

# Kipling Canadian Enhanced Dividend Fund

June 30, 2020



CUMBERLAND  
Private Wealth

## Key Benefits

We focus on companies with **stable and strong** cash flow generative businesses.

The 130/30 Strategy allows the Fund to overweight the **Portfolio Managers' favourite** dividend paying businesses and short inappropriately valued or uncompetitive businesses.

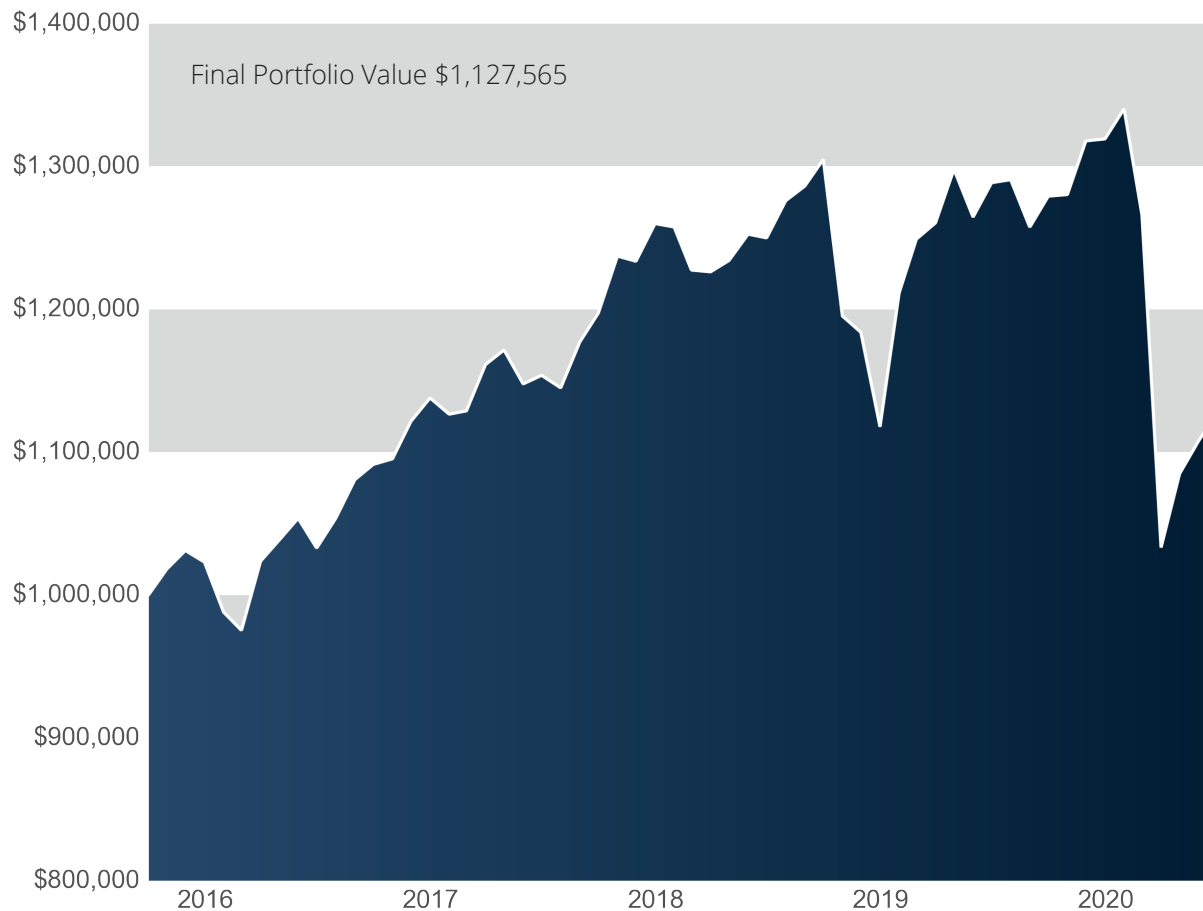
Invests in all types of yield products that the Portfolio Manager believes have the **best risk/reward**.

Dividends have contributed the lion's share of the S&P TSX and S&P 500 total returns **over long periods of time**.

## Portfolio Risk<sup>6</sup>



## Value of a \$1,000,000 Portfolio



The cumulative return shown is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the investment fund or returns on investment in the investment fund. 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 in the Fund. Cumberland Investment Counsel Inc. (CIC) provides this commentary to clients for informational purposes only. The information contained herein is based on sources that we believe to be reliable, but may change without notice. The comments included in this document are general in nature, and professional legal, accounting, tax and investment advice regarding an individual's particular investment needs and circumstances should be obtained. This presentation does not constitute an offer to sell or solicitation of an offer to buy a security in any jurisdiction. Past performance is not indicative of future results. **Cumberland Private Wealth Management Inc. (CPWM) is a Member of the Investment Industry Regulatory Organization of Canada and is a Member of the Canadian Investor Protection Fund.** Cumberland Private Wealth is the registered trade name for CPWM and CIC. The Fund is managed by CIC pursuant to an Investment Advisory Agreement entered with NCM Asset Management Ltd. (NCM), the Manager. CIC and CPWM are affiliates of the Manager as they are each wholly owned by Cumberland Partners Limited. All data has been provided by NCM.

