

David Shubs – Equity Completion

October 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

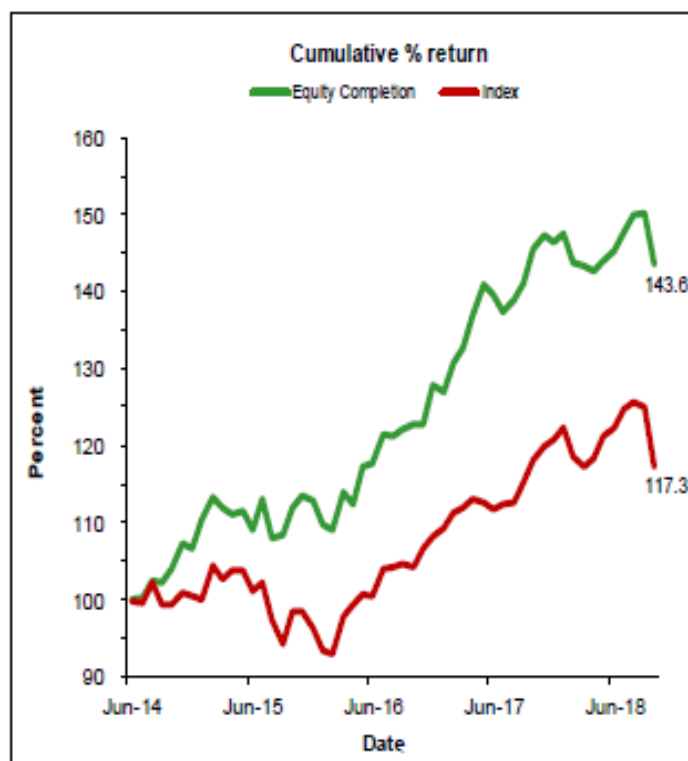
October 2018 was one of the most volatile months of the last decade.

It started off with a renegotiated NAFTA, which buoyed the Canadian market and the Canadian dollar. Very quickly thereafter, we saw the IMF reduce worldwide GDP expectations, an escalating trade war with China, tensions with Saudi Arabia over human rights violations and a concerned Europe over Brexit and Italy's budget. These events created a somewhat perfect storm. Many world markets swung over 10%, from being up approximately 1% to swiftly down almost 10% [Thomson Reuters October 31, 2018]. The decline was worldwide and largely industry agnostic.

Effectively, assets got re-priced. With markets roaring for many years, companies were priced for perfection. With all the potential headwinds, companies have been/ are being repriced to more reasonable levels. With interest rates rising and protectionist agendas being pushed forwards, good companies may make less money in the coming years. We expect and understand this as a function of a normal business cycle. As long as our businesses continue to make money (albeit less) and pay its expenses, and its debt and still pay us our dividends, I am very happy to own them. Even better, as these prices come down, we can spend some of the cash we have been holding on these great business at now cheaper prices.

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 – **June 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	(4.4)%	(2.9)%	0.6%	(1.3)%	8.2%	8.7%	8.7%
Benchmark	(6.2)%	(5.9)%	(0.9)%	(0.7)%	6.1%	6.1%	3.8%

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