03.17

Cidel Canadian Preferred Shares

Cidel

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The Preferred Share pool is designed for investors pursuing a stable, tax-advantaged stream of dividend income. Investors benefit from our longstanding expertise, our active management of the portfolio, and our deep understanding of the complexities of the Canadian preferred share market.

Overview

The Investment is a diversified portfolio of quality Canadian preferred shares.

The Objective is to provide enhanced yield while seeking to reduce the key risks inherent in the Canadian preferred share market.

The Investment Philosophy is to use fundamental research to take advantage of mispriced securities and identify opportunities with the best risk-return profile.

The Process

Fundamental Research. Using both equity and fixed income research to understand the characteristics of the issuer's business operations, credit quality, and industry.

Valuation. Performing financial analysis and examining the characteristics of the security to identify mispriced issues.

Portfolio Construction. Diversifying holdings by industry exposure, sensitivity to economic factors, and type of preferred share.

Market Commentary

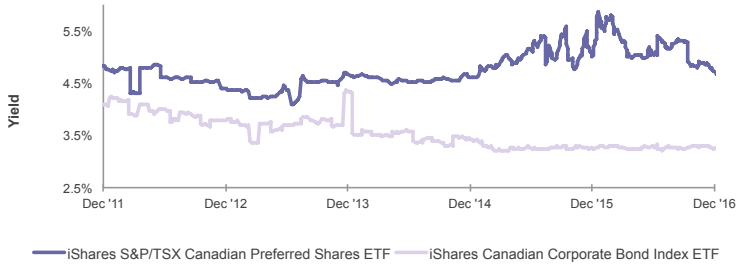
With economic growth around the world becoming more synchronized, the likelihood of economic momentum sustaining itself has improved. In March, there was no new issuance in the Canadian preferred share market, while there should be some upcoming new issuance from the banks. This lack of activity has increased demand in the market moving prices higher and yields lower. Expectations for interest rates are that the Federal Reserve may increase rates two or possibly three times over 2017. While in Canada expectations indicate no increases for 2017. The focus of the portfolio continues to be on rate reset preferred shares with later reset dates and higher spreads, while opportunistically adding perpetual rate preferred shares to the portfolio to reduce interest rate risk exposure.

Portfolio Summary

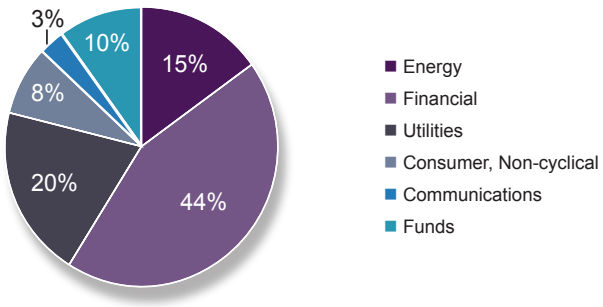
PORTFOLIO SUMMARY	
Yield	**4.9%**
	Approx. Weight
RATINGS	
Pfd-2	**52.4%**
Pfd-3	**35.4%**
DIVIDEND TYPE	
Variable	**65.0%**
Fixed	**32.2%**

NOTABLE HOLDINGS	
TRANSCANADA CORP	**4.9%**
BANK OF NOVA SCOTIA	**4.1%**
MANULIFE FINCL CORP	**4.0%**
ENBRIDGE INC	**3.9%**
BANK OF MONTREAL	**3.7%**

YIELD ADVANTAGE OVER CORPORATE BONDS



SECTOR ALLOCATION



Toron AMI Canadian Preferred Shares Portfolio Fund

For distribution only to accredited investors as defined by regulatory authorities in your resident jurisdiction. 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 Asset Management International and Cidel Financial Group are operating names of Cidel Asset Management Inc.