

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

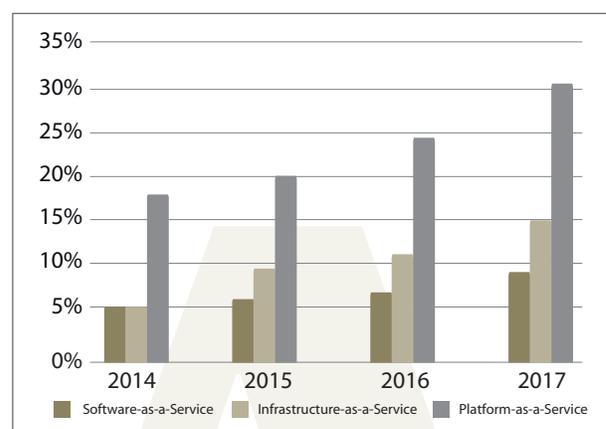
Boy it's getting noisy out there. Market prognosticators are having a field day: it is easy for optimists and pessimists alike to find economic data to support their biases. For our part, we try to avoid the trap of making predictions. Our time is spent most productively doing research on the business fundamentals of companies already in the portfolio, as well as on companies we may want to purchase on your behalf in the future. As for the noise, we leave it to the well-connected Boards of Directors and Chief Executive Officers of the companies you own to figure out how to create value in an always-uncertain environment. Our job is to identify these value creators.

During the quarter we added capital to **Gilead Sciences**. Gilead, which develops and sells specialty drugs, reported better than expected revenue and profits for the second quarter. The company's HIV medication produced double-digit growth for the fifth consecutive year, which speaks to its strong positioning and competitive advantage. Importantly, in our opinion the company made a smart strategic move in announcing a collaboration agreement with a similar company, Galapagos. Both companies have multiple research projects on the go, of which a small number stand a chance of succeeding; the agreement provides Gilead with exclusive access to any Galapagos drugs that pass the regulatory process. This effectively doubles Gilead's research capacity. While we wait for new developments, the shares have a dividend yield of 4%. We see this holding as offering attractive income today with likely upside at an unknown time in the future.

During the summer we undertook a research project on "the cloud", which essentially refers to data being stored and handled off-premise rather than locally on hard drives and servers. This is a big deal, because we live in a data-driven world that is increasingly complex to manage. Your portfolio holds several companies that stand to benefit from the shift to the cloud. We believe that **Microsoft** and **Accenture** are particularly well-placed competitively, while **Cisco** will also benefit. Positively, it is still early days in the shift to the cloud; as a result, we believe these companies will benefit financially for the foreseeable future. Microsoft continued the recent trend of pumping out strong numbers, which it amplified by raising the dividend by 11% and announcing a share buyback of \$40 billion: wow! The chart below shows that Microsoft has consistently gained market share from its competitors in three key cloud delivery

models, a trend we believe will continue. We purchased additional shares of Accenture during the quarter as our conviction was reinforced by good results. We also bought some Cisco shares after the company reported a strong quarterly result but shares were down due to conservative guidance for the coming fiscal year. We're in this for the long term: quarterly noise provided a buying opportunity.

Microsoft Has Boosted Its Cloud Market Share



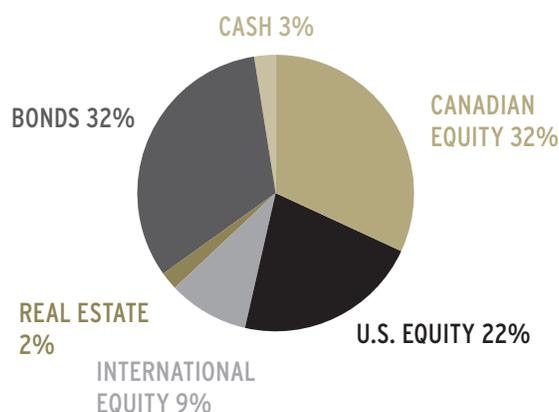
Source: Bloomberg

As a reminder to investors, the Balanced strategy invests in a mix of bonds and dividend-paying equities. Bond yields continue to be historically low, which is an ongoing reality and the tradeoff for the security they provide. (If it's any consolation, numerous European and Japanese bonds have negative yields, in other words, those bond holders are guaranteed to lose money. We struggle to make sense of this.) On the equity side, our research focuses on three important factors: conservative debt, high profit levels, and a rational purchase price. We believe the first two factors tilt the odds in favour of dividend growth. The third factor plus the bonds offer a measure of capital protection in an investing environment in which the noise may be here to stay - hence the need for a process that works.

