

Fund Commentary
Performance Review

- The world is now more than six months into the global COVID-19 pandemic, and the dichotomy between financial markets and the real economy could not be greater. Markets are being fueled by both central bank and fiscal stimulus (the modern-day soup kitchen) while the real economy struggles under the weight of pandemic-related restrictions, shutdowns and job losses. The activity in credit markets has been nothing short of spectacular, with new issue supply breaking records by the day at a time when Canadian and US investment-grade corporate bond indices yield only 1.9% and 2.0%, respectively.
- For the quarter, the fund's Series F shares returned 0.80%, and its benchmark, the FTSE Canada Universe Bond Index, returned 0.44%.

QUARTERLY KEY PERFORMANCE DRIVERS

HELPED	For the second consecutive quarter, asset allocation was the largest contributor to performance, mainly due to the fund's overweight positions in high yield securities and bank loans.
	Security selection was also a significant contributor, with notable performance from investment-grade financials partly offset by investment-grade industrials, the largest detractor.
	Yield curve and duration positioning added modestly over the quarter as the yield curve continued to steepen. While Canadian duration was roughly in line with the benchmark, the fund benefitted from overweight exposure to US duration and the higher interest-rate carry of US exposures.
HURT	Foreign currency was the only detractor from overall performance as the US dollar weakened again over the quarter.

Outlook & Strategy

- Despite an absolute narrowing of corporate spreads, we remain constructive on credit longer term, considering return expectations across all fixed income sectors. As active fixed income managers, we will monitor the current situation, looking to capitalize on both current absolute and relative valuations and trading opportunities presented by bouts of volatility.
- We expect economic activity will continue to increase, but future gains will be at a more gradual pace determined by consumer and business confidence. We continue to expect a "check mark" or "swoosh" recovery, with the initial stages looking relatively "V"-like and the drawn-out nature of the recovery becoming evident next quarter and beyond.

Fund Details

Inception Date	08/01/1986
Benchmark Name	FTSE Canada Universe Bond Index

Fund Description

This Fund seeks high current income and some long-term capital appreciation by investing primarily in Canadian federal and provincial government and corporate bonds, debentures and short-term notes. The Fund maintains an overweighted position in high-quality corporate and provincial issues and an underweighted position in Canadian federal bonds. The Fund may invest in foreign securities.

Performance Data
Performance (%) as of 09/30/2020

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception	Inception Date
Series A	0.22	0.67	6.20	5.42	4.94	3.71	3.44	4.35	11/24/2000
Series F	0.27	0.80	6.63	5.99	5.57	4.37	4.17	6.62	08/01/1986
FTSE Canada Universe Bond Index ¹	0.32	0.44	8.00	7.08	6.09	4.26	4.35	5.50	-

Indicated rates of return include changes in unit or share value and reinvestment of all distributions and dividends and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Please refer to the prospectus for further details. **For details on the respective series inception dates, please consult the Fund Facts or simplified prospectus for the fund.** Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. **Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.**

Investment Team

Darcy Briggs, CFA
Years with Firm 15
Years Experience 26

Thomas O’Gorman, CFA
Years with Firm 10
Years Experience 30

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