

Dynamic Premium Bond Private Pool Class



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	6.6	0.6	2.5	7.0	3.0	–	3.2	January 2016
Quartile Ranking	4	4	3	1	3	–	–	–

Commentary

During the quarter, global economic growth continued to slow largely as a result of weakness in manufacturing. Economic momentum was stronger in North America than in the rest of the world. In Canada, gross domestic product outperformed both Bank of Canada and consensus expectations. The U.S. economy grew at a modest pace while the U.S. Federal Reserve Board (the Fed) reduced its policy rate by 25 basis points in July and again in September. 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 Fed in 2019. Markets expect rate cuts from both the Fed and the Bank of Canada in 2020.

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 Active Core Bond Strategy and Tactical Bond Strategy generated positive but lower returns relative to the previous quarters.

Dynamic Premium Yield Fund, the equity portion with a U.S. focus, made a small positive contribution to the overall performance of the Pool.

Equity Sector Allocation (%)

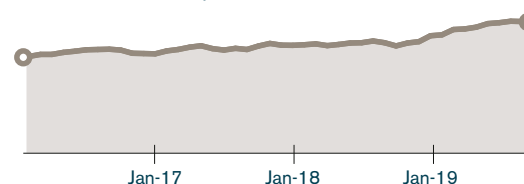
Information Technology	4.2
Health Care	3.0
Consumer Discretionary	2.9
Communication Services	2.4
Industrials	1.9
Financials	1.7
Energy	1.5
Materials	0.9
Consumer Staples	0.8
Foreign Equity Funds	0.5
Real Estate	0.1

Geographic Allocation (%)

Canada	67.8
United States	24.3
United Kingdom	0.7
Pacific	0.4

Growth of \$150,000

Series F (as at September 30, 2019) **\$168,240**



Asset Allocation (%)

Federal Govt Bonds – CDN	26.3
Corporate Bonds – CDN	26.3
Covered Puts	15.8
Provincial Govt Bonds – CDN	14.5
Cash, Short-Term Investments & Other Net Assets	6.8
Foreign Bonds & Debentures	5.9
Common Stocks – US	3.6
Mutual Funds – Foreign Equity	0.5
Mutual Funds – Foreign Income	0.3

Credit Quality of Portfolio (%)

AAA	29.4	A-	5.5	AA+	2.5
AA-	9.3	AA	4.2	BBB-	0.9
A+	8.4	A	3.5	NR	0.5
BBB+	6.2	BBB	2.9		

Analytics (3 yrs)

Upside Capture	68.6
Downside Capture	52.5
Best 3 Months	4.0
Worst 3 Months	-1.5
Standard Deviation	2.5

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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 Premium Bond Private Pool Class is January 26, 2016. 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 directly 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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