

TRADING ACTIVITY

BARRANTAGH INVESTMENT MANAGEMENT Total Equities

Following 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

Fortis (FTS) - New

Fortis is a diversified electric and gas utility with 99% of earnings rate regulated and 65% of earnings coming from its U.S. operations. Power demand has fallen recently but should bounce back and retail electricity sales have better margins than commercial in general. Longer-term, the company could see tailwinds from a U.S. manufacturing renaissance.

Superior Plus (SPB) - New

Superior Plus is a leading distributor/retailer of propane in Canada with a growing presence in the U.S. We like the long-term prospects for the propane distribution business, with resilient demand and an opportunity to consolidate a fragmented U.S. industry.

Canadian Apartment REIT (CAR-U) - New

Canadian Apartment REIT is an owner and operator of apartment properties primarily in Canada, but also in Ireland and the Netherlands. The unit price has been under pressure due to concerns over COVID-19 impacts on overall rental market demand (i.e. higher unemployment, lower immigration, and less demand for short-term rentals). However, the company's portfolio is mostly focused on the affordable segment of the rental market in key regions, which should be resilient even in a tougher back-drop.

Gibson Energy (GIB) – New

Gibson Energy owns strategically located energy infrastructure in Western Canada, most notably its oil storage assets. The company has long-term contracts for its storage assets and should continue to see high demand for its infrastructure despite the challenging times for oil producers.

Boston Scientific (BSX) – New

Boston Scientific is a manufacturer of minimally invasive medical devices that are used in a broad range of procedures, including cardiovascular, endoscopy, urology, and pain management through neuromodulation. The company's industry leading growth is driven by its category leadership,

innovation, and tuck-in acquisition strategy, all of which have contributed to Boston Scientific having the industry's broadest and deepest pipeline. COVID-19 and stay-at-home orders have hurt Boston Scientific's sales, as patients avoided hospitals and deferred surgeries that were not imminent. This has created an attractive entry point for the stock.

Cooper Companies (COO) - New

Cooper Companies consists of its global soft contact lens manufacturing business (75% of its revenues) and its women's health/surgical business (25% of revenues), both of which have high barriers to entry. The Cooper Vision business has operated in an oligopolistic global contact lens industry with 4-5 key players for many years, with Cooper steadily increasing its global market share to 24% and currently holds the #3 market position.

SELLS

None.

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