



**An active alternative
for absolute returns**

DYNAMIC
**CREDIT ABSOLUTE
RETURN II**
FUND

ADVISOR USE ONLY

Dynamic Funds[®]
Invest with advice.

LIQUID ALTERNATIVES: A NEW ERA OF STRATEGIC DIVERSIFICATION

Dynamic Funds has a long history of delivering alternative solutions that advisors can use to construct better investment portfolios for their clients. Liquid alternative funds offer access to a wide range of investment strategies with a low correlation to stocks and bonds – all within the structure of a mutual fund.

INTRODUCING: DYNAMIC CREDIT ABSOLUTE RETURN II FUND

Managed by Marc-André Gaudreau and the Specialized Credit Team, the Fund features a flexible investment approach that can take both long and short positions in a wide range of North American credit securities, while maintaining low sensitivity to interest rates. Based on an existing strategy*, the Fund seeks to generate an absolute return over a full market cycle.

*This strategy is used in the management of Dynamic Credit Absolute Return Fund, a credit hedge fund launched in January 2014.

RISK-MANAGED ALTERNATIVE STRATEGIES TO ACHIEVE ABSOLUTE RETURNS

| LEVERAGED INVESTMENT GRADE CORPORATE CREDIT | LONG/SHORT CREDIT OPPORTUNITIES | CREDIT ARBITRAGE |
|---|--|--|
| <ul style="list-style-type: none"> Flexibility to use leverage to seek to impact the returns of high-quality, liquid, short-term investment grade corporate bonds Requires shorting equivalent maturity government bonds in order to minimize sensitivity to interest rates | <ul style="list-style-type: none"> Seeks growth and income by investing in credit securities at attractive valuations identified by the team's bottom-up security selection process May sell short securities that are trading at expensive valuations with deteriorating credit profiles, weak covenants, and poor structural protections | <ul style="list-style-type: none"> Market neutral strategy that takes long and short positions of the same (or similar) corporate issuer in different markets Seeks to capitalize on valuation dislocations within corporate capital structures that often arise during periods of heightened volatility |
| CONTINUOUS RISK MANAGEMENT | | |
| <ul style="list-style-type: none"> Portfolio is well-diversified, highly liquid, with a minimum weighted average credit rating of BBB- or better (investment grade) Gross leverage does not exceed 300% and there is no foreign currency risk Risk exposures evaluated on both an individual security and aggregate portfolio basis by the Specialized Credit Team, with support from the firm's investment risk team Sophisticated proprietary risk management tools are used, allowing for a proactive approach to protecting capital | | |

KEY BENEFITS



STRATEGIC DIVERSIFICATION

By offering credit-driven returns with reduced sensitivity to interest rate risk and a low correlation to traditional asset classes, the Fund offers the potential for enhanced portfolio diversification and mitigated downside risk.



ABSOLUTE RETURNS

The Fund combines the flexibility to access leverage with actively managed long and short positions across its three principal investment strategies to provide interest income and the potential for capital appreciation over a full-market cycle while maintaining an investment grade credit rating.



REDUCED VOLATILITY

The Fund's low exposure to interest rate risk and focus on high-quality, liquid, short-term securities has the potential to reduce portfolio volatility.



INDEPENDENT CREDIT ANALYSIS

Not only relying on credit-rating agencies, the Specialized Credit Team marries the firm's Centralized Credit Research capabilities with its own investment process to identify investment opportunities, both long and short.

EXPERIENCED SPECIALIZED CREDIT TEAM



Marc-André Gaudreau, CPA, CGA, CFA

Vice President & Senior Portfolio Manager

Marc-André joined Dynamic in 2012 as head of the Specialized Credit Team, which is responsible for managing over \$5.5 billion in credit-related mandates, including investment-grade corporate bonds, preferred shares, high-yield bonds and loans, along with floating-rate and credit absolute-return strategies. With over 22 years of industry experience, Marc-André has extensive expertise in corporate credit and oversees multiple fixed-income portfolios and income-oriented mutual funds.



Roger Rouleau, CFA

Vice President & Portfolio Manager

Roger joined Dynamic in 2012 as a member of the Specialized Credit Team. He has more than 17 years of industry experience that includes analytical and portfolio management responsibilities in the corporate bond, high yield bond and preferred share markets within North America. His previous experience also includes sell-side research and analytical work in the consumer staples and consumer discretionary industries for a leading North American brokerage firm. Roger also gained valuable experience in venture capital investing within a number of sectors, including biotechnology, telecommunications and industrials.



Jeremy Lucas, MBA, CPA, CA

Portfolio Manager

Jeremy joined Dynamic in 2017 as a member of the Specialized Credit Team. He has over 21 years of industry experience in a variety of roles that includes energy derivatives and North American credit markets. His previous experience includes sell-side research and trading responsibilities focused on high yield bonds for a large Canadian bank where Jeremy played a key role in the development of the Canadian high yield bond market.



Alexandre Mathieu, MSc., FRM

Senior Portfolio Analyst

Alexandre joined Dynamic in 2012 as a member of the Specialized Credit Team, performing quantitative analysis on fixed income investments. Alexandre has more than 15 years of industry experience, which includes quantitative and portfolio management responsibilities at a major Canadian financial investment management firm as well as risk management advisory responsibilities at CDPQ. He has extensive knowledge of fixed income derivatives.

FUND CODES

| SERIES | FE | NO LOAD |
|--|------|---------|
| Dynamic Credit Absolute Return II Fund | | |
| A | 2753 | - |
| DCAF (A) | 2754 | - |
| F | - | 2755 |

Fundserv prefix: DYN

MANAGEMENT FEES

| SERIES | MANAGEMENT FEE |
|--------|----------------|
| A | 1.80% |
| F | 0.80% |

ADVISOR COMPENSATION

| | COMMISSION | TRAILER |
|----|------------|---------|
| FE | 0-5% | 1.00% |

Ask your Dynamic Funds sales representative for more information on alternative funds.

Head Office

Dynamic Funds Tower
1 Adelaide St. E., 28th Floor
Toronto, ON M5C 2V9
Toll free: 1-866-977-0477
Tel: 416-363-5621

Customer Relations Centre

Toll free: 1-800-268-8186
Tel: 514-908-3212 (English)
514-908-3217 (French)
Fax: 416-363-4179 or 1-800-361-4768
Email: service@dynamic.ca

advisor.dynamic.ca

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