

HCB

HAMILTON CAPITAL CANADIAN BANK VARIABLE-WEIGHT ETF



FUND DETAILS

NAV per Unit	\$14.60
Currency	CAD
Inception Date	October 1, 2018
CUSIP	40704W104
Distributions	Monthly
Eligibility	RRSP, DRIP, RRIF, DPSP, RDSP, RESP, TFSA
Administrator	Horizons ETFs Management (Canada) Inc.
Auditor	KPMG LLP
Mgmt Fee ¹	0.55%
Dividend Yield	3.86%
Net Asset Value	\$11.7 mln



Hamilton Capital
Specialists in Financial Services

¹. Plus sales taxes

Source: Bloomberg, Hamilton Capital

HIGHLIGHTS

As at May 31, 2019 (published June 10, 2019)

- Exposure to “big-6” Canadian banks using **mean reversion strategy** with monthly rebalancing (see “What is Mean Reversion?” below)
- **Monthly distributions**
- Each month, **HCB** will rebalance and overweight the three most recent underperformers (~80%) and underweight the three most recent outperformers (~20%)
- **HCB’s mean reversion strategy** seeks to provide the following benefits:
 - Potential for **higher long-term returns** by capitalizing on mean reversion tendencies of the sector
 - **Reduced risk** during periods of market stress
- For more information on Mean Reversion, see hamilton-capital.com/etf/hcb/

INVESTMENT OBJECTIVE

The investment objective of HCB is to generate long-term returns consisting of long-term capital growth as well as regular dividend income by investing in an equity portfolio of Canadian banks. HCB will employ a proprietary rules-based portfolio rebalancing methodology in an effort to improve the return potential of the ETF.

HOLDINGS

#	Ticker	Name	Market Cap	Weight
1	CM	Canadian Imperial Bank of Commerce	\$45.6 bln	27%
2	BMO	Bank of Montreal	\$62.7 bln	27%
3	BNS	Bank of Nova Scotia	\$83.8 bln	27%
4	TD	Toronto-Dominion Bank	\$135.1 bln	7%
5	NA	National Bank of Canada	\$20.3 bln	7%
6	RY	Royal Bank of Canada	\$145.9 bln	7%

WHAT IS MEAN REVERSION?

Over the years, buying the laggards and selling the outperformers has been one of the most popular themes in Canadian bank investing on the belief by investors that Canadian bank stocks will – over time – generate similar returns. This is called “mean reversion”.

HCB attempts to take advantage of these tendencies by rebalancing the portfolio monthly and investing 80% of the portfolio in the 3 banks which have recently underperformed, and 20% in the 3 banks which have outperformed.

ABOUT HAMILTON CAPITAL

Hamilton Capital is an asset manager headquartered in Toronto. Specializing in equity investments in global financial services companies, our team of investment professionals has over 60 years of combined experience in the financial services sector.

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