



Universe Bond Heritage ESG

Summary

This actively managed bond strategy aims to generate a yield to maturity exceeding that of the benchmark by investing in various categories of Canadian bonds.

Style	Active
Process	Top-down
Horizon	Medium to long term
Benchmark	FTSE Canada Universe
Value-added objective	0.50% over 4-year moving averages (before management fees)
Main sources of value added	Duration, sectors, curve, security selection and asset allocation

Why invest in this strategy

- Objective to generate yield to maturity exceeding that of the index
- Long historical performance and constant value added
- Objective to generate an information ratio greater than 0.50 (high potential for outperformance)
- Rigorous, disciplined investment process that integrates ESG factors
- Aims to have a positive footprint in society by choosing so-called impact investments
- Stable, experienced multidisciplinary management team

Investment Philosophy

This strategy is based on pronounced biases in favour of provincial, municipal and corporate bonds and on strategic yield-curve positioning to provide a higher yield to maturity in most economic environments. The strategy also emphasizes sector rotation based on economic and geopolitical issues. The management team combines quantitative and active management to reach a consensus on the magnitude of the tactical deviations adopted. Security selection, based on tactical arbitrage, relies on the Big Data System, a decision-aid technology platform that enhances traditional fundamental and macroeconomic approaches. Taking into account ESG factors and a positive footprint in society is also an integral part of the management process.

Investment Process

ANALYSIS

Fundamental	Technical	Sentiment
Seasonality	ESG factors	Multiasset class

PORTFOLIO CONSTRUCTION

1) Systematic bias <i>Long-term strategic</i>	20%
2) Quantitative management <i>Optimization</i>	10%
3) Active management <i>Tactical deviations</i>	55%
4) Security selection <i>Big Data system</i>	15%

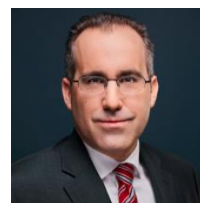
Management Team



Martin Delage,
CFA, M. Fin.

Canadian Chief Investment Officer

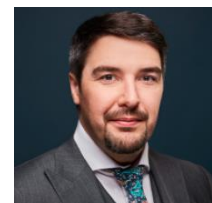
30 years of experience



Hugues Sauvé,
CFA, M.Sc., B.A.A.,
Écon. Fin.

FVP, Fixed Income and Executive Assistant to the Chief Canadian Investment Officer

24 years of experience



Pierre-Olivier Boulanger,
CFA, M.Sc.

Vice-President, Responsible Investment

14 years of experience

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Performance

Annualized returns (%)	1 year	2 years	3 years	4 years	5 years	10 years	Since inception
Portfolio	-1.48	-2.78	-0.93	0.46	1.41	2.58	6.73
FTSE Canada Universe	-2.01	-3.28	-1.67	-0.17	0.89	1.88	6.18
Value added	0.54	0.50	0.74	0.63	0.51	0.69	0.55

Per period (%)	3 months	YTD	2022	2021	2020	2019	2018
Portfolio	3.56	3.56	-11.45	-1.96	9.81	7.17	1.70
FTSE Canada Universe	3.22	3.22	-11.69	-2.54	8.68	6.87	1.41
Value added	0.34	0.34	0.24	0.57	1.13	0.30	0.29

Mandate inception date: December 1989. The performance shown is in Canadian dollars, before management fees and is annualized for all periods over one year. This information is presented for information purposes only. Please read the disclaimer provided on the next page.

Risk-Return Analysis*

	5 years	Since inception
Information ratio	1.25	0.56
Sharpe ratio	0.24	1.34
Monthly batting average (%)	62	60
Positive VA average (bps)	11	20
Negative VA average (bps)	-6	-20

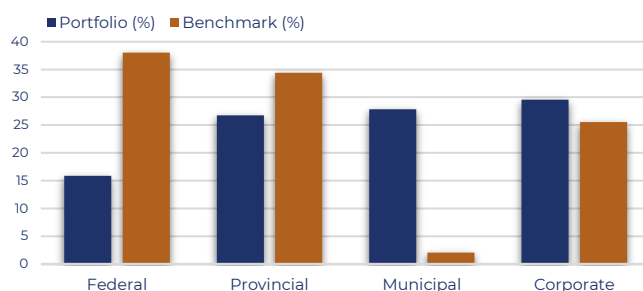
Characteristics*

	Portfolio	Benchmark
Average coupon (%)	3.10	3.00
Return (%)	4.31	3.96
Modified duration (years)	7.51	7.31
Average credit rating	AA	AA
ESG performance**	7.33	6.73

**Measured by Groupe investissement responsable inc.

Portfolio Positioning

SECTOR ALLOCATION*



CURVE POSITIONING*

	Portfolio	Benchmark
Less than 5 years	46.7	43.3
5 to 10 years	18.9	27.1
More than 10 years	34.4	29.6

MANAGERS' COMMENTARY

During the first quarter, the Fund benefited from tighter credit conditions with its overweight in corporate credit, especially its positioning in quality credit. We took advantage of the tightening to reduce our exposure to corporate credit. We also re-established a position in real return bonds, which were trading at attractive levels after the short-term decline in inflationary pressures. Accordingly, we started the quarter with a longer duration, an off-centre positioning on the curve and an overweight in quality credit. This strategy should enable the Fund to outperform in the medium term.

* Data of the Optimum Universe Bond Heritage ESG Fund.



Who we are

Optimum Asset Management is an asset management firm for an institutional and private wealth clientele. The firm is held by Optimum Financial Group, a private Canadian group with an international presence and over 600 employees across Canada, the United States and France.

Our creativity and market knowledge allow us to develop diversified strategies based on reliable quantitative and fundamental research, as well as modern technologies. Our portfolio management services are founded on extensive experience that guarantees consistent quality. Our value approach enables us to offer sophisticated investment strategies with a focus on capital preservation and risk management.

Contact



info@optimumgestion.com



optimumasset.com



514 288-7545



425 de Maisonneuve Blvd. West
Suite 1620
Montreal, Quebec H3A 3G5

Disclaimer

This strategy's performance derives from a composition of mandates which regroup the returns of several client portfolios with similar mandates and investment strategies. The performance is shown in Canadian dollars, before management fees and is annualized for all periods over one year.

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The index used in the present document is a widely recognized benchmark used to measure investment performance for its respective asset class and was chosen based on its degree of comparability and similarity with the investment strategy presented.

Optimum Asset Management Inc. cannot guarantee future performance of strategies. Values fluctuate frequently and past performance is not indicative of future performance