

Equity Completion Portfolio – November 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

Benjamin Graham said that in the short run the stock market is a beauty contest and in the long-run it is a store of value. Stocks often move away from their fundamental value on news that has little if anything to do with the company.

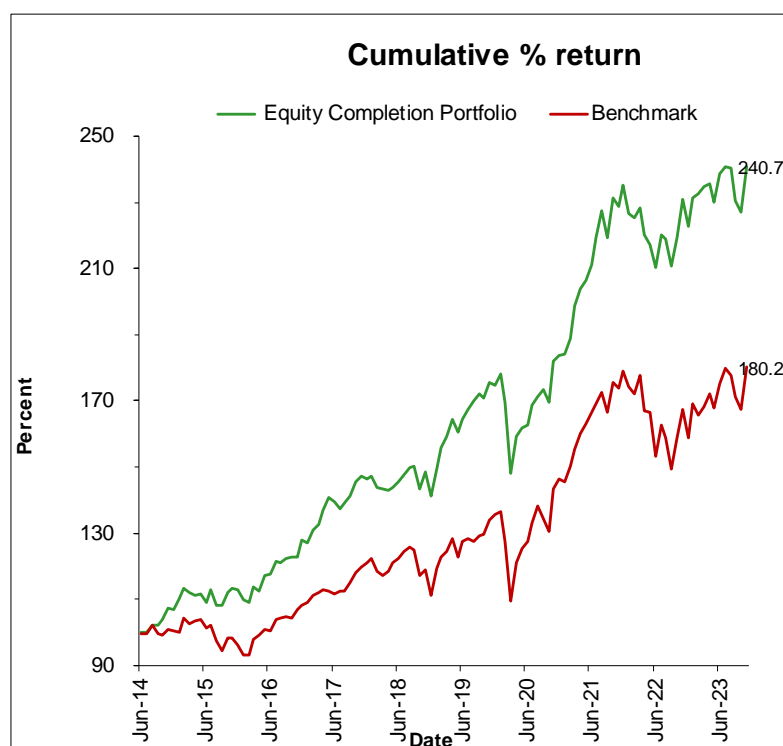
A good example is when stocks get included or excluded from an index. Upon inclusion in an index, stocks often rise as now as any fund that tracks that index needs to own the stock. As the demand for that stock increases, the price does too. The opposite is true when a stock gets dropped from the index. It tends to decrease as any index needs to sell these stocks. The price of the stock moves, sometimes significantly, while nothing about its business, operations, cash flows, economic environment, political environment etc. has changed. This is one example of how/why/when a stock can move away from the fundamental value of the business.

As we watch these non-business events happen, we know that the violent market swings are not properly pricing a businesses fundamental value. These swings help to create opportunities to sell a business that is overpriced or buy a business that is undervalued. Taking advantage of these opportunities requires diligence, long term focus and a conviction in an investment thesis.

We have been focussed on our investments, constantly challenging assumptions and re-evaluating each the opportunities for each individual company. We have also been tracking our “wish list” and have added in a handful of great business over the dips in the last several months. The time to be prepared for that, was not as the market was rising, but in the months before that when money was deployed in good, undervalued businesses. It may take years for these theses to come to fruition. To the untrained eye it looks immediate. The reality though is that it takes years to become an overnight success.

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	6.1%	4.2%	2.6%	9.8%	8.2%	10.2%	9.8%
Benchmark	7.6%	7.7%	1.9%	7.9%	7.7%	8.6%	6.4%

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