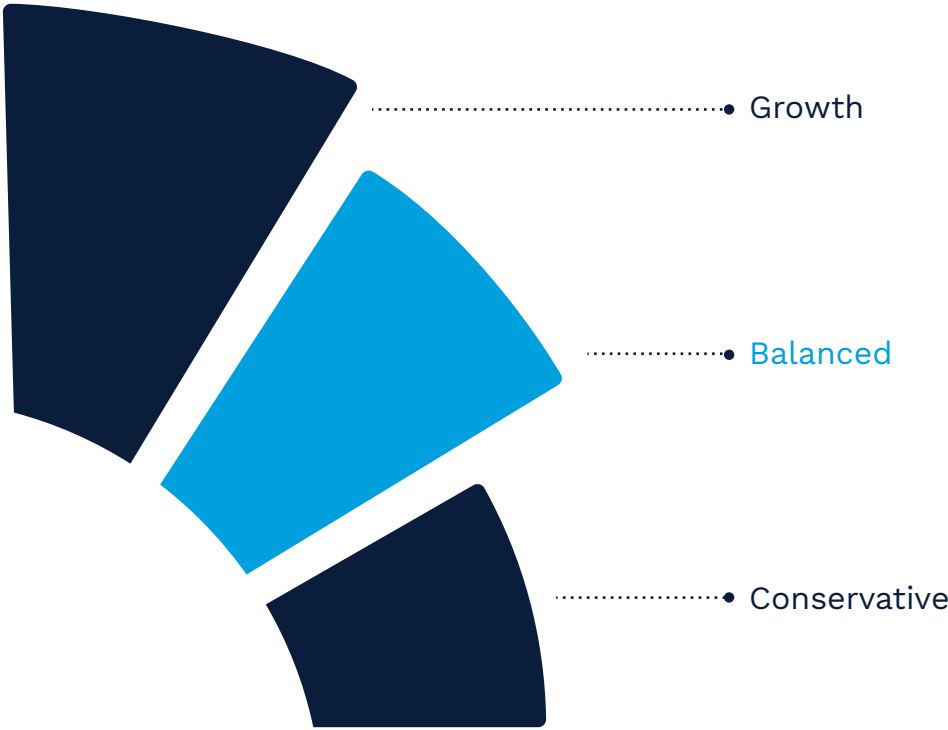


# SECTORWISE®

Portfolios

**It's time to evolve.**  
**Be SectorWise.**

---



POWERED BY **RGP** INVESTMENTS™

™ Trademark of R.E.G.A.R. Investment Management Inc.

**Independence  
ensures  
higher returns.**

---

**SECTORWISE<sup>®</sup>**  
Portfolios

Since 1997, RGP Investments has provided its clients with innovative investment solutions. Our team of portfolio managers combines experience, creativity, and a science-based approach to help investors achieve their financial goals. As an investment fund manager specializing in the active management of sectors, we advocate a thoughtful, proven and integrated approach.

To leverage our independence, in 2018 RGP Investments launched its Sectorwise Portfolios, providing managed solutions for a range of investor profiles. This unique model maximizes the many benefits demonstrated by sector-specialist managers for over 20 years.

This business review presents the sector specialist managers and the mandates of the underlying funds. Find out more about the key elements that foster the growth of SectorWise Portfolios.

# Independence ensures higher returns

---

**We build profitable and  
long-lasting portfolios.**

We take advantage of the knowledge  
and complementary strengths of the  
top portfolio management firms.

**Complete independence delivers  
maximum results.**

# Where do the returns come from?

The potential for higher returns offered by SectorWise portfolios derives from three key elements: the **strength of the market** combined with two separate, proven and innovative components: **strategic** and **tactical**.



