

## **Firm Brochure**

### **Cougar Global Investments Limited**

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September 30, 2017

This brochure provides information about the qualifications and business practices of Cougar Global Investments Limited. If you have any questions about the contents of this brochure, please contact us at 1-800-387-3779 or [info@cougarglobal.com](mailto:info@cougarglobal.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Cougar Global Investments Limited is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Disclosure

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The following is a list of material changes since the previous brochure filing, dated September 30, 2016. Clients wishing to receive a complete copy of our current Brochure, dated September 30, 2017, may request a copy at no charge by contacting Cougar Global at 1 800 387 3779

### Methods of Analysis and Investment Strategies

The names of the Cougar Global Strategies have changed slightly. Please note that investment objectives have remained the same.

#### CURRENT NAMES

Global Tactical Strategy with Income  
Global Tactical Strategy with Conservative Growth  
Global Tactical Strategy with Moderate Growth  
Global Tactical Strategy with Growth

#### NEW NAMES

Global Tactical Strategy – Conservative  
Global Tactical Strategy – Conservative Growth  
Global Tactical Strategy – Moderate Growth  
Global Tactical Strategy – Growth

### Other Financial Industry Activities and Affiliations

We have updated this section to reflect the newest affiliate of Cougar Global, Scout Investments, Inc. and Reams Asset Management (a division of Scout Investments) that were acquired by CTA on November 17, 2017.

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## Advisory Business

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### Firm Description

Cougar Global Investments Limited (Cougar Global) is an investment manager that utilizes tactical asset allocation to construct globally diversified portfolios. Effective 4/30/15 Cougar Global was acquired by Raymond James Financial, Inc. (NYSE:RJF) and in 2016 became an affiliate of Carillon Tower Advisors, a wholly-owned subsidiary of Raymond James Financial, Inc. Prior to 4/30/15 Cougar Global was an independent investment management firm not affiliated with any parent organization. Cougar Global is registered as a Portfolio Manager with the Ontario Securities Commission (OSC) and with the United States Securities and Exchange Commission (SEC) as a Non-Resident Investment Advisor. Prior to 01/02/2013, the firm was named Cougar Global Investments LP.

### Ownership

Cougar Global is registered and regulated by the Ontario Securities Commission and is registered as a non-resident advisor with the United States Securities and Exchange Commission. Cougar Global is a subsidiary of Raymond James Financial, Inc. (NYSE-RJF), a publicly owned company. RJF is a diversified financial services holding company whose subsidiaries engage primarily in securities brokerage, investment banking, asset management and banking services. Its three principal wholly owned broker-dealer subsidiaries are Raymond James & Associates, Inc. (RJA), Raymond James Financial Services, Inc. (RJFS), Raymond James Limited.

### Types of Services

Cougar Global provides advisory services and manages client assets on a discretionary basis in accordance with the client's investment objectives. Cougar Global offers integrated financial planning with investment management. Clients show consult with a tax advisor for any tax planning.

Cougar Global also provides asset allocation models on a non-discretionary basis to broker-dealers who use these models to manage portfolios for their own clients. Cougar Global's models are available on various platforms including LPL Financial, Envestnet, Folio DX,FTJ fund Choice and Raymond James Financial.

### Asset Management Style

Since its founding in 1993, Cougar Global has specialized in global asset allocation and adheres to a strict discipline of downside risk management (Postmodern Portfolio Theory). A key concept in Postmodern Portfolio Theory is

that only returns that fall below one's target rate of return are risky. Losing money inflicts the greatest harm on the compound growth of wealth. Therefore, the goal is to continuously generate compound growth for clients by participating in bull markets and avoiding bear markets. This exercise establishes us as global tactical asset allocators.

Since each investor has specific investment objectives, the asset mix must be customized to fit the particular situation. The discipline of downside risk management enables us to customize mandates to suit specific needs of individual investors, including risk and return objectives, income requirements, and time horizon.

