

David Shubs – Equity Completion

May 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

In time, the pandemic will subside and we will be moving back to a new normal. The markets have priced that new normal to start shortly. For the fourth consecutive month, North American equity markets gained. The TSX ended up 3.3% and the S&P 500 was up 0.5% (Thomson One, May 31, 2021). This optimism seems to be based on two factors:

1) Slowing or end of the pandemic

Uptake of vaccines is growing quickly. Adults having at least one dose of a vaccination is over 30% in many developed countries and worldwide is over 10% (<https://ourworldindata.org/covid-vaccinations>). The UK and U.S. are at or near 40% for adults being fully vaccinated. In turn, both countries and their corresponding economies have opened.

2) Consumer spending increase

Consumer spending and demand are up, and the US is showing new claims in unemployment lower than it has been since the start of the pandemic.

The good news is not the entire story. There are new strains of the virus being discovered, the US still has over 10 million people unemployed and Canada's unemployment rate is not faring any better. We still have people dying, there are less people working and everyone is spending more. The only rationale is that government stimulus is what is keeping North American businesses and households afloat.

We are doing our best to measure both the good and the bad and be prepared for both. We own some great businesses that should continue to succeed, and we have a wish list of businesses that we are ready to purchase if there is a movement away from the current extreme optimism.

Portfolio Facts

Portfolio Manager - **David Shubs**

Investment Approach - **Fundamental & Quantitative**

Risk Profile - **Medium to High**

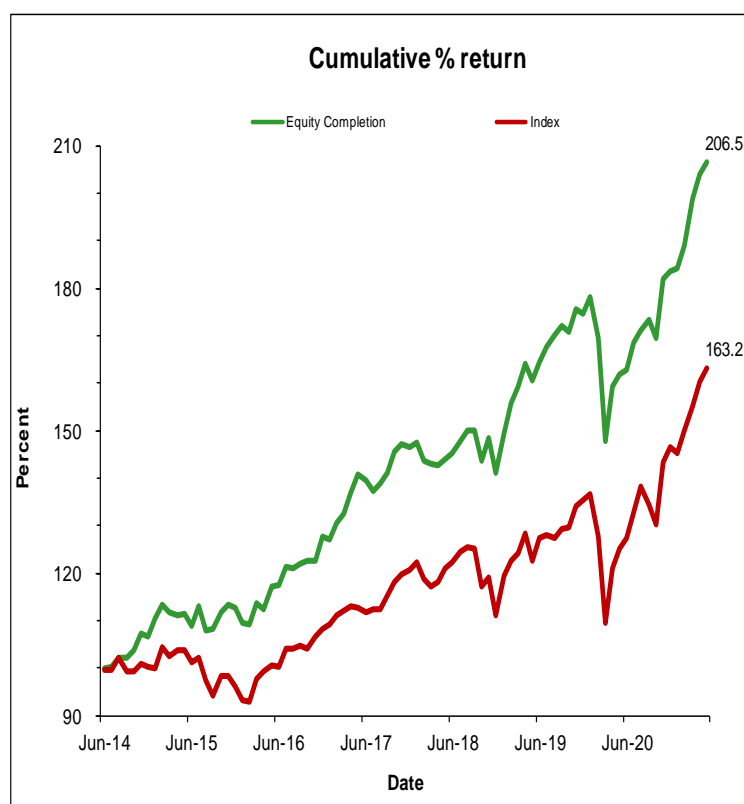
Return Objective - **Capital Growth and Dividend Income**

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	1.2%	27.6%	13.4%	12.8%	10.0%	12.0%	11.0%
Benchmark	1.8%	30.2%	15.3%	10.4%	9.7%	10.1%	7.2%

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.