

# Equity Completion Portfolio – March 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

March 2023 was a great example of how fear can look and more importantly how it can look when cooler heads prevail.

North American equity markets roared out of the gates in 2023 and the early days of March continued along that path. Then, seemingly out of nowhere, banks in the US and Europe started failing. Immediately, markets dropped with US markets retreating as much as 4.0% and the TSX 5.1%. Some equity investors felt a lot of pain. For investors of those specific banks, the results have been awful. For many banks that are similar or connected to the defaulting banks, the equity returns were difficult to swallow.

However, unlike in 2008, governments, central banks and other banks all stepped in to minimize the damage. Acting swiftly, these institutions instilled confidence in the stability of the financial system and assuaged the risk of contagion. In doing so, the fear was contained, as were any violent swings as there was no real panic selling. March 2023 ended with the Dow up 1.9% and the TSX down 0.6% for the month. This time the fear was not so bad and in turn the results were not so bad.

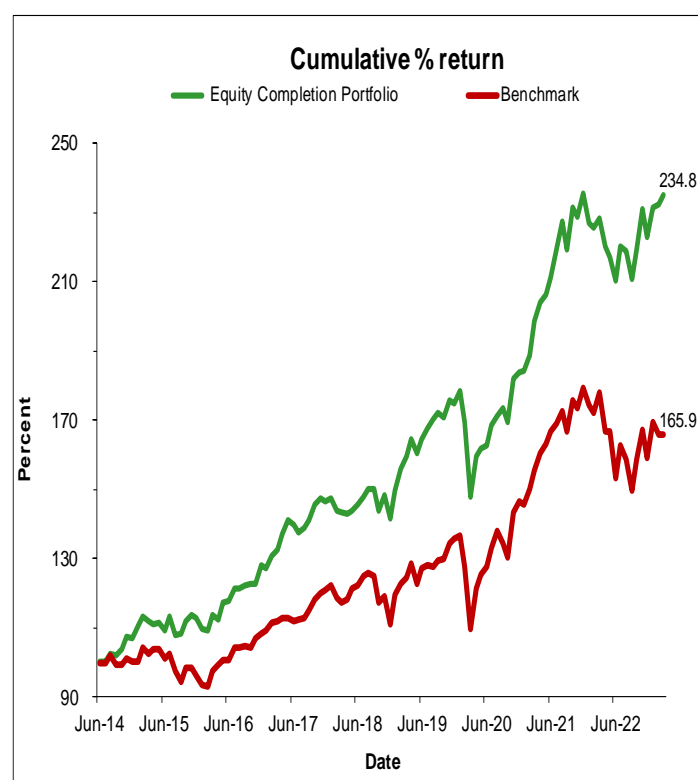
This brings us to perspective. As a general rule, I believe that the world is not ending and things will always progress forwards. With that as my backdrop, we have 2 goals:

- 1) Try to avoid the big losses (like smaller bank failures)
- 2) Look forward to where the money is going to be spent

It is a big ask, but if you can do both 1 and 2 properly you should make significant gains over the long term and avoid the big losses. I hope to be successful in these and write about how we deal with the challenges in the coming months and year.

## 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
<b>Equity Completion</b>	1.0%	2.9%	8.7%	16.6%	10.2%	10.4%	10.2%
<b>Benchmark</b>	0.0%	(6.7%)	3.3%	14.8%	7.5%	7.2%	5.9%

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