



# Enriched Investing Incorporated

## Canadian Conservative Growth Strategy

Proprietary institutional investment strategy now available for investors

### **SOPHISTICATED INVESTOR PRESENTATION**

January 2023

TD Centre | Toronto | [enrichedinvesting.com](http://enrichedinvesting.com) | [Info@enrichedinvesting.com](mailto:Info@enrichedinvesting.com)

# Disclaimer

This presentation is for information only. It should not be construed as an offer to sell or solicitation of an offer to buy any product or security. Past performance will not necessarily be repeated and does not guarantee future returns. Before making an investment, prospective investors should obtain independent investment advice and should review the appropriate offering documents, which summarize the investment objectives, fees, expenses and various risks associated with each investment.

**STRICTLY PRIVATE AND CONFIDENTIAL**

# BASIC INFO

INVESTMENT TYPE Conservative Growth

INVESTMENT VEHICLE Personal Account Management Strategy

ELIGIBILITY Registered and non-registered accounts

MANAGEMENT TYPE Active Daily management

MIN. INVESTMENT \$200,000

RETURN OBJECTIVE Capital Growth & Preservation of Capital

ASSET CLASS Canadian Equity

AUM \$3,000,000

MANAGEMENT FEE Annual Advisory Fee 1.5%\*

\*Management fees are set based on total investment amount

# ABOUT US

INCORPORATED ESTABLISHED 1989 Enriched Investing™ is an investment management firm founded in 1989. Over the last 33 years we have developed unique portfolio strategies ideally suited for high net worth investors and institutions. Our current platforms offer customized portfolio strategies and “Fund” type investment disciplines which set perimeters and objectives in a more regimented structure.

# OBJECTIVES

Enriched Investing's experienced management team focuses on reaching above average capital growth and preservation of capital using a unique disciplined approach. Our proprietary strategy<sup>‡</sup> involves the evaluation of the top 350 Canadian dividend paying stocks. After our analysis we purchase up to 15 companies typically with above average growth, at below average valuation and risk, high ROE, low debt to equity, and better ability to pay down debt. The portfolio is monitored daily and adjusted monthly.

The long-term objective of this strategy is to generate a total return that exceeds the Canadian equity market and to manage the volatility of the portfolios through stock selection and the ability to hold significant levels of cash. This strategy is focused purely on publicly traded Canadian stocks that pay dividends.

<sup>‡</sup>Robert McWhirter has licenced this strategy to Enriched Investing™

Why Enriched?

