

Equity Completion Portfolio – May 2022

Investment Objectives

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 85% North American equity, 10% international equity and a small portion of cash.

Managers Comments

Equity investors seemed to view May 2022 as two completely different time periods.

In the first period, markets retreated based on inflation, related increased interest rate worries and the prospect of a global recession. These fears seemed to be fueled by historical inflation rates, a lockdown in China to combat a still very real pandemic, as well as escalating commodity prices from continued conflict in Eastern Europe.

In the second period, investors liked what they saw. Inflation was still at or near historical highs, the crisis in the Ukraine did not seem to be abating, and the pandemic was still active. Equity markets however implied that there is opportunity to be had. All major North American indices abruptly stopped the bleeding and rose, ending relatively flat for the month.

Valuations and pricing have come down significantly over the last months. After 10%, and in some cases 20%+ declines, businesses are now being valued more attractively. For the billions of dollars that are sitting on the sidelines, the question is likely a matter of when to invest, not if they should.

As a long-term investor, we do not try to time the market. There is no expectation of buying at a bottom or selling at a top. Our goal is to buy when the price of a great business makes sense. It is usually during these times of extreme volatility that we hope to find great value and that tends to be exactly when others are not deploying capital. It takes discipline and conviction to buy when others are selling. That also happens to be one of the best times to build real

Portfolio Facts

Portfolio Manager - **David Shubs**

Investment Approach - **Fundamental & Quantitative**

Risk Profile - **Medium to High**

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

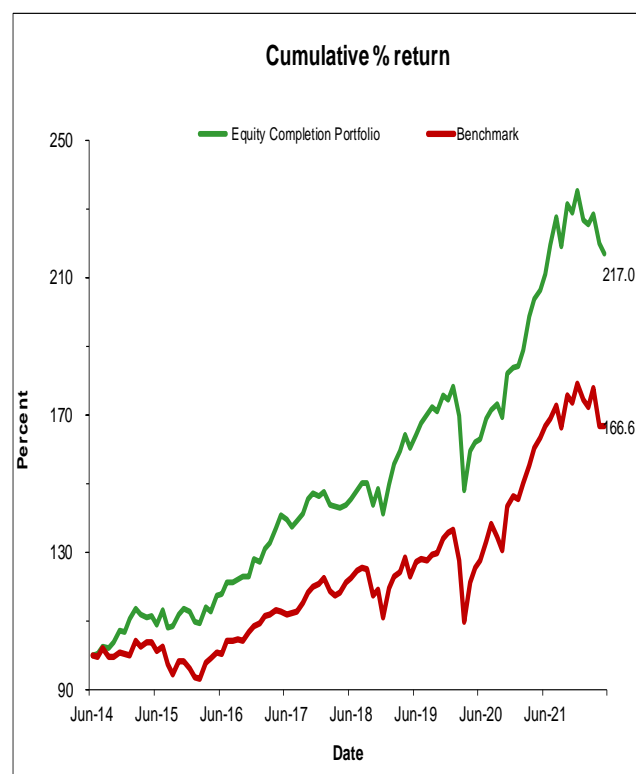
Minimum Investment - **\$250,000**

Portfolio Inception Date – **September 2014**

Base Currency – **Dual, reported in Canadian**

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
Equity Completion	(1.4%)	5.1%	15.8%	10.6%	10.8%	9.0%	10.3%
Benchmark	(0.1%)	2.1%	15.3%	10.7%	8.3%	8.1%	6.6%

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



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