

David Shubs – Equity Completion

September 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

The summer saw the pandemic numbers slow, allowing markets to run up to all-time highs. The markets have somewhat abated since, and at the six month mark of this pandemic we are still facing a very uphill battle. The virus is growing strong and it is holding the economy hostage. There can only be so much economic activity as governments force full and partial shut downs to keep everyone safe.

Among other things, September saw schools re-open, the beginning of the end of mortgage deferrals, continued infighting in the US senate rejecting/delaying relief packages, increased rhetoric and jousting for the US presidential race and sadly, the death of a truly great leader – Ruth Bader Ginsberg. What we know we are facing in October is continued US political posturing in the race for its president, the future of the US supreme court and in turn its entire judicial system, major healthcare companies reporting on their success, or lack thereof, in creating a vaccine and the beginning of “normal” flu season, which has the capacity to create chaos in the health system.

In the short term, headline news will drive markets. Any escalation in virus numbers will likely foster more fear and reduce consumer confidence. I expect this to create significant market volatility, which framed properly can be our friend. In addition to holding what I believe are a core group of stable companies, we are holding significant cash reserves. I am hoping that we can use this volatility to take advantage of any mispricings that short sighted fear may bring.

I am expecting a very turbulent end to 2020 and expect that we are well positioned for it.

Portfolio Facts

Portfolio Manager - **David Shubs**

Investment Approach - **Fundamental & Quantitative**

Risk Profile - **Medium to High**

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

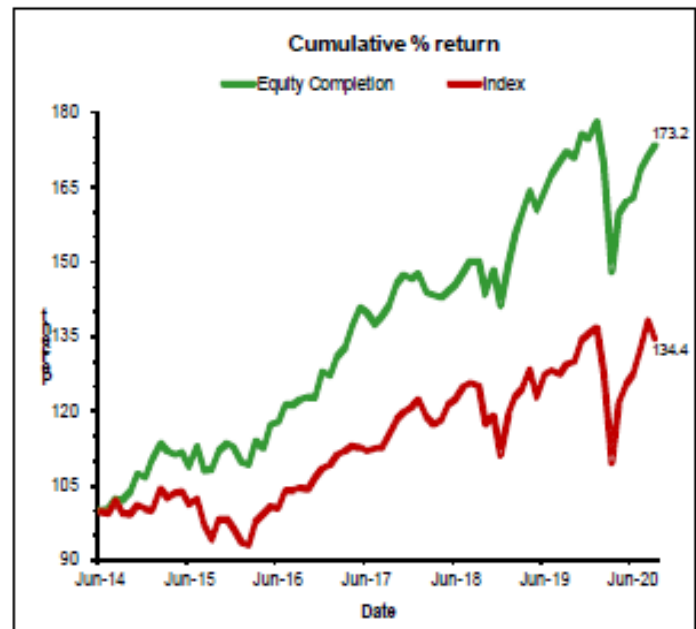
Minimum Investment - **\$250,000**

Portfolio Inception Date - **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 | 1.2% | 0.6% | 7.4% | 7.1% | 9.1% | 9.8% | 9.2% |
| Benchmark | (2.7%) | 4.0% | 3.7% | 5.3% | 6.5% | 7.4% | 4.8% |

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

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

