

David Shubs – Equity Completion

January 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

On January 20, 2017, the 45th president of the U.S. was sworn in, and he has been busy. In his first week in office, he has taken action on his protectionist stance, trying to close borders to both trade and immigration from the east. Based on news reports and the amount of protest and protestors, the reaction to at least the immigration stance seems to be anger, disbelief and defiance if possible.

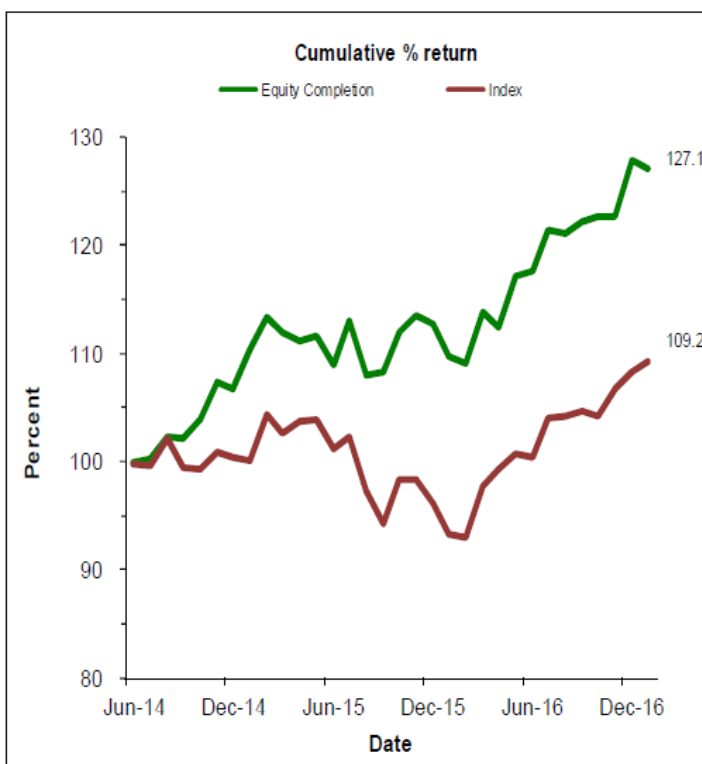
Chaos in the U.S. has the capacity to make the world economy nervous. There are few things that an investor likes less than uncertainty. Over the next months it will be interesting to follow consumer confidence reports and business investment. Those could be real indicators of how the economy will respond to this new leadership.

Since the summer of 2016 we were unclear about the state of the U.S. and how their elections will play out. We have been building a cash pile to take advantage of the volatility that we see coming. In January 2017 we continued this trend as a convertible debenture that we owned came due. This allowed us to crystalize good gains to client portfolios - locking in profits of approximately 15% annual interest payments and 15% in capital gain. It also increased our cash stock pile.

I am expecting some significant volatility over the next several months as we all adjust to the new order. I believe that our cash pile will serve us well, providing some protection against market corrections and lots of opportunity to buy when great businesses hit out desired prices. I look forward to writing in the coming months about how we are deploying funds.

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)**



	1 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3yr	Since Inception
Strategy	-0.6%	3.5%	4.7%	15.8%	7.3%	N/A	9.7%
Benchmark	0.9%	4.8%	5.0%	17.0%	4.5%	N/A	3.5%

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



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