

# CANADIAN TACTICAL BOND

## FACTOR-BASED MODEL PORTFOLIO STRATEGY

 **FACTOR-BASED**

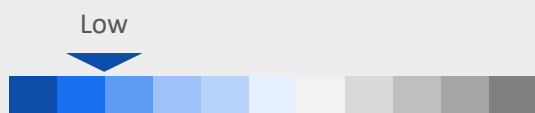
### STRATEGY

In seeking to pursue its investment objective, the portfolio is designed to opportunistically provide exposure to 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 FEBRUARY 28<sup>TH</sup>, 2020



### PERFORMANCE [see disclaimer]

Annualized (%)	1M	3M	YTD	3Y	5Y
Strategy	-0.6	1.7	13.4	5.1	4.2
Index	0.5	2.1	10.7	4.3	2.8
Difference	-1.1	-0.4	2.7	0.8	1.4

Yearly (%)	2016	2017	2018	2019	2020
Strategy	6.1	4.3	-0.1	10.3	2.8
Index	1.3	2.4	1.0	7.3	3.2
Difference	4.8	1.9	-1.1	3.0	-0.4

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

### TOP HOLDINGS

\* Subscribers Only

Bond Type	ETF	Weight
Convertible Bonds	CVD:CN	10.0
Corporate Bonds	XCB:CN	20.0
Emerging Market	XEB:CN	10.0
High Yield Bonds	XHB:CN	28.3
Inter. Term Federal	ZFM:CN	0.0
Inter. Term Provincials	ZMP:CN	0.0
Long Term Federal	ZFL:CN	13.3
Long Term Provincials	ZPL:CN	18.3
Short Term Federal	ZFS:CN	0.0
Short Term Provincials	ZPS:CN	0.0

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## RISK STATISTICS

Since Inception	Strategy	Index
Ann. Return (%)	5.4	3.4
Standard Dev. (%)	4.3	3.7
Max Drawdown (%)	-5.2	-4.2
Sharpe Ratio	1.08	0.74
Sortino Ratio	1.59	1.10
Index Correlation	0.93	1.00
Upside Capture	1.22	0.00
Downside Capture	0.88	0.00
Portfolio Beta	1.09	1.00
Portfolio Alpha (%)	2.00	0.00

## BOND ALLOCATION

Weight (%)	Strategy	Index	Deviations
High Yield Bonds	*	3.3	*
Emerging Market	*	0.0	*
Convertible Bonds	*	0.4	*
Long Term Provies	*	10.0	*
Inter. Term Provies	*	0.0	*
Short Term Provies	*	0.0	*
Corporate Bonds	*	25.0	*
Short Term Federal	*	16.5	*
Long Term Federal	*	24.7	*
Inter. Term Federal	*	30.1	*

## CHARACTERISTICS

Median Value	Strategy	Index
Equity Beta	0.16	0.05
AUM (\$M)	887	4143
Standard Deviation	4.9%	3.7%
Max Drawdown (%)	-4.0%	-4.2%
12m Trailing Yield	3.4%	2.7%
Avg. Yield to Maturity	3.1%	2.0%
Weighted Avg. Coupon	4.1%	3.1%
Weighted Avg. Maturity	13.27	10.84
Effective Duration	9.38	8.20
Avg. Management Fee	0.41%	0.10%

## PORTFOLIO FACTS

Number of Securities	10
Currency	CAD
Benchmark	FTSE Canadian Bond TR
Inception Date	January 1 <sup>st</sup> , 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

Phone	(514) 700-1989
Email	info@factorbased.com
Website	www.factorbased.com

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