

# Equity Completion Portfolio – August 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

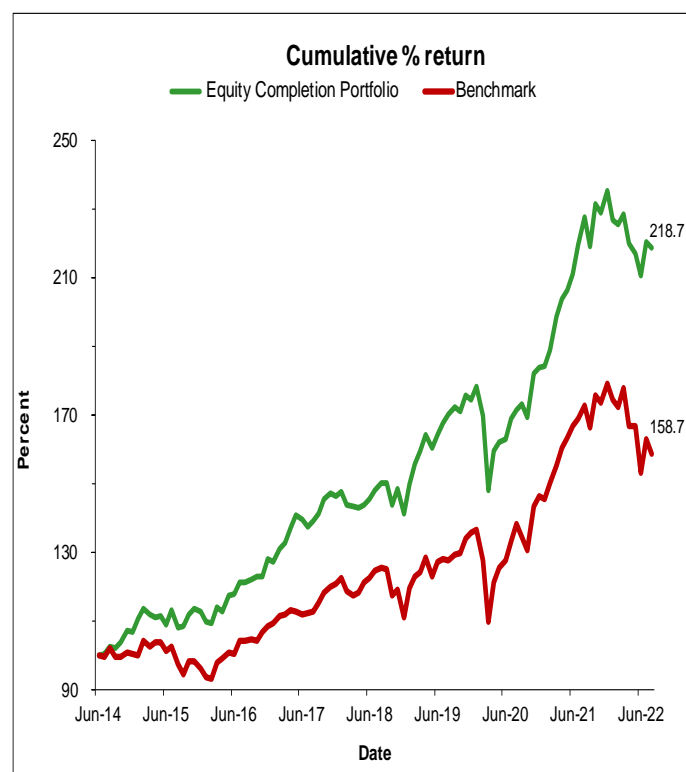
The US Fed put the world on notice that inflation is forcing their hand to increase interest rates. Central banks around the world have echoed the same, with most forecasting at least some “short term pain for longer term gain”. The current expectation is for an economic slowdown, or recession, causing increased labour displacement with the hardest hit being emerging markets.

Understanding perspective on economic slowdown, and recession is important. It does not mean that the world is ending or that all businesses will fail. It means that businesses and households may be challenged. Those with stronger business models, and finances will weather the storm. In August the big 6 Canadian banks reported their earnings. To a large extent, their earnings were a disappointment, with most banks missing their targets. However, they still made billions of dollars of profit. This is the same story for well run telecommunication companies, railways, utilities, technology companies, etc.

Being an accumulator of great business provides the opportunity to be patient. It helps to eliminate much of the noise that is everywhere and creates a focus on what is important for each business as opposed to what is happening in “the market”. Buying these quality businesses at fair, or ideally depressed prices is how we set out to meet our clients’ goals. Doing this properly allows our clients to enjoy their days and sleep at night as they have the peace of mind that they are prepared for their tomorrows.

## 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>	(0.7%)	(3.8%)	13.0%	8.7%	9.9%	9.5%	10.0%
<b>Benchmark</b>	(2.5%)	(8.0)%	7.2%	7.6%	6.0%	7.1%	5.8%

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