

# David Shubs – Equity Completion

March 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

At the risk of sounding like a broken record, we are facing unseen volatility. North American equity markets swung 6-8% in the month of March (Thomson One, March 31, 2021) with the TSX ending up 3.5% and the S&P 500 closing up 4.2%. New Covid variants and spiking cases seem, but that seems to be a short-term worry for investors. There is longer term optimism that vaccines will start to take effect and the trillions of dollars governments stimulus packages will jump start the economy.

There is massive structural unemployment and yet still a real threat of inflation. During times of unemployment we need to increase spending to bolster the economy and create more jobs. However, when unemployment is structural, that requires a retraining of the population which is a longer-term project. In the interim, it is likely that the stimulus will create inflation, which will require the government to temper spending and reduce its stimulus packages.

As investors, the key question is how do we make this situation work for us? We are taking a 3 pronged approach:

- 1) Own a stable of great long-term businesses
- 2) Review where we think that money is going to go. If we can get this thesis correct, we can be in an industry/company where growth is outsized
- 3) Hold excess cash to be able to take advantage of these wild swings and invest in companies that meet point 1 and 2 above.

We invested some of our cash pile in March and are patiently waiting for the right opportunities to invest the rest. I look forward to writing about some of these investments in the months to come.

## Portfolio Facts

Portfolio Manager - **David Shubs**

Investment Approach - **Fundamental & Quantitative**

Risk Profile - **Medium to High**

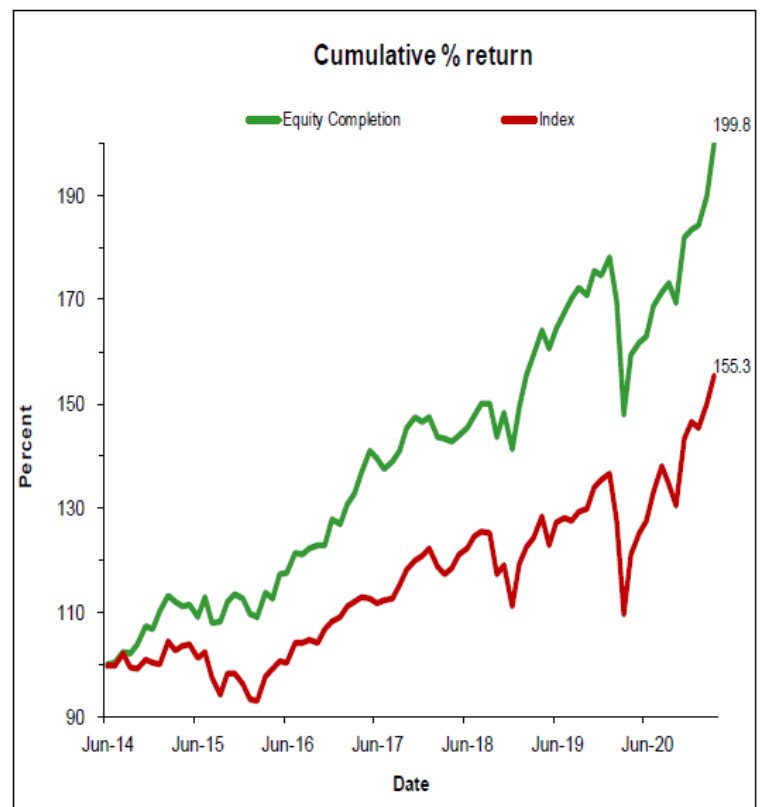
Return Objective - **Capital Growth and Dividend Income**

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
<b>Strategy</b>	5.2%	35.1%	12.0%	11.7%	10.8%	11.9%	10.8%
<b>Benchmark</b>	3.5%	41.8%	11.8%	9.8%	8.5%	9.7%	6.7%

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



The opinions, estimates and projections contained herein are those of the author as of the date hereof and are subject to change without notice and may not reflect those of BMO Nesbitt Burns Inc. ("BMO NBI"). Every effort has been made to ensure that the contents have been compiled or derived from sources believed to be reliable and contain information and opinions that are accurate and complete. Information may be available to BMO NBI or its affiliates that is not reflected herein. However, neither the author nor BMO NBI makes any representation or warranty, express or implied, in respect thereof, takes any responsibility for any errors or omissions which may be contained herein or accepts any liability whatsoever for any loss arising from any use of or reliance on this report or its contents. This report is not to be construed as an offer to sell or a solicitation for or an offer to buy any securities. BMO NBI, its affiliates and/or their respective officers, directors or employees may from time to time acquire, hold or sell securities mentioned herein as principal or agent. BMO NBI -will buy from or sell to customers securities of issuers mentioned herein on a principal basis. BMO NBI, its affiliates, officers, directors or employees may have a long or short position in the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon. BMO NBI or its affiliates may act as financial advisor and/or underwriter for the issuers mentioned herein and may receive remuneration for same. A significant lending relationship may exist between Bank of Montreal, or its affiliates, and certain of the issuers mentioned herein. BMO NBI is a wholly owned subsidiary of Bank of Montreal. Any U.S. person wishing to effect transactions in any security discussed herein should do so through BMO Nesbitt Burns Corp. Member-Canadian Investor Protection Fund.

BMO Wealth Management is the brand name for a business group consisting of Bank of Montreal and certain of its affiliates, including BMO Nesbitt Burns Inc., in providing wealth management products and services. © "BMO (M-bar roundel symbol)" is a registered trade-mark of Bank of Montreal, used under licence. © "BMO Nesbitt Burns" is a registered trade-mark of BMO Nesbitt Burns Inc. BMO Nesbitt Burns Inc. is a wholly-owned subsidiary of Bank of Montreal. If you are already a client of BMO Nesbitt Burns, please contact your Investment Advisor for more information.

**BMO Nesbitt Burns Inc. is a Member - Canadian Investor Protection Fund. Member of the Investment Industry Regulatory Organization of Canada.**