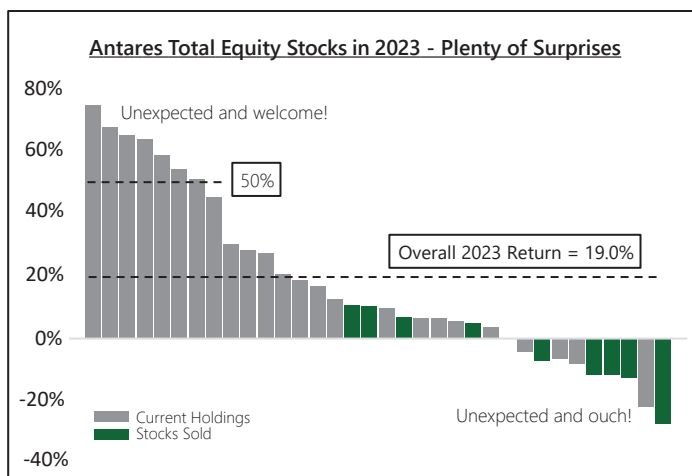


Antares equity strategies focus on long-term total return through a combination of dependable income and capital appreciation. We build portfolios to align with individual client requirements, resulting in personal portfolios that lean more, or less, toward capital preservation, income generation, or growth. Visit <https://bcvassetmanagement.com/antares-total-return> for our webcast.

MANAGER COMMENTARY

We started 2023 with 34 individual stocks in client portfolios (with some variance) and chiseled that down to 28 by year's end, exiting nine holdings and adding three. Each investment decision was preceded by analysis and deliberation before we arrived at a verdict. Our process continued to deliver results that more than offset the impact of inflation. The Antares Total Equity Pool – a proxy for individual client equity allocations within their portfolio – finished the year up 19%. More importantly, since inception nine-and-a-half years ago, the net asset value per unit has compounded by a rate of 12.8%. At that rate, \$500,000 would have grown to \$1,557,442 (before the impact of fees*). Time and patience are an investor's best friends.

At the start of 2023, we were concerned about the possibility of a recession and the effect it might have on corporate earnings and, by extension, stock prices. Given our concern, we did not expect that seven** of the portfolio's holdings would be up by greater than 50% over the year. We are reminded that capital markets frequently deliver surprises, both positive and negative, as the chart shows. Our goal is to tilt the odds by finding companies whose potential is underestimated by the consensus view.



Source: Bloomberg. Includes all model positions held in the Antares Total Equity Pool as at January 1, 2023. Excludes positions initiated during 2023. The grey bars represent total returns measured in CAD from January 1, 2023 until December 29, 2023. The green bars measure the same from January 1, 2023 until the date of final disposition in 2023.

Zeroing in on the final three months of 2023, we did a minor "fall cleaning" of the portfolio. We trimmed Novo Nordisk after its shares had advanced significantly faster than profits, and we completely exited three holdings. We sold Otis Worldwide at a profit as the original investment thesis had played out and

valuation had become less compelling. We exited the other two because the original investment theses were damaged, in large part, due to the adverse impact of higher interest rates on their business models. One, wind turbine manufacturer Vestas Wind Systems, has seen a decline in commitments from utilities to build wind farms due to higher financing costs. Thus, while Vestas itself met our criterion for moderate indebtedness, its customers did not. The other, Brookfield Infrastructure Partners, has a business model that relies on "capital recycling", i.e. buying assets at depressed prices, improving them operationally, and selling them at a profit. Higher interest rates have an impact on Brookfield's ability to make acquisitions and on the willingness of buyers to take the assets off their hands, all of which makes the investment case less clear to us.

With the cash raised from these sales, we added to existing holdings where we see a better relative opportunity. In most client accounts, we purchased additional shares of CRH plc and TE Connectivity, which are new to the portfolio in 2023 (see last quarter's newsletter for a discussion on these). On a more selective basis, we added to Pembina Pipeline which has been quietly executing on its growth plans and which offers a dividend yield of 5.9%. Also on a selective basis, we purchased shares of Fiserv, a financial technology provider. Third quarter revenues and adjusted earnings per share were up year-over-year by 8% and 20%, respectively. Growth is attractive and valuation at 15.5x forward earnings is undemanding – a good combination in our view. (Company data as at December 29, 2023; sourced from FactSet and company presentations)

The big investment debate in 2024 seems likely to swirl around the prognosis for interest rates. The optimistic scenario is that rates come down in 2024, which could be a tailwind for profits and share prices. The downside scenario is that higher interest rates start to be felt across the economy, repressing growth. Both scenarios are plausible. Not to be forgotten, geopolitics (Middle East, Russia, Taiwan) have the potential to surprise: negatively or positively, nobody knows. What we do know is that surprises are likely. Come what may in 2024, we will focus on what we are best able to analyze, namely company fundamentals and valuation.

