David Shubs – Equity Completion

July 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

While both the US and Canada had great employment numbers (US department of Labour and Statistics Canada), they are still millions of jobs below pre-pandemic levels. US Covid cases are surging and people are looking to September to see what the real continued effect of this pandemic will be. Parents are focused on getting their kids back to school, what is going to happen if schools don't open, and how and when are they going to work at the exact same time that mortgage deferrals are slated to end. Add to that the geopolitical challenges of US – China tensions rising and it is no wonder that consumers' confidence is very low. (https://conference-board.org/pdf_free/press/6180%20--%20CC%20June%202020.pdf).

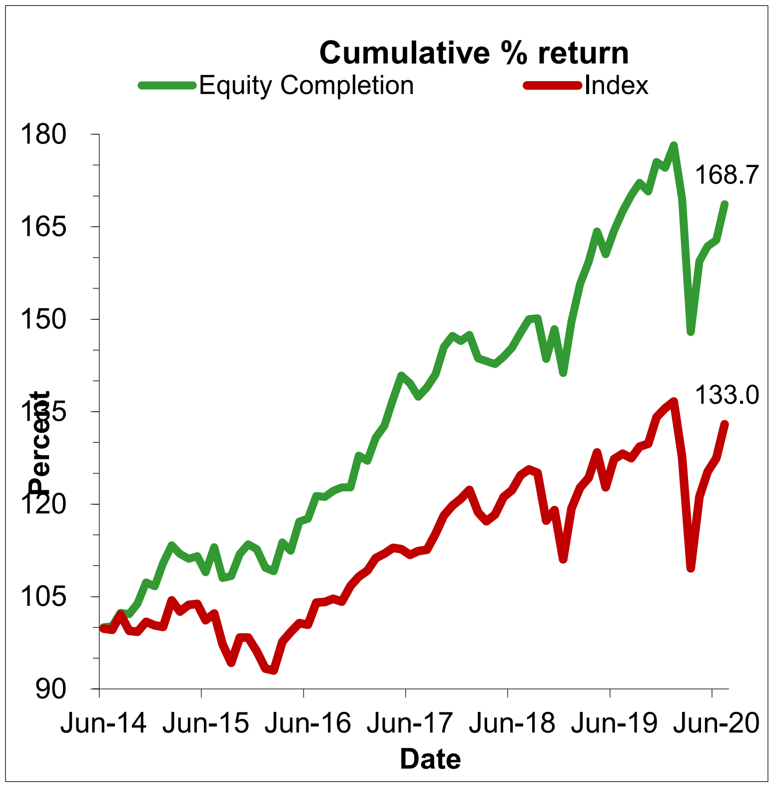
Consumer spending is the engine that drives North American markets. Both the actual economic conditions, as well as the fear of the virus are continuing to subdue consumer confidence,

Will what I own today make money, make sense, exist and flourish 5 weeks, 5 months and 5 years from now? I use this as my backdrop and question every dollar invested against this situation. We stockpiled more cash in July, selling one of our core businesses that I believe had a much bigger downside than upside. Since the pandemic started we have tightened up our holdings and reduced the number of positions held. With the uncertainty of the next 3-6 months, we are happy to have the excess cash and are actively looking for places to deploy.

I look forward to writing about how we took advantage of some of these opportunities in the coming months.

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	3.6%	0.7%	6.8%	7.1%	8.6%	8.3%	9.0%
Benchmark	4.4%	3.7%	3.3%	5.8%	6.3%	5.4%	4.7%

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