

ATBIM SUB-ADVISOR SEARCH, SELECTION AND OVERSIGHT PROCESS

ATB Investment Management Inc. (ATBIM) doesn't just diversify across stocks, regions and industries; it also diversifies across investment management firms

Our independent sub-advisory model gives us the freedom to partner with the managers that are amongst the best at what they do. Our ability to remain independent on sub-advisory decisions is a rare strategy in our industry.

When we choose external investment talent for our platform, we use a highly disciplined, time-tested process that ensures we're:

- Selecting managers we have high conviction in for the long term
- Partnering with the highest-quality firms
- Continuing to receive persistent, value-added performance

An active, dynamic sub-advisor selection and oversight process

Define the desired attributes for investment strategies

A manager search begins with an understanding of:

- The need for the strategy within the ATBIM product platform
- · The desired attributes of the strategy

Search for and select active managers

- Multi-step evaluation
- Committee approval
- Add manager to platform

Oversight of active managers

Monitoring for continuous:

- Value-add
- Performance
- Consistency

If necessary, a manager may be terminated for issues including, but not limited to, persistent underperformance, deviation from philosophy, shift in relevancy

How we search for and select active managers

Our approach involves universe screening, quantitative analysis and qualitative analysis, followed by our oversight committee review and approval of the active manager candidate.

Search and selection:

Three-step process typically results in one or more managers that meet our criteria

Committee approval:

Oversight committee reviews managers and supporting analysis for final approval

Implementation:

Once approved, the portfolio can use the manager within each ATBIM product

Universe screening

Institutional managers for a particular investment universe are grouped

We use quantitative information to compare against the index and others in the universe

Managers may be screened out at this stage for several reasons, including:

- Their history is too short
- They exhibit a clear record of undesirable risk metrics
- · They exhibit lower risk-adjusted performance compared to the group

Quantitative analysis

For managers in consideration at this stage we:

- · Conduct a more in-depth quantitative analysis on an absolute and relative basis
- We also focus on risk measures while also assessing return variables

Qualitative analysis

With the field of managers narrowed, we conduct a qualitative assessment to identify criteria such as:

- A stable organizational structure
- · Team depth and experience
- · A disciplined, clear and repeatable investment process
- Consistency across mandates
- Reasonable fees for service

Oversight process once we hire a manager

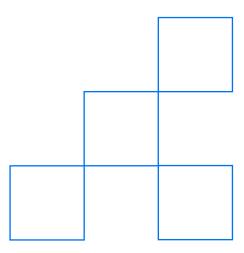
We constantly monitor managers through numerous meetings, discussions and analyses each year, to ensure they're acting, investing and generating results in line with their stated philosophy/process and our expectations.

Our assessments determine whether managers are:

- Adding value to the platform over the long term
- Performing in line with our expectations over a long period
- Remaining consistent in their investment approach, process and decision-making and are not indulging in performance-chasing behaviour or experiencing style drift

We believe that:

- To outperform, managers need to be different than their benchmarks, which will unavoidably result in underperformance during certain periods
- It's important to logically assess reasons for relative performance - e.g., unsustainable rallies in lower-quality stocks or if a manager style (value vs. growth) falls out of/in favour



When would we stop working with a sub-advisor?

Throughout our process, we strive to achieve the strongest, long-term relationships with sub-advisors. However, there are reasons why we would need to remove a sub-advisor from our platform.

Several reasons may include:

- Deviating from their investment philosophy or objective e.g., straying from their strategy by picking stocks that don't fit their thesis
- Performance consistently does not align with expectations over several periods – e.g., throughout a period when their particular investment style is doing well
- **We no longer find a particular asset class is attractive** or if we find the market structure shifts in a way that makes the manager less relevant
- Changes to the investment management team, key personnel, or firm that could result in a trajectory that is inconsistent to our desired outcomes

To learn more about how ATBIM actively selects and monitors leading independent sub-advisors, please contact your ATBIM wholesaler.

atbim.atb.com



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To partner with quality sub-advisors, independence matters.