

FUNDAMENTAL CANADIAN EQUITIES

STRATEGY PROFILE

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
Active Risk:	2%-4%
Annual Turnover:	40-60%

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, 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 considered are a company's growth, valuation and financial strength. These measures have all proven their ability to add value over time and as such are the building blocks of the portfolio.



Management Interviews

A significant commitment is made toward on-site visits, management interviews and discussions with competitors, customers and research analysts.

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, the strategic outlook is therefore considered in the context of a suitable investment outlook.

Analysis of Investment Outlook

This research is focused on determining if and when an investment should be made in a particular security and how large that investment should be. This is accomplished by participating in industry conference calls, research analyst meetings and global industry analyst meetings. The process relies on in-house research to evaluate cyclical trends for both the business and industry and valuation issues for each company.

Target Prices

A target price discipline is a critical part of security selection and selling discipline. Target prices are generated for every security that CC&L follows using modelling and valuation techniques relevant to each company's business model.

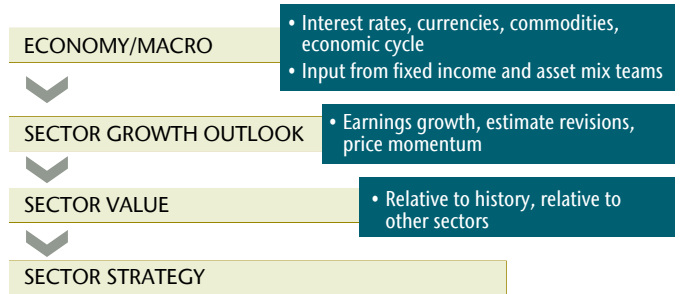
These price targets are reviewed on an ongoing basis and updated in response to changes in fundamentals, including interpretation of management interviews, quarterly results and changes in the macro environment. These target prices are translated into returns forecasts which allow portfolio managers to evaluate risk/return opportunities when managing portfolios.

TOP-DOWN MACROECONOMIC OVERLAY

Sector Allocation

While security 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 adjustments to the portfolio to reflect macro changes as they occur.

Top-Down Strategy



MANDATES

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

For more information about CC&L Fundamental Canadian Equities, please contact our Client Solutions Team at more_info@cclgroup.com.

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INVESTMENT MANAGEMENT