



# Low Volatility Canadian Equity

## Summary

This quantitative strategy aims to outperform the MSCI Canada IMI Index over the mid to long term, with lower volatility and an attractive current yield.

Style	Quantitative
Process	Bottom-up fundamental
Horizon	Mid to long term
Benchmark	MSCI Canada IMI
Value-added objective	0.9% over market cycle (before management fees)
Market cap	More than \$500 M
Turnover	40% on average

## Why invest in this strategy

- Approach focused on the most defensive sectors for better capital preservation
- Disciplined investment process that combines quantitative filters and fundamental analysis performed by the managers
- Potential for annualized returns exceeding that of the benchmark
- Consistently generates lower volatility than the index
- Dividend yield exceeding that of the index
- Stable, experienced management team

## Investment Philosophy

Several empirical studies show that it is possible to build an equity portfolio that minimizes risk without sacrificing returns. According to modern portfolio theory, this is a market anomaly. The objective of the Optimum Low Volatility Canadian Equity strategy is to exploit this market anomaly by applying a bottom-up selection approach to the securities in the MSCI Canada IMI Index. The integration of environmental, social and governance (ESG) factors is taken into account in the investment process. The strategy outperforms mainly during market downturns.

## Investment Process

### ANALYSIS



### PORTFOLIO CONSTRUCTION

The authorized investment universe is the MSCI Canada IMI Index. The investment constraints are as follows:

- Market capitalization > \$500 million
- Dividend-yielding securities
- Sectorial limit
- Beta below market
- Overweight in defensive sectors

## 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