Specialty Boutique Asset Manager

## FOUR PILLARS

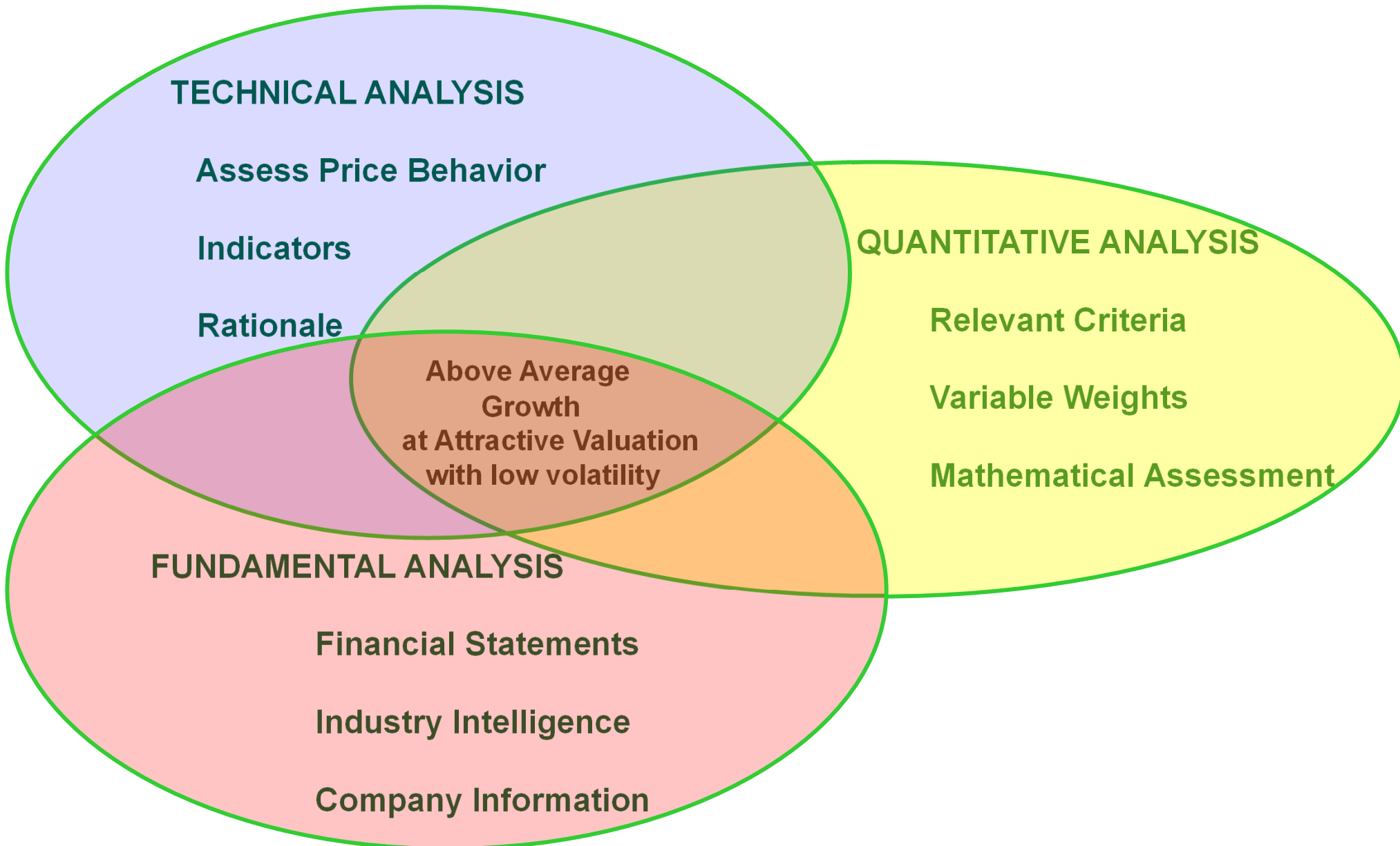
1. Private Ownership, Independent Structure
2. Singular Focus on Investment Management
3. Management's Deep Experience
4. Culture of Clarity and Integrity

