

David Shubs – Equity Completion

April 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 the month of April Israel allegedly sabotaged an Iranian nuclear site and the US sanctioned Russia for “malign acts”. Both have the capacity to destabilize global relations and in turn the economy. Even with the concerning political news, there was very positive economic news. The Canadian Central Bank sees growth sooner than anticipated, potentially increasing interest rates in 2022 (earlier than expected) to curb inflation (Bank of Canada, April 21, 2021), US consumer spending rebounded and grew as government stimulus cheques were received (US Commerce Department, April 30, 2021) and many companies have exceeded their earnings forecast and outperformed market expectations.

Regardless of all else that is going on in the world, it is the pandemic that is driving all things. There have been over 1 billion vaccine shots have been given around the globe. The US has almost 100 million people fully vaccinated and their new case count is significantly dropping. Even with the new cases, markets seem to be ignoring new variants, rolling worldwide lockdowns, the devastating effects that India is facing and instead focussing on the positive vaccination news. The investment thesis seems to be that as more doses are made available, the world will quickly move closer to a herd immunity and provide the background for massive economic growth. This helps to explain why equity markets have soared in 2021.

In time I believe that markets will be correct. However, it is the interim that is less clear. Whether that will take a month or a year is still left to be seen. In the meantime, there will be more starts and stops and likely more relatively large market movements. We continue to be cautiously optimistic and take advantage of downturns by deploying capital when opportunities arise.

Portfolio Facts

Portfolio Manager - **David Shubs**

Investment Approach - **Fundamental & Quantitative**

Risk Profile - **Medium to High**

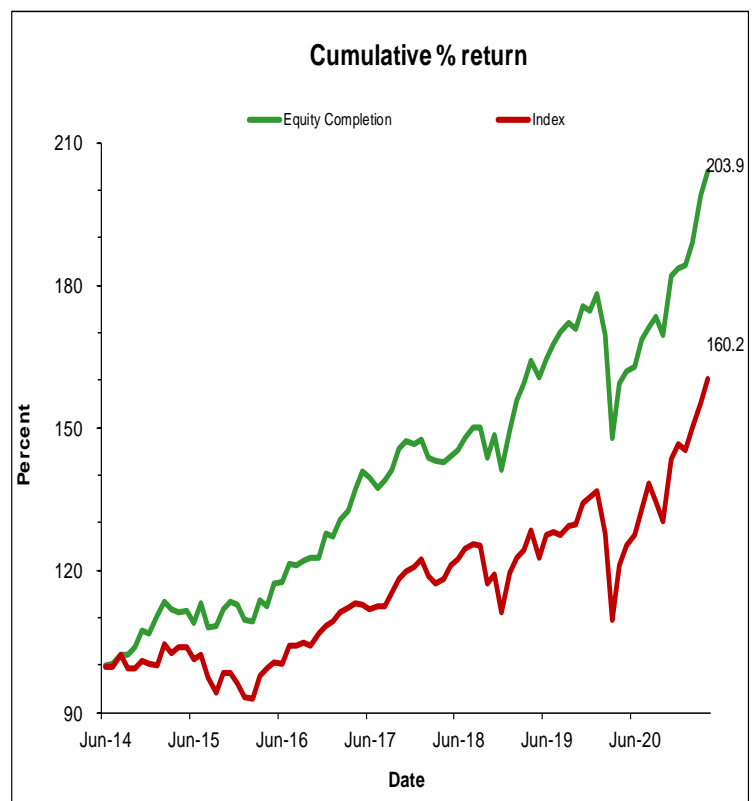
Return Objective - **Capital Growth and Dividend Income**

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	2.6%	27.9%	11.4%	12.6%	10.5%	12.6%	11.0%
Benchmark	3.2%	32.2%	11.7%	10.6%	9.1%	10.1%	7.1%

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



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