

Equity Completion Portfolio – December 2022

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

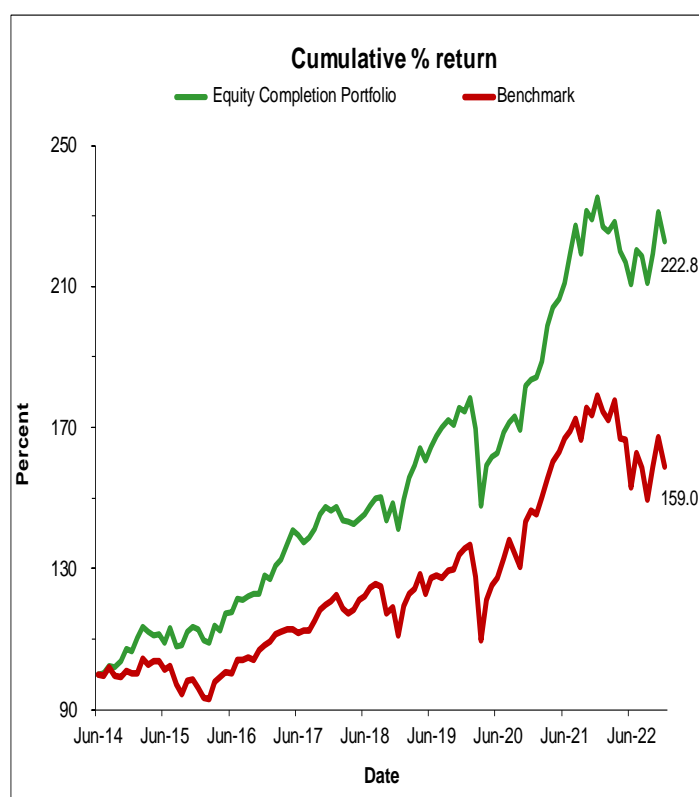
The pandemic which had held us hostage for the previous 2 years started to abate in 2022. At the same time, a war in the Ukraine broke out, which humanitarian crisis aside, created a perfect storm for inflation. As the Ukraine and Russia are large manufacturers of commodities, shortages were created and pricing escalated quickly. Central banks around the world responded swiftly to this inflation, more than doubling interest rates. This created a perfect storm of higher costs for goods as well as higher living costs to service debt payments.

The result is a very realistic expectations of a recession and/or a prolonged economic downturn. Equity markets forecast this with TSX dropping 5.2% for the month and 8.7% for the year. The US fared far worse with the S&P 500 declining 3.5% for the month and 20.2% for the year.

Our job is to minimize any capital depletion during the difficult times and then find profitable opportunities from that. This is where our investment process and thesis are paramount. The question we are asking is where is the money going to flow in the coming years and more importantly, how do we profit from that. We have some businesses that should be cashed out in the coming months, providing us with plenty of funds to take advantage of opportunities that arise. I look forward to writing about these new opportunities.

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	(3.6%)	(5.4%)	10.2%	8.5%	12.1%	8.8%	9.9%
Benchmark	(4.9%)	(11.2)%	4.2%	5.5%	9.4%	5.6%	5.6%

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