

INVESTMENT PHILOSOPHY





FREEDOM TO FOCUS ON WHAT MATTERS.

At ATB Investment Management Inc. (ATBIM), we believe that long-term investment success isn't about trying to time the market.

Stock and bond markets can be unpredictable, so we concentrate on aspects of the investment journey that are within our control. This means creating purposeful portfolios which can be easily understood, made of assets with a history of compounding returns that are well positioned to deliver long-term success for our clients.

With this philosophy and process, we've achieved consistent long-term investment success for two decades.

THESE CORE BELIEFS GUIDE US AS WE BUILD AND MANAGE INVESTOR PORTFOLIOS.

- **Begin** with an effective asset mix.
- **Succeed** by managing risk through diversification—protecting investors from the downside while cultivating room to grow.
- **Thrive** on our strong partnerships with select, specialized investment managers.
- **Gain** from our commitment to managing costs to maximize investor returns.
- **Reflect** the discipline, simplicity and clarity that's in everything we do.





BEGIN WITH AN EFFECTIVE ASSET MIX

Investment managers talk a lot about asset mixes—the percentage breakdown of different asset classes in a portfolio. Research has shown that this is the main driver of a portfolio's risk over time. A portfolio's mix should align to the investor's objectives, and we design ours purposefully to match your personal preferences and financial goals.

The two main categories of assets are equities, which include stocks, and fixed-income assets like government bonds. Equities tend to be more volatile and can have higher returns. Fixed-income assets are more predictable but usually don't match equities for potential returns. A mix of equities and bonds works well due to diversification. By holding more than one type of asset, your exposure to a single risk is reduced.

**SUCCEED BY
MANAGING
RISK THROUGH
DIVERSIFICATION –
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INVESTORS FROM
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Once we have a portfolio's broad asset mix defined, we expand the investment universe to manage risk and maximize value. The more asset classes we have to work with, the more opportunity there is to create a portfolio with higher return and/or lower risk potential.

One way we accomplish this is breaking down the fixed-income and equities categories into smaller components. For example, consider US stocks. They make up a significant portion of all global equities—but we don't blindly replicate that portion in the equities component of every portfolio. Instead, we increase or decrease the weight the portfolio gives to this asset subclass depending on our long-term capital market expectations.

Likewise, government bonds are a significant component of global bonds, but may not look as attractive as equities or even other bonds on the basis of yield. Separating government bonds from corporate and other bonds gives us the opportunity to decrease a portfolio's allocation of government bonds, if we believe there is value in doing so.

Another way we diversify our asset classes is by going beyond traditional stocks and bonds and including assets like mortgages, which have historically offered excellent risk-adjusted returns, but are not represented in most fixed-income asset portfolios.

By mixing these assets strategically and efficiently, we aim to provide the highest return possible for a given level of risk over the long term.

THRIVE ON OUR STRONG PARTNERSHIPS WITH SELECT, SPECIALIZED INVESTMENT MANAGERS.

One of the few things we're absolutely certain of is that no one knows everything. That's why we don't just diversify across stocks, regions and industries; we also diversify across investment management firms. ATBIM uses an independent business model, which is a rare thing in our industry. This means the professionals who choose the individual bonds and stocks that make up our portfolios are not limited to our in-house team.

Expanding our talent pool to include external managers allows ATBIM to select those that are the best at what they do. Connecting investors to the best expertise, wherever it's found, provides assurance that we're putting their interests first.





GAIN FROM OUR COMMITMENT TO MANAGING COSTS TO MAXIMIZE RETURNS.

We understand that paying higher fees doesn't guarantee better returns or added features. Costs are one of the few areas that can be controlled in investing. ATBIM has been an industry leader in fee transparency and providing low product costs in its portfolios. Our multi-manager approach lets us blend lower cost passive exchange-traded funds with active bond and equity managers. Due to the size of ATBIM, we can negotiate the costs of active managers. This has allowed us to provide some of the lowest costs in Canada when compared to a peer universe of similar portfolio programs.