## The Stock Market

- ✓ The stock market is up 6 months out of 10
- ✓ Results are random from month to month
- ✓ Remain invested at all times to take advantage of long-term market growth



## Strategic Component

- ✓ Portfolio structure
- ✓ Fundamentals
- ✓ Convictions
- ✓ Long-term vision



## Tactical Component

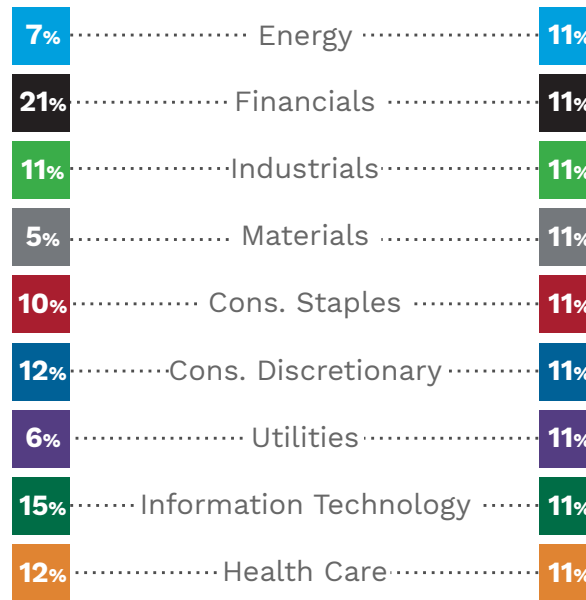
- ✓ Empirical research
- ✓ Selection of the best stocks
- ✓ Economic forecasts
- ✓ Short-term opportunities

# Strategic Component<sup>(1)</sup>

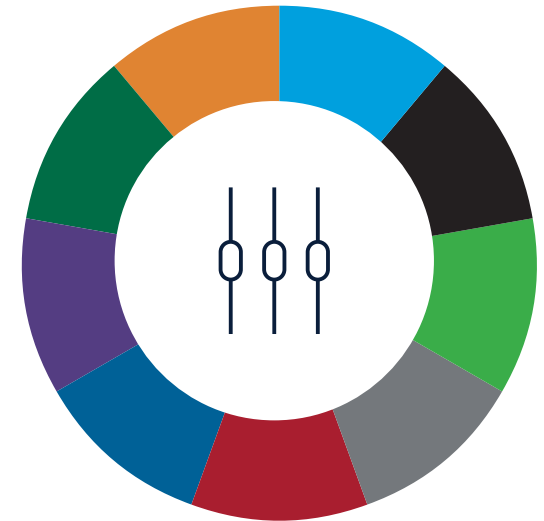
Historically, portfolios invested equally in each market sector have achieved higher returns than their reference index.

Studies have shown that this management model improves long-term performance while reducing portfolio volatility.

## Sectors Weighted in Accordance with MSCI World Index



## EQUALLY Weighted Sectors



# Changes in sector returns over the past 12 years (2)

**“No need to predict the unpredictable!”**

Historically, equally invested portfolios in each of the equity sectors outperformed their benchmark<sup>(3)</sup>.



# Added Value of Strategic Component<sup>(1)</sup>



Sectors Weighted in Accordance  
with MSCI World Index



EQUALLY Weighted Sectors

**20 YEARS**

Conclusive  
historical  
results  
[1998-2017]

<b>6.5%</b>	◀	<b>Return</b> (annualized)	▶	<b>7.9%</b>	▶	<b>+1.4%</b>
<b>8/20</b>	◀	<b>Winner</b> (by calendar year)	▶	<b>12/20</b>	▶	<b>3x out of 5</b>
<b>19.3%</b>	◀	<b>Standard deviation</b> (annualized)	▶	<b>17.9%</b>	▶	<b>-1.4%</b>
<b>5/20</b>	◀	<b>Winner</b> (by calendar year)	▶	<b>15/20</b>	▶	<b>3x out of 4</b>

# Tactical Component<sup>(4)</sup>

Historically, sector specialist managers have outperformed the industry average. Our team of portfolio managers, in collaboration with our team of actuaries and CFAs, carefully groups these specialist managers based on our criteria of excellent of consistency in results.

## Our Goal

Select the best specialist managers to take advantage of their active sector management.

