

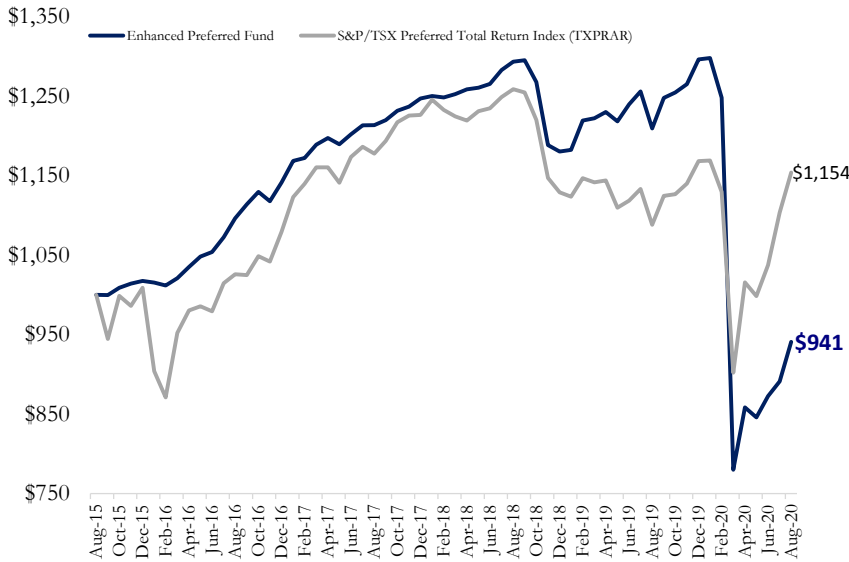
Lawrence Park Enhanced Preferred Fund (LP EPF) employs an absolute return strategy through a unique selection of primarily Canadian preferred share securities. The fund is designed to provide investors with consistent returns with a low sensitivity to interest rate movements. With an emphasis on capital preservation and low volatility, the fund adheres to a disciplined repeatable process through structured security selection and active management.

**INVESTMENT STRATEGY**

The investment strategy can be broken down into three primary components:

- 1) **Security selection process** – Preferred shares selected have a low sensitivity to interest rates
- 2) **Moderate use of leverage** - Enhances internal yield of the portfolio
- 3) **Option overlay strategy** - Dampens portfolio volatility and provides a cushion in the event of a risk-off environment

**PERFORMANCE**



**PORTFOLIO MANAGEMENT**



**Jason Crowley**  
Lead Portfolio Manager, CIO

Jason spent 17 years at Bank of Nova Scotia with roles spanning across risk, credit portfolio management, and proprietary trading, and ultimately rose to Head of Credit Derivatives Trading



**Andrew Torres**  
Portfolio Manager, CEO

A veteran of global fixed income markets, Andrew has managed multi-billion dollar bond portfolios in London, New York, and Toronto

	Year	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	YTD
2020	LP EPF	0.13%	-3.85%	-37.51%	10.07%	-1.47%	3.16%	2.13%	5.57%					-27.42%
	TXPRAR	0.06%	-3.38%	-20.14%	12.61%	-1.72%	3.92%	6.38%	4.55%					-1.23%
2019	LP EPF	0.16%	3.13%	0.24%	0.63%	-0.94%	1.75%	1.32%	-3.71%	3.18%	0.55%	0.82%	2.47%	9.82%
	TXPRAR	-0.50%	2.08%	-0.46%	0.21%	-3.00%	0.80%	1.31%	-3.97%	3.34%	0.19%	1.18%	2.48%	3.48%
2018	LP EPF	0.25%	-0.16%	0.34%	0.48%	0.16%	0.38%	1.38%	0.82%	0.14%	-2.11%	-6.27%	-0.67%	-5.35%
	TXPRAR	1.58%	-1.05%	-0.66%	-0.42%	0.97%	0.29%	1.13%	0.80%	-0.33%	-2.74%	-5.99%	-1.58%	-7.93%
2017	LP EPF	2.39%	0.32%	1.43%	0.70%	-0.64%	1.05%	0.93%	0.04%	0.50%	0.98%	0.42%	0.83%	9.29%
	TXPRAR	4.05%	1.49%	1.81%	0.00%	-1.67%	2.84%	1.11%	-0.74%	1.36%	1.97%	0.70%	0.05%	13.62%
2016	LP EPF	-0.20%	-0.36%	0.91%	1.39%	1.27%	0.54%	1.76%	2.23%	1.58%	1.43%	-1.04%	2.08%	12.17%
	TXPRAR	-10.40%	-3.64%	9.32%	2.96%	0.52%	-0.63%	3.61%	1.12%	-0.10%	2.32%	-0.65%	3.59%	6.96%
2015	LP EPF									-0.01%	0.92%	0.50%	0.33%	1.74%
	TXPRAR									-5.56%	5.74%	-1.24%	2.30%	0.89%

