

TRADING ACTIVITY

BARRANTAGH INVESTMENT MANAGEMENT Canadian Equities Income

Whether relating to matters of government efficiency, foreign policy, border security, or trade, the Trump administration has moved at near breakneck speed to push forward their agenda in the early months of their mandate. While investors cheered Trump's election victory assuming priority would be given to tax cuts and deregulation that would underpin economic growth, actions to date have been focused on the trade file and a tariff policy far more extreme than markets had anticipated.

One consequence of recent developments has been a realization that Canada must become more productive and open to new trade opportunities due to an overreliance on the U.S. as an export destination. As we approach the Canadian election, two issues for which both leading parties seem to share at least some alignment include ambitions to reduce interprovincial trade barriers, and a more constructive approach to resource and energy infrastructure development than in the past. Time will tell if campaign talk turns into action.

Significant contributors of relative outperformance at the sector level during the first quarter included Utilities, Financials, and Health Care. Materials, Industrials, and Communications negatively impacted relative performance. Versus the benchmark, the largest sector overweights include Industrials, Utilities and Financials, and the largest

underweights are Materials and Information Technology.

Equity markets have been weighed down to a degree by tariff uncertainty. Moving forward, the U.S. government's openness to pragmatic compromise will likely provide direction to markets. In the interim, we continue to focus on industry leading companies run by excellent management teams, while also taking stock of any investments that may be more relatively exposed to the current trade noise.


BUYS

Manulife Financial (MFC)

Manulife Financial (MFC) is a leading global provider of insurance, wealth, and asset management solutions. The company has made significant progress in freeing up capital from low ROE legacy businesses that had been a source of earnings instability by executing reinsurance transactions. These actions enable better focus on the company's high growth and higher return businesses in Asia and Global Wealth Management that are driving profitable earnings growth.

Pembina Pipeline (PPL)

Pembina Pipeline (PPL) is a diversified midstream energy company with an extensive and integrated infrastructure footprint that offers services that span



the natural gas liquids value chains. The company has enviable assets in the Montney basin which have and will continue to underpin natural gas and natural gas liquids (NGL) volume growth in Western Canada. Their Montney system has unparalleled reach, offers dedicated lines across all NGLs, and offers extensive connectivity to fractionation (liquids extraction) infrastructure near Edmonton. NGLs often underpin wellhead economics in the field, and Pembina's ability to maximize producers' netbacks through their value-add services highlight the attractiveness of their portfolio. Providing customers export access to higher priced markets is another value-add offering whether via the Alliance pipeline, Prince Rupert propane terminal, and eventually their Cedar LNG (liquid natural gas) facility some time in 2028.

SELLS

Definity Financial (DFY) was sold.

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