

We define liquidity as the ability to enter and exit positions at the right price, and in a timely manner. Implementation of our strategy is done using cash bonds, with very minimal use of derivatives. We take this approach because it allows us to build the liquidity decision into our investment process. We also believe that this provides transparency to investors, meaning they have a clear understanding of what we hold. When considering bonds for the portfolio, we look at attributes such as the deal size, how much of the deal we may own, and the depth of the secondary trading market. Essentially, we want to have a good understanding of our ability to exit a position before we even add it to the portfolio.

## **Important Disclosures**

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07/23 AODA