Intech® Canadian Adaptive Volatility (CAD)

Product summary for wholesale client use only

MAINTAIN EQUITY EXPOSURE
Under-funded plans that require risk-seeking assets to meet return assumptions can turn to our strategy to uphold equity allocations prudently. By systematically adapting beta exposure with risk regimes, our approach seeks asymmetric equity returns to smooth your overall portfolio outcomes.

TAKE RISK WHEN YOU NEED IT
Risk regimes aren't static; your core equity implementation shouldn't be either. Drawing on 30 years of volatility analysis, our approach works like a hybrid automobile: it aims to systematically deliver alpha-seeking "power" in risk-on regimes while mitigating risk in risk-off environments.

AVOID COSTLY HEDGING TOOLS
Unlike more expensive tail-risk management tools like options, covered calls and market neutral strategies, our approach attempts to deliver alpha while providing meaningful beta management – without exposures to derivatives, leverage or riskier investment trade-offs.

Overview

Intech® adaptive volatility strategies are a hybrid of our traditional active and low volatility equity strategies – a distinctive industry offering. These distinctive strategies attempt to offer an asymmetric return profile by outperforming the equity market over a full market cycle with downside protection.

Investment Platform: Defensive Equity

Benchmark: MSCI Canada Index

Expected Risk Reduction: Up to 55%

Expected risk reduction includes an effort to manage risk relative to a benchmark index, which should not be confused with and does not imply low investment risk or the ability to control risk. It is a long-term annualized forecast gross of fees. Do not consider or rely on it as a performance guarantee. Actual results may vary.

Applications

These strategies may address a wide range of needs:

- Allow for higher equity exposure throughout a target-date glide path
- De-risk an under-funded plan without reducing equity exposure
- Increase equity exposure without increasing total risk
- Insulate beta risk from unpredictable market shocks
- Reduce plan surplus volatility

HARNESS VOLATILITY®

Intech®
— JANUS HENDERSON —

Philosophy and Process

An Approach with Real Distinction

We adhere to a different investment paradigm than the traditional financial economics embraced by most asset managers – both fundamental and quantitative.

Our approach is linked to Modern Portfolio Theory, but we base our decision model on observations, not expectations. Our model inputs are observed stock price volatility and correlations. We don't rely on subjective forecasts of markets or individual stocks.

Straightforward Three-step Process

Our Princeton-based investment team applies our approach across a three-step process designed to deliver consistent results over time:

1. **Estimate** volatility and correlations of the stocks in a benchmark.
2. **Optimize** portfolio weights for diversification consistent with our clients' risk-return objectives.
3. **Rebalance** target weights actively and cost-efficiently – seeking trading profit, replenishing diversification, and compounding gains over time.

LEARN MORE ABOUT OUR SOLUTIONS
INTECHINVESTMENTS.COM

Defensive Equity Leadership

#5 / **GLOBAL EQUITY INSTITUTIONAL QUANTITATIVE MANAGER BY AUM**

#8 / **DEFENSIVE EQUITY INSTITUTIONAL QUANTITATIVE MANAGER BY AUM**

30+ / **YEARS GENERATING ACTIVE CORE EQUITY RESULTS FOR INSTITUTIONS**

8+ / **YEARS GENERATING DEFENSIVE EQUITY RESULTS FOR INSTITUTIONS**

Assets under management and ranks are based on data reported to the eVestment Alliance databases as of June 30, 2020, and included all institutional active equity strategies where the primary investment approach is equal to "quantitative." The number of managers includes those with at least one strategy in each group. Large Cap Equity strategies included 294 managers. Defensive Equity included strategies in the All Low Volatility Equity Universe and included 46 managers. Information is current as of the date shown and may change at any time.

About Intech®

Intech® is a specialized global asset management firm that harnesses stock price volatility as a source of excess return and a key to risk control. Founded in 1987 in Princeton, NJ by pioneering mathematician Dr. E. Robert Fernholz, Intech® serves institutional investors across five continents, delivering traditional equity, defensive equity and absolute return investment solutions.

Prospective Clients

ASIA/AUSTRALIA/EMEA

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Past performance is no guarantee of future results. Investing involves risk, including possible loss of principal and fluctuation of value. There is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses. Adaptive volatility strategies tend to underperform the index during periods of strong up markets and may not achieve the desired level of protection in down markets.

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The gross performance results presented do not reflect the deduction of investment advisory fees, and returns will be reduced by such advisory fees, and other contractual expenses as described in the individual contract. Net performance results presented reflect the deduction of model investment advisory fees, and not the advisory fees actually charged to the accounts in the composite. Prior to December 31, 2004, the model advisory fees deducted reflect the maximum fixed fee in effect for each strategy. Beginning January 1, 2005, the model advisory fees deducted reflect the standard fee schedule in effect during the period shown, applied to each account in the composite on a monthly basis. Standard fee schedules are available upon request. Actual advisory fees may vary among clients invested in this strategy. Some composites may include accounts with performance-based fees. No account has been taken for taxation as the impact of taxation depends upon individual circumstances.

Any portfolio risk management process discussed includes an effort to monitor and manage risk which should not be confused with and does not imply low risk or the ability to control risk.

The index returns are provided to represent the investment environment existing during the time periods shown. For comparison purposes, the index is fully invested, which includes the reinvestment of dividends and capital gains. The returns for the index do not include any transaction costs, management fees or other costs. Composition of each individual portfolio may differ from securities in the corresponding benchmark index. The index is used as a performance benchmark only and not to attempt to replicate an index. Because sector weightings are a residual of portfolio construction, significant differences between sector weightings in client portfolios and the index are common.

Sector weightings, portfolio characteristics, market cap weightings and holdings are based on a representative account. Such data may vary for each client in the strategy due to asset size, market conditions, client guidelines and diversity of portfolio holdings. The representative account is in the composite that we believe most closely reflects the current portfolio management style for this strategy. Portfolio holdings are subject to change without notice. The portfolio holdings presented represent securities held as of the period indicated and may not be representative of current or future investments. No assumption should be made that the securities identified as being profitable will continue to be profitable. This material is provided for illustrative purposes only and should not be construed as an offer to sell, or the solicitation of offers to buy, or a recommendation for any security.

Data source is Intech throughout unless otherwise indicated.