

INVESTMENT CONSULTING SERVICE

# SGA GLOBAL EQUITY GROWTH

Asset Class: Global Equity

Data as of December 31, 2023

## Investment manager(s)

Sustainable Growth Advisers, LP

Sustainable Growth Advisers, LP (SGA) provides investment advice to institutional and individual clients, private investment companies and mutual funds. SGA believes it is possible to generate high relative returns with low relative risk by investing for the long term in the best businesses at reasonable prices. They focus only on those few low-risk businesses that offer predictable, sustainable earnings and cash flow growth over the long term.

## Investor suitability

The SGA Global Equity Growth strategy is ideal for investors:

- seeking exposure to U.S. equities
- who are planning to hold their investments for the long term
- registered plan accounts may have a higher cash balance as a result of potential non-qualified investments\*\*

## Volatility rating

Low	Low to Medium	Medium	Medium to High	High
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## Investment objective

The SGA Global Equity Growth strategy seeks to achieve long-term capital appreciation by investing in high-quality companies generating strong and sustainable growth over time. The strategy may invest part of the portfolio in emerging markets.

## Investment philosophy & process

The first step in SGA's process is to identify businesses that offer predictable, sustainable earnings growth.

The best businesses have the power to establish prices at levels that consistently provide good profit margins and strong returns on invested capital. This is often associated with a strong franchise, a proprietary position, a low-cost position or a powerful brand. In an increasingly competitive global environment, these companies tend to be more profitable and gain market share.

SGA looks for companies whose products and services are used frequently and replaced regularly. It is easier for a company to grow if it begins each year with a core constituency of loyal customers already in the habit of buying its products and services. These companies are more predictable and less vulnerable to fluctuations in economic activity, and many have demonstrated an ability to grow earnings through all economic cycles.

Companies with global reach are not limited to one particular region for growth. They have the ability to expand operations across borders because the products and services they provide have no inherent geographic or cultural limitations. Their long-term growth prospects are more sustainable because of the global scope of their market opportunity.

SGA's research is proprietary and involves first-hand analysis of the quality of each business, its financial dynamics and its growth potential. The firm continually tests an investment concept through regular contact with management, by monitoring competitors and by tapping into industry information sources. SGA solidifies assumptions about a company's sustainable growth by constructing detailed financial projections. Finally, the firm's work involves ongoing evaluations of the investment case through discussion in its investment committee, where members have over 50 years of combined investment experience.

SGA is disciplined in determining an appropriate price for holdings and guarding against valuation risk. SGA determines fair value by discounting future earnings and cash flow and measuring enterprise yield, the firm's calculation of the free cash flow that is truly available to investors as a percentage of a company's market value. This helps to ensure that clients can earn a competitive risk-adjusted return and enables SGA to identify attractive opportunities to build or trim positions. Purchase and sale decisions for all portfolios are made jointly by the firm's three principals.

## Investment style

Investment process: Bottom-up

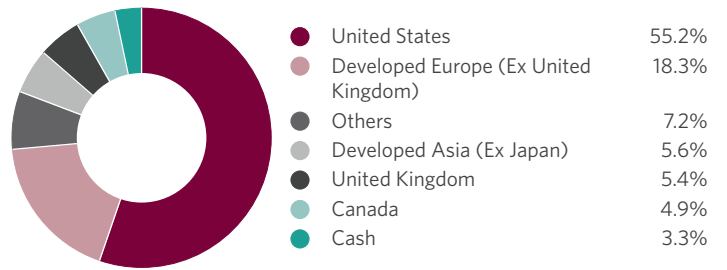
Investment style matrix:

	Value	Core	Growth
Large-Cap			Sustainable
Mid-Cap			
Small-Cap			

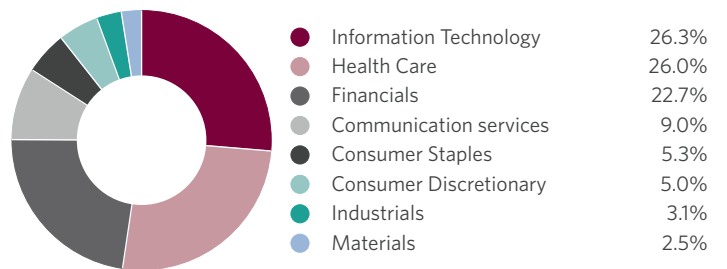
### Top 10 holdings (%)

