

# Systematic Equity Markets Strategy

FACT SHEET/ DECEMBER 31, 2023



## Strategy summary

The strategy applies a long/short approach to global equity markets, with the objective to maximize returns through controlled volatility, while maintaining a very low correlation to traditional asset classes.

With a variable market bias, it aims to leverage trading opportunities between equity indices by trading index future contracts, ETFs and baskets of individual stocks. This strategy uses complementary signals which have been consistent and robust in the past and whose prospects are rationalizable.

## Performance and risk statistics (since inception)

Annualized return (USD)	4.77%
Annualized volatility	5.24%
Return/volatility	0.92
Sharpe ratio	0.53
Beta (predicted)	0.13
Beta (realized over last 12 months)	0.07
Skewness	0.42
Worst drawdown	-7.56%
Positive month ratio	0.63
Average of negative months	-1.08%
Average of positive months	1.29%
Correlation to MSCI World	0.11

Note: The inception date is January 1, 2018. All data are since inception except for the predicted beta, which is current.

## Investment team

**Nelson Cabral, M.Sc., CFA**  
Portfolio Manager  
Experience: 17 years  
Team member since 2011

**Gabriel Laprise, B.Eng., M.Sc.A., CFA**  
Quantitative Analyst  
Experience: 5 years  
Team member since 2018

## IT development

**Eric Gagnon, B.Sc., BBA**  
Senior Software Developer  
Experience: 22 years  
Team member since 2023

**Alexandre Bériault, B.Eng.**  
Software Architect  
Experience: 13 years  
Team member since 2012

**Guillaume Paré, B.Eng.**  
Senior Software Developer  
Experience: 8 years  
Team member since 2016

**Michael Laplante**  
Software Developer  
Experience: 1 year  
Team member since 2022

## Characteristics

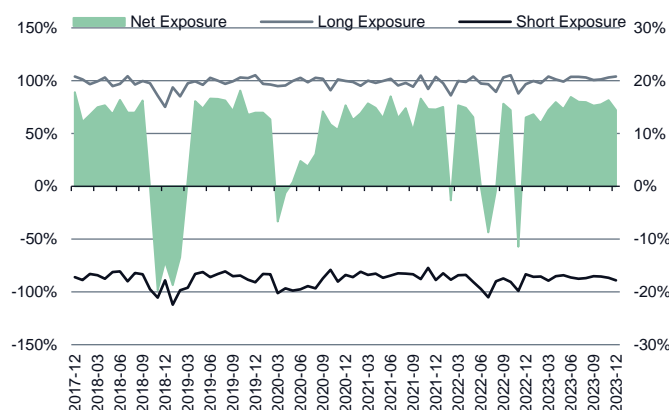
Beta	-0.3 to 0.3
Maximum exposure by index	15%
Short exposure to markets	100% (+/- 20%)
Long exposure to markets	100% (+/- 20%)
Volatility target	4.5% to 7.5%
Currency hedging	100% in USD

## Up and down-market performance (since inception)

	UP MARKETS	DOWN MARKETS	ALL MARKETS
<b>MSCI WORLD (NET)</b>			
Number of months	47	25	72
Avg. monthly return (USD)	3.05%	-3.27	0.85%
<b>SYSTEMATIC EQUITY MARKETS STRATEGY</b>			
Positive months ratio	66%	56%	63%
Avg. monthly return (USD)	0.46%	0.29%	0.40%

Note: The average monthly return is calculated when the benchmark has a positive month or a negative month.

## Net market exposure



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## Returns (USD)

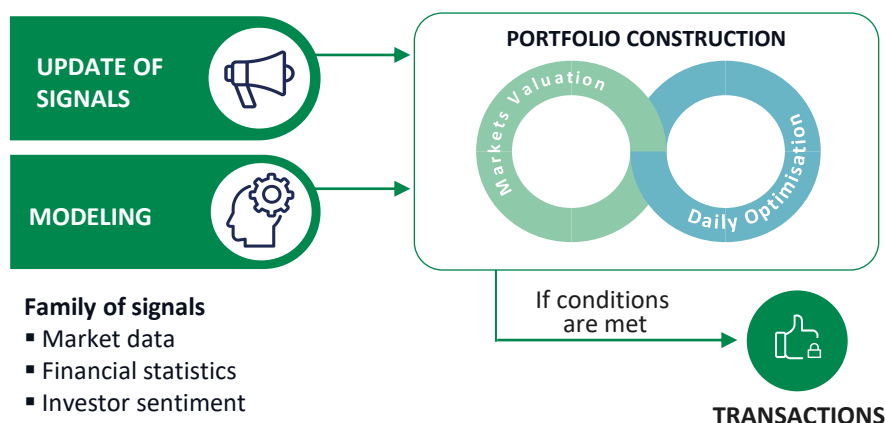
In %	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
2023	0.16	-1.30	0.83	0.43	-1.59	0.45	1.97	-0.16	0.76	0.63	1.27	-1.39	2.00
2022	-0.81	0.29	1.09	-1.54	-1.78	-0.07	0.42	0.43	-0.50	-2.22	1.09	-0.06	-3.66
2021	1.54	-1.21	1.70	1.21	-0.54	1.86	1.66	1.63	0.25	3.02	1.68	0.10	13.61
2020	3.17	0.24	5.92	0.69	-0.37	-0.57	0.56	0.95	1.47	0.28	-3.14	1.14	10.56
2019	-2.19	0.25	1.41	-0.87	1.50	0.44	1.66	0.19	-0.75	-1.55	1.21	-0.21	1.02
2018	2.62	-0.04	-0.82	-0.60	3.25	1.22	-0.54	0.88	2.10	-1.61	-2.70	2.32	6.06

Note: The inception date of the strategy is January 1, 2018.

## Cumulative returns (USD)



## Investment process



- Family of signals**
- Market data
  - Financial statistics
  - Investor sentiment

## Contact information

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Sources: MSCI, DGAM, at December 31, 2023

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