

# CANADIAN EQUITY

## FACTOR-BASED MODEL PORTFOLIO STRATEGY

## FACTOR-BASED

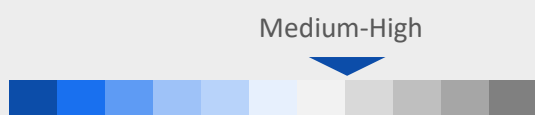
### STRATEGY

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

### OBJECTIVES

1. Target long-term capital appreciation among Canadian companies.
2. Consistently deliver performance over the S&P/TSX Total Return Index.
3. Maximize tax efficiency by having a low portfolio turnover ratio.

### RISK RATING



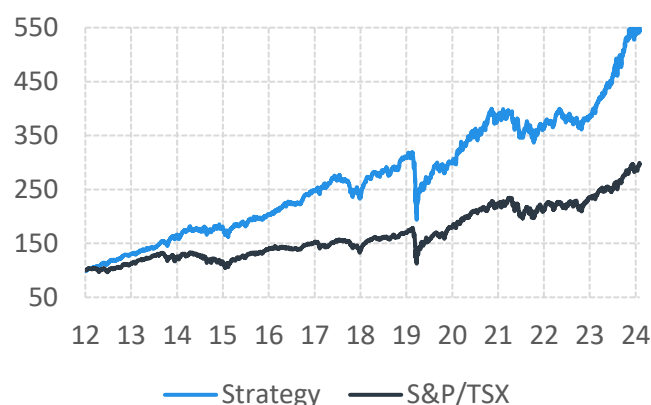
### REASONS TO INVEST

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

### INVESTMENT PROCESS



### AS OF JANUARY 31<sup>ST</sup>, 2025



### PERFORMANCE

| Ann. (%)   | 1M   | 3M   | 1Y   | 3Y   | 5Y   | 10Y  |
|------------|------|------|------|------|------|------|
| Strategy   | 0.2  | 2.9  | 37.0 | 11.8 | 12.0 | 12.7 |
| S&P/TSX    | 3.5  | 6.5  | 25.2 | 10.0 | 11.4 | 9.0  |
| Difference | -3.3 | -3.6 | 11.8 | 1.8  | 0.6  | 3.7  |

| Year (%)   | 2020 | 2021 | 2022 | 2023 | 2024 | YTD  |
|------------|------|------|------|------|------|------|
| Strategy   | -3.2 | 29.5 | -6.2 | 6.9  | 40.0 | 0.2  |
| S&P/TSX    | 5.6  | 25.1 | -5.8 | 11.8 | 21.7 | 3.5  |
| Difference | -8.8 | 4.4  | -0.4 | -4.9 | 18.3 | -3.3 |

| Month (%)  | Aug  | Sep  | Oct | Nov  | Dec  | Jan  |
|------------|------|------|-----|------|------|------|
| Strategy   | 1.0  | 1.6  | 4.4 | 3.2  | -0.5 | 0.2  |
| S&P/TSX    | 1.2  | 3.2  | 0.9 | 6.4  | -3.3 | 3.5  |
| Difference | -0.2 | -1.6 | 3.5 | -3.2 | 2.8  | -3.3 |

### TOP HOLDINGS

| Ticker  | Company                | Weight (%) |
|---------|------------------------|------------|
| CEU:CAN | CES Energy Solutions   | 5.9        |
| FFH:CAN | Fairfax Financial      | 5.8        |
| L:CAN   | Loblaw                 | 5.3        |
| TVE:CAN | Tamarack Valley Energy | 5.2        |
| FVI:CAN | Fortuna Mining         | 5.2        |
| CM:CAN  | Canadian Imperial Bank | 5.1        |
| CWB:CAN | Canadian Western Bank  | 5.0        |
| IAG:CAN | iA Financial           | 4.9        |
| LUG:CAN | Lundin Gold            | 4.9        |
| DPM:CAN | Dundee Precious Metals | 4.6        |

## RISK STATISTICS

| Since Inception    | Strategy     | S&P/TSX      |
|--------------------|--------------|--------------|
| Ann. Return (%)    | 15.8         | 7.3          |
| Standard Dev. (%)  | 11.4         | 13.9         |
| Max Drawdown (%)   | <b>-39.2</b> | <b>-48.5</b> |
| Portfolio Turnover | 72.2         | 6.3          |
| Sharpe Ratio       | 1.2          | 0.4          |
| Sortino Ratio      | 1.5          | 0.6          |
| Index Correlation  | 0.8          | 1.0          |
| R-Squared          | 0.6          | 1.0          |
| Beta               | 0.6          | 1.0          |
| Alpha (%)          | 8.5          | 0.0          |

## SECTOR ALLOCATION

| Weight (%)    | Strategy | S&P/TSX | Deviations   |
|---------------|----------|---------|--------------|
| Materials     | 28.9     | 12.2    | 16.7         |
| Staples       | 8.6      | 3.7     | 4.8          |
| Financials    | 35.7     | 34.6    | 1.1          |
| Health Care   | 0.0      | 0.3     | <b>-0.3</b>  |
| Energy        | 16.0     | 16.6    | <b>-0.7</b>  |
| Industrials   | 10.5     | 12.6    | <b>-2.1</b>  |
| Telecom       | 0.0      | 2.3     | <b>-2.3</b>  |
| Discretionary | 0.0      | 3.2     | <b>-3.2</b>  |
| Utilities     | 0.0      | 3.7     | <b>-3.7</b>  |
| Info Tech     | 0.0      | 10.8    | <b>-10.8</b> |

## CHARACTERISTICS

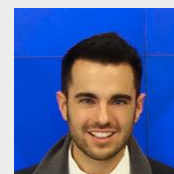
| Median            | Strategy | S&P/TSX |
|-------------------|----------|---------|
| Market Cap (\$B)  | 20.1     | 3.6     |
| Price / Earnings  | 10.8     | 14.0    |
| Price / Book      | 1.8      | 2.0     |
| Price / Sales     | 1.4      | 2.1     |
| Price / Cash Flow | 7.8      | 10.3    |
| Return on Equity  | 14.9     | 9.3     |
| Dividend Yield    | 2.4      | 1.6     |
| 5Y EPS Growth     | 25.6     | 11.2    |
| Debt / Equity     | 0.4      | 0.5     |
| 5Y Beta           | 1.2      | 1.1     |

## PORTFOLIO FACTS

|                       |                                |
|-----------------------|--------------------------------|
| Number of Securities  | 25                             |
| Currency              | CAD                            |
| Benchmark             | S&P/TSX 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 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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