Four mandates are available, each in Canadian Dollars and US Dollars. Global Tactical Strategy-Conservative, Global Tactical Strategy-Conservative Growth, Global Tactical Strategy-Moderate Growth, Global Tactical Strategy-Growth. Since the founding, Cougar Global has gained considerable experience in advising clients on a suitable mandate based on the investor's risk tolerance and investment goals.

### **Assets Under Management**

As of September 30, 2017, Cougar Global's assets under management are 160,467,665 and AUA (asset under advisory from non-discretionary platform clients) are \$919,552,194.

The following represents assets under management for each of Cougar Global's mandates as of September 30, 2017:

<b>US Dollar Composites</b>	
<b>Product AUM</b>	
<b>GTS - Conservative</b>	26,453
<b>GTS - Conservative Growth</b>	1,989,751
<b>GTS - Moderate Growth</b>	26,178,196
<b>GTS - Growth</b>	273,456
<b>Eagle Tactical Allocation Fund</b>	17,232,455
<b>GTS - Conservative (UCE)</b>	26,074
<b>GTS - Conservative Growth (UCE)</b>	26,187
<b>GTS - Moderate Growth (UCE)</b>	26,485
<b>GTS - Growth (UCE)</b>	26,966
<b>Total</b>	<b>45,806,024</b>

<b>Canadian Dollar Composites</b>	
<b>Product AUM</b>	
<b>GTS - Conservative</b>	3,216,854
<b>GTS - Conservative Growth</b>	51,635,994
<b>GTS - Moderate Growth</b>	50,682,726
<b>GTS - Growth</b>	8,177,604
<b>Total</b>	113,713,178

All amounts for Canadian and US Dollar composites are reflected in US Dollars. Composites represent 99% of the firm's assets under management.

## Fees and Compensation

### Management Fees

The compensation payable by the Investor to Cougar Global for services rendered is defined by the following non-negotiable schedule:

<b>Portfolio Assets</b>	<b>Management Fee</b>
First \$500,000	1.50%
Next \$1,500,000	1.20%
Next \$3,000,000	1.00%
Next \$5,000,000	0.80%
Over \$10,000,000	0.60%

The above annual fees are calculated and billed in the currency in which the account is managed. Fees are calculated quarterly based on the Average Month End Market Values of the assets in the account. Fees are charged on a quarterly basis, with an option to deduct directly from the client's account or from the client's personal bank account. Exceptions are made for Individual Pension Plans (IPPs), as they can only pay fees by cheque.

The fees payable by the Investor (Client) to Cougar Global for the services rendered by Cougar Global, for, and on behalf of the Investor under this agreement is dependent on the size of the accounts/family of accounts. If the account/family of accounts value drops below \$500,000 due to a closure of an account, a flat rate of 1.95% will apply rather than the tiered schedule listed above. Changes in market value will not impact the applicable fee.

In the event that an account comes under management during a calendar quarter, the percentages set out in the above fee schedule will be based on the average month-end portfolio value for the months the account was open, pro-rated for the number of days the account was open.

The Fees are subject to applicable taxes and fees levied by any applicable government or regulatory authority or agency, including, without limitation, goods and services taxes and fees levied by the securities regulatory authorities in the applicable province or territory.

### **Other Fees**

An annual custody fee of 0.14% is charged quarterly by RBC Investor Services, provider of custodial services. These fees are absorbed by Cougar Global for accounts over \$5 million. In the case of an individual, the minimum of \$5 million applies to the family of accounts.

Cougar Global does not charge any additional termination fees.

## **Performance-based Fees**

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### **Performance-based Fees**

Cougar Global does not have on staff any supervised persons who accept performance based fees. There are no other fees charged to client accounts other than the ones described under Fees and Compensation.

## **Types of Clients**

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### **Description**

Cougar Global's client base consists of high-net-worth individuals and families, foundations, endowments, trusts, corporations and Individual Pension Plans (IPPs).