Traditional Management Large Cap Stocks			Specialized Management By Economic Sector		
	Number of Mandates	Annualized Return (15 years)		Number of Mandates	Annualized Return (15 years)
Canadian Equity	95	8.9 %	Cyclical Sectors <small>(Materials, Consumer Discretionary, Financials)</small>	12	8.4 %
Global Equity	219	7.7 %	Sensitive Sectors <small>(Energy, Information Technology)</small>	19	8.0 %
U.S. Equity	200	7.6 %	Defensive Sectors <small>(Health Care, Cons. Staples)</small>	7	9.8 %
International Equity	94	6.5 %	Sectors (Multiple Mandates) <small>(Industrials, Utilities, etc.)</small>	17	9.0 %
<b>Total</b>	<b>608</b>	<b>7.7 %</b>	<b>Total</b>	<b>55</b>	<b>8.8 %</b>



**67 %** of annual returns by specialist managers outperform traditional management.

**+1.1%**

difference between the two types of management.



# Selection Process

---

## 1 | Specialist Manager Selection

- Managers with at least 5 years of performance history.
- Returns better than the reference index.

## 2 | ETF Selection

- Round out active management.
- Benefit from innovative approaches to ETF (Smart Beta, Momentum and other actively managed ETFs).

## 3 | Quantitative Analysis

- Analysis of return per unit of risk (information ratio).
- Analysis of consistency of added value.

## 4 | Final Assembly

- Ensure the complementary nature of the model by maintaining equal sector weighting, management quality and consistent results.

# It's time to evolve.

## Be SectorWise.

---

### Expertise

In addition to being recognized experts in their fields, the managers selected attract the best engineers, field specialists and other professionals in their economic sectors, thereby sharpening their ability to measure industry trends.



### Independence

Only complete independence generates maximum results: the SectorWise portfolios are designed to withstand market fluctuations over the long-term. Almost all portfolios that are held for significant periods perform better over the long-term and in bear markets.



### Consistency

There is no driver like it: the strategic and tactical components of our portfolios move primarily in alternation. This feature, unique to SectorWise, increases portfolio stability and delivers consistent results over time.



### Strength

World leaders: SectorWise portfolios are placed with top-notch management firms on the global stage. The total assets under management of our partners speaks to their strength and success.

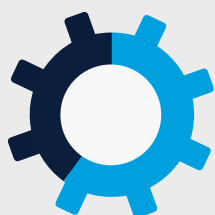


# SectorWise Portfolios

Only complete independence, combined with recognized expertise, unparalleled consistency and proven strength, generates maximum results. We have selected top sector specialist managers in order to deliver a well thought-out and unique asset mix that meets the needs of every kind of investor.

It's time to evolve. Be SectorWise.

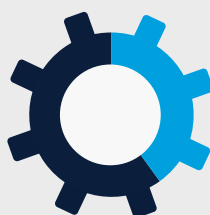
## Conservative



**40%**  
Equity  
**60%**  
Fixed  
Income

This asset mix is primarily focused on fixed-income securities. It also has a stock component to offer good growth in capital and increase the portfolio's potential for long-term growth.

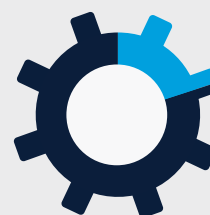
## Balanced



**60%**  
Equity  
**40%**  
Fixed  
Income

This asset mix is weighted more toward long-term growth of capital. To reduce overall portfolio volatility it also has a significant component in fixed-income securities.

## Growth



**80%**  
Equity  
**20%**  
Fixed  
Income

This asset mix is for investors who are looking for a significant increase in capital over the long term. This portfolio has a bond component to balance out the short-term volatility of the equity component.

