



OUR FIRM

Lincluden strives to be the investment manager of choice for corporations and individuals who are seeking long term peace of mind for the management of their investment portfolios from a team that ensures that client needs come first.

Since 1982, **Lincluden Investment Management** has employed traditional, value-based investment principles to the management of balanced, equity and fixed income portfolios. Lincluden's clients have benefited from:

- ❁ A focus on preserving clients' capital.
- ❁ A culture of integrity.
- ❁ The firm's long-standing tradition of ensuring that client portfolios are entrusted to an investment management team with a demonstrated performance track record, experience in a range of market environments and a commitment to the firm's investment disciplines.

Today Lincluden manages over \$5 billion for our clients.

INVESTMENT PROCESS

Lincluden has consistently applied a value-based investment philosophy since its inception. Portfolio managers operate under the belief that financial markets are efficient in the long run but can be inefficient in the short and medium term providing an opportunity to identify mispriced securities. We focus on the application of fundamental research to identify undervalued securities in order to construct portfolios that will deliver superior risk-adjusted returns over the long-term. Our philosophy is that we want to get paid for the risk that we take.

Our fixed income team utilizes a multi-dimensional approach that incorporates duration, yield curve positioning and credit selection in the portfolio construction process. Our approach incorporates the use of these tools to better position the portfolio to take advantage of changing market conditions.

Our investment process begins with an economic overview, which allows us to develop a long-term secular view on the market. Based on our view of value and risk, we then determine the appropriate duration and yield curve positioning for all of our portfolio mandates.

Our exposure to credit risk through corporate, provincial and municipal government issues is a reflection of our detailed credit analysis and evaluation of risk-reward valuation characteristics. We do not rely on rating agency reports for our evaluation of risk; instead we emphasize internal research by the fixed-income team, with support from the equity team. Credit analysis and portfolio management are an integrated function. We believe this leads to a more proactive approach to credit management.

Investments are made once the optimal structure of the portfolio is determined. We continually monitor and re-assess the portfolio based on changing market conditions.

STRATEGY DESCRIPTION

Investment Objective

The investment objective of the Money Market strategy seeks to earn a competitive short-term rate of return while providing a high degree of safety and liquidity by investing in a diversified and liquid portfolio of high quality money market instruments. The strategy is managed dynamically through careful credit selection as well as maintaining a portfolio sector mix and term structure that are consistent with our economic outlook.

Investment Strategies

The investment objective of the Money Market strategy will be achieved by investing primarily in the following permitted securities:

- Demand deposits and cash on hand
- Government of Canada short term notes, bankers' acceptances, corporate paper and treasury bills rated R-1 or better
- Canadian issued bonds and debentures (including maple bonds) e.g. Government of Canada, Provincial and Corporate
- All cash, short-term notes, t-bills and commercial paper are to have a term to maturity of less than one year

The Money Market strategy will not invest more than 10% of the book value of the portfolio in the securities of any one issuer, other than those fully guaranteed by the Government of Canada, the government of a province, or an agency thereof. Furthermore a minimum 30% of the portfolio by market value will be invested at all times in issues guaranteed by the Government of Canada, the government of a province, or an agency thereof, where such agency issues are explicitly backed by the full faith and credit of the government of Canada.

Benchmark

The benchmark for the Money Market strategy will be the DEX 91 Day Treasury Bill Index.