# David Shubs – Equity Completion

**August 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

The final days of summer marked another volatile month. The TSX swung 3.3% and ended up 0.2% for the month. The Dow Jones was even more volatile, swinging 6.8% and down 1.7% (Thomson Reuters, August 31, 2019). We are facing a mixed bag of economic data that is clouding the economic picture. There are some dark clouds on the horizon and the risks seem to be mostly to the downside.

The Good

- Low unemployment and jobless claims in the US (US Census Bureau August, 20, 2019, Statscan.ca August, 9, 2019)
- Strong US and Canadian Consumer spending and morale
- A strengthening Canadian housing market (Teranet housing report, August 2, 2019)

The Bad

- Political instability in Hong Kong
- Escalated US/Sino trade wars
- Closer to Brexit Cliff

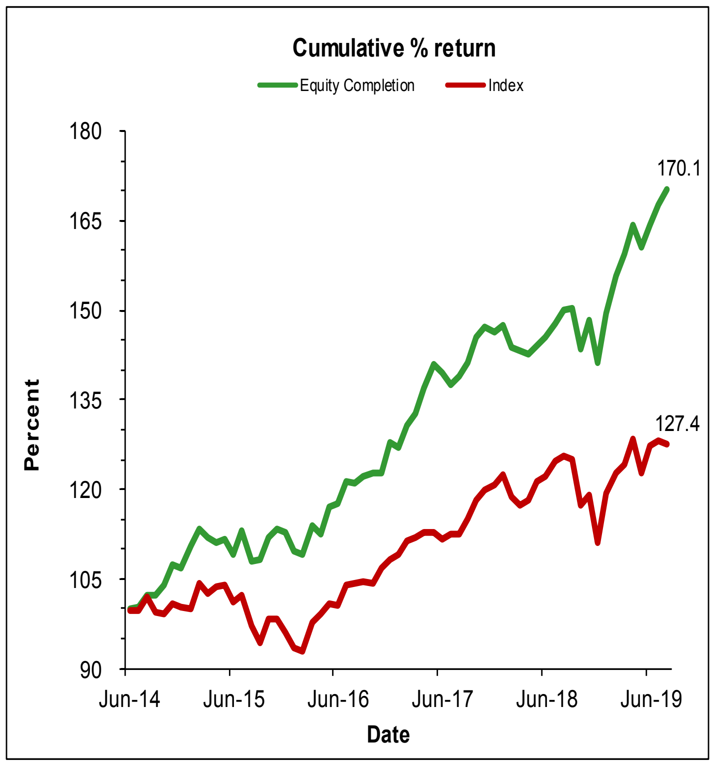
The Ugly

- Much of Europe showing negative saving rates
- Bond yields in North America have inverted. This is seen as one of the great predictors of recession

We have always had the thesis that good businesses are companies to invest in. Combining this thesis with the market volatility is exactly what creates opportunity. We have cashed out of some positions and are waiting (only somewhat patiently) to deploy these funds into the businesses on our wish list.

### 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 | 1 Yr | 2 Yr | 3 Yr | 4 yr | 5 yr | Since Inception |
|---|---|---|---|---|---|---|---|
| **Strategy** | 1.5% | 13.4% | 10.6% | 12.0% | 12.0% | 10.7% | 10.8% |
| **Benchmark** | (0.6)% | 1.4% | 6.4% | 7.0% | 7.0% | 4.5% | 4.8% |

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