# Kipling Canadian Enhanced Dividend Fund

as at June 30, 2020



**CUMBERLAND**  
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## Fund Facts

Asset Class	Equity (Enhanced)
Inception Date	October 1, 2015
Distribution (Series M)	Annual \$0.332 / Paid Quarterly

## Top 10 Holdings

	Sector
iShares S&P/TSX 60 Index ETF	Fund (Short)
Enghouse Systems Ltd	Information Technology
Transcontinental Inc	Industrials
Open Text Corp	Information Technology
Canadian National Railway Co	Industrials
Canadian Imperial Bank of Commerce	Financials
Royal Bank of Canada	Financials
Cogeco Communications Inc	Communication Services
Enbridge Inc	Energy
TC Energy Corp	Energy

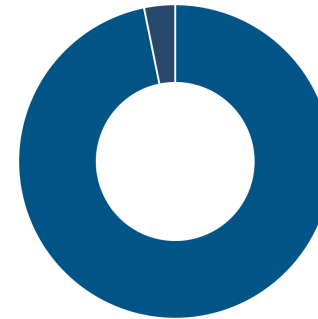
## Portfolio Metrics<sup>3</sup>

	Long	Short	Benchmark <sup>5</sup>
Gross Weight	120.2%	23.4%	100%
Number of Holdings	36	13	-
Market Cap (CAD)	\$34.6B	\$20.4B	\$51.5B
Price/Earnings	21.4x	39.7x	21.2x
Trailing ROE	12.6%	-8.5%	10.1%
Sales Growth	10.2%	10.8%	13.9%
Dividend Yield	3.6%	2.6%	3.3%
Dividend Growth	11.5%	2.7%	7.7%
Free Cash Flow Yield	7.5%	1.1%	3.6%
2 Year Standard Deviation	30.0%	118.9%	34.0%
ESG Sustainability Score	57.5	44.4	57.3

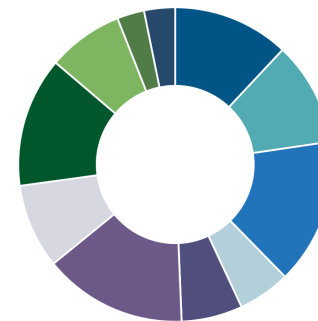
## Portfolio Statistics<sup>4</sup>

	Fund	Benchmark <sup>5</sup>
Up Months / Avg. Return	37 / 2.0%	40 / 1.8%
Down Months / Avg. Return	19 / -3.1%	16 / -2.9%
Best 3 Month Return	Mar19 / 12.8%	Jun20 / 17.0%
Worst 3 Month Return	Mar20 / -21.7%	Mar20 / -20.9%
Standard Deviation	12.8%	12.1%
Sharpe Ratio	0.20	0.47
Beta	0.96	-
Tracking Error	5.3%	-
Active Share	85.1%	-

## How the Fund Invests



Canada (97.0%)  
Other (-0.2%)  
Cash (3.2%)



Energy (12.0%)  
Basic Materials (10.7%)  
Industrials (15.0%)  
Consumer Discretionary (5.4%)  
Consumer Staples (6.3%)  
Healthcare (-0.1%)  
Financials (14.8%)  
Information Technology (8.7%)  
Communication Services (13.4%)  
Utilities (7.8%)  
Real Estate (2.8%)  
Cash (3.2%)

## Performance

Trailing Returns	NAV	1 Month	3 Month	6 Month	1 Year	3 Year <sup>1</sup>	5 Year <sup>1</sup>	10 Year <sup>1</sup>	Inception <sup>1</sup>
Series A	\$9.15	1.6%	8.6%	-15.4%	-14.2%	-2.3%	-	-	1.1%
Series M	\$9.85	1.8%	9.1%	-14.5%	-12.5%	-0.8%	-	-	2.6%

Calendar Year Returns	2020 YTD	2019	2018	2017	2016	2015
Series A	-15.4%	15.8%	-12.3%	9.5%	9.9%	1.8% <sup>2</sup>
Series M	-14.5%	18.0%	-11.3%	10.7%	11.2%	2.3% <sup>2</sup>

2. Partial Year

1. Annualized return. 2. 2015 Return begins at Fund inception. 3. Portfolio Metrics are sourced from CapitalIQ. 4. Portfolio Statistics are calculated on Series M since inception. 5. Benchmark: S&P TSX Composite Index (100% Long). The benchmark represents the Fund's investment universe and net long position. The Fund's Portfolio Manager also has the ability to invest a portion of the assets in cash and cash equivalents on a temporary basis when deemed advisable based on market conditions. 6. Risk level is determined using the Fund's ten-year standard deviation. If a Fund does not have ten years of performance history, the risk level is calculated using the Fund's actual return history and the return history of its benchmark (which is expected to reasonably approximate the Fund's standard deviation) for the remainder of the ten year period.