# **CANADIAN EQUITY**

### **FACTOR-BASED MODEL PORTFOLIO STRATEGY**



### **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.

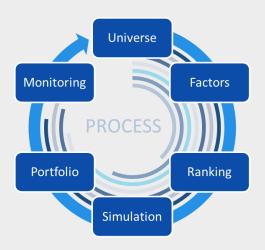
### **RISK RATING**



### **REASONS TO INVEST**

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

### **INVESTMENT PROCESS**



# **AS OF MARCH 31<sup>TH</sup>, 2020**



### PERFORMANCE [see disclaimer]

Annualized (%)	1M	3M	1Y	5Y	SI
Strategy	-18.0	-23.1	-13.5	6.2	15.1
S&P/TSX TR	-17.4	-20.9	-14.2	0.9	3.0
Difference	-0.6	-2.2	0.7	5.3	12.1
Yearly (%)	16	17	18	19	20
Strategy	13.5	22.1	-2.4	27.6	-23.1
S&P/TSX TR	21.1	9.1	-8.9	22.9	-20.9
Difference	-7.6	13.0	6.5	4.7	-2.2
Monthly (%)	Nov	Dec	Jan	Feb	Mar
Strategy	6.8	0.0	-0.2	-6.0	-18.0
S&P/TSX TR	3.6	0.5	1.7	-5.9	-17.4
Difference	3.2	-0.5	-1.9	-0.1	-0.6

#### **TOP HOLDINGS**

Ticker	Sector	Weight (%)
L:CN	Staples	6.2
RNW:CN	Utilities	5.8
NPI:CN	Utilities	5.1
QBR.B:CN	Telecom	5.0
RBA:CN	Industrials	4.8
OTEX:CN	Info Tech	4.8
CCA:CN	Telecom	4.5
ATD.B:CN	Staples	4.3
ACO.X:CN	Utilities	4.3
BCE:CN	Telecom	4.2

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## **RISK STATISTICS**

Since Inception	Strategy	S&P/TSX TR
Ann. Return (%)	15.1	3.0
Standard Dev. (%)	11.5	15.3
Max Drawdown (%)	-39.2	-49.4
Portfolio Turnover	72.2	6.3
Sharpe Ratio	1.1	0.1
Sortino Ratio	1.5	0.2
Index Correlation	0.6	1.0
R-Squared	0.4	1.0
Beta	0.5	1.0
Alpha (%)	12.1	0.0

### **SECTOR ALLOCATION**

Weight (%)	Strategy	S&P/TSX TR	Deviations
Telecom	17.0	6.4	10.6
Staples	14.6	4.5	10.1
Info Tech	16.7	7.0	9.7
Utilities	15.2	5.7	9.5
Discretionary	2.9	3.5	-0.6
Health Care	0.0	1.0	-1.0
Industrials	8.8	11.9	-3.1
Energy	2.1	13.2	-11.1
Materials	0.0	11.7	-11.7
Financials	21.1	35.1	-14.0

### **CHARACTERISTICS**

Median	Strategy	S&P/TSX TR
Market Cap (\$B)	20.4	3.5
Price / Earnings	13.8	12.9
Price / Book	2.5	1.5
Price / Sales	1.7	1.9
Price / Cash Flow	7.2	7.7
Return on Equity	13.7	9.6
Dividend Yield	3.2	2.5
5Y EPS Growth	10.1	10.0
Debt / Equity	0.9	0.8
5Y Beta	0.77	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**

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

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