

## Sentry Precious Metals Fund

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### PERFORMANCE SUMMARY

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- In the first quarter of 2019, Series F of Sentry Precious Metals Fund (the “Fund”) returned 3.5% compared with the S&P/TSX Global Gold Index, which was up 5.0%.
- The Fund underperformed its benchmark during the period largely as a result of stock selection.

### CONTRIBUTORS TO PERFORMANCE

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- **Atlantic Gold Corp.** owns and operates the Moose River Consolidated gold mine in Nova Scotia. During the period, the company announced that the mine exceeded 2018 production forecasts and generated strong free cash flow in its first year of production. The company also reported an increase in 2018 year-end reserves and resources, as well as an updated mine plan.
- **Wheaton Precious Metals Corp.** operates a precious metals streaming company. During the quarter, the company reported better-than-expected 2018 production. Furthermore, its share price continues to benefit and re-rate following the positive Canada Revenue Agency tax audit decision announced in December 2018.

### DETRACTORS FROM PERFORMANCE

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- **Guyana Goldfields Inc.** is a Canadian company that owns and operates the Aurora gold mine in Guyana. The company’s stock underperformed as investors continued to wait for the new audited resource model, mine plan and 2019 forecast, which was released late in the quarter.
- **TMAC Resources Inc.** owns and operates the Hope Bay gold project in Nunavut, Canada. During the quarter, the company reported year-end production results and 2019 production forecasts that disappointed investors. The company expects gold recoveries and production to improve in the first half of 2019.

### PORTFOLIO ACTIVITY

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- We added a new Fund position in **MAG Silver Corp.**, a Canadian exploration company focused on the exploration and development of the high-grade Juanicipio joint venture project in Mexico. The position was added because of its attractive valuation and compelling risk transition opportunity as the company advances the Juanicipio project toward production in 2020.
- We eliminated the Fund’s holding in **Kirkland Lake Gold Inc.**, which owns and operates the Macassa gold mine in Ontario and the Fosterville gold mine in Australia, due to valuation.

## MARKET OUTLOOK

- Our outlook for 2019 is positive for gold prices and gold equities.
- The recent inversion of the 10-year U.S. yield curve could signal a further shift toward “safe-haven” assets such as gold.
- Central banks have been purchasing gold at an increasing rate. In 2018, central bank gold net purchases were the largest since 1971, and indications are that 2019 purchases are likely to continue at the same pace.

FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.*
Sentry Precious Metals Fund, Series F	-6.0%	2.1%	2.0%	2.9%	7.9%
S&P/TSX Global Gold Index	5.8%	3.2%	2.5%	-4.4%	1.0%

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

Sources: Morningstar, Bloomberg L.P. and Sentry Investment Management. Data as at March 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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