### **Minimum Requirements**

The published minimum account size requirement is \$250,000 for Canadian Dollar and US dollar denominated accounts.



## Methods of Analysis and Investment Strategies

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### Investment Strategy

The goal of investing is to generate the compound annualized growth rate that achieves the client's investment objectives. The primary means of achieving adequate compound growth rates is to avoid losing money.

Cougar Global's approach to dealing with uncertainty is based on important empirical research on both capital market behavior (Rational Beliefs Theory) and on the true nature of risk (Postmodern Portfolio Theory). Rational Beliefs Theory asserts that the behavior of capital markets will be determined by how investors interpret incoming information. Cougar Global uses a one-year forecast horizon when modeling the information that investors will be interpreting. As for risk, we do not subscribe to efficient markets theory which states that upside and downside risk are equivalent. Instead, Cougar Global starts from the premise that the true risk faced by investors is the risk of failing to achieve their investment objectives. Consequently, Cougar Global is averse to downside risk, but quite willing to accept volatility to the upside. When searching for the optimal combination of asset classes for each mandate, Cougar Global constrains the mix to the risk budget for each mandate. Cougar Global has developed a proprietary portfolio construction process to deal with the challenge of investing in an uncertain future.

Every month the macroeconomic scenarios are updated using a one-year forecast horizon. Probabilities are developed for five macroeconomic scenarios (MES). The idea is to model the frequency that investors will be faced with information indicating that the U.S. economy is going to experience one of five macroeconomic scenarios: growth, stagnation, recession, inflation, or chaos ("black swans"). Research, analysis, and modeling include determining the probabilities the consensus attaches to each scenario (the "rational beliefs" in the market). Then, using independent macroeconomic and capital market research, Cougar Global's investment team establishes the probabilities for each scenario (Cougar Global's MES).

### Quantitative Step

Cougar Global believes that investors go to the markets to trade their beliefs. Cougar Global uses an advanced statistical sampling technique ("bootstrapping") to estimate how investors could react to the incoming information as they trade their beliefs. Currently, we model over twenty global asset classes, but fewer than ten typically enter the portfolios. In order to carry out the bootstrapping, the investment team every month does the following:

- Stores the historical monthly return data and the correlations for each asset class according to the five macroeconomic scenarios.
- Weight the historical return data using the current forward-looking MES.

- Generate probability distributions for the historic returns of each asset class by simulating 5000 times how investors could trade their beliefs over the coming year.
- Probability weight correlations for each asset class using the current forward-looking MES.
- Enter the probability distributions and correlations into the portfolio optimizer.

#### Optimization

- Constrain each mandate to have exposure to a specific level of downside risk.
- Run the optimizer for each portfolio to generate asset allocations that provide a high expected return without violating the downside risk budget for each mandate.
- Use ETFs to implement each mandate's asset mix typically in a globally diversified portfolio.

#### Investment Mandates

The following table lists the four available mandates in both Canadian and US Dollar denominations:

Mandate	Investment Objective	Inception Date of Composite
Global Tactical Strategy-Conservative	For clients who have accumulated sufficient wealth to begin making regular withdrawals for income requirements.	Dec 31, 1999
Global Tactical Strategy-Conservative Growth	For clients who may have occasional income needs and are willing to take moderate risk to achieve investment returns.	Oct 31, 2001
Global Tactical Strategy-Moderate Growth	For clients who have a long term investment horizon & can tolerate some volatility, the portfolio will usually have a moderately aggressive mix.	Dec 31, 1999
Global Tactical Strategy-Growth	For clients who have a long term investment horizon and can tolerate high volatility, the portfolio will usually have an aggressive mix	Dec 31, 2011

