It aims to produce dependable income with potential for growth of that income and appreciation of capital.

MANAGER COMMENTARY

The first quarter saw equity markets bounce off recent lows touched in December of 2018. Share prices in the Balanced portfolio benefitted from this bounce and were further aided by strong results of several companies you hold, some of which we highlight below. Bond yields, which were on the rise for most of 2018, have reverted lower due to expectations that central banks will stop raising rates amidst signs of economic uncertainty.

During the quarter we purchased units of Brookfield Infrastructure LP, which holds high quality infrastructure assets all over the world, such as: a container port in Australia, toll roads in Brazil, and cell phone towers in France. These assets are expensive to build and require significant permitting, meaning that competition is limited. This allows Brookfield to collect a toll and raise prices regularly. Contrast that with companies with high fixed assets that face unrelenting price competition – Sears Canada anyone? – and it is clear why we like these infrastructure assets. In our analysis the company's outlook is attractive, underpinned by global growth. While we wait for the future to play out unitholders collect a cash distribution equating to a yield of 5%, a respectable return on investment even without the anticipated growth.

We are pleased to note that the shares of Enbridge responded to a solid earnings report during the quarter. We first purchased the shares in late 2017, and the political hot potato of pipeline approvals has weighed on investor sentiment since then. Our view has been that Enbridge has a world-class network that is necessary to the functioning of the North American economy, and that cooler heads will prevail. We are reminded that investing requires patience while we wait for our investment view to be reflected in share prices. We continue to hold the shares for their attractive dividend yield (6% at March 31, 2019) and the growth opportunities as the company executes on its long-term plan.



Source: Capital IQ

On the note of patience, CVS shares have lagged in recent quarters. CVS is one of two large pharmacy chains in the U.S. and owns related businesses in employee health care benefits. Investors are worried about two things: political uncertainty around the complex American medical system, and the possibility that Amazon takes market share from traditional pharmacies. We see two offsetting factors that make us positive on the company. One is the simple fact that the ageing U.S. population implies persistent growth of prescriptions: this wave of demand should lift sales of all sellers of drugs. The second, and this is key, is that CVS can get leverage from its store network to gain increased market share from their biggest source of profit growth, "specialty drugs". These complex prescriptions require hands-on treatment which cannot be accomplished on-line. These positives are being ignored by investors, in our opinion. We see good potential for a recovery with the passage of time and are, therefore, staying patient with this one.

We added shares of U.S. bank JP Morgan to the portfolio – the dividend yield was 3.2% at time of purchase. JP Morgan has the largest market share of banks in the U.S. and uses its scale to drive down costs. Led by its dynamic CEO Jamie Dimon, the bank is consistently more profitable than its peers as measured by return on equity.

Thank you for your continued trust,

Your Portfolio Management Team

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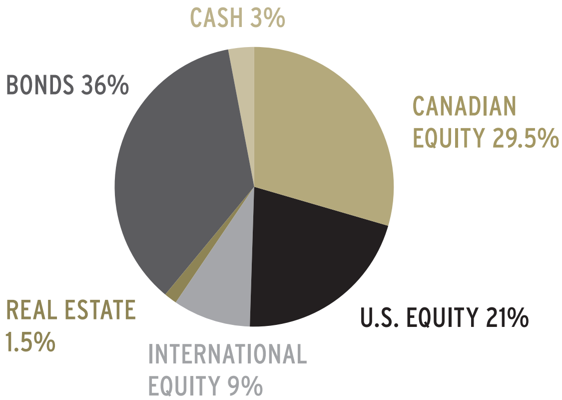
INVESTMENT MANAGEMENT

BALANCED PORTFOLIO

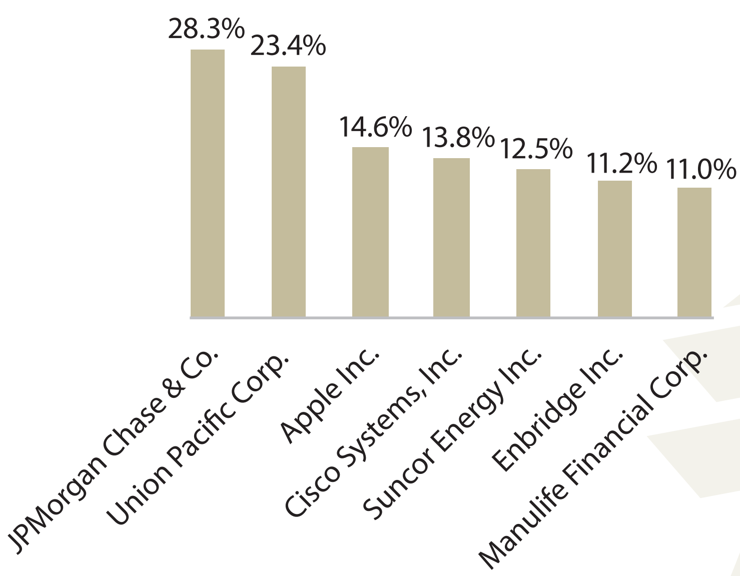
ASSET ALLOCATION



DIVIDEND REPORT - AS AT MAR 31, 2018

- 3.5% Portfolio Dividend Yield
- 21 of 23 Holdings Raised Dividend Last 12 Months
- 8.8% Portfolio Dividend Growth Last 12 Months

NOTEWORTHY DIVIDEND INCREASES - LAST 12 MONTHS



PORTFOLIO HOLDINGS & SECTOR WEIGHTS

		DIVIDEND YIELD	5YR DIVIDEND GROWTH RATE
FINANCIALS	**17.4%**		
The Bank of Nova Scotia		4.9%	6.5%
Fairfax Financial Holdings Limited		2.2%	N/A
Great-West Lifeco Inc.		4.8%	4.8%
Manulife Financial Corporation		4.4%	11.8%
Royal Bank of Canada		4.0%	8.1%
Sun Life Financial Inc.		3.9%	5.8%
JPMorgan Chase & Co.		3.2%	13.6%
HEALTHCARE	**10.3%**		
Johnson & Johnson		2.8%	6.4%
Novo Nordisk		2.3%	12.6%
Novartis AG		3.0%	1.0%
INFORMATION TECHNOLOGY	**9.6%**		
Apple Inc.		1.5%	10.6%
Accenture Plc		1.7%	9.4%
Cisco Systems, Inc.		2.4%	14.2%
Microsoft Corporation		1.6%	11.5%
ENERGY	**7.8%**		
Enbridge Inc.		6.1%	16.3%
PrairieSky Royalty Ltd.		4.3%	N/A
Suncor Energy Inc.		3.9%	14.6%
CONSUMER STAPLES	**4.9%**		
CVS Health Corporation		3.7%	17.3%
The Coca-Cola Company		3.4%	6.9%
UTILITIES	**3.5%**		
Canadian Utilities Limited		4.6%	10.2%
INDUSTRIALS	**3.5%**		
Union Pacific Corporation		2.1%	15.6%
INFRASTRUCTURE	**1.5%**		
Brookfield Infrastructure Partners L.P.		4.9%	10.4%
TELECOMMUNICATIONS	**0.8%**		
Vodafone Group Plc		9.3%	N/A
REAL ESTATE	**1.5%**		
FIXED INCOME & CASH	**39.2%**		

PORTFOLIO CHANGES

▲ Brookfield Infrastructure L.P.
▲ JPMorgan Chase & Co.
▲ Apple Inc.

▼ Shaw Communications Inc.
▼ Great-West Lifeco Inc.

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