

TRADING ACTIVITY

BARRANTAGH INVESTMENT MANAGEMENT Global Equities

The unveiling of the Trump administration's reciprocal tariff plans led to a difficult start to the quarter with U.S. equities trailing the rest of the world in a down market. This performance gap peaked in mid-April which coincided with a more measured and conciliatory negotiating tone out of Washington that helped to ease trade and growth-related concerns. As subsequent trade updates further derisked tariff concerns, markets sharply rebounded into quarter-end and U.S. equities narrowed their relative performance gap versus international peers.

While defensive equities were in favour in the early part of the year, more cyclical and growth-oriented sectors led the rebound into quarter-end. Within Global equities, the rebound was driven by the Information Technology, Industrials, and Consumer Discretionary sectors. In Canada, it was powered by the Information Technology, Financials, and Consumer Discretionary sectors. This reversal in performance and market leadership highlights how quickly sentiment can shift once perceived macro risks begin to abate.

While the worst tariff-related fears have faded given additional clarity and certain positive developments, risks still remain and could be a source of volatility moving forward. Reaction from corporations on investment plans has been somewhat muted, and

focused more on pausing growth initiatives rather than implementing aggressive cost cutting.

While this has been disappointing relative to market expectations earlier in the year, many of these initiatives can be restarted quickly with greater stability in the business environment and offer potential upside should this come to pass. Given this backdrop, a balanced approach to stock selection and portfolio construction is warranted, though oversold names with generally intact fundamentals offer particularly interesting opportunities. To that end, we see value in high-quality global businesses that have been indiscriminately impacted by tariff uncertainty, despite having resilient models and durable earnings power. One such example is Thermo Fisher Scientific, a leader in life sciences tools and diagnostics. Near-term tariff and policy-related noise has pushed the company's valuation to undemanding levels relative to the quality of its long-term outlook, and in our view provides a compelling risk reward profile in the current environment.

Buys

Federal Realty Trust

Federal Realty Trust is well-positioned in the high-end outdoor mall segment of retail. The recent share price underperformance offers an attractive entry point. The company should hold up better if tariffs impact consumer spending and should benefit if the tariff environment improves. A lack of supply in this

real estate niche supports medium-term earnings growth.

E.ON

E.ON provides exposure to more defensive and value characteristics of the energy infrastructure and network space. A recent catalyst has been the German election, which sparked a significant fiscal package aimed at benefiting grid operators directly, as well as boosting broader power demand.

SomniGroup International Inc.

SomniGroup is a best-in-class mattress manufacturer that is best known for its premium mattresses but also boast a balanced lineup across other price points. Its recent acquisition of Mattress Firm allows it to be vertically integrated with retail stores, in addition to ambitious synergy plans that will substantially change its EPS trajectory.

Cooper Companies Inc

The Cooper Companies develops, manufactures, and markets contact lens wearers. It has derated to a mid-teens P/E multiple. We are comfortable paying this valuation for a mid single digit top line grower, with margin expansion, low double digit % EPS growth, and improving FCF conversion. More importantly, COO is a leader and market share gainer in strong industries (both contact lens and fertility). While its contact lens peers have improved their respective operations, the contact lens industry is a healthy oligopoly that is growing mid single digit %.

Sells

Bank of America and AMD

We exited our positions in two of our most cyclically exposed names AMD and Bank of America with a derisking intent, right after President Trump announced punishing tariffs to most of its trading partners (but prior to the announcement of the 90-day pause).

Alphabet

Sold due to the growing competition from AI search and the potential disruption to Google search market share.

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