

PURPOSE- DRIVEN DECADE

The world has changed. Society uses social media platforms to turn comfy corporations into Wall Street castaways in minutes – based solely on their bad behaviour.

It's understandable. Society has new horrors. Emotions are easily ignited when companies are careless and trigger more fear. Society seeks companies it trusts and are doing good for its communities. At a very minimum, companies wanting to exist in this purpose-driven decade need to have acceptable Environmental, Social and Governance (ESG) practices. Those who want to compete for greater market share, they need to move outside of their walls and commit to the overall global good, like helping to achieve the UN's 17 Sustainable Development Goals.

As a result, analysts and investors are at a disadvantage when using only traditional factors when evaluating stocks. The real opportunity in 2020 and beyond lies with those who can rapidly evaluate emotionally charged events that play out on Twitter every second of every day. And those who can make data-backed investment decisions long before those events wallop Wall Street.

That's where our proprietary technology wins every time. Orenda's algorithms rapidly quantifies reputational risk, seven days a week and 365 days of the year (even more on leap year). We are the first to know when a CEO does something unacceptable and trust tumbles. We then leverage those insights to predict how the market will react.

To celebrate Orenda's fifth anniversary and the launch of a new decade, we gathered 10 years of views and opinions on companies listed on the TSX 60 and performed a factor ranking exercise that involved selecting 20 stocks that gain in value when people respond favorably to their good behaviour. By using public opinion as a leading factor, our selection of the most socially aligned companies outperformed the benchmark 10 out of 10 years. **It's sweet. It's simple.**

For 2020, we repeated the exercise and are celebrating our milestone by sharing the insights with all of you. We gathered all social media posts on each of the TSX 60 constituents to compose our list. In general, we selected 20 companies that gained the most favorable opinions from the public over the past year and used that social alignment to pick our next stocks. The good behaviour is calculated by an increase in trust, the company's ESG practices and commitment to the 17 Sustainable Development Goals. This doesn't mean that the companies didn't have any bad days, it simply means that over the past year, they tried harder to do better and we expect their efforts will be rewarded on the stock market this coming year.

Following are the equities we invested in and we will be holding our position until we rebalance our portfolio again on January 1, 2021.

By Tanya Seajay, Founder and CEO, Orenda Solutions



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Orenda's Companies Portfolio for 2020

Data points include the opening share price on January 2, 2020, and the company's rank the previous year, as well as the total tweets analyzed.

#1

Bank of Montreal

Rank 2019: #5

Datapoints: 34,207,686

Opening Price January 2: \$101.04

#2

BCE Inc

Rank 2019: #38

Datapoints: 2,529,963

Opening Price January 2: \$60.25

#3

BlackBerry Limited

Rank 2019: #37

Datapoints: 3,596,295

Opening Price January 2: \$8.44

#4

Brookfield Asset Management Inc.

Rank 2019: #7

Datapoints: 1,588,402

Opening Price January 2: \$75.34

#5

Emera Incorporated

Rank 2019: #14

Datapoints: 20,227,219

Opening Price January 2: \$55.80

#6

First Quantum Minerals Ltd.

Rank 2019: #27

Datapoints: 1,020,544

Opening Price January 2: \$13.38

#7

Wheaton Precious Metals Corporation

Rank 2019: #56

Datapoints: 33,068

Opening Price January 2: \$39.18

#8

Telus Corporation

Rank 2019: #40

Datapoints: 1,433,509

Opening Price January 2: \$50.21

#9

Canopy Growth Corporation

Rank 2019: #20

Datapoints: 5,754,153

Opening Price January 2: \$28.00

#10

Canadian Pacific Railway Limited

Rank 2019: #2

Datapoints: 1,853,442

Opening Price January 2: \$332.75

#11

George Weston Limited

Rank 2019: #39

Datapoints: 1,818,770

Opening Price January 2: \$103.22

#12

Bank of Nova Scotia

Rank 2019: #49

Datapoints: 9,017,132

Opening Price January 2: \$73.65

#13

Canadian National Railway Company

Rank 2019: #26

Datapoints: 1,538,471

Opening Price January 2: \$118.10

#14

Canadian Natural Resources Limited

Rank 2019: #34

Datapoints: 2,523,498

Opening Price January 2: \$41.31

#15

Encana Corporation

Rank 2019: #15

Datapoints: 1,337,090

Opening Price January 2: \$6.17

#16

Inter Pipeline Ltd.

Rank 2019: #47

Datapoints: 365,886

Opening Price January 2: \$22.56

#17

National Bank of Canada

Rank 2019: #11

Datapoints: 70,519

Opening Price January 2: \$72.08

#18

Barrick Gold Corporation

Rank 2019: #6

Datapoints: 5,465,331

Opening Price January 2: \$24.32

#19

Bausch Health Companies Inc.

Rank 2019: #41

Datapoints: 24,266,104

Opening Price January 2: \$39.33

#20

Bombardier Inc.

Rank 2019: #59

Datapoints: 2,238,317

Opening Price January 2: \$2.02

Methodology

Factor Ranking for the Top 20

The list is a forecast of the top 20 companies that have a high sentiment delta for 2020. That is, there is an observable change in price that follows a significant change in their reputational sentiment as calculated by Orenda Software Solutions.

All companies that appear on our list are publicly traded on the Toronto Stock Exchange and are currently constituents on the TSX 60. Our ranking is based on data collected throughout 2019.

Why Consider a High Sentiment Delta?

More than ever, consumers are considering the values of a company rather than the direct benefit they receive from a particular product or service when making purchases. Consumers are choosing brands that support causes that align with their own beliefs and values. The most trusted organizations consider the social and environmental impact that they have in the world and take active measures to ensure that their economic activities have a positive impact wherever possible.

The trend today is for the public to exercise social and political power online, able to post their concerns, criticisms, and thoughts directly to their network and to the company's page. Collectively, social media posts are treated as commentaries on how a company conducts its business. The effectiveness of those social media campaigns ultimately depend on whether a company values consumer opinions, and to what extent the public can influence that company's ethics.

As a result, businesses must build trust in order to win their customer's confidence. This means going beyond traditional factors, or relying on the product or service on its own and authentically communicating the company's purpose. Consumers will seek out brands that address wider stakeholder concerns such as environmental, social, and governance (ESG) factors. Our goal is to communicate when public perception has a greater impact on a company's value or performance, and why.

Orenda's Unique Approach

Orenda Software Solutions is an AI powered platform that analyzes and quantifies social media mentions in order to clearly communicate the public perception of an organization's reputation, as well as their social values and commitment to global good. Our mission is to provide insights, quantify public perception and identify the values that resonate with customers and stakeholders. Our metrics are intended to give organizations the power to make better decisions based on real time information.

We have found that it is important to note the differences between what a company says about itself in its public relations and advertising, and what the public has to say about their experiences.

Every social media post that is analyzed is organized into our proprietary framework and then scored on a 0-100 scale for reputational risk. This means that for every company our technology tracks, there are multiple scores generated at a minimum of 144 times daily, making it easy to measure reputation according to organic social media mentions from the general public.

By quantifying and tracking public perception, our users can act on a company's performance and reputation in real time.

Our Purpose-driven Decade document may include predictions, estimates or other information that might be considered forward-looking. While these forward-looking statements represent our current judgment on what the future holds, they are subject to risks and uncertainties that could cause actual results to differ materially. You are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of January 2, 2020. Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events.

For insight into other indices and companies, contact us at esg@orendasolutions.com or call **1-416-777-1313**.