

FIERA CGOV BALANCED FUND

Inception Date February 1, 1997	Performance Benchmark 5% T-Bill, 35% FTSE Canada Mid Term Bond Index, 20% S&P/TSX Composite, 40% MSCI World	Currency CAD
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STRATEGY DESCRIPTION

The strategy is a high conviction portfolio that limits itself to a maximum of 25 holdings. The foundation of our investment strategy incorporates our own ESG analysis and focuses on companies that have sustainable management practices, sustainable business drivers, sustainable valuations, and sustainable alignment with stakeholders. Portfolio companies have resilient economic moats and are able to earn high Returns on Invested Capital to compound wealth over time. We believe superior and sustainable long term returns are achieved by building a diversified portfolio that protects capital on the downside.

PORTFOLIO MANAGEMENT TEAM

Team member	Role	Experience
Gord O'Reilly, CFA	Senior Portfolio Manager	1989
Elena Gorbatkova	Assistant Portfolio Manager	2008
Matthew McNeill, CFA	Analyst	2015

INVESTMENT PROCESS

Idea Generation	Screens based on ROIC, profitability and leverage All market caps in the investable universe subject to liquidity constraints Management meetings, industry conferences, field trips
Fundamental Bottom-Up Research	Four Pillars of Sustainability Framework that incorporates ESG and sustainability analysis In-depth research process that assesses business drivers, management and economic moat Regular due diligence on management, site visits and competitive environment
Portfolio Construction	Multifactor Ranking Model ranks ideas on 20+ metrics (such as ROIC and leverage) and estimates intrinsic value Competition for Capital creates a high conviction portfolio of the 25 best ideas Correlation analysis, sector diversification and downside protection considerations
Risk Management	Focus on high quality businesses with strong balance sheets and durable cash flows Milestone template tracks company performance and intrinsic value based on internally developed targets Require minimum 15% discount to intrinsic value

WHY INVEST IN THIS STRATEGY

- ⊙ Long-term investing ensures emphasis on high quality, best of breed companies and consistency of performance
- ⊙ Strong disciplined approach and an experienced management team
- ⊙ Rigorous research ensures in-depth knowledge of the companies within the strategy and consistent success of our approach
- ⊙ High conviction focused portfolio with diversified sources of alpha
- ⊙ Broad universe of potential investment opportunities
- ⊙ High degree of capital preservation during falling markets

DIFFERENTIATORS

Concentrated Portfolio	Maximum 25 holdings, high conviction portfolio Maintain high level of diversification
Sustainability	Regular engagement on material factors Four Pillars of Sustainability Framework that incorporates all elements of sustainability
Capital Preservation	Intense focus on downside protection Strong belief that superior long term returns are achieved through preserving capital on the downside

PERFORMANCE (%)

As of June 30, 2020

PER PERIOD AND CALENDAR YEAR PERFORMANCE												
	Q2 2020	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Portfolio	9.90	1.80	12.49	-0.14	8.39	5.70	8.05	11.43	16.03	12.31	2.59	10.59
Benchmark	10.51	1.38	15.02	-1.06	8.09	6.71	7.37	11.42	15.90	8.77	0.90	9.18
Added Value	-0.61	0.42	-2.53	0.91	0.30	-1.01	0.68	0.01	0.13	3.53	1.69	1.42
ANNUALIZED PERFORMANCE												
	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years	SI	
Portfolio	4.72	5.19	6.00	6.43	5.86	6.26	8.22	8.95	8.23	9.13	7.54	
Benchmark	6.08	5.92	6.39	7.06	6.24	6.80	8.37	8.65	7.92	8.49	6.54	
Added Value	-1.36	-0.74	-0.39	-0.63	-0.39	-0.54	-0.15	0.30	0.31	0.64	1.00	

Past performance is not a guarantee or indicator of future results. Inherent in any investment is the risk of loss. Composite returns, presented gross of management fees

YTD = Year to Date; SI = Since Inception

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PORTFOLIO CHARACTERISTICS

Equity Characteristics

	Portfolio	Benchmark ¹
Price / Earnings per share (NTM)	29.25	19.98
Return on Equity (ANN) (%)	17.15	11.06
Dividend Yield	2.19	2.87
Debt / Equity (LTM)	0.88	2.42
Beta	0.88	1.00

Source: Factset

1. Equity Benchmark: 35% S&P/TSX Composite, 65% MSCI World

Balanced Characteristics

	Portfolio	Benchmark ²
Standard Deviation (5 year)	6.57%	7.09%

Fixed Income Characteristics

	Portfolio	Benchmark ²
Duration	2.78 years	6.80 years
Yield to Maturity	1.75%	1.23%

2. Fixed Income Benchmark: FTSE Canada Mid Term Bond Index

ASSET ALLOCATION (%)

Asset Class	Portfolio
Equity	64.8
Fixed Income	32.8
Cash	6.1

PORTFOLIO ALLOCATION – FIXED INCOME (%)³

Asset Allocation

Sector	Portfolio
Federal	19.4
Provincial	17.8
Municipal	26.2
Corporate	37.5

Credit Profile

Rating	Portfolio
AAA	19.9
AA	31.2
A	27.8
BBB	15.1
High Yield	4.2
Not Rated	1.8

Maturity Profile

Duration	Portfolio
Short (0 to 5 years)	60.1
Mid (5 to 10 years)	41.0
Long (> 10 years)	-1.1

3. Excluding cash and cash equivalents

EQUITY SECTOR ALLOCATION (%)

Sector	Portfolio
Energy	1.6
Materials	16.2
Industrials	9.5
Consumer Discretionary	0.9
Consumer Staples	0.0
Health Care	11.1
Financials	8.9
Information Technology	12.1
Telecom. Services	0.1
Utilities	2.4
Real Estate	0.4

TOP-10 EQUITY HOLDINGS (%)

Security	Weight
1. Franco Nevada Corp.	5.0
2. Visa Inc.	3.9
3. Keyence Corp.	3.9
4. Sika AG	3.1
5. Experian	3.0
6. Canadian National Railway	2.9
7. Danaher Corp.	2.8
8. Koninklijke Philips	2.7
9. TD Bank	2.7
10. Microsoft Corp.	2.7
Total	32.7

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