

David Shubs – Equity Completion

November 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

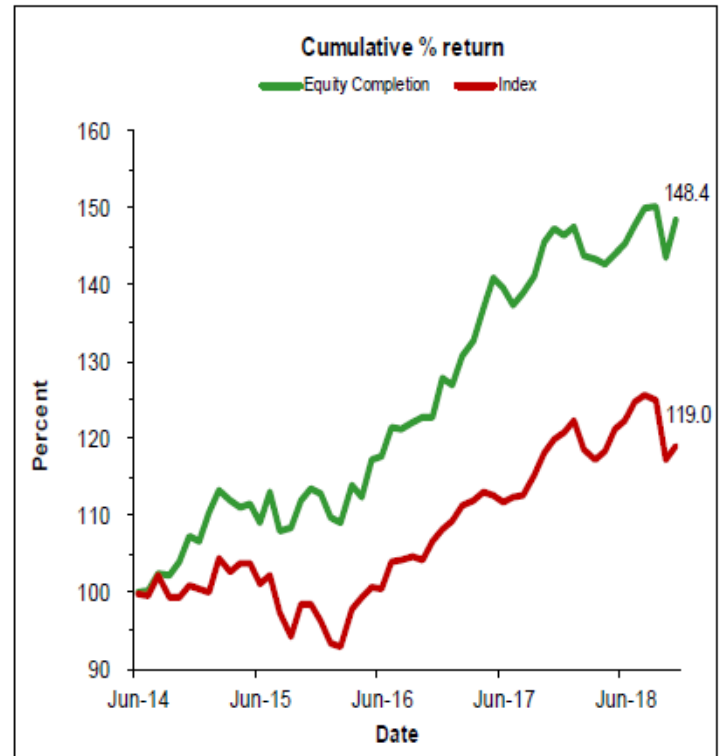
Only one month ago I wrote that world equity markets had one of their most volatile months in almost a decade. I am writing the same narrative 30 days later. The TSX index swung 3.9% only to end up 1.1%. The Dow Jones swung 8.0% only to end up 1.7% (Thomson Reuters, November 30, 2018).

A quick timeline of the month's market movement is: On November 6th, the Democrats won the house and republicans won senate. The US market moved up approximately 2.0% (Thomson Reuters, November 7, 2018). This was followed by 2 and a half weeks of selling led by a tech selloff in US, continued trade war escalation the saga of how the Brexit agreement will play out, oil price decline of 20% and reduced forecasts for worldwide economic growth. The market then started to rally on November 28 when the U.S. Fed Chair indicated that rate hikes may be near end. The TSX index increased 1.5%, and the Dow Jones moved approximately 2.5% (Thomson Reuters, November 28, 2018)

These ups and downs are becoming the norm vs. the exception. As such, it is more important than ever to understand the businesses that we own, what information could fundamentally change to their operating environment and quickly determine what is noise and what is news. Having this understanding allowed us to add to some of our positions in the month and find some potentially new opportunities. With the markets down and fear in the room, once the research is done and the thesis is firm, it could be a great time to go shopping.

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	3.3%	(1.1)%	3.1%	0.7%	10.0%	9.3%	9.3%
Benchmark	1.4%	(5.3)%	(1.8)%	(0.6)%	5.6%	6.6%	4.0%

David Shubs, MBA, CFA, Investment Advisor and Portfolio Manager

david.shubs@nbpcd.com | 416-359-7663



The opinions, estimates and projections contained herein are those of the author as of the date hereof and are subject to change without notice and may not reflect those of BMO Nesbitt Burns Inc. ("BMO NBI"). Every effort has been made to ensure that the contents have been compiled or derived from sources believed to be reliable and contain information and opinions that are accurate and complete. Information may be available to BMO NBI or its affiliates that is not reflected herein. However, neither the author nor BMO NBI makes any representation or warranty, express or implied, in respect thereof, takes any responsibility for any errors or omissions which may be contained herein or accepts any liability whatsoever for any loss arising from any use of or reliance on this report or its contents. This report is not to be construed as an offer to sell or a solicitation for or an offer to buy any securities. BMO NBI, its affiliates and/or their respective officers, directors or employees security discussed herein should do so through BMO Nesbitt Burns Corp. Member-Canadian Investor Protection Fund.

BMO Wealth Management is the brand name for a business group consisting of Bank of Montreal and certain of its affiliates, including BMO Nesbitt Burns Inc. in providing wealth management products and services. © "BMO (M-bar roundel symbol)" is a registered trade-mark of Bank of Montreal, used under license. © "BMO Nesbitt Burns" is a registered trade-mark of BMO Nesbitt Burns Inc. BMO Nesbitt Burns Inc. is a wholly-owned subsidiary of Bank of Montreal. If you are already a client of BMO Nesbitt Burns, please contact your Investment Advisor for more information.

BMO Nesbitt Burns Inc. is a Member – Canadian Investor Protection Fund. Member of the Investment Industry Regulatory Organization of Canada.