

Fund Commentary
Performance Review

- Financial markets were exceptionally quiet over the quarter. The COVID-19 pandemic, reopenings, supply chain disruptions and inflation remained the main drivers of economic and market activity, while resurfacing political tensions continued to affect broader global trends.
- Fixed income markets softened over the quarter as interest rates slightly increased. With volatility subdued, credit markets remained benign and quiet over the quarter. Canadian corporates outperformed given their shorter duration, returning -0.1%, while longer-duration provincials returned -0.8%. The short-term segment of the market returned 0.1%, while the mid- and long-term segments were flat and down 1.6%, respectively.
- For the quarter, the fund's Series F shares returned 0.10%, and its benchmark, the FTSE Canada All Corporate Bond Index, returned -0.13%.

QUARTERLY KEY PERFORMANCE DRIVERS

HELPED	Security selection drove outperformance in the fund in the third quarter on strong performance from investment-grade financial securities, along with smaller contributions from investment-grade real estate and communication securities.
	Yield curve and duration positioning also lifted results. The Canadian yield curve slightly steepened as rates modestly increased, with long-term rates posting the largest move. The fund's exposure to the U.S. curve was also additive, as US rates outperformed Canadian rates.
	Asset allocation also boosted relative returns, overwhelmingly driven by overweight exposure to US-dollar-denominated high yield.
HURT	Interest rate swap exposure was the only meaningful detractor from performance over the quarter.

Outlook & Strategy

- COVID-19 cases globally are falling after a fourth summer wave. U.S. restrictions have largely been lifted and Canada is not far behind as vaccination rates have ramped higher. Near-term economic aftershocks are, however, proving an impediment to recovery, especially on the supply side where labour shortages, lack of inventory and shipping delays in some industries have contributed to rising prices. Elevated inflation will prove sticky and likely continue through the rest of 2021 before receding early in 2022 as these problems are resolved.
- We expect corporates will continue to outperform due to the strong fundamental and technical backdrop, although returns will likely be more subdued. We remain methodical in our credit decisions and will continue to add selectively to the portfolio where we see strong balance sheets, experienced management teams, excellent liquidity and solid business strategies.

Fund Details

Inception Date	09/30/1999
Benchmark Name	FTSE Canada All Corporate Bond Index

Fund Description

High current income and some long-term capital appreciation by investing primarily in bonds, debentures, notes, revenue bonds and asset backed and mortgage-backed securities of Canadian corporate entities.

Performance Data
Performance (%) as of 09/30/2021

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception	Inception Date
Series A	-0.97	-0.04	-0.57	2.59	5.03	3.20	3.47	3.67	12/18/2006
Series F	-0.93	0.10	-0.16	3.15	5.61	3.77	4.07	4.25	12/18/2006
FTSE Canada All Corporate Bond Index ^a	-1.06	-0.13	-2.39	-0.64	4.97	3.31	4.10	4.88	-

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

Adrienne Young, CFA

Years with Firm 7

Years Experience 26

Darcy Briggs, CFA

Years with Firm 16

Years Experience 27

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