



**Canadian Centre for  
Christian Charities**

*Supporting ministries in a complex world*

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## Investment Performance Report

September 30, 2021



**HUB**

**P R O T E U S**

INVESTMENT & GOVERNANCE SPECIALISTS

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### 1. Equities

- ❑ Stock Market Rally Continues
- ❑ Rally Stalled from News out of Asia
- ❑ Evergrande's Liquidity Crisis

### 2. Monetary Policy

- ❑ To Taper or Not to Taper?
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- ❑ The Concerns are Worsening
- ❑ Supply Chain Shortages
- ❑ Rising Input Prices
- ❑ Inflation Correlations by Asset Class

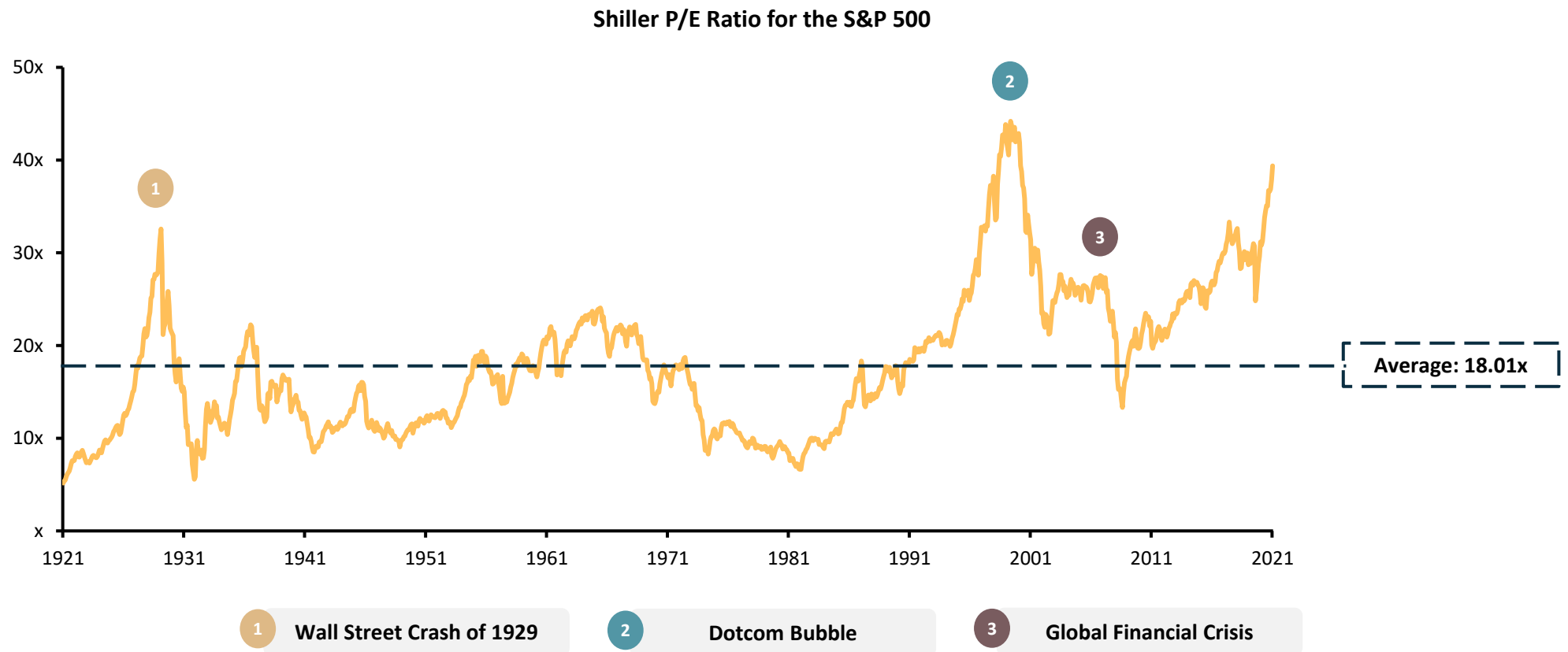
### 4. Index Concentration

- ❑ All Time Highs
- ❑ The Technology Sector Transformation

# 1. Equities

## Stock Market Rally Continues

- The Shiller Price-to-Earnings ratio considers economic fluctuations when assessing a company's profitability over different periods of an economic cycle. The current bull market has experienced the highest Shiller P/E ratio since the Dotcom Bubble, now surpassing the Wall Street Crash of 1929.



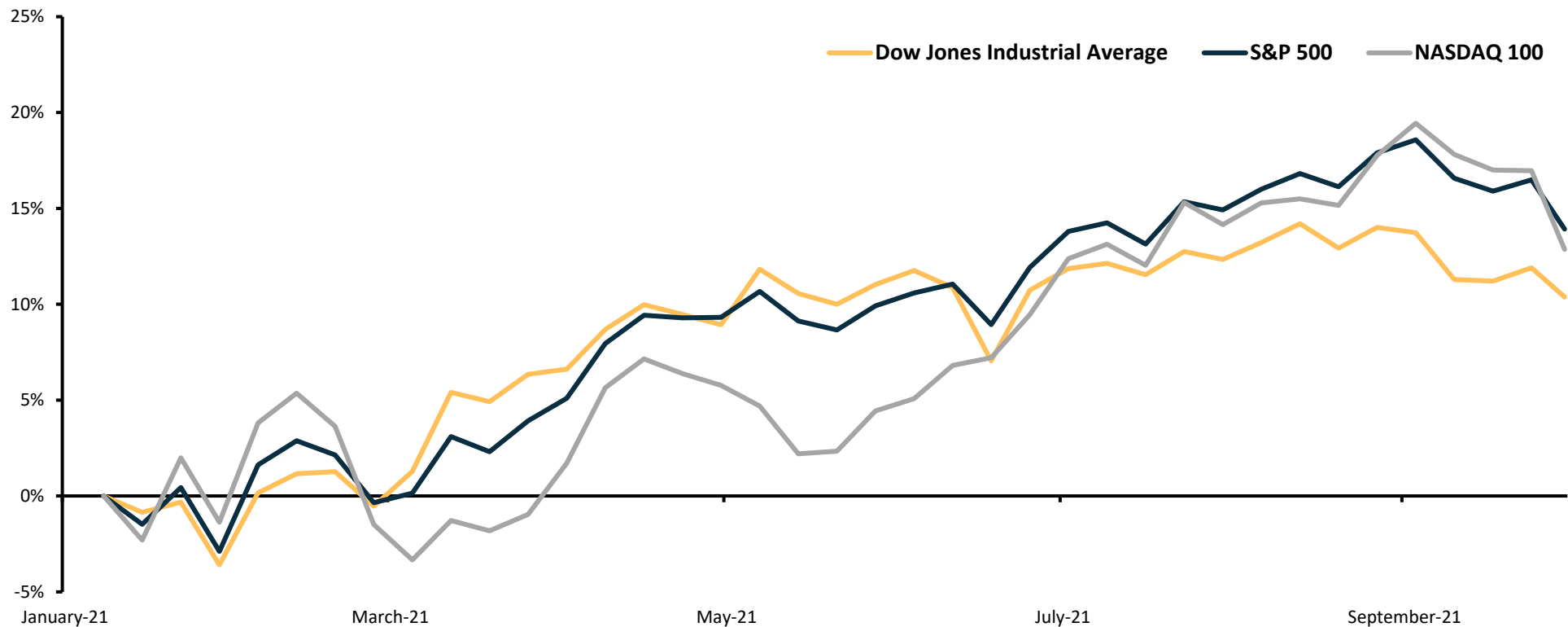
Source: multpl.com

# 1. Equities

## Rally Stalled from News out of Asia

- Asian equities retreated after various regulatory crackdowns resulted in the Evergrande liquidity crunch, as well as a global energy crisis. The negative news rolling out of China and Europe had a worldwide impact with North American equities experiencing higher volatility in September, giving back some of the July and August gains. Equities corrected slightly, credit spreads widened, while sovereign yields and inflation surged.

Major U.S. Indexes YTD Cumulative Returns

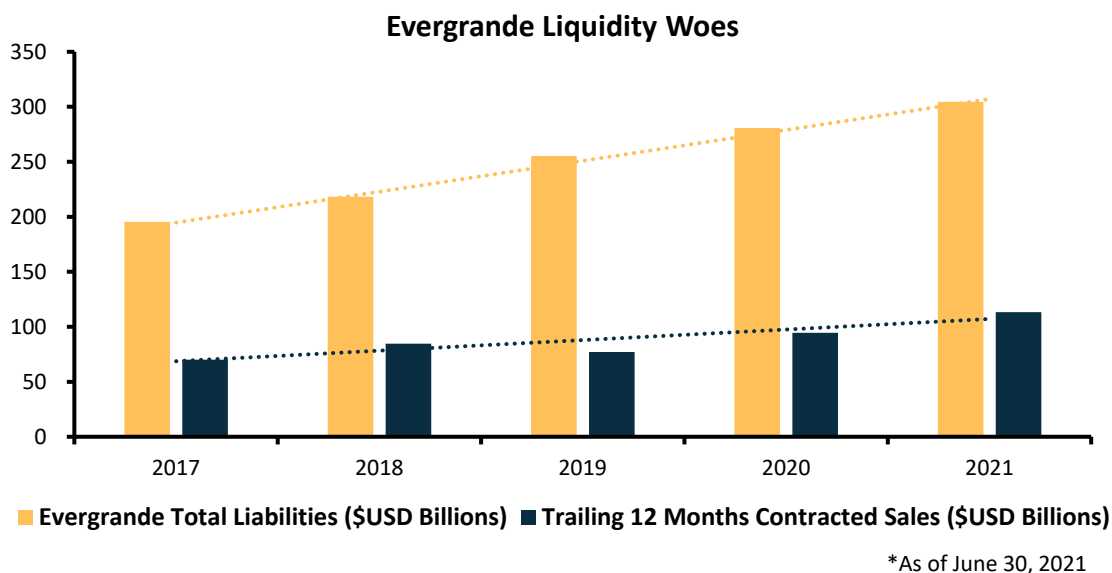


As of September 30, 2021

Source: MSCI, Bloomberg, BMO GAM, Yahoo Finance

# 1. Equities

## Evergrande's Liquidity Crisis



### Offshore Bond Market

Evergrande group's ~\$19B total offshore bonds outstanding is roughly 9% of the total offshore bond market.

\$19B

### Missed Interest Payments

Missed a \$US 83.5 million interest payment on a March 2022 U.S. dollar bond and a \$US 47.5 million interest payment on a March 2024 U.S. dollar bond in the last 2 weeks of September 2021.

\$131M

### Spillover Effect

Evergrande's liabilities involve more than 130 banks and over 120 non-banking institutions and further credit events may spill over and drive underperformance across DM and EM credit/equity markets.

130

### What Caused the Evergrande Crisis

- The event was precipitated by the Chinese government's decision in late 2020 to disincentivize developers from hoarding land while driving up real estate prices by restricting financings from financial institutions to developers nation wide. This sector-wide policy exposed Evergrande's highly levered operations that isn't generating enough cash to cover short-term liabilities, resulting in suspended construction projects and delayed payments that trickled down the supply chain.

