

# 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 High Dividend TR over a 5-year period.
3. Maximize tax efficiency by having a low portfolio turnover ratio.

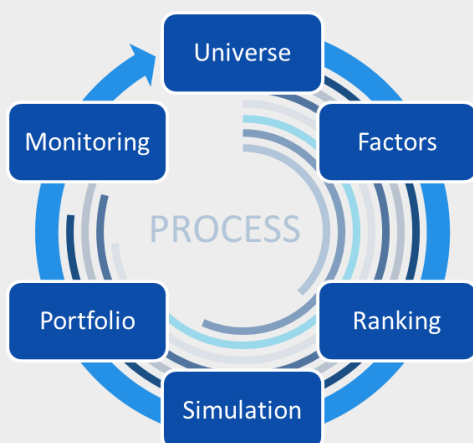
## RISK RATING



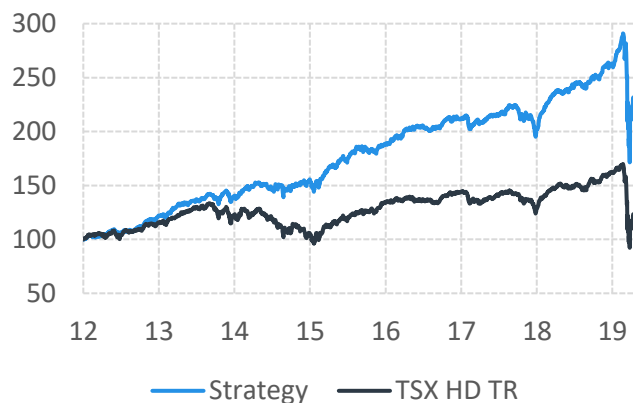
## REASONS TO INVEST

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

## INVESTMENT PROCESS



## AS OF APRIL 30<sup>TH</sup>, 2020



## PERFORMANCE [see disclaimer]

Annualized (%)	1M	3M	1Y	5Y	SI
Strategy	3.1	-16.6	-3.2	8.6	15.8
TSX HD TR	6.4	-24.0	-17.0	-0.5	5.0
Difference	-3.3	7.3	13.8	9.1	10.8
Yearly (%)	16	17	18	19	20
Strategy	22.0	12.9	-4.6	29.2	-12.4
TSX HD TR	28.5	7.6	-10.8	25.8	-22.8
Difference	-6.5	5.2	6.2	3.4	10.4
Monthly (%)	Dec	Jan	Feb	Mar	Apr
Strategy	0.1	5.1	-2.7	-16.8	3.1
TSX HD TR	1.4	1.5	-6.5	-23.5	6.4
Difference	-1.3	3.6	3.7	6.7	-3.3

## TOP HOLDINGS

Ticker	Sector	Weight (%)
BEP.UN:CN	Utilities	6.3
EMA:CN	Utilities	5.6
RNW:CN	Utilities	5.1
NPI:CN	Utilities	4.9
CHP.UN:CN	Real Estate	4.5
BIP.UN:CN	Utilities	4.3
WSP:CN	Industrials	4.2
MSI:CN	Industrials	4.2
X:CN	Financials	4.0
OTEX:CN	Info Tech	3.9

### RISK STATISTICS

Since Inception	Strategy	TSX HD TR
Ann. Return (%)	15.8	5.0
Standard Dev. (%)	9.5	13.9
Max Drawdown (%)	<b>-41.1</b>	<b>-48.3</b>
Portfolio Turnover	72.2	6.3
Sharpe Ratio	1.4	0.3
Sortino Ratio	1.8	0.3
Index Correlation	0.7	1.0
R-Squared	0.5	1.0
Beta	0.5	1.0
Alpha (%)	10.8	0.0

### SECTOR ALLOCATION

Weights (%)	Strategy	TSX HD TR	Deviations
Utilities	37.1	18.3	18.8
Industrials	8.4	1.2	7.2
Staples	7.0	0.3	6.7
Info Tech	3.9	0.0	3.9
Real Estate	11.6	8.3	3.3
Discretionary	0.0	0.0	0.0
Materials	0.0	0.7	<b>-0.7</b>
Health Care	0.0	0.8	<b>-0.8</b>
Financials	24.9	28.5	<b>-3.6</b>
Telecom	7.0	14.6	<b>-7.6</b>
Energy	0.0	27.3	<b>-27.3</b>

### CHARACTERISTICS

Median	Strategy	TSX HD TR
Market Cap (\$B)	21.7	2.9
Price / Earnings	15.6	13.0
Price / Book	1.9	1.1
Price / Sales	2.1	2.0
Price / Cash Flow	8.0	6.9
Return on Equity	12.5	10.9
Dividend Yield	4.2	6.7
5Y EPS Growth	7.8	5.8
Debt / Equity	2.4	1.3
5Y Beta	0.75	1.00

### PORTFOLIO FACTS

Number of Securities	25
Currency	CAD
Benchmark	S&P/TSX High Dividend 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.

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