Thank you for your continued trust,

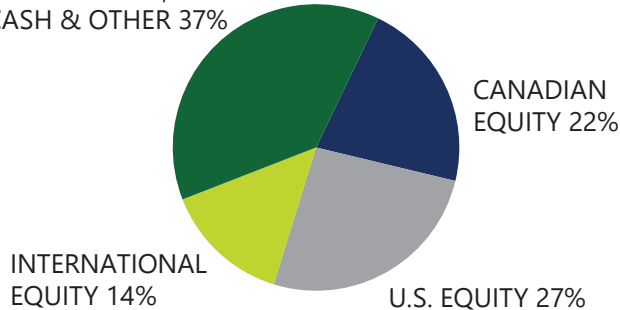
Alec MacIsaac, CFA
Ricardo Melo, CFA

*Performance is calculated after the Pool's operating expenses but does not take into account investment management fees and taxes, which result in lower client-specific returns than the posted number.

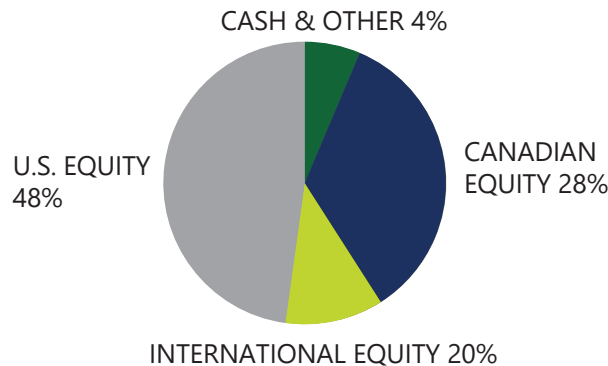
**Applied Materials, Constellation Software, Micron, Microsoft, Novo Nordisk, Stantec, Vontier

BALANCED POOL - ASSET ALLOCATION¹

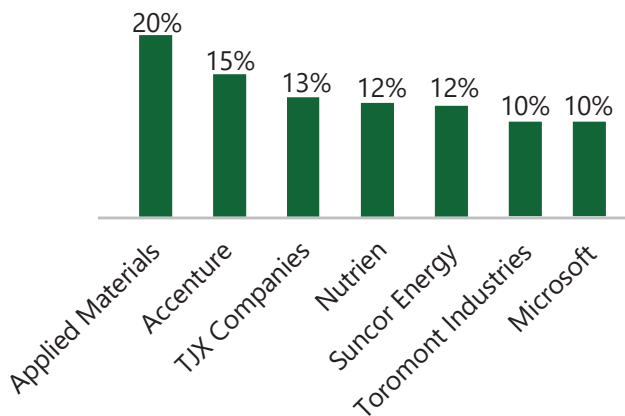
FIXED INCOME,
CASH & OTHER 37%



TOTAL EQUITY POOL - ASSET ALLOCATION¹



NOTEWORTHY DIVIDEND INCREASES-LAST 12 MONTHS¹



EQUITY HOLDINGS¹

	DIVIDEND YIELD	5YR DIVIDEND ² GROWTH RATE
CONSUMER DISCRETIONARY		
BorgWarner Inc.	1.2%	N/A
TJX Companies Inc.	1.4%	11.8%
ENERGY		
Gibson Energy Inc.	7.7%	3.4%
Pembina Pipeline Corp.	5.9%	3.5%
Suncor Energy Inc.	5.1%	7.9%
FINANCIALS		
Berkshire Hathaway Inc.	N/A	N/A
JP Morgan Chase & Co.	2.5%	10.3%
Royal Bank of Canada	4.1%	7.2%
HEALTHCARE		
Gilead Sciences, Inc.	3.7%	5.6%
Novo Nordisk A/S Sponsored ADR Class B	0.7%	10.2%
Roche Holdings Ltd. - Sponsored ADR	2.2%	N/A
INDUSTRIALS		
Ferguson plc	1.6%	N/A
Stantec Inc.	0.7%	7.2%
Toromont Industries Ltd.	1.5%	13.3%
Union Pacific Corp.	2.1%	11.2%
Vontier Corp.	0.3%	N/A
INFORMATION TECHNOLOGY		
Accenture plc	1.5%	10.8%
Apple Inc.	0.5%	6.1%
Applied Materials Inc.	0.8%	11.8%
Cisco Systems, Inc.	3.1%	3.9%
Constellation Software Inc.	0.2%	0.0%
Fiserv, Inc.	N/A	N/A
Micron Technology, Inc.	0.5%	N/A
Microsoft Corp.	0.8%	10.2%
TE Connectivity Ltd.	1.7%	6.3%
MATERIALS		
Agnico Eagle Mines Ltd.	3.0%	30.6%
Nutrien Ltd.	3.8%	N/A
CRH plc	1.9%	39.0%

PORTFOLIO CHANGES¹

- ▲ CRH plc
- ▲ TE Connectivity Ltd.
- ▲ Pembina Pipeline Corp.
- ▼ Vestas Wind Systems
- ▼ Otis Worldwide Corp.
- ▼ Brookfield Infrastructure Partners L.P.

1. Sources: Bloomberg & FactSet for dividend data, NDEX for portfolio data.

All data as at quarter end.

2. Calculated in Canadian dollars for all holdings.

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