

How we select institutional managers in our portfolios



Institutional Asset Class Portfolios

The building blocks of our four core Marquis Institutional Portfolios.
They can be used as stand alone investments or combined to create personalized solutions.

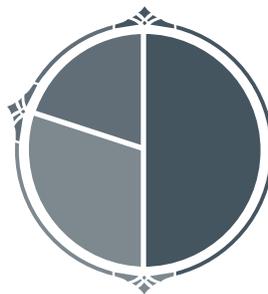


Institutional Canadian Equity Portfolio

Invests in our domestic market and is designed to be the core Canadian equity holding in a portfolio.

Four Canadian Equity managers with complementary styles providing broad exposure to the market:

- 30% Jarislowsky Fraser (GARP)
- 30% 1832 Asset Management L.P. (Growth)
- 30% 1832 Asset Management L.P. (Equity Income)
- 10% Montrusco Bolton Investments Inc. (Small-cap GARP)



Institutional Global Equity Portfolio

Invests in developed and emerging markets worldwide.

Different management firms in each region all have complementary investment styles:

- 15% Diamond Hill (US Value)
- 15% 1832 Asset Management L.P. (US Growth)
- 20% Principal Global Investors (International Core)
- 25% Baillie Gifford (Global GARP)
- 25% Epoch Investment Partners (Global Value)



Institutional Bond Portfolio

Diversified core bond holding that invests in Canadian and global bonds.

One Canadian and one global manager who provide a consistent level of income with relatively low volatility:

- 90% 1832 Asset Management L.P.
- 10% PIMCO Canada Corp.

* GARP = Growth at a reasonable price

Marquis Institutional Canadian Equity Portfolio

Component	Manager	Holdings	Philosophy	Strategy	Background*	Management team
Canadian Equities	 GARP	35 to 50 stocks with a bias for large-caps with sound growth potential and reasonable valuations, and a bias against deep cyclicals	Hold a diversified portfolio of high-quality companies with a goal of preserving real purchasing power with minimal risk	Mainly buy and hold favourably priced companies with sound management that demonstrate superior growth. Manager invests in seven to ten sectors and tends to avoid deep cyclicals such as gold and IT	<ul style="list-style-type: none"> Established in 1955 Montreal, Toronto, Calgary, Vancouver \$44 Billion under management 	Bernard Gauthier , CFA Head of Canadian equities joined the firm in 2008; he is a member of the Investment Strategy Committee and has over 25 years of industry experience.
	1832 Asset Management L.P. Growth	35 to 45 mainly large-cap stocks from across the equity market, selected to outperform based on positive reaction to growth in earnings and cash flow	Top-down macroeconomic analysis and rigorous bottom-up fundamental research to identify companies with superior earnings growth potential	Focus on industries experiencing secular growth and on early anticipation of cyclical opportunities. Manager invests in growth-oriented sectors.	<ul style="list-style-type: none"> Established in 1957 Toronto, Ontario \$145 Billion under management 	Vishal Patel , BComm. (Hons.), CFA Vice President and Portfolio Manager with over 14 years of investment experience; joined Dynamic in 2005
	1832 Asset Management L.P. Equity income	30 to 50 mid- to large-cap dividend- or distribution-paying securities	Quality at a reasonable price (QUARP®) approach to investing in income-generating securities managed within a capital protection philosophy	Manager invests in a diversified portfolio of best-in-class businesses that offer a sustainable dividend or distribution.	<ul style="list-style-type: none"> Established in 1957 Toronto, Ontario \$145 Billion under management 	Bill McLeod manages with over 15 years of experience in the industry
	 Small cap GARP	Bottom-up portfolio of 35 to 60 small-cap stocks invested in at least 7 of the 10 market sectors	Small-cap bottom-up fundamental research. Philosophy based on ownership investing, thinking and acting like business owners to provide insight into assessing a stock's return potential	Focus on firms with a sustainable competitive advantage and a strong balance sheet. Market cap of holdings will be less than 0.15% of the S&P/TSX Composite market cap at time of purchase.	<ul style="list-style-type: none"> Established in 1946 Montreal, Quebec \$5 Billion under management 	John Goldsmith , MBA, CFA, CBV, CIM, FCSI Portfolio Manager, head of Canadian equities with over 20 years of industry experience and Kimberly Cheong, co-manager

