

David Shubs – Equity Completion

December 2021

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 1970's had a number of classic movies, from The Godfather to horror movies like Jaws to my personal favorite, Slapshot. I have seen all of these movies many times, so I now jump less when Jaws jumps out of the water and the Hanson brothers putting on foil only elicits a small grin.

I write this because as we sit today, we are facing a similar spike in pandemic numbers like we did just one year ago and it feels like we have seen this movie before. We don't seem to have the same fear of the pandemic and its effect on the economy. In fact last year we saw exceptional GDP growth, labour force strength, renewed consumer optimism and roaring equity markets. As a population, fear seems to have turned to caution and pessimism has turned to subdued optimism.

Movies from the 1970's we specifically chosen as that was the last time we saw large inflation growth like we have today. This inflation forced interest rates higher and created little real growth within the economy. Relevant changes were a shift in the work force and a shift in the way that people work, with technology just starting to materially effect the workforce. That seems to parallel where we are today with technology making big changes in the work force both in terms of what we do for work and how and where we do it.

Our goal is to make sense of how these and other factors are going to effect the economy. We continue to be focussed on our goal of having businesses that make money today and will make even greater economic returns in the years to come. There were substantial changes to the portfolio in the last 12 months based on these new opportunities. We look forward to watching (and writing about) these businesses and of our existing stable of cash generating companies.

Portfolio Facts

Portfolio Manager - **David Shubs**

Investment Approach - **Fundamental & Quantitative**

Risk Profile - **Medium to High**

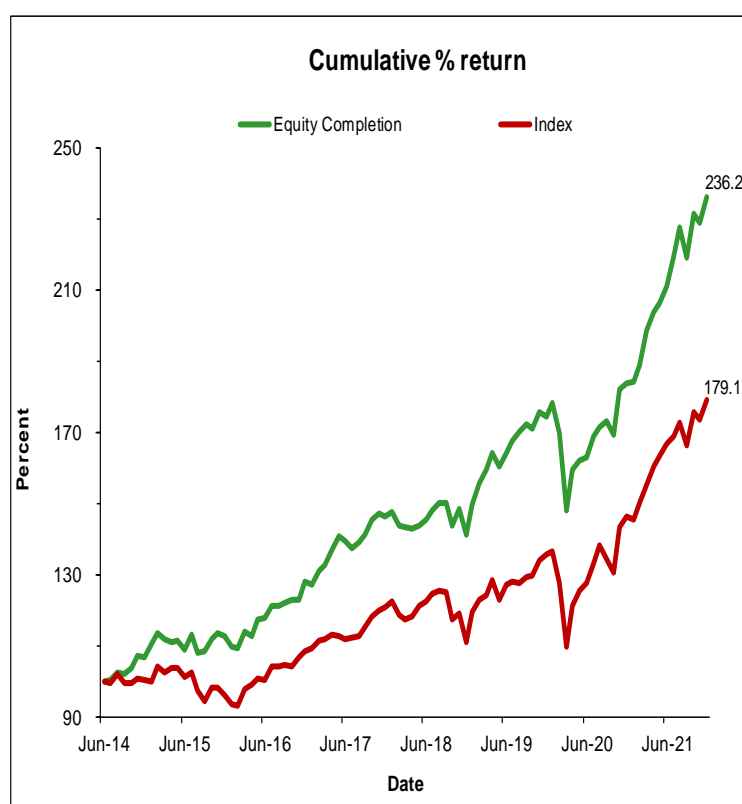
Return Objective - **Capital Growth and Dividend Income**

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	3.2%	28.7%	16.3%	18.7%	12.7%	13.1%	12.1%
Benchmark	3.1%	22.3%	14.9%	17.3%	10.3%	10.6%	8.0%

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



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