## Conservative SectorWise Portfolio

	Series A	Series F
Codes	RGP300	RGP303
Management Fee <sup>(*)</sup>	1.70%	0.70%
Trailer Fee	1.00%	N/A

## Balanced SectorWise Portfolio

Codes	RGP400	RGP403
Management Fee <sup>(*)</sup>	1.80%	0.80%
Trailer Fee	1.00%	N/A

## Growth SectorWise Portfolio

Codes	RGP500	RGP503
Management Fee <sup>(*)</sup>	1.90%	0.90%
Trailer Fee	1.00%	N/A

<sup>(\*)</sup> Trailer Fees are included in Management Fees.

## Note to readers

This document is provided for information purposes only. It should not be construed as a recommendation to buy or sell. The foregoing reflects the thoughts, opinions and/or investment strategies of RGP Investments, and are subject to change at its discretion and without prior notice, based on changing market dynamics or other considerations. Reasonable steps were taken to provide up-to-date, accurate and reliable information, and we believe the information to be so when produced. All information contained in this document has been compiled by RGP Investments, from various sources. Information obtained from third parties is believed to be reliable, but no representation or warranty, express or implied, is made by RGP Investments, its affiliates or any other person as to its accuracy, completeness or correctness. RGP Investments and its affiliates assume no responsibility for any errors or omissions.

The Sectorwise Portfolios are managed by RGP Investments. Please read a fund's prospectus and consult your financial advisor before investing. Mutual funds are not guaranteed. Their values change frequently and past performance may not be repeated. Investors will pay management fees and expenses, may pay commissions or trailing commission. Investors may experience a gain or loss.

(1) The strategic component presents the findings of a study by RGP Investments in which the behaviour of the market index was compared to that of an equally weighted model. The study was based on the monthly returns of the MSCI World Index (in US dollars) and the monthly returns of the underlying sectors of that index. Data were obtained from FactSet. The study covers the period from January 1, 1998 to December 31, 2017 (20 years).

The performance of the MSCI World Index was determined using total index returns (including dividends) for the studied period. The performance of the equally weighted model takes into account monthly rebalancing among the sectors within the index used. The top performer (per calendar year) shows the number of occurrences in which each option obtained the highest return in one calendar year for the period covered.

(2) Sector return variation of the different sectors within the MSCI World Index (CAD). Sector performance data provided in this chart come from the MSCI World Index (CAD). Data was obtained from FactSet.

(3) Result of an internal study covering the period from January 1st, 2008 to December 31, 2020.

(4) The tactical component presents the findings of a study measuring the added value of sector specialty funds compared to large cap equity funds (traditional mandates). All calculations are based on series F mutual funds as at December 31, 2017. For each of the four traditional management categories, the annualized return (15 years) is the composite return of all monthly returns for the period from January 1, 2003 to December 31, 2017. Each of these monthly returns corresponds to the average return for all mutual funds in the category, where a monthly performance was published. The total return (7.7%), shown at the bottom of the traditional management section, is the average return for the four categories weighted to reflect the geographic distribution in the full (55 mandates equally weighted by sector) of specialized management portfolio. As at December 31, 2017, the geographic distribution was as follows: 25% Canadian Equity + 25% Global Equity + 25% U.S. Equity + 25% International Equity.

For each of the nine sectors used to represent specialized management, the annualized return (15 years) is the composite return of all monthly returns for the period from January 1, 2003 to December 31, 2017. Each of these monthly returns corresponds to the average return for all mutual funds in the sector, where a monthly performance was published. The total return (8.8%), shown at the bottom of the specialized management section, is the average return for the nine sectors used. For your information, we have provided the average annualized return for the sectors grouped by sector category, i.e., Cyclical, Sensitive, Defensive and Multiple Mandates. Based on the calculations as described in the two preceding paragraphs, 67%, or 113 of the 169 12-month rolling returns published by sector specialized management, covering the period from January 1, 2003 to December 31, 2017, outperformed those published by traditional management (56/169).

RGP Investments and The Sectorwise Portfolios are trademarks of R.E.G.A.R. Investment Management Inc.

**[RGPINVESTMENTS.CA](http://RGPINVESTMENTS.CA)**