

OUTSTANDING TURNKEY PORTFOLIOS

SSQ Financial
Group

Values in the right place

Advisor's document



Investment

With its Strategy and Celestia portfolio fund families, SSQ Financial Group offers valuable turnkey investment solutions.



The SSQ Balanced Strategy was the first SSQ GIF, created in 1997. We then expanded from a balanced fund to 4 Strategy funds, adapted to different risk profiles, with a traditional pension management approach. Later, a second family of funds, Celestia, was introduced. With an investment approach based on innovative pension fund design, these funds include specialty asset classes, and more recently put a stronger focus on income generating assets.

STRATEGY AND CELESTIA PORTFOLIOS

The portfolios of both families were constructed on similar foundations. SSQ GIF portfolios are designed to offer similar investments to those of major pension funds. Made up of different individual funds and providing exposure to bonds and equities, SSQ GIF portfolios give you privileged access to world-renowned managers. They also include a percentage of specialized investments in non-traditional asset classes that you won't find in other funds available on the market. However there are major differences between them which allow them to meet a wide variety of investor needs.

How do SSQ GIF portfolios reach their objectives?

SSQ Strategy GIFs are mainly made up of traditional assets and rely primarily on capital growth to generate returns on equity.

SSQ Celestia GIFs are not only made up of traditional assets but they are **geared toward income generation** and therefore aim to generate a larger share of their returns through funds focused on income rather than relying solely on capital growth.

These families are suitable for investors in the accumulation phase as well as investors nearing the income withdrawal phase who are concerned about the erosion of their wealth. That is why both the Strategy and Celestia families of funds offer four fund versions each. Through a judicious allocation of fixed income and variable income securities, the four funds of each family come with risk levels that correspond to the four investor profiles:

- The **conservative portfolio funds** aim to provide a stable income while preserving capital.
- The **balanced portfolio funds** aim to generate a regular income and ensure some growth in capital in the long term.
- The **growth portfolio funds** were designed to generate long-term growth and a steady income.
- The **aggressive portfolio funds** aim to obtain superior long-term growth and generate a steady income.

SSQ Strategy GIFs and SSQ Celestia GIFs also share the following features:

- Each fund is well diversified by asset class, region, sector and market capitalization and offers complementary management styles.
- Every fund is composed entirely of funds managed by external investment managers who give preference to active management.
- Every fund is rebalanced to its target allocation on a quarterly basis and/or as soon as the allocation to an asset class deviates by more than 5% from its target.

A WIDE VARIETY OF INCOME-GENERATING INVESTMENT OPPORTUNITIES

The notion of regular income suggests the use of fixed-income securities such as bonds. However, other investments such as dividend-paying stocks can provide a regular income.

Examples of underlying fund holdings	Strategy	Celestia
Government and investment-grade corporate bonds	++	++
High-yield corporate bonds	+	++
Common growth-style shares	++	+
Common dividend-paying shares	+	++
Common infrastructure shares		++
Income trusts (e.g., real estate investment trusts (REITs))	+	++

The creation of a portfolio focused on income generation is based on creating a balance between maximizing returns and obtaining a satisfactory total return. **SSQ GIFs are constructed on the basis of a multiple income approach based on good diversification of income sources.**