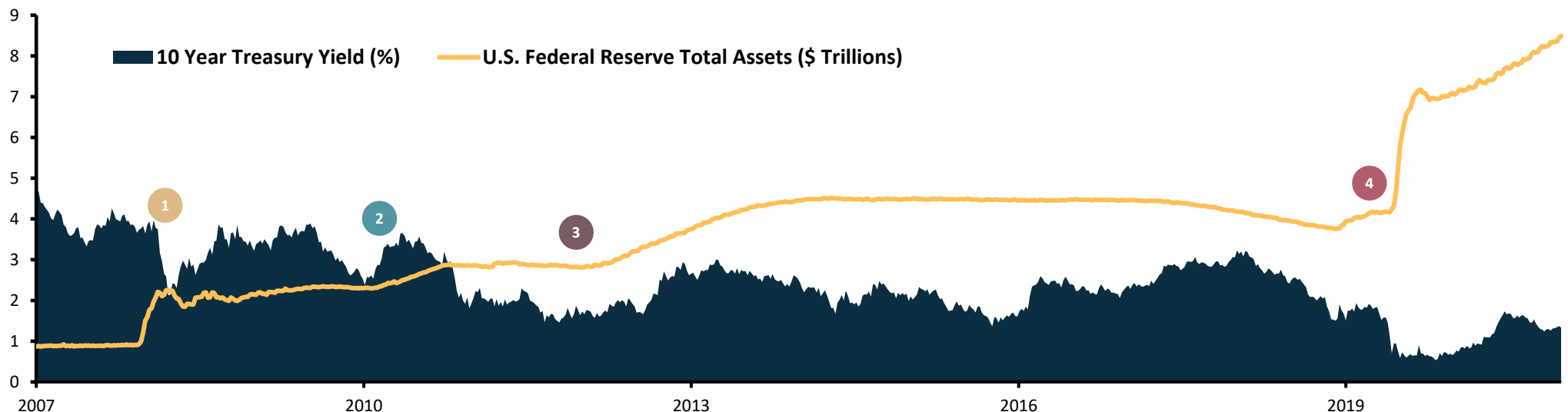
### Things to Watch

- 5 upcoming coupon payments on offshore bonds prior to the year end, results could trigger defaults and possible restructuring activities.
- Credit stress for banks, insurers, and bond funds with large exposures to over leveraged property developers and further tightened approval process for other developers.
- Potential further tightening of the Chinese credit/property policy.

Source: UBS, Evergrande, Reuters

## 2. Monetary Policy

### To Taper or Not to Taper?



- In the most recent 3 rounds of quantitative easing (“QE”), the U.S. Federal Reserve has added nearly US \$4 trillion to its balance sheet, an amount that’s likely to be surpassed by the end of the year in the most recent QE event.
- The concerns over inflated asset prices as a result of the excess cash has continued to spillover into Q3.
- A disappointing August US job report gave the Fed a reason not to make a decision on tapering in Q2 as they remain focused on an “outcomes, not forecasts” approach in the current policy adjustment process, specifically, in price stability and maximum employment.

- As the current QE comes to an end, interest rate hikes are unlikely to proceed until the conclusion of the tapering process. Moreover, tapering does not mean the removal of assets from the Federal Reserve system, rather a reduction in the pace of the purchase to maintain a stimulative and supportive environment.

Date	Description
1 Dec 2008 – Mar 2010	Total: USD\$ 1.725T; MBS \$1.25T; Treasury Bonds \$300B
2 Nov 2010 – Jun 2012	Total: USD\$ 600B; Treasury Bonds \$600B
3 Sept 2012 – Dec 2012	Total: USD\$ 1.613T; MBS \$823B; Treasury Bonds \$790B
4 Mar 2020 - ?	Total: USD\$ 3.9T*; MBS \$1.1T; Treasury Bonds \$2.8T

\*As of September 30, 2021

Source: U.S. Federal Reserve, Beutel Goodman

## 2. Monetary Policy

### Rate Watch

	Actual			Forecasts*								
	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Q2 2022	Q3 2022	Q4 2022
BoC Overnight	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50
10-yr Canadas	1.25	1.19	1.20	1.25	1.30	1.30	1.35	1.40	1.45	1.55	1.65	1.80
Fed Funds	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
10-yr Treasuries	1.32	1.28	1.35	1.40	1.40	1.45	1.50	1.55	1.60	1.70	1.80	1.95
C\$ per US\$	1.25	1.26	1.25	1.25	1.24	1.24	1.23	1.23	1.23	1.22	1.21	1.20
US\$/€	1.18	1.18	1.18	1.19	1.19	1.20	1.20	1.20	1.21	1.21	1.21	1.22
US\$/£	1.38	1.38	1.38	1.39	1.39	1.40	1.40	1.40	1.41	1.41	1.41	1.42

\*Forecasts From BMO Economics



- Inflation:** The Bank of Canada remains committed to holding the policy interest rate until the 2% inflation target is sustainably achieved as CPI inflation remains above 3%, boosted by base-year effects, gasoline prices, and pandemic-related supply bottlenecks.
- Policy Interest Rate:** The BOC held its target for the overnight rate at the effective lower bound of 0.25%, bank rate at 0.5%, and the deposit rate at 0.25%.
- Bond Yields:** The 10-year Canadian bond yields trended higher in September amid disappointing economic data, potentially pushing back its plan to dial back the bond purchases program further.



- Inflation:** The Federal Reserve reiterated its stance that the elevated inflation remains transitory and seeks to achieve inflation at the rate of 2% over the long run by maintaining an accommodative stance of monetary policy.
- Federal Funds Rate:** The Committee maintained its federal funds rate at a range of 0-0.25% during the quarter until there are further improvements in maximum employment.
- Bond Yields:** After hitting sub-1.2% levels in August, the 10-year treasury yields has trended modestly higher to end the month.

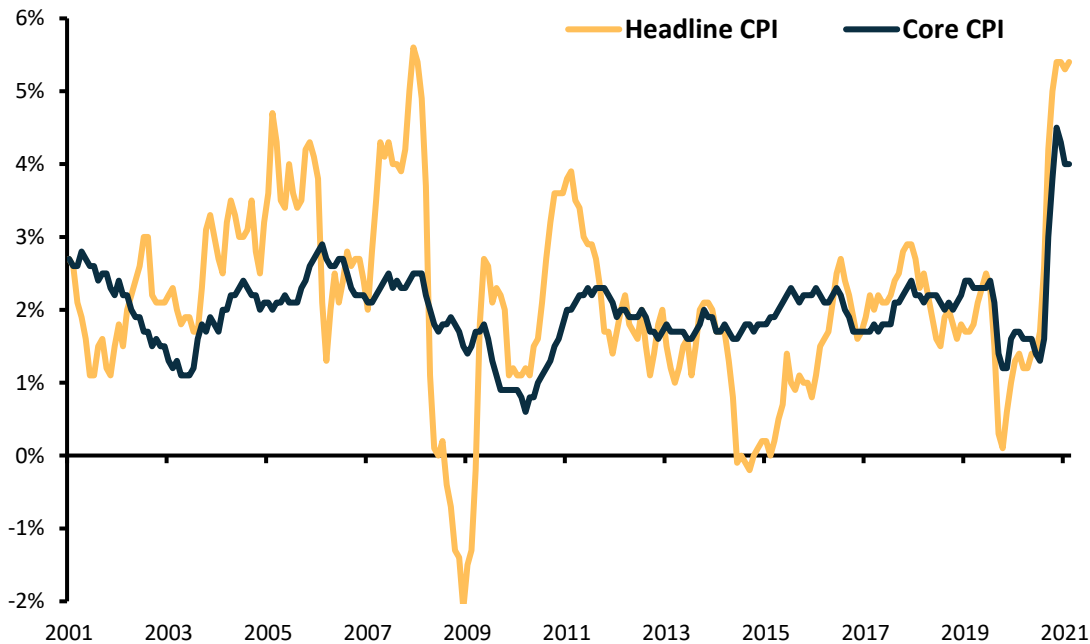
Source: U.S. Federal Reserve, Bank of Canada, BMO



### 3. Inflation

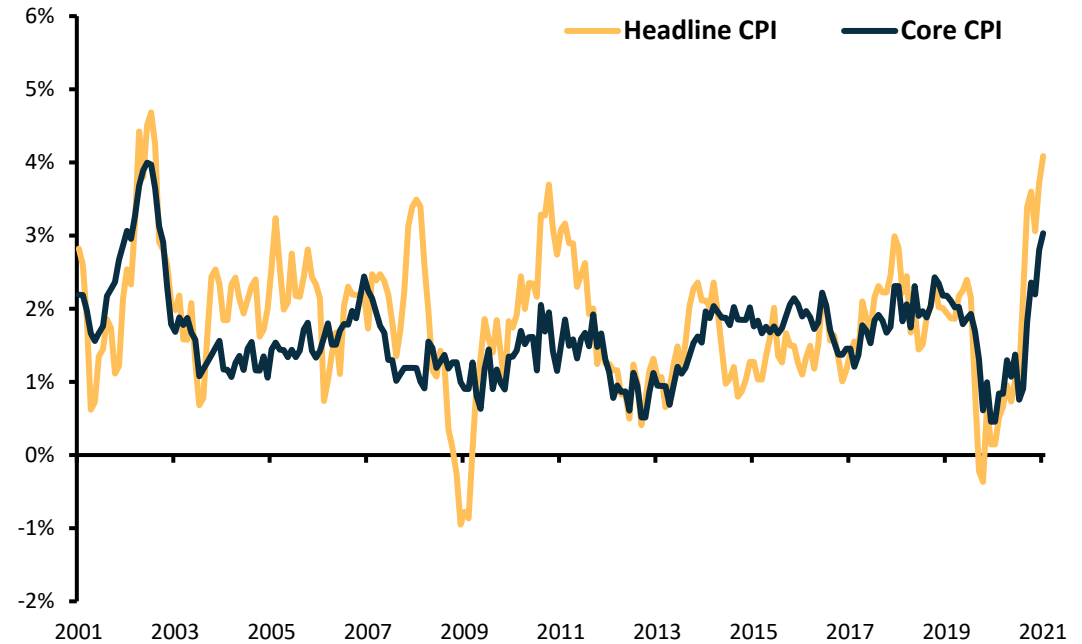
#### The Concerns are Worsening

20 Years U.S. Headline CPI vs Core CPI, 12 Month Percentage Change, not seasonally adjusted



	20 Year Average	Jul-21	Aug-21	Sep-21
Headline CPI	2.1%	5.4%	5.3%	5.4%
Core CPI	2.0%	4.3%	4.0%	4.0%
Food CPI	2.4%	3.4%	3.7%	4.6%
Energy CPI	3.4%	23.8%	25.0%	24.8%

20 Years Canada Headline CPI vs Core CPI, 12 Month Percentage Change, not seasonally adjusted



	20 Year Average	Jul-21	Aug-21	Sep-21
Headline CPI	1.8%	3.7%	4.1%	4.4%
Core CPI	1.6%	2.8%	3.0%	3.3%
Food CPI	2.4%	1.7%	2.7%	3.9%
Energy CPI	2.7%	19.7%	20.7%	20.1%

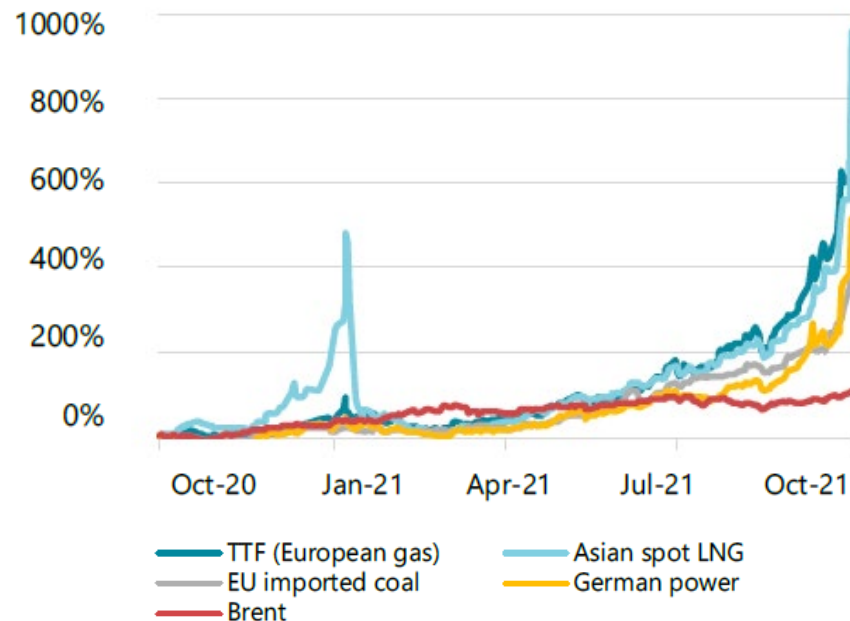
Source: Bureau of Labor Statistics, Statistics Canada

### 3. Inflation

#### Supply Chain Shortages...

- According to the International Energy Agency (IEA), the re-opening of global economies saw consumer demands pick up last quarter, leading to the biggest draw on oil products stocks seen in eight years. Storage levels in OECD countries are at their lowest since early 2015.
- “Record coal and gas prices as well as rolling blackouts are prompting the power sector and energy-intensive industries to turn to oil to keep the lights on and operations humming,” the IEA said in its monthly oil report.

