



## **Enriched Investing Incorporated**

# **Enriched Value Alternative Investing™ and the Canadian Dividend Strategy**

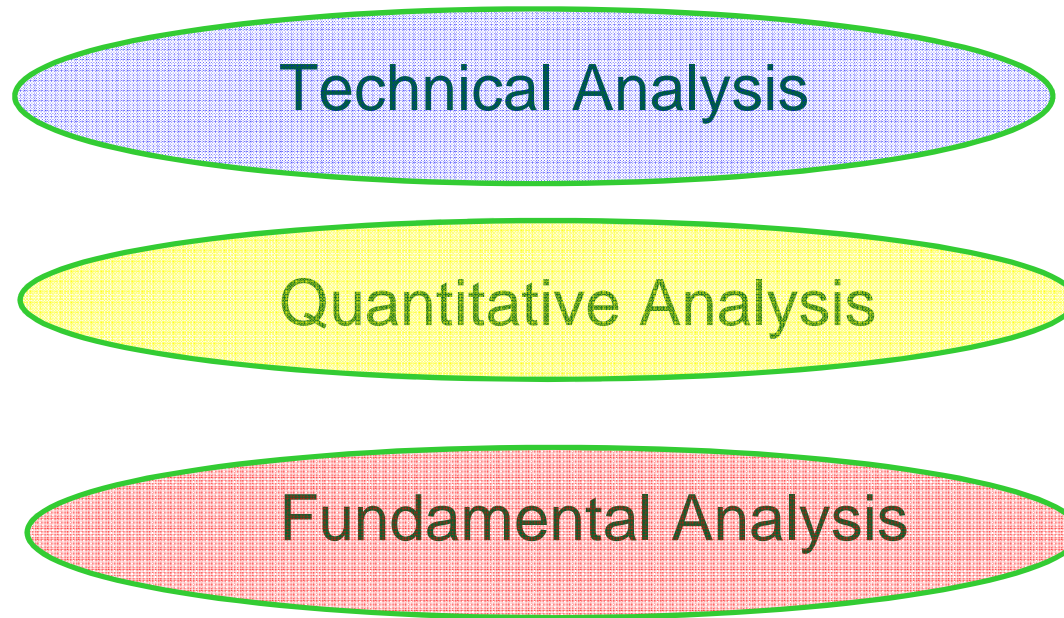
**[candiv@enrichedinvesting.com](mailto:candiv@enrichedinvesting.com)  
[www.enrichedinvesting.com](http://www.enrichedinvesting.com)**

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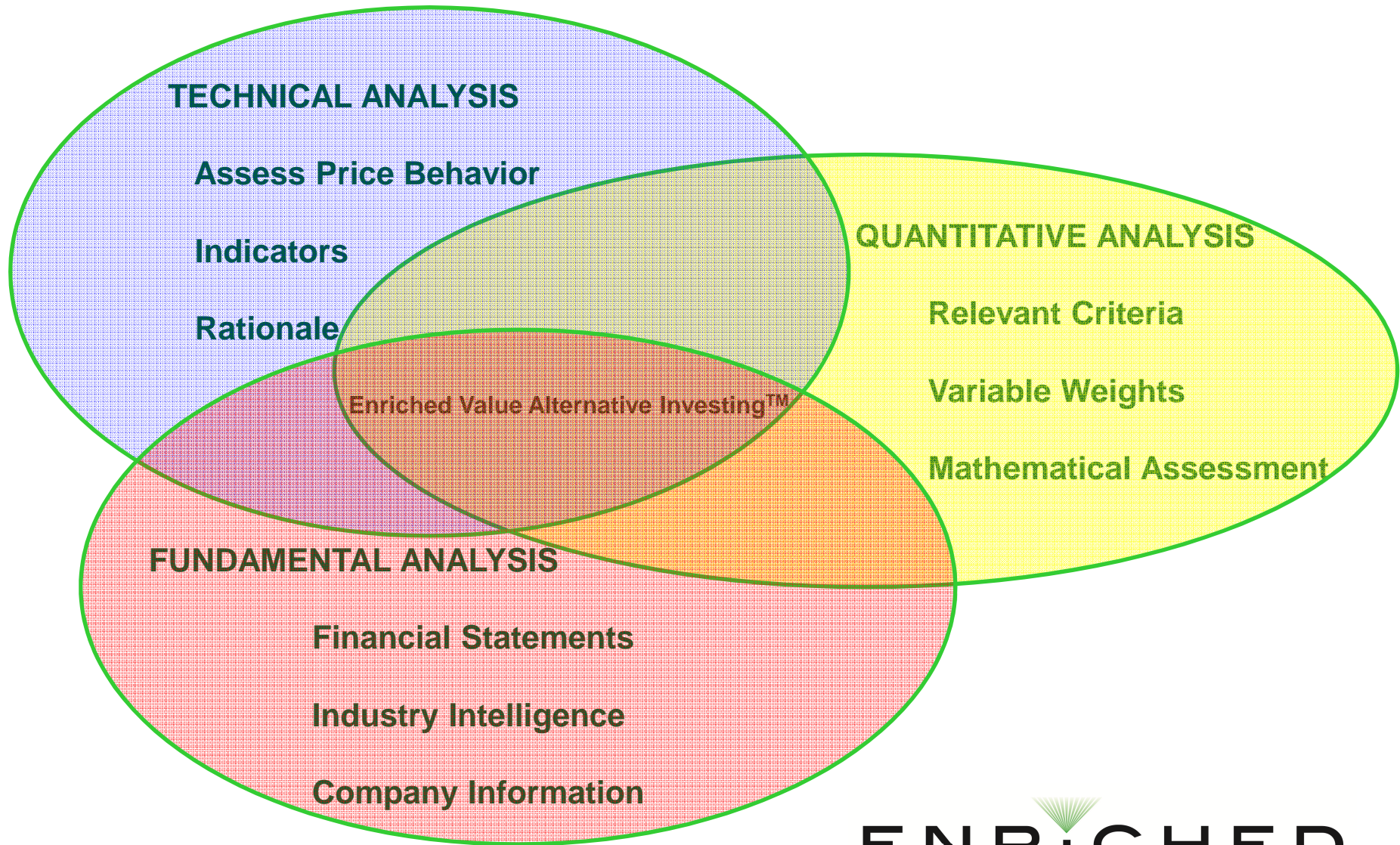
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# What is Enriched Value Alternative Investing™?

