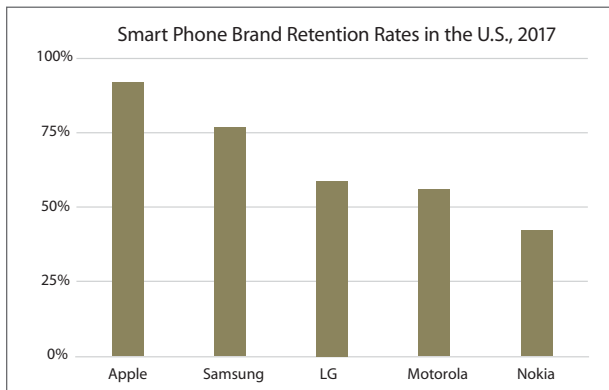


The Antares Total Equity Portfolio focuses on quality companies with high levels of recurring and growing cash flow. It aims to produce a strong long-term total investment return comprised of capital appreciation and dividend income.

MANAGER COMMENTARY

During the quarter we purchased three new companies for your portfolio: Apple, Subaru and Prairie Sky Royalty. To fund these purchases, we trimmed positions in your portfolio that had run up in price and also reduced the weight in Canadian Utilities.

Apple's main product is the iPhone, which is the base around which it effectively upsells customers on adjacent products and services such as photos, music, subscriptions, etc. - the "ecosystem" - which we believe is a key differentiator. Once a customer buys an iPhone, it is difficult, and in some cases costly, to switch to a competitor. Loyalty rates are high despite the fact that, on average, Apple charges US \$800 for a phone compared to Samsung at US \$354 (Bloomberg). Apple has a net cash position (cash minus debt) of \$146 billion which they intend to return to shareholders through dividends and share buybacks.



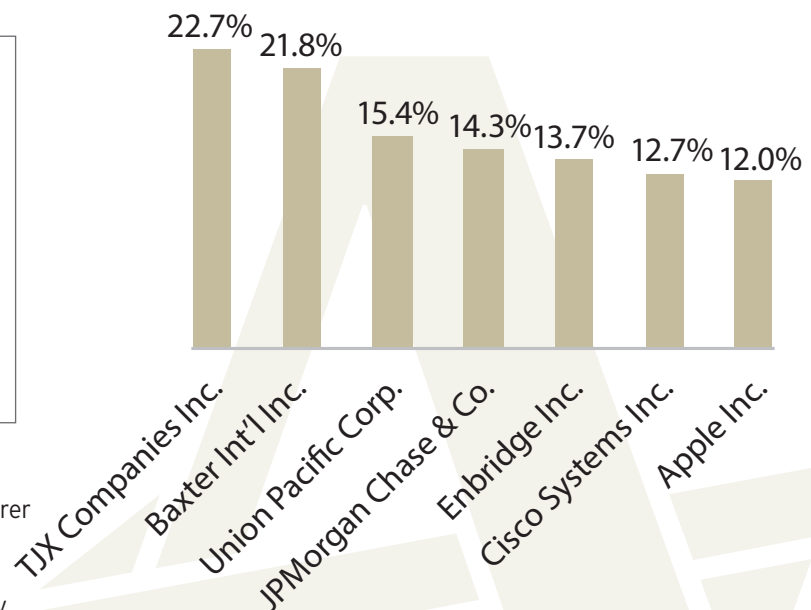
Source: Morgan Stanley

Subaru is a Japan-headquartered automobile manufacturer that has a reputation for high quality and reliability, and the all-wheel drive system they pioneered remains a hallmark of the company. Resale values are consistently at the top of the ranks, as are the safety rankings (*J.D. Power and Associates*). It also has one of the highest customer satisfaction ratings (*Edmunds*), with a high percentage of customers being well-off professionals. The company's profit margins are among the highest in the industry, well above the likes of Ford, Toyota and Honda. The addition of a seven seat Sport Utility Vehicle is geared to their existing customers, many of whom are now transitioning from single to married life. The company has a

DIVIDEND REPORT - AS AT SEPT 30, 2018

- 23 Holdings
- 20 Dividend Increases Last 12 Months
- 2.9% Dividend Yield
- 9.7% Dividend Growth Rate Last 12 Months
- 10% Dividend Growth Rate Last 5 Years

NOTEWORTHY DIVIDEND INCREASES - LAST 12 MONTHS



PORTFOLIO CHANGES

- ▲ Apple Inc.
- ▲ PrairieSky Royalty Ltd.
- ▲ Subaru Corporation
- ▼ Cisco Systems, Inc.
- ▼ Microsoft Corporation
- ▼ The TJX Companies, Inc.

