

David Shubs – Equity Completion

April 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

April 2017 was a month made in the image of Clint Eastwood's 1966 western classic "The Good, The Bad and The Ugly"

The Good

The U.S. unemployment rate has steadily declined to 4.5% while keeping inflation in check (U.S. Bureau of Labor Statistics), prompting the U.S. Fed to increase interest rates. The Canadian consumer is driving the economy resulting in an annual growth rate of approximately 1.9%. This has resulted in the S&P 500 up 0.9% for the month and 6.5% for the year to date. The TSX is up 0.2% for the month and 2.0% for the year to date.

The Bad

In the first 100 days of the Trump administration, he has followed up on his "America First" policy and amongst other things, he has tried and failed to repeal Obamacare, threatened to fix or tear up the NAFTA deal, threatened to fix or tear up the South Korea trade deal and escalated nuclear tensions with North Korea.

The Ugly

Home Capital group, a second tier mortgage lender, saw its value decrease by approximately 70% (Thomson Reuters, April 28, 2017). This decrease is due the fact that the Ontario Securities Commission issued a hearing against three of the companies top executives. The company is now facing at best a crisis of confidence and at worst, a very fragile house of cards. Some pundits are predicting that this could be the first pin to puncture the "housing bubble". This is the second high profile case in front of the OSC this month. A senior manager at asset manager Aston Hill Financial was charged with insider trading after receiving, and acting on, a tip about Amaya gaming's merger.

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

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Portfolio Facts

Portfolio Manager - **David Shubs**

Investment Approach - **Fundamental & Quantitative**

Risk Profile - **Medium to High**

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

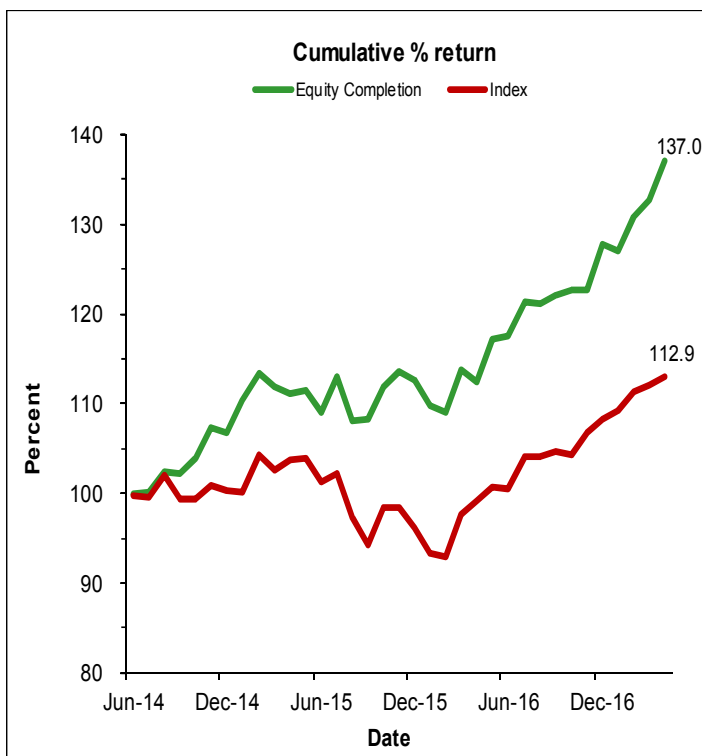
Minimum Investment - **\$250,000**

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	3.3%	7.8%	11.6%	21.8%	11.0%	N/A	11.8%
Benchmark	0.8%	3.4%	8.4%	13.8%	4.4%	N/A	4.4%



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