FOYSTON, GORDON & PAYNE INC.
INVESTMENT COUNSEL

Investing in the FGP Long Term Bond Fund

The depth of our credit team's fundamental research, with members having extensive work experience at Canadian credit rating agencies, combined with our unique credit process, allows us to skillfully analyze credit/special situations and is our core competitive advantage. We employ a multi-strategy approach, including: interest rate anticipation, credit sector/security selection, and yield-enhancing strategies in the context of a long-term, value-oriented investment approach. Our strategy is an actively managed high conviction portfolio where a rigorous risk management process is applied that enables us to generate strong, consistent and repeatable risk-adjusted performance over the long term for our clients.

Philosophy

We believe that superior investment returns are achieved by taking a long-term, bottom-up, value-oriented approach to investing based on detailed fundamental research and analysis. Our proven philosophy revolves around two long-standing core concepts:

Understanding Quality

- We use a rigorous credit process to differentiate the level of risk between companies and each security they issue
- We seek to understand each business so that we can appreciate how a company's financial management and organizational structure complement or detract from the base business risk
- The credit process culminates in the FGP Investment Grade Rating (IGR), an internal risk rating of a company and the securities it issues

Disciplined on Valuation

- We employ a proprietary risk-based valuation tool to select fixed income investments
- Each security has an internal rating based on our internal credit research
- Using the internal rating we then use the proprietary FGP Internal Spread Matrix to determine if the market valuation is attractive
- This unique method of determining value enhances both the buy and sell decision

Investment Structure

Guidelines	
Cash range	0%-10%
Total Federal bonds	Minimum: Benchmark weight - 20%
Total Provincial and municipal bonds	Benchmark weight ±20%
Total Corporate bonds	Maximum: Benchmark weight +20%
Single Corporate issuer rated AA or higher	Maximum 5%
Single Corporate issuer rated A	Maximum 4%
Single Corporate issuer rated BBB	Maximum 3%
Corporate BBB total	Maximum: Benchmark weight + 10%
Minimum credit quality	BBB (low)
Foreign currency issues and foreign issuers	Maximum 20%
Duration	Benchmark ±1 year

FGP LONG TERM BOND STRATEGY

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Inception Date	Benchmark	Currency
August 31, 2008	FTSE Canada Long Term Overall Bond Index	CAD

PERFORMANCE (%)



Please click here to request a copy

**Investment returns are gross of investment management fees, and include reinvestment of dividends and income. Values change frequently and past investment performance may not be repeated. FGP Long Term Bond Fund was launched on January 2, 2014. Historical performance from August 31, 2008 to January 31, 2014 is based on the Long Term Fixed Income Composite. From February 1, 2014 onwards performance is based entirely on the Fund. PC Bond is Copyright © by FTSE Global Debt Capital Markets Inc. All rights reserved. The information contained herein may not be redistributed, sold, modified or used to create any derivative work without the prior written consent of FTSE Global Debt Capital Markets Inc. eVestment Alliance, LLC and its affiliated entities (collectively, "eVestment") collect information directly from investment management firms and other sources believed to be reliable, however, eVestment does not guarantee or warrant the accuracy, timeliness, or completeness of the information provided and is not responsible for any errors or omissions. Performance results may be provided with additional disclosures available on eVestment's systems and other important considerations such as fees that may be appliable. Not for general distribution and limited distribution may only be made pursuant to client's agreement terms. Copyright 2024 eVestment Alliance, LLC. All Rights Reserved.*