Global Tactical Strategy-Conservative CDN	For clients who have accumulated sufficient wealth to begin making regular withdrawals for income requirements.	Aug 31, 1997
Global Tactical Strategy-Conservative Growth CDN	For clients who may have occasional income needs and are willing to take moderate risk to achieve investment returns.	Dec 31, 1999
Global Tactical Strategy-Moderate Growth CDN	For clients who have a long term investment horizon and can tolerate some volatility, the portfolio will usually have an aggressive mix	Dec 31, 1999
Global Tactical Strategy-Growth CDN	For clients who have a long term investment horizon and can tolerate high volatility, the portfolio will usually have an aggressive mix	Dec 31, 1999

## Disciplinary Information

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### Disciplinary Information

Cougar Global was not involved in any criminal or civil action, administrative proceeding before the SEC or any other federal regulatory agency or a self-regulatory organization (SRO) proceeding over the last ten years.

## Other Financial Industry Activities and Affiliations

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### Activities and Affiliations

Cougar Global affiliates RJA and RJFS (and its affiliate Raymond James Financial Services Advisors, Inc.) are registered with the SEC as broker-dealers and investment advisers and are FINRA members. RJA is a member of the New York, American, Chicago, Philadelphia, and Boston stock exchanges and the Chicago Board Options Exchange. Cougar Global serves as a sub-advisor for RJA sponsored Wrap Program - Raymond James Consulting Services. RJA engages in investment banking activities and may work with companies that issue securities

Cougar Global may be trading. Since Cougar and RJA are affiliates, this may appear to be a conflict of interest. The potential conflict of interest is mitigated by RJA's "Chinese Wall" policies and procedures which prevent information from being disseminated to parties outside the Investment Banking division. In addition to RJA's Chinese Wall procedures, Cougar Global has insider trading policies and procedures which are designed to prevent and detect any misuse of non-public information.

Cougar Global is affiliated with CTA Carillon Tower Advisers, Inc. ("CTA") is a registered investment adviser formed in 2015. CTA provides advisory services to private Funds by employing affiliated investment advisers to manage the Funds under a sub advisory arrangement. CTA does not contract directly with retail or institutional clients in providing portfolio management services. CTA's strategy is to be a service provider to affiliated investment advisers allowing them to utilize CTA's global product distribution, operations and technology to enhance their growth and capabilities.

Cougar Global is affiliated with Eagle Asset Management, Inc. ("Eagle"). Eagle is an investment adviser registered with the SEC and acts as investment adviser to individuals, corporations, foundations, pension and profit sharing plans, state and municipal government entities. Eagle also acts as sub-advisor to various investment companies and wrap programs with unaffiliated broker dealers. Eagle provides certain administrative, marketing and compliance services to affiliated investment advisers for a monthly fee. In addition, some Eagle employees performing functions such as portfolio trading and trading operations are also employees of Eagle Boston Investment Management, Inc. ("Eagle Boston"). Eagle Boston is Eagle's wholly owned subsidiary of Eagle Asset Management, Inc. Eagle Boston is an investment adviser registered with the SEC. Eagle Boston acts as investment adviser to individuals, corporations, foundations, pension and profit sharing plans, state and municipal government entities. Eagle Boston also acts as sub-advisor to various investment companies and wrap programs with unaffiliated broker dealers. Eagle Fund Distributors, Inc. ("EFD") is Eagle's wholly owned subsidiary. EFD is the Eagle Funds' principal underwriter and distributor. In addition to selling Eagle Fund shares to its clients, EFD enters into selling agreements with affiliated and unaffiliated broker-dealers and other financial intermediaries to distribute and provide other services relative to the purchase of these shares. Eagle Fund Services, Inc. ("EFS") is Eagle's wholly owned subsidiary. EFS provides certain shareholder services for the Eagle Funds in conjunction with U.S. Bancorp Fund Services, LLC, the transfer and dividend disbursing agent for the Eagle Funds.

