

David Shubs – Equity Completion

March 2019

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

March 2019 was a month that should clearly show the value of cash. True risk tolerance should focus on avoiding a permanent loss of capital.

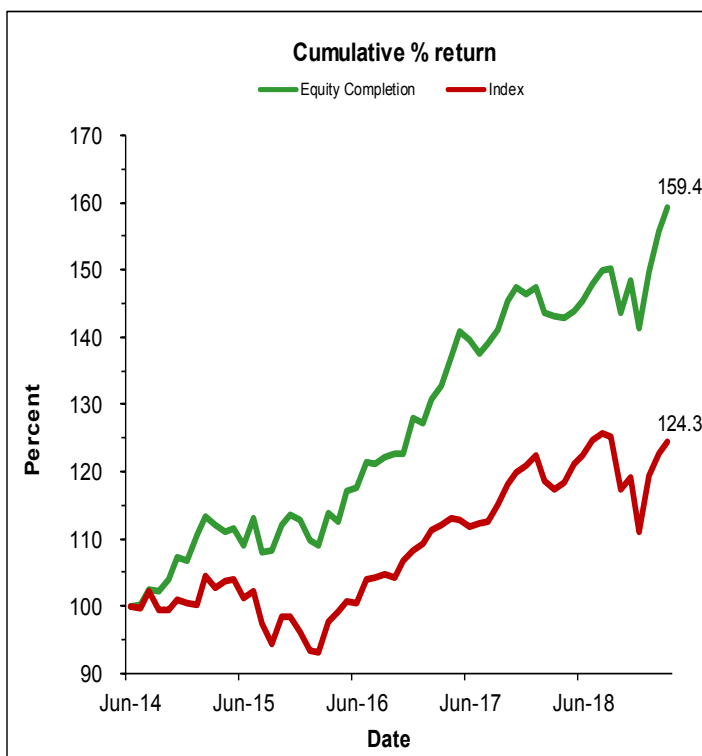
There were two very specific events that effected our portfolios and almost exactly offset each other.

1. One of our core holdings is Boeing, The company had a very public crash that had airlines around the world grounding some of their planes. The net effect of this has been a near 15% drop in the price of Boeing for the month (Thomson Reuters, March 29, 2019). After many hours of research, we are still holders of the company, believing that its will turn around in the coming months. A review of its financials shows that it should both generate enough cash flow, and have enough cash on hand, to weather a storm.
2. This was offset by a core Canadian name (Valener) that announced a takeover bid at an approximate 13% premium to its last price (Thomson Reuters, March 28, 2019). We sold our shares in the company the day after the announcement was made, crystallizing a very nice gain for our clients.

The best takeaway that I can see is that we have a permanent cash gain vs. (hopefully) a temporary paper loss. As we look at Boeing, we see a depressed share price that we believe should reverse and grow. When we look at Valener we have a cash increase where we crystalized our gains. Our investors get the benefit of a permanent increase of capital with Valener, while the decrease in the value of their Boeing shares may only be temporary. I will take this trade off every day.

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	6 Mo	1 Yr	2 Yr	3 Yr	4 yr	Since Inception
Strategy	2.3%	6.1%	11.3%	9.6%	11.9%	9.2%	10.3%
Benchmark	1.3%	(0.6)%	6.0%	5.3%	8.4%	6.6%	4.7%

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