



EPOCH

PORTFOLIO MANAGER:
Epoch Investment Partners

INCEPTION DATE:
November 12, 1959

CIFSC CATEGORY*:
Global Equity

Contributors to performance

- Strong stock selection in financials contributed to relative performance.
- Stock selection in energy also modestly contributed, as the portfolio tends to own large diversified energy companies that can weather the storm of weak oil prices.

Detractors from performance

- The portfolio's overweight to utilities was one of the main detractors from relative performance as investors were concerned about reduced demand as a result of the COVID-19 shutdowns. Stock selection in the utilities sector also weighed on results.
- Though information technology was the best performing sector in the benchmark, the strategy's underweight to a few key names that drove a substantial portion of the benchmark detracted from relative results.
- Stock selection in communication services also detracted as the telecommunications industry lagged.

Major changes to the portfolio in the period

- We have made some modest changes to the portfolio over the course of the past quarter in light of ongoing developments regarding the coronavirus, lower economic growth and corporate profitability for the foreseeable future. We have been focused on assessing each company's ability to sustain their cash flow and reviewing their capital allocation policies to ensure that each holding will continue to return cash to shareholders. Our focus remains to build a portfolio of companies where we have a high degree of comfort in their ability to safely sustain themselves, continue to return capital back to shareholders and ultimately continue to grow.



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Major changes to portfolio in the period (cont'd)

- The largest increases to sector weights occurred in information technology and consumer discretionary over the quarter, whereas the largest decrease in weight occurred in utilities and financials. The fund's sector and country allocations are a result of our bottom-up fundamental investment process and reflect the companies and securities that the team confidently believes can collect and distribute sustainable, growing shareholder yield. Large differences in sector returns over the period and subsequent relative performance of sectors impacts changes in sector weights.
- Several new positions were initiated during the period including Apple, Maxim Integrated Products, Atlas Copco, Vail Resorts, Analog Devices, American Tower Corporation, among others. We remain focused on investing in high-quality companies that generate, grow and return cash to shareholders.
- Several positions were closed during the period including CenterPoint Energy, VINCI SA, Commonwealth Bank of Australia, Wells Fargo, Pembina Pipeline and Lloyds Banking.

*CIFSC refers to Canadian Investment Funds Standards Committee. The CIFSC has the mandate to standardize the classification of mutual funds in Canada. <http://www.cifsc.org/>.

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