

# David Shubs – Equity Completion

December 2017

## Investment Objective

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 75% North American equity, 20% international equity and a small portion of cash.

## Manager Comments

2017 saw great growth in the S&P 500 (20%) and more moderate growth in the TSX (5.9%) (Thompson Reuters, Jan 2, 2018).

The biggest news for 2017 was the first 12 months of Donald Trump's presidency. It was marked by political missteps, likely scrapping or renegotiation of trading agreements and escalated tensions with other nations. He did however manage to get his tax package through, which will have a meaningful impact on U.S. corporations. In addition, while this may be coincidence, the S&P 500 increased 20% for the year and unemployment is down to 4.1% (Bureau of Labour Statistics).

Some of the biggest known changes and challenges for 2018 are:

- 1) NAFTA renegotiation
- 2) Change in US tax rates
- 3) Unwinding of easy monetary policy
- 4) Brexit

I spent the last several months trying to read through economic and other reports gauging how these will affect the businesses we own, the businesses we want to own, and new industries or businesses to start looking at.

Our investors made money in 2017 while still holding on to sizeable amount cash. I expect to deploy that cash in the coming months as opportunities arise. I look forward to writing about them over the next 12 months.

## Portfolio Facts

Portfolio Manager - **David Shubs**

Investment Approach - **Fundamental & Quantitative**

Risk Profile - **Medium to High**

Return Objective - **Capital Growth and Dividend Income**

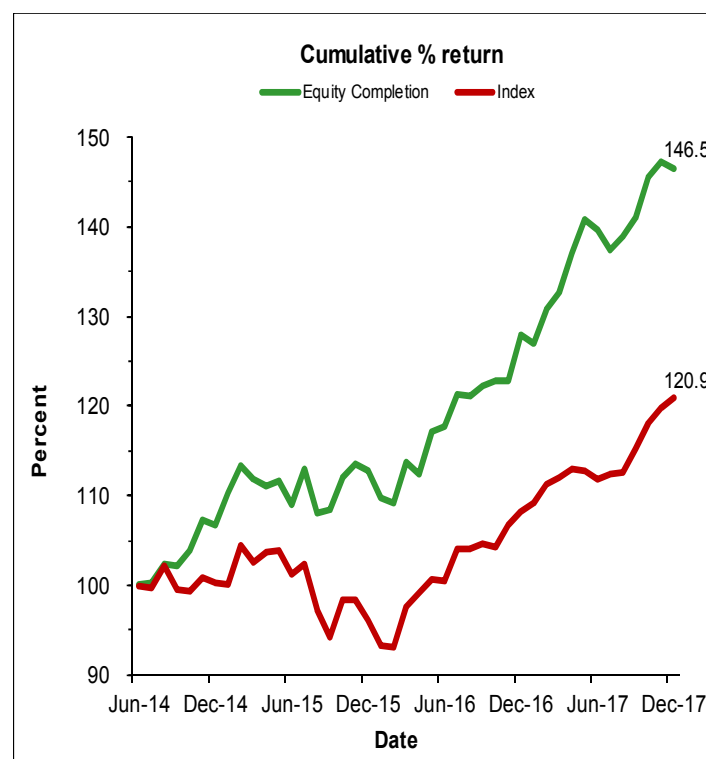
Minimum Investment - **\$250,000**

Portfolio Inception Date – **September 2014**

Base Currency – **Dual**

Benchmark - **5% DEX 91-day T-Bill + 50% S&P/TSX**

**Composite + 35% S&P 500 (CAD) + 10% MSCI EAFE (CAD)**



Source: Thompson Reuters

	1 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3yr	Since Inception
<b>Strategy</b>	(0.6)%	3.8%	4.9%	14.5%	14.0%	11.1%	11.5%
<b>Benchmark</b>	0.9%	4.9%	8.1%	11.7%	12.1%	6.4%	5.6%

**David Shubs, MBA, CFA, Investment Advisor and Portfolio Manager**

david.shubs@nbpcd.com | 416-359-7663



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