

Asian Pacific (iAIM) Fund

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Firm and Quantitative Equity Team

Asian Pacific (iAIM) Fund

Multifactor Quantitative Investment Approach

Asian Pacific (iAIM) Fund: Characteristics and Back-testing

Key Takeaways

Firm and Team





One of Canada's 15-largest asset managers

Our company

- iA Financial Group (**IAG.TO**): 125+ years of history
- More than 150 investment professionals
- **\$100 billion** of assets across a large range of mandates

Retail



\$47B AUM

Institutional

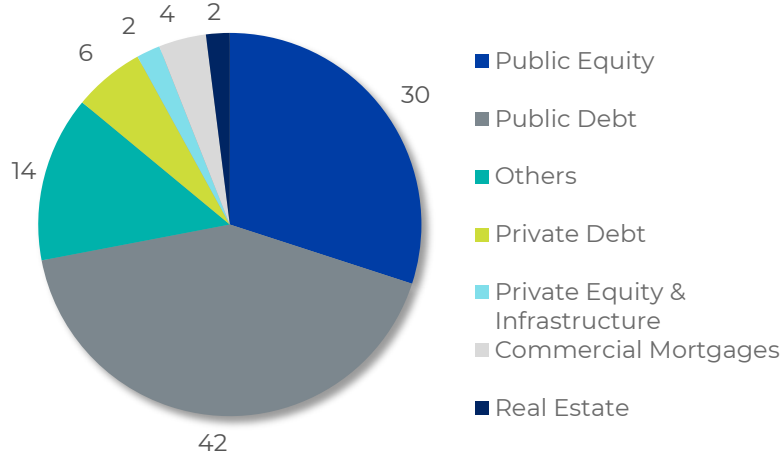


\$52B AUM

\$100B of Assets Under Management

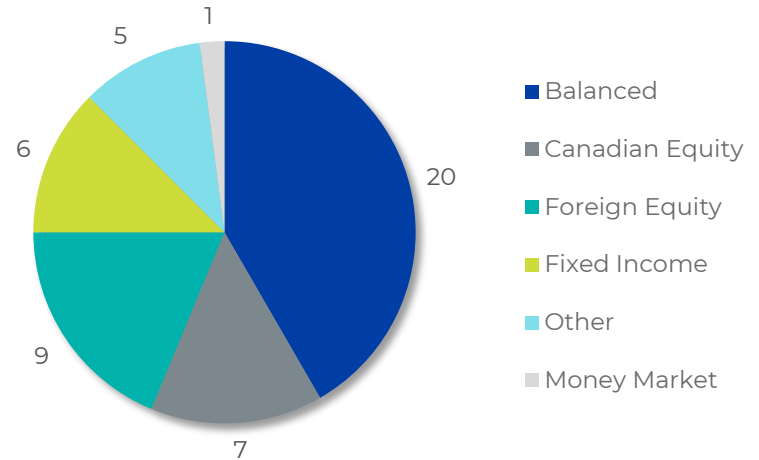
AUM by asset class (\$B)

As at September 30, 2022



AUM by Investment Fund type* (\$B)

As at September 30, 2022



*Retail mandates only.

Relying on extensive collaboration to promote idea generation and innovation



Jean-René Adam, M. Sc., CFA
Senior Vice President, Head of Public Equities
20 years in the industry
1 year at iA



Matthew Kurbat, Ph.D, CFA
Head of Quantitative Research
24 years in the industry
2 years at iA



Sébastien Vaillancourt, M.Sc., CFA
Senior Director, Portfolio Manager, Quantitative Equities
21 years in the industry
21 years at iA



Emmanuel Brousseau, M.Sc., CFA
Associate Director, Associate Portfolio Manager,
Quantitative Equities
6 years in the industry
5 years at iA



Karl Demers-Bélanger, M.Sc.
Senior Analyst, Quantitative Equities
4 years in the industry
3 years at iA



Félix St-Laurent, M.Sc., CFA
Senior Analyst, Quantitative Equities
4 years in the industry
4 years at iA



Sébastien Vaillancourt, M.Sc., CFA

Sébastien has more than 20 years of experience in the investment industry. He is a senior member of the quantitative strategy management team whose mission is to develop and promote quantitative investment strategies with favorable attributes.

