

INCOME PLUS

Our Story

Morguard 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 are met first.

Morguard Lincluden Global Investments is a part of Morguard Corporation. Having acquired the remaining ownership of the firm in 2024, Morguard Lincluden is now fully backed by Morguard. The firm was originally established as Lincluden Investment Management Limited in 1982. Morguard Lincluden has a 43-year history of providing high conviction, disciplined value investing to clients across Canada.

Today we manage in excess of \$4 billion dollars for pension plans, sub-advisory, First Nation Trusts and not-for-profit organization. Our boutique size offers clients a focused and very customized approach that we believe will produce the strongest results for our clients and enhance the success of our firm.

Investment Process

Morguard 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, credit, yield curve positioning, credit selection, foreign pay bonds and real return bonds in the portfolio construction process. Our approach does not focus on one dominant factor but rather incorporates the use of several 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 the portfolio. We also adopt a short-term tactical outlook within the context of our long-term secular view. This allows us to add incremental value based on shorter-term trading opportunities. We utilize foreign pay bonds and real return bonds on an opportunistic basis to add value when risk-reward characteristics are favourable.

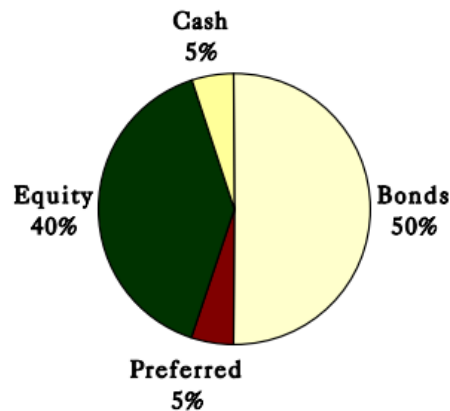
Our exposure to credit risk through corporate, provincial and municipal government issues is a reflection of our detailed credit analysis and evaluation of risk-reward valuation characteristics. We do not rely on rating agency reports for our evaluation of risk; instead, we emphasize internal research 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 Income Plus strategy is to generate consistent income and moderate long-term capital appreciation by investing in a portfolio of fixed income and equity securities



INVESTMENT STRATEGIES

Investment Strategies The investment objective of the Income Plus strategy will be achieved by investing primarily in Canadian income producing securities across a range of asset classes including, but not limited to, government and corporate bonds, preferred shares, income trusts, and dividend paying stocks.

Securities will be selected using a value based, bottom-up process, in order to identify attractive investment opportunities. The portfolio of securities will be diversified to reflect a variety of companies and sectors. Securities will also be selected to provide a combination of income and moderate growth potential.

The asset mix for the Income Plus strategy will include the following guidelines:

	Minimum	Maximum
Cash	0%	25%
Bonds	25%	100%
Preferred Shares	0%	20%
Common Equity (including income trusts)	0%	70%
Other	0%	20%
Foreign-Pay Securities	0%	25%

No single corporate issuer may exceed 10% of the Income Plus Fund's portfolio at any time. An individual preferred or common share will generally not exceed five percent (5%) of the total portfolio of the Income Plus Fund at time of purchase.

The Income Plus strategy may hold significant cash or cash equivalents pending investment or if such cash holdings are desirable as a result of market conditions. Derivatives, such as options and forward contracts, may also be used to hedge against currency exposure or to generate additional income