

TRADING ACTIVITY

BARRANTAGH INVESTMENT MANAGEMENT Canadian Equities Income

After starting the fourth quarter with negative momentum, risk markets bounded higher to close out the year. Supportive economic data of cooling inflation and signalling from central banks raised prospects for an end to the coordinated interest rate hikes that defined the last eighteen months. Interest rates fell, interest rate sensitive securities moved higher, and a relief rally ensued to end 2023. Relative to a few short months ago, prospects for the economy are much improved though uncertainty in the path forward remains.

Significant contributors of relative outperformance at the sector level during the fourth quarter included Real Estate, Consumer Staples, and Utilities. Financials, Information Technology, and Consumer Discretionary negatively impacted relative performance.

Versus the benchmark, the largest sector overweights include Utilities, Industrials and Real Estate, with the largest underweights being Materials and Information Technology.

As we look ahead into 2024, it is important to balance positive economic developments with what is already priced into markets. While we continue to see upside ahead, we must note that a very strong finish to the year for financial markets embraces a healthy level of optimism. The run into year-end was also accompanied by very low volatility which we

would not expect to continue uninterrupted. Still simmering global conflicts and election cycles in a number of major economies including the U.S. each have the potential to inject transitory uncertainty into the outlook. In navigating these uncertainties, our investment framework emphasizes thorough stock selection and aims to balance exposures across various potential economic scenarios. We remain focused in applying our bottom-up quality value approach to identifying attractive businesses that trade at a discount to their intrinsic value.

BUYS

No adds were made in the quarter, but top-ups were made to AG Growth International (AFN), Canadian Apartment REIT (CAR-U), CPKC Rail (CP) and Royal Bank (RY).

SELLS

No sells were made in the quarter, but trims were made to Boyd Group (BYD) and IA Financial Group (IAG).

The information contained in this report is intended for investment advisors as a supplement to describe activity in defined investment mandates. It is not a recommendation on the suitability of any investment to an individual's specific situation. While every effort is made to fairly and accurately describe the information provided herein, Barrantagh Investment Management accepts no responsibility for loss or liability related to the receipt of this information.

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