Sébastien holds a master's degree in Finance from the Université du Québec à Trois-Rivières and is a CFA charterholder.

Segregated Funds Managed

Global Equity

Global True Conviction – International component

Global Disciplined Equity (iAIM) – International component

International Equity

International Disciplined Equity (iAIM)

DAQ U.S. Index

Multifactorial U.S. Equities (iAIM) (offered as an underlying fund of the Focus Funds)



Matthew Kurbat, Ph.D., CFA

Matthew Kurbat leads research on our quantitative strategies team. He has over 20 years of experience and has worked for globally recognized firms including CPP Investments, Barclays Global Investors (BGI), Mellon, and Moody's.

He holds a Ph.D. and Master's degree from the University of Michigan, and a B. Sc. in Mathematics from MIT. He is a CFA charterholder.



The Asian Pacific (iAIM) Fund Mandate

The Growing Role of the Asia Pacific Region

More than 50% of the world population

39% of global exports

35% of world economic output



Emerging Asia accounts for

- 70% of global growth in last 10 years
- 29% of global e-commerce
- 24% of global semiconductor chips production

Asia is underrepresented in global equity portfolios

- Rapid urbanization and advancement in digital technologies
- Booming middle class is fuelling domestic consumption
- Future engine of growth
- Attractively valued

Asian Pacific (iAIM) Fund Mandate

Mandate

- Diversified exposure to the equity securities of corporations located or with operations in the Asian Pacific region

Benchmark

- MSCI Asia Pacific Index

Investment process

- Systematic multifactor investment approach to identify securities that provide exposure to multiple drivers of returns for enhanced potential and diversification benefit
- Approximately 30 factors grouped in three main themes: momentum, quality and value

Tracking Error

- 1.5 – 4% per year

Number of holdings

- 350-700

Currency management

- Currency unhedged

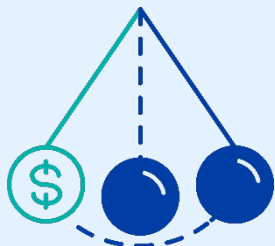
Portfolio management

- Source of alpha: factor exposure via security selection
 - Portfolio turnover: 60-100%
 - Quarterly rebalancing
-



The Multifactor Quantitative Investment Approach

What is Factor Investing?



MOMENTUM



QUALITY



VALUE

- Factor investing is a quantitative investment approach based on observable data that targets broad and persistent drivers of return factors across and within asset classes
- Grounded in long history of academic research
- Based on strong economic rationale
- Aim to enhance diversification and generate superior risk-adjusted returns