## Decision-Making Combining all 3 Analytical Disciplines

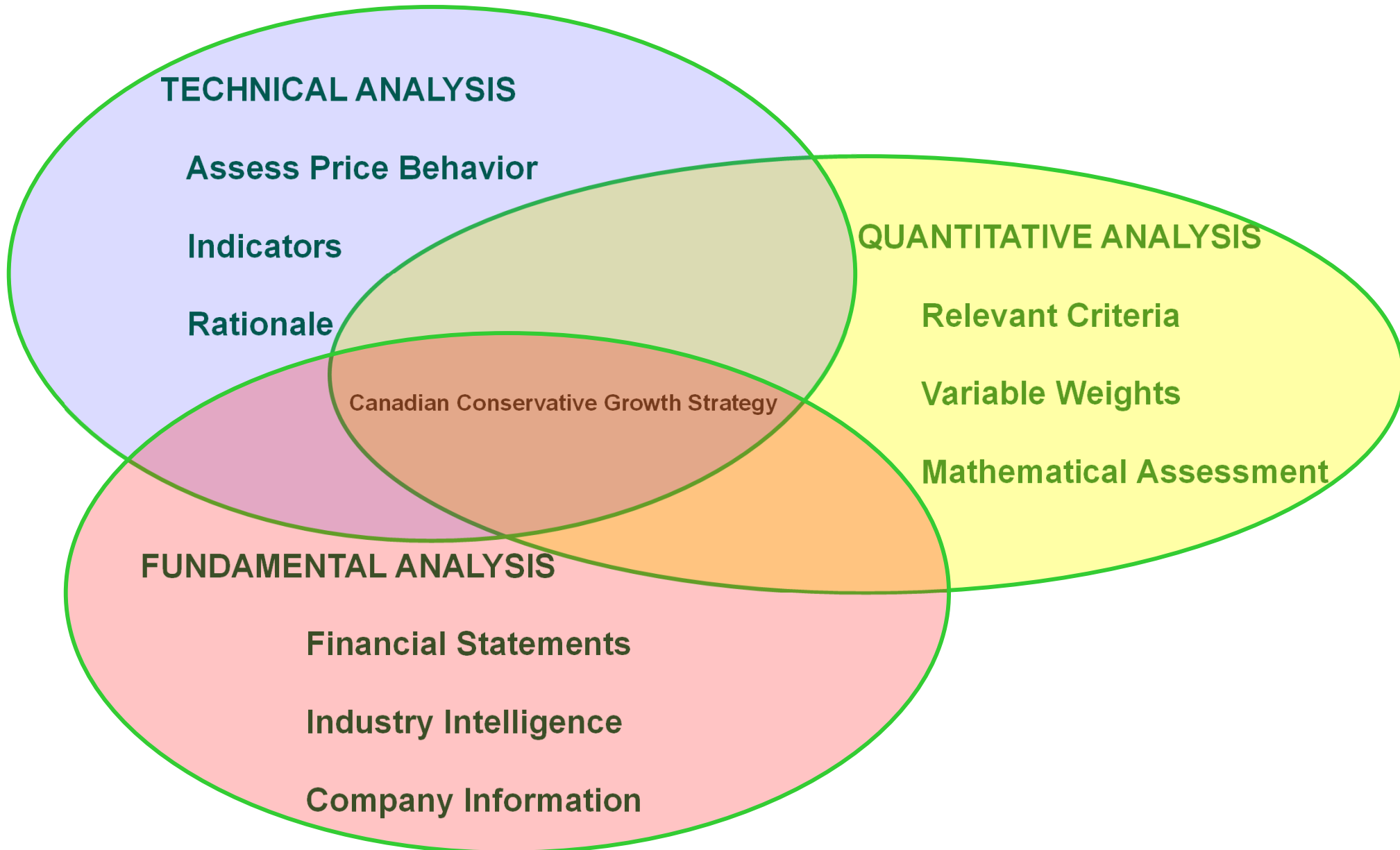
Technical Analysis

Quantitative Analysis

Fundamental Analysis









# MANAGEMENT

OVER 100 YEARS EXPERIENCE

Margaret M. Samuel, MBA, LL.B., CFA, Portfolio Manager

Darryl Cailes, B.A., PFP, Chairman

David Chapman, CIM, BA, Chief Strategist

Robert McWhirter, CFA, Strategic Advisor

David Ratcliffe, B.Sc, MBA, CFA, Portfolio Manager

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# STRATEGY

We buy up to 15 Canadian companies with

- above average growth at
- below average valuation and risk with
- high ROE
- low Debt to Equity and
- better ability to pay down Debt

We look for: ABOVE average GROWTH

At June 29, 2022 the 15 Canadian stocks in the strategy had these compelling fundamentals\* (on an equally weighted basis):

**1. ABOVE AVERAGE GROWTH:** The average year over year GROWTH per share of:

Sales, Earnings, EBITDA and Free Cash flow

9%, 45%, 25% and 240% BETTER, averaging 80% BETTER.

**2. at ATTRACTIVE VALUATION** (LOWER is BETTER)

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

16% and 25% BETTER. (11.7 vs 14 and 19.9 vs 24.8), averaging 20% BETTER.

**3. with LOW VOLATILITY**

The average 1 year: BETA

24% BETTER.

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

3% BETTER. (14.88 vs 14.45)

**4. with ABOVE average Annual Dividend Growth**

2.8 times BETTER. (23.4 vs 8.5)