Microsoft Corp.	5.5
Amazon.com Inc.	4.8
Visa Inc., Class 'A'	4.3
HDFC Bank Ltd., ADR	4.0
Intuit Inc.	3.8
Novo Nordisk AS, ADR	3.6
S&P Global Inc.	3.5
Workday Inc.	3.4
ICON PLC	3.4
MSCI Inc.	3.3
<b>Total</b>	<b>39.7</b>
Current number of holdings:	36

### Country asset mix (%)



### Equity sector breakdown (%)



## ICS strategy information

December 31, 2023

The performance returns, risk statistics, and graphs shown in this section are based on a composite of ICS accounts invested in this strategy (the "ICS Composite"). This Strategy can be purchased either in U.S. or Canadian dollars. Performance returns are expressed in U.S. dollars. Performance returns expressed in Canadian dollars are available in the monthly and quarterly performance summaries. Canadian dollar ICS accounts are converted into U.S. dollars using the month-end Bank of Canada noon rate. For details on the ICS Composite, refer to the disclaimer on the last page of this document.

### Portfolio characteristics (US\$)

	SGA Global Equity Growth	MSCI All-Country World Index
Price/Earnings (trailing 1 yr)	33.4	19.8
Return on Equity (trailing 1 yr)	29.1	14.2
Equity Dividend Yield (trailing 1 Yr)	1.1	2.0

### Trailing returns (%) (US\$)

	3 Mths	YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	10 Yrs
SGA Global Equity Growth	11.8	28.4	28.4	-2.5	1.5	12.9	11.1
MSCI All-Country World Index	11.1	22.8	22.8	0.3	6.2	12.2	8.5

### Calendar year returns (%) (US\$)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
SGA Global Equity Growth	28.4	-25.9	10.0	32.2	32.8	-0.9	35.9	3.6	10.3	1.7
MSCI All-Country World Index	22.8	-18.0	19.0	16.8	27.2	-9.0	24.6	8.5	-1.8	4.8

# ICS strategy information

5 Years as of December 31, 2023

## Risk statistics (US\$)

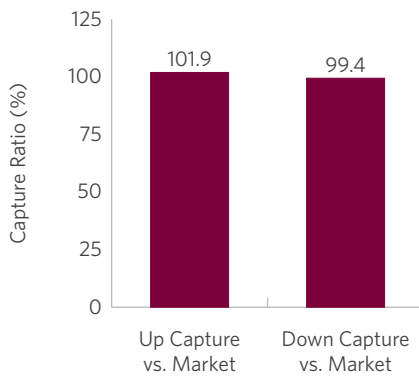
	Std Dev (%)	Sharpe Ratio
SGA Global Equity Growth	18.8	0.59
MSCI All-Country World Index	17.9	0.58

## Risk statistics - strategy vs. benchmark (US\$)

	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)
SGA Global Equity Growth vs. MSCI All-Country World Index	0.99	0.8	0.89

## Up/Down market capture (US\$)

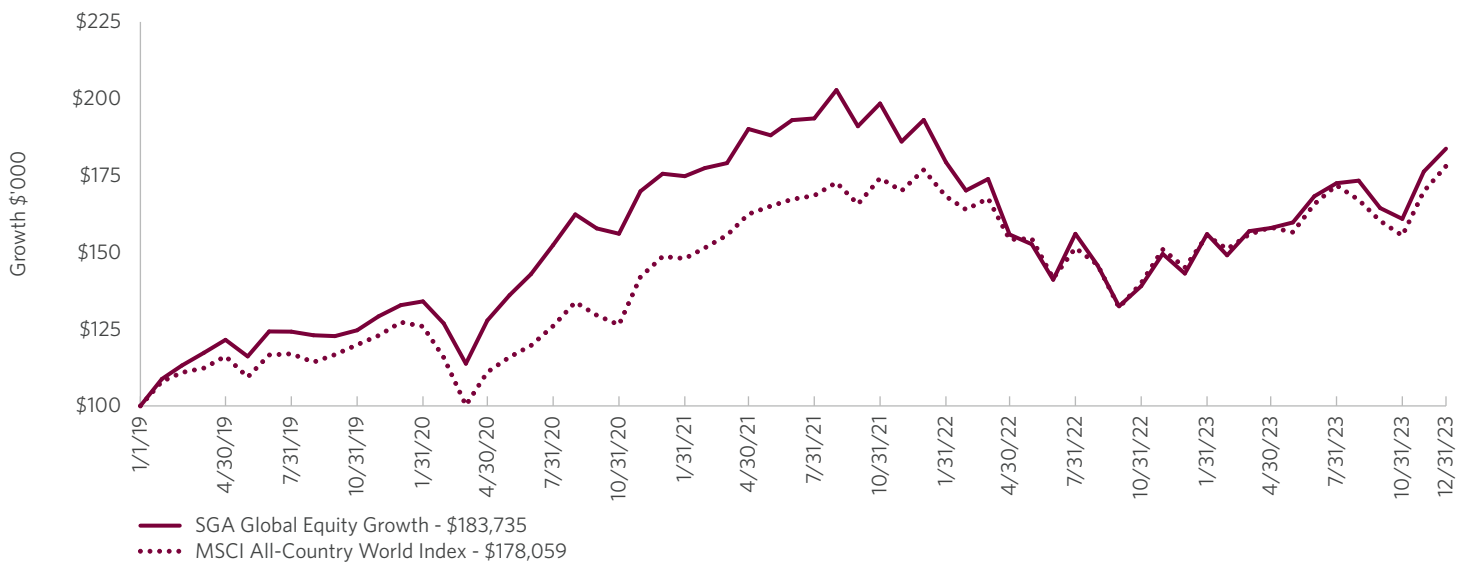
SGA Global Equity Growth vs. MSCI All-Country World Index