PROMINENT INSTITUTIONAL MANAGERS
FROM AROUND THE WORLD

Marquis Institutional Global Equity Portfolio

Component	Manager	Holdings	Philosophy	Strategy	Background*	Management team
US Equities	 DIAMOND HILL <small>CAPITAL MANAGEMENT</small> Value	40 to 60 companies whose shares are trading at a discount to intrinsic value	Market price and intrinsic value will converge over time, so purchase well-managed companies at a discount and have a long-term investment temperament	Invest in large-cap stocks that are believed to be undervalued. Active management style with wide deviation from market weights	<ul style="list-style-type: none"> Established in 2000 Columbus, Ohio \$30 Billion under management 	Chuck Bath , MBA, CFA, lead Portfolio Manager with over 25 years of money management experience
	1832 Asset Management L.P. Growth	20 to 30 stocks of high-growth companies in growing sectors	Focus on companies that have the opportunity to become dramatically larger companies	Invests in companies experiencing sustained growth. Highly concentrated portfolio that focuses on growth-oriented sectors	<ul style="list-style-type: none"> Established in 1957 Toronto, Ontario \$145 Billion under management 	Noah Blackstein , CFA, award-winning Portfolio Manager has been part of the Dynamic Power team since 1997
International Equities	 Principal SM Core	Over 100 stocks, mainly large-caps, with broad diversification in terms of regions and industry sectors	Companies with improving and sustainable fundamentals, rising investor expectations and attractive relative valuations tend to outperform	Invest in large-caps with greatest potential for earnings surprises, diversify broadly across sectors and countries, and invest in a large number of stocks to diversify risk	<ul style="list-style-type: none"> Part of Principal Financial Group, established in 1879 Des Moines, Iowa \$121 Billion under management 	Juliet Cohn and Paul H. Blankenhagen , co-managers, who draw on research and input from 19 analysts
Global Equities	 BAILLIE GIFFORD GARP	Bottom-up portfolio of 70 to 120 growing companies, mainly large-caps, with sustainable earnings whose favourable valuation is not yet reflected in stock price	Assessing a Company's prospect for sustainable earnings growth is easier and more profitable than trying to predict short-term trends for share price, the economy or markets	Invest in growing companies with sustainable returns on capital (based on industry dynamics, competitive advantages, strong financials and managers) and favourable valuations	<ul style="list-style-type: none"> Established in 1908 Endinburgh, Scotland \$376 Billion under management 	Charles Plowden , Senior Partner and two seasoned investment managers make decisions, using additional research from regional teams
	 EPOCH <small>Epoch Investment Partners, Inc.</small> Value	20 to 35 stocks that are the highest conviction ideas of Epoch's investment team	Growth of free cash flow and the intelligent use of that cash flow represent the best predictor of long-term shareholder return	A concentrated portfolio of high-conviction stocks reflecting a value investment approach focused on free cash flow	<ul style="list-style-type: none"> Founded in 2004 New York, New York \$44 Billion under management 	William Priest , CEO and Co-CIO and David Pearl , EVP and Co-CIO, founders of Epoch Investment Partners

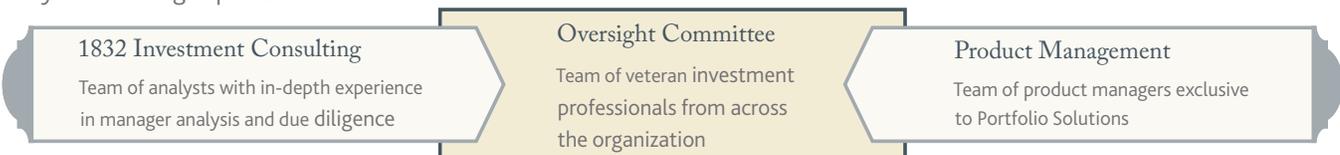
Marquis Institutional Bond Portfolio

Component	Manager	Holdings	Philosophy	Strategy	Background*	Management team
Canadian Fixed Income	1832 Asset Management L.P. Diversified	Diversified core bond portfolio of approximately 75 to 150 securities of mainly Canadian government and investment grade bonds	Generate a consistent level of income with relatively low volatility. Longer-term outlook and positioning with active management of duration, yield curve, sector spreads and credit quality, to enhance returns and control risk	A disciplined approach to managing risk, the manager actively trades securities in keeping with movements in bond yields and the yield curve. Focus mainly on government and corporate bonds with flexibility to overweight corporate sectors where appropriate	<ul style="list-style-type: none"> Established in 1957 Toronto, Ontario \$145 Billion under management 	Derek Amery, BA (Hons.), MA, CFA, joined Dynamic in 2019
Global Fixed Income	PIMCO Diversified	Invests primarily in non-Canadian dollar fixed-income instruments of varying maturities globally	A forward-looking investment approach that seizes opportunities created by secular shifts taking place in the global economy	Invests in a multi-sector, multi-currency portfolio of fixed-income securities across both developed and emerging markets. Employs a unique GDP-weighted approach to determine the most promising opportunities in the years ahead. PIMCO's Secular Forums bring together the firm's investment professionals to identify key themes and trends well before they appear on the markets' radars.	<ul style="list-style-type: none"> Founded in 1971. PIMCO Canada's office opened in 2004 Over \$2.4 Trillion under management with twelve offices in cities around the world 	Andrew Balls, CIO global fixed income, joined PIMCO in 2006 and Lupin Rahman, Executive Vice President, joined PIMCO in 2008

* AUM as at December 31st, 2019

Monitoring and Oversight

Marquis Institutional managers are overseen by Dynamic Fund's Portfolio Solutions Oversight Committee. This highly experienced group of professionals, supported by a qualified team of analysts, monitors the managers quarterly to ensure they are meeting expectations.



Sound governance is at the heart of the Marquis Investment Program. The program is committed to selecting best-in-class managers from around the world with a history of generating higher alpha, and changes are made as required to improve the portfolios.

dynamic.ca/marquis

Researched by Dynamic Funds®

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