

# Algonquin Fixed Income 2.0

## Welcome to the new 'new normal'.

In a world of near-zero interest rates, traditional fixed income offers:

- Very little income
- Limited upside/hedging
- Potential for significant losses when rates rise

In this new environment, advisors have two choices: adapt or stick with the status quo and hope for the best.

## New Rules. New Tools.

New mutual fund rules provide advisors access to institutional strategies. We use these new tools to solve for the low-yield, low-return landscape.

1. Enhance yields through exposure to investment-grade credit spreads (without the added duration)
2. Execute trading strategies to capitalize on structural inefficiencies within an opaque bond market
3. Effectively manage portfolio duration

We overlay these strategies on a core corporate bond portfolio to create a fixed-income solution for the new 'new normal'.

- Target yields 3.5-4.5%
- Investment-grade rated portfolio
- Weekly liquidity & quarterly distributions

## The Management Team.

Our team has been executing these strategies for decades in the banks, financial institutions, and for the past six years, at our own firm.



**Brian D'Costa** CFA MBA  
Founding Partner.  
President.



**Greg Jeffs** CFA  
Founding Partner.  
Chief Investment Officer.

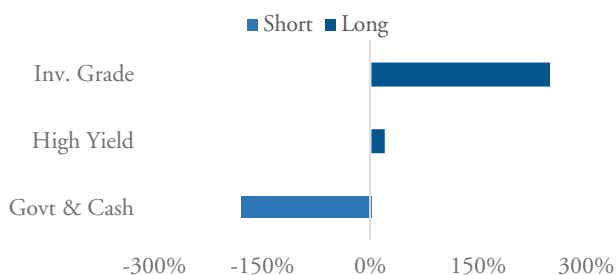


**Raj Tandon** MA  
Founding Partner.  
Business Development.



**Alexander Schwiersch** CFA  
Partner.  
Portfolio Manager.

## Portfolio Breakdown

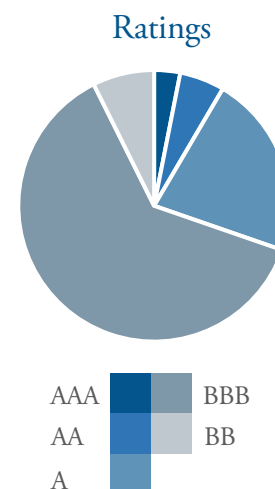
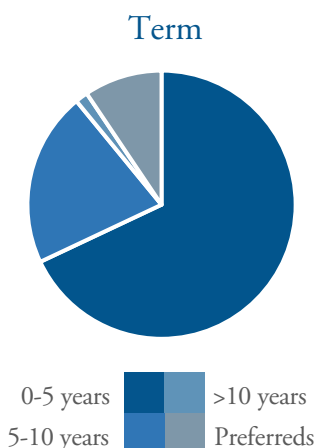
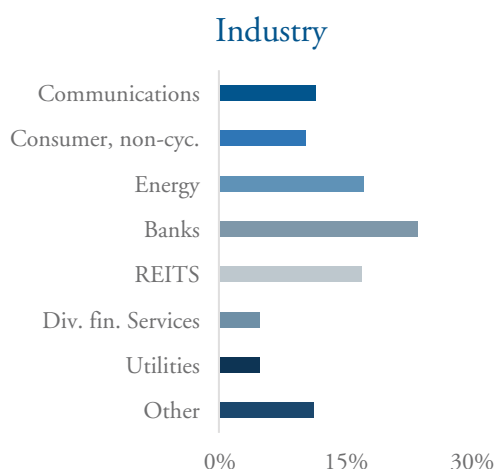


## Key Metrics

Portfolio Yield	Interest Rate Duration	Average Term	CR01	Leverage
3.2%	4.0yrs	3.9yrs	8.2bps	1.9x

Portfolio Yield is the weighted average aggregate yield net of borrow cost; IR Duration is an estimate of portfolio sensitivity to 1% change in interest rates; Average Term is weighted average term to maturity of long positions; CR01 is an estimate of portfolio sensitivity for a one basis point change in credit spreads across all credit positions; Leverage based on short positions and borrowed cash as per National Instrument 81-102.

## Long Exposures



## Fund Details

Fund AUM	\$58.3 million
Firm AUM	\$532.5 million
Management fee	F class: 0.95% A class: 1.45%
Performance fee	None
Fundserv codes	F class: AGQ301 A class: AGQ303
Liquidity	Weekly
Min. initial	\$1,000
RSP eligible	Yes
Offering type	Alternative mutual fund

## Returns (F Class)

1 month	3 months	6 months	YTD	1 year	2020
1.4%	4.2%	9.0%	10.5%	10.5%	10.5%