

David Shubs – Equity Completion

May 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

Following on last month's movie theme, this month I will look at a line from a Tale of Two Cities.

It was the best of times...

Our southern neighbours have seen their equity markets grow over 6.0% in 2017 (Thomson Reuters May 31, 2017). U.S. economic numbers are still strong and the market is pricing in likely two more interest rate increases in 2017. This market strength is even more interesting against the backdrop of the political challenges. Trump's firing of FBI Director Comey shook up Washington and may have created more concern about his ability to enact his changes (largely tax related).

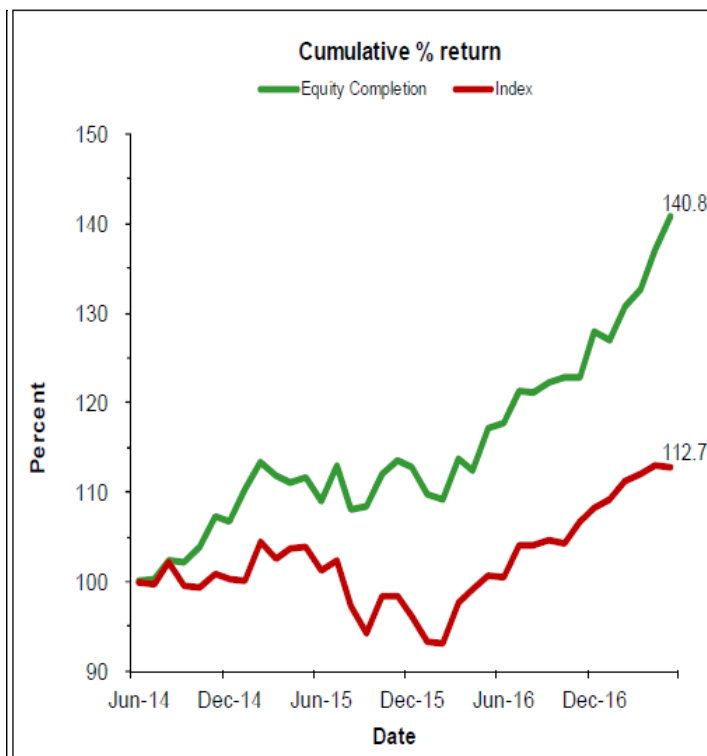
It was the worst of times...

In the month of May the TSX was down 1.5%, giving up almost of the return for 2017 (it is up 0.4% for the year to date- (Thomson Reuters May 31, 2017)). By far, the largest drag on the Canadian market is oil. The price of oil has dropped 10% for the year, pushing the energy index down 16%. As the price of oil goes, so goes the Canadian dollar, which is also down versus our southern neighbour. Finally, pundits, economists and the World Bank are all concerned about our real estate "bubble".

We actually strategically deployed some capital this month and still hold a large war chest. I look forward to deploying and hopefully writing about our good results.

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: Thomson Reuters

	1 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3yr	Since Inception
Strategy	2.8%	7.7%	14.8%	20.2%	12.4%	N/A	12.5%
Benchmark	(0.2%)	1.3%	5.6%	11.9%	4.2%	N/A	4.2%

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