

SENTRY CANADIAN INCOME FUND

Q4-2020 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.*
Sentry Canadian Income Fund, Series F*	3.1%	3.9%	5.3%	8.5%	8.6%
Benchmark: 70% S&P/TSX Composite Total Return Index, 30% S&P 500 Index (C\$)	8.9%	8.5%	10.6%	9.1%	7.6%

* Inception date of Sentry Canadian Income Fund, Series F: July 28, 2005.

Source: CI Global Asset Management, as at December 31, 2020.

PERFORMANCE SUMMARY

- Over the fourth quarter of 2020, Sentry Canadian Income Fund Series F (the Fund) returned 7.5% compared with its benchmark, the 70% S&P/TSX Composite Total Return Index, 30% S&P 500 Total Return Index (C\$) which returned 8.4%.
- The Fund underperformed its benchmark, primarily due to its allocation decisions in the energy sector. Security selection in the consumer staples sector also detracted from relative performance.

CONTRIBUTORS TO PERFORMANCE

Brookfield Asset Management Inc., Class A is a leading global alternative asset manager and one of the largest investors in real assets. Their investment focus is on real estate, renewable power, infrastructure and private equity assets. The company's highly diversified portfolio of quality assets has allowed it to weather global lockdowns well, leading to its outperformance. We continue to have confidence in the strength of their underlying assets and believe its value will be fully realized upon a return to normalcy. Element Fleet Management Corp. operates as a fleet management company in Canada, the United States, Mexico, Australia and New Zealand. The market had oversold Element in the March 2020 sell off but the company consistently beat consensus expectations throughout the year resulting in strong performance of the stock during the quarter. We continue to hold the company for its application of software and data analysis products and the growth opportunity this presents.

DETRACTORS FROM PERFORMANCE

Jamieson Wellness, Inc. develops, distributes, sells and markets natural health products. The company underperformed in the final months of the year partially as a result of mixed earnings and few business updates in the second half of the year. We continue to hold Jamieson as its growth profile remain unchanged and we expect 2021 to yield strong demand for the wellness products the company offers. Agnico Eagle Mines Ltd. engages in the exploration, development and production of mineral properties in Canada, Mexico and Finland. The company produces and explores primarily for gold but also silver, zinc and copper. Agnico lagged as a result of broader weakness in gold prices. We continue to hold a position in Agnico as we believe they are a high-quality business with a robust organic growth pipeline and is poised for strong free cash flow generation.

PORTFOLIO ACTIVITY

Enbridge, Inc. operates as an energy infrastructure company and was a new addition during the quarter. The company operates through five segments: Liquids Pipelines, Gas Transmission and Midstream, Gas Distribution and Storage, Renewable Power Generation, and Energy Services. We believe the market is overly pessimistic on the demand for Enbridge's irreplaceable infrastructure and growing natural gas distribution business. WSP Global Inc. operates as a professional services consulting firm globally. The company advises, plans, designs and manages projects for rail transit, aviation, highways and maritime and urban infrastructure. WSP announced a recent acquisition, which has caused its share price to spike to a level we view as fair value. We have rotated from this position to invest in other opportunities.

MARKET OVERVIEW

We are optimistic that human ingenuity and our social instincts will result in a progressively more robust economy through 2021 following the distribution of COVID-19 vaccines. As a result, we have started to tip the Fund's investments toward those business areas that were curtailed during the COVID-19 pandemic, including restaurants and travel-related opportunities. Risks are evident and will be monitored and responded to if, and when, they emerge.

For more information, please visit [ci.com](https://www.ci.com).

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The comparison presented is intended to illustrate the Mutual Fund's historical performance as compared with the historical performance of widely quoted market indexes or a weighted blend of widely quoted market indexes. There are various important differences that may exist between the Mutual Fund and the stated indexes that may affect the performance of each. The objectives and strategies of the Mutual Fund result in holdings that do not necessarily reflect the constituents of and their weights within the comparable indexes. Indexes are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indexes.

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