

HIGHLIGHTS

- Large, reputable firm with deep, stable and experienced management team
- Bottom-up, fundamental approach
- In-depth management interviews
- Target price discipline

PORTFOLIO SNAPSHOT

Characteristic	Description
Style	Core, Fundamental
Process	80% Bottom Up/20% Top Down
Number of Holdings	60-90
Active Risk	2%-4%
Average Annual Turnover	35-45%

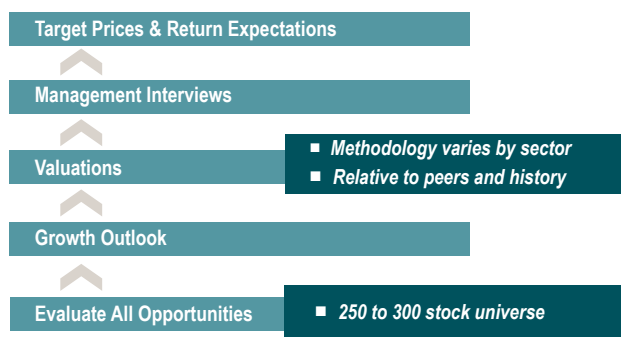
INVESTMENT PHILOSOPHY

CC&L's core approach invests on the basis of a balance between growth and value characteristics and is founded on a disciplined and consistent investment process that has been in place since the inception of the firm, combining top-down research with a strong emphasis on fundamental, bottom-up security selection. The result is a portfolio that is well diversified, has an attractive long-term risk/reward profile and exhibits long-term growth well in excess of the market.

INVESTMENT PROCESS

Bottom-Up Research

CC&L's fundamental research process is centred on the principle of understanding a company's long-term operating strategy and the key contributors to its business model within the context of its industry. Key factors we consider are a company's growth, valuations and financial strength. These measures have all proven their ability to add value over time and as such have been a building block of our portfolios.



Management Interviews

A significant commitment is made toward on-site visits, management interviews and discussions with competitors, customers and research analysts. The team personally interviews the key decision makers of a company and will not make an investment in a business without first having met with its management.

Analysis of Strategic Outlook

The strategic position of a business is evaluated within the context of its industry and its competitors. Key business drivers, significant risk factors, business culture and corporate governance practices are thoroughly assessed. Since experience has shown that it is possible to find good businesses that make very poor investments, our strategic outlook is therefore considered in the context of a suitable investment outlook.

Analysis of Investment Outlook

This research is focused on determining if, at any given time, CC&L should have an investment in the stock and, if so, how large it should be. This is accomplished through conference calls, research analyst meetings, global industry analyst meetings and in-house research on business and industry cyclical trends and valuation issues for each company.

Target Prices

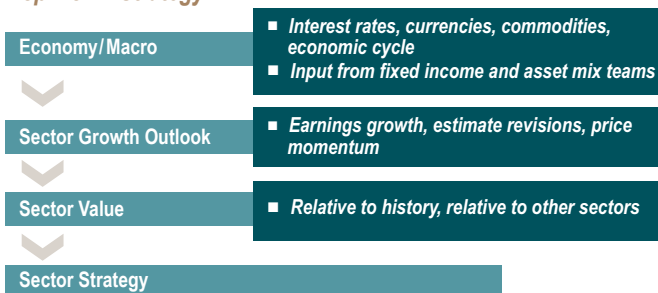
Our target price discipline is a critical part of our stock selection and selling discipline. Target prices are generated for every stock that CC&L follows using modelling and valuation techniques relevant to each company's business model. These price targets are reviewed weekly and updated in response to changes in fundamentals, including interpretation of management interviews, quarterly results and changes in the macro environment. These target prices are translated into returns forecasts which allow portfolio managers to evaluate risk/return opportunities when developing portfolios.

TOP-DOWN MACROECONOMIC OVERLAY

Sector Allocation

While stock selection is of primary importance, sector allocation is also considered to be a significant part of our investment process. In order to arrive at an overweight or underweight decision for each sector, macroeconomic views are combined with historical growth and value measures as well as the opportunities uncovered in each sector by the fundamental analysts. Detailed coverage of all sectors is maintained regardless of whether they are in or out of favour. This enables us to adjust the portfolio to reflect macro changes that may occur.

Top-Down Strategy



MANDATES

CC&L offers mandates benchmarked to the S&P/TSX Composite Index, as well as large cap, small cap and dividend oriented portfolios.

For more information about our fundamental Canadian equity strategies, please contact our Client Solutions team at: more_info@cclgroup.com.