

Dynamic Active Core Bond Private Pool



Quarterly Commentary (as at September 30, 2019)

Performance (%)

	YTD	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	Since Inception	Inception Date
Series A	Regulations restrict the presentation of performance figures until a Pool reaches its one-year anniversary							October 2018
Series F	6.2	1.0	3.4	8.1	2.3	2.4	2.4	June 2014
Quartile Ranking	4	2	2	3	2	4	-	-

Commentary

Global economic growth slowed during the quarter, largely as a result of weakness in manufacturing. In contrast, the services sector showed resilience. Economic momentum was notably stronger in North America than in the rest of the world. In the U.S., the consumer and housing markets remained firm, but the labour market appeared to somewhat slow.

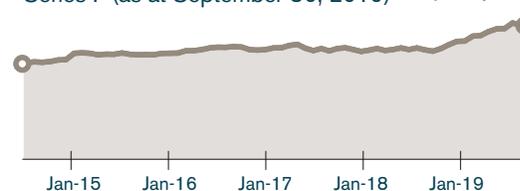
The impacts of U.S.-China trade tensions and ongoing geopolitical risks in Europe led investors to anticipate a third interest rate cut from the U.S. Federal Reserve Board (the Fed) in 2019. Markets also appeared to expect rate cuts from both the Fed and the Bank of Canada in 2020. Meanwhile, the European Central Bank announced an open-ended quantitative easing program.

Canadian and U.S. government bond yields rebounded somewhat but still ended the quarter near their 2019 lows. Corporate bonds continued to generate excess returns over government bonds.

The Pool maintained exposure to provincial and corporate bonds, and its corporate bond positioning remained focused on high-quality, more liquid and defensive issuers. The Pool's duration ended the quarter at 8 years.

Growth of \$150,000

Series F (as at September 30, 2019) **\$169,657**



Asset Allocation (%)

Corporate Bonds – CDN	39.7
Provincial Govt Bonds – CDN	26.7
Federal Govt Bonds – CDN	15.1
Cash, Short-Term Investments & Other Net Assets	10.5
Foreign Bonds & Debentures	5.1
Real Return Bonds	2.9

Credit Quality of Portfolio (%)

AAA	32.4	A	36.6	BB	0.0
AA	16.4	BBB	14.6	B-N/R	0.0

Duration	8.0 years
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Sector Allocation (%)

Financials	21.6
Real Estate	5.1
Energy	5.1
Utilities	3.6
Communication Services	2.8
Consumer Staples	1.5
Industrials	1.5
Energy Infrastructure	1.4
Consumer Discretionary	1.0
Municipal	0.9
Information Technology	0.3

Geographic Allocation (%)

Canada	84.0
United States	4.6
United Kingdom	0.9

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dynamic.ca/PrivatePools

Series F units of the Pools are only available to investors who meet certain eligibility criteria and who participate in an eligible fee-based program with their registered dealer. Performance as at September 30, 2019. Inception date for Dynamic Active Core Bond Private Pool is June 9, 2014. Commissions and trailing commissions are not payable on Series F units of the Pool but management fees and expenses may be associated with these investments. Investors may also pay a Fee-Based Account Fee, which is negotiated with their financial advisor and paid to the registered dealer. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemptions, distributions or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Dynamic Funds® is a registered trademark of its owner, used under license, and a division of 1832 Asset Management L.P. The Morningstar quartile ranking reflects performance as of September 30, 2019 and is subject to change monthly. Morningstar is an independent organization that groups mutual funds with generally similar investment objectives for comparison purposes and ranks them on a historical basis. These rankings are broken into quarters or quartiles. Within a group, the top 25% (or quarter) of the funds are in the first quartile, the next 25% are in the second quartile, the next group in the third quartile, and the bottom 25% of funds with the poorest relative performance are in the fourth quartile. For more details on the calculation of Morningstar, see www.morningstar.ca.

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