

US TACTICAL BOND

FACTOR-BASED MODEL PORTFOLIO STRATEGY

 **FACTOR-BASED**

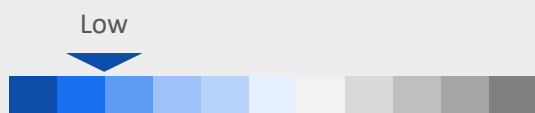
STRATEGY

In seeking to pursue its investment objective, the portfolio is designed to opportunistically provide exposure to US debt instruments throughout the business cycle by investing in ETFs covering the credit and maturity spectrum. This strategy is based on a proprietary multi-factor quantitative model.

OBJECTIVES

1. Provide a reasonable level of income while preserving capital with bonds.
2. Consistently deliver performance over the Barclays US Aggregate TR Index.
3. Maximize tax efficiency by using very liquid and low fee US listed ETFs.

RISK RATING



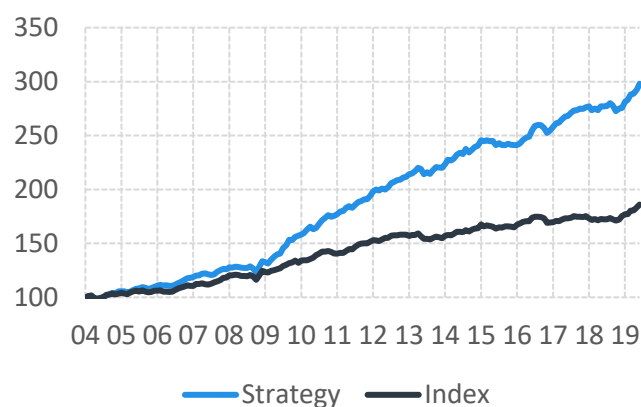
REASONS TO INVEST

- ❖ Historically outperformed benchmark.
- ❖ Risk-adjusted return performance.
- ❖ Consistent investment process.

INVESTMENT PROCESS



AS OF JUNE 30TH, 2019



PERFORMANCE (%) [see disclaimer]

Annualized (%)	1M	3M	YTD	3Y	5Y
Strategy	1.8	3.4	8.1	5.4	4.9
Index	1.3	3.1	6.1	2.3	3.0
Difference	0.5	0.3	2.0	3.1	2.0

Yearly (%)	2015	2016	2017	2018	YTD
Strategy	0.2	5.6	8.5	-0.2	8.1
Index	0.5	2.6	3.5	0.0	6.1
Difference	-0.4	2.9	5.0	-0.2	2.0

Monthly (%)	Feb	Mar	Apr	May	Jun
Strategy	0.6	1.8	0.2	1.4	1.8
Index	-0.1	1.9	0.0	1.8	1.3
Difference	0.6	-0.1	0.2	-0.4	0.5

TOP HOLDINGS (%)

Bond Type	ETF	Weight
Municipal Bonds	MUB	16.9
US High Yield	HYG	10.1
Convertible Bonds	CWB	14.8
Mortgage Backed	MBB	10.1
US Long Term Govt	TLT	20.5
US Corporate	LQD	9.9
Emerging Market	EMB	9.9
US Inter. Term Govt	IEF	3.1
US Short Term Govt	SHY	3.1
Global Aggregate	IHY	1.6

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RISK STATISTICS

Since Inception	Strategy	Index
Ann. Return (%)	7.3	4.1
Standard Dev. (%)	3.8	3.2
Max Drawdown (%)	-4.6	-3.8
Sharpe Ratio	1.52	0.86
Sortino Ratio	2.13	1.21
Index Correlation	0.79	1.00
Upside Capture	1.32	0.00
Downside Capture	0.63	0.00
Portfolio Beta	0.94	1.00
Portfolio Alpha (%)	3.21	0.00

BOND ALLOCATION (%)

Bond Type	Strategy	Index	Deviations
Municipal Bonds	16.5	5.9	10.6
Convertible Bonds	12.6	0.5	12.1
US Long Term Govt	20.2	6.9	13.2
US High Yield	7.9	3.2	4.6
Emerging Market	9.6	0.0	9.6
Global Aggregate	1.3	0.0	1.3
Mortgage Backed	12.6	25.9	-13.3
US Short Term Govt	2.9	9.8	-6.9
US Inter. Term Govt	6.8	26.6	-19.7
US Corporate	9.6	21.3	-11.6

CHARACTERISTICS

Median Value	Strategy	Index
Equity Beta	0.12	-0.01
Standard Dev.	5.86%	2.98%
Distribution Yield	3.09%	2.93%
12m Trailing Yield	3.37%	2.72%
30 Day SEC Yield	2.98%	2.74%
Avg. Yield to Maturity	3.27%	2.78%
Weighted Avg. Coupon	3.82%	3.32%
Weighted Avg. Maturity	10.70	7.78
Effective Duration	7.49	5.38
Avg. Management Fee	0.19%	0.05%

PORTFOLIO FACTS

Number of Securities	10
Currency	USD
Benchmark	Barclays US Aggregate TR
Inception Date	January 1 st , 2004
Strategy Fees	Contact Us
Rebalancing Frequency	Quarterly

PORTFOLIO MANAGER

William Tremblay CFA, MBA, FRM, CIM
Senior Vice President, Portfolio Manager



With more than 10 years of experience in the financial services industry, William brings extensive background and innovation in the field of quantitative finance to the firm. He holds both a BBA and MBA from HEC Montreal.

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