

# David Shubs – Equity Completion

March 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

March 2020 followed February's selloff, but on steroids. It tested our resolve as equity markets around the world had a historic plunge. At their peaks, the TSX was down 31% and the Dow was down 28% - both historical downturns. They both swung a total of 35% and ended the month down 17.7% and 13.9% respectively (Thomson Reuters, March 31, 2020).

To fight the COVID-19 pandemic, the world is collaborating and shutting down for a period. This will effect the economy. The question is how long will the shutdown last and how much economic hardship will that create.

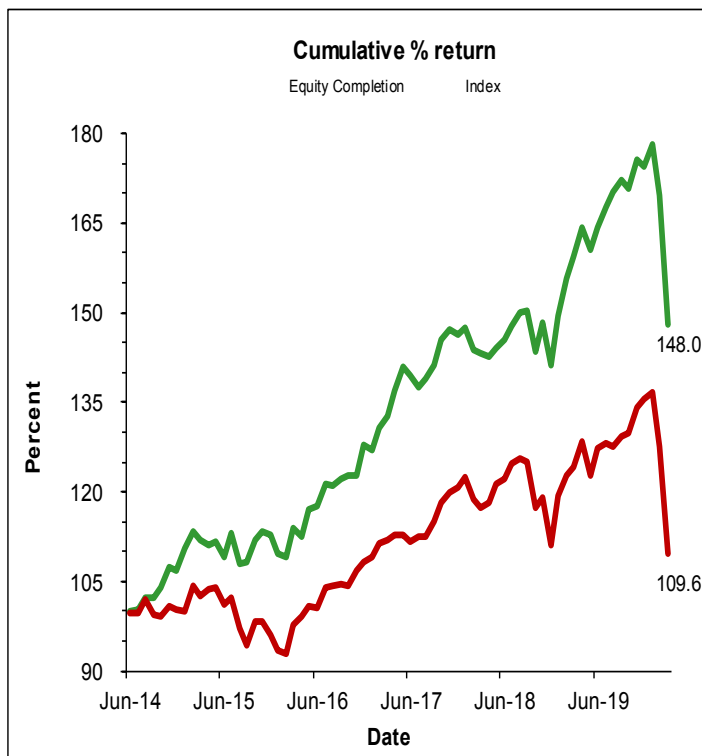
I believe there to be three (3) important pieces for investors to focus on:

- 1) When will new cases of the virus slowdown in Europe and North America? I believe that this will be the first step to stemming the anxiety and panic selling
- 2) Once that panic subsides, there will be a 2-14 month lag to see how bad the recession will be and how effective the government stimulus packages are
- 3) How will this change the world? What are the overriding investment themes that we can focus on

I am looking to be an active buyer into some of our core holdings and adding a handful of new names to the portfolio. I doubt that I will be the first in as I am not looking to call a bottom. I do intend to be a large buyer when I see these signals that as a society we are moving forward.

## 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 Year	2 years	3 Years	4 Years	5 Years	Since Inception
<b>Strategy</b>	(12.7)%	(7.2)%	1.6%	3.7%	6.8%	5.7%	7.0%
<b>Benchmark</b>	(14.1)%	(11.8)%	(3.3)%	(0.7)%	2.9%	1.3%	1.6%

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

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



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