Decision-Making Combining all 3 Analytical Disciplines



**Enriched Value Alternative Investing™**



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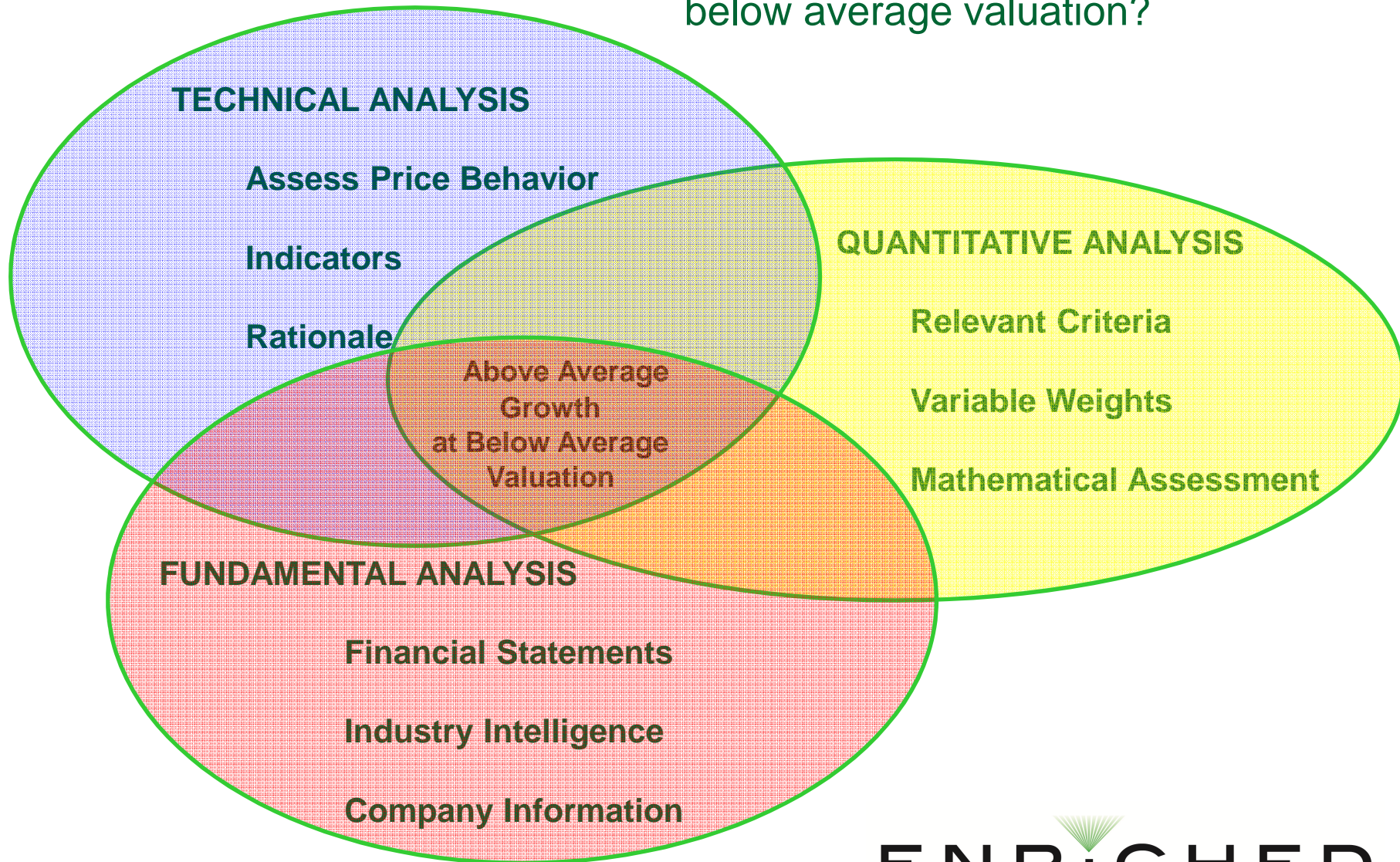
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# What is the Canadian Dividend Strategy?

