

Equity Completion Portfolio – June 2023

Investment Objectives

This portfolio is predominantly an all-equity portfolio with a close eye on capital preservation. The strategy is designed to preserve capital in difficult times and over the longer term, provide capital growth and income in the form of dividends. The long-term target asset allocation for the portfolio is 85% North American equity, 10% international equity and a small portion of cash.

Managers Comments

At the beginning of 2023, it was assumed that interest rates would flatten, if not decline. Instead, inflation grew at near historical levels. In recent months it has somewhat tempered, but not enough for central banks. It appears as though not only are more interest rate hikes seem to be on the horizon, but we are now in a potential “higher for longer” scenario.

With this increase in interest rates, we have seen the value of bonds and bond indexes decline. At the same time, with the exception of technology, much of the North American equity market has decreased. Technology has been a unique bright spot in the markets and their increase has driven up indexes like the Nasdaq and the S&P 500. North American equity indexes with more staid companies have fared far worse:

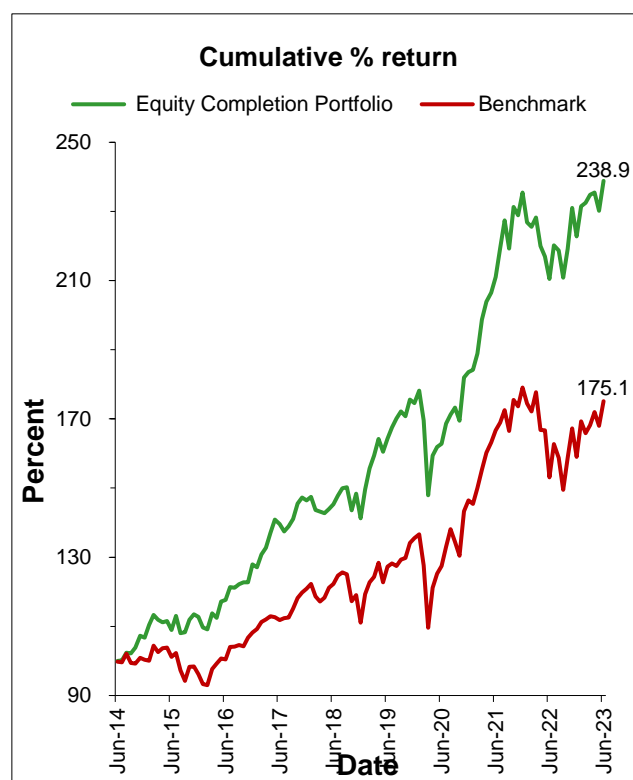
Index	June 2023	YTD 2023
TSX	3.0%	4.0%
Dow Jones	4.6%	3.8%
S&P 500	6.5%	15.9%
Nasdaq	6.6%	31.7%

Source (Factset, June 30, 2023)

We have stayed true to our discipline and not followed the hot stock/sector. We like technology and have some great businesses in the sector, but we have not been increasing our weight to this sector as a matter of prudence. Our experience has shown that we are better served to buy in during down times as opposed to possibly overpaying during upswings.

Portfolio Facts

Portfolio Manager - **David Shubs**
 Investment Approach - **Fundamental & Quantitative**
 Risk Profile - **Medium to High**
 Return Objective - **Capital Growth and Dividend Income**
 Minimum Investment - **\$250,000**
 Portfolio Inception Date – **September 2014**
 Base Currency – **Dual, reported in Canadian**
 Benchmark - **5% DEX 91-day T-Bill + 50% S&P/TSX Composite + 35% S&P 500 (CAD) + 10% MSCI EAFE (CAD)**



	1 Mo	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	Since Inception
Equity Completion	3.7%	13.5%	6.4%	13.6%	9.8%	10.4%	10.2%
Benchmark	4.2%	14.4%	2.5%	11.2%	8.3%	7.4%	6.4%

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