

David Shubs – Equity Completion

February 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

Fear of missing out is a thing. A real thing. Beyond fears of the virus, or of job loss, or of weakening economy, the biggest fear that investors seem to have is the fear of missing out. Once again, markets have skyrocketed to new all-time highs (Thomson Reuters, Feb 26, 2021) and we are still faced with economic, physical and mental health uncertainties, the likes of which we have never before seen,

Two of my favorite quotes paraphrased from the world's greatest investors (Benjamin Graham and Warrant Buffet) are:

1. In the short term the stock market is a beauty contest and in the long run it is a store of value.

This is a great lead into the second quote which is:

2. A rising tide lifts all boats. It is only when the tide rolls out that we can see who is swimming naked.

North American markets are currently seeing historically high prices, both absolutely and in relative terms. The S&P 500 is trading at near 25x earnings, which is a significant jump from its sub 20x historical average (Thomson Reuters, February 26, 2021). We still have higher unemployment, underemployment in North America than we had during the financial crisis (Statscan and US Census Bureau) and after a year of starts and stops, the extent of people's physical and mental health is being tested. Are they capable of spending and growing the economy?

As investors, we are focussed on following both how and where people are spending their money. If we can follow the money and buy great businesses in these industries, we should be able to grow our clients' wealth today and be well dressed if/when the tide rolls out.

Portfolio Facts

Portfolio Manager - **David Shubs**

Investment Approach - **Fundamental & Quantitative**

Risk Profile - **Medium to High**

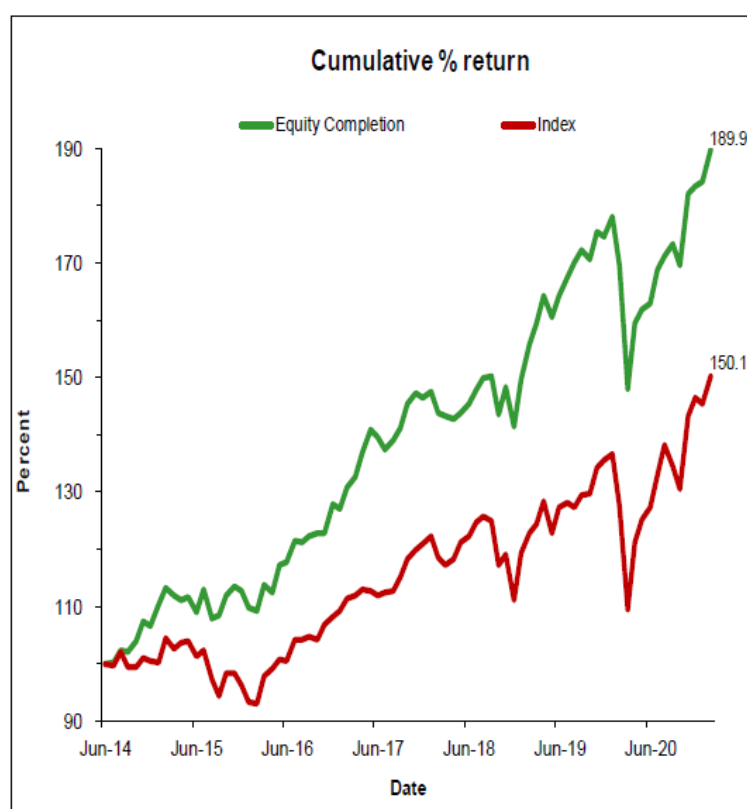
Return Objective - **Capital Growth and Dividend Income**

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	3.1%	12.0%	10.4%	9.7%	9.8%	11.7%	10.1%
Benchmark	3.2%	17.6%	10.6%	8.1%	7.8%	10.0%	6.2%

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



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