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 price. 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.

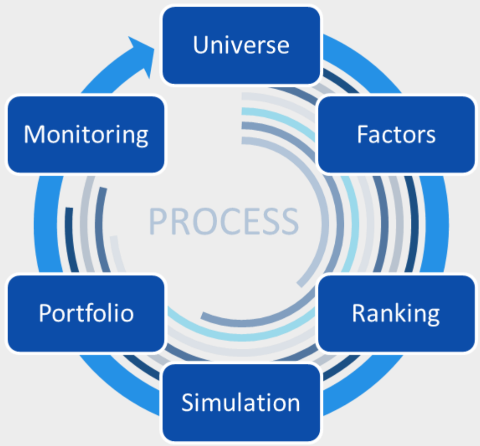
RISK RATING

Medium-High

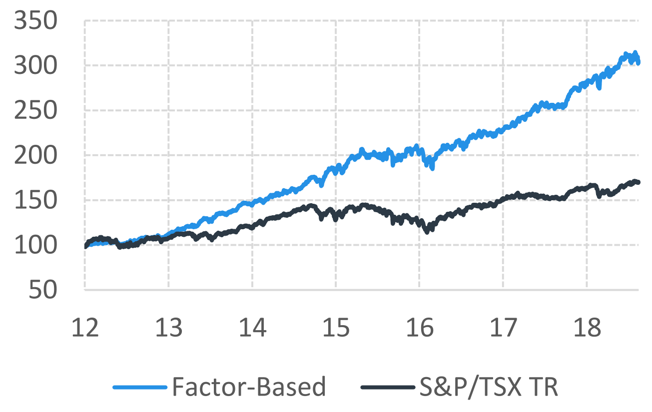
REASONS TO INVEST

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

INVESTMENT PROCESS



AS OF AUGUST 31TH, 2018



PERFORMANCE (%) [see disclaimer]

Annualized (%)	1M	3M	1Y	5Y	SI
Factor-Based	-0.4	-1.0	18.4	17.7	17.2
S&P/TSX TR	-0.8	2.0	10.1	8.3	6.2
Difference	0.4	-3.1	8.3	9.4	11.0

Yearly (%)	14	15	16	17	YTD
Factor-Based	26.5	7.7	13.5	22.1	8.0
S&P/TSX TR	10.6	-8.3	21.1	9.1	2.3
Difference	16.0	16.0	-7.6	13.0	5.7

Monthly (%)	Apr	May	Jun	Jul	Aug
Factor-Based	1.6	3.4	-0.8	0.2	-0.4
S&P/TSX TR	1.8	3.1	1.7	1.1	-0.8
Difference	-0.2	0.3	-2.5	-1.0	0.4

TOP 10 HOLDINGS (%)

Ticker	Sector	Weight
CSU:CN	Info Tech	7.9
CFP:CN	Materials	5.0
FSV:CN	Financials	4.8
OSB:CN	Materials	4.7
CIGI:CN	Financials	4.6
OTEX:CN	Info Tech	4.5
BMO:CN	Financials	4.4
TD:CN	Financials	4.2
TIH:CN	Industrials	4.2
MX:CN	Materials	4.2

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RISK STATISTICS

Since Inception	Factor-Based	S&P/TSX TR
Ann. Return (%)	17.2	6.2
Standard Dev. (%)	10.4	13.4
Max Drawdown (%)	-34.0	-48.5
Portfolio Turnover	72.2	6.3
Sharpe Ratio	1.4	0.4
Sortino Ratio	1.9	0.5
Index Correlation	0.7	1.0
R-Squared	0.5	1.0
Beta	0.5	1.0
Alpha (%)	11.0	0.0

SECTOR ALLOCATION (%)

Weights	Factor-Based	S&P/TSX TR	Deviations
Discretionary	16.4	5.5	10.9
Materials	20.3	10.2	10.1
Info Tech	12.4	4.0	8.3
Telecom	7.0	4.5	2.6
Staples	4.1	3.4	0.7
Health Care	0.0	1.7	-1.7
Industrials	7.7	10.5	-2.8
Utilities	0.0	3.8	-3.8
Financials	25.6	37.2	-11.5
Energy	3.9	19.3	-15.4

CHARACTERISTICS

Median	Factor-Based	S&P/TSX TR
Market Cap ($B)	26.4	3.6
Price / Earnings	13.7	14.8
Price / Book	2.6	1.8
Price / Sales	1.7	2.0
Price / Cash Flow	8.9	10.8
Return on Equity	17.5	9.3
Dividend Yield	1.6	1.8
5Y EPS Growth	15.7	12.6
Debt / Equity	0.7	0.5
5Y Beta	0.69	1.00

PORTFOLIO FACTS

Number of Securities	25
Currency	CAD
Benchmark	S&P/TSX TR
Inception Date	January 1st, 2000
Strategy Fees	Contact Us
Rebalancing Frequency	Quarterly

PORTFOLIO MANAGER

William Tremblay CFA, MBA, FRM, CIM
Senior Vice President, Portfolio Manager

With more than 10 years of experience in the financial services industry, William 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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