

Sentry Precious Metals Fund

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FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.*
Sentry Precious Metals Fund, Series F	18.6%	1.3%	9.1%	0.5%	8.5%
S&P/TSX Global Gold Index	41.3%	11.4%	13.4%	-1.4%	3.0%

* Inception date of Sentry Precious Metals Fund, Series F: July 28, 2005.

PERFORMANCE SUMMARY

- In the fourth quarter of 2019, Series F of Sentry Precious Metals Fund (the “Fund”) returned 8.6% compared with the S&P/TSX Global Gold Index, which was up 11.1% over the same period.
- The Fund underperformed its benchmark during the period largely as a result of stock selection. An underweight exposure to South African equities also detracted from performance as that country led index performance.

CONTRIBUTORS TO PERFORMANCE

- **Sandstorm Gold Ltd.** is a Canadian-based provider of financing for precious metals mining companies. It released strong third-quarter results, with production growth tracking toward the upper end of annual forecasts, and key projects on track to significantly contribute to growth over the coming quarters.
- Vancouver-based mining company **K92 Mining Inc.** is focused primarily on gold production from the Kainantu gold mine located in the Eastern Highlands province of Papua New Guinea. The company posted strong third-quarter gold production results, with gold grade above market expectations and in line with the company’s growth strategy.

DETRACTORS FROM PERFORMANCE

- **Guyana Goldfields Inc.** is a Canadian gold mining company focused primarily on the exploration, development and operation of gold deposits in Guyana, South America. It reported a disappointing third quarter of 2019, while lowering its production outlook and suspending future forecasts in order to conduct a review of ongoing operational challenges.
- **Semafo Inc.** is a Canadian-based mining company with gold production and exploration activities in West Africa. A convoy of the company’s employees was tragically attacked by insurgents on the way to the

company's Boungou mine in Burkina Faso, causing significant casualties. The mine has subsequently been suspended pending resolution of improved security measures.

PORTFOLIO ACTIVITY

- We added a new position in **Northern Star Resources Ltd.**, an Australian-based gold mining company that currently operates in the regions of Australia and North America. The company purchased a stake in the Kalgoorlie mine during the period, which we expect to be positive for the company's value.
- The Fund's holding in **Barkerville Gold Mines Ltd.** was eliminated after it was acquired by Osisko Gold Royalties Ltd. Barkerville Gold Mines is focused on developing mineral rights in central British Columbia.

MARKET OUTLOOK

- We expect that in the first half of 2020, investors will be more focused on riskier assets, spurred by recent strong U.S. job growth numbers and optimism around a deferral of tariffs. This should prove a challenge for the price of gold.
- We expect this economic optimism to fade in the second half of the year as the preliminary trade deal proves superficial and the underlying shifts in global supply chain weigh on risk sentiment, allowing gold to reassert its upward trend.
- We have positioned the Fund with a bias toward stocks with larger market capitalization and more liquid equities. This positioning allows the Fund to remain invested with lower volatility, while providing the flexibility to switch into higher-growth equities when the gold market returns to strength.

Sources: Morningstar Research Inc., Bloomberg Finance L.P. and Sentry Investment Management, as at December 31, 2019.

All returns are total returns, stated in Canadian dollars, unless otherwise stated. Fund returns are for Series F, net of fees, all distributions reinvested. The S&P/TSX Global Gold Index is both broadly representative and an investable index, such that it can be used as a leading benchmark of global gold portfolios and as a basis for innovative, index-linked investment vehicles.

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