As of August 2020

**FUND METRICS**

The option overlay strategy is designed to be negatively correlated to the performance of the broad preferred share market.

Metrics	LP EPF	TXPRAR	Avg. Monthly Return (When TXPRAR positive)	Avg. Monthly Return (When TXPRAR negative)
Return*	-1.21%	2.91%	LP EPF Prefs 1.85%	-2.48%
Volatility	18.6%	15.5%	LP EPF Options -0.24%	0.15%
Sharpe	-0.1	0.1	LP EPF Total 1.61%	-2.32%
Correlation to TXPRAR	0.8		TXPRAR 2.45%	-3.07%

Time period: Inception of LPEPF (September 2015) to August 2020.

\*Return is annualized and net of fees.

## STRUCTURE

<b>Fund</b>	Lawrence Park Enhanced Preferred Fund
<b>Manager</b>	Lawrence Park Asset Management
<b>Structure</b>	Mutual Fund Trust
<b>Issue</b>	Multiple Series Units (CAD)
<b>Subscription</b>	Monthly; C\$100K (F, FD)
<b>Redemption</b>	Monthly, with 30 days notice
<b>Management Fee</b>	1.5% (F, FD)
<b>Performance Fee</b>	15% over 5% hurdle rate
<b>Distribution (series FD)</b>	\$0.50 per unit annually, paid monthly
<b>High Water Mark</b>	Permanent
<b>Prime Brokers</b>	BMO, TD Securities
<b>Auditor</b>	KPMG
<b>Administrator</b>	SGGG Fund Services
<b>Legal</b>	BLG

## CONTACT US

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## DISCLAIMER

Please read the current offering memorandum before investing. Unless otherwise indicated and except for returns for periods less than one year, the indicated rates of return are the historical annual compounded total returns including changes in security value. All performance data assume reinvestment of all distributions or dividends and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. Facts and data provided by Lawrence Park and other sources are believed to be reliable when posted; however, Lawrence Park cannot guarantee that they are accurate or complete or that they will be current at all times. This report may contain forward-looking statements about Lawrence Park funds, future performance, strategies or prospects, and possible future fund action. We caution you not to place undue reliance on these statements as a number of factors could cause actual events or results to differ materially from those expressed in any forward-looking statement, including economic, political and market changes and other developments. Lawrence Park will not be responsible in any manner for direct, indirect, special or consequential damages howsoever caused, arising out of the use of this communication. The historical performance data for the period from September 2015 to December 2017 is based on the return data for the Series M units, adjusted for the management and performance fees that apply to the Series F and FD Units. The historical performance data for the period from December 2017 to date is based on the data for the Series F units. Other series may have higher fees. Monthly returns are based on monthly NAV calculations by SGGG Fund Services. See Offering Memorandum for additional series information. Investors should note that the Fund may utilize long and short positions in both domestic and international preferred share markets, and may incorporate leverage and derivative overlays. Fund performance may deviate significantly from benchmark indices shown.

"Volatility" is represented by the annualized standard deviation of monthly returns since inception. "Sharpe Ratio" is calculated using the average of Canada 3 month T-bill rate (source: Bloomberg). The upside/downside capture ratio is calculated by dividing the fund's average monthly return during months when the index had a positive/negative return by the index's average monthly return during those months. "TXPRAR" refers to the S&P/TSX Preferred Total Return index. Source of TSX is from Bloomberg.