**1-Year Energy Prices Performance**



- Meanwhile, the IEA estimated OPEC+ is set to pump 700,000 bpd below the estimated demand for its crude in the fourth quarter of this year, meaning demand will outpace supply at least until the end of 2021, putting further upward pressure on prices.
- Energy remains a key input to all economic activities as demand from various industries continue to pick up, exposing our continuous reliance on fossil fuels.

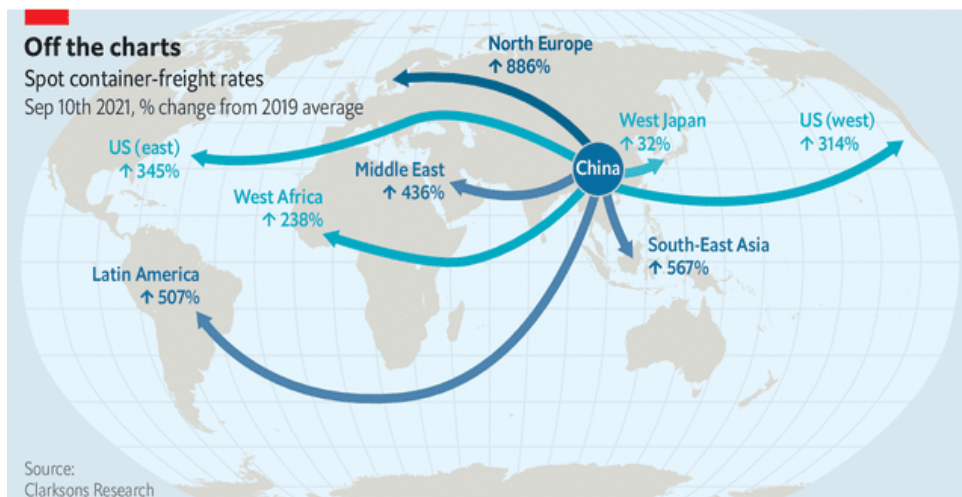
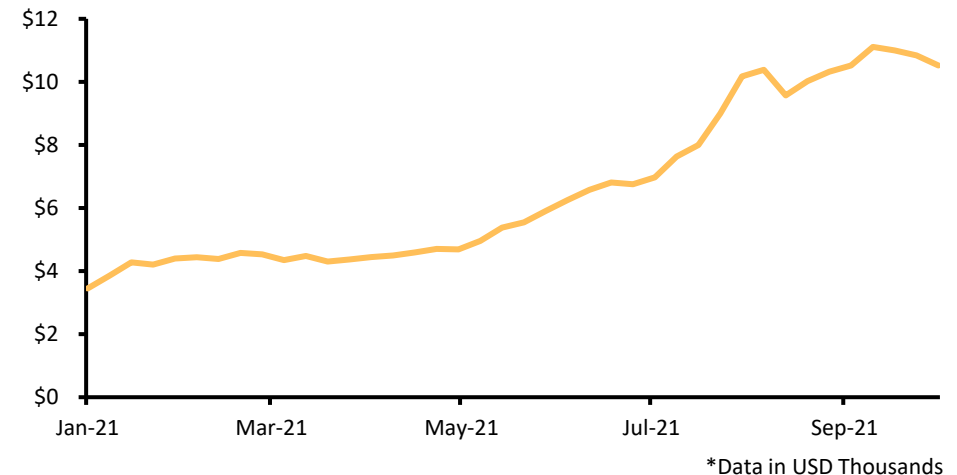
Source: IEA, Reuters

### 3. Inflation

#### ...Equals Rising Input Prices

- A big question remains around the impact of rising input prices on corporate profitability and the capacity of companies to pass these costs on to consumers. So far, we have seen firms like Procter & Gamble, FedEx, Nike, and BMW among a long list of businesses that have raised prices, but their capacity to keep on doing so is unknown if the problems persist.
- On top of rising raw input prices, logistical, and labour issues are also representing a large risk to meeting demand.

**Global Container Freight Index (Freightos Baltic Index FBX)**

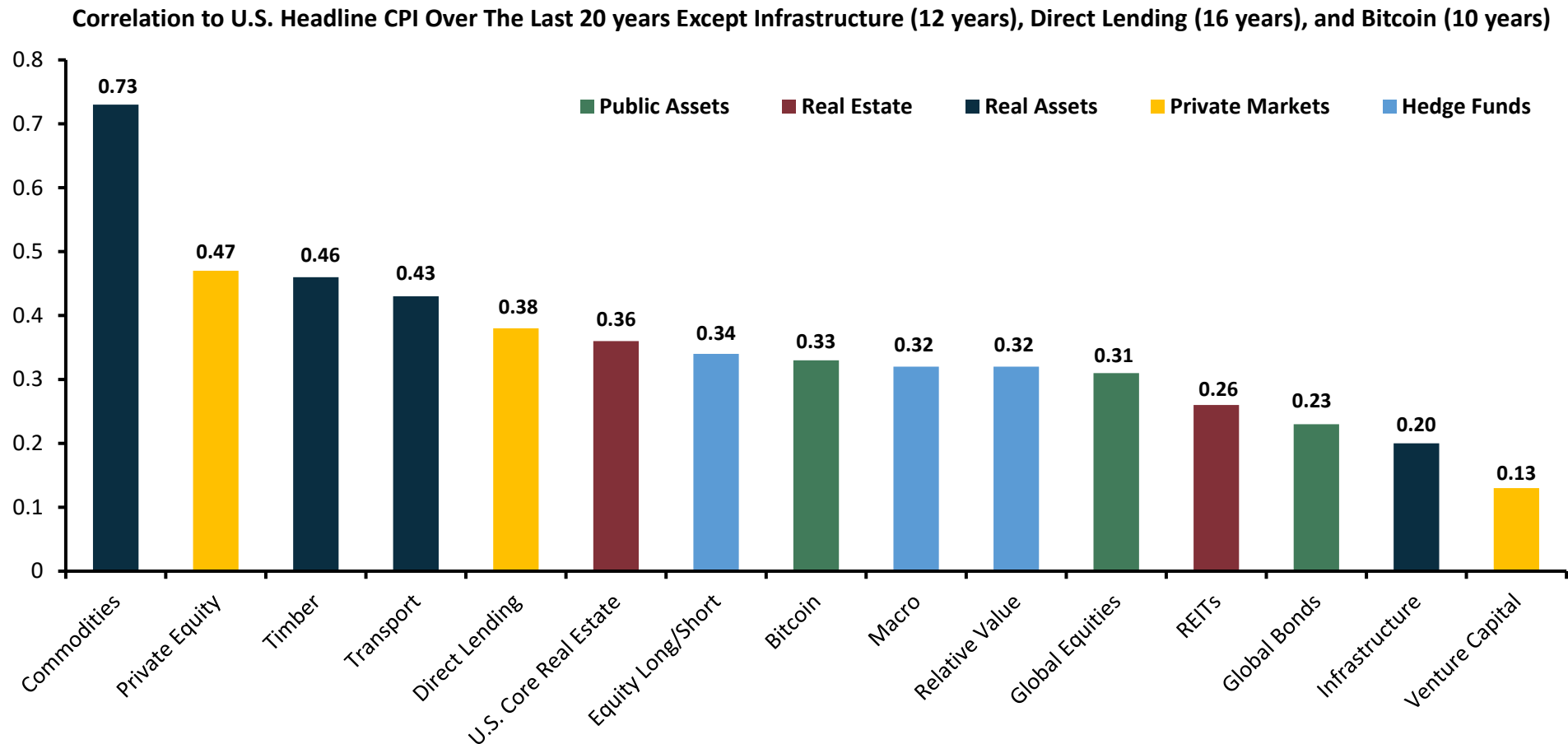


- Container ships move 1/4 of the world's traded goods by volume and 3/5 by value. The global container freight industry remains vital in the current economic recovery and the return to full capacity within the industry is still ongoing.
- In the first seven months of 2021, cargo volumes between Asia and North America were up by 27% compared with pre-pandemic levels, according to BIMCO, a shipowners' association.

Source: Bloomberg, Unigestion, The Economist, Freightos

### 3. Inflation

#### Inflation Correlations by Asset Class



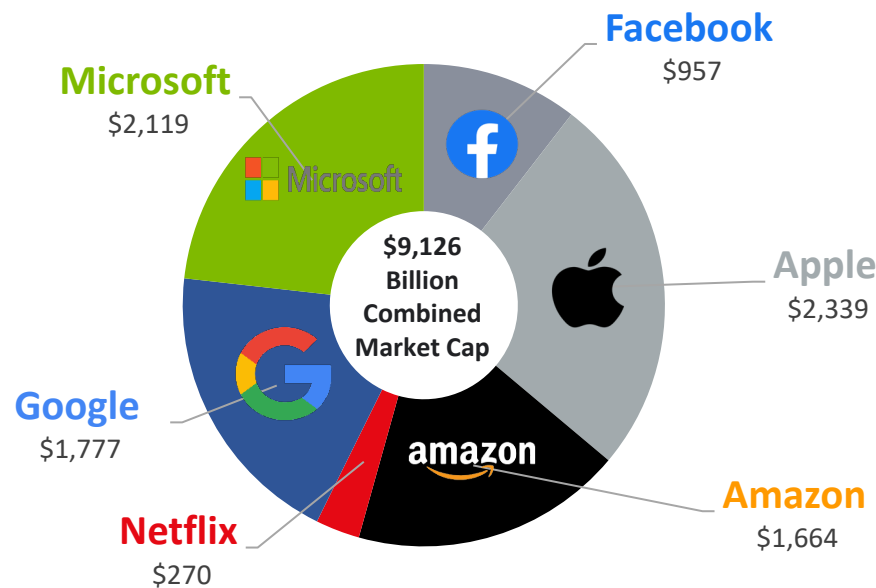
Source: MSCI, Bloomberg Barclays, Cambridge Associates, NAREIT, NCREIF, Cliffwater, HFRI, J.P. Morgan Asset Management

## 4. Index Concentration

### All Time Highs

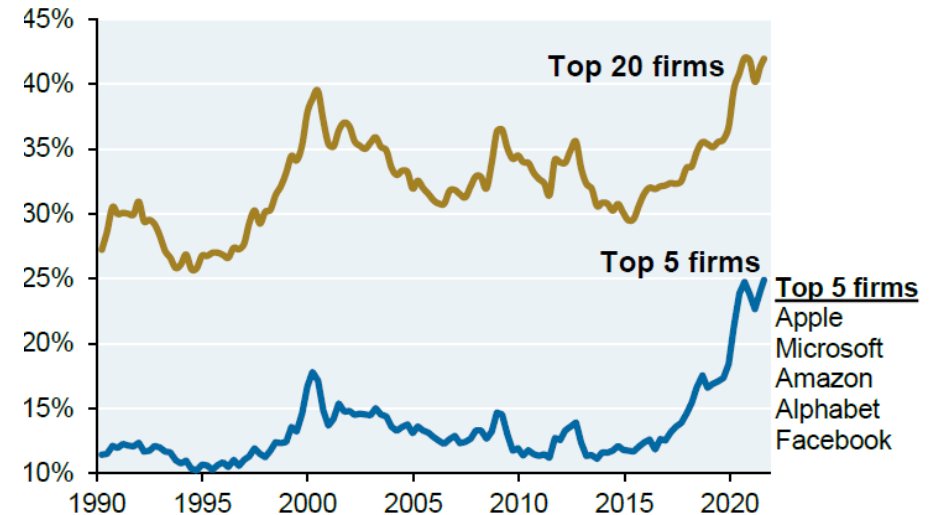
- The top 5 holdings by market cap in the S&P 500 index now represent almost 25% of the total index
- Industry concentration is at an all time high in the tech and communication sectors which is sparking antitrust discussion.

FAANGM Market Cap Breakdown



\*As of September 30, 2021, numbers in USD Billions

S&P 500 Index Contribution of Top Firms by Market Cap



- Some of the mega-tech stocks have benefited from lockdown-induced secular trends, creating rich valuations through their superior earnings power.
- Certain market cap weighted U.S. indexes are now concentrated in holdings in the tech sector and with expensive valuations, exposing various index funds to concentration risks in the event of deterioration in fundamentals or an interest rate hike environment.