\*compared to the weighted S&P/TSX Composite, source: CPMS Morningstar

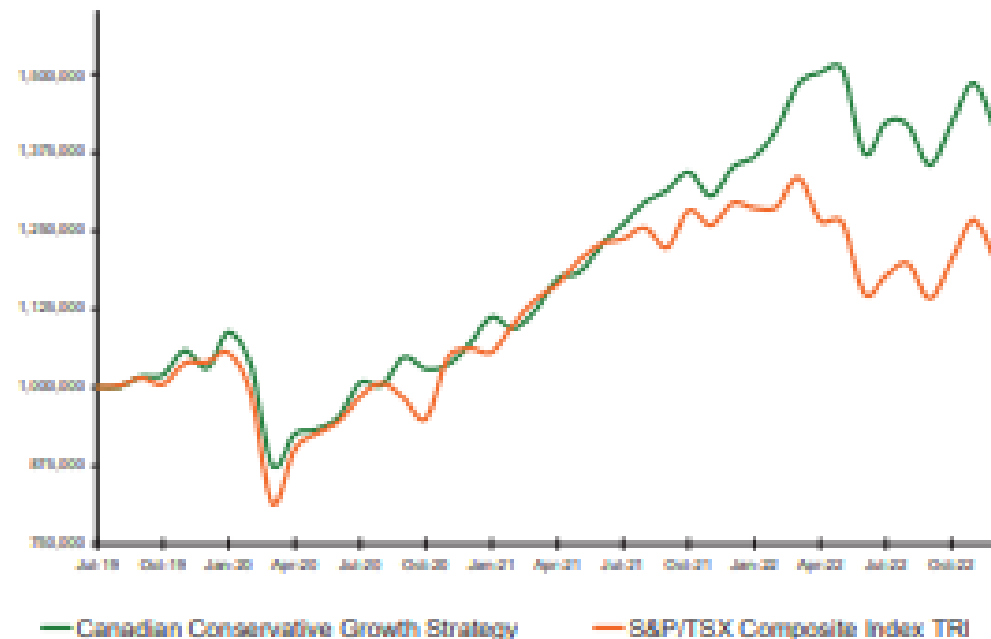
# PERFORMANCE

To December 31, 2022

**GROWTH OF \$1,000,000**  
From February 2018



**GROWTH OF \$1,000,000**  
From July 2019



# PERFORMANCE

To December 31, 2022

**CANADIAN CONSERVATIVE GROWTH STRATEGY MONTHLY PERFORMANCE (NET OF FEES)**

YEAR	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	YTD *	1 YEAR
2022	3.19%	5.08%	1.28%	0.39%	-8.92%	3.55%	-0.30%	-4.46%	4.95%	4.45%	-5.18%		2.95%	-
2021	-1.64%	2.68%	4.48%	0.90%	3.61%	2.75%	2.77%	1.52%	2.18%	-2.81%	3.46%	1.27%	-	23.05%
2020	-4.68%	-15.51%	5.64%	0.75%	2.17%	5.76%	-0.41%	4.50%	-1.87%	0.72%	3.23%	3.93%	-	2.22%
2019	2.90%	0.20%	2.80%	-2.16%	1.56%	2.53%	0.14%	1.58%	0.23%	3.86%	-2.71%	5.59%	-	17.48%
2018	0.57%	-1.71%	0.92%	1.66%	-0.01%	-0.16%	-2.04%	-2.61%	-7.65%	0.74%	-3.42%	1.40%	-	-12.00%

\* From Jan.31 Strategy Inception

# PERFORMANCE

To December 31, 2022

## RETURN CHARACTERISTICS

### COMPARED TO S&P/TSX TRI

+4bp      -116bp      -191bp      +1143bp      +1143bp      +608bp      +824bp      +136bp

1                      3                      6    3 YR                      SINCE INCEPTION (JAN. 31, 2018)

MONTH    YTD                      1 YR                      (ANNUAL)                      TOTAL                      ANNUAL

Canadian Conservative Growth Strategy	-5.18	3.95	2.52	4.25	4.25	10.99	33.87	6.11
S&P/TSX Total Return Index	-5.22	5.10	4.43	-7.19	-7.19	4.90	25.63	4.75
iShares CDZ Cdn. Dividend Aristocrats ETF	-2.64	5.05	0.65	-5.21	-5.21	5.23	34.72	6.25
S&P 500 TRI C\$	-5.82	7.42	2.53	-17.05	-17.05	7.44	59.90	10.02
MSCI All Country World Index (CAD)	-3.95	8.35	7.68	-12.00	-12.00	6.03	38.25	6.81
iShares High Quality Canadian Bond Index ETF	-1.36	-0.22	0.14	-11.30	-11.30	-1.73	1.69	0.34

# PERFORMANCE

To December 31, 2022

## RISK ANALYSIS

SINCE INCEPTION (JAN. 31, 2018)	COMPARED TO S&P/TSX TRI	CANADIAN CONSERVATIVE GROWTH STRATEGY	S&P/TSX TOTAL RETURN INDEX	ISHARES CDZ CDN. DIVIDEND ARISTOCRATS ETF	S&P 500 TRI C\$	MSCI ALL COUNTRY WORLD IDX (CAD)	ISHARES HIGH QUALITY CDN BOND INDEX ETF
% of Positive Months	<b>5% better</b>	67.80%	64.41%	69.49%	64.41%	64.41%	52.54%
Best Month		5.76%	10.48%	11.44%	13.59%	9.21%	3.54%
Worst Month	<b>13% better</b>	-15.51%	-17.74%	-25.42%	-13.18%	-8.22%	-3.13%
Maximum Drawdown	<b>15% better</b>	-19.46%	-22.75%	-30.13%	-22.78%	-18.79%	-13.17%
Maximum Drawdown - 12 month	<b>30% better</b>	-10.17%	-14.39%	-14.17%	-20.21%	-15.19%	-13.17%
Annualized Standard Deviation	<b>15% better</b>	13.25%	15.50%	17.22%	18.01%	13.03%	5.24%
Correlation to CCGStrategy		N/A	0.78	0.79	0.66	0.68	0.30
Sharpe Ratio (4%)	<b>59% better</b>	0.39	0.24	0.30	0.50	0.45	-0.13
Sortino Ratio	<b>45% better</b>	0.40	0.27	0.28	0.68	0.65	-0.21
Treynor Ratio	<b>19% worse</b>	0.64	0.78	0.28	4.22	18.41	0.31