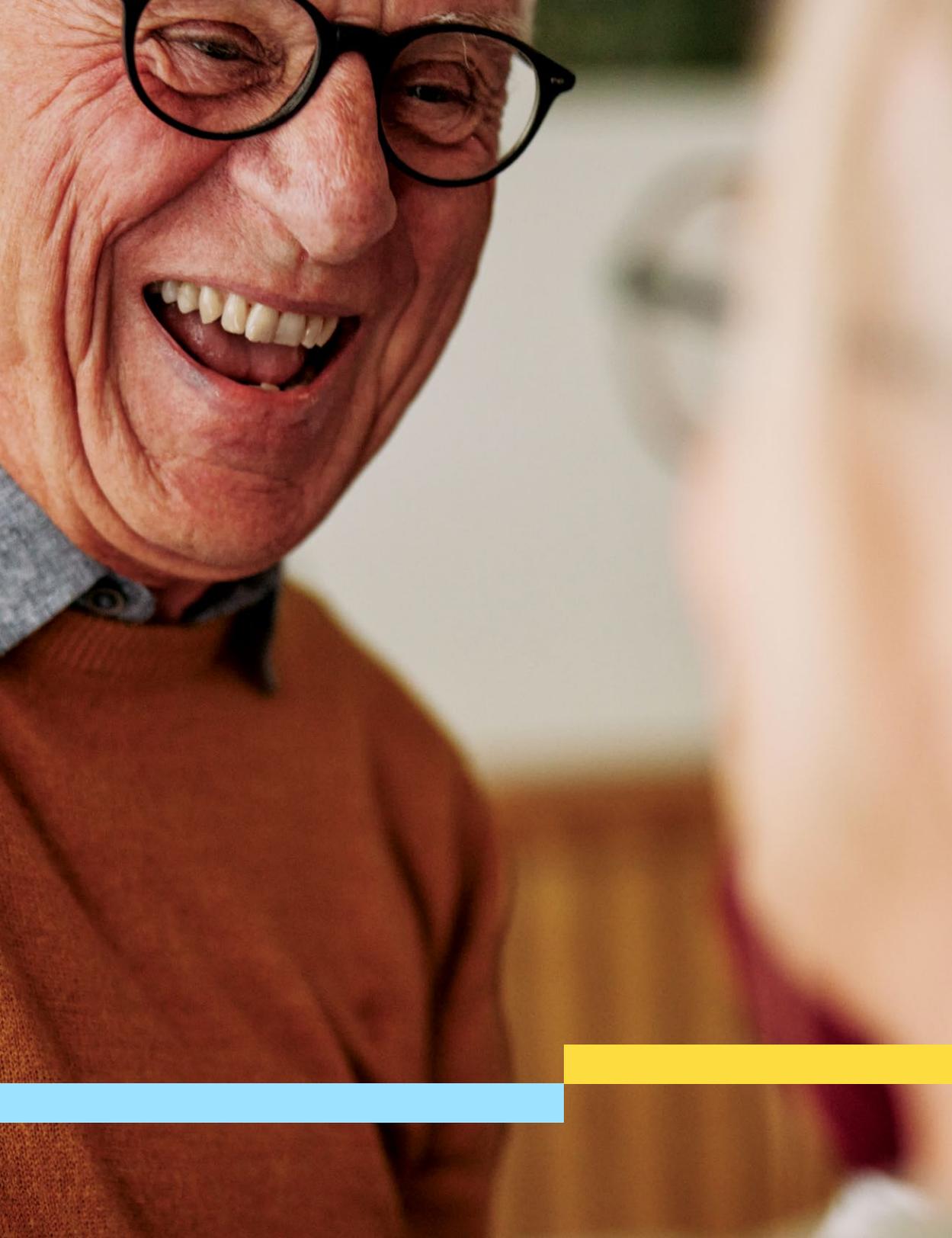
REFLECT THE DISCIPLINE, SIMPLICITY AND CLARITY THAT'S IN EVERYTHING WE DO.

We believe that a trusted investment manager should do more than manage investments. It should also build the confidence of investors in their portfolios and ultimately their financial futures.

That's why we stand by our investment philosophy, which for two decades has helped investors to navigate through changing market cycles. That's also why we're committed to simplicity and transparency. Investors should understand their investments

Our strong investment discipline and preference for simplicity and clarity means that, when markets inevitably experience turmoil, our investors understand how and why their portfolios are structured for resilience. This allows ATBIM to stay the course and be opportunistic in all types of market environments, rather than reactionary when the latest investing fad doesn't work out.





ENJOY PEACE OF MIND WITH ATBIM.

Ultimately our goal is to be predictable for our investors. Over time, the more comfort they have with our unwavering investment philosophy, the greater chance they will trust the process and remain invested. This will lead to success in their long-term investment endeavors.



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