

SSQ Hillsdale U.S. Equity GIF

About the fund manager

Founded in 1996, **Hillsdale Investment Management** is a partner-owned and motivated institutional investment company with a large and experienced team. Hillsdale’s investment professionals align their clients best interests by investing alongside their own clients. Hillsdale is driven by its proprietary research engine which is focused on generating value added relative to the market adjusted for risk.

Core investment style resulting from a multi-strategy stock selection process

Investment philosophy and approach

Hillsdale believes that successful investment management requires both fundamental and quantitative research implemented through a disciplined and systematic framework. This approach results in a **measurable, rational and evidence-based process** which is designed to produce superior results adjusted for risk.

Hillsdale’s competitive advantage results from its proprietary research engine which integrates data from over 30 carefully selected data providers in numerous countries and frequencies. This provides the firm with the intellectual capital to be leaders in research and investment management.

The SSQ Hillsdale U.S. Equity GIF invests in two complementary Hillsdale U.S. equity strategies:

- Hillsdale U.S. Core Equity Strategy (67%)
- Hillsdale U.S. Small Cap Equity Strategy (33%)

Both strategies employ Hillsdale’s **proprietary, multi-strategy** stock selection process implemented through a rigorous risk management system which is designed to produce consistent results over time.



Why invest in this fund?

The SSQ Hillsdale U.S. Equity GIF capitalizes on active stock selection in both large cap and small cap universes, evaluating around 3,500 securities. The Small Cap Strategy offers a higher expected return than the benchmark while the Core Strategy is designed to track closer to the benchmark. By combining both strategies, the SSQ Hillsdale U.S. Equity GIF offers investors a smoother investment journey.

Both strategies take advantage of Hillsdale's integrated risk management system and therefore are risk controlled relative to their respective Benchmarks. This results in higher upside potential while limiting downside risk.

The SSQ Hillsdale U.S. Equity GIF has a high level of active share versus its Benchmark, the S&P 500. It is perfectly suited for investors seeking active management, offering the highest probability of value added with a similar level of risk to the benchmark.

Hillsdale U.S. Core Equity Strategy (67%)

The Hillsdale U.S. Core Equity Strategy follows a systematic, disciplined investment process that is risk controlled relative to its benchmark, the S&P 500. The strategy is designed to add value relative to the benchmark over a full market cycle with volatility similar to the index.

Hillsdale U.S. Small Cap Equity Strategy (33%)

Similar to the U.S. Core Strategy, the Hillsdale U.S. Small Cap Equity Strategy aims to generate superior results relative to the Russell 2000 over a full market cycle with volatility similar to the index. This is achieved through a systematic, disciplined investment process focused on consistently adding value relative to the benchmark.

Research has shown that small cap stocks can outperform their larger cap counterparts over a full market cycle. Hillsdale's U.S. Small Cap Strategy captures this potential upside through a diversified approach focused on selecting superior stocks adjusted for risk.

Security selection

Hillsdale recognizes that there are many different approaches and investment styles investors can employ in attempting to add value relative to the index. Hillsdale employs a multi-strategy stock selection process designed to capture the potential value added across all investment styles in a specific equity universe.

Reflecting this multi-strategy approach, each stock, in the two unique universes, is fundamentally assessed employing Hillsdale's 8 stock selection strategies (see below). Highest ranked stocks are considered as "buys" and selected for the portfolio based on an integrated risk management system.



Multi-Strategy	Summary Strategy Descriptions
Quality and Efficiency	Emphasizes stocks with outstanding long-term business characteristics
Income	Selects stocks with consistent, strong and sustainable income results
Value	Focused on stocks that are priced at a significant discount to valuations
Momentum	Capitalizes on stocks with strong momentum characteristics
Core	Scores stocks utilizing industry relative fundamental metrics
Sentiment	Assesses stocks based on market views and beliefs
Expected Growth	Highlights stocks with exceptionally strong growth characteristics
Consensus	Scores stocks based on analyst recommendations and expectations

These approaches ensure that portfolio holdings have the highest probability of adding value over the long term.

Portfolio management team

Hillsdale believes in a team approach to idea generation and knowledge capital. Each strategy has a lead portfolio manager and a team of investment professionals who assist in the management of the strategy by providing knowledge capital such as: research analysis and new ideas, individual stock analysis, system rankings, strategy tests, stock and portfolio risks, stress analytics, capital market intelligence, sell-side analyst opinions, etc. Hillsdale has a talented and experienced team of professionals, all aligned with the philosophy of the firm.

Risk management

Active portfolio management is about the management of **known risks** while risk management is about insuring against **unknown risks**. Hillsdale uses a **proprietary, real-time risk management system** in the management of its portfolios. Risk budgets and controls are embedded in the investment process and are equally used to manage either active or total risk.

Risk analysis is performed on a daily, weekly, monthly, quarterly and annual basis and includes monitoring of: position sizes, sector exposure, contribution to volatility, factor exposure, etc. Data inputs are measured over several intervals ranging from intra-day, daily, weekly, monthly, quarterly and annually.

Advantages of the SSQ Hillsdale U.S. Equity GIF

Core Investment Style

A multi-strategy, multi-frequency approach that results in a core investment style, **consistent value added** and a smoother investment journey for the investor. Exhibits value and growth characteristics over time designed to be robust in most market conditions.

Client alignment

Hillsdale's investment professionals align their clients best interests by investing alongside their own clients.

Fundamental and quantitative ideologies

Fundamental research allows Hillsdale to generate ideas about what drives individual stock returns while quantitative tools are employed to rigorously test these hypotheses and create a memory pattern for the strategies derived from the hypotheses.

Culture and values

To foster its culture, Hillsdale attracts talented and creative individuals who believe in originality, knowledge sharing and a long-term orientation. Dedication to the **ongoing study of capital markets and enhancement of the investment process** are at the roots of Hillsdale's culture.

Adaptive and innovative research

Hillsdale is constantly conducting research to add value to client portfolios by utilizing the firm's **intellectual capital for the design, development and optimization of the investment process**.

Quantitative approach

The quantitative approach allows Hillsdale to analyze a large number of investments that would otherwise be inaccessible in a strictly traditional approach.



**For further details, please refer to the
“Fund Facts” available on ssq.ca**

