

## TRADING ACTIVITY

### BARRANTAGH INVESTMENT MANAGEMENT Canadian Equities Income

The risk-off tone entering the quarter quickly abated alongside two major global developments: Joe Biden's victory in the U.S. presidential election and strong results on the efficacy of COVID vaccine alternatives. This translated in a large move higher in risk markets with those most punished in a COVID-lockdown world seeing the most benefit (mean reversion). This large rotation to "losers" from "winners" saw the more cyclical areas of energy, commodities, industrials, discretionary, and financials leading the market higher (typical "risk on" market behaviour). Closing out the year, the finalization of Brexit and approval of renewed U.S. fiscal stimulus has provided equity markets with further clarity and has investors focused on the economic light at the end of the tunnel that should follow more broad-based vaccine deployment.

2020 was an extreme year for equities with a swift and painfully deep sell-off in March followed by a sustained rally through the balance of the year in the face of drastically reduced economic output and widespread angst about the human toll of the virus.

While the fund posted a solid absolute return in excess of the TSX for the fourth quarter, it trailed the High Dividend Index which has a high concentration of cyclical constituents. The largest contributor to fourth quarter relative underperformance at a sector level was energy due to an underweight position in energy producers. Industrials was the largest source of relative outperformance with WSP Global in particular posting a very strong return fueled by the

announcement of an agreement to acquire Golder Associates which will enhance the company's environmental platform upon closing.

#### BUYS

##### Savaria (SIS) - New

Savaria is a leading manufacturer of accessibility, patient-handling, and adapted vehicle products with a vision to lead a barrier-free world for mobility. Secular trends supporting demand include an aging population with a potentially increasing desire to age at home, a continued drive for safe patient-handling in all healthcare facilities, and continued requirements for building accessibility. Savaria offers a large breadth of product and network of dealers (who like a one stop shop for product/technical support/billing), low-cost structure (leveraging China footprint), and strong R&D investment/ability to navigate evolving regulations provide competitive advantages. An attractive ~3.5% dividend yield, valuation and a pristine balance sheet provide M&A upside potential.

## SELLS

None.

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