Cougar Global is affiliated with EB Management I, LLC, an investment adviser which acts as General Partner to Growth Partners I, LP & II LP ("Partnerships"), which were formed for investment purposes. Eagle holds an ownership interest in EB Management I, LLC and provides administrative and investment research services for the Partnership.

Cougar Global is affiliated with ClariVest Asset Management, LLC (“ClariVest”). ClariVest is an investment adviser registered with the SEC and acts as investment adviser to individuals, corporations, foundations, registered investment companies, pension and profit sharing plans, state and municipal government. Eagle owns 45 percent of ClariVest.

Cougar Global is affiliated with Raymond James Trust N.A. (“RJ Trust”) which is a wholly-owned subsidiary of RJF. RJ Trust offers trust services to high net worth clients of Raymond James.

Cougar Global is affiliated with Raymond James Bank, FSB (“RJ Bank”), which is also a wholly-owned subsidiary of RJF. RJ Bank offers a full range of banking services.

Cougar Global is affiliated with Scout Investments, Inc. and Reams Asset Management (a division of Scout Investments) (“Scout”). Scout, an investment advisor registered with the SEC was purchased by CTA on November 17, 2017. Scout acts as an investment adviser to registered and unregistered investment companies, institutions and individuals through separately managed accounts.

Cougar Global has a relationship with Blackrock I shares in that it receives research on ETF products. Blackrock may educate prospective clients and financial advisors about the various Cougar Global strategies.

## **Code of Ethics and Personal Trading**

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### **Code of Ethics**

Cougar Global maintains a Code of Ethics, which establishes rules of conduct for employees, officers and directors of Cougar Global. The Code of Ethics governs conduct with respect to conflicts of interest, and employee personal trading. The Code of Ethics is available for review by clients and prospective clients upon request.

### **Personal Trading**

Every employee of Cougar Global is considered an Access Person, someone who has access to non public information concerning portfolio holdings, trading activity or ongoing investment programs managed by Cougar Global. Affiliate employees, who have access to non public information concerning portfolio holdings, trading activity or ongoing investment programs managed by Cougar Global are also considered access persons. Consequently all accessed persons must request approval from the CCO before trading any ETF in their personal account. All personal trading requests are valid for one week.

With regard to personal trading during rebalance periods, a blackout period is set such that Access Persons are prohibited from trading in any ETF securities held in the universe list three business days prior to the anticipated trade date and three business days after trading. Blackout period dates will be communicated to all employees at the time they are established each month.

On a quarterly basis, a Quarterly Personal Trading Report must be submitted by all Access Persons regardless of whether there has been any personal trading in the quarter.

## **Brokerage Practices**

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### **Trading Policy**

The Cougar Global Trading Policy and Procedures covers trading activities conducted on behalf of the Investment Products advised by Cougar Global. In particular, this policy addresses procedures for trade order entry, allocations among investment products, other trading related issues, and the reporting and settlement process.

The Chief Investment Officer and Chief Compliance Officer of Cougar Global are responsible for ensuring that all regulatory requirements are adhered to on a company-wide level. This may be accomplished through the direct or indirect oversight of all compliance-related business activities. Where appropriate, implementation of specific compliance controls may be delegated. Delegation of these duties will only take place when it is determined that such individuals have the necessary expertise and authority to properly supervise and employ the required controls. The delegation is subject to approval by the Chief Investment Officer and Chief Compliance Officer.

### **Broker Selection**

The criteria used by Cougar Global for selecting a broker in order of importance are:

- Commission Rate
- Execution
- Market Intelligence
- Operational Efficiency
- Client Service
- Research

The brokerage industry is highly competitive, particularly for the liquid ETFs traded by Cougar Global, and commission rates are low. Some brokers are willing to trade for little or no commission, but the price that could be obtained by Cougar Global for the securities it trades on behalf of clients might be less than optimal if using those brokers. A combination of best price and lowest commission from a reputable broker is the best gauge for assessing a broker.

