

# CANADIAN HIGH DIVIDEND 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 dividend-paying companies that consistently generate shareholder wealth, while trading at attractive price. This strategy is based on a proprietary multi-factor quantitative model.

## OBJECTIVES

1. Provide a steady stream of income by investing in Canadian Equities.
2. Consistently outperform the S&P/TSX TR Index over a 5-year period.
3. Maximize tax efficiency by having a low portfolio turnover ratio.

## RISK RATING



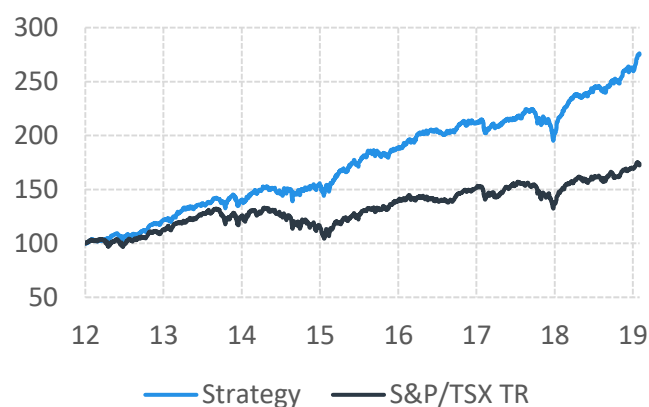
## REASONS TO INVEST

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

## INVESTMENT PROCESS



AS OF JANUARY 31<sup>TH</sup>, 2020



## PERFORMANCE [see disclaimer]

Annualized (%)	1M	3M	1Y	5Y	SI
Strategy	5.1	9.2	25.2	14.1	17.1
S&P/TSX TR	1.7	5.9	15.0	6.5	6.3
Difference	3.3	3.3	10.2	7.6	10.8
Yearly (%)	16	17	18	19	20
Strategy	22.0	12.9	-4.6	29.2	5.1
S&P/TSX TR	21.1	9.1	-8.9	22.9	1.7
Difference	0.9	3.8	4.3	6.3	3.3
Monthly (%)	Sep	Oct	Nov	Dec	Jan
Strategy	2.8	0.2	3.8	0.1	5.1
S&P/TSX TR	1.7	-0.9	3.6	0.5	1.7
Difference	1.1	1.1	0.2	-0.3	3.3

## TOP HOLDINGS

Ticker	Sector	Weight (%)
BEP.UN:CN	Utilities	5.2
EMA:CN	Utilities	4.9
GEI:CN	Energy	4.8
RNW:CN	Utilities	4.7
GRT.UN:CN	Real Estate	4.4
CHP.UN:CN	Real Estate	4.4
BIP.UN:CN	Utilities	4.2
PPL:CN	Energy	4.2
D.UN:CN	Real Estate	4.1
NPI:CN	Utilities	4.1

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## RISK STATISTICS

Since Inception	Strategy	S&P/TSX TR
Ann. Return (%)	17.1	6.3
Standard Dev. (%)	8.6	13.3
Max Drawdown (%)	-25.7	-48.5
Portfolio Turnover	72.2	6.3
Sharpe Ratio	1.7	0.4
Sortino Ratio	2.2	0.5
Index Correlation	0.6	1.0
R-Squared	0.4	1.0
Beta	0.4	1.0
Alpha (%)	10.8	0.0

## SECTOR ALLOCATION

Weights (%)	Strategy	S&P/TSX TR	Deviations
Utilities	34.1	4.8	29.3
Real Estate	27.8	3.5	24.3
Health Care	0.0	1.3	-1.3
Telecom	4.0	5.5	-1.5
Staples	0.0	3.9	-3.9
Discretionary	0.0	4.1	-4.1
Energy	12.3	17.0	-4.7
Info Tech	0.0	5.7	-5.7
Industrials	3.6	11.0	-7.4
Materials	0.0	11.4	-11.4
Financials	17.6	32.1	-14.5

## CHARACTERISTICS

Median	Strategy	S&P/TSX TR
Market Cap (\$B)	16.5	2.8
Price / Earnings	16.7	15.9
Price / Book	1.9	1.8
Price / Sales	2.9	2.1
Price / Cash Flow	10.0	10.6
Return on Equity	12.9	8.9
Dividend Yield	4.2	1.8
5Y EPS Growth	8.1	9.9
Debt / Equity	1.6	0.7
5Y Beta	0.80	1.00

## PORTFOLIO FACTS

Number of Securities	25
Currency	CAD
Benchmark	S&P/TSX TR
Inception Date	January 1 <sup>st</sup> , 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.

## CONTACT

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