

WHO IS THE FUND MANAGER?

Cambridge Global Asset Management, a division of **CI Investments**, is an investment firm founded in 2008 with offices in Toronto and Boston. Cambridge Global Asset Management's passion for investing is what drives the team to ask more questions, to research additional areas and to uncover more companies to analyze. Cambridge's goal is to offer a unique approach to money management: focused on absolute returns and downside protection with proper alignment between portfolio managers and clients.



MAXIMUM DIVERSIFICATION AND TRULY ACTIVE MANAGEMENT

Investment philosophy and approach

The SSQ CI Cambridge Canadian Asset Allocation Guaranteed Investment Fund (GIF) is a **Canadian asset allocation fund**. The strategy is managed by the Cambridge Global Asset Management team, whose philosophy has three components:

- Focusing on absolute returns by capitalizing on the best investment ideas, regardless of sector, market capitalization or benchmark weighting.
- Optimizing trade-off between risk and return by identifying companies that are constantly improving their financial results (primarily earnings) and trading at a discount to fair value.
- Partnership with companies run by a solid management team whose interests are aligned with those of shareholders and who have an excellent track record when it comes to allocating capital.

The team is renowned for its combination of macroeconomic and fundamental bottom-up analysis when building portfolios. It uses a focused, high-conviction approach and selects only those securities that reflect its best ideas.

Portfolio management team

The team is made up of nine investment professionals, led by Chief Investment Officer Brandon Snow. Robert Swanson is head of asset allocation of the SSQ CI Cambridge Canadian Asset Allocation GIF. Prior to joining Cambridge, Mr. Swanson was the senior manager of several strategies totalling more than \$20 billion in assets at Fidelity Investments Canada. In addition, **he has more than 30 years of experience in the investment industry and is the recipient of ten Lipper Fund Awards**.

Brandon Snow, in addition to being the Chief Investment Officer, along with Robert Swanson, are the co-managers of the fund. Brandon Snow is in charge of Canadian equity stock picking and a team of seasoned investment professionals are responsible of foreign equity stock picking.

Why invest in this fund?

The main advantage of investing in this Canadian asset allocation fund is having access to a reliable management team made up of recognized experts in their field. The investment policy of the fund allows the team to capitalize on their many talents, including asset allocation and security selection.

A FUND THAT PAYS MONTHLY DISTRIBUTIONS

The SSQ CI Cambridge Canadian Asset Allocation GIF aims to pay a fixed distribution of **2.5¢ per unit/month**. For registered plans, these distributions are reinvested in the fund.

In the case of non-registered plans, the distributions can be reinvested in the fund or paid directly into a bank account, depending on the investor's preference. This is a major advantage, e.g. for some investment loans, since the distributions can be used to repay the loan.



Robert Swanson



Brandon Snow

SSQ CI CAMBRIDGE CANADIAN ASSET ALLOCATION GIF

Asset allocation

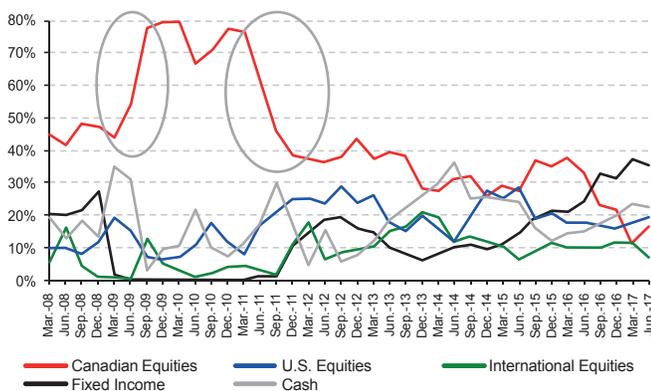
The investment team adjusts its economic outlook by evaluating current market conditions using economic analysis (economic data and demographic trends), fundamental factors (sales/earning trends, valuation levels) and technical indicators.

The fund may hold up to 49% of its assets outside Canada and may invest in all market capitalizations. In addition to offering superior diversification, it can capitalize on a larger number of opportunities, mainly in Canada but also in other countries (bonds as well as equities).

Special emphasis is placed on risk management, as the team ensures that the portfolio is diversified by asset class, region, sector, industry, and market capitalization.

The fund is not only “high-conviction” in terms of security selection, but also in terms of asset allocation. For example, the manager increased the Canadian equity allocation between 2009 and 2011, when the S&P/TSX Composite Index generated an annualized return of 30.8% (including dividends). The other notable change occurred between the second and fourth quarter of 2011, when the Canadian equity allocation was trimmed in favour of cash and U.S. equities. This decision protected a sizable portion of the invested capital as the Canadian market fell by 13.5%.

Fund's asset allocation since March 2008



Security selection

Security selection in the equity portfolio is focused primarily on stable companies that are run by strong management teams, have earnings that are constantly growing and that are trading on the market at a discount vis-à-vis Cambridge's assessment of fair value. The rest of the equity portfolio is made up of securities that present significant risk-reward opportunities, usually on a shorter term basis e.g. because they are operating in an “out-of-favour” sector or due to special situations, such as a restructuring, merger or other major event.

Another result of the high-conviction equity portion of the portfolio is the fund's high active share, which stood at 90% as of July 31, 2017. In other words, 90% of the equity portfolio differs from the benchmark index (S&P/TSX Composite). This bodes well since according to a Cremers and Petajisto study in 2009,¹ funds with the highest active share (80% or more) outperform their benchmarks, both before and after fees, and their returns are very constant. **The more a portfolio's composition deviates from the benchmark index, the better the chances that its return will differ from that of the index and the better the chances that it will outperform the index on a long-term investment horizon.** For that reason, the portfolio contains the best securities selected by the team, whether or not they are included in the benchmark index.

Performance

Thanks to a philosophy that enables the team to put forward its best ideas regardless of the benchmark index, combined with a truly active asset and security selection process, and an experienced team led by an **award-winning manager, strong past performance comes as no surprise.**

¹ Cremers, Martijn and Petajisto, Antti, How Active Is Your Fund Manager? A New Measure That Predicts Performance (March 31, 2009).

ADVANTAGES OF THE SSQ CI CAMBRIDGE CANADIAN ASSET ALLOCATION GIF

A SOLID TEAM

The fund boasts a fifteen-person team noted for the quality of their security selection, managed by Robert Swanson, winner of ten Lipper Fund Awards, and by Brandon Snow, winner of four Lipper Fund Awards and multiple other awards and recognition.

AN ALL-IN-ONE TEAM

In addition to asset allocation, the top-rated team specializes in security selection.

ACCESS TO ALL-CAP EQUITIES AND FOREIGN SECURITIES

The fund offers superior diversification and is able to capitalize on numerous investment opportunities in Canada and around the world.

TRULY ACTIVE MANAGEMENT

The fund is very actively managed, not only in terms of security selection, thanks to its high active share and currency management.

A MANAGER WITH CONVICTION

The fund contains significant weightings of the manager's best ideas with a view to generating the highest absolute return.