## Risk/Reward chart (US\$)



## Growth of \$100,000 (US\$)



# ICS strategy information

7 Years as of December 31, 2023

## Risk statistics (US\$)

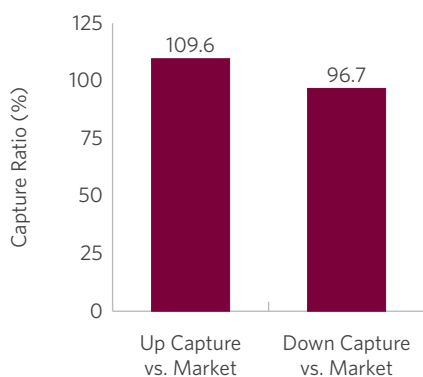
	Std Dev (%)	Sharpe Ratio
SGA Global Equity Growth	17.0	0.71
MSCI All-Country World Index	16.1	0.55

## Risk statistics - strategy vs. benchmark (US\$)

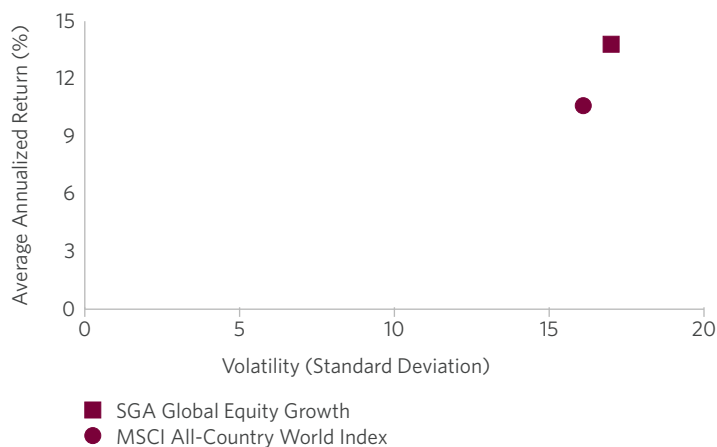
	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)
SGA Global Equity Growth vs. MSCI All-Country World Index	0.99	3.3	0.89

