



FUND MANAGER UPDATE

Fund Manager:	Beutel Goodman Investment Counsel
Fund Managed:	Educators Balanced Fund and Educators US Equity Fund
Date:	March 23, 2020

Educators US Equity Fund

Our strategy:

- The COVID-19 outbreak has created mayhem in the markets. And they feel we haven't quite exited that 'mayhem' stage yet.
- The portfolio is strongly positioned in that the names held had been selected after careful review of financial statements as well as outlook for future growth. They hold names such as Kellogg's, Verizon Communications and Campbell's.
- Beutel Goodman currently holds 26 companies in our Educators US Equity Fund and is assessing adding more names during this fire-sale period. They also have a couple of holdings under review. Hope to add 2-4 new companies based on current opportunities.
- They have stayed away from sectors where balance sheets are typically stretched: real estate, utilities and extraction industries.
- Currently they have a zero weight in energy

Educators Balanced Fund

Our strategy:

- Currently no strategic change in the current asset mix, however, bonds held in the portfolio are now overweight. Rebalancing has been challenging in an environment where it's been tougher to sell bonds (liquidity – need buyers). However, as they do make shifts, they are moving more into Canadian Equities with some into US and International markets.
- They do expect that stimulus measures from US Federal Reserve will assist in selling bonds.

In Summary:

This morning's call with the portfolio manager of our US Equity Fund served as a reminder of the benefits of professional money management. Our fund managers talk to the companies they invest in. They do the research on who to invest in, who to keep and who to sell. This research is based on so much more than a 'whim' or a 'tip'. It is times like these that having your money invested with professionals can pay off and provide some comfort.