

# CANADIAN EQUITY

## FACTOR-BASED MODEL PORTFOLIO STRATEGY

## FACTOR-BASED

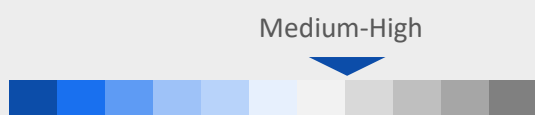
### STRATEGY

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



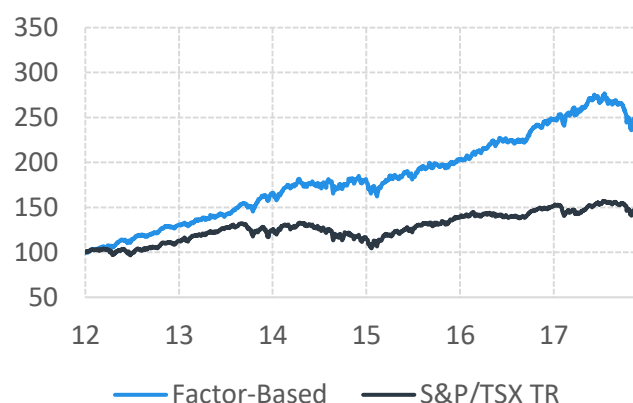
### REASONS TO INVEST

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

### INVESTMENT PROCESS



### AS OF NOVEMBER 30<sup>TH</sup>, 2018



### PERFORMANCE (%) [see disclaimer]

Annualized (%)	1M	3M	1Y	5Y	SI
Factor-Based	3.4	-6.2	1.7	14.4	16.6
S&P/TSX TR	1.4	-5.8	-2.5	5.6	5.8
Difference	2.0	-0.4	4.3	8.8	10.8

Yearly (%)	14	15	16	17	YTD
Factor-Based	26.5	7.7	13.5	22.1	1.3
S&P/TSX TR	10.6	-8.3	21.1	9.1	-3.7
Difference	16.0	16.0	-7.6	13.0	4.9

Monthly (%)	Jul	Aug	Sep	Oct	Nov
Factor-Based	0.2	-0.4	-2.5	-7.0	3.4
S&P/TSX TR	1.1	-0.8	-0.9	-6.3	1.4
Difference	-1.0	0.4	-1.7	-0.7	2.0

### TOP 10 HOLDINGS (%)

Ticker	Sector	Weight
CSU:CN	Info Tech	7.9
L:CN	Staples	4.8
FSV:CN	Financials	4.5
QBR.B:CN	Telecom	4.3
BMO:CN	Financials	4.3
OTEX:CN	Info Tech	4.2
TD:CN	Financials	4.1
GIB.A:CN	Info Tech	4.1
TIH:CN	Industrials	4.1
CIGI:CN	Financials	4.1

## RISK STATISTICS

Since Inception	Factor-Based	S&P/TSX TR
Ann. Return (%)	16.6	5.8
Standard Dev. (%)	10.6	13.4
Max Drawdown (%)	<b>-34.0</b>	<b>-48.5</b>
Portfolio Turnover	72.2	6.3
Sharpe Ratio	1.3	0.3
Sortino Ratio	1.8	0.4
Index Correlation	0.7	1.0
R-Squared	0.5	1.0
Beta	0.5	1.0
Alpha (%)	10.8	0.0

## SECTOR ALLOCATION (%)

Weights	Factor-Based	S&P/TSX TR	Deviations
Info Tech	16.2	4.1	12.1
Discretionary	10.4	4.4	6.0
Staples	8.6	3.8	4.8
Materials	13.9	10.2	3.7
Telecom	8.3	5.9	2.4
Utilities	3.2	4.0	<b>-0.8</b>
Health Care	0.0	1.6	<b>-1.6</b>
Industrials	7.9	10.7	<b>-2.9</b>
Financials	24.5	37.4	<b>-12.9</b>
Energy	3.7	17.8	<b>-14.1</b>

## CHARACTERISTICS

Median	Factor-Based	S&P/TSX TR
Market Cap (\$B)	26.5	3.4
Price / Earnings	14.4	14.7
Price / Book	2.8	1.6
Price / Sales	2.1	1.8
Price / Cash Flow	10.0	9.6
Return on Equity	20.1	9.1
Dividend Yield	2.3	1.9
5Y EPS Growth	15.7	12.5
Debt / Equity	1.1	0.6
5Y Beta	0.60	1.00

## 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

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.

## CONTACT

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