## Up/Down market capture (US\$)

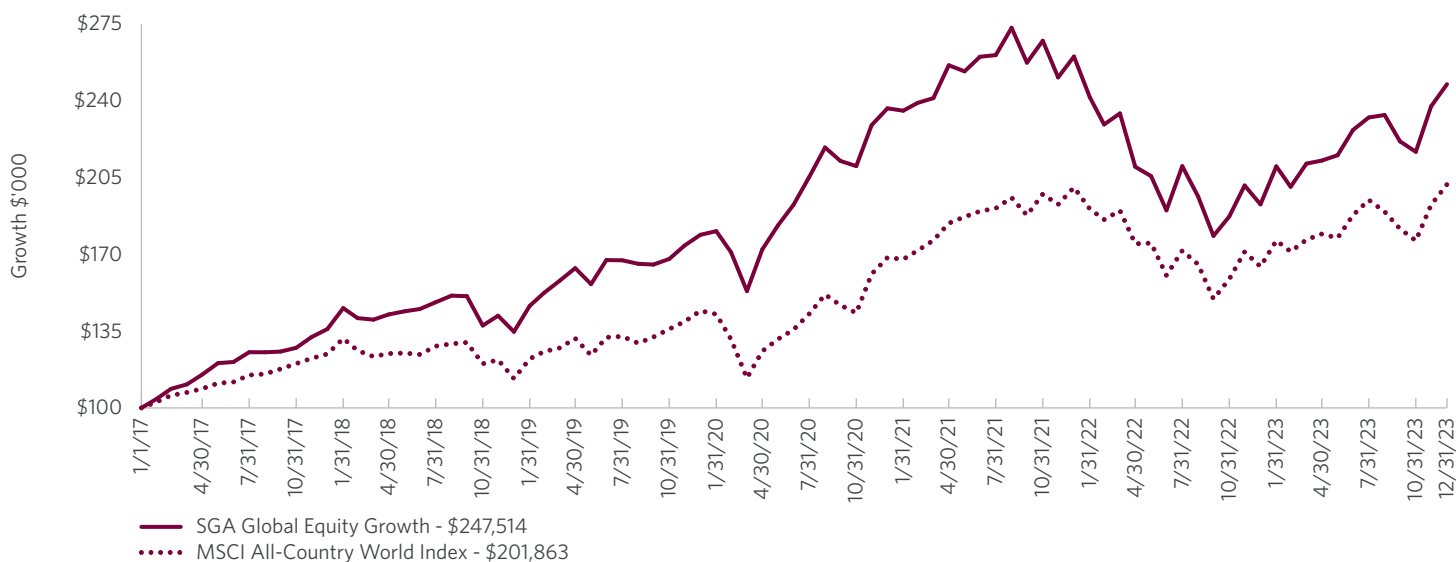
SGA Global Equity Growth vs. MSCI All-Country World Index



## Risk/Reward chart (US\$)



## Growth of \$100,000 (US\$)



# ICS strategy information

10 Years as of December 31, 2023

## Risk statistics (US\$)

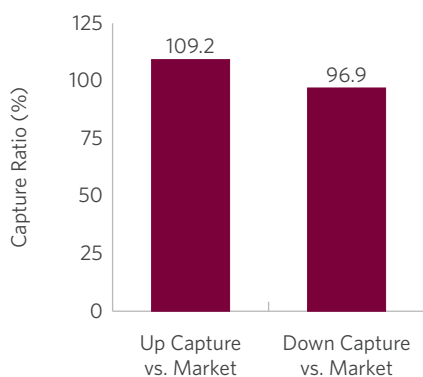
	Std Dev (%)	Sharpe Ratio
SGA Global Equity Growth	16.0	0.62
MSCI All-Country World Index	14.8	0.49

## Risk statistics - strategy vs. benchmark (US\$)

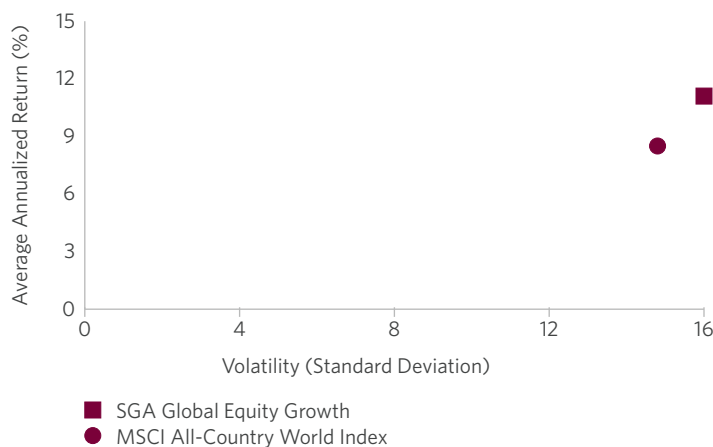
	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)
SGA Global Equity Growth vs. MSCI All-Country World Index	1.01	2.6	0.88

