

# OUTLOOK

FEBRUARY 2022

We recently published our 2022 *Financial Markets Forecast*, which presents a comprehensive review of our investment thinking for the year to come. Therefore, as in years past, we devote the February edition of *Outlook* to providing an annual update on organizational developments at Connor, Clark & Lunn Investment Management (CC&L).



**Martin Gerber**  
President & CIO

*In my annual message last year, I highlighted resilience and optimism as prominent themes. This past year has been another extraordinary year as we have continued to navigate the evolving uncertainty and pervasive impact of the ongoing COVID-19 pandemic. As we reach the two-year mark since the start of the pandemic, it is undeniable that this health crisis has touched everyone deeply, personally and/or professionally. However, the mantra “we are all in this together” is*

*powerful and very inspiring. We have adapted and found innovative ways to support each other and thrive despite the persistent challenges in our environment. In a very positive backdrop for financial markets, we are pleased to have generated another year of solid returns across all of our teams and the vast majority of our strategies.*

*It has been a remarkable period for our company and we have achieved a number of important milestones.*

*This year, Connor, Clark & Lunn Investment Management (CC&L) is celebrating 40 years of service to investors. When Larry Lunn founded our company in 1982, he and the leaders at CC&L had a vision and established a strong set of shared values:*

- *Maintain our mission to “put the necessary amount of time, energy, and resources into managing mandates and meeting the performance objectives of our clients, accompanied by an industry-leading standard of service”;*
- *Protect our entrepreneurial culture and commitment to be a fiercely independent organization by creating a workplace that attracts and retains best-in-class talent;*
- *Foster a culture that leads to long-term success for our clients and our people. Recognizing the value of our independence and that our people represent our greatest asset, invest in career and leadership development, and succession planning.*

*While there has been much change in the investment environment over the past 40 years, our values have endured and they continue to guide our organization today.*

*The Connor, Clark & Lunn Financial Group (CC&L Financial Group) is also celebrating some significant milestones. It has been 20 years since we restructured our business and created CC&L Financial Group to be responsible for all of the non-investment related functions required for our business. In the early years, we spent a lot of time explaining our novel business partnership and multi-product boutique structure. We are proud of our unique structure that has created the conditions for success for our clients and our people. In 2021, CC&L Financial Group made progress in developing 24-hour global operating capabilities with the opening of a new office in Gurugram, India; this will augment the functions currently run out of our Vancouver, Toronto, and London, UK offices. In 2021, total client assets under management (AUM) across the CC&L Financial Group organization surpassed the CAD100 billion mark. While it’s great to recognize this milestone, it’s equally important to acknowledge that we’ve never been focused on AUM targets. We strongly believe that if we focus on satisfying our clients’ objectives, business success will follow.*

*Milestones always serve as an important time for reflection on our past experiences, but importantly also serve as an opportunity to plan for the future. To this end, over the next year, we are focused on the following strategic objectives:*

- *As always, invest in our people, and through career development planning and leadership programs, strive to enhance skill sets, the depth of our teams, investment processes, and plan for succession;*
- *Focus on fostering a team-oriented culture of collaboration (an obvious challenge during COVID-19) with a particular emphasis on continuing to improve diversity and inclusion – more to come soon on our Women In Leadership (WiL initiative);*
- *Expand Responsible Investing (RI) initiatives and further integrate Environmental, Social, and Governance (ESG) considerations into our investment processes;*
- *Expand our Corporate Social Responsibility (CSR) activities supporting the health and wellness of both the people who work at CC&L and continue to create a positive impact in the communities where we do business.*

*As financial markets and our clients’ needs evolve, CC&L will continue to focus on building long-term partnerships with our clients, delivering results, and developing strategies in support of investment objectives. Thank you for your partnership and as always, I welcome your feedback and personally invite you to contact me directly at any time.*

~ Martin Gerber  
mgerber@cclgroup.com

## PEOPLE

We are pleased to report our team continued to expand in 2021. CC&L welcomed 12 new hires, resulting in a net gain of five employees for the full year, bringing CC&L's personnel count to 106. Our business is further supported by over 300 people employed by CC&L Financial Group, responsible for business management, operations, marketing, and distribution.

The stability and focus of each of our teams has been a primary driver of our business success over the past several years. One of the key tenets to ensuring continued success has been thoughtful and comprehensive succession planning across the organization. Below we highlight a number of personnel developments within our organization.

### Retirements

- In March 2021, Scott Hackney, a portfolio manager on our Client Solutions team, retired after 28 years with the organization. Scott was responsible for servicing our clients in Eastern Canada. We very much miss Scott's dedication and positive energy, but we are very pleased to report that Scott's responsibilities were successfully transitioned with Colin Aubrey assuming most of Scott's client responsibilities.
- Pam de Leijer, a principal who managed our Corporate Services team, retired on December 31, 2021 after 28 years at CC&L. Pam's responsibilities were restructured into three roles with Mandy Powell taking over as Corporate Services team manager. Pam's relentless commitment to caring for and supporting the people of CC&L will inspire us for years to come.
- Jane Justice, our head bond trader is retiring this quarter, marking an impressive 30-year career at CC&L. Jane's leadership over three decades not only contributed to the growth of our fixed income team and business, but she also developed a strong trading team that will carry her legacy forward. We are pleased to report a seamless succession of Jane's bond trading responsibilities to the next generation of bond traders, with Kevin Malcolm, Derek Poole, and Calen Falconer-Bayard, assuming responsibility for bond trading at CC&L under the leadership of Simon MacNair who leads our fixed income portfolio construction group.

We are extremely grateful to have worked with Jane, Scott and Pam and would like to thank them for their loyalty and friendship, and their significant contributions to our business.



