

David Shubs – Equity Completion

December 2020

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

If we had told our investors in March to that they would end the year making over 5%, they would have either called us crazy or investment more money. In the midst of a pandemic, this is exactly what we accomplished for our investors. We did this while still holding an abnormal amount of cash, which significantly reduced our downside, allowing for everyone to sleep a little better.

When the pandemic subsides, the world will look very different than it did just a year ago. In addition to being faced with the pre-pandemic problems of US/Sino trade relations, Brexit, natural disasters, a widening wealth gap and civil unrest, the pandemic is also making us face GDP declines that wipe out several years of growth, historically high rates of unemployment, low consumer confidence, and further widening of the wealth gap. Yet still equity markets roar higher.

We are trying to keep our eyes open and focus not so much on the carnage all over the side of the road, but instead the lights up in the distance. Continuing with the driving metaphor, the stable of solid cash generating businesses that we own should turn our small car into a much Bigger SUV, providing us some protection whilst driving through this chaos. The large cash pile that we have makes our new SUV much more like a small tank, better able to handle big bumps in the road. The added benefit is that the cash allows us to buy businesses that we expect to either be a significantly bigger piece of the new world, or already a significant piece, but currently challenged with a depressed purchase price.

We will do our best to be eyes forward and both hands on the wheel. I look forward to writing in the coming months and years about how we are moving forward and how our investors are profiting from it.

Portfolio Facts

Portfolio Manager - **David Shubs**

Investment Approach - **Fundamental & Quantitative**

Risk Profile - **Medium to High**

Return Objective - **Capital Growth and Dividend Income**

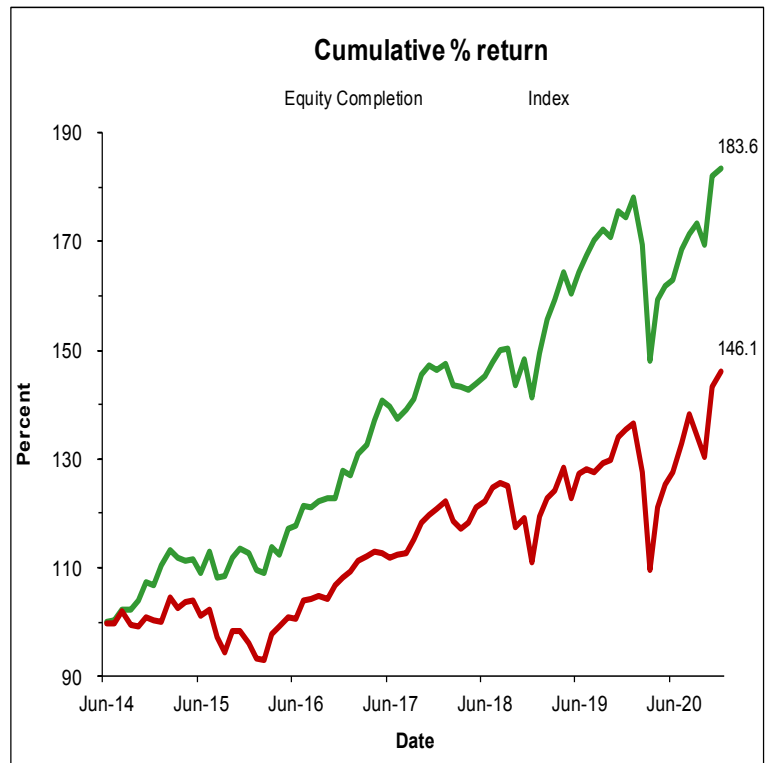
Minimum Investment - **\$250,000**

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	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	Since Inception
Strategy	0.9%	5.2%	14.0%	7.8%	9.5%	10.2%	9.8%
Benchmark	1.9%	7.8%	14.7%	6.5%	7.8%	8.7%	5.9%

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