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

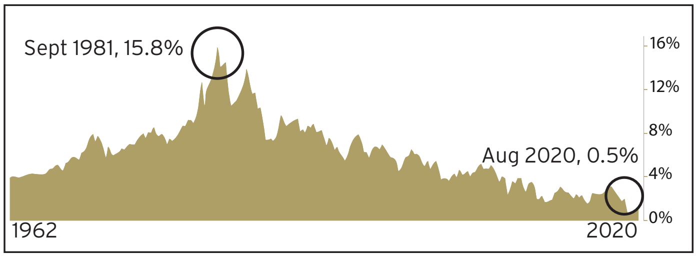
We follow a process that aims to encourage rational decision making. Prior to investing in a company, we look at historical financial data for evidence of profits, competitive advantage, and careful management of debt. We consider the future outlook and debate amongst ourselves what price we are willing to pay for the shares. All of this occurs within a fluid environment that requires we be open to changing our view. 2020 was particularly fluid and, as a result, we traded more frequently than normal. The Covid-19 health pandemic put many businesses on life support – restaurants and airlines to name two. The policy response from central banks was to push down interest rates to generational lows so as to discourage saving and encourage risk taking. Other sectors of the economy have benefitted from people staying at home: online shopping and cloud computing come to mind. The "scarcity value" ascribed to higher growth sectors favoured certain holdings in your portfolio, notably Apple, Microsoft, and Accenture. Others had a tough go of it as sales and profits declined: portfolio holdings Suncor Energy and Bank of Nova Scotia are two examples. When all was said and done, the portfolio rose by 4.4% during 2020. More importantly, it delivered a 6.4% compounded rate of return since inception in 2014[1], which shows the benefit of long-term ownership of companies that generate growth in profits and dividends.

During the fourth quarter, we introduced Pembina Pipeline to your portfolio. At the time of purchase, the shares offered a dividend yield of close to 9%. A yield this high can fall into the "too good to be true" category, so we investigated the sustainability of the payment. Our analysis indicated that the vast majority of the company's revenues are contracted, which gave us comfort that cash flow is recurring. We believe the shares have been pressured by negative sentiment toward the energy sector, and we are not averse to buying a quality business when it goes on sale. As we see it, an improvement in the economy could help sentiment; absent that, we are more than happy to collect the dividend. Nine percent is nine percent.

[1]*Returns are those of the Antares Balanced Pool and are expressed before investment management fees are deducted.*

We added to your position in Otis Elevator as financial results have supported our investment thesis, despite the global recession. Elevators experience wear and tear, and 80% of Otis' profits arise from maintenance work — a gift that keeps on giving. Furthermore, the growth outlook for elevators is supported by the trend of urbanization. In 2020, 55% of the world's population lived in urban areas; this is expected to rise to 70% by 2050 (source: company presentation), which implies new buildings, new elevators, and more maintenance.

U.S. 10-Year Bond Yield: 1962-2020



Source: Bloomberg, U.S. 10-Year Generic Government Bond

We are monitoring interest rates. In 2020, bond yields reached the lowest levels we have seen in our lifetimes, as illustrated by the chart. During the year, the yields of the benchmark U.S. 10-Year Government Bond averaged 0.89%, bottoming at 0.51% on August 4. A change in these rates, or lack thereof, may have important implications for the portfolio. While central banks appear committed to keeping rates low, an acceleration within the economy and a whiff of inflation could lead to speculation that rates will rise. This in turn would push down bond prices and could threaten the high valuations among the market leaders of 2020 – notably large technology companies. There is some speculation of shifting leadership within the market; in such a scenario, laggards such as energy companies could benefit. This is a plausible scenario among many others. For our part, we are reluctant to make big calls, preferring to stick to our approach that includes analysis, open-mindedness and a dollop of humility. Your portfolio is diversified and accordingly has exposure to different scenarios. As new facts emerge, we will take them into account and continue to make decisions that balance prudence with rational opportunism.

