

David Shubs – Equity Completion

February 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

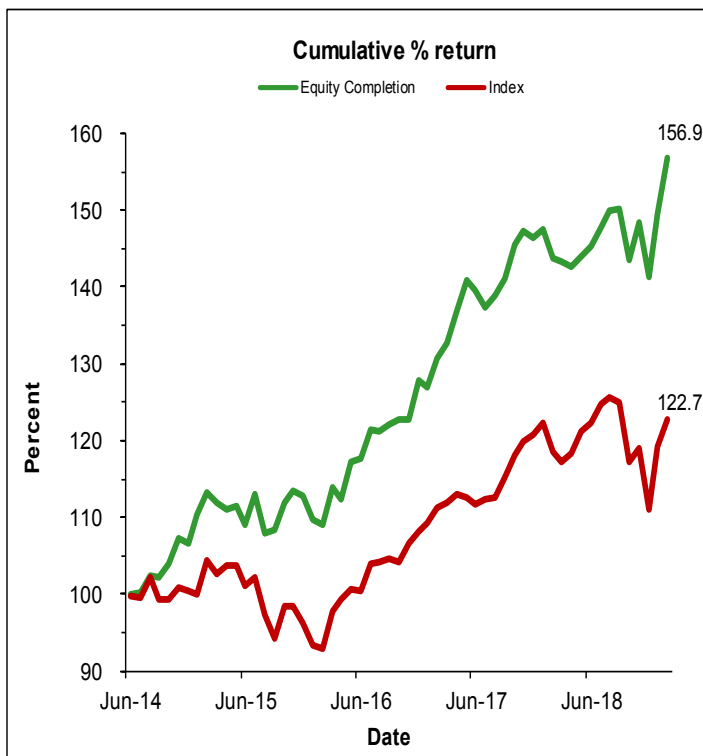
Since Trump's inauguration, political headlines have been driving the economic bus. Be it actual events like tax code changes or interest rate movements, or forecast fears of trade wars, protectionist policies and government shut downs, the market has been gyrating with the news. The U.S. and world equity markets have seemed to flourish and flounder with the headlines of trade wars. As the Sino – U.S. trade talks seemed to break down in October and December 2018, the TSX and the Dow Jones saw two of their worst months in decades. Starting January 1, 2019, world markets have rallied on news that there may be a deal.

The TSX index is up 11.7% 2019 YTD (Thomson Reuters). Even with that, since January 2018, had you been solely invested in the index you would have seen your capital erode by 1.3%. Our investors had muted participation in the market slide of 2018 but have captured 105% of the upside in 2019. Participating in barely 40% of the market downturn in 2018, and outperforming the 10.5% upside in 2019, our investors are wealthier today than they were yesterday, and one year ago. Beyond that, they have not seen their portfolios swing recklessly. The result is that they slept better at night in the chaos and are happier today with their profits.

We deployed a bunch of cash in January and early February to take advantage of what we saw as a market mispricing. We are still holding on to some cash and looking for other great opportunities to deploy funds. I look forward to writing about what we are investing in in the months to come.

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	4.9%	5.7%	4.6%	9.2%	9.5%	12.9%	10.1%
Benchmark	2.8%	3.1%	(2.3)%	3.4%	5.0%	9.7%	4.5%

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