

# Canadian Equity Income Guided Portfolio



Wealth Management  
Dominion Securities

The Canadian Equity Income Guided Portfolio offers exposure to Canadian equities with a focus on companies with a track record of strong cash flow generation and attractive dividend payments. It is a concentrated Portfolio of at least 20 stocks of quality companies diversified across higher yielding sectors of the Canadian stock market.

## Objective

This Portfolio is designed for investors seeking exposure to a diversified basket of Canadian companies that pay attractive, sustainable and/or growing dividends.

The Investment Committee seeks sufficient sector diversification to ensure the level of interest rate sensitivity is manageable.

The Portfolio aims to deliver a dividend yield in excess of the S&P/TSX, while also delivering less risk, particularly during weaker market backdrops.

## Portfolio management

The Portfolio may have a larger weight in higher yielding sectors of the Canadian market. Nevertheless, a top-down strategy is employed to ensure the Portfolio is suitably aligned with the market outlook.

Stocks are screened by the Investment Committee based primarily on fundamental research to identify companies that have the potential to return, on a sustainable basis, a significant or growing amount of cash flow to investors.

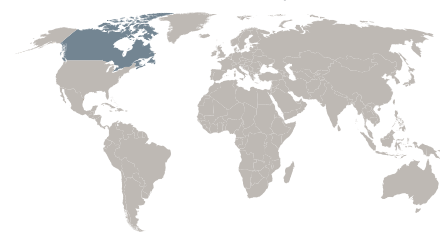
The Investment Committee considers other factors such as a company's financial strength, debt levels, cash flow relative to capital expenditures, return on capital, proportion of income distributed versus reinvested in the business, potential dividend growth, as well as suitability in the context of a concentrated portfolio.

The Portfolio will consist of positions at either a full weight of 5% or a half weight of 2.5%.

Portfolio changes are based on a variety of factors, but relative dividend yield, dividend sustainability and dividend growth are often key drivers.

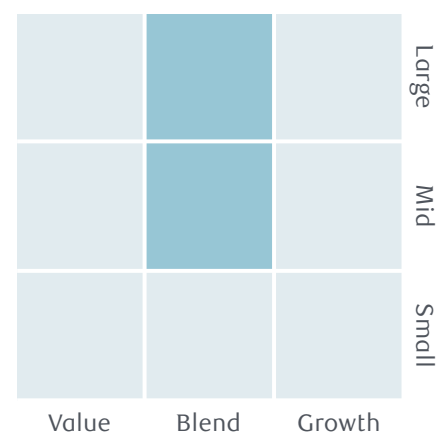
## Target exposure to world regions

Americas Greater Europe Greater Asia



■ Core markets ■ Non-target markets

## Market cap vs. style matrix



## Risk profile

This Portfolio is geared for investors with a moderate risk profile. The Portfolio will carry individual stock selection and sector weighting risks typical of a concentrated portfolio.

Given the focus on dividends, the Portfolio may exhibit greater defensive characteristics relative to the broad equity market and may underperform during bull markets.

The Portfolio may have higher sensitivity to the level of interest rates, and an unexpected increase in the level of interest rates may pressure valuation levels of its constituents.

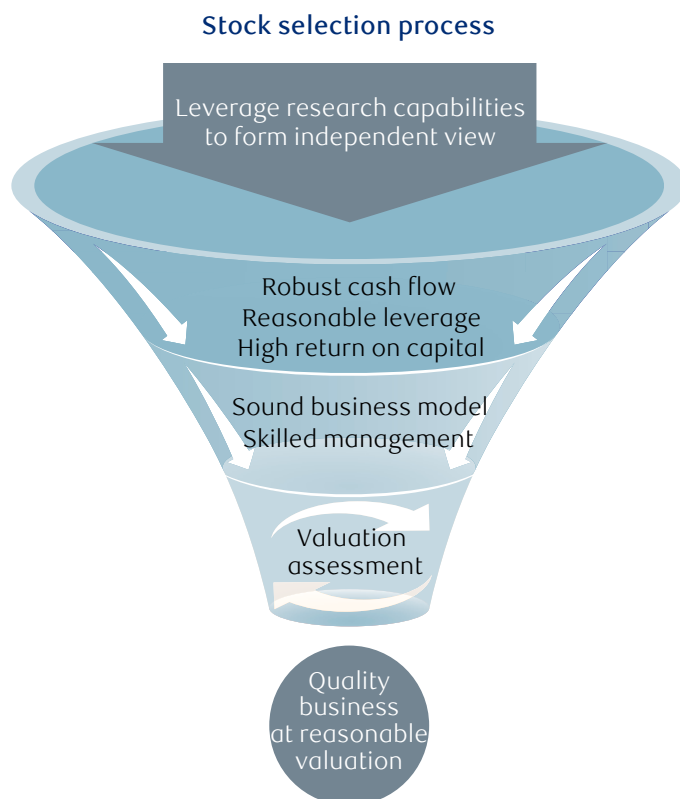
## Benefits

### Consistent and disciplined approach to investing:

Constituents in the Portfolio are selected and monitored on an ongoing basis via a consistent and disciplined approach by the Investment Committee.

**Simplified:** The Portfolio is concentrated in nature, which can result in lower Portfolio turnover, creating potential tax benefits for investors.

**Transparency:** Quarterly reports will be published that analyze the Portfolio, update specific positions and review the Portfolio's performance and positioning.



## Investment Committee

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