

# SLC Management Canadian Long Duration Overlay Fund

The Fund seeks to gain exposure to long-term government fixed income securities equal to three times the cash value of the Fund by investing primarily in long-term Canadian provincial fixed income securities and entering into repurchase agreements.

## Strategy Highlights

- The Fund invests primarily in high-quality<sup>1</sup> long term provincial bonds
- Can reduce the complexity investors face from implementing a synthetic overlay program, as the derivative strategy is managed within a pooled fund
- Seeks to reduce risk through duration matching and release physical assets for investment in other strategies
- Uses repurchase agreements and derivatives (such as interest rate swaps) extensively to seek to provide an investment with a significantly longer duration than investing directly in Canadian provincial fixed income securities

## Fund Highlights

**Vehicle type:** limited partnership – open-ended pool

**Net Asset Value:** \$7.5 M

**Benchmark:** 3X FTSE® Canada Long Term Provincial Bond Index<sup>2</sup> less 2X Canadian Dollar Rate (“CDOR”)

	Fund	Benchmark
Yield to maturity	8.86%	7.80%
Effective duration	45.64 years	45.24 years
Average credit rating	AA	AA

## Fund Performance<sup>4</sup>

	Q2 2022	YTD (%)	One year (%)	Three years (%)	Since inception* (%)
SLC Management Long Duration Overlay Fund	(34.87)	(57.07)	(54.09)	(22.49)	(17.33)
Benchmark	(34.83)	(56.78)	(53.30)	(22.38)	(17.25)
Difference	(0.04)	(0.28)	(0.78)	(0.11)	(0.08)

\*Performance inception date April 30, 2019

## Fund Profile

### Credit rating<sup>3</sup>

	Fund	Benchmark
AA	51.0%	50.0%
A	49.0%	50.0%

## Investment Guidelines<sup>5</sup>

- Single issuer restriction: no greater than 10% of the fund’s assets at the time of investment
- Leverage target: 3.0, with an allowable range of 2.0 to 4.0
- Physical benchmark breakdown: 100% provincial bonds
- Performance target: Benchmark plus 25 basis points calculated on a 4 year rolling basis

## Portfolio Managers

### Randall Malcolm, MSc. Finance, CFA

Senior Managing Director and Portfolio Manager, Canadian Public Fixed Income

Years with firm: 9 | Years of industry experience: 29

### Trevor Forbes, MSc. Finance, CFA

Portfolio Manager and Senior Director

Years with firm: 8 | Years of industry experience: 19

### Brett Pacific, CFA

Head of Derivatives and Quantitative Strategies, Senior Managing Director

Years with firm: 18 | Years of industry experience: 29

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## Contact us | [slcmanagement.com](http://slcmanagement.com)

### Andrew Post, CFA

Managing Director,  
Business Development  
[Andrew.Post@slcmanagement.com](mailto:Andrew.Post@slcmanagement.com)  
T: 416.408.8514 | M: 416-460-2795

### Catherine Jackman, CFA

Managing Director,  
Business Development  
[Catherine.Jackman@slcmanagement.com](mailto:Catherine.Jackman@slcmanagement.com)  
T: 416-408-8729 | M: 437-997-5539

### Veronique Lauziere, CFA

Managing Director,  
Business Development  
[Veronique.Lauziere@slcmanagement.com](mailto:Veronique.Lauziere@slcmanagement.com)  
T: 514-904-9694 | M: 438-342-1226

<sup>1</sup> Assets must have an investment grade rating from one of S&P Global Ratings Canada, Moody's, Fitch or DBRS.

<sup>2</sup> "FTSE®" is a trade mark of FTSE International Limited and is used under license.

<sup>3</sup> At the time of investment. For more information, the Fund's offering memorandum is available on request.

<sup>4</sup> Returns shown are net of Fund expenses and gross of management fees. Management fees paid directly to Sun Life Capital Management (Canada) Inc. should be considered when assessing net performance. Returns greater than one year are annualized.

<sup>5</sup> More information about the Fund's investment guidelines and associated risks is in the Fund's offering memorandum, available on request.

### SUN LIFE CAPITAL MANAGEMENT (CANADA)

**INC.** (also referred to as SLC Fixed Income) offers pooled funds, separately managed accounts and other securities-based investment advisory services. Sun Life Capital Management (Canada) Inc. is the manager of the SLC Management Long Duration Overlay Fund.

### IMPORTANT INFORMATION:

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There is no guarantee that the Fund will achieve its investment objective, its target returns. Past performance is not necessarily indicative of future returns. For details on valuation methodology, please refer to the Fund's offering memorandum.

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