

TRADING ACTIVITY

BARRANTAGH INVESTMENT MANAGEMENT Canadian Equities Income

After the steep market sell off at the outset of the COVID-19 pandemic, markets snapped back during the second quarter in one of the strongest periods for global markets in decades. This strong performance from financial markets in many ways ran counter to the immediate economic realities as lock-down measures around the world stifled business activity. Nevertheless, the sweeping monetary and fiscal support from governments cushioned the blow for many and worst-case scenario outcomes were averted. As the period progressed and economic lows in April gave way to incrementally better data, investors grew more comfortable in looking past the current turmoil and focusing on what normalized activity could look like coming out the other side of the pandemic.

After a roller-coaster first half of 2020, the key question becomes where do we go from here? It is widely accepted that the economy faces a potential flat period. Monetary and fiscal stimulus continue to be the bridge to get businesses and consumers to the other side, though some level of permanent job loss in the medium-term is expected. Absolute valuations on current earnings seem expensive (large impacts from sweeping lock downs) with varying levels of economic rebound being priced in and uncertainty remains regarding what shape the recovery will ultimately take. However, extremely low bond yields tend to lift the valuations of other securities and continues to highlight the relative attractiveness of equities versus other alternatives. Our view remains

constructive given our focus on individual company valuations and the Fund's exposure to a focused portfolio balancing long-term cashflow growth with near-term capital preservation.

BUYS

Morneau Shepell (MSI) - New

Morneau Shepell is a leading provider of human resources services with a focus on pension and benefits administration and well-being offerings including employee and family assistance programs (EFAP). The highly recurring nature of the company's business in tandem with long-term contracts and a diversified client base have facilitated multi-year organic growth that has generally been resistant to economic shocks. We view the EFAP segment as having strong growth prospects over the long-term driven by their LifeWorks platform and a differentiated level of clinician support from peers. Mental health is a growing concern for employers that has been exacerbated by COVID-19 and Morneau Shepell is well placed to meet these evolving needs.

Canadian Apartment Properties REIT (CAR-U) - New

Canadian Apartment Properties REIT is an owner and manager of multi-family properties with a portfolio spanning Canada supplemented by interests in Ireland and the Netherlands. The REIT has significant

exposure to markets with strong fundamentals characterized by healthy demand and slowly reacting supply (largely regulatory driven), with the GTA counting as its single largest market. A substantial mark to market opportunity on suite turnover and the generally affordable nature of the residences further positions the REIT as an attractive real asset play in our view.

SELLS

None.

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