# BACKTEST

The Canadian Conservative Growth Strategy  
15-year Backtested\* Returns

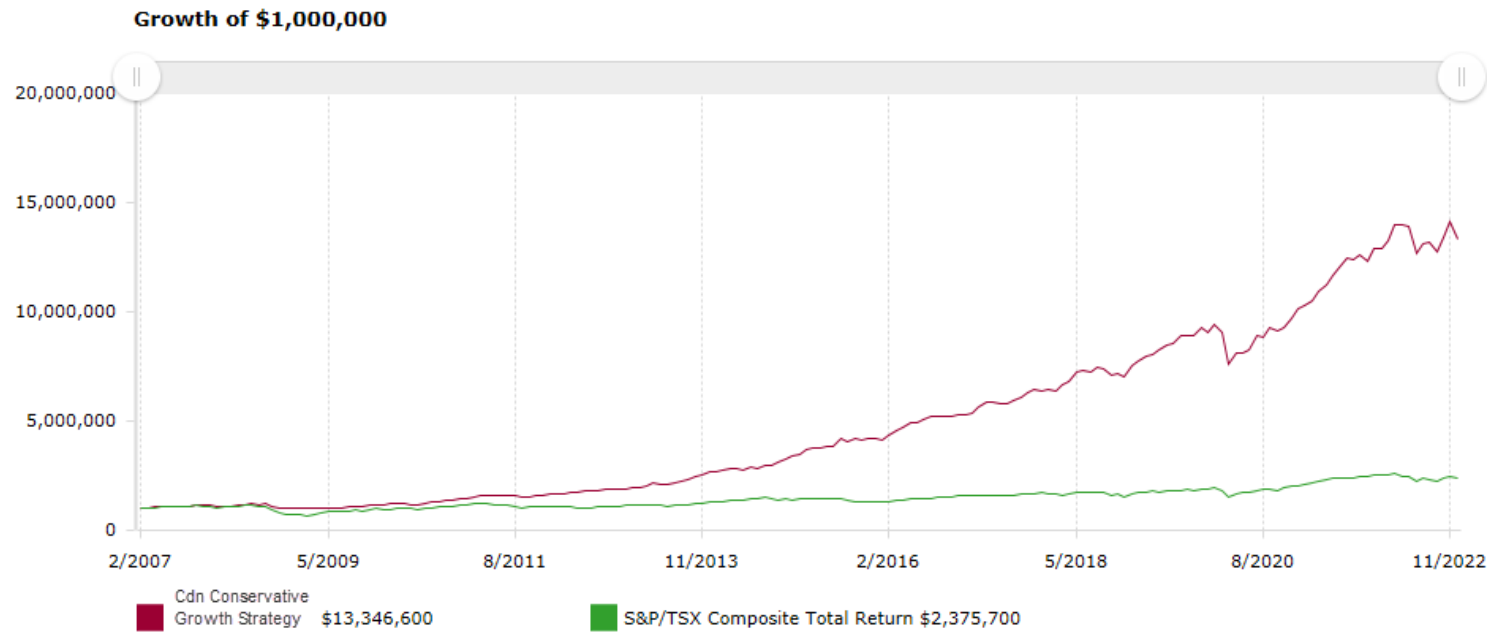
17.8% per year from Feb 2007 to December 2022\*  
that exceeded the S&P/TSX Composite  
Total Return by 12.2% per year backtested\*

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

# BACKTEST

The Canadian Conservative Growth Strategy

\$1 million in 2007 would now be \$13.3466 million\*



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



# TECHNICAL “SCOOP”

Stay informed

At Enriched Investing™ we believe an educated client is our best client.

David Chapman, chief strategist, creates a weekly report, the “Technical Scoop”, a comprehensive in-depth market report covering global markets and analysis.

We analyze all areas of the market and make it easy for our clients to stay current and up-to-date on market activity.

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# HOW TO INVEST

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# BACKTEST

## The Canadian Conservative Growth Strategy Backtesting

**Assumptions:** The backtesting of the Canadian Conservative Growth 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:** Up to 15 Canadian equity stocks are selected based on the Canadian Conservative Growth 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.