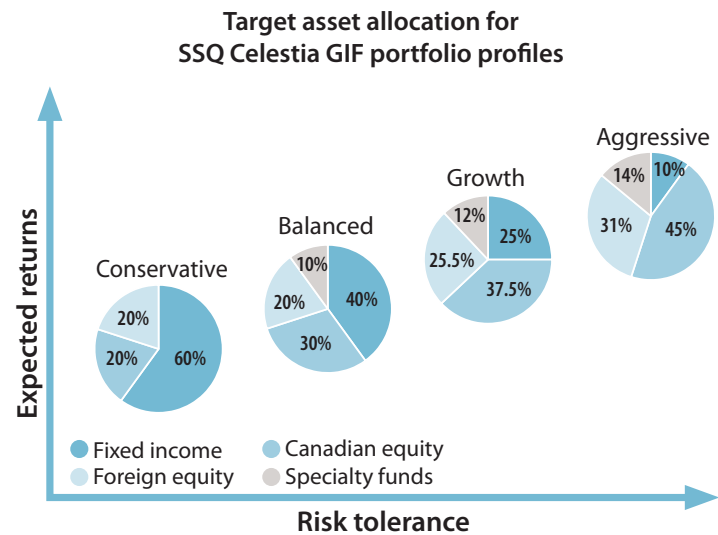
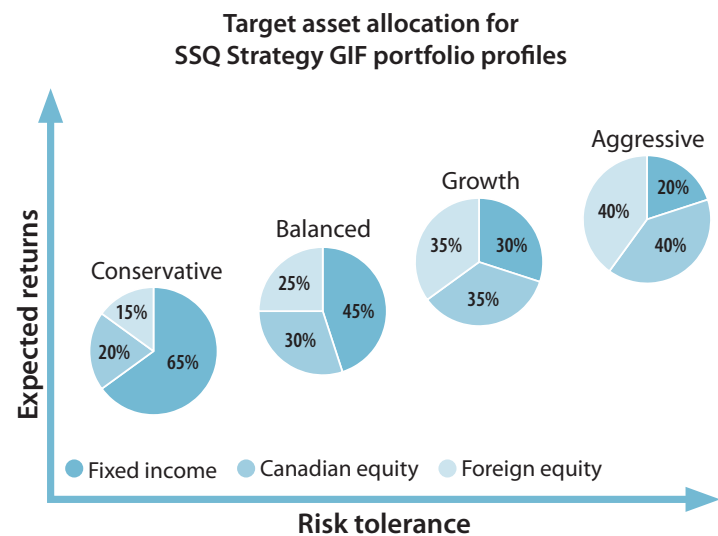
ADVANTAGES OF INCOME GENERATION

The focus on income within investment portfolios has several advantages:

- This strategy can provide protection against interest rate hikes by using bonds with varying maturities.
- In an actively managed portfolio, it is an excellent solution for investing in equities while being exposed to less risk.
- It is possible to obtain stable returns whether or not there is an increase in share price. For example, the return from dividends improves portfolio returns when markets are up, and protects its value when markets are down.
- This investment diversifies the portfolio through exposure to multiple sources of return while maintaining the potential for growth. For example, bonds issued by companies that are less financially sound are great opportunities to improve performance.



ALLOCATION OF STRATEGY AND CELESTIA GUARANTEED INVESTMENT FUNDS [GIF]



To learn more, refer to the Managers and allocation of Strategy and Celestia guaranteed investment funds [GIF] [MRA1514] document.

ADVANTAGES OF OUR PORTFOLIO FUNDS

In sum, SSQ Strategy GIFs and SSQ Celestia GIFs provide investors and advisors with the following benefits:

- 1 SIMPLICITY:** A simple investment solution that offers optimal diversification in a single product (and a single transaction).
- 2 AUTOMATIC REBALANCING:** The investor's objectives and portfolio allocation are respected at all times, thus freeing up time for the advisor to develop current and future client bases.
- 3 OPTIMAL DIVERSIFICATION:** Optimized asset allocation through diversification by asset class, region, sector, market capitalization as well as complementary management styles (growth vs. value, bottom-up vs. top-down, fundamental vs. quantitative).
- 4 ONGOING MONITORING:** Monitoring is carried out by a team of specialists. This team closely monitors fund managers and is proactive in the addition and withdrawal of funds within the Strategy and Celestia families of funds.
- 5 REASSURING SOLUTION:** Diversified investments are grouped together in a single fund (single line on the client's investment statement), which can reduce a tendency often observed and related to behavioural finance: when clients have several funds in their portfolio, they will lean toward replacing the funds that underperform (in absolute terms) with funds that performed best (in absolute terms)—a situation that distances the client from the principle of diversification.
- 6 PARTICIPATION IN THE GROWTH OF EMERGING COUNTRIES:** The inclusion of emerging countries allows investors to participate in superior economic growth in these countries via investments in the Hexavest All-Country Global Equity Fund in SSQ Strategy GIFs.
- 7 ACCENT ON INCOME GENERATION:** The integration of funds focused on income generation helps stabilize the performance of the portfolios, thanks in part to the CI Signature Corporate Bond Fund, PIMCO Monthly Income Fund and TD Global Dividend Equity Fund in SSQ Celestia GIFs.
- 8 PREFERENTIAL ACCESS AND COMPLETE INDEPENDENCE:** Access to certain renowned managers normally reserved for large pension funds and complete independence in the selection of external managers: SSQ has no internal portfolio management team or investment subsidiary, nor does it have any financial interest in an investment management firm.
- 9 GROWTH POTENTIAL:** Higher growth potential thanks in part to the Fiera Capital Canadian Small Cap Equity Fund under the Balanced to Aggressive versions of the SSQ Strategy GIFs.
- 10 CAPITAL PROTECTION:** Capital protection against future interest rate hikes via investments in the OAM Treasury Fund under the Conservative and Balanced versions of the SSQ Strategy and Celestia GIFs.



