

## Highlights & Updates

The **Aurion II Equity Fund (Class A)** rose by 5.9% for the quarter versus 3.6% for the S&P/TSX Composite Index. Over the last three and four year periods, the Fund has outperformed the S&P/TSX Composite by 6.6% and 2.9%, respectively.

The **Aurion Income Opportunities Fund (Class A)** edged 2.6% higher over the quarter, while the DEX Universe bond index rose by 2.1% for same period. On a year to date basis, the Fund is up 10.1% while the DEX index has posted a return of 9.7%.

The **Aurion Capital Canadian Bond Fund** was launched in January 2010 and has gained 16.3% since inception compared to 17.1% for the DEX Universe Bond Index.

### PRODUCTS OFFERED

The following products are available for institutional and other investors:

- Equities (Canadian & Canada Plus)
- Real Estate
- Fixed Income
- Currency
- Dynamic Aurion Mutual Funds
- Aurion Pooled Funds
- Institutional Investment Advisory
- Pension Fund Investment Management

In addition, we design and deliver specialized portfolio management solutions and a comprehensive pension fund management service.

### ABOUT US

Aurion Capital Management Inc. is an investment management firm offering a range of specialized investment products.

Founded in 1996, our business has grown steadily:

**AUM & AUA Clients / Mandates:** 18 clients / 29 mandates

**AUM:** \$5.7 billion    **AUA:** \$3.4 billion    As at December 31, 2011

### OUR PEOPLE

We have a team of 26 individuals in investment management, operations and business development. Our team of investment professionals is experienced and highly qualified.

Investment Management team:

13 professionals with average investment management experience of 21 years.

## Outlook for 2012

- ❖ We expect 2012 will see a reversal of the pessimistic mood that prevailed in 2011, as fears of an uncontrolled financial European debt crisis abate. Equities were priced for an economic downturn that is unlikely to materialize. Stocks should provide superior returns to fixed income as a result of improved investor sentiment and compelling valuation. **Robert Decker, SVP Equities**
- ❖ Key investment premise for 2012 is to effectively manage the risks inherent in the bond market given the current low bond yields and challenging macro environment. We are focusing on strategies to hedge interest rate risk, preserve capital, and achieve a reasonable return for our investors by investing in multiple sectors within the bond market on an actively managed basis, while maintaining prudent risk controls. **Christine Horoyski, SVP Fixed Income**
- ❖ Real Estate continues to offer our clients a compelling yield in comparison to government bonds. We are concerned with the large amount of money chasing core real estate offerings including a seemingly inexhaustible supply of capital to the publicly listed REITs. We continue to search out investment opportunities with steady recurring income coupled with the potential for income growth. **Aurion Real Estate Fund LP, Eric Lerner, SVP Real Estate**
- ❖ Risk aversion was a key theme in 2011. While macro risks, such as the European debt crisis, will continue to be headline news it is expected that risk assets, such as equities and corporate bonds, will deliver better returns in 2012 based on good earnings, attractive valuations and global monetary stimulus. **Neil Jacoby, CIO**

Our primary focus is our clients.

We remain committed to providing excellence in portfolio performance and client service while continuing to design and deliver products that meet the needs of our clients.

### For additional information, please contact:

Chris Wright, VP, Business Development ♦ Tel: 416-866-2420 ♦ Email: cwright@aurion.ca ♦ www.aurion.ca  
120 Adelaide Street West, Suite 2205 ♦ Toronto ON M5H 1T1