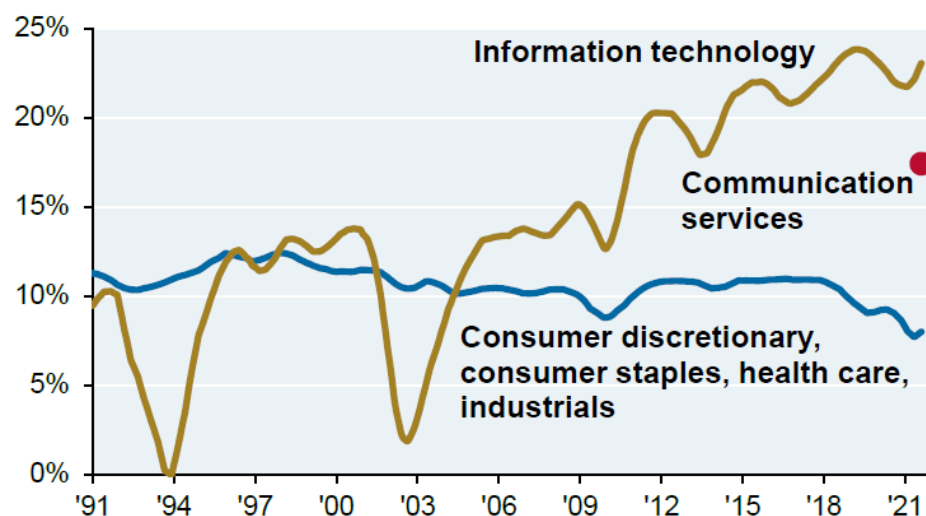
Source: Bloomberg, J.P. Morgan

## 4. Index Concentration

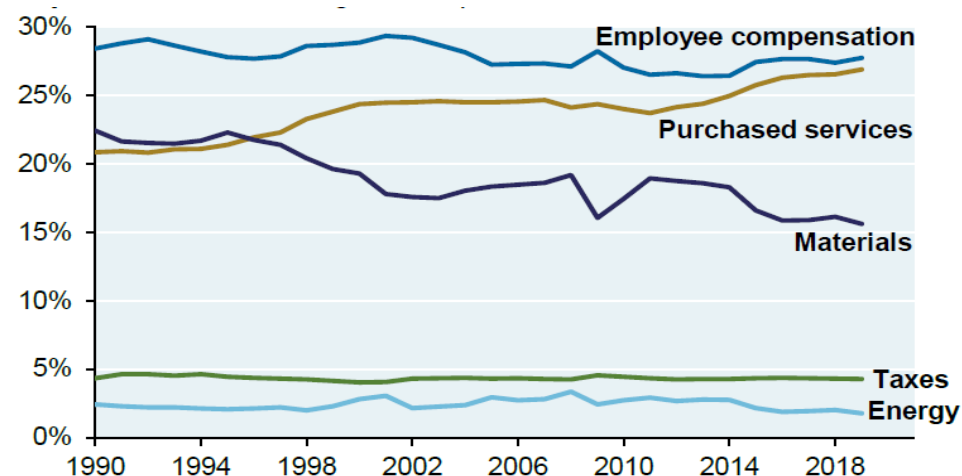
### The Technology Sector Transformation

- Tech stocks have been the primary driver for U.S. margin expansion since the dotcom bubble.
- As long as wages are the largest component of overall business expenses, corporations will look to tech companies to help reduce their labour costs and improve productivity.

**S&P 500 Companies Operating Margin Expansion by Sectors**



**Business Expenses by Component - % of Gross Output**



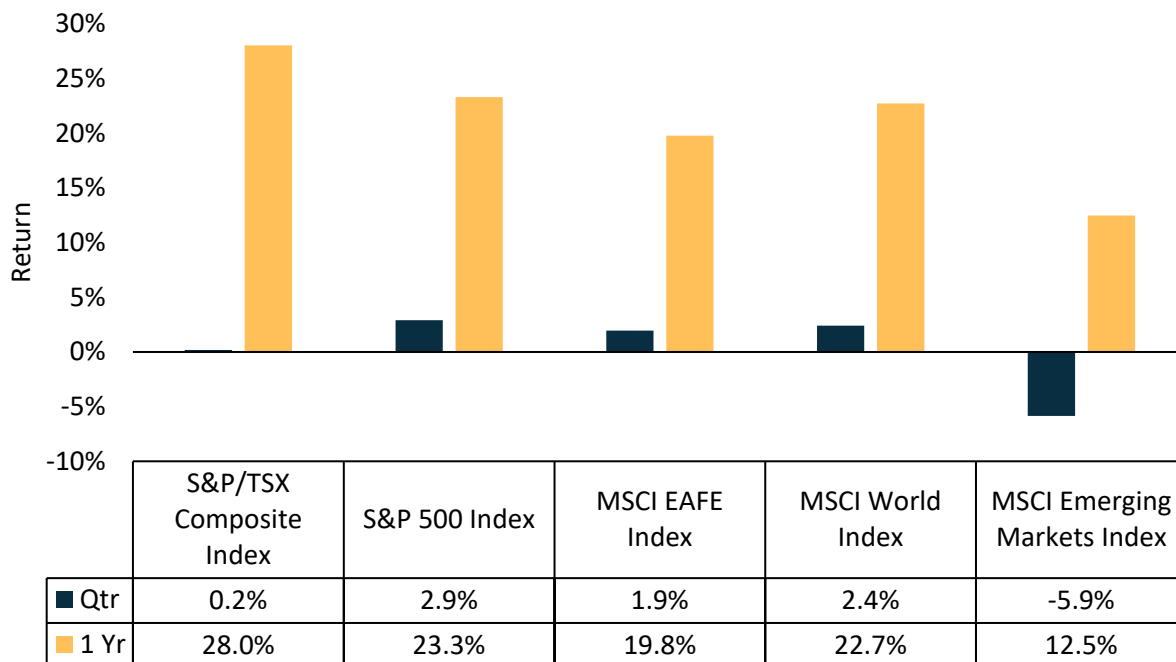
- The COVID-19 pandemic exposed long-standing vulnerabilities in global supply chains, and continuous optimization of the digital supply chains and logistics management through the tech sector may enable organizations to minimize disruptions in a post-pandemic world.
- With strong demand for goods and services in the tech sector potentially continuing along with more upward pressure on wages, supply chain labour shortages and shipment disruptions may not ease for some time.

Source: BEA, Cambridge Associates, Russell, World Federation of Exchanges, J.P. Morgan Asset Management, Deloitte

# Equity Markets Dashboard



## Equity Index Performance



## Equity Returns by Style

	Qtr	1 Year	3 Years	4 Years
<b>Canadian Equity</b>				
MSCI Canada Growth	-0.7%	11.5%	11.9%	10.3%
MSCI Canada	-0.1%	27.9%	10.3%	9.2%
MSCI Canada Value	0.5%	45.0%	7.4%	7.2%
<b>US Equity</b>				
S&P 500 Growth	4.2%	22.2%	19.4%	21.9%
S&P 500	2.9%	23.3%	15.2%	16.8%
S&P 500 Value	1.4%	25.2%	10.0%	10.9%
<b>International Equity</b>				
MSCI EAFE Growth	2.4%	15.0%	11.5%	11.1%
MSCI EAFE	1.9%	19.8%	7.4%	7.2%
MSCI EAFE Value	1.5%	24.7%	3.0%	3.1%
<b>Global Equity</b>				
MSCI World Growth	3.2%	19.8%	18.8%	19.5%
MSCI World	2.4%	22.7%	13.0%	13.6%
MSCI World Value	1.6%	25.7%	6.8%	7.5%
<b>Emerging Markets</b>				
MSCI EM Growth	-8.9%	3.8%	11.6%	8.5%
MSCI EM	-5.9%	12.5%	8.2%	6.9%
MSCI EM Value	-2.7%	22.4%	4.6%	5.0%

## Benchmark Equity Valuations

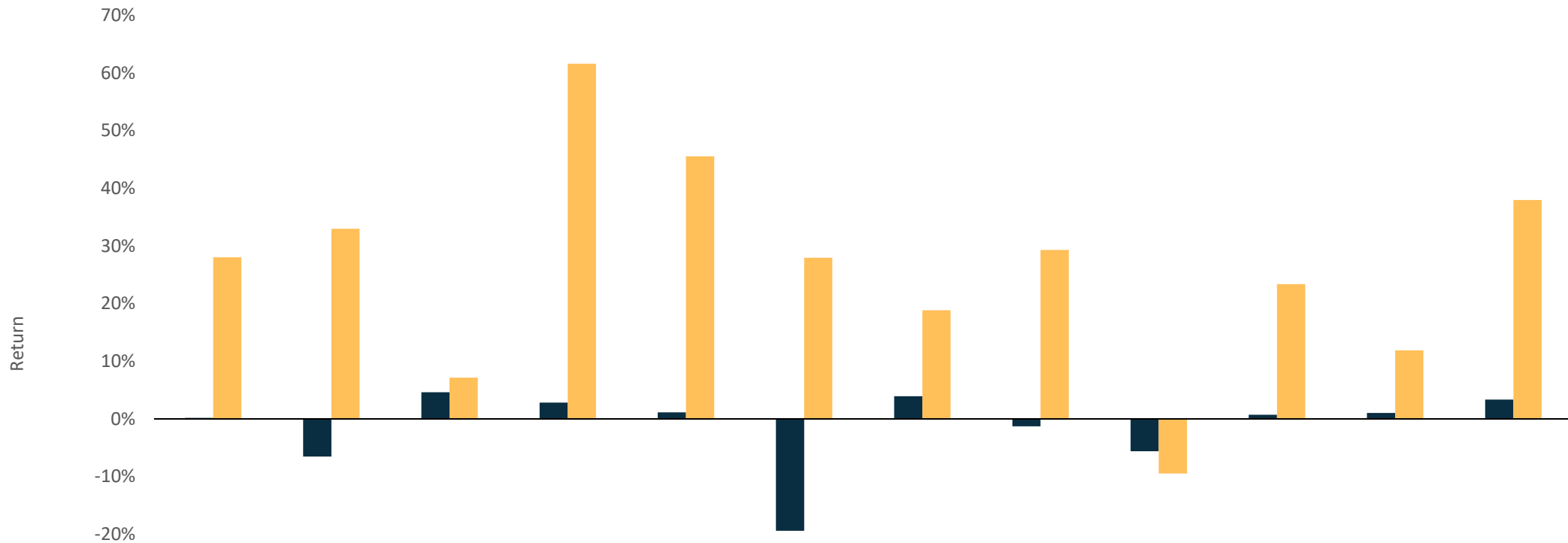
	Fwd P/E	10 Yr Avg	P/B	10 Yr Avg	P/S	10 Yr Avg	P/CF	10 Yr Avg	Div Yld	10 Yr Avg
S&P/TSX Composite Index	14.2	15.4	1.9	1.7	1.9	1.6	7.8	5.7	2.8	3.2
S&P 500 Index	20.1	17.8	3.9	2.7	2.7	1.9	14.2	10.1	1.5	2.1
MSCI EAFE Index	14.9	14.7	1.7	1.5	1.4	1.1	7.9	5.8	2.5	3.3
MSCI World Index	18.3	16.5	2.7	2.1	2.2	1.5	11.7	7.7	1.8	2.5
MSCI Emerging Markets Index	12.2	12.0	1.6	1.5	1.5	1.1	6.6	4.8	2.9	3.1

