# Equity Completion Portfolio – May 2026

## 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

There seems to be a disconnect between the greater economy and the equity markets and that divergence is only getting bigger.

Real GDP in Canada shrunk 0.2% in Q4 2025 (The Daily — Gross domestic product, income and expenditure, fourth quarter 2025) and grew by a paltry 0.5% in the US (Gross Domestic Product | U.S. Bureau of Economic Analysis (BEA)). Inflation is rising, Equifax reports high bankruptcy and insolvency in Canada and the US consumer sentiment bell to an all time low.

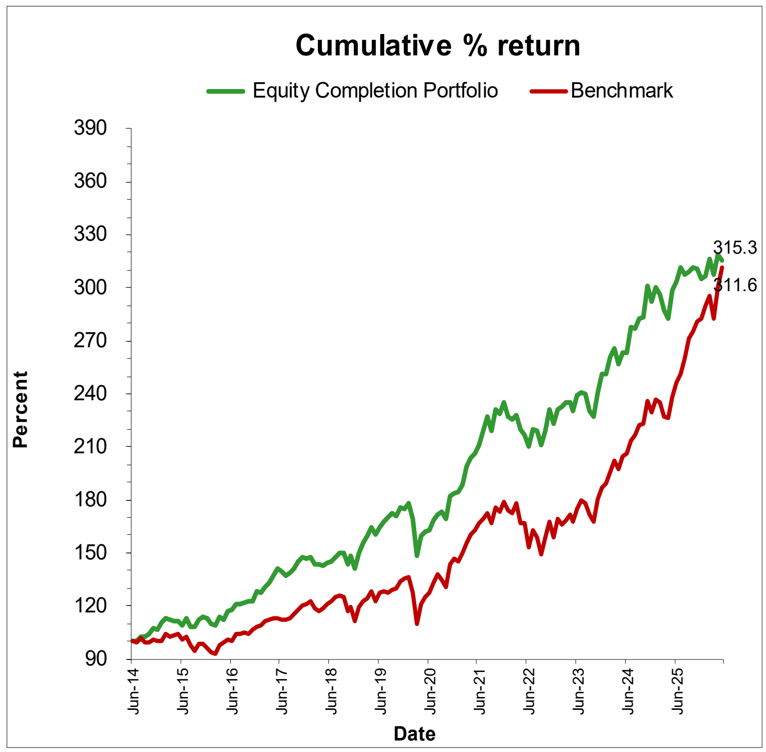
Even with that economic reality, equity markets soared in the month of May. These investors seem firmly fixated on a future that is driven by compute, AI and a quick end to the war in Iran opening the Strait of Hormuz.

We seem to sit in the middle of the fear vs. greed mindset. In a true fear scenario, I would recommend owning farmland and guns to protect said farmland. In a pure greed mindset, I would suggest chasing the hot returns with no regard to cash flows, economics or geo political news.

We are in the middle - on neither side of the fear/greed spectrum. I would categorize us as cautiously optimistic. We believe that the world will grow and be some version of better tomorrow. We are also realists that see the many challenges to today's consumer and economy. Our view is that good companies will continue to make money. We are sticking true to our mantra of investing in business that have strong cash flows, repeatable profitability and earn a higher return than their cost of capital would dictate. In the short term they may not win the beauty pageant, but over the long term, these are the companies will continue to grow and generate meaningful wealth for their owners (our investors).

## 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** | (1.2%) | 5.7% | 9.5% | 11.1% | 9.8% | 8.8% | 10.1% |
| **Benchmark** | 3.7% | 30.7% | 23.4% | 22.9% | 16.9% | 13.8% | 9.9% |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