



## SSQ Guardian Conservative Monthly Income GIF SSQ Guardian Monthly Income GIF

### About the fund manager

**Guardian Capital** is an independent, diversified financial services firm providing investment solutions to institutional and retail investors. The firm was incorporated in 1962 and has been a public company listed on the Toronto Stock Exchange since 1969. Guardian Capital manages over \$25 billion in equity, fixed income and alternative mandates, both globally and domestically.

### An innovative solution for income-seeking investors

Historically low interest rates are pushing investors to seek solutions that **provide yield, while maintaining capital appreciation and controlling risk.**

We introduced two diversified SSQ Guaranteed Investment Funds (GIFs), managed by Guardian Capital, that offer tailored solutions to address investor income needs. These funds have built in the flexibility to respond to the evolving market conditions.

Both funds were developed in partnership with Guardian Capital and offer **a solution between traditional balanced funds and tactical asset allocation.**

A unique approach available as a segregated fund!



## Strategic Asset Mix

SSQ Guardian Conservative Monthly Income GIF		SSQ Guardian Monthly Income GIF	
	Target		Target
<b>Fixed-income</b>	<b>60.0%</b>	<b>Fixed-income</b>	<b>40.0%</b>
Guardian Short Duration Bond Fund	15.0%	Guardian Short Duration Bond Fund	5.0%
Guardian Canadian Bond Fund	32.5%	Guardian Canadian Bond Fund	17.5%
Guardian High Yield Bond Fund	12.5%	Guardian High Yield Bond Fund	17.5%
<b>Equities</b>	<b>40.0%</b>	<b>Equities</b>	<b>60.0%</b>
Guardian Equity Income Fund	13.0%	Guardian Equity Income Fund	20.0%
Guardian Canadian Equity Fund	7.0%	Guardian Canadian Equity Fund	10.0%
Guardian Global Dividend Growth Fund	13.0%	Guardian Global Dividend Growth Fund	20.0%
Guardian Fundamental Global Equity Fund	7.0%	Guardian Fundamental Global Equity Fund	10.0%
<b>Who should invest in this fund?</b>		<b>Who should invest in this fund?</b>	
This fund may be suitable for investors with a <b>conservative profile</b> or those who are in the <b>decumulation</b> phase, seeking both income and long-term capital growth.		This fund may be suitable for investors with a <b>moderate profile</b> , in the <b>accumulation</b> phase, seeking both income and long-term capital growth.	

## Attractive and stable long-term income and growth

A significant portion of the portfolio is invested in underlying funds that aim to provide income and growth primarily by investing in high yield bonds, fixed income and equity income securities. Since the design of the strategy for both funds has a significant focus on income-generating investments, this can help minimize the long term volatility of the total returns.

Generally, the SSQ Guardian Conservative Monthly Income GIF aims to generate a current yield of approximately 10% more than the benchmark.

As for the SSQ Guardian Monthly Income GIF, it aims to generate a current yield of approximately 25% more than the benchmark.

## Strategic asset allocation + Tactical asset allocation = a winning combination!

**Strategic asset allocation** is like a road-map that guides investors to achieve suitable long term objectives. In the case of the SSQ Guardian Monthly Income GIFs, the investment strategies underpinning the funds follow a strategic asset allocation that aims to provide relatively stable income and growth in the most conservative manner.

However, as market conditions can sometimes change and the long-term strategy may encounter road bumps, we need the flexibility to adapt and protect downside losses or to take advantage of emerging upside opportunities.

**Tactical asset allocation** is another approach that attempts to take advantage of short to intermediate expectations of changing market opportunities. Combining the strategic with the tactical approach allows the manager to maintain a disciplined long-term asset mix with the flexibility to make shorter term adjustments as market conditions evolve.

**Both of these SSQ Guardian Monthly Income GIFs have strategic asset mix targets and allowable tactical ranges that provide the manager with the ability to take advantage of market opportunities as they arise.**

These tactical tools may involve changes between asset classes (i.e. equities vs. fixed income) or making changes within asset classes (i.e. choosing within Canadian equities between small cap vs. large cap vs. dividends). In order to manage risk, each asset class is limited to a range +/- 15% around the strategic targets. Therefore, each portfolio's strategic 60/40 allocation between stocks and bonds will not vary by more than 15%, including changes to the underlying funds within each asset class.

Because of Guardian's extensive investment history and options within each asset class, the tactical strategy provides the manager flexibility to make changes in the underlying funds that comprise each asset class in addition to asset allocation changes between asset classes.

**For example, the manager may:**

- Employ tactical shifts between fixed income funds such as increasing or decreasing the allocation to high yield bonds
- Allocate a higher or lower proportion to Canadian equities vis-a-vis Global equities
- Tilt exposures to small/mid cap Canadian equity funds relative to large cap or dividend-paying funds

Overall, the funds are managed to combine both the long-term **asset mix** and dynamically adjusting to shorter-term market expectations – all while maintaining the appropriate balance between risk and return.

## Optimal diversification

Tactical asset allocation allows the managers to include potential satellite funds up to a maximum of 20% of the portfolio's market value. Depending on their assessment of the market, managers may decide this fund class has the potential to produce greater returns when adjusted for risk and include it in their portfolios for a certain period.

### Satellite Funds



## Portfolios that react well to a variety of market conditions

By nature of the underlying funds and the strategic asset mix combined with the tactical flexibility, the investment strategy was designed to provide downside protection in difficult markets without forgoing the ability to capture capital appreciation in upmarkets. We believe the strategic asset mix of the funds offers a well-diversified, stable income and growth portfolio that is suitable for all market conditions.

### Bear markets

The geographically diverse, income-focused nature of the products helps minimize downside volatility by aiming to invest in securities that generate stable and conservative income. These cash flows help to provide a cushion against downward price movements.

### Bull markets

Different asset classes perform differently in up or down markets. Because the funds have the ability to redeploy capital between asset classes and within asset classes, it can employ different Guardian funds/strategies that may have more capital appreciation focus in bull markets. This flexibility allows the fund to potentially enhance returns over income in up markets.

## An experienced portfolio manager

Experience and sound judgement are important elements in portfolio management. For over 50 years, clients have entrusted Guardian Capital with providing stewardship over their investments. Guardian's reputation is built on experience, conviction and a stable investment team, with a disciplined, team-based research and investment process.

The portfolio management team is built with seasoned Canadian Equity, Global Equity and Fixed Income specialists with close to 30 years of experience in the investment industry on average.

# Advantages of the SSQ Guardian Monthly Income GIF

## A mix of tactical and strategic allocation

This innovative approach provides flexibility to incorporate short to mid-term tactical positions with the discipline of a strategic asset allocation plan to stay focused on the long-term investment goal.

## Optimal diversification

In addition to the strategic asset mix made up of seven core funds, the manager can add "satellite" funds if they have better return prospects adjusted for risk.

## Income for all market scenarios

The funds use income-focused underlying funds to generate a regular and stable income in all market scenarios.

## An experienced manager

Guardian Capital has extensive expertise managing investments in Canadian and Global Equities, Income Strategies as well as Alternative Strategies and has proven its stability and performance over several market cycles.

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**For further details, please refer to the  
"Fund Facts" available on [ssq.ca](http://ssq.ca)**