

# BEST IDEAS 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 companies (10 Canadian, 10 US and 10 International stocks) across all our universes that consistently generate shareholder wealth, while trading at attractive price. This strategy is based on our proprietary multi-factor quantitative models.

### OBJECTIVES

1. Target long term capital appreciation among the best opportunities available.
2. Consistently deliver performance over a custom blended benchmark.
3. Maximize tax efficiency by having a low portfolio turnover ratio.

### RISK RATING



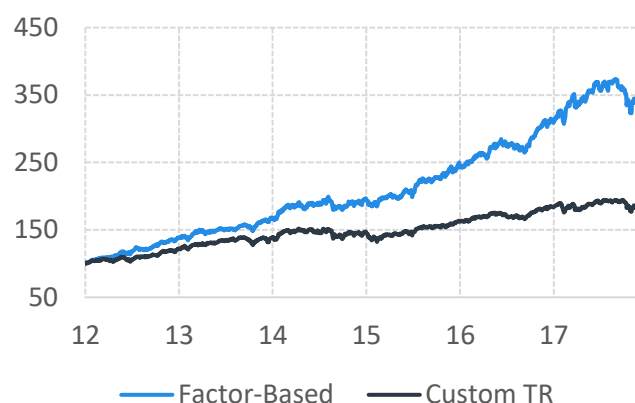
### REASONS TO INVEST

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

### INVESTMENT PROCESS



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



Custom TR = 1/3 S&P/TSX + 1/3 S&P 500 + 1/3 MSCI ACWI Ex US

### PERFORMANCE (%) [see disclaimer]

Annualized (%)	1M	3M	1Y	5Y	INC.
Factor-Based	3.2	-7.3	10.3	20.5	18.6
Custom TR	2.1	-4.5	0.7	9.0	4.7
Difference	1.1	-2.8	9.7	11.4	13.9

Yearly (%)	14	15	16	17	YTD
Factor-Based	19.7	16.5	25.7	26.8	11.6
Custom TR	12.7	5.3	11.8	13.2	0.7
Difference	7.0	11.3	13.9	13.6	10.8

Monthly (%)	Jul	Aug	Sep	Oct	Nov
Factor-Based	0.9	3.4	-3.9	-6.6	3.2
Custom TR	1.7	0.4	-0.7	-5.9	2.1
Difference	-0.8	3.0	-3.3	-0.7	1.1

### TOP 10 HOLDINGS (%)

Ticker	Sector	Weight
CCE	Staples	5.3
CHL	Telecom	4.8
UNH	Health Care	4.7
QBR.B:CN	Telecom	4.6
GIL:CN	Discretionary	4.1
CSCO	Info Tech	3.8
GIB.A:CN	Info Tech	3.8
ABBV	Health Care	3.8
IBA	Staples	3.8
NTAP	Info Tech	3.8

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### RISK STATISTICS

Since Inception	Factor-Based	Custom TR
Ann. Return (%)	18.6	4.7
Standard Dev. (%)	10.7	11.5
Max Drawdown (%)	-20.6	-45.9
Portfolio Turnover	62.6	6.0
Sharpe Ratio	1.5	0.3
Sortino Ratio	2.1	0.4
Index Correlation	0.6	1.0
R-Squared	0.4	1.0
Beta	0.6	1.0
Alpha (%)	13.9	0.0

### SECTOR ALLOCATION (%)

Weights	Factor-Based	Custom TR	Deviations
Info Tech	26.2	11.9	14.3
Materials	15.5	7.0	8.5
Discretionary	15.4	8.4	7.0
Staples	12.7	6.9	5.8
Telecom	12.1	6.5	5.6
Health Care	8.5	8.6	-0.1
Utilities	0.0	3.4	-3.4
Industrials	5.3	10.7	-5.4
Energy	0.0	10.3	-10.3
Financials	3.7	26.3	-22.6

### CHARACTERISTICS

Median	Factor-Based	Custom TR
Market Cap (\$B)	57.1	11.3
Price / Earnings	12.6	14.5
Price / Book	3.3	2.3
Price / Sales	1.9	1.9
Price / Cash Flow	13.4	11.4
Return on Equity	21.0	12.5
Dividend Yield	2.6	2.1
5Y EPS Growth	9.4	10.0
Debt / Equity	0.5	0.6
5Y Beta	0.90	1.00

### PORTFOLIO FACTS

Number of Securities	30
Currency	CAD
Benchmark	Custom 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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