

### STRATEGY

In seeking to pursue its investment objective, the portfolio is designed to provide exposure to high-quality US companies that consistently generate shareholder wealth while trading at an attractive price. This strategy is based on a proprietary multi-factor quantitative model.

### OBJECTIVES

1. Target long-term capital appreciation among US Equities.
2. Consistently deliver performance over the S&P 500 Total Return Index.
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 DECEMBER 31<sup>ST</sup>, 2022



### PERFORMANCE

Ann. (%)	1M	3M	1Y	3Y	5Y	10Y
Strategy	-5.7	8.8	-14.6	15.1	16.3	18.5
S&P 500	-5.8	7.6	-18.1	7.7	9.4	12.6
Difference	0.1	1.2	3.5	7.4	6.9	5.9

Year (%)	2017	2018	2019	2020	2021	YTD
Strategy	23.9	1.0	38.5	29.8	37.7	-14.6
S&P 500	21.8	-4.4	31.5	18.4	28.7	-18.1
Difference	2.1	5.4	7.0	11.4	9.0	3.5

Month (%)	Jul	Aug	Sep	Oct	Nov	Dec
Strategy	8.3	-5.3	-5.4	10.4	4.4	-5.7
S&P 500	9.2	-4.1	-9.2	8.1	5.6	-5.8
Difference	-0.9	-1.2	3.8	2.3	-1.2	0.1

### TOP HOLDINGS

Ticker	Companies	Weight (%)
ZTS	Zoetis, Inc.	6.9
LLY	Eli Lilly & Co.	6.7
DG	Dollar General Corp.	6.5
ORLY	O'Reilly Automotive,	6.0
AAPL	Apple, Inc.	6.0
HSY	The Hershey Co.	5.4
GPC	Genuine Parts Co.	5.0
COST	Costco Wholesale Cor	4.7
WMT	Walmart, Inc.	4.5
LMT	Lockheed Martin Corp	4.0

## RISK STATISTICS

Since Inception	Strategy	S&P 500
Ann. Return (%)	14.0	6.3
Standard Dev. (%)	13.1	15.4
Max Drawdown (%)	<b>-38.8</b>	<b>-55.2</b>
Portfolio Turnover	53.5	4.2
Sharpe Ratio	0.9	0.4
Sortino Ratio	1.3	0.5
Index Correlation	0.8	1.0
R-Squared	0.7	1.0
Beta	0.7	1.0
Alpha (%)	7.7	0.0

## SECTOR ALLOCATION

Weight (%)	Strategy	S&P 500	Deviations
Staples	30.6	7.2	23.3
Materials	10.3	2.7	7.5
Health Care	21.6	15.8	5.8
Discretionary	13.9	9.8	4.1
Industrials	7.6	8.7	<b>-1.1</b>
Utilities	0.0	3.2	<b>-3.2</b>
Energy	0.0	5.2	<b>-5.2</b>
Telecom	0.0	7.3	<b>-7.3</b>
Info Tech	15.7	25.7	<b>-10.0</b>
Financials	0.0	14.4	<b>-14.4</b>

## CHARACTERISTICS

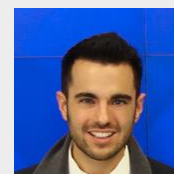
Median Value	Strategy	S&P 500
Market Cap (\$B)	244.0	29.6
Price / Earnings	19.1	17.5
Price / Book	9.5	3.3
Price / Sales	2.1	2.5
Price / Cash Flow	18.2	14.8
Return on Equity	49.9	17.2
Dividend Yield	1.4	1.7
5Y EPS Growth	18.9	15.3
Debt / Equity	1.6	0.8
5Y Beta	0.81	1.00

## PORTFOLIO FACTS

Number of Securities	25
Currency	USD
Benchmark	S&P 500 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 quantitative finance to the firm. He holds both a BBA and MBA from HEC Montreal.

## CONTACT

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