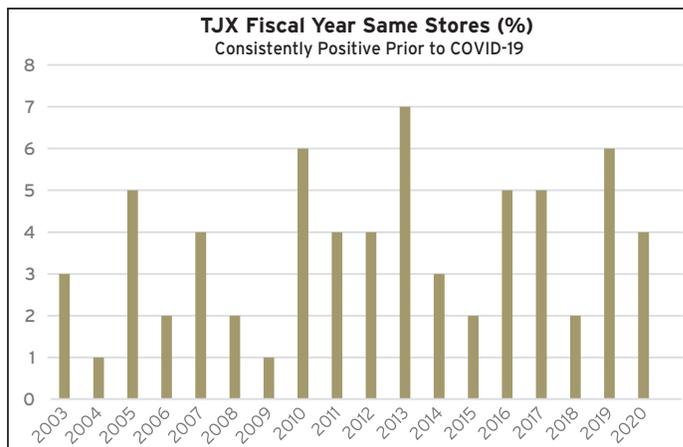


Antares equity strategies focus on long-term total return through a combination of dependable income and capital appreciation. We build portfolios to align with individual client requirements, resulting in personal portfolios that lean more, or less, toward capital preservation, income generation, or growth.

MANAGER COMMENTARY

2021 was a strong year for the portfolio. Two categories of company performed especially well: 1) inexpensive stocks that played “catch up”, such as EOG Resources, Stantec, and CVS Health; 2) technology companies that help customers move their data into the cloud, such as Microsoft and Accenture. Consider an example from category 1, CVS Health, which provides Americans with much of the infrastructure required for their health care: over 9,000 pharmacies, a health management organization (Aetna), and a pharmacy benefit manager (Caremark). We believe the integrated model is poised to deliver revenue and profit growth as it serves an ageing population. That said, investors were frustrated at the start of 2021 following inconsistent results. Expectations were low, setting the stage for a solid gain of 54% in 2021 (including dividends) as revenues showed signs of renewed growth. This gave the board of directors the confidence to announce a 10% dividend hike.¹ Our experience with CVS is a timely reminder that value matters and that it can pay to be brave when others are pessimistic, provided you do your homework.

During the quarter, we purchased shares of TJX Companies, a familiar company that we previously held in the portfolio. TJX is an off-price retailer with stores in countries such as the U.S., the U.K. and Germany. In Canada, they operate the Winners, HomeSense and Marshalls chains. Sales tend to rise consistently, as do profits and dividends. The exception to this longstanding trend was the fiscal year ending in January 2021, when TJX shut down its entire global store network and suspended the dividend. We sold the shares at that time due to concern of cash bleeding for an indefinite period. Today, the economies in TJX’s markets have reopened and in-store shopping for bargains is “a thing” once again. Competitors have been closing stores and we see potential for TJX to gain permanent market share. Finally, if history is a guide, TJX tends to grow its sales both in economic expansions and recessions: when times are good, people shop for pleasure; when times are bad, people “trade down” and shop for bargains.



Source: FactSet Fundamentals; data refer to fiscal years ended January of the years noted

We exited the shares of Baxter during the quarter. The medical supplies company was experiencing some disruption due to the pandemic: not a big deal to us because it appeared temporary. What caused us to change our mind was the announcement by Baxter that it would be buying another company for a potentially hefty cost, and that the acquired company had much lower profits per dollar of sales. Whereas we had believed Baxter would expand its profit margin, it now appears that the opposite will occur, contrary to our investment thesis. While patience is important to long-term investment success, we were not willing to give a multi-year extension on a damaged investment thesis *hoping* it can get back on track. *Hasta la vista, Baxter!*

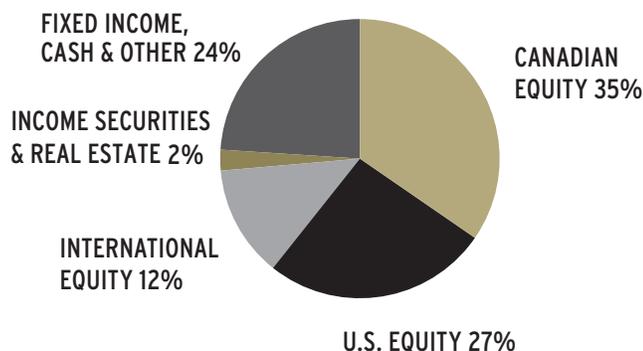
Looking ahead to 2022, we are mindful of risks and opportunities. We intend to take a balanced approach that favours facts and data over opinions and emotion. The potential for sustained higher inflation is, in our view, a risk to be taken seriously because it could negatively affect the value of bonds and stocks. Conversely, we believe there remains a good case for continued expansion of corporate earnings, which tends to be good for share prices. Since the future is unknowable, we follow a “one company at a time” investment process. We are continuing to find companies that merit further research; the challenge is to then develop a compelling investment thesis. Given our assessment of the quality of companies in the portfolio, only a few new ideas are apt to make the grade.

