

HIGHLIGHTS

- Large, reputable firm with deep, stable and experienced management team
- Expertise in managing Canadian balanced fund mandates
- Rigorous proprietary 3-step process for active asset allocation
- Checklist approach provides disciplined decision-making

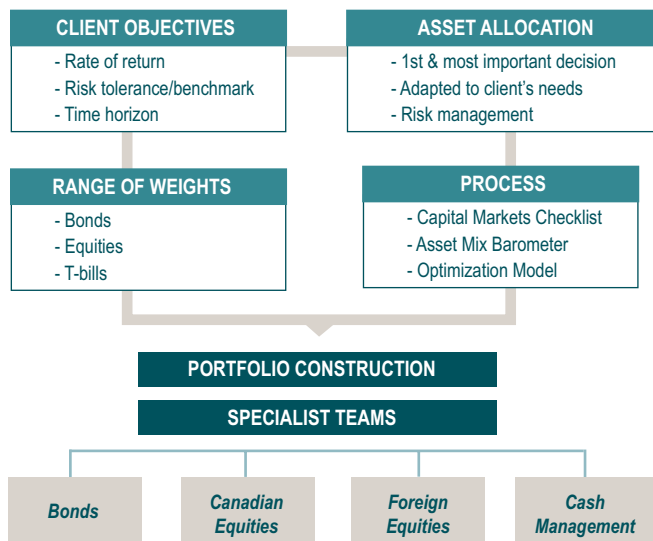
INVESTMENT PHILOSOPHY

CC&L has been managing balanced fund mandates for institutional investors for more than 24 years. Our balanced philosophy rests on a disciplined, clearly defined approach to active management, which is focused on delivering consistent added value relative to client benchmarks with low volatility.

A **checklist approach** is used to assess the probability of future directional movements rather than to make specific point forecasts and, importantly, is a support to, but not a replacement for, investment manager judgement.

INVESTMENT PROCESS

CC&L has developed a proprietary, systematic 3-step approach to active asset allocation that works well in first identifying **opportunity** and **relative values**, and finally in constructing the most efficient portfolio on a **risk-adjusted** basis.



OPPORTUNITY

The Capital Markets Checklist is the first step. It consists of over 60 economic and statistical indicators that we have found to be very accurate in forecasting trends in the financial markets. Each indicator is updated and scored weekly. The Checklist helps us to determine if there is an opportunity to add value above T-bill returns by investing in stocks or bonds or whether a defensive strategy of emphasizing cash is required.

RELATIVE VALUE

The “qualitative” analysis from the Capital Markets Checklist is then compared with the second step, the Asset Mix Barometer. This is a “relative value” model that verifies which major asset class offers the best potential relative returns.

RISK/REWARD

The third and final step in our asset allocation process is facilitated with our Optimization Model. This quantitative tool measures expected returns and risks (volatility of returns) and then calculates an optimal mix, i.e., one which offers the highest reward for the lowest risk. This mix is adapted to each client’s specific needs.

We have our highest degree of conviction and make the largest asset mix decisions when all three models are in agreement. CC&L tends to take a stepped approach over a period of time to asset mix shifts instead of making one immediate change.

MANDATES

The Genesis and Diversified Funds are balanced pooled funds designed to meet the needs of institutional investors. The Group Balanced Plus Fund is designed specifically for individuals who are members of group plans administered by insurance companies.

CC&L also offers custom balanced portfolios that invest on a segregated basis or in various pooled funds covering each asset class.

For more information about our balanced portfolio management services, please contact our Client Solutions Team at more_info@cclgroup.com.