

# 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.

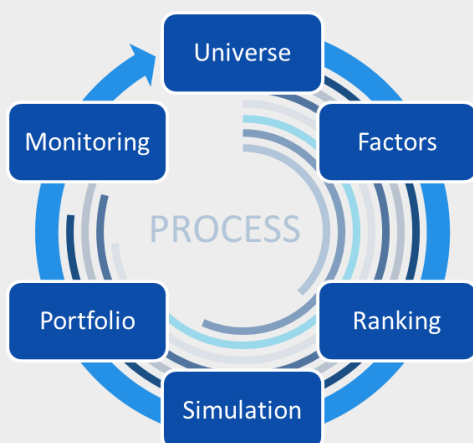
## RISK RATING



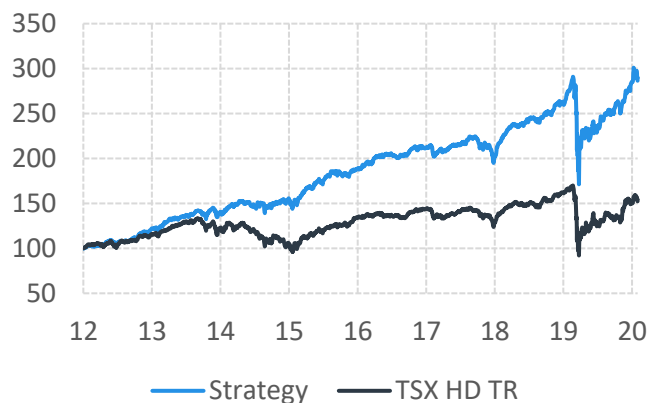
## REASONS TO INVEST

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

## INVESTMENT PROCESS



## AS OF JANUARY 31<sup>ST</sup>, 2021



## PERFORMANCE [see disclaimer]

Annualized (%)	1M	3M	1Y	5Y	SI
Strategy	0.7	14.4	4.2	13.2	16.4
TSX HD TR	1.6	17.3	-7.3	7.6	5.8
Difference	-0.9	-2.9	11.5	5.6	10.6
Yearly (%)	17	18	19	20	21
Strategy	12.9	-4.6	29.2	8.7	0.7
TSX HD TR	7.6	-10.8	25.8	-7.4	1.6
Difference	5.2	6.2	3.4	16.1	-0.9
Monthly (%)	Sep	Oct	Nov	Dec	Jan
Strategy	2.3	-2.3	9.0	4.2	0.7
TSX HD TR	-3.1	-1.6	15.4	0.0	1.6
Difference	5.4	-0.7	-6.4	4.2	-0.9

## TOP HOLDINGS

Ticker	Companies	Weight (%)
BEP.UN:CN	Brookfield Renewable	6.7
NPI:CN	Northland Power	6.2
RNW:CN	TransAlta Renewables	5.8
BLX:CN	Boralex	5.7
FTT:CN	Finning International	4.9
INE:CN	Innergex Renewable	4.4
WSP:CN	WSP Global	4.3
MG:CN	Magna International	4.2
RUS:CN	Russel Metals	4.2
BMO:CN	Bank of Montreal	3.9

### RISK STATISTICS

Since Inception	Strategy	TSX HD TR
Ann. Return (%)	16.4	5.8
Standard Dev. (%)	9.5	14.1
Max Drawdown (%)	<b>-41.1</b>	<b>-48.3</b>
Portfolio Turnover	72.2	6.3
Sharpe Ratio	1.4	0.3
Sortino Ratio	1.9	0.4
Index Correlation	0.7	1.0
R-Squared	0.5	1.0
Beta	0.5	1.0
Alpha (%)	10.6	0.0

### SECTOR ALLOCATION

Weights (%)	Strategy	TSX HD TR	Deviations
Utilities	31.5	5.3	26.2
Staples	9.5	3.7	5.9
Telecom	5.5	5.0	0.6
Discretionary	4.2	3.8	0.4
Health Care	0.0	1.6	<b>-1.6</b>
Financials	27.9	30.2	<b>-2.3</b>
Industrials	9.2	12.2	<b>-3.0</b>
Real Estate	0.0	3.2	<b>-3.2</b>
Info Tech	3.4	10.3	<b>-6.9</b>
Energy	3.9	11.6	<b>-7.7</b>
Materials	4.2	13.3	<b>-9.2</b>

### CHARACTERISTICS

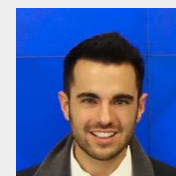
Median	Strategy	TSX HD TR
Market Cap (\$B)	23.1	2.9
Price / Earnings	13.3	15.5
Price / Book	2.0	2.0
Price / Sales	2.0	2.3
Price / Cash Flow	9.9	12.0
Return on Equity	9.8	6.0
Dividend Yield	3.4	1.4
5Y EPS Growth	7.8	9.9
Debt / Equity	1.8	0.7
5Y Beta	1.13	1.00

### 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

François Soto CFA, MBA, FRM, CIM  
Founder, Portfolio Manager



With more than 15 years of experience in the financial services industry, Francois 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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