



# Partners

QUARTERLY  
PROFILE

4th Quarter 2020

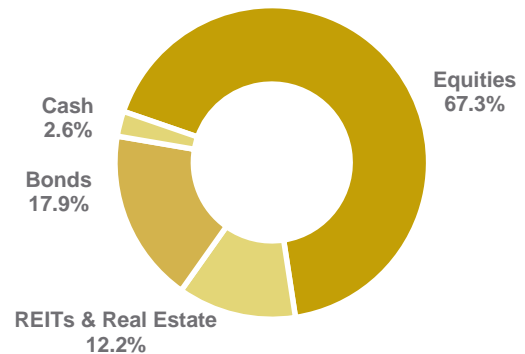
**Connor, Clark & Lunn**  
INVESTMENT MANAGEMENT LTD.

## CORE INCOME & GROWTH

### PORTFOLIO OBJECTIVE

The main objective is to deliver attractive and sustainable yield plus growth to outpace inflation by investing in a diversified portfolio of primarily dividend paying Canadian stocks, REITs and Corporate Bonds. The fund seeks to maximize long-term total return while protecting the capital value of the portfolio from major market fluctuations through prudent selection of investments.

### ASSET ALLOCATION



### MAJOR HOLDINGS

COMPANY	% OF PORTFOLIO
ROYAL BANK OF CDA	4.56%
MICROSOFT CORP	4.05%
CDN APRTMNT PPTYS REIT	3.96%
TORONTO DOMINION BK	3.82%
ACCENTURE PLC CL A NEW	3.17%
MERCK & CO INC NEW	3.06%
CDN NTL RAILWAY CO	2.93%
BNS CDN 2.62% 02DEC26	2.69%
CU INC MTN 4.085% 02SEP44 CALL	2.68%
BK OF MONTREAL	2.57%

4th Quarter 2020	QTD	1YR	3YR	5YR	10YR
<b>CC&amp;L Core Income &amp; Growth*</b>	<b>6.2%</b>	<b>4.9%</b>	<b>6.8%</b>	<b>8.4%</b>	<b>9.6%</b>
Customized Benchmark	8.0%	2.0%	5.8%	8.1%	6.2%

\*Return Data Source: Inception to June 2011 is manager provided gross WRAP returns in Canadian dollars which are linked thereafter to RJ Partners Program composite, gross returns in C\$. All performance data represents past performance and is not necessarily indicative of future performance. Benchmark: 25% FTSE Can Corp Bond, 25% TSX Capped REIT, 50% TSX Composite Index.

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## PORTFOLIO REVIEW

The portfolio generated a positive return but underperformed the benchmark over the quarter. Security selection drove the majority of the underperformance while sector allocation contributed positively. Security selection was particularly weak within health care and real estate. Within health care, the overweight positions to Merck & Co and Johnson & Johnson were the largest detractors. Within real estate, the underweight position to H&R REIT weigh on performance. From a sector perspective, the large underweight to the materials sector contributed positively. At the stock picking level, the overweight position to Coca Cola also had a positive effect.

## OUTLOOK

We believe that the global economic recovery remains underway. While current COVID case numbers are high and concerning, investors continue to look forward to a return to a more “normal” environment due to the ongoing efforts to vaccinate the world’s citizens. In the meantime, governments remain committed to using targeted tools to manage the virus and there remains considerable political will to avoid a full lockdown scenario. We expect that governments across the world will, generally speaking, continue to pursue fiscal stimulus to prop up their economies, and monetary policy will remain very accommodative. For this reason, we believe that the market will continue to discount an improving economic environment and that stocks will be higher in 12 months’ time than they are today, albeit with volatility along the way. Throughout the quarter, we continued to add to high quality, cyclical companies to reflect this environment, such as the banks. Due to the continued risks and uncertainty, the portfolio also maintained its primary focus on stable companies with strong free cash flow generation, clean balance sheets and sustainable dividends.

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