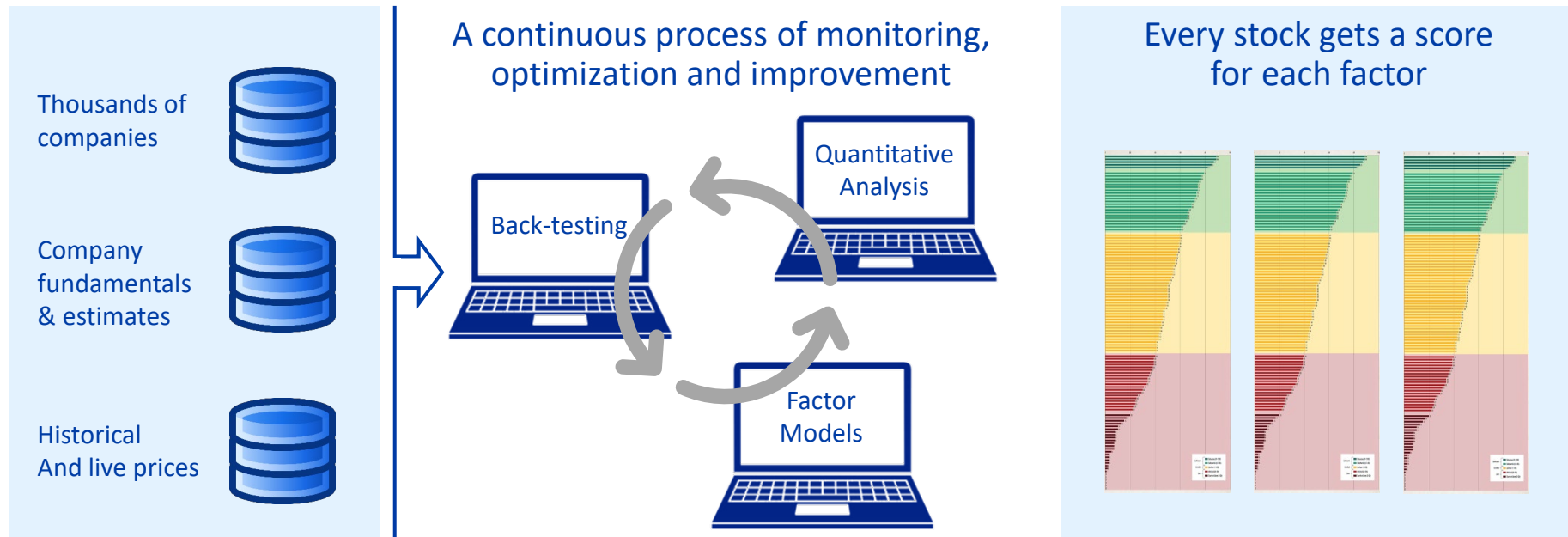
Why Quantitative Strategies?

- A 'human + machine' approach to reduce human biases in the investment process
- To leverage data and technology and challenge human limits
- Scalable: to analyze large subsets of companies
- Portable: applied to various universes of assets
- Robust process across regions, time periods and constructs



A **rational** approach for such a **large** market

Quantitative Multifactor Investment Process




All stocks in universe are analyzed and ranked

Samsung Electronic Co

	Score	Weight
Momentum	BAD	1/3
Quality	GOOD	1/3
Value	GREAT	1/3
iAIM Multifactor Score	GOOD	1
MSCI Asia Pacific Weight		2.23%
Asian Pacific (iAIM) Fund Weight		2.97%

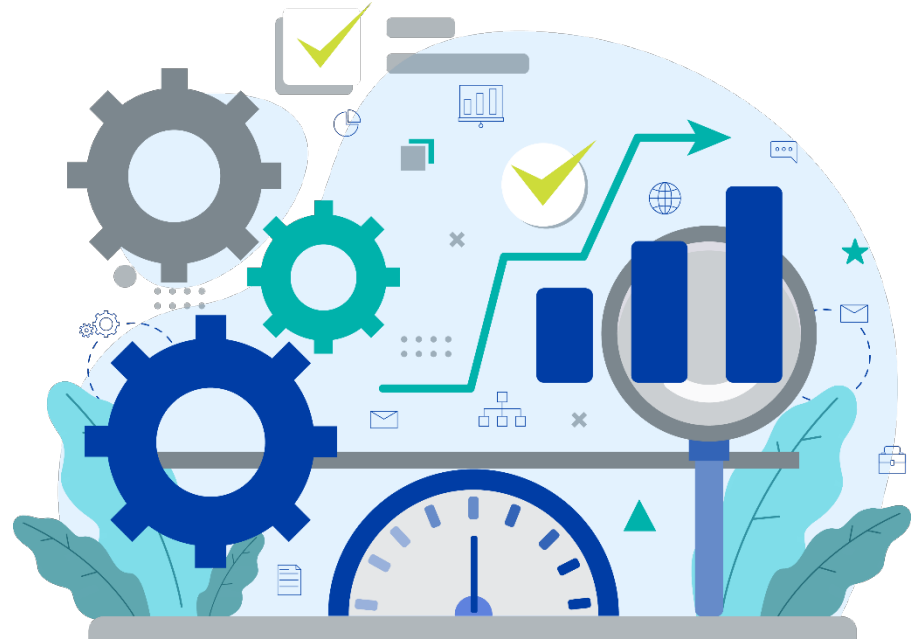
Emphasis on factors, not on single stocks



