



RP STRATEGIC INCOME PLUS FUND



OVERVIEW

- 1** RP Strategic Income Plus Fund has provided investors with meaningful downside protection since the beginning of this challenging bond environment in January 2021.
- 2** The Fund's tactical duration management, active trading approach, and cautious credit selection have enabled it to outperform traditional bond strategies during this turbulent period.
- 3** We believe the Fund is providing compelling relative and absolute performance in line with its stated long-run target return expectations.

REVIEW

The period ranging from January 2021 to October 2022 can be characterized as the most challenging bond environment in four decades. During this period, RP Strategic Income Plus Fund – Class F (“RP STIP” or the “Fund”) is only down 3.0%, while Canadian and Global corporate bond markets lost 7.2% and 10.4%, respectively.¹

RP STIP actively managed its interest rate exposure during the period by employing interest rate hedges and focusing on bonds with shorter maturities to protect the portfolio from rising interest rates and the elevated inflation that emerged post-Covid.²

Throughout 2021, RP STIP relied on identifying credit upgrade stories from various themes, including Covid recovery plays, to generate incremental returns. More recently, however, the Fund has extracted value through credits with relative value catalysts and technical market tailwinds, especially within new issues that come to market with attractive concessions.

Although opportunities have been scarce, the Fund added additional returns through its highly active approach by rotating among sectors, industries, credit ratings, and issuer capital structures to take advantage of the opaque and inefficient nature of corporate bond markets.



Provided Greater Capital Protection while reducing Volatility

Jan. 2021 – Oct. 2022	RP STIP	Global Agg.	Global IG Corp.	Canada Agg.	Canada IG Corp.	U.S. Agg.	U.S. IG Corp.
Total Return	-3.0%	-7.8%	-10.4%	-8.4%	-7.2%	-9.9%	-12.0%
Standard Deviation	3.3%	4.8%	6.6%	6.3%	5.2%	5.8%	7.7%
Max Drawdown ³	-7.0%	-13.8%	-18.5%	-14.9%	-12.7%	-17.3%	-20.9%

Generated Higher Yields per unit of Interest Rate Risk

Jan. 2021 – Oct. 2022 (avg.) ⁴	RP STIP	Global Agg.	Global IG Corp.	Canada Agg.	Canada IG Corp.	U.S. Agg.	U.S. IG Corp.
Interest Rate Duration (yrs)	3.0	7.3	7.2	7.8	6.2	6.5	8.3
Yield-to-Maturity	2.3%	1.8%	2.6%	2.4%	3.1%	2.4%	3.1%
Yield-to-Duration Ratio	0.8x	0.2x	0.4x	0.3x	0.5x	0.4x	0.4x

Low Correlation to Major Equity Indices

Correlation Matrix ⁵	Prefs	Global Equities	Canadian Equities	U.S. Equities	European Equities	Asian Equities	EM Equities
RP STIP	0.49	0.69	0.53	0.68	0.63	0.58	0.45



OUTLOOK

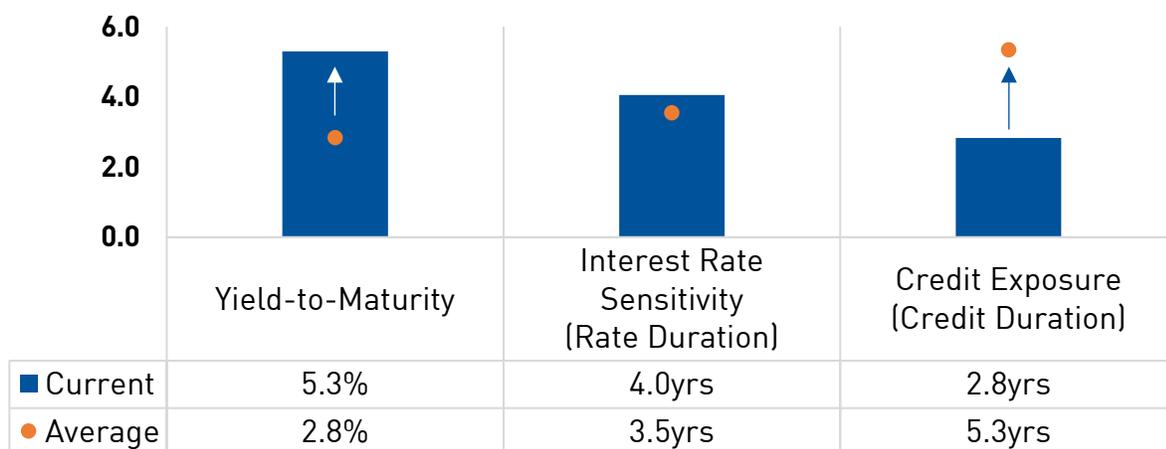
We believe it is the right time for investors who are underweight a core bond position to increase their allocation and take advantage of this opportunity with RP STIP. We believe interest rates are now sufficiently restrictive to slow the economy and the income opportunity is very compelling while providing meaningful safety for investors today.

It is impossible to conclude that we are at the proverbial “bottom” as short-term risks and inflation continue to remain elevated, but we believe the potential upside far outweighs the downside at this point, and investors who do not get back in now may regret doing so.