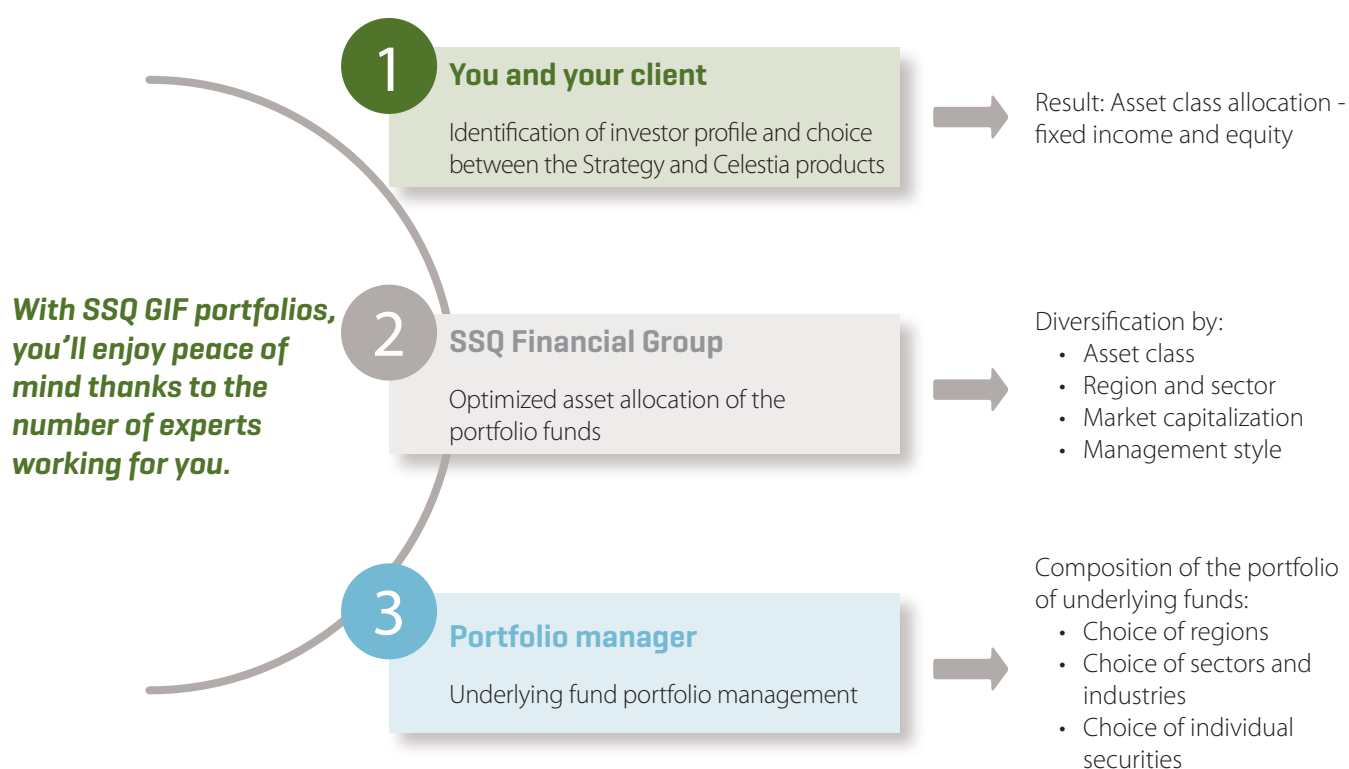
PROACTIVE AND ONGOING MONITORING

In addition to all these advantages, your efforts are backed by SSQ Financial Group's Fund Offering Committee and the external portfolio managers it has selected.

When the Committee makes the decision to modify the portfolio fund composition, it thoroughly analyzes all the funds available on the platform in order to optimize its choice of managers in each asset category. The ultimate goal is to obtain performance that is stronger, yet stable in different market environments.

The SSQ GIF portfolios include funds from different asset classes and managed by different managers, resulting in balanced multi-management funds. It's like having an entire team of managers at work for the investor, each one in their area of expertise.

ROLES OF STAKEHOLDERS INVOLVED IN THE INVESTMENT PROCESS



Please contact your SSQ representative for more information about our Strategy and Celestia GIFs.

RENOWNED MANAGERS



Morgan Stanley



P I M C O



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