

Equity Completion Portfolio – May 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

For the month of May, the US market was largely driven by concerns about bank failures and the debt ceiling. Canada's economy is facing a different set of challenges. Interest rate hikes have hurt the Canadian consumer, near tapping them out. If rates remain high and there is an unemployment shock to the economy, Canadians' high debt loads could become problematic.

These were among the factors driving North American markets down for the month, with the Dow Jones declining 3.5% and the TSX down 5.2%. These events seemingly pale in comparison to what we have faced in the last four years. During this time, we have had two potentially world altering events:

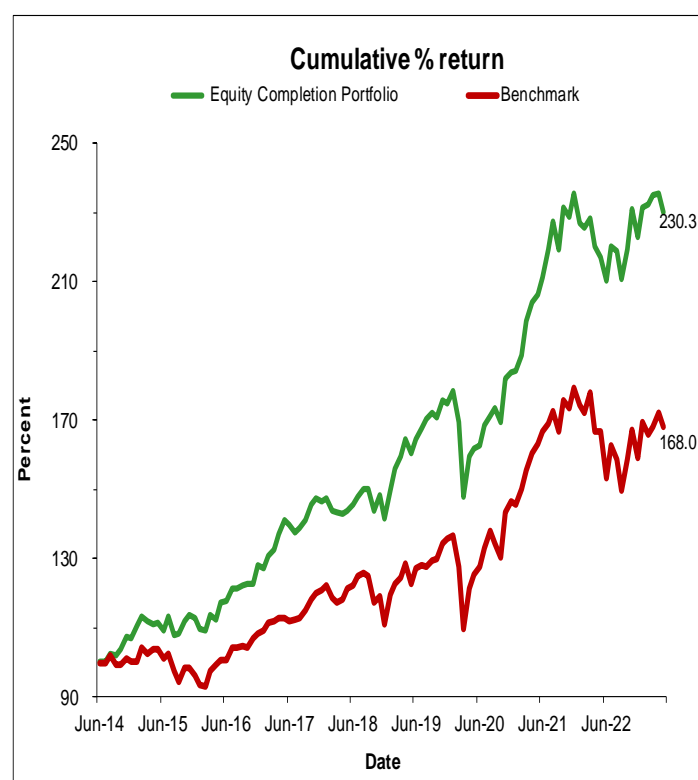
- 1) Covid – A pandemic, the likes of which haven't been seen in a century
- 2) Russia's invasion of the Ukraine, which many thought had the potential to bring the entire world to war.

Neither of these outlier events have ended. Both are ongoing, but instead of the continued concern of an apocalypse, these events have become part of our fabric. I write this not to downplay the carnage, economic and humanitarian crisis that these have created, but to show that to a very large extent, today's crisis become a part of tomorrow's normal.

As investors and stewards of capital, it is our job to remove the emotion of the events and try to reason through how they are going to (re)shape the future. We continue to invest in great businesses and strive to see where people are going to spend money in the future. We hope to see this as an opportunity and look forward to writing about how we were able to take advantage.

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	(2.2)%	6.1%	5.6%	12.5%	9.4%	9.9%	9.8%
Benchmark	(2.3)%	0.8%	1.5%	10.3%	8.2%	6.8%	5.9%

David Shubs, MBA, CFA, Investment Advisor and Portfolio Manager
 david.shubs@nbpcd.com | 416-359-7663



Private Wealth



BMO Private Wealth is a brand name for a business group consisting of Bank of Montreal and certain of its affiliates in providing private wealth management products and services. Not all products and services are offered by all legal entities within BMO Private Wealth. Banking services are offered through Bank of Montreal. Investment management, wealth planning, tax planning, and philanthropy planning services are offered through BMO Nesbitt Burns Inc. and BMO Private Investment Counsel Inc. Estate, trust, and custodial services are offered through BMO Trust Company. BMO Private Wealth legal entities do not offer tax advice.

BMO Trust Company and BMO Bank of Montreal are Members of CDIC. [®]Registered trademark of Bank of Montreal, used under license. BMO Nesbitt Burns Inc. is a Member of the Canadian Investor Protection Fund. Member of the Investment Industry Regulatory Organization of Canada. Returns are based on half month convention for deposits/withdrawals not actual days. Benchmark information is taken from the Bank of Canada and Factset

The calculation of performance data set forth herein has been prepared by the author as of the date hereof and is subject to change without notice. The author makes every effort to ensure that the contents have been compiled or derived from sources believed to be reliable and contain information and opinions, which are accurate and complete. However, BMO Nesbitt Burns Inc. ("BMO NBI") makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions which may be contained herein and accepts no liability whatsoever for any loss arising from any use of or reliance on this report or its contents.

Information may be available to BMO NBI or its affiliates that is not reflected herein. This report is prepared solely for information purposes. Please note that past performance is not necessarily an indicator of future performance. The indicated rates of return are net of fees or commissions. Individual results of clients' portfolios may differ from that of the model portfolio as fees may differ, and performance of specific accounts is based on specific account investiture. The noted Global Equity Portfolio may not be appropriate for all investors.