## Up/Down market capture (US\$)

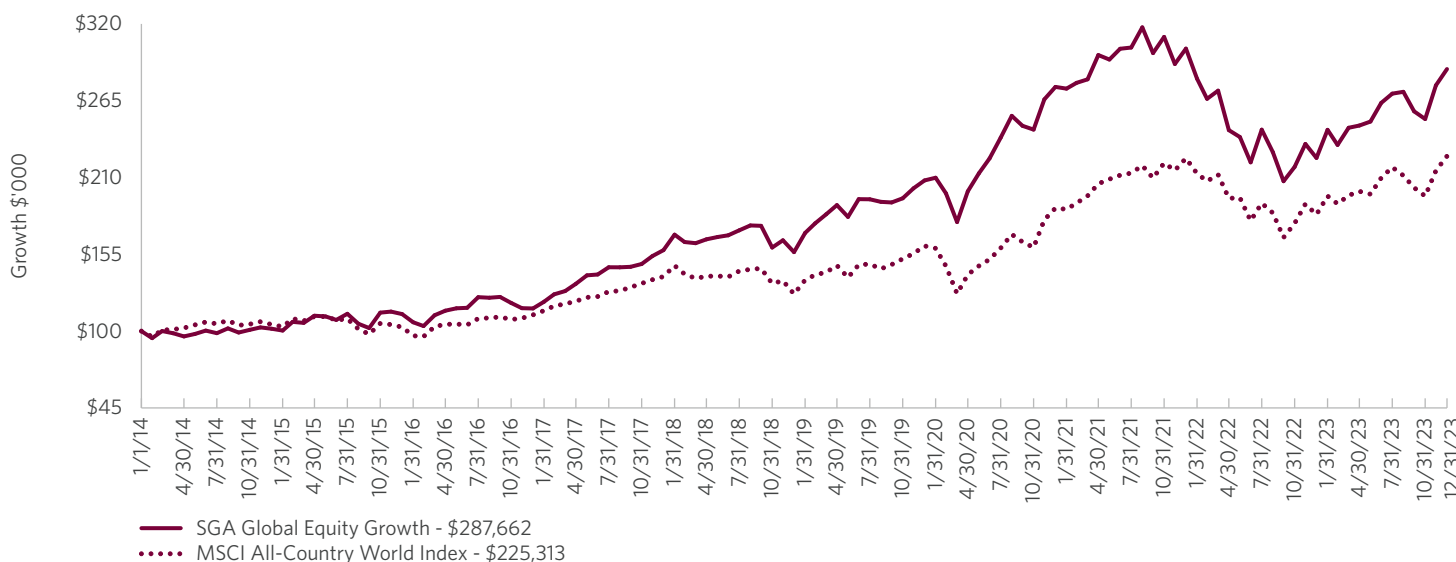
SGA Global Equity Growth vs. MSCI All-Country World Index



## Risk/Reward chart (US\$)



## Growth of \$100,000 (US\$)



\*\* A non-qualified investment for an RRSP or RRIF trust is any property that is not deemed a qualified investment. That is, an investment in properties or securities which are not listed on a designated stock exchange. A designated stock exchange is a stock exchange, or a part of a stock exchange, that has been designated as such by the Minister of Finance. Designated stock exchanges are listed on the [Department of Finance Canada](#) web site, or by any other means that the Minister of Finance considers appropriate.

### ICS Composite

Performance results set out in this document are based on a composite of CIBC Wood Gundy Investment Consulting Service (“ICS”) retail accounts with more than \$90,000 invested in the CIBC Wood Gundy ICS Sustainable Growth Advisers, LP (“SGA”) Global Equity Growth strategy (the “Strategy”). The composite includes open fee-paying discretionary managed ICS accounts held in the Strategy through a purchase or a switch from another investment or ICS strategy. ICS accounts are included at the start of the second month following their inception. Also included in the composite are closed ICS accounts that held the Strategy, up to the last full month the Strategy was held. The composite was created in March 2013. It includes account performance data from May 1, 2013, the second month after the inception of the first account in the Strategy.

Composite performance returns are geometrically linked and calculated by weighting each ICS account’s monthly performance, including changes in securities’ values, and accrued income (i.e. dividends and interest), against its market value at the beginning of each month, as represented by the market value at the opening of the first business day of each month. Performance returns are expressed in USD and are gross of ICS investment management fees, and other expenses, if any. Each ICS account’s performance returns will be reduced by these costs.

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Individual account performance results for clients of ICS invested in the Strategy may also materially differ from the performance results set out in this document, which are based on the Composite due to the factors described above, and other factors such as an account’s size, the length of time the Strategy has been held, cash flows in and out of the individual ICS client account, trade execution timing, market conditions and movements, trading prices, foreign exchange rates, specific client constraints, and constraints against purchasing securities of related and connected

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### Benchmark Index

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