

Equity Completion Portfolio – February 2024

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 is a difference between headlines, news and noise. How you interpret these will determine how you look at the information and frame the world. To a large extent this will drive how you live, consume and invest.

February 2024 saw equity markets driven by AI and interest rates. Any company with an AI component felt wind in their sales as Nvidia described AI as being at a tipping point. Inflation and how that will effect interest rates was the other theme for February and had a large effect on portfolios. Current GDP showed mild growth in January, reducing the likelihood of near-term interest rate reductions. Canada is still teetering between a soft landing and a potential repricing of real estate assets. In response Canadian banks increased their loan loss provisions.

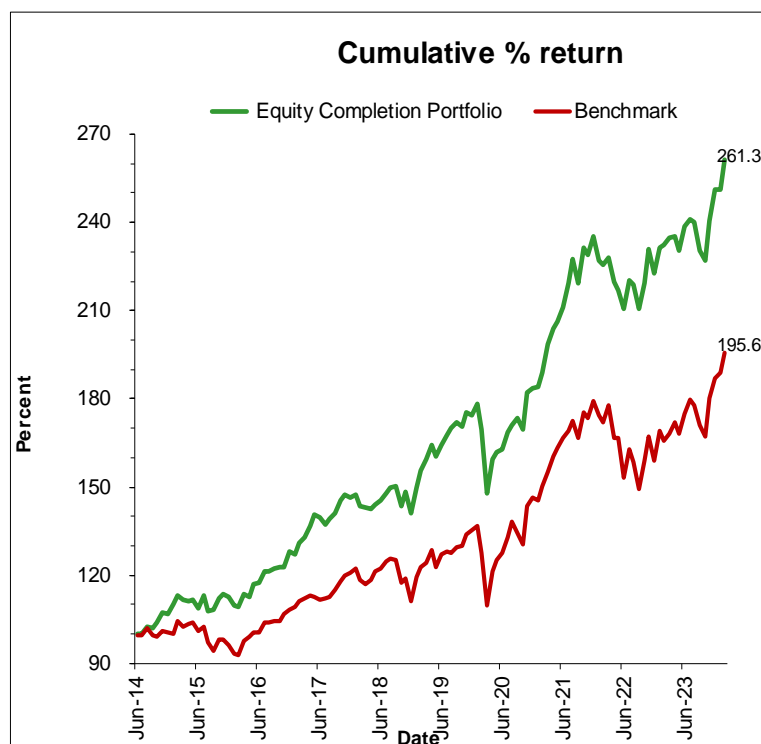
Based on the most recent inflation data in the US, the US Fed has pivoted from talk of easing interest rates potentially holding rates higher for longer.

There is also positive information for the world and the economy. There may be a ceasefire in the middle east. Beyond the general humane benefit, it may alleviate some pressures on shipping routes and in turn pricing pressure. AI seems to be growing exponentially, potentially changing the entire working paradigm. And even with the concerns behind Canadian Banks loan losses, they made billions of dollars of profit in the quarter.

The key to investing is filtering news from noise. We are constantly challenging assumptions, reading several points of view to provide balance and hopefully independence of thought. We took some money off the table in February, selling businesses that we believed peaked in value. We are now sitting on cash and I look forward to writing about how we are investing these funds and the opportunities we see arise.

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	4.1%	12.4%	7.6%	11.4%	11.4%	10.9%	10.4%
Benchmark	3.4%	17.9%	6.6%	9.2%	11.3%	9.8%	7.1%

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