David Shubs – Equity Completion

January 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

In the first month of the new decade we have seen:

- A U.S. drone strike killing an Iranian commander, which was followed by Iran counter attacks and the "accidental downing of Ukraine Plane"
- Massive Australian bush fires
- Coronavirus causing 2003-2004 SARS talk and fear
- Aggressively contested races for U.S. Democratic presidential candidates

In economic news:

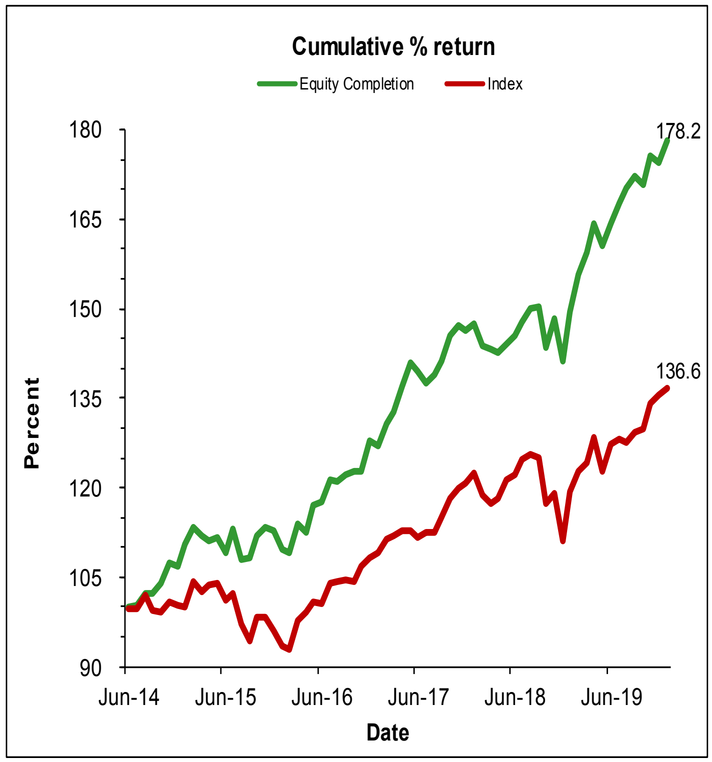
- Signing of phase one of US-Sino trade deal
- Canada central bank left rates unchanged. They suggested that risks are significantly to downside. (Bank of Canada, Jan 22, 2020).
- US Federal Reserve left interest rates unchanged. (Federal Reserve, Jan 29, 2020)
- Impending Brexit

Against this backdrop of economic and political uncertainty, markets diverged. We saw the TSX increase 1.5% however the Dow Jones Industrial Average go declined 1.0% (Thomson Reuters, Feb 3, 2020). We are still sitting on a significant pile of cash, but even with this "cash drag", client investment portfolios increased in value. January 2020 saw many of our income investments (REITs, Utilities, financials) increase as much 5% helping client portfolios to grow.

In the Bank of Canada's interest rate announcement they mentioned that consumers are slowing down spending and increasing savings. I expect this will help to create opportunity over the next 10 months to deploy some of our capital. We will be patient and deliberate in our purchases, understanding that today's buying discipline is what is going to determine tomorrow's success.

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	2.1%	19.1%	9.9%	11.9%	12.9%	10.1%	10.9%
Benchmark	0.8%	14.5%	5.7%	7.7%	10.0%	6.4%	5.7%

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