



## Key Benefits

- To provide a steady income stream through fixed income investing
- Capital preservation while mitigating risk exposure from both an interest rate risk and credit risk perspective
- Diversified portfolio of bonds by sector, issuer and maturity

## Highlights for the Month

- Bond markets in Canada continued to see volatility because of global concerns: US/China on and off again meetings and hopeful progress, Hong Kong protests, Saudi Arabia oil plant attack, Brexit (no deal exit) and slowing global growth in general. Bank of Canada did hold interest rates steady this month, while the Fed cut interest rates, now both Canada and the US' overnight interest rates are at 1.75%. The Canadian yield curve moved higher anywhere between 13bps to 23bps. As corporate spreads narrowed anywhere between 3bps to 5bps across tenors and rating categories.
- The bond universe returned -84bps on the month, while the corporate bond index returned -54bps. The best performing segment was short corporate bonds (-28bps), while the worse performing segment was long federal bonds (-176bps). Canadian High Yield returned +55bps and the BMO Laddered Preferred ETF returned -370bps.
- We outperformed our benchmark for the month as we posted returns of +14bps and +19bps for Series A and M, respectively, while our benchmark returned -60bps. Things that worked well for the month were our interest rate hedges on government bonds, preferred share holdings and high yield bonds. Offsetting that were longer dated corporate bonds.
- The portfolio's duration was a bit longer at 2.4 years vs. 2.1 years at the end of August as purchase yield was higher at 4.27% vs. 4.23%.

The Kipling Funds are only available for sale to investors who meet the definition of "accredited investor" or who are purchasing under the "Offering Memorandum" exemption, in either case as set forth in National Instrument 45-106 Prospectus and Registration Exemptions, or non-individuals who will be investing a minimum of \$150,000. Please contact us or consult the offering documents to determine your qualification status.

*Investors should take note that certain statements in this report about a fund or strategy, including expected future performance, are forward-looking. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the forward-looking statements. Although the forward-looking statements contained herein are based upon what the portfolio manager believes are reasonable assumptions, the portfolio manager cannot assure that actual results will be consistent with these forward-looking statements. Due to ongoing portfolio transactions, the positions discussed in this communication may no longer be held or may be unwound at any time and without notice.*

# KIPLING STRATEGIC INCOME FUND



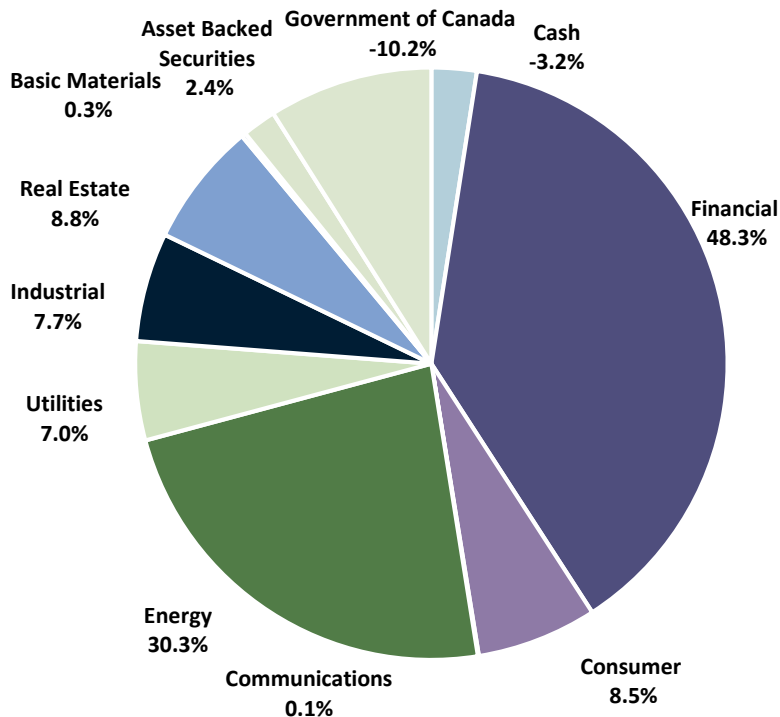
Fund Facts	
Asset Type	Fixed Income
Inception	August 5, 2016
NAV(\$)/A/M Series	\$10.21 / \$10.28
Distribution (\$)	\$0.35/annum
Distribution Frequency	Monthly

Fund Terms	
Min Initial Investment (\$)	\$150,000
Min Subsequent Investment (\$)	\$5,000
Redemptions	Weekly

Portfolio Metrics	
# of Holdings	86
Duration (Years)	2.38
Purchase Yield (%)	4.27%

Top 10 Holdings	Weight
Enbridge Inc. Commercial Paper 12/06/2019	6.3%
First National Financial 4.01% 04/09/2020	5.3%
Enercare Solutions Inc. 3.38% 02/21/2022	5.0%
MCAP Commercial LP 4.151% 06/17/2024	4.2%
Molson Coors International 2.84% 07/15/2023	4.2%
Gibson Energy 5.375% 07/15/2022	4.0%
H&R Reit 2.923% 05/06/2022	3.7%
Brookfield Property Finance ULC 4.3% 03/01/2024	3.3%
First Capital Realty Inc 3.604% 05/06/2026	3.2%
Empire Life Insurance 3.383% 12/16/2026	3.2%

## Sector Allocation



## Credit Quality Allocation (%)

As of 09/30/2019

AAA	-10.0%
AA	0.5%
A	9.1%
BBB	79.2%
BB and lower	20.6%
Not Rated	3.8%
Cash	-3.2%

## Asset Type Allocation (%)

As of 09/30/2019

Investment Grade Corporate Bonds	77.0%
High-Yield Bonds	19.5%
Convertible Bonds	3.3%
Preferred Shares	3.4%
Cash	-3.2%

	NAV	1mth	3mth	6mth	YTD	1yr	2yr	3yr	2018	2017	Inception** (Annualized)
A Series (CAD)	\$10.21	0.14%	0.96%	2.53%	5.03%	4.69%	4.12%	4.16%	2.01%	4.19%	4.39% (Aug 5, 2016)
M Series (CAD)	\$10.28	0.19%	1.11%	2.84%	5.50%	5.33%	4.75%	4.78%	2.63%	4.79%	5.00% (Aug 5, 2016)
Benchmark		-0.60%	0.80%	2.77%	6.16%	7.38%	4.20%	2.22%	1.06%	1.47%	2.25%

Data shown is as of September 30, 2019. Pricing from SVC/PC Bond, Statpro, and IDC. Duration and credit ratings are from Bloomberg.

\*\*Net of fees

The objective of the Kipling Strategic Income Fund (the "Fund") is to provide unitholders with a steady income while preserving capital and mitigating risk exposure. The Fund will invest across the full spectrum of publicly traded fixed income instruments including: investment grade and non-investment grade corporate bonds, other fixed income investments including money market and government bonds, convertible securities, preferred shares, derivative products and exchange traded funds. The Fund is managed by Cumberland Investment Counsel Inc. pursuant to an Investment Advisory Agreement entered with NCM Asset Management Ltd., the Manager. Cumberland Investment Counsel Inc. and Cumberland Private Wealth Management Inc. are affiliates of the Manager as they are wholly owned by Cumberland Partners Limited. The fund benchmark is comprised of 50% of the iShares Canadian Bond Fund ETF and 50% of the iShares Canadian 1-5 Year Laddered Corporate Bond Index ETF.

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