Source: S&P, MSCI, Morningstar

# Equity Markets Dashboard



Canadian Equity Sector Performance and Allocation

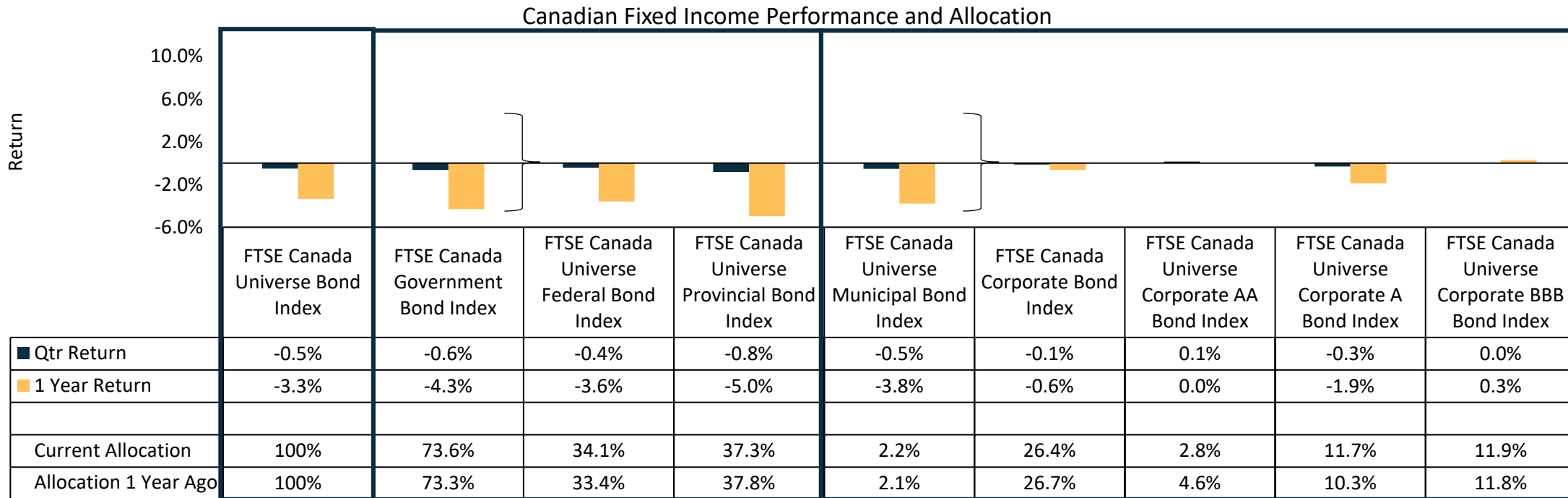


	S&P/TSX Composite Index	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Communicati on Services	Utilities	Real Estate
■ Qtr Return	0.2%	-6.5%	4.6%	2.8%	1.1%	-19.4%	3.9%	-1.3%	-5.6%	0.7%	1.0%	3.3%
■ 1 Yr Return	28.0%	33.0%	7.2%	61.6%	45.5%	27.9%	18.8%	29.3%	-9.5%	23.4%	11.9%	38.0%
Current Allocation	100.0%	3.6%	3.7%	13.1%	31.9%	1.0%	11.5%	11.5%	11.2%	4.9%	4.6%	3.1%
Allocation 1 Year Ago	100.0%	3.5%	4.4%	10.8%	28.4%	0.9%	12.5%	10.3%	15.5%	5.2%	5.3%	3.2%

Source: S&P, Morningstar

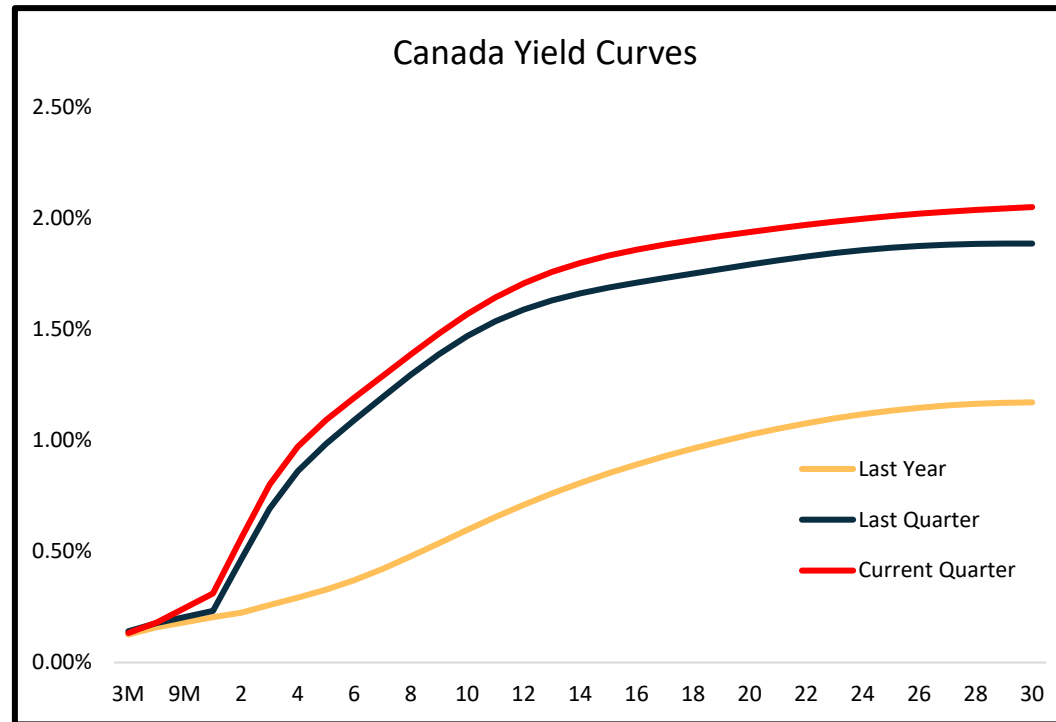


# Canadian Fixed Income Dashboard



	YTM	Coupon Yield	Duration (in Years)	Term to Maturity (in Years)
FTSE Canada Universe Bond Index	1.8%	2.9%	8.1	10.9
FTSE Canada Government Bond Index	1.6%	2.6%	8.7	11.4
FTSE Canada Universe Federal Bond Index	1.1%	1.8%	6.4	7.7
FTSE Canada Universe Provincial Bond Index	2.1%	3.4%	10.7	14.7
FTSE Canada Universe Municipal Bond Index	2.1%	3.2%	9.3	12.3
FTSE Canada Corporate Bond Index	2.3%	3.5%	6.7	9.4
FTSE Canada Universe Corporate AA Bond Index	1.2%	2.8%	3.3	3.7
FTSE Canada Universe Corporate A Bond Index	2.2%	3.4%	7.4	10.7
FTSE Canada Universe Corporate BBB Bond Index	2.6%	3.9%	6.7	9.5

Source: FTSE, Morningstar



Marketable Bonds	Current	Change (Basis Points)	
		QoQ <sup>1</sup>	YoY <sup>2</sup>
3 Month T-Bill Yield	0.12%	-3	0
2 Year Bond Yield	0.53%	8	28
5 Year Bond Yield	1.11%	14	75
10 Year Bond Yield	1.51%	12	94
30 Year Bond Yield	1.98%	14	87

<sup>1</sup> QoQ – Quarter-over-quarter

<sup>2</sup> YoY – Year-over-year

Source: Bank of Canada

# Performance Summary

## For the Period Ending September 30, 2021

- ✓ Meeting Objectives
- ✗ Not Meeting Objectives

							4 Year Rolling					Annual Returns					4 Yr Std	
✓ Meeting Objectives		3Mth	YTD	1Yr	3Yr	4Yr	10Yr	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	2021	2020	2019	2018	2017	Dev
✗ Not Meeting Objectives																		
Balanced																		
	Objective					8.1		8.2	7.1	7.5	6.3	6.5						
✓ Jarislowsky Fraser Balanced	Fund's Rate of Return	1.8	9.1	15.9	9.4	8.6	9.8	8.2	7.1	7.2	6.2	6.1	15.9	5.4	7.3	6.0	6.1	8.5
	Objective - JF Balanced Benchmark + 0.5%					0.5		0.0	0.0	-0.3	-0.1	-0.4						
	Differential																	
	Quartile	1	2	2	2	2	2	3	3	3	2	3	2	2	2	3	3	
	Median	0.8	8.1	14.9	8.8	8.4	9.3	8.3	7.3	7.5	6.2	6.3	14.9	5.3	6.6	7.0	6.2	8.7
	JF Balanced Benchmark	0.3	6.3	12.2	8.2	7.6	7.8	7.7	6.6	7.0	5.8	6.0	12.2	5.6	7.1	5.8	4.8	8.1

Balanced benchmark is composed of 30% S&P/TSX Composite Index, 12.5% S&P 500 Index, 12.5% MSCI EAFE Index, 37.5% FTSE Canada Bond Index, 2.5% MSCI Emerging Markets and 5% FTSE Canada 91 Day T-Bill Index. As of January 1, 2018 the weights were altered to include an allocation to emerging market equities.

✗ <b>Mackenzie SRI Balanced</b>					8.5		8.5	7.3	7.6	6.4	6.5						
Objective - CCCC SRI Balanced Benchmark + 0.5%					7.2	n/a	6.9	6.0	6.4	5.1	5.6	12.6	2.8	5.7	7.7	4.3	7.6
Differential					-1.3		-1.6	-1.3	-1.2	-1.3	-0.9						
Quartile	2	4	4	4	4	n/a	4	4	4	4	3	4	3	3	2	4	
Median	0.8	8.1	14.9	8.8	8.4	9.3	8.3	7.3	7.5	6.2	6.3	14.9	5.3	6.6	7.0	6.2	8.7
CCCC SRI Balanced Benchmark	0.4	6.3	11.9	8.8	8.0	n/a	8.0	6.8	7.1	5.9	6.0	11.9	6.6	8.0	5.6	3.7	8.2

Balanced benchmark is composed of 45% Canadian Bond, 30% Canadian Equity and 25% Global Equity

<b>Money Market</b>																	
Objective					1.1		1.1	1.1	1.1	1.1	1.2						
✓ <b>MFS Canadian Money Market</b>					1.1	0.9	1.1	1.1	1.2	1.2	1.2	0.1	1.1	1.8	1.3	0.7	0.2
Objective - FTSE Canada 91-Day T-Bill Index					0.0		0.0	0.0	0.1	0.1	0.0						
Differential																	
Quartile	3	3	4	4	3	4	4	4	3	3	4	4	4	3	3	3	
Median	0.1	0.2	0.3	1.2	1.2	1.1	1.3	1.3	1.4	1.4	1.4	0.3	1.3	1.9	1.4	0.8	0.2
FTSE Canada 91-Day T-Bill Index	0.1	0.1	0.2	1.0	1.1	0.9	1.1	1.1	1.1	1.1	1.2	0.2	1.3	1.7	1.2	0.5	0.2

<b>Fixed Income</b>																	
Objective					3.9		3.6	3.5	5.1	4.1	4.2						
✓ <b>MFS Canadian Fixed Income</b>					4.1	3.7	3.7	3.6	5.2	4.1	4.3	-2.8	7.5	10.3	1.8	-2.6	4.9
Objective - FTSE Canada Universe Index + 0.25%					0.2		0.1	0.1	0.1	0.0	0.1						
Differential																	
Quartile	3	3	3	2	2	2	2	2	2	2	2	3	2	1	2	3	
Median	-0.3	-3.4	-2.4	4.9	4.1	3.7	3.7	3.6	5.2	4.1	4.2	-2.4	7.5	9.7	1.8	-2.5	4.4
FTSE Canada Universe Index	-0.5	-4.0	-3.3	4.3	3.6	3.3	3.3	3.2	4.8	3.8	3.9	-3.3	7.1	9.7	1.7	-3.0	4.3