The iAIM Quantitative Multifactor Process

Process

- Multifactor alpha (added value) model
- Factors backed by long-term academic research
- Factors are neutralized for risk factors, region/country and business sectors
- Optimized portfolio construction balances forecasted returns, risks, and trading costs to maximize risk-adjusted return potential



Quantitative strategies eliminate most of human behavioral biases through trading discipline

We use factors that:

- Are robust across time periods, geographic regions, and constructed to ensure they will work in live portfolios
- Are based on peer-reviewed academic research, then further evaluated by our team
- Work well on a standalone basis and in combination with other factors
- Don't depend on small/illiquid stocks for performance
- Perform well net of estimated trading costs

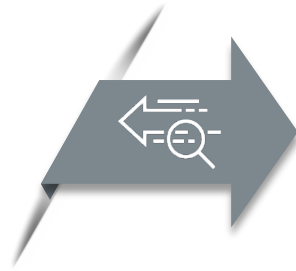
iAIM Quantitative Multifactor Model

Security Selection



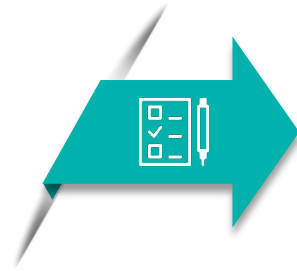
Investable universe

- Asia Pacific market: large and mid cap
 - 1,500 securities



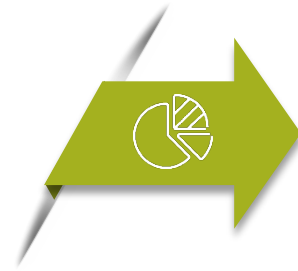
Quantitative factors

- Two dozen factors grouped under known themes:
 - Momentum (price momentum, analyst opinion, financial statements)
 - Quality (profitability, investment, low volatility)
 - Value (earnings, cash-flows, R&D, buy-backs)
- Multifactor quantitative investing increases diversification and enhances risk-adjusted returns




Security ranking & selection

- One final score
- All securities are ranked from best to worst – ‘virtual analyst’ picking up best stocks
- Multiplier added to score for a tilt toward liquid issuers
- Neutralizing regional, sector, and factors risks



Portfolio construction

- Dial on number of stocks to help manage alpha and tracking error
- Technology and models to build a tailored portfolio
- Sophisticated algorithm to combine and select stocks to gain optimal exposure to factors

