

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



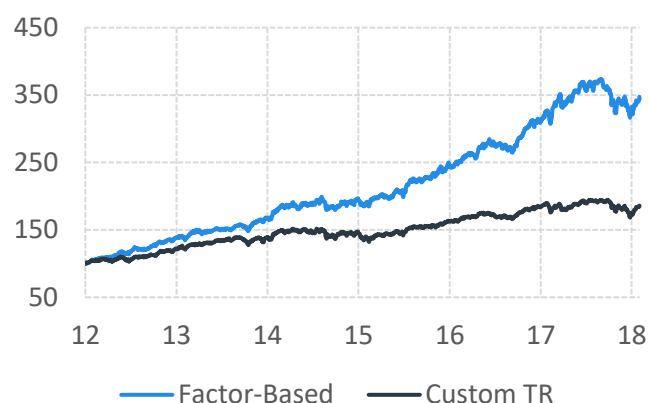
REASONS TO INVEST

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

INVESTMENT PROCESS



AS OF JANUARY 31TH, 2019



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	4.4	4.0	7.9	20.3	18.5
Custom TR	5.7	2.6	-0.2	8.6	4.7
Difference	-1.4	1.4	8.2	11.7	13.7
Yearly (%)	15	16	17	18	YTD
Factor-Based	16.5	25.7	26.8	7.7	4.4
Custom TR	5.3	11.8	13.2	-4.3	5.7
Difference	11.3	13.9	13.6	12.0	-1.4
Monthly (%)	Sep	Oct	Nov	Dec	Jan
Factor-Based	-3.9	-6.6	3.2	-3.5	4.4
Custom TR	-0.7	-5.9	2.1	-5.0	5.7
Difference	-3.3	-0.7	1.1	1.5	-1.4

TOP 10 HOLDINGS (%)

Ticker	Sector	Weight
CCEP	Staples	5.0
QBR.B:CN	Telecom	4.7
GIL:CN	Discretionary	4.0
RHHBY	Health Care	4.0
IBA	Staples	4.0
CSCO	Info Tech	4.0
HSY	Staples	3.9
MRK	Health Care	3.9
SEDG	Info Tech	3.9
GSK	Health Care	3.8

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RISK STATISTICS

Since Inception	Factor-Based	Custom TR
Ann. Return (%)	18.5	4.7
Standard Dev. (%)	10.7	11.6
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 (%)	13.7	0.0

SECTOR ALLOCATION (%)

Weights	Factor-Based	Custom TR	Deviations
Info Tech	23.6	11.9	11.7
Staples	16.5	7.0	9.5
Discretionary	15.2	8.4	6.8
Health Care	15.1	8.5	6.6
Materials	12.9	7.4	5.5
Telecom	7.4	6.6	0.8
Utilities	0.0	3.5	-3.5
Industrials	5.2	10.6	-5.5
Energy	0.0	10.3	-10.3
Financials	3.6	25.8	-22.2

CHARACTERISTICS

Median	Factor-Based	Custom TR
Market Cap (\$B)	55.4	11.4
Price / Earnings	13.9	14.9
Price / Book	3.6	2.4
Price / Sales	2.3	2.0
Price / Cash Flow	14.1	11.0
Return on Equity	2.7	12.3
Dividend Yield	2.8	2.0
5Y EPS Growth	8.5	10.2
Debt / Equity	0.5	0.6
5Y Beta	0.81	1.00

PORTFOLIO FACTS

Number of Securities	30
Currency	CAD
Benchmark	Custom TR
Inception Date	January 1 st , 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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