# Performance Summary

For the Period Ending September 30, 2021

- ✓ Meeting Objectives
- ✗ Not Meeting Objectives

		3Mth	YTD	1Yr	3Yr	4Yr	10Yr	4 Year Rolling					Annual Returns					4 Yr Std Dev
								Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	2021	2020	2019	2018	2017	
<b>Canadian Equity</b>																		
✗ <b>Jarislowsky Fraser Canadian Equity</b> Objective - S&P/TSX Composite Index + 0.75%	Objective					10.5		11.5	8.8	7.4	6.3	6.4						
	Fund's Rate of Return	2.2	19.2	32.0	11.3	9.9	10.8	10.0	7.8	5.9	4.9	4.6	32.0	-2.4	7.0	5.8	9.5	15.4
	Differential					-0.6		-1.5	-1.0	-1.5	-1.4	-1.8						
	Quartile	1	2	2	2	2	1	3	2	3	3	3	2	3	2	3	2	
	Median	0.8	18.2	28.5	11.0	9.8	9.8	10.4	7.8	6.3	5.3	5.4	28.5	-1.2	6.4	6.4	9.2	14.9
✗ <b>Mackenzie SRI Canadian Equity</b> Objective - S&P/TSX Composite Index + 0.75%	S&P/TSX Composite Index	0.2	17.5	28.0	11.1	9.7	8.8	10.7	8.0	6.6	5.5	5.6	28.0	0.0	7.1	5.9	9.2	15.1
	Objective					10.5		11.5	8.8	7.4	6.3	6.4						
	Fund's Rate of Return	2.6	16.5	28.1	10.1	9.9	10.2	9.9	7.7	7.0	5.5	5.8	28.1	-0.8	4.9	9.6	8.5	13.3
	Differential					-0.6		-1.6	-1.1	-0.4	-0.8	-0.6						
	Quartile	1	4	3	3	2	2	3	3	2	2	2	3	2	3	1	3	
<b>U.S. Equity</b>	Median	0.8	18.2	28.5	11.0	9.8	9.8	10.4	7.8	6.3	5.3	5.4	28.5	-1.2	6.4	6.4	9.2	14.9
	S&P/TSX Composite Index	0.2	17.5	28.0	11.1	9.7	8.8	10.7	8.0	6.6	5.5	5.6	28.0	0.0	7.1	5.9	9.2	15.1
	Objective					17.6		17.0	15.2	15.4	15.1	14.6						
	Fund's Rate of Return	3.5	17.2	25.4	15.3	16.4	18.6	15.4	13.8	14.2	13.7	13.6	25.4	10.9	10.3	19.8	13.8	13.0
	Differential					-1.2		-1.6	-1.4	-1.2	-1.4	-1.0						
✗ <b>MFS American Equity</b> Objective - S&P 500 Index + 0.75%	Quartile	1	1	2	1	2	2	3	3	2	2	2	2	3	1	3	2	
	Median	2.5	15.0	23.2	14.3	16.0	17.8	15.5	14.0	14.2	13.7	13.3	23.2	14.4	6.5	21.1	12.8	13.1
	S&P 500 Index	2.9	15.3	23.3	15.2	16.8	18.9	16.2	14.4	14.6	14.3	13.8	23.3	16.2	6.8	21.9	12.9	12.9
	Objective					8.0		7.9	7.9	9.1	6.7	7.9						
	Fund's Rate of Return	-1.9	5.7	25.8	4.2	4.7	9.5	6.4	5.7	6.4	3.2	4.7	25.8	-6.7	-3.5	6.0	18.7	14.2
<b>International Equity</b>	Differential					-3.3		-1.5	-2.2	-2.7	-3.5	-3.2						
	Quartile	4	3	1	4	4	4	4	4	4	4	4	1	4	4	3	1	
	Median	1.5	7.5	18.5	9.3	8.1	11.1	8.1	8.0	9.8	6.8	7.8	18.5	6.8	1.3	6.1	13.8	11.7
	MSCI EAFE Index	1.9	8.2	19.8	7.4	7.2	10.7	7.1	7.1	8.3	5.9	7.1	19.8	1.8	1.6	6.7	13.9	11.5
	Objective					8.0		7.9	7.9	9.1	6.7	7.9						
✗ <b>Sprucegrove International Equity</b> Objective - MSCI EAFE Index + 0.75%	Fund's Rate of Return	-1.9	5.7	25.8	4.2	4.7	9.5	6.4	5.7	6.4	3.2	4.7	25.8	-6.7	-3.5	6.0	18.7	14.2
	Differential					-3.3		-1.5	-2.2	-2.7	-3.5	-3.2						
	Quartile	4	3	1	4	4	4	4	4	4	4	4	1	4	4	3	1	
	Median	1.5	7.5	18.5	9.3	8.1	11.1	8.1	8.0	9.8	6.8	7.8	18.5	6.8	1.3	6.1	13.8	11.7
	MSCI EAFE Index	1.9	8.2	19.8	7.4	7.2	10.7	7.1	7.1	8.3	5.9	7.1	19.8	1.8	1.6	6.7	13.9	11.5

# Performance Summary

For the Period Ending September 30, 2021

- ✓ Meeting Objectives
- ✗ Not Meeting Objectives

Meeting Objectives								4 Year Rolling					Annual Returns					4 Yr Std
Not Meeting Objectives		3Mth	YTD	1Yr	3Yr	4Yr	10Yr	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	2021	2020	2019	2018	2017	Dev
Target Date - Income																		
Fidelity ClearPath Income Portfolio	Objective					4.8		4.7	4.3	5.0	4.2	4.3						
	Fund's Rate of Return	-0.2	1.0	4.4	5.0	4.5	5.3	4.5	4.2	5.0	4.0	4.0	4.4	5.2	5.4	3.1	2.2	4.1
	Objective - ClearPath Income Benchmark																	
	Differential					-0.3		-0.2	-0.1	0.0	-0.2	-0.3						
	Quartile	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	3	
	Median	0.3	2.2	5.7	6.6	6.1	6.4	5.8	5.3	6.2	5.1	5.2	5.7	6.1	7.3	4.5	2.5	5.5
ClearPath Income Benchmark		0.1	1.0	3.9	5.2	4.8	4.8	4.7	4.3	5.0	4.2	4.3	3.9	6.0	5.8	3.5	1.7	4.0
Target Date - 2020																		
Fidelity ClearPath 2020 Portfolio	Objective					7.6		7.6	7.0	8.0	6.8	7.2						
	Fund's Rate of Return	-0.2	3.6	10.0	7.7	7.3	8.2	7.4	6.9	7.8	6.3	6.6	10.0	7.2	6.1	6.1	5.9	7.3
	Objective - ClearPath 2020 Benchmark																	
	Differential					-0.3		-0.2	-0.1	-0.2	-0.5	-0.6						
	Quartile	4	1	1	1	1	1	1	1	1	1	1	1	1	4	2	1	
	Median	0.3	3.0	7.4	6.8	6.6	7.5	6.5	5.9	6.6	5.6	5.7	7.4	6.0	7.2	5.3	4.2	6.1
ClearPath 2020 Benchmark		0.2	3.6	9.2	7.7	7.6	7.7	7.6	7.0	8.0	6.8	7.2	9.2	7.5	6.5	7.1	6.2	7.3
Target Date - 2025																		
Fidelity ClearPath 2025 Portfolio	Objective					8.4		8.5	7.6	8.5	7.3	7.6						
	Fund's Rate of Return	-0.1	4.9	12.5	8.7	8.2	9.2	8.2	7.6	8.5	6.8	7.0	12.5	7.8	5.9	6.8	6.7	8.3
	Objective - ClearPath 2025 Benchmark																	
	Differential					-0.2		-0.3	0.0	0.0	-0.5	-0.6						
	Quartile	4	2	1	1	1	1	1	1	1	1	1	1	1	4	2	2	
	Median	0.5	4.4	9.7	7.8	7.6	8.6	7.2	6.7	7.3	6.0	6.1	9.7	6.1	6.7	6.4	5.3	6.8
ClearPath 2025 Benchmark		0.2	5.0	11.6	8.5	8.4	8.5	8.5	7.6	8.5	7.3	7.6	11.6	7.7	6.3	7.9	7.1	8.4
Target Date - 2030																		
Fidelity ClearPath 2030 Portfolio	Objective					9.0		9.1	8.2	8.9	7.6	7.9						
	Fund's Rate of Return	0.0	6.3	14.9	9.4	8.8	9.8	8.9	8.2	8.9	7.0	7.3	14.9	7.9	5.4	7.3	7.5	9.1
	Objective - ClearPath 2030 Benchmark																	
	Differential					-0.2		-0.2	0.0	0.0	-0.6	-0.6						
	Quartile	4	3	2	1	1	2	1	1	1	1	1	2	1	4	2	2	
	Median	0.6	6.6	12.7	8.4	8.2	9.2	8.3	7.4	7.7	6.6	6.8	12.7	6.2	6.5	7.3	6.7	8.0
ClearPath 2030 Benchmark		0.3	6.4	14.0	9.1	9.0	9.0	9.1	8.2	8.9	7.6	7.9	14.0	7.7	5.8	8.5	8.1	9.2

# Performance Summary

For the Period Ending September 30, 2021

✓ Meeting Objectives

✗ Not Meeting Objectives

		3Mth	YTD	1Yr	3Yr	4Yr	10Yr	4 Year Rolling					Annual Returns					4 Yr Std Dev
								Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	2021	2020	2019	2018	2017	
<b>Target Date - 2035</b>																		
<b>Fidelity ClearPath 2035 Portfolio</b> Objective - ClearPath 2035 Benchmark	Objective					9.7		9.9	8.9	9.6	8.3	8.7						
	Fund's Rate of Return	0.1	7.6	17.3	9.9	9.5	10.7	9.7	8.9	9.5	7.6	7.9	17.3	8.1	4.7	8.4	9.4	10.1
	Differential					-0.2		-0.2	0.0	-0.1	-0.7	-0.8						
	Quartile	4	3	2	1	1	2	1	1	1	2	1	2	1	3	2	1	
	Median	0.8	8.7	16.0	9.2	8.8	10.0	8.8	8.0	8.2	7.1	7.2	16.0	6.3	6.0	8.4	8.0	9.3
	ClearPath 2035 Benchmark	0.4	7.7	16.4	9.6	9.7	9.9	9.9	8.9	9.6	8.3	8.7	16.4	7.7	5.1	9.9	10.5	10.3
<b>Target Date - 2040</b>																		
<b>Fidelity ClearPath 2040 Portfolio</b> Objective - ClearPath 2040 Benchmark	Objective					10.7		11.0	9.8	10.1	8.5	8.8						
	Fund's Rate of Return	0.2	10.0	21.5	11.1	10.6	11.3	10.7	9.8	10.0	7.9	8.0	21.5	8.4	4.2	9.0	10.0	11.4
	Differential					-0.1		-0.3	0.0	-0.1	-0.6	-0.8						
	Quartile	4	3	1	1	1	2	1	1	2	2	2	1	1	3	2	2	
	Median	0.9	10.2	18.8	9.8	9.6	10.5	9.5	8.4	8.9	7.3	7.4	18.8	6.2	5.9	8.8	9.1	10.2
	ClearPath 2040 Benchmark	0.6	10.1	20.6	10.7	10.7	10.4	11.0	9.8	10.1	8.5	8.8	20.6	7.7	4.5	10.7	11.2	11.7
<b>Target Date - 2045</b>																		
<b>Fidelity ClearPath 2045 Portfolio</b> Objective - ClearPath 2045 Benchmark	Objective					10.8		11.1	9.8	10.1	8.5	8.8						
	Fund's Rate of Return	0.2	10.3	22.0	11.3	10.7	11.5	10.9	9.9	10.1	7.9	8.0	22.0	8.5	4.2	9.0	10.0	11.4
	Differential					-0.1		-0.2	0.1	0.0	-0.6	-0.8						
	Quartile	4	3	2	1	1	2	1	1	2	2	2	2	1	3	3	2	
	Median	0.9	11.0	19.7	9.8	9.9	11.3	9.8	8.5	8.8	7.5	7.6	19.7	5.6	5.4	9.1	9.6	10.5
	ClearPath 2045 Benchmark	0.6	10.5	21.0	10.8	10.8	10.5	11.1	9.8	10.1	8.5	8.8	21.0	7.7	4.5	10.7	11.2	11.7
<b>Target Date - 2050</b>																		
<b>Fidelity ClearPath 2050 Portfolio</b> Objective - ClearPath 2050 Benchmark	Objective					10.8		11.1	9.8	10.1	8.5	8.8						
	Fund's Rate of Return	0.2	10.3	22.0	11.3	10.7	n/a	10.9	9.9	10.1	7.9	8.0	22.0	8.5	4.2	9.0	10.0	11.4
	Differential					-0.1		-0.2	0.1	0.0	-0.6	-0.8						
	Quartile	4	3	2	1	2	n/a	2	2	2	2	2	2	1	3	2	2	
	Median	0.9	11.0	20.0	10.1	10.0	11.2	10.2	8.7	9.5	7.7	7.9	20.0	6.6	5.4	9.0	9.9	11.0
	ClearPath 2050 Benchmark	0.6	10.5	21.0	10.8	10.8	n/a	11.1	9.8	10.1	8.5	8.8	21.0	7.7	4.5	10.7	11.2	11.7