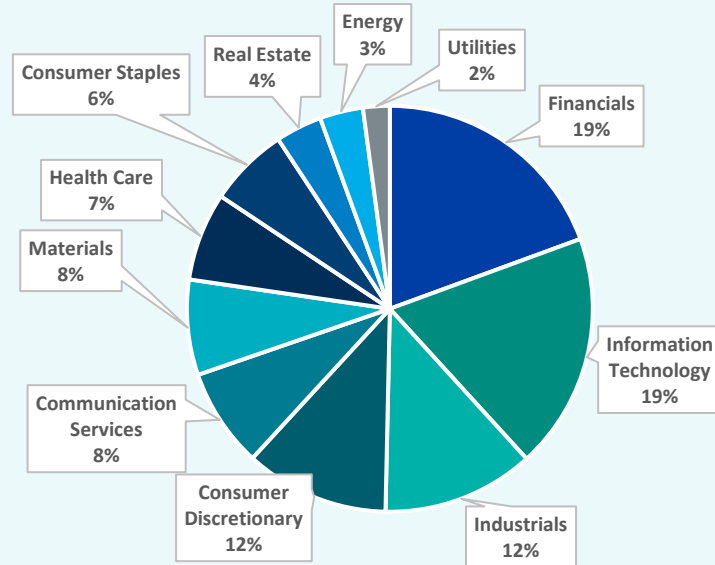


Asian Pacific (iAIM) Fund: Characteristics and Back-testing

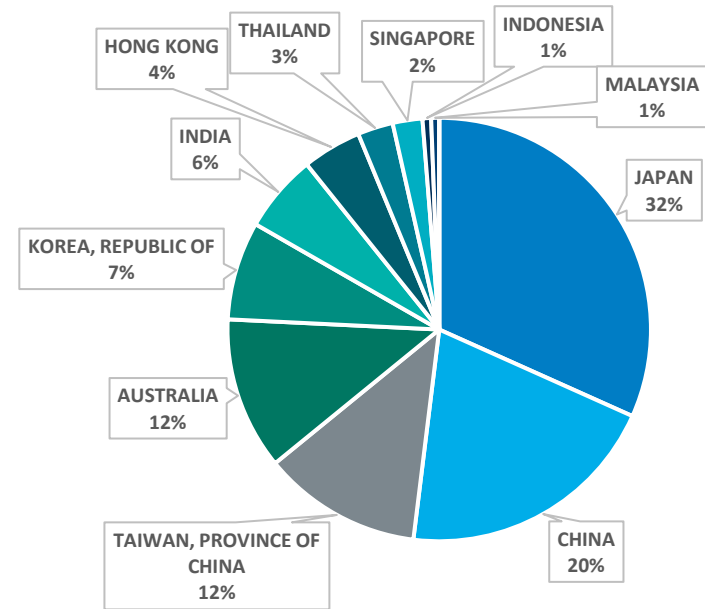
Sector and Geographic Allocations

As at December 15, 2022

Sector Allocation



Geographic Allocation

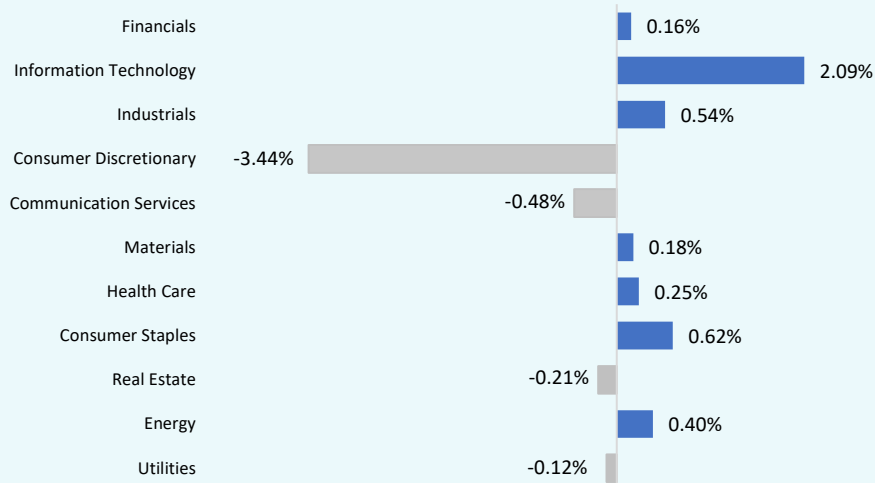


Source: iA Investment Management

Portfolio Positioning

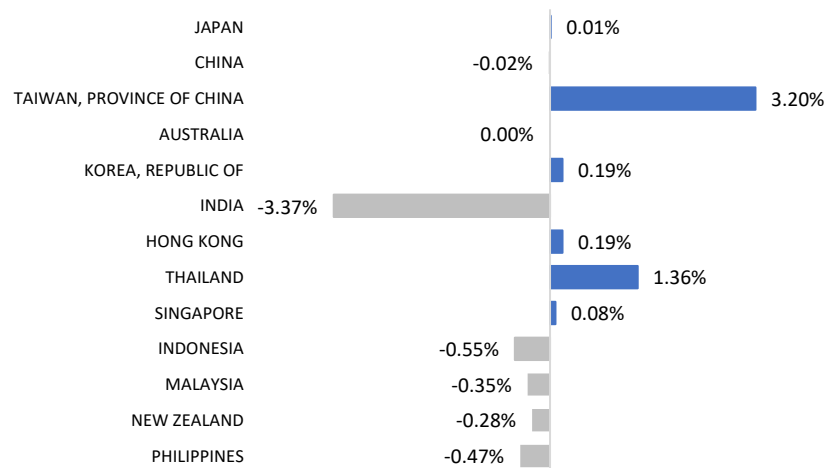
Sector weights vs. benchmark

As at December 15, 2022



Geographic allocation vs. benchmark

As at December 15, 2022

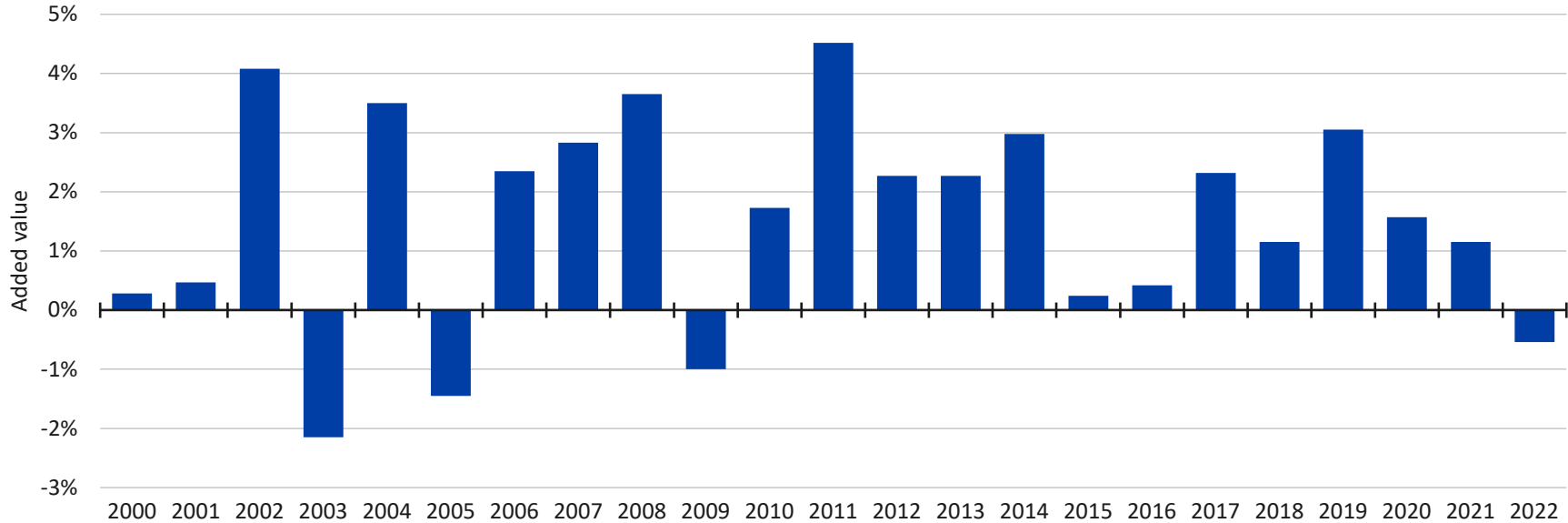


Low active sector and region exposures for risk control purposes

Simulation of the historical added value

(Gross return vs benchmark index)

From January 2000 to September 2022



The strategy suggests annual outperformance 19 out of 22 years

As of September 30th, 2022

Annualized returns (%)	1 year	3 years	5 years	7 years	10 years
Asian Pacific Quant. Strategy	-20.86	0.92	3.09	6.30	8.97
MSCI AC Asia Pacific	-21.35	-0.15	1.58	4.78	7.54
Added Value	0.49	1.07	1.51	1.52	1.43

Source: iA Investment Management, Morningstar

Longer-term results suggest an attractive risk/reward approach

10-year Comparison versus ASIA PAC Peers

As of September 30, 2022

DESCRIPTIVE STATISTICS 10-YEARS

	Beta	Sharpe	Information ratio	Tracking error	Std Dev.	Up Capture	Down Capture
Asian Pacific (iAIM) Quant Strategy Backtested	1.03	0.34	0.60	2.38	11.38	105.78	97.58
Peer group percentile	59	30	1	1	6	47	35
MSCI AC Asia Pacific	1.00	0.25	-	-	10.93	100	100
Median	1.02	0.31	0.21	4.39	11.75	105.59	100.78
# of peers	18	18	18	18	18	18	18

