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Cidel Canadian Fixed Income

Cidel

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The Canadian Fixed Income strategy is designed for investors seeking safety of capital and a consistent income stream. Investors benefit from the strategy's contribution to reduced overall volatility when deployed in a broader portfolio.

Overview

The Investment is a core fixed income portfolio consisting of high quality, investment-grade government and corporate debt issues.

The Objective is to provide a consistent income stream while safe-guarding capital.

The Investment Philosophy is to use careful credit research to identify the best holdings in investment-grade bonds to achieve consistent and stable performance. We believe in the importance of a dependable fixed income mandate as part of any investment portfolio.

The Process

Interest Rate Anticipation. Using research to optimally position the portfolio for current and future interest rate environments.

Credit Analysis. Exhaustive bottom-up analysis of investment-grade bond issues, identifying undervalued bonds in the market.

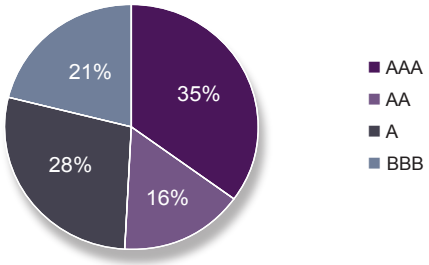
Portfolio Construction. Allocate optimal sector and credit quality weightings, actively managed throughout the business cycle.

Market Commentary

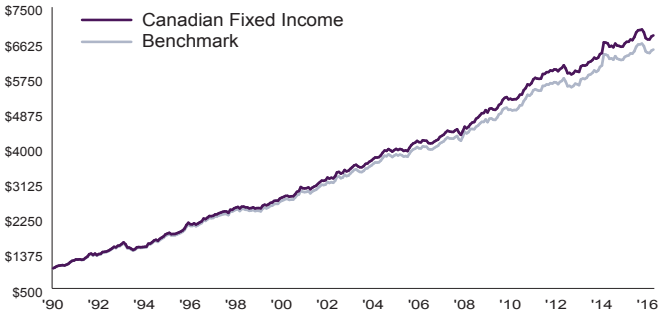
In March, the FTSE/TMX Universe Bond Index returned 0.4%. The prospect for bond returns are limited given that government yields are at the lower end of their recent trading range and credit spreads are close to the narrowest they have been since the end of the Great Recession. The Canadian Fixed Income portfolio returned 0.4% for the month to match the benchmark return. The portfolio is overweight corporate credit relative to its benchmark and has a neutral duration. We continue to monitor inflation expectations carefully as they may cause the Federal Reserve to alter its path of interest rate increases, which would justify taking a more defensive posture in the portfolio.

KEY CHARACTERISTICS	Portfolio	Benchmark
1 Month	0.4%	0.4%
YTD	1.5%	1.2%
1 Year (Annualized)	1.5%	1.5%
3 Year (Annualized)	4.0%	4.1%
5 Year (Annualized)	3.5%	3.5%
Since Inception (Annualized)	7.6%	7.4%
Duration	7.4	7.3
Current Yield	2.7%	3.0%

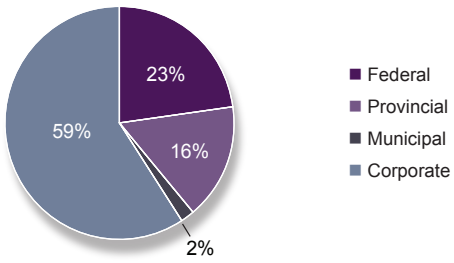
CREDIT RATINGS



GROWTH OF $1,000 VS. BENCHMARK



ISSUER



ANNUAL PERFORMANCE (%)	YTD	2016	2015	2014	2013	2012	2011	2010	2009	2008	Inception
Portfolio	1.5%	1.5%	3.8%	8.0%	-1.0%	4.3%	9.2%	7.0%	7.8%	5.3%	7.6%
Benchmark	1.2%	1.7%	3.6%	8.8%	-1.2%	3.6%	9.7%	6.7%	5.4%	6.4%	7.4%

Toron AMI Canadian Fixed Income Fund

Historic performance should not be interpreted as a guarantee of future results. Performance figures are based on total returns which are time-weighted and geometrically linked (meaning that performance is not influenced by the timing of portfolio additions or withdrawals and is calculated on a compounded basis). Toron AMI and Benchmark performance is gross of applicable management fees. Benchmark is the FTSE/TMX Universe Bond Index. Toron Asset Management International and Cidel Financial Group are operating names of Cidel Asset Management Inc.