

David Shubs – Equity Completion

January 2018

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

In January, the Bank of Canada increased interest rates once again and Statistics Canada announced that Canadian GDP increased 0.4% for November, on track for a 3% gain for 2017 (Bank of Canada, Jan 17, 2017 and Statistics Canada Jan 31, 2018). While this would imply strength for the Canadian economy, the TSX was down 1.6% for the month of January (Thomson Reuters – Jan 31, 2018).

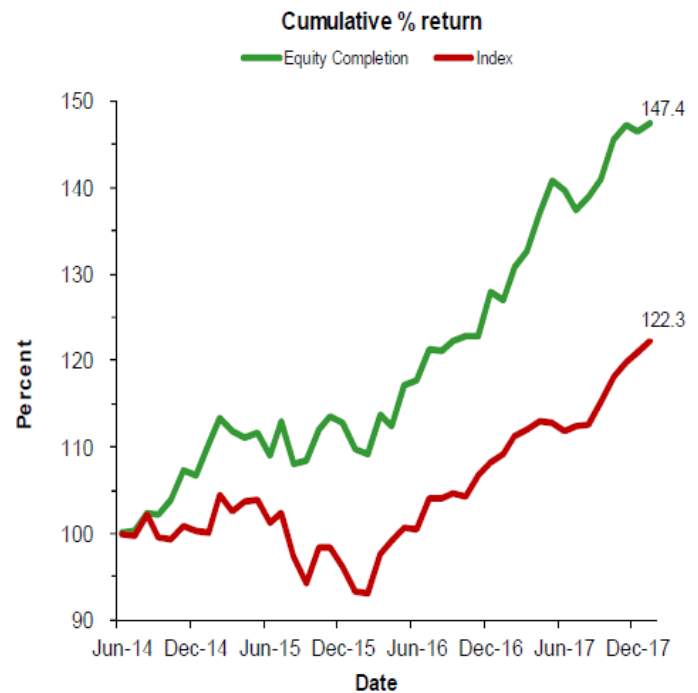
The U.S. market, temporarily benefitting from Trump’s tax changes saw their equity indexes (S&P and Dow Jones) increase 5.6% and 5.8% respectively. International equity market returns joined the party with some up as much as 6% (Thomson Reuters – Jan 31, 2018).

Our investors benefitted from both our geographic asset allocation as well as our selection of businesses to own. Having exposure to US and other equity markets provided us with a large equity lift. Beyond being in the right markets, we owned some great businesses that were up as much as 20% for the month. This was a combination of some being takeover targets and other businesses that announced excellent financial results

January was a great month for us to watch our clients make money. However, I am taking a conservative approach and while I am not expecting a meltdown like 2008 or even a significant downturn, I am keeping a decent amount of cash on the sideline, waiting for good opportunities to buy great businesses.

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 | 0.7% | 1.3% | 7.3% | 16.0% | 15.9% | 10.1% | 11.4% |
| Benchmark | 1.2% | 3.5% | 8.9% | 12.0% | 14.5% | 6.9% | 5.8% |

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