

STRATEGY PROFILE

HIGHLIGHTS

- Large, reputable, independently owned firm
- Deep, stable, experienced multi-disciplinary team
- Significant commitment to research and risk-management
- Repeatable process portable to client-specific custom benchmarks

INVESTMENT PHILOSOPHY

CC&L's investment philosophy remains centered on the belief that a clearly defined, disciplined approach based on fundamental analysis and objective risk management delivers superior returns. Risk management is an integral part of the investment process and a key consideration in the construction of every client portfolio.

The firm's investment philosophy recognizes that each client's needs are unique. To help them most efficiently realize their risk and return objectives, a diverse range of asset classes is drawn upon and the asset mix allocation is tactically managed.

INVESTMENT TEAM

CC&L employs a team approach to the development of its investment outlook and the management of balanced mandates. The asset allocation team (AAT) is comprised of the firm's most senior investment professionals and represents the collective insights gathered from all the firm's portfolio managers.

INVESTMENT PROCESS

CC&L's three-step asset allocation process systematically attempts to determine the impact of changing market influences and sentiment on financial markets. Portfolios are positioned to benefit from the expected future trends while considering attractive opportunities in terms of risk-adjusted returns.

Step 1: Research

The research phase begins with the analysis of the investment landscape and then formalizes the conclusions from this analysis into a financial markets thesis or outlook.

Assessment of the Environment

Insights are developed using an analytical framework that seeks to identify the following:

- Key secular and cyclical themes
- Unique characteristics of the current cycle
- Potential surprises
- Divergence between the firm's view and consensus

This framework also includes the continuous review of a list of key metrics that are related to economic growth, inflation, monetary policy, liquidity, valuations and technical indicators.

Financial Markets Thesis

The financial markets thesis includes a base case economic scenario, alternate scenarios and milestones. The base case scenario is a qualitative outline of the firm's outlook of what is most likely to happen over the next year. Positive and negative risks are considered through the development of alternate scenarios that identify a variety of risks and their consequences on financial markets. Milestones are developed for the base case as well as for each alternate scenario and are monitored closely to confirm if events are unfolding as expected.

Step 2: Forecasts

Return forecasts are established for all asset classes in order to assess relative values as well as the magnitude of the opportunity in each area. Return expectations are forecasted under each scenario and for each asset class.

Step 3: Portfolio Construction and Risk Management

In this final stage, the AAT determines intuitively which asset class offers the best risk/reward opportunity. Transaction costs are also examined. Target weights are determined with the objective of reaching an appropriate risk level to achieve the portfolio's added value objective.

Risk Management

Risks are measured for each portfolio using the firm's proprietary risk model. The model ensures that the cumulative effect of investment decisions does not result in the portfolio being overexposed to any one risk and that risk exposures are consistent with risk targets.

Implementation and Portfolio Monitoring

Asset allocation changes are determined and implemented for each client portfolio, ensuring that their specific constraints are respected. On a daily basis, all balanced portfolios are monitored from a compliance perspective and checked using the firm's proprietary risk model to confirm that risk exposures are in line with expectations, considering the current financial market conditions and volatility.

COMPETITIVE ADVANTAGES

CC&L believes the following features distinguish its approach:

- Long track record managing balanced mandates
- Structured and disciplined investment process
- Significant investment in in-house economic research
- Portfolio customization using a wide variety of traditional and alternative strategies

MANDATES

CC&L's balanced mandates include global, domestic and income oriented strategies. These mandates can incorporate alternative solutions such as portable alpha, market neutral and absolute return strategies.



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

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INVESTMENT MANAGEMENT