CANADIAN EQUITY

FACTOR-BASED MODEL PORTFOLIO STRATEGY

FACTOR-BASED

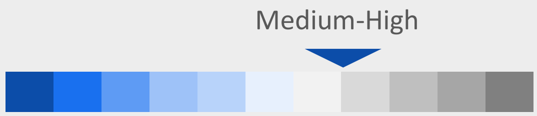
STRATEGY

In seeking to pursue its investment objective, the portfolio is designed to provide exposure to high quality Canadian companies that consistently generate shareholder wealth, while trading at attractive price. This strategy is based on a proprietary multi-factor quantitative model.

OBJECTIVES

1. Target long term capital appreciation among Canadian companies.
2. Consistently deliver performance over the S&P/TSX Total Return Index.
3. Maximize tax efficiency by having a low portfolio turnover ratio.

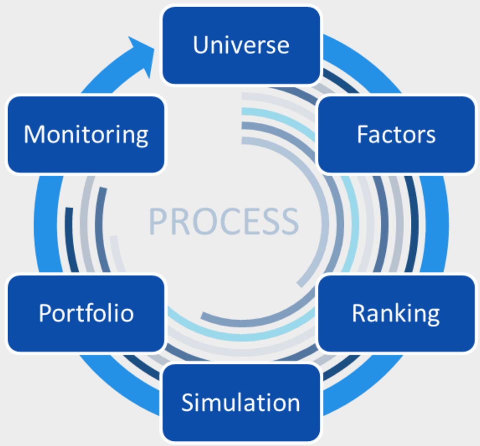
RISK RATING



REASONS TO INVEST

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

INVESTMENT PROCESS



AS OF SEPTEMBER 30TH, 2019

PERFORMANCE (%) [see disclaimer]

Annualized (%)	1M	3M	1Y	5Y	SI
Strategy	2.3	3.1	12.2	14.1	16.7
S&P/TSX TR	1.7	2.5	7.1	5.3	4.1
Difference	0.6	0.7	5.1	8.8	12.6

Yearly (%)	15	16	17	18	YTD
Strategy	7.7	13.5	22.1	-2.4	21.0
S&P/TSX TR	-8.3	21.1	9.1	-8.9	19.1
Difference	16.0	-7.6	13.0	6.5	1.9

Monthly (%)	May	Jun	Jul	Aug	Sep
Strategy	-2.3	3.3	1.3	-0.5	2.3
S&P/TSX TR	-3.1	2.5	0.3	0.4	1.7
Difference	0.7	0.8	0.9	-0.9	0.6

TOP 10 HOLDINGS (%)

Ticker	Sector	Weight
AC:CN	Industrials	7.1
GIB.A:CN	Info Tech	4.4
BNS:CN	Financials	4.3
STN:CN	Industrials	4.3
ACO.X:CN	Utilities	4.3
CNQ:CN	Energy	4.3
OTEX:CN	Info Tech	4.3
RNW:CN	Utilities	4.3
ATD.B:CN	Staples	4.3
CM:CN	Financials	4.3

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RISK STATISTICS

Since Inception	Strategy	S&P/TSX TR
Ann. Return (%)	16.7	4.1
Standard Dev. (%)	10.6	14.9
Max Drawdown (%)	-34.0	-49.4
Portfolio Turnover	72.2	6.3
Sharpe Ratio	1.3	0.2
Sortino Ratio	1.8	0.3
Index Correlation	0.6	1.0
R-Squared	0.4	1.0
Beta	0.4	1.0
Alpha (%)	12.6	0.0

SECTOR ALLOCATION (%)

Weights	Strategy	S&P/TSX TR	Deviations
Telecom	14.8	5.6	9.2
Utilities	12.4	4.7	7.6
Staples	8.4	4.1	4.3
Info Tech	8.7	5.1	3.5
Discretionary	6.8	4.3	2.4
Industrials	11.4	10.9	0.5
Health Care	0.0	1.4	-1.4
Energy	7.5	16.5	-9.0
Financials	27.4	36.5	-9.1
Materials	0.0	10.9	-10.9

CHARACTERISTICS

Median	Strategy	S&P/TSX TR
Market Cap ($B)	31.0	3.5
Price / Earnings	13.3	15.1
Price / Book	2.0	1.8
Price / Sales	1.7	2.1
Price / Cash Flow	7.9	9.9
Return on Equity	15.4	9.0
Dividend Yield	2.8	1.9
5Y EPS Growth	7.8	9.9
Debt / Equity	1.0	0.8
5Y Beta	0.91	1.00

PORTFOLIO FACTS

Number of Securities	25
Currency	CAD
Benchmark	S&P/TSX TR
Inception Date	January 1st, 2000
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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