

# SUSTAINABLE GLOBAL EQUITY

Formerly: Fiera CGOV Global Equity fund

<b>Inception Date</b> July 1, 2013	<b>Performance Benchmark</b> MSCI World (CAN\$)	<b>Currency</b> CAD
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## STRATEGY DESCRIPTION

The strategy is a high conviction portfolio that focuses on sustainable companies and 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.

## HIGHLIGHTS

<b>Style</b>	All Cap
<b>Process</b>	Fundamental bottom-up
<b>Annual turnover</b>	Low
<b>Investment horizon</b>	5 years +
<b>Number of holdings</b>	Maximum of 25
<b>Sector deviation</b>	Potentially large
<b>Strategy AUM</b>	\$86 Million (As at March 31, 2022)

## INVESTMENT PROCESS

<b>Idea Generation</b>	Screens based on ROIC, profitability and leverage All market caps in the investable universe subject to liquidity constraints Management meetings, industry conferences, field trips
<b>Fundamental Bottom-Up Research</b>	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
<b>Portfolio Construction</b>	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
<b>Risk Management</b>	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 focused portfolio with low turnover
- High degree of capital preservation during falling markets
- Rigorous downside stress test analysis
- Nimble in our ability to invest in companies of all sizes
- Actively manage position sizes to benefit from price dislocations
- Investment team invests alongside clients

## DIFFERENTIATORS

<b>Concentrated Portfolio</b>	Maximum 25 holdings, high conviction portfolio Maintain high level of diversification
<b>Sustainability</b>	Regular engagement on material factors Four Pillars of Sustainability Framework that incorporates all elements of sustainability
<b>Capital Preservation</b>	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, 2022

PER PERIOD AND CALENDAR YEAR PERFORMANCE										
	Q2 2022	YTD	2021	2020	2019	2018	2017	2016	2015	2014
<b>Portfolio</b>	-16.63	-29.72	15.72	35.71	21.80	5.44	19.31	-1.41	17.38	14.80
<b>Benchmark</b>	-13.44	-18.82	20.78	13.87	21.22	-0.49	14.36	3.79	18.89	14.39
<b>Added Value</b>	-3.19	-10.90	-5.06	21.84	0.59	5.93	4.95	-5.20	-1.50	0.41

  

ANNUALIZED PERFORMANCE										
	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	SI
<b>Portfolio</b>	-21.05	-1.41	5.90	7.66	8.52	8.94	8.19	9.70	10.66	10.66
<b>Benchmark</b>	-10.77	6.21	6.54	6.31	7.52	9.23	8.04	9.34	11.00	11.00
<b>Added Value</b>	-10.28	-7.62	-0.64	1.35	0.99	-0.29	0.15	0.36	-0.34	-0.34

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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## RISK/RETURN ANALYSIS (%)

	Portfolio	Benchmark
Annualized return (%)	8.52	7.52
Beta	0.82	1.00
Standard deviation (%)	12.94	12.28
Information ratio	0.12	n/a
Sharpe ratio (0.94% <sup>1</sup> )	0.66	0.61
Up-market capture ratio (%)	91.55	n/a
Down-market capture ratio (%)	78.89	n/a

Composite, 5 year period ending June 30, 2022

1. Risk-free Rate of return

## PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
<b>Liquidity</b>		
CAD Market Cap (actual) (M\$)	214,216	440,517
<b>Risk</b>		
Debt / Equity (LTM)	1.02	1.37
Net Debt / EBITDA – Floor (LTM)	1.86	1.88
<b>Valuation</b>		
Price / Earnings per share (NTM)	24.18	14.51
Enterprise Value / EBIT (LTM)	23.96	17.04
Dividend Yield (LTM) (%)	1.26	2.47
<b>Profitability and Growth</b>		
Estimated EPS Growth (NTM) (%)	13.50	10.00
Estimated Revenue Growth current year (%)	11.92	9.42
Operating Margin (LTM) (%)	23.13	15.36
Return on Equity (ANN) (%)	20.25	13.51
Return on Invested Capital – Using NOPAT (ANN) (%)	16.47	11.48
<b>Number of Securities</b>	25	1,513

Source: Factset

## PORTFOLIO MANAGEMENT TEAM

Team member	Role	Experience
Gord O'Reilly, CFA	Senior Portfolio Manager	1989

## COUNTRY ALLOCATION (%)

Country	Portfolio	Benchmark
United States	32.6	68.7
Europe ex-UK	23.1	13.6
United Kingdom	20.5	4.4
Japan	7.1	6.2
Canada	5.9	3.6
Emerging Countries	4.5	0.0
Asia Pacific ex-Japan	4.4	3.5
Cash	2.0	0.0

## EQUITY SECTOR ALLOCATION (%)

Sector	Portfolio	Benchmark
Energy	0.0	5.0
Materials	11.9	4.3
Industrials	19.0	9.9
Consumer Discretionary	2.8	10.6
Consumer Staples	0.0	7.8
Health Care	30.5	14.2
Financials	4.5	13.6
Information Technology	21.2	21.1
Telecom. Services	2.3	7.6
Utilities	5.9	3.2
Real Estate	0.0	2.9
Cash	2.0	0.0

## TOP-10 HOLDINGS (%)

Security	Sector	Weight
1. Brookfield Renewable	Utilities	6.1
2. AstraZeneca	Health Care	5.9
3. Visa	Information Technology	5.9
4. Danaher	Health Care	5.6
5. Zoetis	Health Care	4.8
6. HDFC Bank	Financials	4.6
7. Sika	Materials	4.5
8. CSL	Health Care	4.4
9. Microsoft	Information Technology	4.4
10. Keyence	Information Technology	4.4
<b>Total</b>		<b>50.5</b>

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