BEST IDEAS 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 companies (10 Canadian, 10 US and 10 International stocks) across all our universes that consistently generate shareholder wealth, while trading at attractive price. This strategy is based on our proprietary multi-factor quantitative models.

OBJECTIVES

1. Target long term capital appreciation among the best opportunities available.
2. Consistently deliver performance over a custom blended benchmark.
3. Maximize tax efficiency by having a low portfolio turnover ratio.

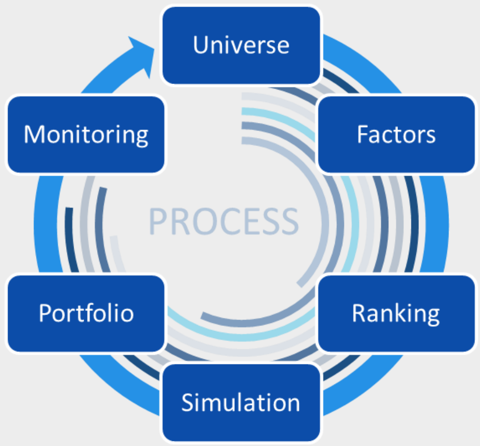
RISK RATING

Medium-High

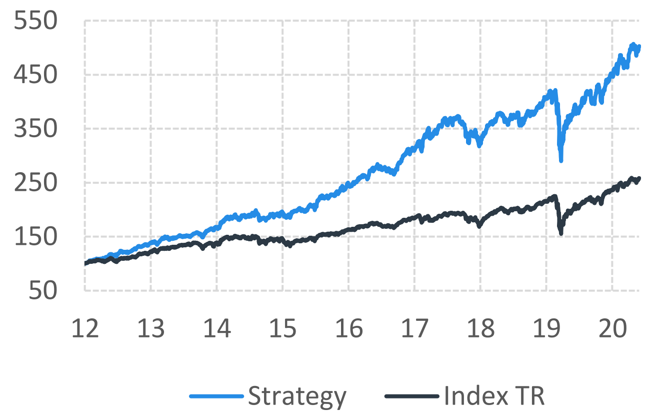
REASONS TO INVEST

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

INVESTMENT PROCESS



AS OF MAY 31ST, 2021



Custom TR = 1/3 S&P/TSX + 1/3 S&P 500 + 1/3 MSCI ACWI Ex US

PERFORMANCE

Annualized (%)	1M	3M	1Y	5Y	INC.
Strategy	1.1	6.6	30.9	19.2	18.3
Index TR	1.5	6.5	28.1	11.8	5.8
Difference	-0.4	0.1	2.8	7.4	12.5

Yearly (%)	16	17	18	19	20
Strategy	25.7	26.8	7.9	21.5	11.0
Index TR	11.8	13.2	-4.3	22.0	10.1
Difference	13.9	13.6	12.1	-0.4	0.9

Monthly (%)	Jan	Feb	Mar	Apr	May
Strategy	0.4	4.6	1.7	3.6	1.1
Index TR	-0.2	3.0	2.6	2.2	1.5
Difference	0.6	1.6	-0.8	1.4	-0.4

TOP HOLDINGS

Ticker	Companies	Weight (%)
HSY	Hershey	4.7
SIMO	Silicon Motion	4.0
VALE	Vale	3.7
CM:CN	Canadian Imperial Bank	3.7
MSFT	Microsoft	3.7
BMO:CN	Bank of Montreal	3.7
AVGO	Broadcom	3.6
NA:CN	National Bank	3.6
ABBV	AbbVie Inc	3.5
GRMN	Garmin	3.4

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RISK STATISTICS

Since Inception	Strategy	Index TR
Ann. Return (%)	18.3	5.8
Standard Dev. (%)	11.2	12.0
Max Drawdown (%)	-31.3	-45.9
Portfolio Turnover	62.6	6.0
Sharpe Ratio	1.4	0.4
Sortino Ratio	2.0	0.5
Index Correlation	0.7	1.0
R-Squared	0.5	1.0
Beta	0.7	1.0
Alpha (%)	12.5	0.0

SECTOR ALLOCATION

Weight (%)	Strategy	Index TR	Deviations
Info Tech	37.4	11.2	26.3
Materials	10.4	7.1	3.2
Financials	26.9	25.5	1.3
Discretionary	8.1	8.7	-0.6
Utilities	0.0	3.6	-3.6
Telecom	3.4	7.6	-4.2
Industrials	6.4	10.7	-4.4
Health Care	3.5	8.8	-5.3
Staples	0.0	6.9	-6.9
Energy	3.2	9.9	-6.7

CHARACTERISTICS

Median	Strategy	Index TR
Market Cap ($B)	178.3	15.1
Price / Earnings	15.0	16.6
Price / Book	3.9	3.0
Price / Sales	3.2	2.8
Price / Cash Flow	17.3	14.8
Return on Equity	20.1	10.4
Dividend Yield	2.5	1.2
5Y EPS Growth	9.5	8.4
Debt / Equity	0.6	0.7
5Y Beta	1.05	1.00

PORTFOLIO FACTS

Number of Securities	30
Currency	CAD
Benchmark	Custom TR
Inception Date	January 1st, 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.

CONTACT

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