



**LORICA** | INVESTMENT  
COUNSEL INC.

## Focused Corporate Bond

### Firm Overview

Lorica is an investment counsellor, committed to providing an entire investment service including management, administration, communication and compliance. Lorica's investment team and process is characterised by stability, security and consistency and an ongoing commitment to delivering superior results.

### Philosophy

Underpinning Lorica's investment philosophy is a belief that value can be added through active management in all market environments. We believe a comprehensive range of core bond market competencies can be used effectively to manage within a central risk management paradigm. Economies and markets are dynamic and we have learned they call for an adaptive, subjective approach to forecasting. However, construction of diversified, yet targeted portfolios is ideally suited to our proprietary computer-based models and algorithms.

### Investment Strategy

An actively managed corporate bond strategy investing in investment grade corporate bonds and other investment grade securities issued by Canadian corporations. The investment strategy focuses on industry and issuer selection with an emphasis on credit risk management.

### Managers

#### Gary Morris, CFA

President, Lorica Investment Counsel Inc.

#### Thomas Gomes, CPA, CFA

Portfolio Manager, Lorica Investment Counsel Inc.

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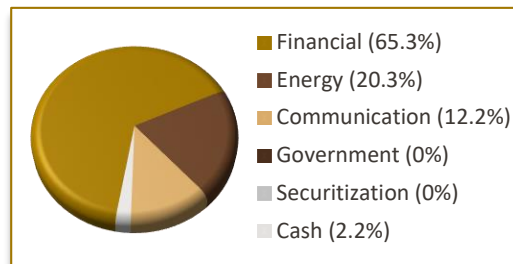
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**Inception:** January 1, 2011

**AUM (Mandate):** \$252 M

### Asset Mix



### Risk Profile

	Lorica (FCB)*	Corporate Index**
Yield to Maturity	2.76	3.09
Average Term	5.08	9.04
Modified Duration	4.30	6.19
Coupon	2.98	3.77
Credit Rating (%)***		
AAA	2.24	3.01
AA	30.90	11.78
A	48.10	46.49
BBB	18.76	38.72

### Constraints

No. of Securities	10 – 25
Sector wt.	
Corporates	0 – 100%
Governments	0 – 25%
Min. Credit Rating	BBB
Max. Issuer wt.	10% (5% BBB)

### Historical Performance

Annualized Returns	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception
Lorica (Focused Corporate Bond)	0.60	2.88	1.53	2.94	2.76	4.03
Corporate Index**	1.72	3.48	1.96	3.55	3.40	4.50

Annual Returns	1 Month	3 Months	YTD	2017	2016	2015	2014	2013
Lorica (Focused Corporate Bond)	0.12	-0.56	-0.07	1.88	3.67	2.37	6.57	0.23
Corporate Index**	0.02	-0.59	-0.23	3.38	3.73	2.71	7.58	0.84

Source: FTSE TMX Global Debt Capital Markets & Lorica Investment Counsel Inc., as at February 28, 2018.

All Index references refer to the FTSE TMX Canada Bond indices and their sub-indices, unless otherwise stated.

\*Focused Corporate Bond; \*\*FTSE TMX Canada All Corporate Bond Index; \*\*\*Refers to DBRS