Jane Justice



Scott Hackney



Pam de Leijer

### Promotions

- Colin Aubrey, a portfolio manager on our Client Solutions team, was appointed a business owner at CC&L in 2021. Colin joined CC&L's Client Solutions team in 2018 and has successfully developed his skills and has expanded his responsibility for managing client relationships in Eastern Canada.
- Jocelyn Chu, a senior fixed income credit analyst, was promoted to business owner in 2021. Jocelyn joined CC&L in 2010 and over time has expanded her responsibilities and contributions within the team.
- A number of employees were promoted to principals of the firm in recognition of their important and growing contributions to our business: Bilyana Ward, Jonathan Martin, Lily Tan, Osman Awan, and Ted Huang were all promoted to principals in the first quarter of 2021.



Colin Aubrey



Jocelyn Chu

## INVESTMENT TEAM LEADERSHIP UPDATES

The foundation of our organization is a stable senior management team that has instilled investment excellence, a strong entrepreneurial culture, and maintained a steadfast focus on our key principles. At CC&L, we dedicate a lot of time to assessing team leadership needs and leadership succession. Below we highlight several updates to our leadership teams.

### Fixed income

The fixed income team completed a strategic review a couple of years ago and has been executing on their succession plan. David George was appointed Co-Head of the CC&L Fixed Income team in 2020 and was in turn appointed to CC&L's Board of Directors. Going forward, Brian Eby will be stepping back from the Co-Head role and from CC&L's Board of Directors to focus exclusively on investment leadership of our Fixed Income macro strategy group. We are pleased to report that David George is now Head of the CC&L Fixed Income team.



David George

### Fundamental Equity

The Fundamental Equity team completed a strategic review of their team structure and will be expanding the leadership resources on the team. Gary Baker will become Co-Head of the Fundamental Equity team and will continue to operate as the team's Chief Investment Officer (CIO) with responsibility for Investment Management and Strategy. Andrew Zimcik is being promoted to Co-Head of the Fundamental Equity team, assuming responsibilities for team and business management. Andrew

joined CC&L in 2014 as Fundamental Equity product specialist, and was promoted to business owner in 2016. Andrew has developed his leadership skills within the organization and has proven to be a natural leader. We are also pleased to announce that Andrew will be joining CC&L's Board of Directors in 2022.



Gary Baker



Andrew Zimcik

### Quantitative Equity

It has been over 20 years since the inception of our Quantitative Equity strategy, and we are proud of the team's success in generating strong investment returns, and being awarded new institutional client mandates in Canada, the U.S., Europe, and the Middle East. Under the leadership of Steven Huang, the team has grown steadily over the past decade following the expansion of our global capabilities in 2013. The size of the team has nearly doubled in the past five years, bringing the total team count to 58 people, which now comprises of nearly 50% of our firm's personnel. With the growth of the team, we completed a strategic review of the team structure in 2021 and identified a need for additional leadership resources as scope and complexity have grown. We have decided to implement a co-leadership structure and are pleased to announce that Jennifer Drake, a Director at CC&L and portfolio manager on the Quantitative Equity team is being promoted to Co-Head of the Quantitative Equity team. As Co-Head of the Quantitative Equity team, Steven Huang will continue to have lead responsibility for investment strategy and research.



Steven Huang



Jennifer Drake

### RESPONSIBLE INVESTING

Over the past year, we continued to work diligently on several Responsible Investing initiatives, including the following:

- We endorsed the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, advocating for increased transparency in company reporting;

- CC&L became a founding member of Climate Engagement Canada (CEC), a Canadian-led collaborative engagement platform to drive broader, more consistent dialogue between finance and industry on climate risks and opportunities;
- Our Quantitative Equity team integrated carbon data into our quantitative equity risk management framework;
- In 2021, CC&L's Fundamental Equity and Fixed Income teams worked with our Stewardship & Engagement team to rollout their ESG questionnaire, which augments the company-specific research and engagements conducted by our portfolio managers, on a larger scale.

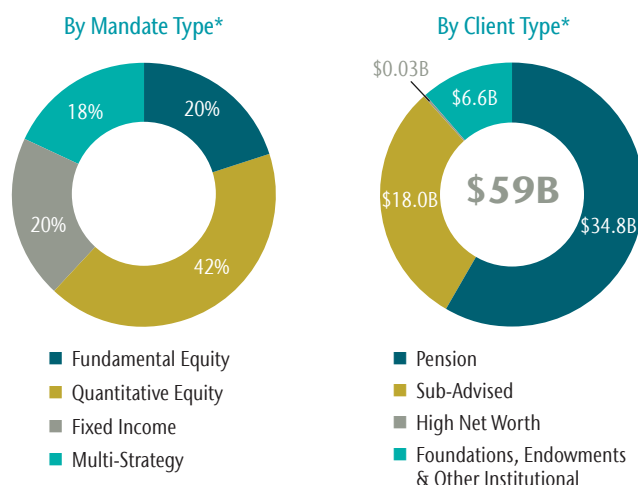
### BUSINESS OPERATIONS

CC&L continues to operate with the majority of employees working from home since March 2020. We have developed a comprehensive plan outlining expectations for the future return to the workplace and are looking forward to the day we can safely return to the office – hopefully in the not too distant future.

### BUSINESS UPDATE

#### Assets Under Management

CC&L's AUM increased by approximately \$7 billion in 2021 to \$59 billion. The AUM growth came from the combination of market gains, inflows from existing clients, and new client mandates. We are pleased to report mandates were awarded across each of our investment teams.



\*Total AUM in CAD\$ as at December 31, 2021

### FINAL THOUGHTS

We would like to thank our clients and business partners for their partnership and support. We look forward to working with you in the coming years.