



# Partners

## QUARTERLY PROFILE

3rd Quarter 2023

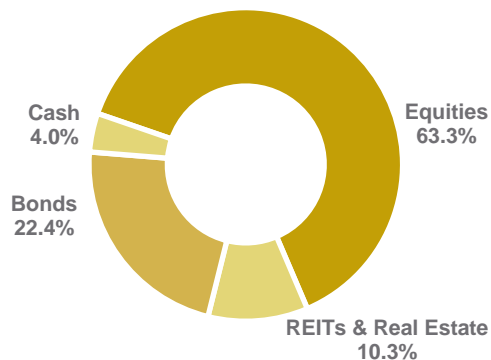
**Connor, Clark & Lunn**  
INVESTMENT MANAGEMENT LTD.

## 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	4.82%
TORONTO DOMINION BK	3.78%
RBC SR UNSCURD 2.328% 28JAN27	3.40%
BNS CDN 2.62% 02DEC26	3.22%
BMO 3.19% DEP NT 01MAR28	3.03%
HYDRO ONE INC 4.91% 27JAN28	2.90%
ARC RESOURCES LTD	2.65%
BELL CDA 3.00% MTN M-54 17MR31	2.57%
BK OF MONTREAL	2.53%
CU INC MTN 4.085% 02SEP44 CALL	2.47%

3rd Quarter 2023	QTD	1YR	3YR	5YR	10YR
CC&L Core Income & Growth*	-3.2%	4.9%	6.8%	5.9%	8.2%
Customized Benchmark	-3.3%	6.0%	5.7%	4.6%	5.9%

\*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 negative return but slightly outperformed its benchmark over the quarter. Sector allocation drove the outperformance while security selection detracted value. From a sector allocation perspective, the underweight position in real estate and the overweight position in health care contributed positively. From a security selection perspective, stock picking within health care and energy was particularly weak. Within health care, the overweight positions to Johnson & Johnson and Merck & Co were among the top stock detractors. Within energy, the underweight position to Suncor Energy had a negative impact. On the positive side, security selection within real estate contributed positively to performance. The overweight position to Broadwalk REIT was among the top stock contributor over the quarter.

## OUTLOOK

Economic releases have been generally robust, helped by a combination of fiscal support and the accumulation of consumer and business pandemic excess savings that continue to be drawn down. We maintain that a recession is the most likely scenario within the next year, as evidence of slowing momentum builds globally, excess cash is depleted, and central banks raise rates further into restrictive territory to combat inflationary pressures, but we have extended the expected timing of this recession. In our view, we expect downward pressure on and continued volatility in the Canadian equity market going forwards as investors navigate the economic uncertainty. Positioning within the portfolio maintains a focus on stability and on companies that can deliver strong fundamentals in a weaker economic environment. However, we have also been adding to attractively valued, more cyclical areas of the market that we believe have already been priced to reflect a slowdown in the economy.

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