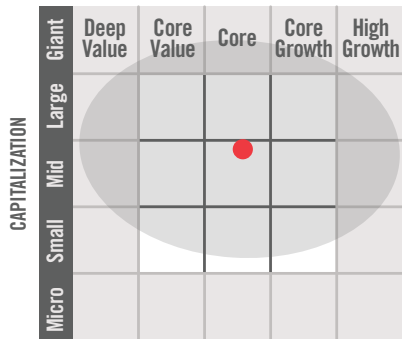


# 4 ways to use MORNINGSTAR STRATEGIC CANADIAN EQUITY FUND in a portfolio

## 1 AS A CORE CANADIAN EQUITY HOLDING

Style Trail

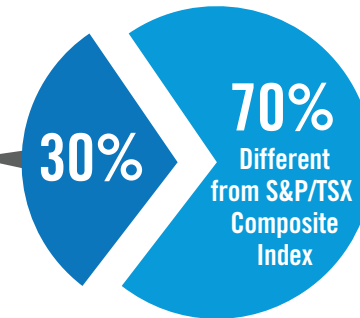


- 100% Canada
- 30 – 40 stocks
- All-cap
- Disciplined, rules-based process

## 2 TO COMPLEMENT BENCHMARK-ORIENTED STRATEGIES

High Active Share of 70%

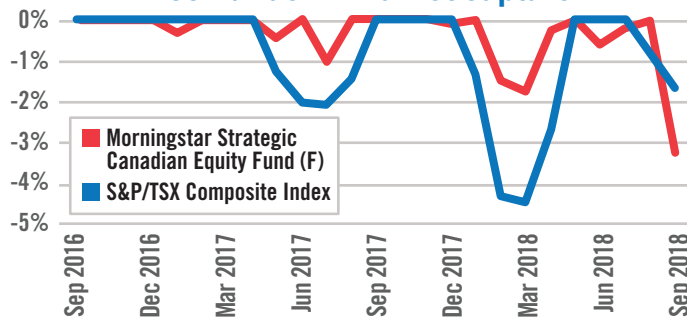
Similar to S&P/TSX Composite Index



## 3 TO REDUCE RISK

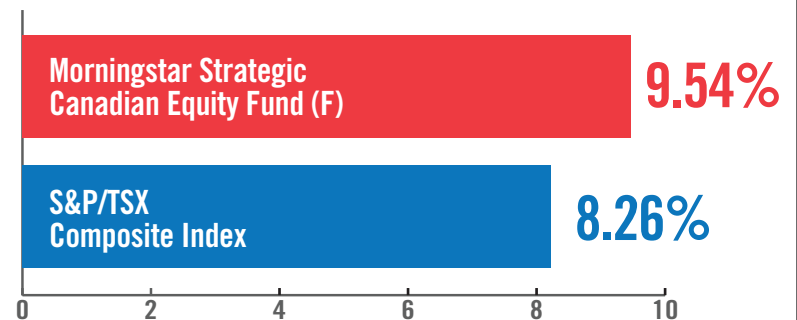
Drawdown Analysis (Oct 2016 to Sep 2018)

55.4% down-market capture



## 4 AS AN ALPHA GENERATOR

Performance Since Inception (Sep 16, 2016 to Sep 30, 2018)



The information herein is subject to important disclosures and disclaimers contained in the Disclosure Statement on the last page of this document. This document is not complete without such Disclosure Statement.

# MORNINGSTAR STRATEGIC CANADIAN EQUITY FUND

## Strong Performance (% , net of fees, \$CAN)

	3 Months	YTD	1 Year	2 Years	Since Inception (Sep16/2016)
Morningstar Strategic Canadian Equity Fund (Series F)	-2.68	-0.11	3.17	9.37	9.54
S&P/TSX Composite Index	-0.57	1.36	5.87	7.52	8.26
Excess Return (bps)	-211	-147	-270	+185	+128
Quartile Ranking vs. Peer Group*	4	3	3	1	1

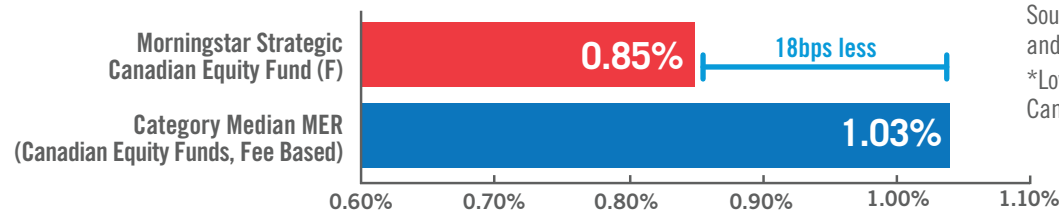
Source: Bridgehouse and Morningstar as at September 30, 2018. \*Peer Group is Canadian Equity.

## Impressive Combination of Quality and Value

Characteristics	S&P/TSX Composite Index	Morningstar Strategic Canadian Equity Fund
Average Return on Equity for Last 5 Years	13.4%	18.9%
Latest Reported Return on Equity	13.8%	20.4%
Price to Trailing Earnings	16.2x	12.3x
Price Change from Month End 9 Months Ago	-0.7%	-2.2%
EPS Estimate Revision 3 Months	1.3%	1.4%
Quarterly Earnings Momentum	6.6%	7.0%
Reinvestment Rate on Consensus	9.6%	15.1%
Total Yield (expected yield + shareholder buyback yield)	0.6%	1.1%

Source: CPMS as at September 30, 2018

## Low Fees\* (Series F MERs as at September 30, 2018)



Source: Bridgehouse and Morningstar  
\*Lower fees than median Canadian peer equity fund

## ASSET CLASS: CANADIAN EQUITY

### FUND RISK CLASSIFICATION

L	LM	M	MH	H
		M		

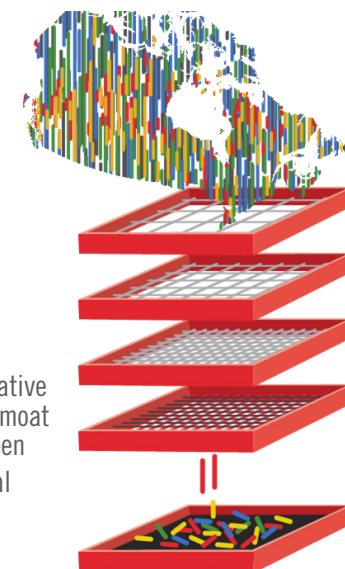
### FUND SERV COMPANY CODE: BIP

SERIES	SALES OPTION	FUND NUMBER C\$	FUND NUMBER US\$	MANAGEMENT EXPENSE RATIO (%)*
A	SC	480	-	1.96%
F	-	481	-	0.85%

\*Fees as at September 30, 2018

## Risk Management Screening

- Historical volatility
- Stock weight limits
- Sector weight limits
- Liquidity
- Quality
- Value
- Morningstar Equity Analyst valuation rating screen
- Morningstar quantitative fair value, economic moat and uncertainty screen
- Morningstar financial health screen



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