

# CANADIAN HIGH DIVIDEND EQUITY

FACTOR-BASED MODEL PORTFOLIO STRATEGY

**FACTOR-BASED**

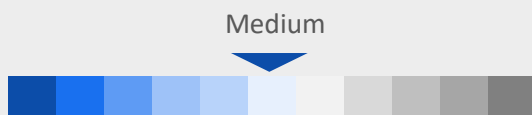
## STRATEGY

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



## REASONS TO INVEST

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

## INVESTMENT PROCESS



## AS OF FEBRUARY 28<sup>TH</sup>, 2022



## PERFORMANCE

Ann. (%)	1M	3M	1Y	3Y	5Y	10Y
Strategy	0.6	6.9	20.5	15.4	12.7	14.6
S&P/TSX	0.3	2.9	20.1	13.1	9.8	8.5
Difference	0.3	4.0	0.4	2.3	2.9	6.1

Year (%)	2017	2018	2019	2020	2021	YTD
Strategy	12.9	-4.6	29.2	8.7	19.9	2.9
S&P/TSX	9.1	-8.9	22.9	5.6	25.1	-0.1
Difference	3.8	4.3	6.3	3.1	-5.2	3.0

Month (%)	Sep	Oct	Nov	Dec	Jan	Feb
Strategy	-2.4	4.9	-2.9	3.9	2.3	0.6
S&P/TSX	-2.2	5.0	-1.6	3.1	-0.4	0.3
Difference	-0.2	-0.1	-1.3	0.8	2.7	0.3

## TOP HOLDINGS

Ticker	Companies	Weight (%)
CNQ:CN	Cdn Natural Resources	6.2
FTT:CN	Finning International	5.6
BMO:CN	Bank of Montreal	4.8
RUS:CN	Russel Metals	4.6
WSP:CN	WSP Global	4.6
CM:CN	Canadian Imperial Bank	4.5
ALA:CN	AltaGas	4.5
IGM:CN	IGM Financial	4.3
IAG:CN	IA Financial	4.2
NA:CN	National Bank of Canada	4.2

### RISK STATISTICS

Since Inception	Strategy	S&P/TSX
Ann. Return (%)	16.6	6.9
Standard Dev. (%)	9.5	13.8
Max Drawdown (%)	<b>-41.1</b>	<b>-48.5</b>
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 (%)	9.7	0.0

### SECTOR ALLOCATION

Weights (%)	Strategy	S&P/TSX	Deviations
Financials	43.4	33.1	10.3
Industrials	17.0	11.5	5.5
Utilities	8.3	4.5	3.9
Staples	6.6	3.6	3.0
Telecom	6.2	4.9	1.3
Health Care	0.0	0.7	<b>-0.7</b>
Real Estate	0.0	2.9	<b>-2.9</b>
Discretionary	0.0	3.4	<b>-3.4</b>
Materials	8.5	12.7	<b>-4.2</b>
Energy	9.2	15.8	<b>-6.6</b>
Info Tech	0.0	7.0	<b>-7.0</b>

### CHARACTERISTICS

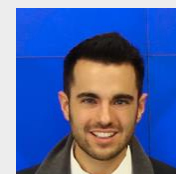
Median	Strategy	S&P/TSX
Market Cap (\$B)	43.6	3.6
Price / Earnings	11.7	14.4
Price / Book	2.1	2.0
Price / Sales	1.9	2.6
Price / Cash Flow	8.0	8.8
Return on Equity	15.2	11.9
Dividend Yield	3.6	1.6
5Y EPS Growth	10.6	13.8
Debt / Equity	1.4	0.6
5Y Beta	1.12	1.00

### PORTFOLIO FACTS

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

### CONTACT

Phone	(514) 700-1989
Email	info@factorbased.com
Website	www.factorbased.com

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