



Enhance
your options

DYNAMIC
**PREMIUM
YIELD PLUS**
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. With a broader opportunity set, liquid alternatives deliver the potential for enhanced diversification, decreased volatility and better risk-adjusted returns.

INTRODUCING DYNAMIC PREMIUM YIELD PLUS FUND

Dynamic Premium Yield PLUS Fund features a flexible investment strategy focused on acquiring quality U.S. equities at attractive valuations while also generating stable income through an options writing strategy* – all within a Fund that delivers systematic downside protection and capital preservation.

How it works

The Fund aims to provide the potential for capital appreciation primarily by investing directly in equity securities and writing options that provide valuable premiums. In addition, the systematic downside protection in place helps the Fund offer a defensive, low beta, low volatility alternative.

As a liquid alternative fund, it has the added advantage of using leverage to potentially enhance total returns for investors.

A comprehensive strategy

- Select quality stocks based on thorough fundamental and quantitative (“*quantamental*”) analysis

- Implement an options strategy to enhance the fundamental decision of buy, sell, or hold
- Write put and/or covered call options on quality stocks with robust premiums
- Employ judicious use of leverage (with a 50% target of total net assets) to potentially enhance total returns
- Employ strategies to help reduce portfolio volatility, such as writing puts, which come with a built-in margin of safety
- Systematically hedge partial equity risk by buying protective puts on the entire market, such as the S&P 500 ETF

*This strategy is used in the management of Dynamic Premium Yield Fund, which was launched in October 2013.

AN OPTIONS STRATEGY YOU CAN UNDERSTAND

You don't have to be an options trader to understand the investment process behind Dynamic Premium Yield PLUS Fund. Dynamic's experienced team employs a time-tested, repeatable options strategy to generate capital appreciation and collect robust premiums. Here's how the process works:

STEP 1 **Proprietary equity research process**
The team employs a fundamental-based quantitative approach to rank all stocks within the S&P 500 using dozens of fundamental quality, value and growth, as well as technical and risk metrics. The portfolio is then assembled from the highest-ranking stocks based on this fundamental, technical, and risk-management perspective.

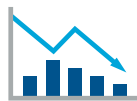
STEP 2 **Writing put options**
Instead of buying stocks at fair market value, the team writes put options to acquire desirable stocks at a 4-8% discount to market. The put writing strategy serves two purposes: it provides the opportunity to potentially acquire quality stocks at a discounted price and generates income from the premium collected for writing the option, regardless of whether the stock is acquired.

STEP 3 **Buy and hold until full valuation**
If the put option is assigned (exercised by the buyer), the team adds an attractively priced quality stock to its portfolio. The stock is then held until it reaches the team's estimate of fair value.

STEP 4 **Writing call options**
When fair value is reached, the team can potentially write a covered call option. If the stock is called away, the Fund will have earned both the premium income for writing the call and sold the security at fair value. If the call expires, the Fund still collects the option premium and retains a quality stock in its portfolio.

And that's what Dynamic Premium Yield PLUS Fund does: *collects premiums while owning a portfolio of quality stocks.*

IT'S GOOD TO HAVE OPTIONS: KEY BENEFITS



LOW VOLATILITY

The addition of an options strategy to a portfolio can help lower volatility. Over multiple decades of market cycles, covered options writing has demonstrated lower volatility relative to equities.



DIVERSIFICATION

Options strategies, specifically writing short-dated covered calls and puts, historically have shown minimal sensitivity to interest rates and zero-to-negative correlation to bonds, offering investors greater diversification.



HIGHER YIELD

The Fund will provide investors a stable monthly income initially offering a 9.1%* yield for Series F.



SYSTEMATIC DOWNSIDE PROTECTION

The Fund uses two mechanisms to provide systematic downside protection:

1. Writing puts 4-8% below the current stock price provides a built-in safety margin in the event a stock's price declines, as the first 4-8% loss would not represent an economic loss in the Fund.
2. To further hedge equity risk, the Fund invests 15-20% of the options premiums collected by buying put options on various broad-based ETFs, including the S&P 500 ETF.

*The yield is calculated based on a fixed, but not guaranteed, monthly distribution of 7.61 cents/unit and a net asset value per unit (NAVPU) of \$10.00 (for Series F) as of inception date. Monthly distribution yields may fluctuate as the month end NAVPU changes. A Fund's distribution yield should not be confused with its performance or rate of return.

EXPERIENCED MANAGEMENT



Damian Hoang, BASc., MBA

Vice President, Portfolio Manager & Senior Derivatives Strategist

Damian Hoang joined Dynamic in 2012 as a Senior Derivatives Strategist and subsequently took on the role of Portfolio Manager. He has 10 years of industry experience, previously at Bank of America Merrill Lynch, where he structured and executed complex hedging and alpha enhancement strategies across multiple asset classes.

To enhance traditional equity investing and options income strategies, Damian has focused on researching, developing, and deploying fundamental-based quantitative (“*quantamental*”) strategies and techniques. Over the past several years, he and his team have combined fundamental stock selection know-how with advanced technology to build a rigorous and robust *quantamental* investing framework that can systematically assess every stock in the US large and mid-cap universe on a multitude of fundamental metrics.

FUND CODES

SERIES	FE	NO LOAD
Dynamic Premium Yield PLUS Fund		
A	3360	-
DCAF (A)	3364	-
H	3365	-
F	-	3361
FH	-	3366
I	-	3362

Fundserv prefix: DYN

MANAGEMENT FEES

SERIES	MANAGEMENT FEE
A & H	1.85%
F, FH & I	0.85%

MANAGEMENT FEE DISCOUNTS, FROM DOLLAR ONE

	DISCOUNTS
\$250K-\$1M	0.075%
\$1M-\$5M	0.125%
Over \$5M	0.175%

ADVISOR COMPENSATION

	COMMISSION	TRAILER
FE	0-5%	1.00%

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

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