Continued next page

MANAGER COMMENTARY (CONTINUED)

pristine balance sheet with a cash balance that equates to one-third of its stock market capitalization. This is a good indicator that Subaru is well positioned to continue to grow, or play defense in the event of a downturn, and that its shares offer attractive value.

Prairie Sky Royalty (PSK) is a Calgary-based company that holds mineral rights on 7.8 million acres of energy-producing land in Alberta, Saskatchewan and British Columbia. When energy companies produce oil or gas on their lands, PSK collects a royalty. The company is comparable to a tax collector, and therefore has no need for debt or capital expenditures. As a result, the majority of its free cash flow is paid out to shareholders as dividends. Many of the company's mineral rights are perpetual, which means that, as new technologies are developed, explorers can extract oil and gas more efficiently on PSK's currently-unproductive land. While drilling activity in Alberta has been depressed in recent years due to low energy prices, cash flow continues to be strong and the company is in a good position to benefit from an improved pricing environment.

Your Portfolio Management Team

INVESTMENT TEAM

Gerry Bettig, CFA President & Chief Investment Officer
With over 20 years of experience in the investment industry, Gerry leads the portfolio management team as Chief Investment Officer. Gerry founded Antares Investment Management in 2004.

Alec MacIsaac, CFA Portfolio Manager
Alec has over 20 years of experience in the financial industry. He contributes to Antares in multiple capacities including portfolio management, investment research, and business development.

Ricardo Melo, CFA Portfolio Manager
Ricardo has a decade of industry experience. In addition to his portfolio management duties, he conducts in-depth company research and oversees trading at Antares.

TOTAL EQUITY PORTFOLIO

The Antares Total Equity Portfolio is available to investors within a Separately Managed Account ("SMA") that holds securities directly, and through the Antares Total Equity Pool ("Pool") which is held in the accounts of multiple investors. Data presented refer to the Pool. SMAs are customized and therefore their holdings and weights may diverge from those within the Pool. Sources for the data include: Capital IQ, Bloomberg, NDEX, and Antares calculations. Unless otherwise stated, all data are as at the quarter end.

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PORTFOLIO HOLDINGS & SECTOR WEIGHTS

	DIVIDEND YIELD	5YR DIVIDEND GROWTH RATE
FINANCIALS 26.4%		
Fairfax Financial Holdings Limited	1.8%	N/A
Great-West Lifeco Inc.	5.0%	4.2%
JPMorgan Chase & Co.	2.8%	11.8%
Manulife Financial Corporation	3.8%	10.3%
Royal Bank of Canada	3.8%	8.5%
The Bank of Nova Scotia	4.4%	6.6%
INFORMATION TECHNOLOGY 24.8%		
Cisco Systems, Inc.	2.7%	14.9%
Constellation Software Inc.	0.5%	N/A
Intl Business Machines Corp.	4.2%	11.6%
Microsoft Corporation	1.6%	12.8%
Oracle Corporation	1.5%	20.4%
Apple Inc.	1.3%	10.7%
HEALTHCARE 19.1%		
Baxter International Inc.	1.0%	N/A
Johnson & Johnson	2.6%	6.6%
Novartis AG	3.3%	2.7%
Novo Nordisk A/S	2.6%	16.9%
CONSUMER DISCRETIONARY 6.8%		
The TJX Companies, Inc.	1.4%	22.0%
Subaru Corporation	4.1%	57.2%
ENERGY 5.7%		
Enbridge Inc.	6.4%	15.4%
PrairieSky Royalty Ltd.	3.4%	N/A
INDUSTRIALS 5.4%		
Union Pacific Corporation	2.0%	10.1%
UTILITIES 4.4%		
Canadian Utilities Limited	5.0%	20.9%
CONSUMER STAPLES 3.2%		
CVS Health Corporation	2.5%	22.9%
FIXED INCOME & CASH 4.2%		

GEOGRAPHIC ALLOCATION

