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
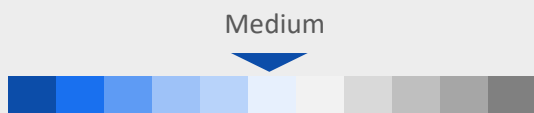
REASONS TO INVEST

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

INVESTMENT PROCESS

PROCESS: Universe, Factors, Ranking, Simulation, Portfolio, Monitoring

AS OF JANUARY 31ST, 2023

PERFORMANCE

Ann. (%)	1M	3M	1Y	3Y	5Y	10Y
Strategy	3.3	3.0	-2.2	7.5	10.0	12.7
S&P/TSX	7.4	7.8	1.6	9.5	8.7	8.3
Difference	-4.1	-4.8	-3.8	-2.0	1.3	4.4

Year (%)	2018	2019	2020	2021	2022	YTD
Strategy	-4.6	29.2	8.7	19.9	-3.2	3.3
S&P/TSX	-8.9	22.9	5.6	25.1	-5.8	7.4
Difference	4.3	6.3	3.1	-5.2	2.6	-4.1

Month (%)	Aug	Sep	Oct	Nov	Dec	Jan
Strategy	-0.9	-5.1	4.4	4.0	-4.1	3.3
S&P/TSX	-1.6	-4.3	5.6	5.5	-4.9	7.4
Difference	0.7	-0.8	-1.2	-1.5	0.8	-4.1

TOP HOLDINGS

Ticker	Companies	Weight (%)
WSP:CAN	WSP Global	5.1
H:CAN	Hydro One	4.9
EIF:CAN	Exchange Income	4.8
IAG:CAN	iA Financial	4.7
FRU:CAN	Freehold Royalties	4.6
SAP:CAN	Saputo	4.6
KEY:CAN	Keyera	4.4
ENB:CAN	Enbridge	4.4
NA:CAN	National Bank of Canada	4.2
CHE.UN:CAN	Chemtrade Logistics	4.2

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RISK STATISTICS

Since Inception	Strategy	S&P/TSX
Ann. Return (%)	15.8	6.7
Standard Dev. (%)	9.8	14.0
Max Drawdown (%)	-41.1	-48.5
Portfolio Turnover	72.2	6.3
Sharpe Ratio	1.4	0.4
Sortino Ratio	1.7	0.5
Index Correlation	0.7	1.0
R-Squared	0.5	1.0
Beta	0.5	1.0
Alpha (%)	9.1	0.0

SECTOR ALLOCATION

Weights (%)	Strategy	S&P/TSX	Deviations
Financials	39.0	31.0	8.0
Staples	8.5	4.0	4.5
Telecom	9.0	4.8	4.2
Industrials	14.0	12.8	1.2
Utilities	4.9	4.3	0.6
Discretionary	3.8	3.6	0.1
Health Care	0.0	0.4	-0.4
Energy	16.1	17.6	-1.5
Real Estate	0.0	2.7	-2.7
Info Tech	0.0	6.3	-6.3
Materials	4.2	12.4	-8.2

CHARACTERISTICS

Median	Strategy	S&P/TSX
Market Cap ($B)	29.7	3.3
Price / Earnings	15.8	15.4
Price / Book	2.2	1.9
Price / Sales	1.8	2.1
Price / Cash Flow	9.3	8.7
Return on Equity	14.8	11.8
Dividend Yield	4.4	1.7
5Y EPS Growth	9.6	15.5
Debt / Equity	1.5	0.6
5Y Beta	1.05	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
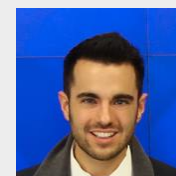
With more than 15 years of experience in the financial services industry, Francois brings extensive background and innovation in the field of quantitative finance to the firm. He holds both a BBA and MBA from HEC Montreal.

CONTACT

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DISCLAIMER