Thank you for your continued trust,

Your Portfolio Management Team

ASSET ALLOCATION



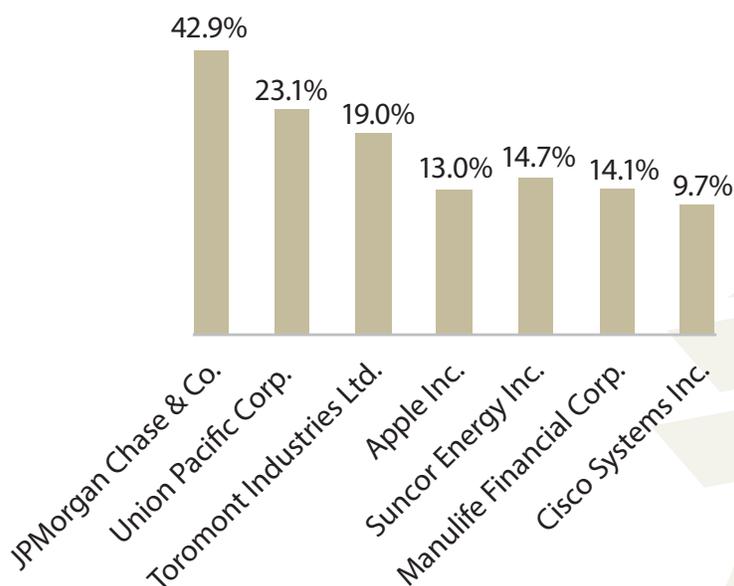
DIVIDEND REPORT - AS AT SEPT 30, 2019

3.4% Portfolio Dividend Yield

23 of 25 Holdings Raised Their Dividend in the Last 12 Months

8.8% Portfolio Dividend Growth Rate Over The Last 12 Months

NOTEWORTHY DIVIDEND INCREASES - LAST 12 MONTHS



PORTFOLIO HOLDINGS & SECTOR WEIGHTS

	DIVIDEND YIELD	5YR DIVIDEND GROWTH RATE
FINANCIALS	17.3%	
The Bank of Nova Scotia	4.8%	6.4%
Fairfax Financial Holdings Limited	2.3%	N/A
Manulife Financial Corporation	4.1%	13.3%
Royal Bank of Canada	3.9%	7.7%
Sun Life Financial Inc.	3.5%	6.8%
JPMorgan Chase & Co.	3.1%	15.8%
HEALTHCARE	11.3%	
Gilead Sciences, Inc.	4.0%	N/A
Johnson & Johnson	2.9%	6.4%
Novo Nordisk A/S	2.3%	12.6%
Novartis AG	3.3%	1.0%
INFORMATION TECHNOLOGY	9.3%	
Apple Inc.	1.4%	10.6%
Accenture Plc	1.7%	9.4%
Cisco Systems, Inc.	2.8%	13.6%
Microsoft Corporation	1.5%	10.4%
ENERGY	7.8%	
Enbridge Inc.	6.3%	16.2%
PrairieSky Royalty Ltd.	4.2%	N/A
Suncor Energy Inc.	4.0%	12.6%
CONSUMER STAPLES	6.9%	
CVS Health Corporation	3.2%	14.9%
The Coca-Cola Company	2.9%	6.2%
The Unilever Group	2.9%	3.7%
INDUSTRIALS	4.3%	
Stantec Inc.	2.0%	10.1%
Toromont Industries Ltd.	1.7%	12.3%
Union Pacific Corporation	2.4%	14.6%
UTILITIES	3.9%	
Canadian Utilities Limited	4.3%	9.9%
INFRASTRUCTURE	2.4%	
Brookfield Infrastructure Partners L.P.	4.0%	9.9%
REAL ESTATE	2.1%	
FIXED INCOME & CASH	34.7%	

PORTFOLIO CHANGES

- ▲ Accenture plc
- ▲ Gilead Sciences, Inc.
- ▲ Brookfield Infrastructure Partners L.P.
- ▼ Fairfax Financial Holdings Limited