

iA Investment Management Inc. Portfolio Manager Updates – Q&A

January 16, 2023

1. What is happening?

iA Investment Management (iAIM) has announced a portfolio advisory change for the Asian Pacific (Dynamic) Fund, which will now be named Asian Pacific (iAIM), hereafter referred to as "the Fund".

Fund	New Portfolio Manager / Research Leader
<ul style="list-style-type: none"> Asian Pacific (iAIM) 	<p>Sébastien Vaillancourt, MSc, CFA Senior Director, Portfolio Manager, Quantitative Equities, iAIM</p> <p><i>In close collaboration with:</i></p> <p>Matthew Kurbat, PhD, CFA Consultant, Research Leadership, Quantitative Strategies</p>

2. What is the sequence of events?

- **December 13, 2022:** Note to advisors via iA CONNECTED.
- **January 2023:** Note to the 2022 year-end statements to advise clients who hold the Asia Pacific (Dynamic) Fund.
- **January 16, 2023:** The change becomes effective.

3. What does this mean for the client?

- Clients will automatically benefit from a decrease of approximately 0.20% in the management expense ratio (MER) associated with the Asian Pacific (iAIM) Fund. The MER will be adjusted in the first 2023 update of the Fund Codes and Management Expense Ratios (F13-1000A) document.
- No action is required on the part of the client holding the Fund.
- This change does not result in changes to the total value of investments, the number of units and their unit value, the fundamental investment objective, or the risk profile of the Fund.
- This change does not affect the contractual benefits, guarantees or maturity date of contracts.

- For non-registered contracts, this change could result in a taxable capital gain or loss when the change takes effect on January 16, 2023. This gain or loss will be declared on tax slips (federal: T3, Quebec: Relevé 16) issued for the 2023 tax year.

4. What does this mean for the advisor?

- No action is required on the advisor's part.
- There is no change to the existing fund codes.
- The Fund remains available in the same series and products, without limitations.
- The Fund remains a specialty fund.

5. Why are we making these changes?

iA Financial Group is committed to ensuring that our fund lineup meets the needs of investors and is optimally positioned for the evolving opportunities and challenges of a complex market environment.

6. Will the Fund be managed in the same style?

- The fundamental investment objective of the Fund remains unchanged.
- The geographic allocation of the Fund will change. While the Fund was previously invested up to 70% in China, the new manager will attempt to maintain a similar geographic diversification as the Index. Developed market countries in the index include Australia, Hong Kong, Japan, New Zealand and Singapore. Emerging market countries include China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand.
- The Fund will continue to seek maximum long-term capital growth through investments primarily in stocks of companies based in the Pacific region, including Japan.
- The Fund will be invested using a multi-factor quantitative approach focusing on various factors such as momentum, quality and value.

7. What are the Portfolio Manager and Research Leader's backgrounds?

Sébastien Vaillancourt and Matthew Kurbat are currently responsible for the management of the International Equity Fund and International Disciplined Equity (iAIM) Fund. They also manage the Europe, Australasia and Far East (EAFE) component of the Global True Conviction Fund, Global True Conviction Hybrid 75/25 Fund, Global Equity Fund, Global Equity Hybrid 75/25 Fund, Global Disciplined Equity (iAIM) Fund and Global Discipline Equity (iAIM) Hybrid 75/25 Fund.

Sébastien Vaillancourt, MSc, CFA

Senior Director, Portfolio Manager, Quantitative Equities, iAIM

Sébastien has nearly 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.

He is supported by the quantitative strategies team, which combines the talents of its research leader Matthew Kurbat, an associate manager and two analysts, whose diverse skills in innovation, quantitative approaches and portfolio optimization techniques make them an experienced team.

Matthew Kurbat, PhD, CFA

Consultant, Research Leadership, Quantitative Strategies

Matthew Kurbat has over 20 years of experience and has worked for globally recognized companies including CPP Investments, Barclays Global Investor (BGI), Mellon, and Moody's.

He holds a PhD from the University of Michigan. He also holds the CFA charter.

8. What is multi-factor investing?

- Multifactor investing seeks to identify and invest in securities that provide exposure to multiple performance attributes, the factors, to enhance the risk diversification and performance potential of a portfolio.
- Over two dozen factors are analyzed and optimized. These include profitability, liquidity, growth, volatility, earnings among others and are grouped under three broad themes: momentum, quality and value.
- The objective is to invest in a portfolio of securities that represent a diversified mix of factors that are likely to deliver risk-adjusted, above-index returns in a variety of market environments.

9. What is iAIM's approach to multi-factor investing?

- iAIM takes a systematic approach to multifactor investing.
- The team's rigorous methodology encompasses multiple sources of academic research, tools and techniques to determine factor selections.
- The team seeks to maintain a low correlation between the selected factors.
- Once the factors are chosen, the team ranks all the stocks in the index (over 1,500) from best to worst based on the overall score across all the different factors. A multiplier is also applied to this score based on the market capitalization of each stock to orient the portfolio towards the most liquid stocks.

- A risk management step is also used to neutralize regional and sector/industry risks.
- The process is continuous and active to ensure that the portfolio and the factors used are always optimized for the current market environment.

10. When will marketing materials be updated?

- Marketing materials will be gradually updated after January 16, 2023.