Percentile rankings: Lower ranking is better (i.e. high returns or lower risk measures).
Source: iA Investment Management, Morningstar

- Asia is underrepresented in global equity portfolios despite the growing role of the Asia Pacific region in the global economy
- Stocks in Asia are attractively valued and offer good return opportunities
- The iAIM multifactor quantitative approach is based on a long-track record of academic research and allows us to challenge human limits in analyzing large sets of data to select securities
- Optimized portfolio construction that balances forecasted returns, risks, and trading costs to maximize risk-adjusted return potential

Ability to Thrive in Complex, Evolving Markets



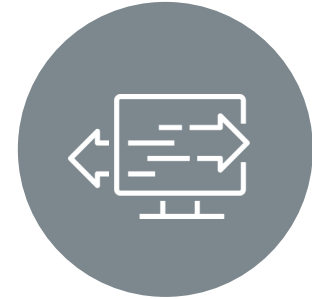
Highly experienced
and focused
investment team



Methodical and
disciplined investment
approach

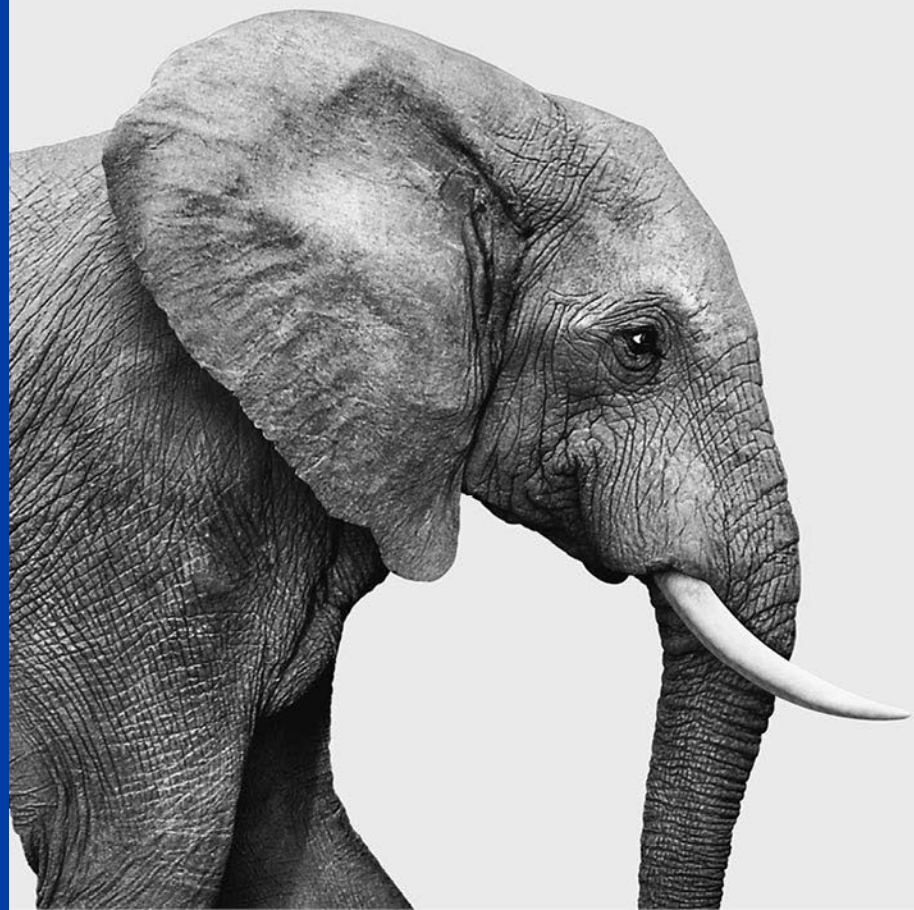


Strong and consistent
track record



Innovating for the future
of financial markets

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INVESTED IN YOU.