That said, we do not think investors should blindly extend duration risk using a passive allocation. Instead, we believe investors can use a highly active approach to capture these attractive all-in yields without taking undue risks. We are aiming to optimize the portfolio and capture higher yields per unit of risk while taking advantage of what we view as the subtle mispricings in the market.

RP STIP currently provides a higher yield relative to the interest rate risk (duration) it assumes, compared to the Canadian and Global Investment Grade Universes. In other words, we are taking advantage of all-in yields available today without sacrificing much in the way of credit quality or taking undue interest rate risk.

Optimizing All-In Yield with Less Risk



Source: RPIA. Data as of Oct 31, 2022.

We believe this sets up the portfolio to provide a more asymmetric return profile, irrespective of where we might be in the tightening cycle. Moreover, these attributes are seen as contributing to increased investor confidence to come back into the bond market and capture what we believe is a noticeable upside of bond yields reverting to lower averages in the coming 12 months if inflation slows or central bank policy starts to come off its aggressively hawkish stance.

RP STIP is a highly active strategy that invests in developed market investment grade credit, and we believe it can take advantage of the recent market volatility to capture attractive all-in yields and provide compelling returns moving forward.

Indices Used

Sources: Bloomberg Barclays, FTSE Russell, S&P Dow Jones Indices. Data as of Oct 31, 2022.

Global Agg. = Bloomberg Barclays Global Aggregate Bond Index Hedged (CAD)

Global IG Corp. = Bloomberg Barclays Global Aggregate Corporate Bond Index Hedged (CAD)

Canada Agg. = FTSE Canada Universe Bond Index, Bloomberg Barclays Canada Aggregate Bond Index

Canada IG Corp. = FTSE Canada All Corporate Bond Index, Bloomberg Barclays Canada Aggregate Corporate Bond Index

U.S. Agg. = Bloomberg Barclays U.S. Aggregate Bond Index Hedged (CAD)

U.S. IG Corp. = Bloomberg Barclays U.S. Aggregate Corporate Bond Index Hedged (CAD)

Prefs = S&P/TSX Preferred Share Index

World Equities = MSCI World Index

Canadian Equities = S&P/TSX Composite Index

U.S. Equities = S&P 500 Index

European Equities = MSCI Europe Index

Asian Equities = MSCI AC Asia

EM Equities = MSCI Emerging Markets Index

Total Returns	YTD	1-Yr	3-Yr	5-Yr	Since Inception
RP STIP	-6.6%	-6.4%	0.7%	1.6%	2.8%
Global Agg.	-12.6%	-12.4%	-3.3%	-0.2%	0.2%
Global IG Corp.	-17.5%	-17.5%	-4.1%	-0.6%	0.5%
Canada Agg.	-12.7%	-10.4%	-2.8%	0.1%	0.5%
Canada IG Corp.	-11.5%	-9.8%	-1.7%	0.8%	1.4%
U.S. Agg.	-16.0%	-16.0%	-4.0%	-1.0%	-0.5%
U.S. IG Corp	-20.0%	-20.0%	-4.6%	-0.9%	0.2%

Endnotes

¹**Source:** FTSE Russell, Bloomberg Barclays. As of Oct 31, 2022.

²**Note:** RP STIP incorporates an active duration overlay and adjusts the interest rate risk embedded in the fund – either shortening or lengthening the underlying duration exposure.

³**Max Drawdown:** The maximum of the peak-to-trough declines during a specific period (Jan. 2021 – Oct. 2022). Going sequentially through time with a fund/index cumulative return, it is the “loss” from the highest portfolio value to its lowest point.

⁴**Note:** Bloomberg Barclays Canada Aggregate Bond Index and Bloomberg Barclays Canada Aggregate Corporate Bond Index are used for Canada Agg. and Canada IG, respectively, only for Dec. 2021 – Oct. 2022 (avg.) calculations.

⁵**Note:** Correlations are calculated using monthly returns for the period ranging from Dec. 2021 to Oct. 2022.

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RP Strategic Income Plus Fund is a mutual fund offered pursuant to a simplified prospectus in all applicable Canadian jurisdictions and is subject to applicable securities law and regulations. Investor level fund performance may differ from the strategy level performance presented.

"Forward-Looking" statements are based on assumptions made by RPIA regarding its opinion and investment strategies in certain market conditions and are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact actual future events and as a result RPIA's views, the success of RPIA's intended strategies as well as its actual course of conduct.

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Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Indicated rates of return include changes in share or unit value and reinvestment of all dividends or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Returns for time periods of more than one year are historical annual compounded total returns while returns for time periods of one year or less are cumulative figures and are not annualized. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Performance presented for RP Strategic Income Plus Fund is for Class F of the respective fund. Class F units do not include embedded sales commissions, which results in higher performance relative to Class A units of the fund. Performance data for RP Strategic Income Plus Fund is calculated in accordance with NI 81-102.

The index performance comparisons presented are intended to illustrate the historical performance of the indicated strategies compared with that of the specified market index over the indicated period. The comparison is for illustrative purposes only and does not imply future performance. There are various differences between an index and an investment strategy or fund that could affect the performance and risk characteristics of each. Market indices are not directly investable and index performance does not account for fees, expense and taxes that might be applicable to an investment strategy or fund.