

Equity Completion Portfolio – July 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

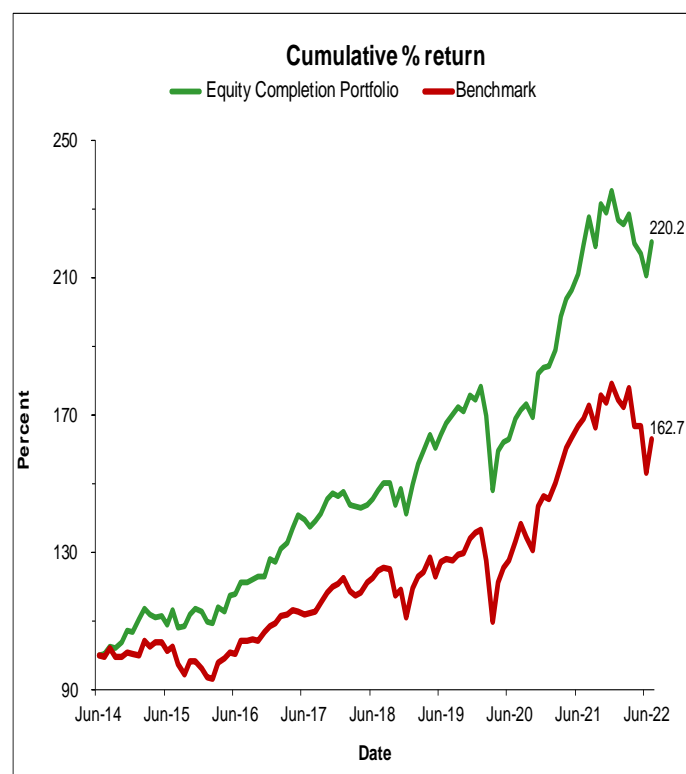
Recessions, economic downturns, negative public sentiment and huge volatility. These are the times that reinforce the importance of being a business buyer, not a stock trader. Year to date, North American indexes down 10-20% (Thomson Reuters, July 31, 2022) and some companies that were market darlings are down over 75%.

July saw a flurry of negative news, both economically and politically. There is turmoil in Europe with both England and Italy looking for new country leaders. The perfect storm of supply chain slow downs, the crisis in the Ukraine forcing commodity prices to historic highs, rampant inflation and increased interest rates have caused the IMF to reduce global growth forecasts once again. Depending on how/if the pandemic abates and the crisis in the Ukraine continues, major developed economies in North America and Europe may face a no growth or negative growth scenario over the next 18 months (IMF Forecast, July 26, 2022).

Even with all the turmoil, great businesses are continuing to exist. They may be making less money today, but they are solvent, they are earning cash, they are paying dividends and preparing for opportunities that will arise in the coming months. Understanding a company's intrinsic value allows us to be calm and rational during what could be a fearful time. Over the long term, it is this discipline that helps to protect and grow portfolios over the long time. Great businesses will continue to build wealth and as long as we can put our reason over our emotions, time and compound interest should do the rest. As I keep trying to teach my kids, patience is a virtue.

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	4.6%	0.4%	14.3%	9.5%	10.5%	9.9%	10.2%
Benchmark	6.3%	(3.7)%	10.6%	8.3%	6.9%	7.7%	6.1%

David Shubs, MBA, CFA, Investment Advisor and Portfolio Manager
 david.shubs@nbpcd.com | 416-359-7663



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