

HIGHLIGHTS

- Distinct multidimensional approach to foreign equity management
- Systematically exploiting opportunities among countries, sectors and stocks
- Evaluating a broad array of value and growth criteria
- Broad diversification

PORTFOLIO SNAPSHOT

Characteristic	Description
Style	Core/Market Oriented
Process	Bottom Up/Top Down
Number of Holdings	600 - 700
Active Risk	2% - 4%
Annual Turnover	100% - 200%
Alpha Target	2.5%
Benchmark	MSCI World ex-Canada Index

INVESTMENT PHILOSOPHY

CC&L Global Equity represents a distinct approach to foreign equity management in Canada, bringing together the research and investment expertise of CC&L's Quantitative Equity team and Boston-based Arrowstreet Capital Limited Partnership (Arrowstreet). Within the Fund, CC&L manages a portfolio of US equities while Arrowstreet manages a separate portfolio of EAFE equities.

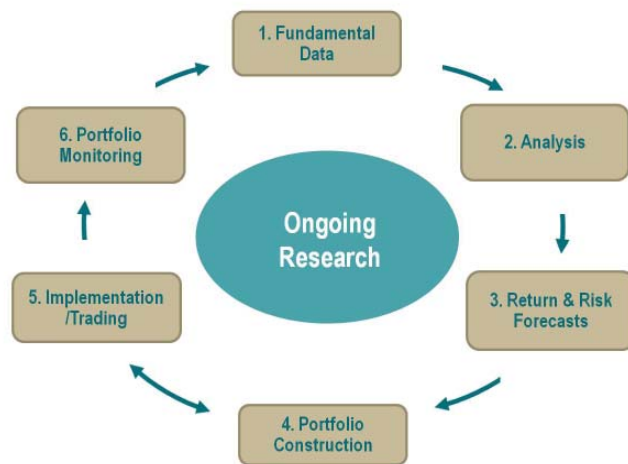
The investment teams believe that equity markets are inefficient, and that a thoughtful and disciplined approach to active management can generate excess returns relative to market indexes. Both managers seek to add value by capitalizing on behavioural and informational inefficiencies in the market, employing processes that combine investment insights with the rigor and risk management of a quantitative investment process. The investment teams believe that behavioural opportunities are created by the systematic "mistakes" made by investors, including the tendency for investors to overreact, to herd and to avoid regret. Informational opportunities are derived from investors not fully exploiting, on a timely basis, information that is relevant to prices. Each day the investment teams assess and evaluate the opportunity and risk of companies in the investment universe. The processes recognize the importance of transaction costs which are explicitly incorporated into the assessment of opportunities.

INVESTMENT PROCESS

Within the EAFE component, active country, industry and stock decisions are implemented through Arrowstreet's structured process which begins with the identification of key predictive factors to forecast stock returns.

A diverse set of predictive factors are used to determine relative attractiveness. Each proprietary factor considers a variety of financial metrics, such as price-to-book, earnings yield, short-term and medium-term momentum and earnings revisions, measured across countries, sectors and individual stocks. For example, the forecast of a UK health care stock is driven not only by its own unique characteristics, but also by characteristics common to UK stocks, by characteristics common to health care stocks around the world, as well by characteristics of closely related companies from different countries and sectors.

Within the US component, CC&L's active stock and sector decisions are implemented through a structured process that assesses both the opportunity and risk of all stocks in the 3000+ stock universe. The first step in the analysis is to classify all companies within industry sectors according to CC&L's proprietary industry classifications. The next step in the process assesses the relative attractiveness of stocks within each industry across a diverse set of financial indicators that are grouped into key factors used to forecast risk and return.



Each investment team continually monitors the contribution from all of the factors at the country, sector and stock levels. In addition, the emphasis on a particular investment signal will vary over time to reflect both opportunities in the market and its historical effectiveness. By measuring multiple inputs across multiple dimensions and by being responsive to short-term changes in market conditions, both strategies are designed to identify many more opportunities than traditional approaches.

As markets are in constant evolution, ongoing research plays a key role in monitoring and validating the efficacy of the investment process. New investment insights are incorporated into the processes as markets evolve.

For more information, about CC&L Global Equity, please contact our Client Solutions Team at more_info@cclgroup.com.