

PORTFOLIO MANAGER COMMENTARY - SEPTEMBER 30, 2019

Portfolio Review

In Q3 the Fund's NAV per share declined to \$19.43 from \$19.89 while the Fund paid out \$0.25 in distributions.

The Fund benefitted from overweight positions in the Data Processing & Outsourced Services and Financial Exchanges & Data sub sectors with notable performance in holdings of CME (up 9%), S&P Global (up 8%) and MasterCard (up 3%). During the quarter we added a position in Automatic Data Processing, a comprehensive global provider of cloud-based human capital management ("HCM") solutions. We like ADP's position in the HCM space as it seeks to move up market through its new next generation platform and we felt the risk/reward was attractively skewed towards the upside.

The Fund is overweight Life & Health Insurance and Insurance Brokers. Holdings that contributed to performance include Sun Life (up 9%) and Aon (0.5%). During the quarter we added positions in MetLife and Aflac.

An overweight position in Regional Banks negatively impacted Fund performance as strength in our top performing holding, PNC Financial Services (up 3%) was largely offset by negative performance in other holdings in the sub sector. During the quarter we sold our positions in BOK Financial, Comerica and SVB Financial.

We are under weight Diversified Banks which detracted from performance relative to the benchmark. Top performing holdings include JP Morgan (up 6%) and Bank of America (up 1%). During the quarter, we sold our position in Bank of Montreal and entered a position in Royal Bank of Canada. BMO continues to face headwinds in its U.S. business as a result of declining net interest margins.

Laura Lau, SVP & Sr. PM

Michael D. Clare, VP & PM

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