

# SAGE PAGE

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*Portfolio Manager*

**David Sherlock**  
*Portfolio Manager*

**Patti Dolan**  
*Portfolio Manager*

**Pierre Fournier**  
*Associate Financial Advisor*

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*Trading & Research Specialist*

**Marshall Evens**  
*Client Service Coordinator*



SAGE Investment Advisors just celebrated our 7<sup>th</sup> anniversary. Over that time, our SAGE Equity Model has generated a 11.38%\* compound annual growth rate (CAGR) while experiencing half of the volatility of the Toronto Stock Exchange (TSX)\*\*.

In this issue, we are also excited to highlight how we have expanded our team and our service offerings to better meet your evolving investment and wealth management needs.

SAGE is a team of professionals with over 120 years of combined industry experience. We are pleased to introduce you to one of our newest team members:

**Patti Dolan,**  
**Portfolio Manager**

With over 30 years of investment experience, Patti brings a wealth of knowledge and expertise to SAGE. Patti's focus since 1995 has been on Responsible Investing (RI) and helping investors better align their portfolios with their values.

SAGE INVESTMENT ADVISORS  
Raymond James Ltd.

[www.SAGEinvestmentadvisors.com](http://www.SAGEinvestmentadvisors.com)

## INCREASING OUR RISK MITIGATION EFFORTS

It is not talked about very much in the investment industry but the primary responsibility of a portfolio manager is to mitigate the portfolio's risk. We take this charge very seriously and to that end, we have further refined our equity selection process. We now also monitor and screen our investment companies regarding their Environmental, Societal and Governance (ESG) policies and practices.

- Environmental criteria look at how a company performs as a steward of the natural environment.
- Social criteria examine how a company manages relationships with its employees, suppliers, customers and the communities where it operates.
- Governance deals with a company's leadership, executive pay, audits and internal controls, and shareholder rights.

## BETTER GOVERNANCE = BETTER RETURNS

Companies with the best governance policies generate the best returns. To read the full report supporting this claim [click here](#). It is a paper produced by the Organization for Economic Cooperation and Development (OECD) titled: Corporate Governance: Effects on Firm Performance and Economic Growth.

## HOW WE DO IT?

Patti Dolan, who we internally refer to as SAGE's Chief Ethics Officer, oversees our ESG screening process and plays an active role in security analysis. With over 22 years of responsible investing experience, Patti brings a well-seasoned perspective to ESG analysis and a keen eye to identifying potential risks as well as selecting companies with positive policies and corporate actions. Also with Patti's help, we are voting the shares under our management in a way that advocates for the best ESG practices.

We utilize the following platforms to execute these two new mandates:

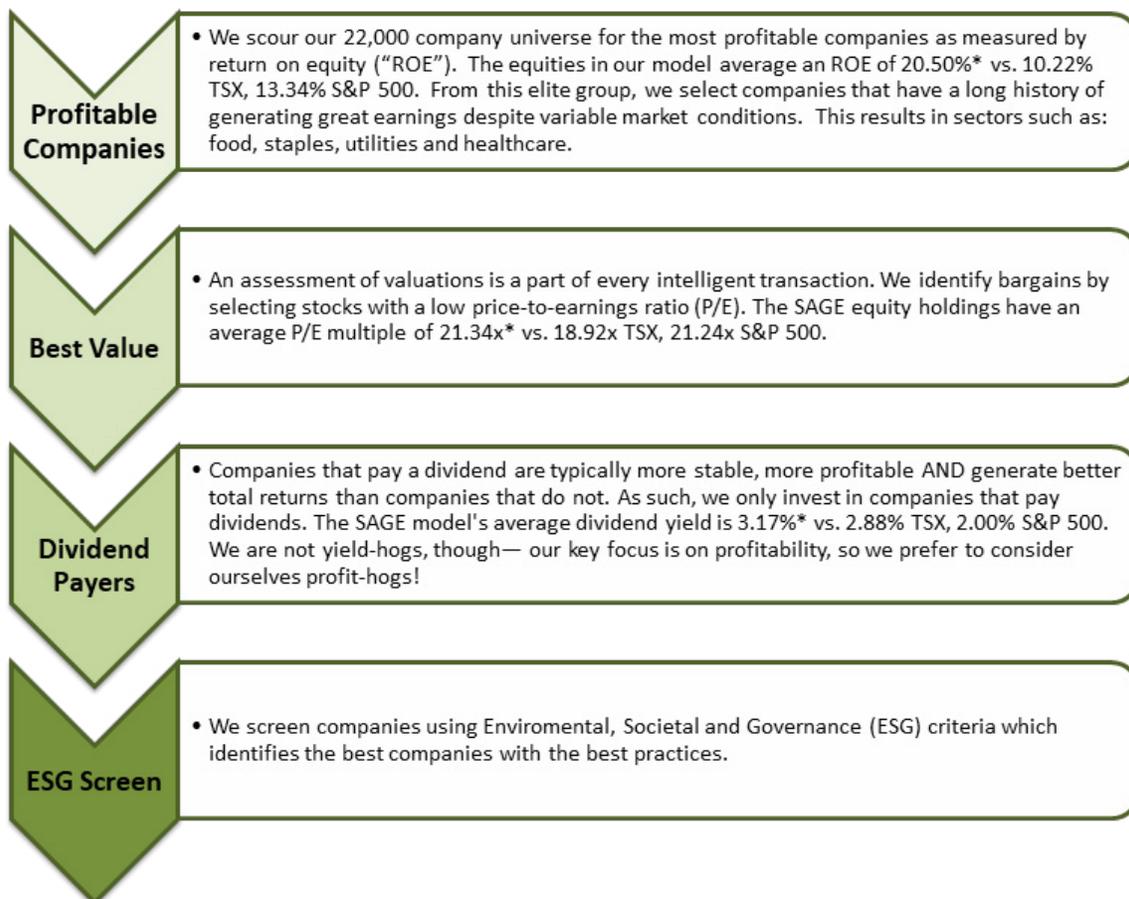
- **Bloomberg** - Provides sustainability investors with data about a company's environmental, social and governance metrics, such as greenhouse gas emissions intensity, resource consumption and workplace diversity. The function provides an overview of a company's support of sustainability initiatives and ranks its performance relative to industry peers.
- **Sustainalytics** - Sustainalytics' comprehensive assessment of a company's ESG performance is structured with a focus on four key dimensions: Preparedness, Disclosure, Quantitative Performance and Qualitative Performance.
- **SHARE** – SHARE is a Canadian leader in responsible investment services, research and education, and is responsible for corporate engagement and proxy voting on behalf of SAGE.

- **RobecoSAM** – Independent research using over 20 years of Corporate Sustainability Assessment (CSA) data.
- **ISS QualityScore** - Captures this information through event-driven data updates to ensure that risks and all opportunities are considered, with historical scores and data that provide greater context and trending analysis.
- **CDP Climate Score** - CDP's climate performance scoring methodology awards points for companies that are undertaking, or have undertaken, positive actions that contribute to climate change mitigation, adaptation and transparency.

## BUILDING ON SAGE'S FORMULA FOR SUCCESS

We use the same data and price driven investment process that brought us 7 years of investment success. If you wish, you can get a refresher on our investment process by [clicking here](#) and going to our SAGE Page Q1 2016 issue where we walked through it in detail. Below illustrates how the ESG screen fits in our investment process. While the ESG scrutiny is not expected to have a positive or negative impact on returns, it will most certainly help us increase our ability to measure, monitor and mitigate risk.

### Our Process:



**SAGE in the Community:**



**Bloomberg Treasury & Investor Relations Symposium**

David Sherlock was invited to present on the topic of *Stock Surveillance Through the Eyes of a Buyside Portfolio Manager*. He discussed how we make our decisions about what to invest in, which sources of information that we use, and what are the critical factors in SAGE’s buy and sell criteria

**Down to Earth Week**

SAGE participated as the title sponsor for REAP’s Down to Earth Week which consisted of the following events:

- Growing Food, Jobs & Hope
- Capital for Cause
- Innovating for Shared Prosperity

We welcome your thoughts and feedback. Please contact us at [info.SAGE@raymondjames.ca](mailto:info.SAGE@raymondjames.ca) or (403)221-0308.

**From everyone at SAGE, have a great summer!**

*\*Client’s performance may differ from that of the model performance described due to timing of cash flows, etc. CAGR is calculated before fees.*

*\*\* Beta measures the volatility of a portfolio or investment relative to an index. The SAGE Equity Model’s beta = 0.49 relative to the TSX.*

*Source: Bloomberg July 11, 2017.*

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