OPTIMUM®
Asset Management

Factsheet

Low Volatility Canadian Equity

Summary

This quantitative strategy aims to outperform the S&P/TSX 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	S&P/TSX Capped
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 S&P/TSX 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

Quantitative filter → Selection criteria → Portfolio construction

PORTFOLIO CONSTRUCTION

The authorized investment universe is the S&P/TSX 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
29 years of experience

Nicolas Poirier
CFA, M. Fin.
Director, Equities
8 years of experience