

David Shubs – Equity Completion

June 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 US is open for business. The country has near 50% of the adult population double vaccinated, the CDC has said that those that are double vaccinated don't need masks, the largest states are opening with no restrictions, 25 states are cutting the \$300 of enhanced federal unemployment funding, and as of June 29, 2021, US consumer confidence is at its highest level since the pandemic started (Conference Board of US – June, 29, 2021). This is helping to drive US equity markets up (Dow 12.7% and S&P 500 14.4%) for the year (Thomson Reuters, June 30, 2021). Canada, and most of the world, is weeks/months behind the US in opening. Time will tell what the best course of action was.

We are continuing to be patient investors but are not waiting for the benefit of hindsight to determine when to invest. We used this month to sell a business that had been grinding out a stable dividend for us, but was facing a new world that may not make it as stable. We replaced this with a great business with a deep economic moat, enormous cash flows and pricing power. All of these factors should make it a profitable long-term investment in our client portfolios.

Beyond that, our upside vs. downside metrics are taking over. If we invest more deliberately, in small pieces as we see opportunities, we may miss some upside. If we move too quickly, we may see a spike down that makes it harder to get back to even and up. We are invested in what we believe to be quality businesses and are constantly looking for opportunistic purchases. We will not be swayed by rising markets or the fear of missing out. Our buy and sell discipline remains intact. We are staying true to our investment principles and are ready to pounce on any opportunities presented. I look forward to writing about these in the months to come.

Portfolio Facts

Portfolio Manager - **David Shubs**

Investment Approach - **Fundamental & Quantitative**

Risk Profile - **Medium to High**

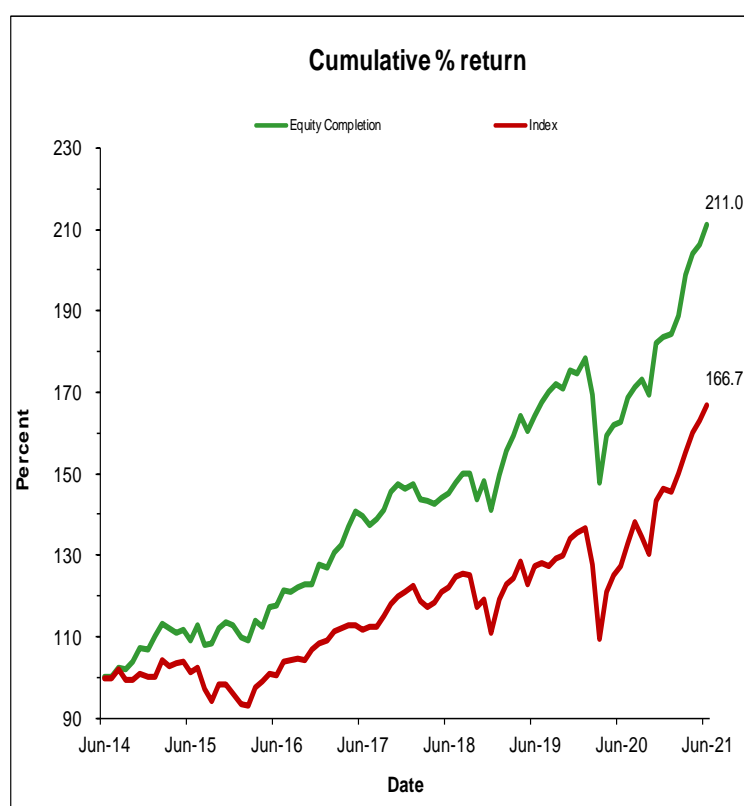
Return Objective - **Capital Growth and Dividend Income**

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
Strategy	2.2%	29.6%	13.3%	13.2%	10.9%	12.4%	11.3%
Benchmark	2.2%	30.9%	14.4%	10.9%	10.5%	10.7%	7.5%

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.