# Performance Summary

For the Period Ending September 30, 2021

- ✓ Meeting Objectives
- ✗ Not Meeting Objectives

		3Mth	YTD	1Yr	3Yr	4Yr	10Yr	4 Year Rolling					Annual Returns					4 Yr Std Dev
								Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	2021	2020	2019	2018	2017	
<b>Target Date - 2055</b>																		
<b>Fidelity ClearPath 2055 Portfolio</b> Objective - ClearPath 2055 Benchmark	Objective					10.8		11.1	9.8	10.1	8.5	8.8						
	Fund's Rate of Return	0.2	10.3	22.0	11.3	10.7	n/a	10.9	9.9	10.1	7.9	8.0	22.0	8.5	4.2	9.0	10.0	11.4
	Differential					-0.1		-0.2	0.1	0.0	-0.6	-0.8						
	Quartile	4	3	2	1	2	n/a	2	1	2	2	2	2	1	3	3	3	
	Median	1.0	11.2	20.4	10.0	9.9	n/a	10.2	8.7	8.9	7.6	7.7	20.4	6.2	5.0	9.4	10.2	11.2
	ClearPath 2055 Benchmark	0.6	10.5	21.0	10.8	10.8	n/a	11.1	9.8	10.1	8.5	8.8	21.0	7.7	4.5	10.7	11.2	11.7
<b>Target Date - 2060</b>																		
<b>Fidelity ClearPath 2060 Portfolio</b> Objective - ClearPath 2060 Benchmark	Objective					n/a		n/a	n/a	n/a	n/a	n/a						
	Fund's Rate of Return	0.3	10.3	22.0	11.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	22.0	8.5	4.2	n/a	n/a	n/a
	Differential					n/a		n/a	n/a	n/a	n/a	n/a						
	Quartile	4	3	2	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2	1	3	n/a	n/a	
	Median	0.9	11.0	20.2	9.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	20.2	7.0	4.7	n/a	n/a	n/a
	ClearPath 2060 Benchmark	0.6	10.5	21.0	10.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	21.0	7.7	4.5	n/a	n/a	n/a

# Four Year Risk Metrics

For the Period Ending September 30, 2021

When making decisions in our day to day lives one tends to weigh the benefits and the costs when coming to a conclusion. We attempt to maximize the benefit while minimizing the cost. The cost is not always financial and can shift in allocation from money to something less measurable, like safety. That is, the risk mitigating benefits from looking both ways before crossing the road or paying for seat belts and air bags in your car justifies the time and financial cost. One stands to benefit from applying similar logic to investing your retirement dollars. The first step is to better understand the risks the investment manager is subjecting your capital to. Quantifying or measuring the risk can be as important as measuring returns and will help give those numbers context. There are many different ways to measure and look at risk and no one measure is conclusive on its own. Hub|Proteus has added the following risk measures to your performance report to provide further insight into how the manager generated past returns:

**Standard Deviation** - measures the dispersion of the monthly returns around the mean rate of return. A higher number indicates that there was more volatility over the period. This metric was already included but is now also displayed with the other risk metrics.

**Alpha** - measures the difference between a fund's actual returns and its expected performance, given its level of risk (as measured by beta). A positive alpha figure indicates the fund has performed better than its beta would predict. In contrast, a negative alpha indicates a fund has underperformed, given the expectations established by the fund's beta. Beta measures the magnitude that a fund's returns move with the market.

**Sharpe Ratio** - A manager taking on systematic risk is expected to generate higher returns than the cash return. The Sharpe ratio measures how well the manager generated returns with that risk. In other words, taken on its own, it is a measurement of efficiency utilizing the relationship between annualized returns above the risk-free return and the standard deviation. The higher the Sharpe ratio, the greater efficiency produced by the manager.

**Tracking Error** - A measure of the amount of active risk that is being taken by the manager. A higher tracking error indicates a higher deviation of returns compared to the benchmark returns - not necessarily a higher level of return. Tracking error only accounts for deviations away from the benchmark, but does not signal in which directions these deviations occur (positive or negative).

**Information Ratio** - The level of excess return for a given level of tracking error; the higher the information ratio, the better the fund is performing relative to the amount of risk being taken. A positive ratio indicates that a fund is being rewarded for the deviations away from the benchmark.

**Capture Ratios** - measures how a fund has performed relative to the market during periods of market strength and weakness. The up markets capture ratio is used to evaluate performance relative to an index during periods when the index return was positive. Conversely, the down markets capture ratio is used to evaluate how well a manager has performed relative to the index during downturn periods. An up markets capture ratio of 110% indicates that the manager has achieved a return 10% higher than the index while the index was rising. A down markets capture ratio of 90% indicates that the manager only captured 90% of the losses of the index during the period specified ( Four years in this analysis).

Hub|Proteus has created a table that provides some risk metrics for actively managed funds over the past four years. All values are annualized with the exception of the up and down capture ratios. Balanced fund metrics have been calculated using the manager's benchmark. The funds' risk metrics are calculated using their respective pooled funds. A few of the metrics are calculated relative to the appropriate benchmark. Thus, when calculating alpha, tracking error, as well as up and down capture for each of the benchmarks, the result will always be the same (0 for the first two metrics and 100 for the capture ratios). Intuitively, this makes sense as the benchmark cannot outperform/underperform itself. The information ratio cannot be calculated for the benchmarks. This is because the denominator of the formula is tracking error and will always be 0, which is mathematically undefined. As a result, the information ratio values for the benchmarks/indices are blank.



# Four Year Risk Metrics

For the Period Ending September 30, 2021

	Std Dev	Alpha	Sharpe Ratio (Geo)	Information Ratio (Geo)	Tracking Error	Up Capture Ratio	Down Capture Ratio
<b>Balanced</b>							
Jarislowsky Fraser Balanced	8.5	0.8	0.9	0.6	1.8	109.7	105.0
JF Balanced Benchmark	8.1		0.8				

Balanced benchmark is composed of 30% S&P/TSX Composite Index, 12.5% S&P 500 Index, 12.5% MSCI EAFE Index, 37.5% FTSE Canada Bond Index, 2.5% MSCI Emerging Markets and 5% FTSE Canada 91 Day T-Bill Index. As of January 1, 2018 the weights were altered to include an allocation to emerging market equities.

Mackenzie SRI Balanced	7.6	-0.2	0.8	-0.5	1.5	92.0	94.7
CCCC SRI Balanced Benchmark	8.2		0.8				

Balanced benchmark is composed of 45% Canadian Bond, 30% Canadian Equity and 25% Global Equity

<b>Fixed Income</b>							
MFS Canadian Fixed Income	4.9	0.2	0.6	0.5	0.9	109.6	105.9
FTSE Canada Universe Index	4.3		0.6				
Median	4.4	0.5	0.7	0.6	0.9	102.6	95.0

<b>Canadian Equity</b>							
Jarislowsky Fraser Canadian Equity	15.3	0.4	0.6	0.1	4.0	100.1	98.9
Mackenzie SRI Canadian Equity	13.3	1.5	0.7	0.1	3.7	90.7	85.5
S&P/TSX Composite Index	15.1		0.6				
Median	14.9	0.2	0.6	0.1	3.3	95.3	96.0

<b>U.S. Equity</b>							
MFS American Equity	13.0	-0.2	1.2	-0.2	2.6	95.1	93.5
S&P 500 Index	12.9		1.2				
Median	13.1	-0.4	1.1	-0.3	3.9	98.9	100.1

<b>International Equity</b>							
Sprucegrove International Equity	14.2	-3.5	0.3	-0.5	5.3	105.1	126.7
MSCI EAFE Index	11.5		0.6				
Median	11.7	1.1	0.6	0.1	4.5	101.8	97.2

# Target Date Summary

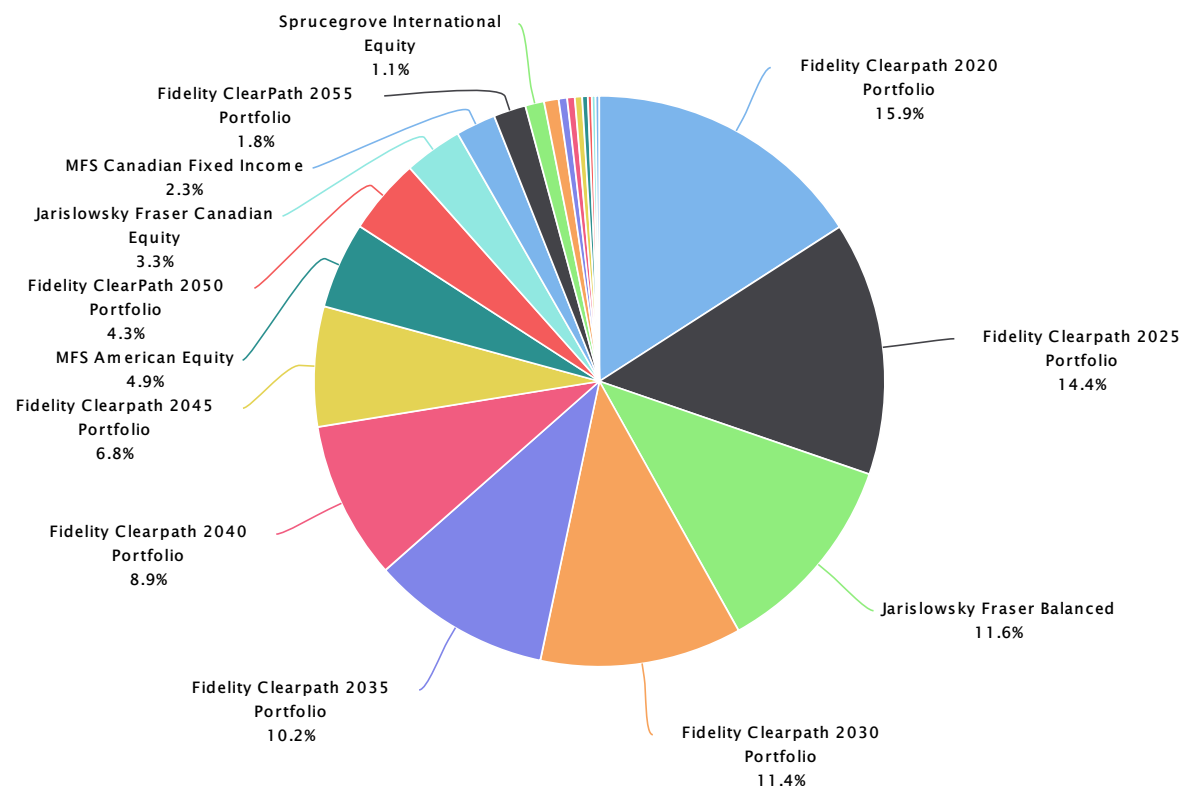
For the Period Ending September 30, 2021

	Fixed Income	Cdn Equity	% Allocation International Equity	US Equity	Cash & Equivalents
<b>Target Date Funds</b>					
Fidelity ClearPath Income	56.2%	5.3%	14.7%	1.7%	22.2%
Fidelity ClearPath 2020	48.2%	11.6%	24.2%	11.2%	4.8%
Fidelity ClearPath 2025	41.9%	14.3%	28.2%	15.2%	0.5%
Fidelity ClearPath 2030	32.8%	16.6%	31.7%	18.7%	0.3%
Fidelity ClearPath 2035	25.0%	18.6%	34.6%	21.6%	0.3%
Fidelity ClearPath 2040	10.3%	22.2%	40.1%	27.1%	0.3%
Fidelity ClearPath 2045	7.1%	23.0%	41.3%	28.3%	0.3%
Fidelity ClearPath 2050	7.1%	23.0%	41.3%	28.3%	0.3%
Fidelity ClearPath 2055	7.1%	23.0%	41.3%	28.3%	0.3%
Fidelity ClearPath 2060	7.1%	23.0%	41.3%	28.3%	0.3%

Canadian Government Bond Index	Canadian Systematic Equity	Fidelity Select International Equity	iShares Russell 1000 ETF	Canadian Money Market
Canadian Bond	Fidelity Canadian Focused Equity	Fidelity Emerging Markets Equity	iShares Russell 1000 Value	
Canadian Corporate Bond		Fidelity Emerging Markets Opportunities	Blue Chip Growth Instl Trust	
Canadian Short Term Credit	Fidelity Dividend		Fidelity U.S. REIT	
Fidelity American High Yield	iShares Core S&P/TSX Capped Composite ETF	iShares Core MSCI EAFE ETF	Fidelity Value Discovery	
Fidelity Canadian Real Return Bond Index		Fidelity International Equity	Fidelity Large Cap Stock	
Invesco Optimum Yield Diversified Commodity Strategy No K-1 ETF		Fidelity International Growth Equity	Fidelity U.S. Small/Mid Cap	
iShares Gold Trust		Fidelity Concentrated International Small Cap		

