

CANADIAN TACTICAL BOND

FACTOR-BASED MODEL PORTFOLIO STRATEGY



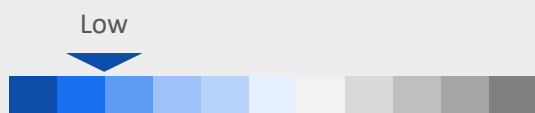
STRATEGY

In seeking to pursue its investment objective, the portfolio is designed to opportunistically provide exposure to Canadian 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 FTSE Canadian Bond TR Index.
3. Maximize tax efficiency by using very liquid and low fee Canadian listed ETFs.

RISK RATING



REASONS TO INVEST

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

INVESTMENT PROCESS



AS OF JANUARY 31TH, 2020



PERFORMANCE (%) [see disclaimer]

Annualized (%)	1M	3M	YTD	3Y	5Y
Strategy	3.5	3.0	14.1	5.7	4.3
Index	2.7	2.1	10.1	4.5	2.6
Difference	0.8	0.9	3.9	1.3	1.7

Yearly (%)	2016	2017	2018	2019	2020
Strategy	6.1	4.3	-0.1	10.3	3.5
Index	1.3	2.4	1.0	7.3	2.7
Difference	4.8	1.9	-1.1	3.0	0.8

Monthly (%)	Sep	Oct	Nov	Dec	Jan
Strategy	-0.3	-0.2	0.7	-1.1	3.5
Index	-0.9	-0.2	0.5	-1.1	2.7
Difference	0.6	0.0	0.2	-0.1	0.8

TOP HOLDINGS (%)

* Subscribers Only

Bond Type	ETF	Weight
High Yield	XHB:CN	*
Corporate	XCB:CN	*
Emerging Market	XEB:CN	*
Convertible Bonds	CVD:CN	*
Long Term Provincials	ZPL:CN	*
Long Term Federal	ZFL:CN	*
Inter. Term Provincials	ZMP:CN	*
Short Term Federal	ZFS:CN	*
Short Term Provincials	ZPS:CN	*
Inter. Term Federal	ZFM:CN	*

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 **FACTOR-BASED**

RISK STATISTICS

Since Inception	Strategy	Index
Ann. Return (%)	5.6	3.4
Standard Dev. (%)	4.3	3.7
Max Drawdown (%)	-5.2	-4.2
Sharpe Ratio	1.11	0.73
Sortino Ratio	1.63	1.09
Index Correlation	0.94	1.00
Upside Capture	1.25	0.00
Downside Capture	0.88	0.00
Portfolio Beta	1.09	1.00
Portfolio Alpha (%)	2.17	0.00

BOND ALLOCATION (%)

Bond Type	Strategy	Index	Deviations
Convertible Bonds	*	0.4	*
High Yield	*	3.2	*
Long Term Provies	*	10.0	*
Emerging Market	*	0.0	*
Inter. Term Provies	*	0.0	*
Short Term Provies	*	0.0	*
Corporate	*	25.5	*
Long Term Federal	*	24.7	*
Short Term Federal	*	16.2	*
Inter. Term Federal	*	30.0	*

CHARACTERISTICS

Median Value	Strategy	Index
Equity Beta	0.20	0.05
AUM (\$M)	734	4143
Standard Deviation	4.4%	3.7%
Max Drawdown (%)	-4.1%	-4.2%
12m Trailing Yield	3.5%	2.7%
Avg. Yield to Maturity	3.5%	2.0%
Weighted Avg. Coupon	4.1%	3.1%
Weighted Avg. Maturity	11.39	10.84
Effective Duration	7.95	8.20
Avg. Management Fee	0.45%	0.10%

PORTFOLIO FACTS

Number of Securities	10
Currency	CAD
Benchmark	FTSE Canadian Bond TR
Inception Date	January 1 st , 2012
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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