

# Algonquin Debt Strategies Fund

Because the 'new normal' needs new thinking.

Ultra-low interest rates represent one of the biggest challenges facing portfolio managers today. They depress yields across asset classes, making it difficult to generate adequate returns.

One option is to go further out the risk curve, and into more illiquid and opaque investments. We offer an alternative through high-quality, transparent, and understandable exposures.

Our award-winning solution seeks yield and excess returns through investment-grade credit, without duration.

## Our fund.

- Yield without duration through high-quality credit.**  
Isolate and lever the credit exposure in corporate bonds. Thus, earning attractive yields without the interest rate risk.
- Active credit selection.**  
Target performance and relative value in specific issuers and sectors.
- Institutional trading strategies.**  
Leverage our market experience, insights, and relationships to capitalize on inefficiencies within bond markets.

## Our objectives.

- Target absolute returns of 6 - 9%.
- Emphasis on capital preservation.
- Diversification from traditional investments.



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



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



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



**Alexander Schwiensch** CFA  
Partner.  
Portfolio Manager.



# Algonquin Debt Strategies Fund All data as at Dec 31 2021



## Returns

|         | 1 mo   | 3 mo   | 6 mo  | 2021  | 1 yr  | 3 yr  | 5 yr  | S.I.  |
|---------|--------|--------|-------|-------|-------|-------|-------|-------|
| X Class | -0.04% | -0.22% | 0.47% | 2.99% | 2.99% | 5.77% | 5.09% | 9.12% |
| F Class | -0.07% | -0.33% | 0.20% | 2.32% | 2.32% | 4.94% | 4.28% | n/a   |

|  | 2015   | 2016   | 2017  | 2018   | 2019  | 2020  |
|--|--------|--------|-------|--------|-------|-------|
|  | 15.86% | 23.15% | 8.46% | -0.13% | 9.99% | 4.44% |

| Positive Months | Volatility | Max Drawdown | Sharpe Ratio | Sortino Ratio |
|-----------------|------------|--------------|--------------|---------------|
| 81.9%           | 7.8%       | -16.3%       | 1.1          | 1.5           |

## Fund Details

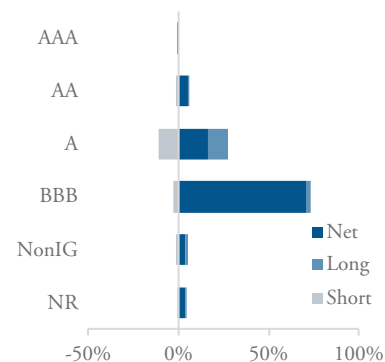
|                     |                             |
|---------------------|-----------------------------|
| Fund AUM            | \$411 million               |
| Firm AUM            | \$526 million               |
| Fundserv (Trust)    | CAD: AGQ200<br>USD: AGQ200U |
| Fundserv (LP)       | CAD: AGQ100<br>USD: AGQ100U |
| Management fee      | 1.5%                        |
| Performance fee     | 15% (high watermark)        |
| Liquidity           | Monthly (25 days notice)    |
| RSP eligible        | Yes                         |
| Prime brokers       | TD, CIBC, BMO               |
| Cleared derivatives | Goldman Sachs, RBC          |
| Inception date      | Feb 2, 2015                 |

## Portfolio Metrics

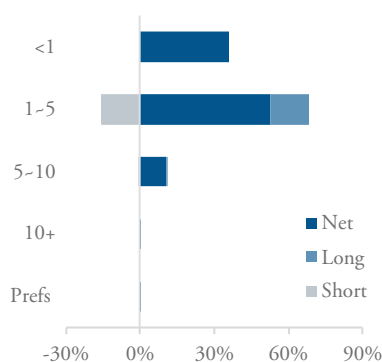
| CR01    | Average Weighted Maturity | Interest Rate Duration | Net Credit Leverage (5yr) | Total Long Exposure |
|---------|---------------------------|------------------------|---------------------------|---------------------|
| 6.37bps | 2.45yrs                   | 0.62yrs                | 1.27x                     | 4.43x               |

Has there been a significant change in connection with the Fund in December 2021? No.

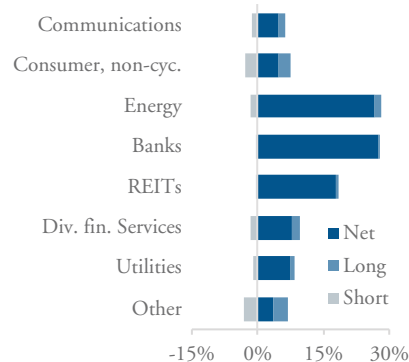
## Ratings



## Term



## Sector



\*For the purposes of this notice, a *Significant Change* is any change in the business, operations, or affairs of the Fund that is likely to affect a reasonable investor's decision to purchase or continue to hold units of the Fund.

Monthly returns are shown in Canadian dollars, net of all fees and expenses. Class X is closed to new investors. Past performance is not indicative of future results. There can be no assurance that the results achieved for past investments will be achieved by the fund in the future. The Sharpe and Sortino ratios are calculated using the Bank of Canada Target Overnight Rate and 0% respectively. Please note the Fund does not have performance benchmarks and statistics are for correlations and comparative purposes only. All indices are total return and S&P data is reported in United States dollars. CR01 represents the estimated impact on the Net Asset Value expressed in basis points for a one basis point change in credit spreads across all credit positions. Total Exposure/Leverage is calculated as the total market value of all positions that are not hedges divided by the Net Asset Value. Net Credit Leverage is calculated by converting the credit exposure into a 5y duration equivalent notional which is then divided by the Net Asset Value. For a more detailed explanation, visit <https://www.algonquincap.com/funds/fund-performance-and-metrics/>