

STRATEGY PROFILE

HIGHLIGHTS

- Large, reputable, independently owned firm
- Deep, stable and experienced fixed income team
- Significant commitment to leading edge risk management capabilities
- Repeatable process portable to client-specific custom benchmarks

PORTFOLIO SNAPSHOT

Characteristic	Description
Style:	Core
Process:	Top Down/Bottom Up
Duration:	Index +/- 20%

INVESTMENT PHILOSOPHY

CC&L's fixed income philosophy is based on three core beliefs:

1. Active management can add value in the Canadian fixed income market;
2. Fundamentals drive asset prices over the long term; and
3. The pursuit of a diverse set of investment opportunities is the optimal way to add value.

INVESTMENT PROCESS

CC&L's fixed income investment process is based on an integrated approach that focuses on pairing analytically supported decision-making with strict attention to risk management. The team believes that in addition to well-defined roles and responsibilities, a structured and methodical approach leads to repeatable added value.

Over the last 40 years, the firm has been delivering an array of fixed income solutions based on a disciplined investment process aimed at providing clients investment solutions that meet their risk and return objectives.

Research and Forecasting

Macro research: The role of macroeconomic research is to make a top down assessment of the global economic landscape with the objective of arriving at interest rate forecasts.

Credit research and forecast: Credit research entails an in depth review of corporate bond issuers that focuses on both company specific factors as well as industry positioning with the ultimate objective of forecasting how an issuer's credit outlook will change.

Risk Management

At its core, the CC&L fixed income investment process seeks to assess the trade-off between return and risk in investment opportunities. In other words, the process ensures that client portfolios are appropriately compensated for the risk taken.

CC&L's fixed income team believes that risk management is a critical component of the investment process. Therefore, significant investments have been made to develop and implement the team's sophisticated risk management model that enables the monitoring and measurement of every active risk for each client portfolio on a daily basis.

Portfolio Construction and Implementation

Portfolio construction: The portfolio construction process is executed collaboratively by the team's most senior members, the people responsible for the macro research, credit research, risk management and strategy implementation functions. Integrating their different perspectives constitutes a critical component of the portfolio construction process and is a key competitive advantage. Each team member's input is essential to the development of a deep understanding on how the current state of financial markets, market liquidity, and potential investment strategies may impact a portfolio's risk and return profile.

Portfolio implementation: CC&L firmly believes that having a dedicated implementation team is a competitive advantage for clients due to the generally opaque nature of fixed income markets (over-the-counter market) and the particularly inefficient characteristics of the Canadian market. The team's deep understanding of market structure and management of liquidity, as well as its ability to uncover mispriced securities, can benefit client portfolios through enhanced returns and lower transaction costs.

COMPETITIVE ADVANTAGES

- **Strong, stable team of experienced investment professionals** whose expertise is supplemented by the intellectual capital of the firm's other investment teams.
- **Structured and disciplined approach** that translates into repeatable results.
- **Strict risk management using a proprietary risk model.**
- **Long track record managing fixed income mandates.**

MANDATES

CC&L's fixed income mandates include money market, short term, core bond, long and ultra-long duration, high yield and portable alpha strategies. The investment process is also replicable for custom benchmarks.

RISKS

Investors should be aware of the material risks of CC&L's Fixed Income strategies, which may include, but are not limited to, credit, fixed income, high yield securities, interest rate, market and performance risk. For more information on the material risks of each investment strategy, please contact CC&L.



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

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