We buy 25 Canadian companies with

- above average growth at
- below average valuation and risk with
- high ROE and
- strong dividend growth

How does the Canadian Dividend Strategy find above average growth at below average valuation?



We look for: **ABOVE average GROWTH**

At the end of 2016, 2017 and 2018 the 25 or fewer Canadian stocks in the strategy had these compelling fundamentals (on a weighted basis):

The average year over year **GROWTH** per share of:

**Sales, Earnings, EBITDA and Free Cash flow**

at end of 2016 was 5.6X BETTER, at end of 2017: 87% BETTER, at end of 2018: 24% WORSE.

**at BELOW average VALUATION** (LOWER is BETTER)

The average four quarter trailing P/E and Enterprise Value to EBITDA

at end of 2016 was 30% BETTER, at end of 2017: 45% BETTER, at end of 2018: 15% BETTER.

**with LOW HISTORICAL RISK**

The average 5 year: BETA and Earnings Stability

at end of 2016 was 23% BETTER, at end of 2017: 32% BETTER, at end of 2018: 39% BETTER.

**with ABOVE average RETURN ON EQUITY** (4 qtr trailing)

at end of 2016 was 30% BETTER, at end of 2017: 45% BETTER, at end of 2018: 62% BETTER.

**with ABOVE average Annual Dividend Growth**

at end of 2016: 8.4X BETTER (+8.4% vs -1.0%), at end of 2017: 2.7X BETTER (+9.6% vs 3.6%),

at end of 2018: 3.7X BETTER (+31.3% vs 8.4%)



## The Canadian Dividend Strategy

**11-year Backtested\* Returns**

**14.1% per year from June 2007 to Jan31 2019\***

**that exceeded the S&P/TSX Composite  
Total Return by 10.2% per year backtested\***

\* These are backtested, not actual, historical returns. See notes on the last page regarding Assumptions, Methodology, Risks and Limitations of the backtest.

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## The Canadian Dividend Strategy

\$1 million in 2007 would now be \$4.6263 million\*



\* **Backtested** — These are backtested, not actual, historical returns. See notes on the last page regarding Assumptions, Methodology, Risks and Limitations of the backtest.

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# Find out More

## Enriched Investing™

To find out more about how to invest with  
the Canadian Dividend Strategy

### Contact

Margaret M. Samuel, MBA, LL.B., CFA  
President, CEO and Portfolio Manager

[www.enrichedinvesting.com](http://www.enrichedinvesting.com)

[candiv@enrichedinvesting.com](mailto:candiv@enrichedinvesting.com)

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# Contact Information

## Enriched Investing Incorporated

P.O. Box 1016, TD Centre  
Toronto, Ontario  
CANADA M5K 1A0

Darryl M. Cailes, BA, PFP  
Executive Vice-President and Managing Director

Phone: (613) 779-7361

Phone: (416) 203-3028

Fax: (416) 216-4625

[www.enrichedinvesting.com](http://www.enrichedinvesting.com)

[candiv@enrichedinvesting.com](mailto:candiv@enrichedinvesting.com)

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# The Canadian Dividend Strategy Backtesting

**Assumptions:** The backtesting of the Canadian Dividend Strategy assumes that purchases and sales on the first day of each month are transacted at the closing price of the prior monthend. Purchases and sale prices include a commission of 5 cents per share.

**Methodology:** 25 Canadian equity stocks are selected based on the Canadian Dividend Strategy. This strategy is created using Morningstar/CPMS software and is comprised of both Morningstar/CPMS variables and proprietary user-defined variables. These variables are assigned proprietary weights. The strategy is rebalanced to buy and sell stocks on the first day of each month based on data as of the market closing at the prior monthend.

**Risks and Limitations:** These results are not based on actual transactions but are based on backtested results that are backward looking. There is no management fee included in the results, so the annual percentage management fee that would be charged on an actual portfolio should be subtracted from the returns. In addition, the transaction and market impact costs may differ from the assumed commission. Therefore, actual portfolio results may have differed substantially from the posted backtested performance. There is no guarantee that past performance will be repeated in the future. There is no guarantee that actual portfolio results over this time period would have been the same as the backtested results.