# Asset Allocation Summary

For the Period Ending September 30, 2021



Fund	Assets	%
Fidelity Clearpath 2020 Portfolio	\$ 9,658,174.90	15.9%
Fidelity Clearpath 2025 Portfolio	\$ 8,722,597.66	14.4%
Jarislowsky Fraser Balanced	\$ 7,044,086.17	11.6%
Fidelity Clearpath 2030 Portfolio	\$ 6,940,596.60	11.4%
Fidelity Clearpath 2035 Portfolio	\$ 6,169,714.07	10.2%
Fidelity Clearpath 2040 Portfolio	\$ 5,427,484.84	8.9%
Fidelity Clearpath 2045 Portfolio	\$ 4,130,759.59	6.8%
MFS American Equity	\$ 2,968,292.73	4.9%
Fidelity ClearPath 2050 Portfolio	\$ 2,612,322.15	4.3%
Jarislowsky Fraser Canadian Equity	\$ 1,997,228.13	3.3%
MFS Canadian Fixed Income	\$ 1,371,288.76	2.3%
Fidelity ClearPath 2055 Portfolio	\$ 1,114,144.29	1.8%
Sprucegrove International Equity	\$ 642,813.48	1.1%
GWL 3 Yr Compound Interest Account	\$ 505,893.66	0.8%
Mackenzie SRI Canadian Equity	\$ 288,585.55	0.5%
MFS Canadian Money Market	\$ 263,960.14	0.4%
GWL 1 Yr Compound Interest Account	\$ 245,061.95	0.4%
GWL Daily Interest Account	\$ 198,154.49	0.3%
5 Yr Compound Interest Account	\$ 130,939.91	0.2%
Mackenzie SRI Balanced	\$ 130,219.47	0.2%
Fidelity ClearPath 2060 Portfolio	\$ 125,505.67	0.2%
<b>Total</b>	<b>\$60,687,824.21</b>	<b>100%</b>

# Firm Updates

For the Period Ending September 30, 2021

## Fidelity Investments

### Q3 21

- During the quarter, Luca Mertens was hired as Quantitative Analyst, Canadian Fixed Income.
- Chase Bethel and Lee Sotos joined the Fidelity Canada Investment Management Team as Equity Research Analysts.
- Also during the quarter, Fidelity launched two new high yield strategies with pool vehicles: Fidelity U.S. High Yield Institutional Trust and Fidelity Currency Hedged U.S. High Yield Institutional Trust. Both strategies are managed by Alex Karam and Harley Lank.
- The Fidelity Global Low Volatility strategy is now available on the core platform for Industrial Alliance for this quarter.

### Q2 21

- There were no changes to the people, process, structure or ownership at Fidelity Investments during the quarter.

## Jarislowsky Fraser

### Q3 21

- There were no changes to the people, process, structure, or ownership at Jarislowsky Fraser during the quarter.

### Q2 21

- There were no changes to the people, process, structure or ownership at Jarislowsky Fraser during the quarter.

# Firm Updates

For the Period Ending September 30, 2021

## Mackenzie Investments

### Q3 21

- During the quarter, Mackenzie Investments launched its second ESG-focused Investment Team – Mackenzie Betterworld Boutique. The firm announced the launch of the boutique’s two inaugural funds: Mackenzie Betterworld Global Equity Fund and Mackenzie Betterworld Canadian Equity Fund.
- Also during the quarter, Natasha Stromberg joined the Mackenzie Sustainable Investments Team as Director, Sustainability & Adv Disclosure.
- David Frazer and Shelly Dhawan joined the Mackenzie Betterworld Team as Directors, ESG Research while Stan Li joined the Team as Director, Investment Research.
- Zhan Yu Qian joined the Mackenzie Fixed Income Team as Director, Investment Research.
- Marlena Zabielska joined the Mackenzie Ivy Team as AVP Portfolio Manager while Jonathan Prestwich joined the Mackenzie Greenchip Team as Investment Analyst.
- Scott Prieur, Associate Portfolio Manager, Mackenzie Resource Team, Daye Deng, Director, Investment Research, Mackenzie Global Equity Team, Patrick Marshall, VP, Investment Management, Mackenzie European & International Equity Team, and Julie Ambachtsheer, Senior Investment Analyst, Mackenzie Greenchip Team, departed the firm.

### Q2 21

- During the quarter, the following individuals joined the firm: Andrew Simpson, SVP, Portfolio Manager, Mackenzie ESG Team, Colin Cameron, Investment Analyst, Mackenzie Ivy Team, Michael Persaud, Trader, Mackenzie Trading Team, and Brandon Nisker, Investment Analyst, Mackenzie Real Estate Team.
- Also during the quarter, Alia Durbarry, Trader, Mackenzie Trading Team and Christopher Hau, Sr. Investment Analyst, Mackenzie Multi-Asset Strategies Team, departed the firm.
- Mackenzie launched a sustainability-focused investment boutique that offers enhanced access to growth in the Sustainable Investing space, led by Portfolio Manager Andrew Simpson.

# Firm Updates

For the Period Ending September 30, 2021

## **MFS Investment Management**

### **Q3 21**

- Effective March 1, 2022, Simon Gresham, Co-CIO of Equity for Asia, and Christopher Jennings, Co-CIO of Equity for Europe, will transition to new roles as Co-CIOs of the firm's Multi-Asset Investment Group. The transition will allow Simon and Chris to focus on the multi-asset initiative the firm formed earlier in the year.
- Co-CIOs of Equity Jeanine Thomson (Asia) and David Shindler (Europe) remain in their current roles and together with Co-CIO Alison O'Neill, who leads the Americas Equity team, will lead the Equity platform globally.
- As was announced last year, Kevin Beatty, Co-CIO of Equity for the Americas, retired from MFS on September 30, 2021.
- During the quarter, MFS added two equity analysts: Yingxin Chen, a non-US equity analyst based in Singapore and Rodrigo De Paula, an US Equity analyst based in Boston. Additionally, MFS added a fixed income analyst, Qi Guan, and a quantitative analyst, Trisha Guchait, both based in Boston.
- During the quarter, Rosalina Feliciano, Fixed Income Research Analyst departed from the firm.
- Effective August 1, Raj Nair joined Jose Luis Garcia and Harry Purcell on the portfolio management team of the MFS Emerging Markets Equity strategy.
- Effective September 1, Nick Spratt joined the portfolio management team of Peter Fruzzetti, Jose Luis Garcia, Lionel Gomez, Robert Lau and Sandeep Mehta on the MFS International Small-Mid Cap strategy.

### **Q2 21**

- During the quarter, MFS launched a Multi Asset Investment Group (MAIG) aimed to ensure cohesion of their multi asset effort, optimize existing resources, and oversee the continued evolution of their capabilities.
- The MAIG membership consist of the following individuals: Chris Jennings, Co-CIO Equity, Europe, Simon Gresham, Co-CIO Equity, Asia, Pilar Gomez-Bravo, Director of Fixed Income, Europe, and Ben Nastou, Co-Director of Quantitative Solutions.
- During the quarter, MFS added the following Fixed Income Analysts: Michael Higgins, Emerging Markets, Laura Patricia Homsy, High Yield Corporate Bonds, and Andres Gonzales-Puelles, Emerging Markets Corporate Bonds.
- Also during the quarter, the following individuals retired: Stuart McPherson, non-U.S. Equity Research Analyst, and Robert Persons, U.S. Credit Fixed Income Portfolio Manager.

# Firm Updates

For the Period Ending September 30, 2021

## **Sprucegrove Investment Management**

### **Q3 21**

- Effective January 1st, 2022, Arjun Kumar will assume the role of Chief Executive Officer of Sprucegrove. As of the same date, Shirley Woo and Sabu Mehta will step off the firm's Business Management Committee and will become Co-Chairs of the Board. All three individuals remain Directors of the firm. Arjun will lead the day-to-day management of Sprucegrove along with the current executive team. This group of senior professionals will report to Arjun, who will, in turn, be responsible to the Co-Chairs.
- Shirley Woo and Sabu Mehta will continue to carry out their responsibilities as Portfolio Manager and Senior Research Analyst, respectively. Shirley will continue as the co-lead with Arjun on all investment mandates and clients' portfolios.
- Matthew Bellis and Kyle Koch have been promoted to the role of Senior Investment Analysts. Both Matt and Kyle specialize in Global equities and will serve as mentors to the other analysts. The research team was expanded with the addition of Derek Ye and Mukhtar Mustapha to the Analyst ranks.
- Sprucegrove is now a member of the Responsible Investment Association of Canada and will also become a signatory to the Net Zero Asset Managers Initiative on November 1, 2021.

### **Q2 21**

- During the quarter, the following individuals joined the firm: Elizabeth Taverna, Vice President, Institutional Business Development & Client Services, Denise Fray Thompson, Manager, Marketing & Client Services, Kenan Abdul Hadi, Team Lead, Fund Operations, Leon Shum, Manager, Fund Operations, Keith Fernandes, Compliance Officer, and Derek Ye, Investment Analyst.
- Janine Croteau was promoted from Administrative Assistant to Compliance Administrator.



## OUR TEAM

HUB|Proteus continues to strengthen their team.

**Leadership Transition:** Over the past 27 years, HUB|Proteus has built itself into one of Canada's premier investment consulting businesses. HUB|Proteus' founder, Peter Henry, was joined by Gord Lewis 24 years ago and Ryan Kuruliak 20 years ago and together they built an enviable team of investment professionals that are considered to be amongst Canada's best. Peter led the firm during the first 25 years and through the transition when HUB International acquired Proteus in 2018. For the past two years, Gord Lewis has assumed the role of President and continued the company's growth and development. We are pleased to announce that the next stage in HUB|Proteus' evolution has begun and **effective January 1, 2022, Ryan Kuruliak will assume the role of President of HUB|Proteus.**

Over the past 20 years, Ryan has proven himself to be one of the country's top investment consultants, a thought leader in the industry, a strategic contributor to HUB|Proteus' business and development and a leader within the firm.

Through Ryan's leadership, the firm's strong focus on the client will continue to be a driving force in ensuring HUB|Proteus continues to expand, develop and grow its team and client focused deliverables.

**Isa Cristello** also received a promotion. **Effective January 1, 2022, she will assume the role of Business Manager.** Isa joined HUB|Proteus as an office manager in January 2006 and has over 20 years of office administration experience within diverse business sectors.

In her new role, Isa will lead and oversee that the company remains productive, efficient and organized at all times by implementing operational strategies and overseeing all day-to-day activities.

Congratulations Ryan & Isa!



## MANAGER RESEARCH UPDATE

Target date funds are enabling plan sponsors to offer members of defined contribution plans with prudent and highly comprehensive investment solutions. HUB|Proteus recognizes, however, that while these diversified solutions are simplifying investing for many members, the products can actually be designed with great sophistication. HUB|Proteus regularly researches target date fund providers to help our clients better understand and differentiate these evolving products by evaluating:

- Investment teams responsible for all aspects of these products
- Fund philosophy & objectives
- Glidepath development, asset allocation, rebalancing and tactical allocations
- Investment strategy e.g. active vs. passive, style, duration, credit risk, alternatives
- Manager research & selection process
- Portfolio structure, tactical manager allocations, and risk management
- Underlying fund managers being used
- Evaluation of performance track records vs. applicable benchmarks and peers, as well as an assessment of applicable fees



## UPCOMING EVENTS

Upcoming industry events for plan sponsors, trustees & pension committees:

- [Defined Contribution Investment Forum](#)  
Benefits Canada – Jan 20-21, 2022, Shangri-La Hotel, Toronto, ON
- [Plan Sponsor Exchange](#)  
Canadian Investment Review – Feb 24-25, 2022 Langdon Hall, Cambridge, ON
- [FORUM 2022](#)  
CPBI June 13-15, 2022, 9:00AM – 2:00PM Le Centre Sheraton Montréal, PQ
- [2022 ACPM National Conference](#)  
ACPM – Sept 27-29, 2022 – Delta Hotels Conference Centre, St. John's, NL