



Canadian Low Volatility Equity (London Capital)

Built for times like these

Canadian Low Volatility Equity (London Capital)

A diverse portfolio designed to smooth the ride through Canadian market cycles

What's the strategy?

- Offers a diversified portfolio of Canadian stocks with lower volatility characteristics
- Designed to offer better risk-adjusted returns than the market
- Reduces drawdown experiences over market cycles

What's the approach?

- A proprietary and systematic approach that benefits from quantitative-driven analysis to identify stocks with the most attractive combination of stock attributes
- Fundamental factor-analysis underpins stock selection and portfolio construction to create a pure Canadian concentrated portfolio of low beta, high-quality stocks

Why invest in this portfolio strategy?

- Can offer better risk-adjusted return than the broad Canadian market
- Can reduce drawdown experiences over market cycles – a distinct benefit given the highly cyclical nature of the Canadian market

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Typical portfolio characteristics

Here is what you can expect to see when compared to the S&P/TSX Composite Index:

- Less volatility, as reflected by a lower standard deviation than the market
- Lower drawdown experience over various market cycles
- Higher running yield than the benchmark
- Valuations in line with the broader market
- Broad sector exposure
- A concentrated pure Canadian portfolio with 30 to 50 low beta, high-quality stocks

Canadian Low Volatility (London Capital) versus the Index

Portfolio characteristics versus benchmark	S&P/TSX Composite Index	Canadian Low Volatility (London Capital)	Here's what you get:
Standard deviation (annualized %)	8.9%	6.6%	Lower volatility
Downside capture year-to-date (%)	100%	71%	Reduced drawdowns = Greater capital preservation
P/E ratio (trailing)	16.35	16.37	Reasonable valuations
Dividend yield	3.3%	3.6%	Attractive income focus
Sector exposure	11/11	10/11	Well diversified
# of holdings	247	30	High conviction holdings in low-beta, high-quality stocks

*As of Oct. 31, 2018. | London Life version.

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Source: GLC Asset Management Ltd. | London Life version | As at Oct. 31, 2018

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