



# Canadian Equity Multifactor

## Summary

This quantitative strategy aims to outperform the MSCI Canada IMI Index by combining strategies based on three types of factors: low volatility, equal weight and momentum.

Style	Quantitative
Process	Bottom-up fundamental
Horizon	Long term
Benchmark	MSCI Canada IMI
Value-added objective	0.9% over market cycle (before management fees)
Market cap	More than \$300 M
Turnover	80% on average

## Why invest in this strategy

- Effective systematic management
- Approach designed to reduce risks related to the Canadian stock market
- High efficiency rate in all market environments (bullish and bearish)
- Rigorous, disciplined process using purely quantitative investment criteria
- Stable, experienced management team

## Investment Philosophy

This strategy relies on an approach that aims to exploit the inefficiencies present in the Canadian stock market by combining three quantitative strategies. 1) The low volatility strategy is based on the hypothesis that a security's beta does not reflect the level of risk assumed compared with the expected return and allows a risk/return profile superior to the benchmark. 2) The equal weight strategy takes advantage of three outperformance factors to reduce concentration risks: value, size and rebalancing. 3) Finally, the momentum strategy relies on a quantitative model that combines six financial variables to exploit the driving force in the market and investors' reaction time.

## Investment Process

### PORTFOLIO CONSTRUCTION

The combination of the three equally weighted approaches optimizes the portfolio's risk-return relationship and maximizes the probability of achieving the value-added objective.

1) Low volatility <i>Outperformance in market downturns and periods of declining interest rates</i>	33%
2) Equal weight <i>Stability ensured by an equal weighting exposure to each security in the MSCI Canada IMI</i>	33%
3) Momentum <i>Outperformance in bull markets</i>	33%

## Management Team



**Martin Delage**  
CFA, M. Fin.

**Canadian Chief Investment Officer**

30 years of experience



**Nicolas Poirier**  
CFA, M. Fin.

**Director, Equities**

9 years of experience