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 Total Return over a 5-year period.
3. Maximize tax efficiency by having a low portfolio turnover ratio.

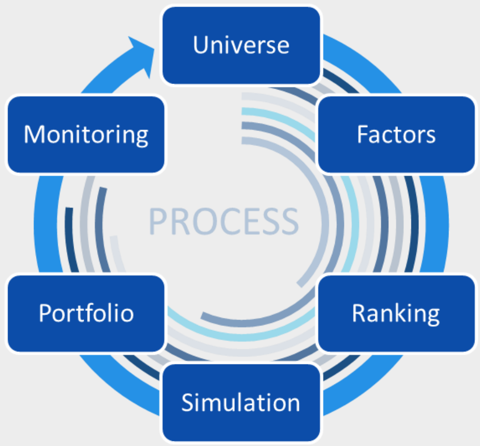
RISK RATING

Medium

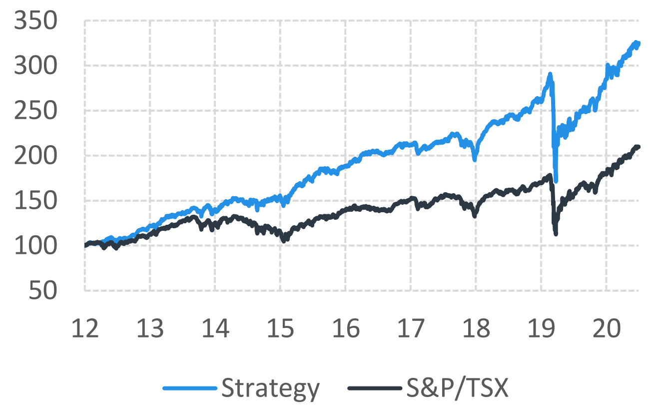
REASONS TO INVEST

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

INVESTMENT PROCESS



AS OF JUNE 30TH, 2021



PERFORMANCE

Ann. (%)	1M	3M	1Y	3Y	5Y	10Y
Strategy	1.3	7.0	38.7	14.8	13.1	15.0
S&P/TSX	2.5	8.5	33.9	10.8	10.8	7.4
Difference	-1.2	-1.5	4.8	4.0	2.3	7.6

Year (%)	2016	2017	2018	2019	2020	YTD
Strategy	22.0	12.9	-4.6	29.2	8.7	14.3
S&P/TSX	21.1	9.1	-8.9	22.9	5.6	17.3
Difference	0.9	3.8	4.3	6.3	3.1	-3.0

Month (%)	Jan	Feb	Mar	Apr	May	Jun
Strategy	0.7	1.7	4.3	2.2	3.4	1.3
S&P/TSX	-0.3	4.4	3.9	2.4	3.4	2.5
Difference	1.0	-2.7	0.4	-0.2	0.0	-1.2

TOP HOLDINGS

Ticker	Companies	Weight (%)
RUS:CN	Russel Metals	5.4
FTT:CN	Finning International	5.3
RNW:CN	TransAlta Renewables	5.0
MG:CN	Magna International	4.7
BMO:CN	Bank of Montreal	4.6
WSP:CN	WSP Global	4.6
ALA:CN	AltaGas	4.5
IGM:CN	IGM Financial	4.4
SPB:CN	Superior Plus	4.3
CM:CN	Canadian Imperial Bank	4.3

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RISK STATISTICS

Since Inception	Strategy	S&P/TSX
Ann. Return (%)	16.8	6.9
Standard Dev. (%)	9.5	14.0
Max Drawdown (%)	-41.1	-48.5
Portfolio Turnover	72.2	6.3
Sharpe Ratio	1.5	0.4
Sortino Ratio	1.9	0.5
Index Correlation	0.7	1.0
R-Squared	0.4	1.0
Beta	0.4	1.0
Alpha (%)	9.9	0.0

SECTOR ALLOCATION

Weights (%)	Strategy	S&P/TSX	Deviations
Financials	38.8	31.3	7.5
Industrials	17.5	11.4	6.1
Utilities	9.4	4.5	4.9
Staples	6.6	3.6	3.0
Discretionary	4.7	3.9	0.9
Telecom	5.4	4.9	0.5
Health Care	0.0	1.4	-1.4
Materials	8.7	11.6	-2.9
Real Estate	0.0	3.2	-3.2
Energy	8.6	13.0	-4.4
Info Tech	0.0	11.2	-11.2

CHARACTERISTICS

Median	Strategy	S&P/TSX
Market Cap ($B)	34.1	3.3
Price / Earnings	11.6	15.1
Price / Book	2.2	2.3
Price / Sales	1.9	2.7
Price / Cash Flow	8.4	10.6
Return on Equity	12.0	8.1
Dividend Yield	3.5	1.3
5Y EPS Growth	6.3	12.5
Debt / Equity	1.5	0.7
5Y Beta	1.13	1.00

PORTFOLIO FACTS

Number of Securities	25
Currency	CAD
Benchmark	S&P/TSX Total Return
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.

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