US 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 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

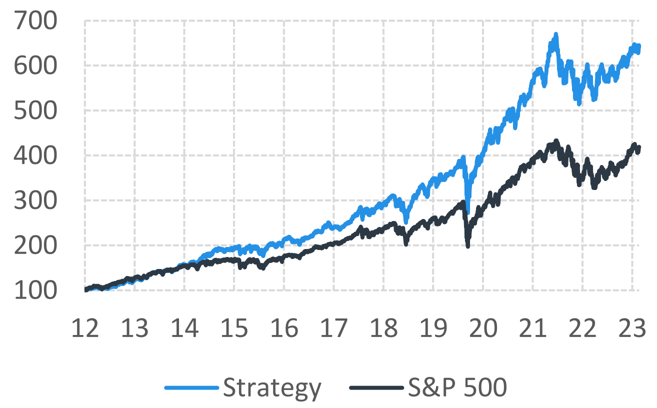
Medium-High

REASONS TO INVEST

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

INVESTMENT PROCESS

AS OF AUGUST 31ST, 2023



PERFORMANCE

Ann. (%)	1M	3M	1Y	3Y	5Y	10Y
Strategy	-0.5	7.0	16.0	12.8	15.9	18.0
S&P 500	-1.6	8.3	15.9	10.5	11.1	12.8
Difference	1.1	-1.3	0.1	2.3	4.8	5.2

Year (%)	2018	2019	2020	2021	2022	YTD
Strategy	1.0	38.5	29.8	37.7	-14.6	12.8
S&P 500	-4.4	31.5	18.4	28.7	-18.1	18.7
Difference	5.4	7.0	11.4	9.0	3.5	-5.9

Month (%)	Mar	Apr	May	Jun	Jul	Aug
Strategy	3.0	2.9	-2.0	6.6	0.9	-0.5
S&P 500	3.7	1.6	0.4	6.6	3.2	-1.6
Difference	-0.7	1.3	-2.4	0.0	-2.3	1.1

TOP HOLDINGS

Ticker	Companies	Weight (%)
LLY	Eli Lilly	9.0
ZTS	Zoetis	7.9
AAPL	Apple	7.6
ORLY	O'Reilly Automotive	5.9
COST	Costco Wholesale	5.0
WMT	Walmart	4.6
AMAT	Applied Materials	4.6
HSY	The Hershey	4.5
RS	Reliance Steel	4.4
TJX	The TJX Co.	3.9

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RISK STATISTICS

Since Inception	Strategy	S&P 500
Ann. Return (%)	14.1	6.9
Standard Dev. (%)	13.0	15.4
Max Drawdown (%)	-38.8	-55.2
Portfolio Turnover	53.5	4.2
Sharpe Ratio	1.0	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 (%)	7.3	0.0

SECTOR ALLOCATION

Weight (%)	Strategy	S&P 500	Deviations
Staples	28.2	6.6	21.6
Health Care	24.3	13.2	11.1
Materials	7.3	2.5	4.8
Industrials	11.7	8.4	3.2
Discretionary	9.8	10.6	-0.8
Utilities	0.0	2.4	-2.4
Energy	0.0	4.4	-4.4
Telecom	0.0	8.8	-8.8
Info Tech	18.1	28.2	-10.1
Financials	0.0	14.9	-14.9

CHARACTERISTICS

Median Value	Strategy	S&P 500
Market Cap ($B)	362.3	31.5
Price / Earnings	20.1	16.6
Price / Book	9.3	3.3
Price / Sales	2.7	2.6
Price / Cash Flow	20.8	16.2
Return on Equity	43.6	16.2
Dividend Yield	1.3	1.7
5Y EPS Growth	21.4	13.5
Debt / Equity	1.2	0.8
5Y Beta	0.76	1.00

PORTFOLIO FACTS

Number of Securities	25
Currency	USD
Benchmark	S&P 500 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.

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