



## Fixed Income Investment Opportunity: Flaherty & Crumrine Investment Grade Fixed Income Fund

September 1, 2009

### Compelling Opportunity:

- Trading at **10.2%** discount to diluted Net Asset Value (\$8.15 NAV: \$7.32 trading price) as at August 28, 2009

### High Monthly Income:

- Current yield of **13.1%** based on August 28, 2009 closing price (\$0.08 distribution paid monthly; \$0.96 per year).

### High Quality Fixed Income Investment

- **Investment grade fixed income portfolio:** Portfolio is comprised of US fixed income securities (approx. 80% hybrid-preferred securities; 20% corporate bonds) primarily of financial and utilities companies
- Fund is rated P-2f by Standard & Poor's
- Portfolio is fully hedged back to Canadian dollar
- Diversified by issuer and issue (47 issues and 39 issuers)
- Leverage of up to 35% of total assets to enhance the total return

### Compelling Economics

- Yield differentials between US preferred securities and 30-year US Treasuries remain exceptionally high, suggesting continued upside potential for US preferred securities
- Low borrowing costs and high current yields on US preferred securities, provide significant yield pick-up of approximately **9%** on levered portion of portfolio<sup>1</sup>

### Top Portfolio Manager:

- Flaherty & Crumrine Inc. is the oldest and most experienced US firm specializing in preferred securities with extensive experience in other fixed income investments
- AUM of US approximately \$2.6 billion

For more information on FFI.UN click [here](#)

<sup>1</sup> As at June 30, 2009