

# David Shubs – Equity Completion

July 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

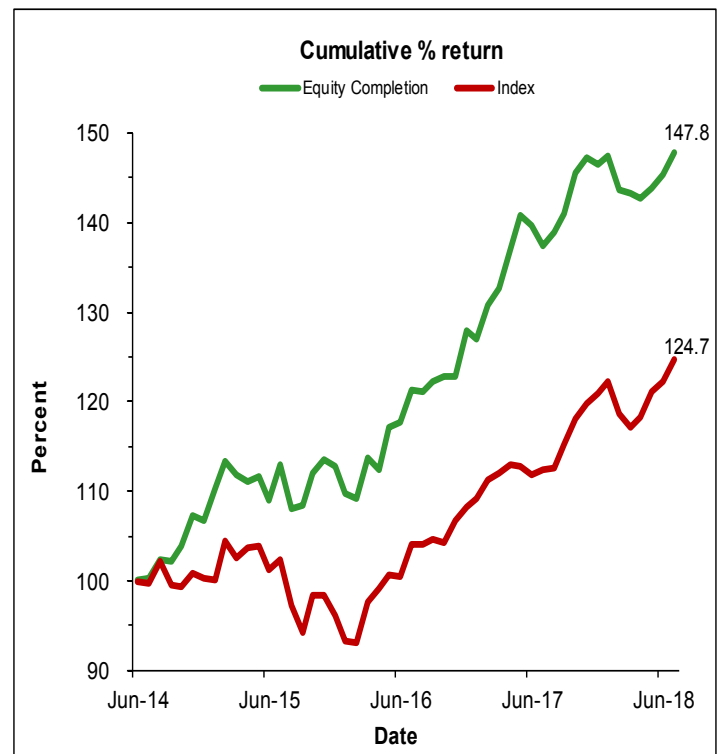
Our exposure to U.S. companies was rewarded in the month of July. Investors saw their portfolios rise, partially fuelled by a near 4.0% increase in our U.S. equities. This was the result of a combination of good financial results, good U.S. economic numbers and a reduction in the fears of a full blown trade war.

While I am very happy about our portfolios' growth, I am not looking in the rear view mirror and patting myself on the back. The current economic environment is still fraught with dangers. On the horizon we are looking at a potential worldwide trade war, a "frothy" Canadian real estate market, historically high sovereign debt levels, historically low interest rates and a bull market that has lasted longer than almost any other. Any one of these would be concerning. All of them together have the capacity to erode the value of a portfolio. They also create uncertainty, and uncertainty creates opportunity. We still own great businesses that we believe in. We are happy collecting dividends and watching these companies slowly increase in value. We are holding a good amount of cash and creating more cash by selling some businesses that I believe to be fully valued.

I think the next several months are going to be volatile and offer opportunity to those who are prepared to take advantage. I am excited to write about these opportunities in the coming months.

## 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)**



	1 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3yr	Since Inception
<b>Strategy</b>	1.7%	3.6%	0.3%	7.6%	10.4%	9.4%	10.0%
<b>Benchmark</b>	2.0%	5.4%	2.0%	11.0%	9.5%	6.8%	5.6%

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