Thank you for your continued trust,

Your Portfolio Management Team

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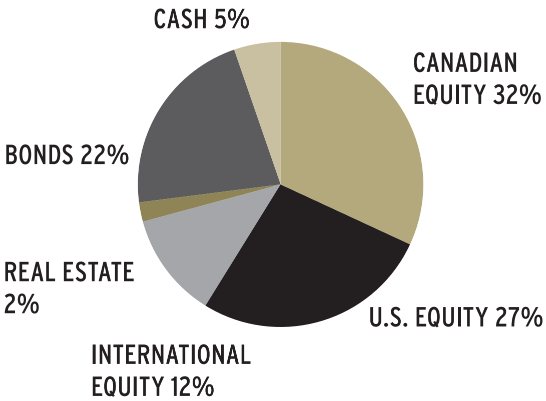
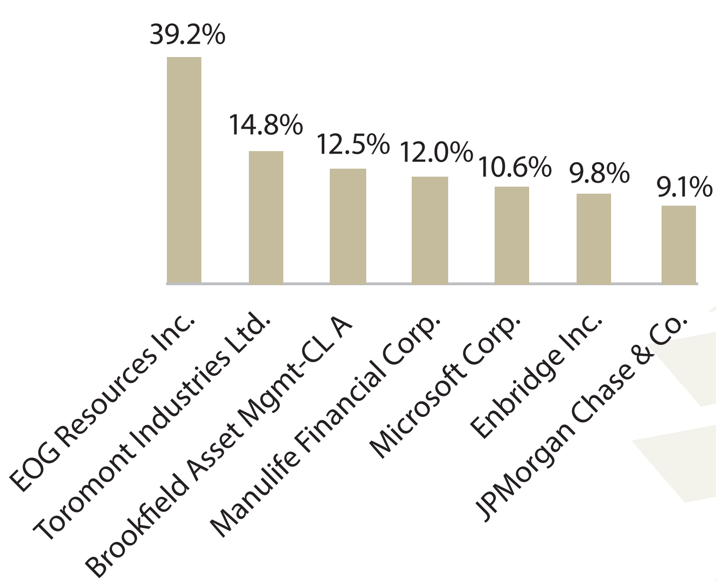
ASSET ALLOCATION[1]



DIVIDEND REPORT - AS AT DEC 31, 2020[1]

- 3.5% Portfolio Dividend Yield
- 25 of 30 Holdings Raised Their Dividend In Local Currency In The Last 12 Months
- 3.5% Portfolio Dividend Growth Rate Over The Last 12 Months

NOTEWORTHY DIVIDEND INCREASES - LAST 12 MONTHS[1]



PORTFOLIO HOLDINGS & SECTOR WEIGHTS[1]

		DIVIDEND YIELD	5YR DIVIDEND GROWTH RATE
FINANCIALS	**13.2%**		
Bank Of Nova Scotia		5.2%	5.5%
Brookfield Asset Management		1.1%	9.5%
JPMorgan Chase & Co		2.8%	16.5%
Manulife Financial Corp.		4.9%	11.0%
Royal Bank Of Canada		4.1%	6.9%
Sun Life Financial Inc.		3.5%	7.8%
Wells Fargo & Co.		1.8%	-3.7%
HEALTHCARE	**11.1%**		
Gilead Sciences, Inc.		4.6%	16.1%
Johnson & Johnson		2.5%	6.2%
Novartis AG Sponsored ADR		3.4%	3.0%
Novo Nordisk A/S Sponsored ADR Class B		2.1%	12.2%
INFORMATION TECHNOLOGY	**10.5%**		
Apple Inc.		0.6%	9.7%
Accenture Plc-Cl A		1.3%	9.1%
Cisco Systems Inc.		3.2%	11.8%
Microsoft Corp.		1.0%	10.1%
INDUSTRIALS	**8.8%**		
Otis Worldwide Corp.		1.1%	N/A
Stantec Inc.		1.5%	8.1%
Toromont Industries Ltd.		1.2%	12.8%
Union Pacific Corp.		1.9%	12.0%
ENERGY	**8.6%**		
Enbridge Inc.		8.0%	11.7%
Eog Resources Inc.		2.9%	16.1%
Pembina Pipeline Corp.		8.3%	7.0%
Suncor Energy Inc.		5.1%	-0.8%
CONSUMER STAPLES	**7.0%**		
Coca-Cola Co/The		3.0%	4.4%
CVS Health Corp		3.4%	7.4%
Unilever Plc-Sponsored Adr		3.2%	7.0%
INFRASTRUCTURE	**3.5%**		
Brookfield Infrastructure Partners L.P.		4.0%	7.9%
UTILITIES	**3.2%**		
Canadian Utilities Ltd-A		5.6%	8.1%
TELECOMMUNICATIONS	**2.9%**		
Verizon Communications Inc.		4.2%	2.2%
MATERIALS	**2.3%**		
Nutrien Ltd.		3.8%	N/A
REAL ESTATE	**2.0%**		
FIXED INCOME & CASH	**27.1%**		

PORTFOLIO CHANGES[1]

▲ Pembina Pipeline Corp.
▲ Otis Worldwide Corp.
▲ Cisco Systems Inc.

1. Sources: Bloomberg for dividend data, NDEX for portfolio data

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