

# Equity Completion Portfolio – January 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

2023 ended with a uptick in North American equity markets. Inflation seemed to be under control and Central Banks around the world were more optimistic about the prospect of reducing interest rates. January 2024 followed on that premise with the Bank of Canada leaving interest rates unchanged and using more dovish language in their announcement. The US Fed also kept rates the same, although it had less dovish language.

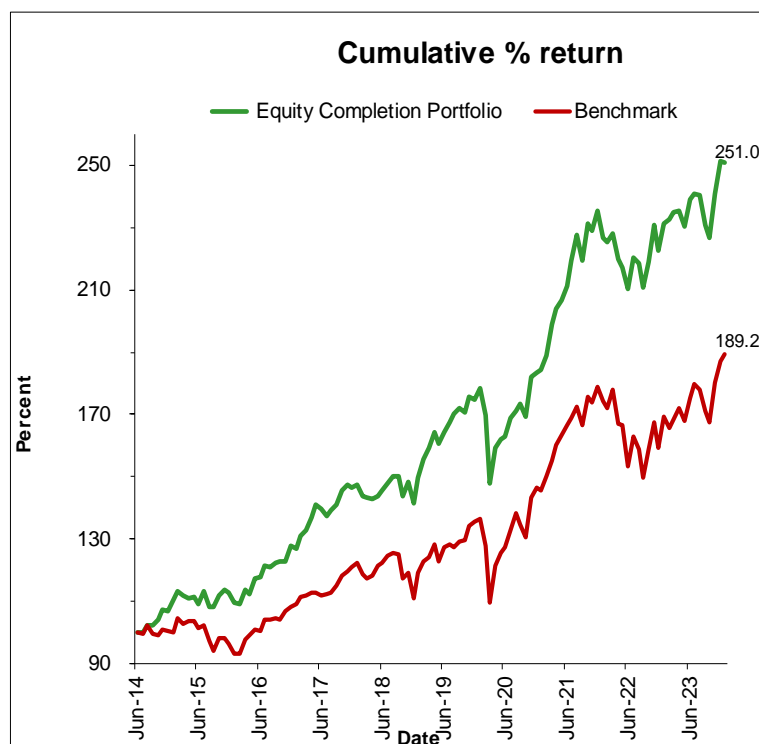
This good news is tempered by potentially disruptive news.

- The US Fed's announcement spooked markets and saw North American give back some of their January gains.
- Safety concerns for shipping routes from the far east
- Shipping and supply constraints are exacerbated by reduction of vessels allowed to go through the Panama Canal
- Canadian real estate market has virtually frozen. With 20-30% of residential mortgages coming due in the next 18 months, there is significant uncertainty around pricing, value, sale and purchases.

Conflicting information provides the greatest opportunities for mispricing. This has allowed us to deploy some capital in the summer and early fall before markets made a swift turn up. We have found some great businesses that we are excited to add to the portfolio. However, we are patiently waiting for those businesses to come back to our price range. We continue to monitor our existing businesses, the world and investment community as well as our wish list of businesses to add to our stable of great companies. We have every expectation that the next 2-5 months will bring sufficient opportunities to deploy excess capital at reasonable price levels, and we look forward to writing about it in the months to come.

## 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>	(0.1)%	8.4%	5.2%	10.9%	8.9%	10.9%	10.1%
<b>Benchmark</b>	1.2%	11.7%	4.1%	9.2%	8.5%	9.7%	6.8%

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