



Short Term Bond Heritage ESG

Summary

This Canadian bond strategy invests in short-term bonds and, in a controlled manner, in medium-term bonds, by introducing strategic biases and active duration management.

Style	Active
Process	Top-down
Horizon	Short term
Benchmark	FTSE Canada Short Term
Value-added objective	0.20% over 4-year moving averages (before management fees)
Main sources of value added	Duration, sectors, curve, security selection and asset allocation

Why invest in this strategy

- Offers the potential for a higher yield to maturity than the index
- Long historical performance and constant value added
- Rigorous, disciplined investment process that integrates ESG factors
- Aims to have a positive footprint in society by choosing so-called impact investments
- Stable, experienced management team

Investment Philosophy

This strategy is based on pronounced biases in favour of provincial, municipal and corporate bonds and on strategic yield-curve positioning to provide a higher yield to maturity in most economic environments. The strategy also emphasizes sector rotation based on economic and geopolitical issues. The management team combines quantitative and active management to reach a consensus on the magnitude of the tactical deviations adopted. Security selection, based on tactical arbitrage, relies on the Big Data System, a decision-aid technology platform that enhances traditional fundamental and macroeconomic approaches. Taking into account ESG factors and a positive footprint in society is also an integral part of the management process.

Investment Process

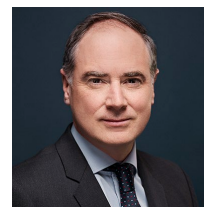
ANALYSIS

Fundamental	Technical	Sentiment
Seasonality	ESG factors	Multiasset class

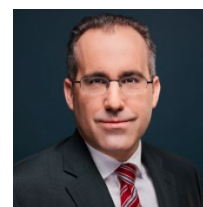
PORTFOLIO CONSTRUCTION

1) Systematic bias <i>Long-term strategic</i>	50%
2) Quantitative management <i>Optimization</i>	10%
3) Active management <i>Tactical deviations</i>	25%
4) Security selection <i>Big Data system</i>	15%

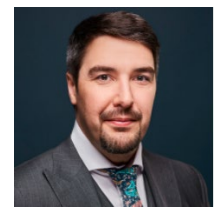
Management Team



Martin Delage,
CFA, M. Fin.
Canadian Chief Investment Officer
29 years of experience



Hugues Sauvé,
CFA, M.Sc., B.A.A.,
Écon. Fin.
FVP, Fixed Income and Executive Assistant to the Chief Canadian Investment Officer
23 years of experience



Pierre-Olivier Boulanger,
CFA, M.Sc.
Vice-President, Responsible Investment
13 years of experience