

## **Nature of Fund**

Private pooled investment trust

## **Qualifying Investors**

Current clients of QV Investors under existing management agreements

## **Custodian/Auditor/Counsel**

1. RBC Dexia, Custodian
2. KPMG, Auditor
3. Osler, Hoskin & Harcourt LLP, Counsel

## **Investment Objective**

The objective is to generate income through investment in high quality income producing securities.

## **Investor Profile**

The client for this fund has a need for security of capital and low volatility of returns. The Fund is eligible for RRSP and RRIF accounts.

## **Investment Strategy**

The QV Canadian Income Fund invests in a high-quality, short term portfolio of federal, provincial and corporate bonds, corporate bonds, preferred shares, and dividend paying equities and income trusts.

## **Investment Guidelines**

1. Minimum 70% of the portfolio is to be invested in high quality bonds, with a minimum credit rating of AA as defined by Standard & Poors
2. Maximum weighted average term of bond portfolio is 5 years
3. Minimum credit rating standard of "A" as defined by Standard & Poors
4. Maximum allowable investment in "A" credit bonds: 10%
5. Maximum allowable investment in preferred shares: 10%
6. Maximum allowable investment in dividend-paying common shares and income trusts of a Canadian corporation: 10%
7. Restrictions on common shares: Company must have paid a dividend in the past five years, with no reduction in the dividend rate. Corporation's debt must be rated investment grade (BBB) or higher.
8. Maximum allowable investment in corporate bonds: 50% of portfolio

9. Maximum allowable investment in non-rated bonds: 10% of portfolio – with conditions. Issuers must be a company we follow closely at QV and convertible into the underlying security at a future date.
10. Short-term reserves to meet income payments or capital distribution will be held 100% in Canada Treasury Bills.
11. Minimum credit rating for preferred share securities: P1 low, as defined by Standard & Poors or Dominion Bond Rating Service.
12. Corporate issuer concentration: No more than 10% of the portfolio invested in any one corporate issuer.
13. Industry concentration: Maximum 25% of portfolio
14. Provincial & Municipal Government issuer concentration: No more than 20% of the portfolio invested in any one provincial or municipal government issuer.

### Policy Table

Policy	Minimum	Maximum
	<i>% of Fund</i>	<i>% of Fund</i>
Bonds	60%	97%
Cash/T-Bills	3%	40%
Preferred Equity	0%	10%
Common Equity/Income Trusts	0%	10%
Corporate Bonds	0%	50%
Government Bonds	50%	97%
	<i>% of Bonds</i>	<i>% of Bonds</i>
AA & AAA Rated Bonds	70%	100%
A Rated Bonds	0%	10%
Non-Rated Bonds	0%	10%
Zero % Strip Bonds	0%	25%
Average Term	1 Year	5 Years

### Benchmark

DEX Short Bond Index

### Portfolio Manager

Wendy Booker-Urban, supported by Leigh Pullen, subject to the oversight of the QV Investors Investment Committee

### Management Fees

50bps based on weekly valuations paid out monthly  
 Royal Trust Fees: approximately 25 – 35 bps  
 Institutional Fees - Negotiable