

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

### RISK RATING



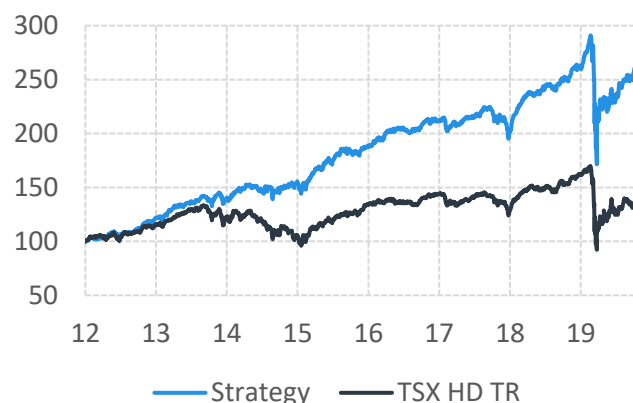
### REASONS TO INVEST

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

### INVESTMENT PROCESS



### AS OF OCTOBER 31<sup>TH</sup>, 2020



### PERFORMANCE [see disclaimer]

Annualized (%)	1M	3M	1Y	5Y	SI
Strategy	-2.3	3.4	-0.5	10.8	15.9
TSX HD TR	-1.6	-0.1	-15.3	3.2	5.1
Difference	-0.7	3.5	14.8	7.6	10.8
Yearly (%)	16	17	18	19	20
Strategy	22.0	12.9	-4.6	29.2	-4.3
TSX HD TR	28.5	7.6	-10.8	25.8	-19.7
Difference	-6.5	5.2	6.2	3.4	15.5
Monthly (%)	Jun	Jul	Aug	Sep	Oct
Strategy	0.9	3.3	3.5	2.3	-2.3
TSX HD TR	0.1	2.1	4.7	-3.1	-1.6
Difference	0.8	1.2	-1.3	5.4	-0.7

### TOP HOLDINGS

Ticker	Sector	Weight (%)
NPI:CN	Utilities	6.5
BEP.UN:CN	Utilities	6.4
RNW:CN	Utilities	5.2
BLX:CN	Utilities	5.1
SPB:CN	Utilities	4.4
FTT:CN	Industrials	4.3
NVU.UN:CN	Real Estate	4.3
T:CN	Telecom	4.2
INE:CN	Utilities	4.1
BIP.UN:CN	Utilities	4.1

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## RISK STATISTICS

Since Inception	Strategy	TSX HD TR
Ann. Return (%)	15.9	5.1
Standard Dev. (%)	9.4	13.8
Max Drawdown (%)	-41.1	-48.3
Portfolio Turnover	72.2	6.3
Sharpe Ratio	1.4	0.3
Sortino Ratio	1.8	0.4
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	38.7	5.4	33.3
Telecom	10.6	5.2	5.4
Real Estate	7.8	3.2	4.5
Staples	6.9	4.2	2.6
Health Care	0.0	1.0	-1.0
Discretionary	0.0	3.6	-3.6
Industrials	7.8	12.5	-4.7
Info Tech	3.3	9.7	-6.5
Financials	21.5	28.7	-7.2
Energy	3.0	10.6	-7.6
Materials	0.0	15.7	-15.7

## CHARACTERISTICS

Median	Strategy	TSX HD TR
Market Cap (\$B)	20.0	2.5
Price / Earnings	15.0	14.0
Price / Book	2.1	1.8
Price / Sales	2.0	2.0
Price / Cash Flow	9.2	11.1
Return on Equity	10.2	6.1
Dividend Yield	4.0	1.5
5Y EPS Growth	7.9	10.1
Debt / Equity	1.8	0.8
5Y Beta	0.74	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.

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