

David Shubs – Equity Completion

October 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

October was the 30th anniversary of Black Monday. Returns this month looked nothing like that day 30 years ago.

It seemed like there was great news everywhere. The Canadian economy is moving along well, but not yet ready to increase interest rates for a third time this year. The markets seemed to like this as the TSX roared 2.5% with gains seen in almost all industries (the gold sector didn't participate – Thompson One, October 31, 2017).

In the U.S., Trump unveiled pieces of his tax plan and is seemingly gaining support in congress. In addition, many companies hit and even exceeded their earnings targets for the quarter. U.S. markets liked this and the S&P index rose 2.2% for the month (Thompson One, October 31, 2017).

We deployed some capital over the last two months, but I have been conservative since the late spring/early summer and many of our portfolios are still holding significant amounts of cash. Even with this "cash drag", this month was one of the best months ever for our investors. Gains have been wide spread throughout portfolios, spread between capital gain, dividend and interest payments and currency gains.

With the euphoric market sentiment, I think it is less likely that we will be finding bargains for the next two months. We are still hunting and eagerly awaiting any stumble in the market. I hope to find some opportunities in 2018, but until I do, I will be patient believing that we own great businesses that will continue to perform.

Portfolio Facts

Portfolio Manager - **David Shubs**

Investment Approach - **Fundamental & Quantitative**

Risk Profile - **Medium to High**

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

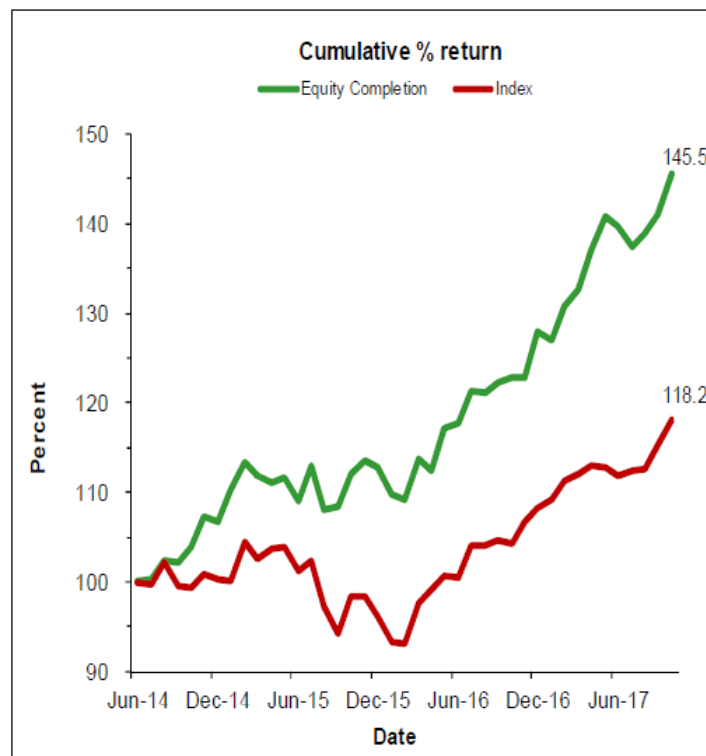
Minimum Investment - **\$250,000**

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
Strategy	3.1%	5.9%	6.2%	18.6%	14.0%	11.9%	11.9%
Benchmark	2.6%	5.2%	4.6%	13.4%	9.6%	6.0%	5.1%

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