

# Our Principles

- Apply principles of Nobel Prize winning Economist, Fama-French
- Long term passive approach to investing (no company specific risk)
- Focus on globally diversified strategies
- Overweight USA Equity & Fixed Income
- Private investment inclusion reduces overall portfolio risk
- No leveraged ETFs
- No short exposure (Long/Short ETFs, Inverse ETFs)
- No currency risk
- Make a social impact with competitive returns (ESG ETFs)

## Strategic Asset Allocation

Our portfolio strategies are rooted in our decades of experience managing institutional investments. We construct globally diversified portfolios using primarily ETFs, with a complement of Private Funds.

### Codify Strategic Objectives

Our asset mix committee re-evaluates the primary objectives of our Asset Allocation Model. This process involves:

- Formulating risk adjusted return targets.
- Environmental Social Governance (ESG) considerations.

### Forecast Market Assumptions

We employ a hybrid approach which complements systematic calculations with the experience of our asset mix committee. We then refine raw data into core forecasted assumptions for our proprietary portfolio models. During this process we:

- Observe historical data.
- Interpret qualitative data that may affect our model.

### Generate Our Strategic Asset Allocation

- Using theories derived from Modern Portfolio Theory
- Run multiple simulations using forecasted quantitative variables
- Allocation is optimized to meet committee's objectives

### Dynamically Adapt Our Allocation to Changing Economic Conditions

Our Strategic Asset Allocation will systematically react to shifts in the value & momentum ranking of its geographic components:

- Tilting to overweight regions with favourable value & momentum characteristics.
- Tilting to underweight regions with less favourable value & momentum characteristics.

## Security Optimization

### Systematically Review Available Securities

We are continuously analyzing the available universe of ETFs & Private Equity/Debt Securities and rank them based on the following criteria:

- MER
- Diversification
- Tracking Error
- Liquidity & Volume
- Currency Risk
- Distribution Frequency
- Management Considerations (for Active ETFs & Private Securities)
- Factor tilts (Smart-beta exposure)
- Counterparty Risk
- Interest Rate Risk
- Tax Consideration

### Select Optimal Securities

We select only the securities that allow us to implement our Strategic Asset Allocation with maximum efficiency and minimum cost.



## Rebalancing

### Rebalance Individual Accounts

We allow each account's allocation to organically fluctuate within specific tolerance bands of its target allocation. Accounts that exceed our asset allocation drift threshold are rebalanced back to their original strategic target weighting.

- We only take action if the benefit of the trade exceeds the cost.
- Dividends and interest earned in the account are automatically reinvested according to our rebalance policy.

