

# Canadian ABCP Fund LP



NOVEMBER 2014

## Strategy Description

Absolute return approach dedicated to investing solely in securities from the Master Asset Vehicles ("MAV") that were created after the restructuring of the non-bank sponsored Canadian ABCP market in 2008. The strategy aims to capitalize on the attractive risk/return potential of this unique, liquid, diversified, deep-value investment opportunity.

## Portfolio Manager

Fiera Quantum Limited Partnership

## Fund Details

	Trust <sup>1</sup>	LP
Fund Codes	FQL300	FQL200
Management Fee	1.50%	1.00%
RSP Eligibility	Yes	No
Minimum Investment	\$10,000	\$50,000
Distributions	Quarterly	
Assets under management <sup>2</sup>	\$97 M	
Performance Fee	10%	
Hurdle Rate	6%	
High Water Mark	No	
Trustee of Trust	Natcan Trust Company	
Administrator	Commonwealth Fund Services Ltd.	
Prime Broker	TD Securities Inc.	
Auditor	Deloitte & Touche LLP	
Liquidity	Monthly 60 day notice required	

<sup>1</sup> The Canadian ABCP Investment Fund is a feeder fund in the Canadian ABCP Fund LP.

<sup>2</sup> Assets Under Management is the sum of all Classes of the Fund as at previous month-end

## Investment Highlights

- > Appealing Internal Rate of Return over the life of the ABCP Fund.
- > MAV notes trade at a discount to fair value.
- > Tax advantaged returns, as they are expected to be mainly capital gains due to the discount to par.
- > The floating rate coupon minimizes the risk of rising interest rates, which exists with fixed rate longer dated bonds.

## Performance net of all fees (ABCP LP-Benchmark Series) (%)

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year/YTD
2014	0.05	1.08	0.37	0.08	0.25	0.01	0.04	0.43	0.47	-0.27	0.72 <sup>3</sup>		3.27 <sup>3</sup>
2013	2.94	0.60	0.50	0.20	2.66	-0.52	-0.57	0.00	0.48	0.82	0.16	1.07	8.59
2012	2.60	3.01	4.93	0.62	-0.56	1.00	2.77	1.77	2.06	0.68	1.13	1.77	23.96
2011	6.53	4.56	-0.36	3.16	2.32	-0.87	0.46	-3.82	-3.88	4.55	-2.23	-0.40	9.81
2010											1.88	2.61	4.54

	1 Month	3 Months	6 Months	YTD	1 Year	2 Years <sup>4</sup>	3 Years <sup>4</sup>	5 Years <sup>4</sup>	Inception <sup>4</sup>
	0.72	0.92	1.40	3.27	4.38	6.83	11.45		12.12

<sup>3</sup> Performance figure for the month of November is preliminary and is subject to further confirmation by the portfolio manager.

<sup>4</sup> Returns for periods greater than one year are annualized.

## Growth of \$10,000<sup>3</sup>



## Risk/Return Analysis<sup>3</sup>

Net annualized return since inception	12.12
Annualized standard deviation	6.68
Annualized Sharpe ratio (0.98%)	1.67
Best monthly return	6.53
Worst monthly return	-3.88
Percentage of months with positive performance	79.59
Average return when market is up	1.46
Average return when market is down	-0.92
Worst drawdown	-7.93

# Canadian ABCP Fund LP

## Fund Commentary

The Canadian ABCP Fund LP (the "Fund") was positive 0.72% (preliminary), net of fees and expenses, in November. As a result, the Fund's return since inception is 59.57%.

The ABCP strip traded at a weighted price of 94.23 (the same as in October) with minimal trading as investors are either preparing to tender into the next liquidity auction scheduled for January 2015, or holding onto positions with the continued anticipation that the structure will continue to pull to par by December 2016.

The returns for the month were generated from the cash proceeds generated in the last liquidity auction in which we tendered and received 96.20 for the strip and the Canadian ABCP Tracker Notes held by the Fund, which currently receive quarterly principal and interest payments.

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