

# 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 JUNE 30<sup>TH</sup>, 2020



### PERFORMANCE [see disclaimer]

Annualized (%)	1M	3M	1Y	5Y	SI
Strategy	1.2	12.8	-5.6	9.0	15.6
TSX TR	2.5	17.0	-2.2	4.4	3.7
Difference	-1.2	-4.2	-3.4	4.5	11.8
Yearly (%)	16	17	18	19	20
Strategy	13.5	22.1	-2.4	27.6	-13.2
TSX TR	21.1	9.1	-8.9	22.9	-7.5
Difference	-7.6	13.0	6.5	4.7	-5.7
Monthly (%)	Feb	Mar	Apr	May	Jun
Strategy	-6.0	-18.0	7.7	3.4	1.2
TSX TR	-5.9	-17.4	10.8	3.0	2.5
Difference	-0.1	-0.6	-3.1	0.4	-1.2

### TOP HOLDINGS

Ticker	Sector	Weight (%)
KXS:CN	Info Tech	6.3
NPI:CN	Utilities	5.5
DSG:CN	Info Tech	5.2
OTEX:CN	Info Tech	5.0
L:CN	Staples	5.0
RBA:CN	Industrials	4.9
ATD.B:CN	Staples	4.9
X:CN	Financials	4.5
QBR.B:CN	Telecom	4.1
CCA:CN	Telecom	4.1

## RISK STATISTICS

Since Inception	Strategy	TSX TR
Ann. Return (%)	15.6	3.7
Standard Dev. (%)	11.5	15.4
Max Drawdown (%)	-39.2	-49.4
Portfolio Turnover	72.2	6.3
Sharpe Ratio	1.1	0.2
Sortino Ratio	1.5	0.2
Index Correlation	0.7	1.0
R-Squared	0.4	1.0
Beta	0.5	1.0
Alpha (%)	11.8	0.0

## SECTOR ALLOCATION

Weight (%)	Strategy	TSX TR	Deviations
Info Tech	20.4	10.3	10.1
Staples	9.9	4.3	5.6
Utilities	9.4	5.0	4.4
Discretionary	6.8	3.4	3.3
Telecom	8.2	5.4	2.8
Health Care	0.0	1.1	-1.1
Industrials	8.2	11.5	-3.2
Energy	6.7	12.4	-5.7
Materials	6.7	14.7	-8.0
Financials	20.8	32.0	-11.2

## CHARACTERISTICS

Median	Strategy	TSX TR
Market Cap (\$B)	18.8	3.6
Price / Earnings	13.4	15.2
Price / Book	2.7	1.6
Price / Sales	1.9	2.1
Price / Cash Flow	9.9	9.0
Return on Equity	15.8	8.5
Dividend Yield	2.3	1.8
5Y EPS Growth	18.8	9.9
Debt / Equity	1.1	0.8
5Y Beta	0.83	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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