Market intelligence is another factor to consider. When executing a trade in volatile markets, the broker should provide details on the market in terms of bid/offer spread and volumes appearing on both sides of the market. Operational efficiency and responsiveness to resolve settlement issues are critical criteria when assessing a broker.

Trade confirmations should be forwarded within 30 minutes of a trade occurring. In the event the custodian informs the portfolio manager of a failed trade on settlement date, the broker should begin to take corrective action immediately upon being informed. A final consideration is the availability and quality of the research provided by the broker.

### **Broker Review**

On a monthly basis, the firm will record any deficiencies experienced with the broker. Deficiencies may include failure to execute an order within a specified time period, trading prices that deviate materially from the market price, failure to provide trade confirmations on a timely basis or lack of responsiveness when resolving a failed trade.

The firm will record on the trade instruction form the nature of the issue and the actions taken by the broker to correct it. If the broker is concluded to be unresponsive or has failed to provide best price and execution, alternative broker relationships will be utilized in future trades.

### **Best Execution**

Best execution refers to a trader's obligation to execute securities in a manner most beneficial to Cougar Global's investors. Lowest available commission is not the only determining factor. Other factors include the ability of the broker to obtain a fair price in a volatile market, prompt and accurate execution, and a willingness to communicate with the portfolio manager to give information on market conditions that may affect trading. In view of principal amounts traded by Cougar Global, and that it trades exclusively in ETFs, which are securities that typically trade in large volumes and the trading of which does not affect the price of a single issuer, obtaining best execution in trading is relatively easy to monitor.

### **Research and Soft Dollars**

Cougar Global does not use any soft dollar benefits and all research is independent.

## **Review of Accounts**

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### **Account Reviews**

All positions are reconciled on a daily basis with the custodian. Cash and securities positions are reviewed separately by the portfolio administration team. In the event of a discrepancy, further investigation is conducted until the matter is resolved. All account asset allocations are reviewed regularly on a monthly basis and again at time of rebalancing.

### **Client Statements**

Statements are mailed to clients on a quarterly basis by Cougar Global. Statements include a Contribution and Withdrawal Schedule, Annual and Quarterly Account Reconciliation, Portfolio Appraisal, Asset Allocation, Performance Summary, Quarterly Statement of Fees and a Letter from the President. These documents are generated by portfolio management, reporting and accounting software.

## **Client Referrals and Other Compensation**

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Referral arrangements are arrangements in which an existing or prospective client is referred to Cougar from another person or company and compensation is provided to the person or company by Cougar for the referral. The amount of any referral fee paid or received for referral services will not affect the fees paid or payable by you. Particulars of the referral arrangement and the fees paid or received in respect of the referral will be provided to you in a written client notice before Cougar opens your account or provides you with portfolio management services.

## **Custody**

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### **Custody**

Client assets have been held in safekeeping by RBC Investor Services, US Bank Corp or Raymond James Limited. Cougar Global and these custodians both provide clients with period statements. Clients should expect those statements from Cougar Global and the custodian to be consistent.



## Investment Discretion

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### Discretionary Management

Cougar Global manages client assets on a discretionary basis. Upon signing of an agreement with Cougar Global, the account holder appoints Cougar Global as agent and attorney-in-fact with respect to the account. Once authorized, Cougar Global may, in its sole discretion and at the Investor's risk, purchase, sell, exchange, convert and otherwise trade the securities and other investments comprising the account, and act on behalf of the Investor in all other matters necessary or incidental to the handling of the account.

## Voting Clients Securities

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### Voting

Since Cougar Global participates exclusively in broad-index based Exchange-Traded Funds, voting on behalf of the client is not required.

## Financial Information

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### Prepayment

Cougar Global does not require or solicit any prepayments from clients in advance or maintain custody of client funds or securities.

### Bankruptcy

Cougar Global has not been the subject of a bankruptcy petition at any time since its founding.