Thank you for your continued trust,

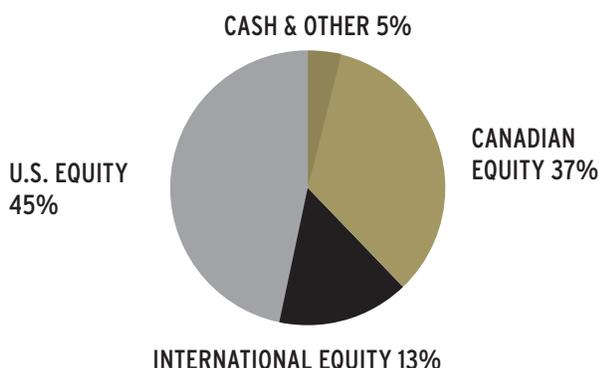
Alec MacIsaac, CFA
Ricardo Melo, CFA

¹Source: Bloomberg

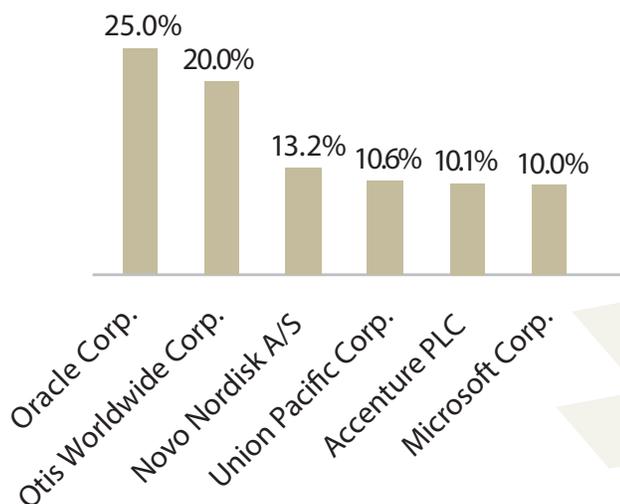
BALANCED POOL - ASSET ALLOCATION¹



TOTAL EQUITY POOL - ASSET ALLOCATION¹



NOTEWORTHY DIVIDEND INCREASES - LAST 12 MONTHS¹



EQUITY HOLDINGS¹

	DIVIDEND YIELD	5YR DIVIDEND ² GROWTH RATE
CONSUMER DISCRETIONARY		
BorgWarner Inc.	1.5%	5.1%
TJX Companies Inc.	1.4%	16.0%
CONSUMER STAPLES		
CVS Health Corp.	1.9%	3.3%
ENERGY		
EOG Resources Inc.	3.5%	47.1%
Gibson Energy Inc.	6.2%	1.2%
Pembina Pipeline Corp.	6.6%	5.8%
Suncor Energy Inc.	3.3%	(2.0%)
FINANCIALS		
Bank Of Nova Scotia	4.5%	4.8%
Berkshire Hathaway Inc.	N/A	N/A
Brookfield Asset Management	0.8%	7.2%
JPMorgan Chase & Co.	2.4%	15.0%
Royal Bank Of Canada	3.7%	5.9%
HEALTHCARE		
Gilead Sciences, Inc.	3.9%	9.1%
Johnson & Johnson	2.5%	5.9%
Novo Nordisk A/S Sponsored ADR Class B	1.4%	10.2%
Roche Holdings Ltd-Sponsored ADR	2.5%	3.7%
INDUSTRIALS		
Otis Worldwide Corp.	1.1%	N/A
Stantec Inc.	0.9%	8.0%
Toromont Industries Ltd.	1.3%	13.6%
Union Pacific Corp.	1.7%	13.7%
Vontier Corp.	0.3%	N/A
INFORMATION TECHNOLOGY		
Accenture PLC	0.9%	9.3%
Apple Inc.	0.5%	9.2%
Cisco Systems Inc.	2.4%	8.2%
Constellation Software Inc.	0.3%	(0.9%)
Microsoft Corp.	0.7%	9.4%
Oracle Corp.	1.4%	14.9%
INFRASTRUCTURE		
Brookfield Infrastructure Partners L.P.	3.4%	4.5%
MATERIALS		
Nutrien Ltd.	2.4%	N/A
TELECOMMUNICATIONS		
Verizon Communications Inc.	4.9%	2.1%
UTILITIES		
Canadian Utilities Ltd-A	4.8%	6.2%

PORTFOLIO CHANGES¹

- ▲ TJX Companies Inc.
- ▲ Gibson Energy Inc.
- ▲ Suncor Energy Inc.
- ▼ Baxter International Inc.
- ▼ Enbridge Inc.
- ▼ Unilever PLC

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

All data as at quarter end.

2. Calculated in Canadian Dollars for all holdings.

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