

# Canadian ABCP Fund LP



JUNE 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>	\$133.9 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) (%)

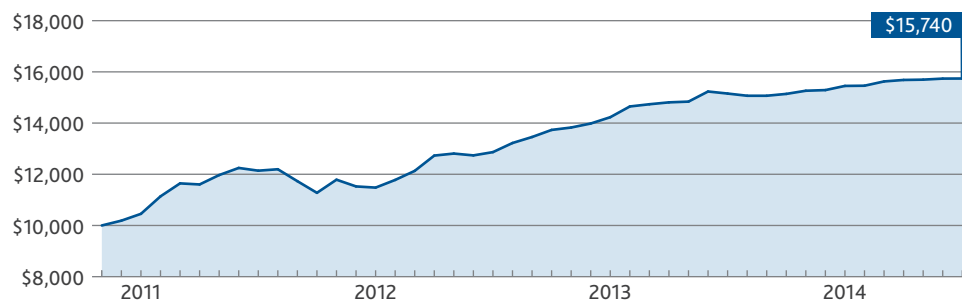
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year/YTD
2014	0.05	1.08	0.37	0.08	0.25	0.03 <sup>3</sup>							1.87 <sup>3</sup>
2013	2.94	0.60	0.50	0.20	2.66	-0.52	-0.57	0.00	0.48	0.82	0.16	1.07	8.59
2012	2.60	3.01	4.93	0.62	-0.56	1.00	2.77	1.77	2.06	0.68	1.13	1.77	23.96
2011	6.53	4.56	-0.36	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>
	0.03	0.36	1.87	1.87	3.88	10.61	9.04		13.17

<sup>3</sup> Performance figure for the month of June 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	13.17
Annualized standard deviation	6.98
Annualized Sharpe ratio (0.99%)	1.74
Best monthly return	6.53
Worst monthly return	-3.88
Percentage of months with positive performance	79.55
Average return when market is up	1.59
Average return when market is down	-1.35
Worst drawdown	-7.93

# Canadian ABCP Fund LP

## Fund Commentary

For the month of June, the Canadian ABCP Fund LP (the "Fund") returned 0.03% (preliminary), net of fees and expenses. As a result, the Fund's return since inception has been 57.40%.

Once again, the ABCP market remained quiet in June. Trading volumes were on the light side as buyers showed discipline and bought only when sellers hit bids rather than lifting offers. Original holders continued to sell sporadically, but their numbers continued to dwindle.

There was no unwind auction scheduled in June. We anticipate another auction in two months' time. We have opportunistically tendered into the prior auctions and we will continue to use these liquidity events to manage our exposures in the various tranches. The strip was up slightly in the month and is currently trading at CAD 93.75.

The strip represents good risk-adjusted credit exposure and we anticipate that the natural "pull to par" will continue to impact trading levels right up until the final maturity in December 2016.

1501 McGill College Avenue, Suite 800  
Montréal (Québec) H3A 3M8  
T: 514-954-3755 / 1-800-361-3499

1 Adelaide Street East, Suite 600  
Toronto, Ontario M5C 2V9  
T: 416-364-3711 / 1-800-994-9002

[info@fieraquantum.com](mailto:info@fieraquantum.com)



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