

# TACTICAL SECTOR ROTATION

FACTOR-BASED MODEL PORTFOLIO STRATEGY

**FACTOR-BASED**

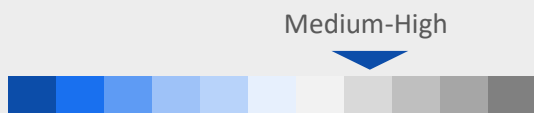
## STRATEGY

In seeking to pursue its investment objective, the portfolio is designed to opportunistically provide exposure to US Sectors throughout the business cycle by investing in 1-3 Select Sector SPDR ETFs. This strategy is based on a proprietary multi-factor quantitative model.

## OBJECTIVES

1. Target long-term capital appreciation using Select Sector SPDR ETFs.
2. Consistently deliver performance over the S&P 500 Total Return Index.
3. Maximize tax efficiency by using very liquid and low-fee US-listed ETFs.

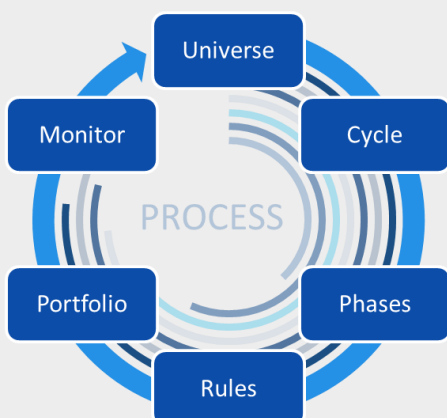
## RISK RATING



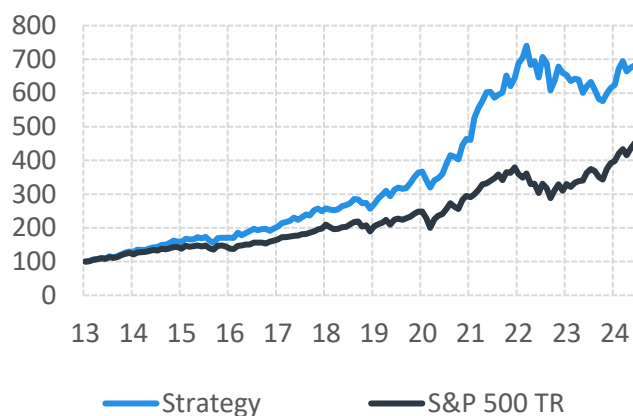
## REASONS TO INVEST

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

## INVESTMENT PROCESS



## AS OF JUNE 30<sup>TH</sup>, 2024



## PERFORMANCE

Annualized (%)	1M	3M	1Y	3Y	5Y
Strategy	0.9	-1.8	3.5	4.2	16.8
S&P 500 TR	3.6	4.3	45.6	10.0	15.0
Difference	-2.7	-6.1	-42.1	-5.8	1.8

Yearly (%)	2020	2021	2022	2023	YTD
Strategy	27.3	38.9	2.4	-6.7	10.9
S&P 500 TR	18.4	28.7	-18.1	26.3	15.3
Difference	8.9	10.2	20.5	-33.0	-4.4

Monthly (%)	Feb	Mar	Apr	May	Jun
Strategy	7.6	3.4	-4.5	1.8	0.9
S&P 500 TR	5.3	3.2	-4.1	5.0	3.6
Difference	2.2	0.2	-0.4	-3.1	-2.7

## TOP HOLDINGS

\* Subscribers Only

Sector	ETF	Weight
Discretionary	XLY	*
Energy	XLE	*
Financials	XLF	*
Health Care	XLV	*
Industrials	XLI	*
Info Tech	XLK	*
Materials	XLB	*
Staples	XLP	*
Telecom	XLT	*
Utilities	XLU	*

# TACTICAL SECTOR ROTATION

FACTOR-BASED MODEL PORTFOLIO STRATEGY

 **FACTOR-BASED**

## RISK STATISTICS

Since Inception	Strategy	S&P 500 TR
Ann. Return (%)	17.1	10.6
Standard Dev. (%)	15.0	14.8
Max Drawdown (%)	<b>-37.2</b>	<b>-50.9</b>
Sharpe Ratio	0.98	0.61
Sortino Ratio	1.37	0.80
Index Correlation	0.83	1.00
Upside Capture	1.03	0.00
Downside Capture	0.69	0.00
Portfolio Beta	0.84	1.00
Portfolio Alpha (%)	6.52	0.00

## SECTOR ALLOCATION

\* Subscribers Only

Weight (%)	Strategy	Index	Deviations
Discretionary	*	10.6	*
Energy	*	3.7	*
Financials	*	15.3	*
Health Care	*	12.5	*
Industrials	*	8.7	*
Info Tech	*	29.8	*
Materials	*	2.3	*
Staples	*	6.0	*
Telecom	*	8.9	*
Utilities	*	2.1	*

## CHARACTERISTICS

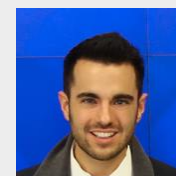
Median Value	Strategy	S&P 500 TR
Market Cap	27.6	35.1
Number Holdings	80	503
Price / Book	4.6	4.7
Price / FY Earnings	22.5	22.7
Price / Earnings	24.2	26.8
Price / Cash Flow	14.9	17.5
5-Year EPS Growth	11.2	16.2
30 Day SEC Yield	0.9	1.2
Fund Dividend Yield	1.4	1.3
Avg. Management Fee	0.09	0.09

## PORTFOLIO FACTS

Number of Securities	1-3
Currency	USD
Benchmark	S&P 500 TR
Inception Date	January 1 <sup>st</sup> , 1990
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

## DISCLAIMER

The term Model Portfolio Strategy (Strategy) is a non-registered trademark of Factor-Based (FB) Inc. S&P/TSX Total Return and S&P 500 Total Return are trademarks of S&P Global Inc. and MSCI ACWI Ex US Total Return is a trademark of MSCI Inc. This Strategy is not sponsored, endorsed, sold or promoted by any of its aforementioned trademark owners or their respective affiliates make no representation, warranty or condition regarding the advisability of buying, selling or holding shares in this Strategy.

This report is prepared solely for information purposes in connection with this Strategy. Historical returns shown are simulated. They are gross of management fees and do not consider brokerage commissions. They are calculated on a total return basis and annualized for all periods greater than one year. Past performance is not necessarily an indicator of future performance. The performance shown as indicated above and may not reflect the actual performance of clients following the Strategy.

FB makes every effort to ensure that the contents have been compiled or derived from sources believed reliable. However, FB makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions which may be contained herein and accepts no liability whatsoever for any loss arising from any use of or reliance on this report or its contents. Additional information may be available to FB or its affiliates, which is not reflected herein.

This report is not to be construed as an offer to sell, or solicitation for, or an offer to buy, any securities. FB, its affiliates and/ or their respective officers, directors or employees may from time to time acquire, hold or sell securities mentioned herein as principal or agent. This communication does not constitute any offer or solicitation to residents of the US or to anyone in a jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such a solicitation.