

Equity Completion Portfolio – January 2023

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

I saw a clip of Tom Hanks offering some timeless, simple wisdom. Summarized in only four words, “This too shall pass”.

The last three years have been marked with fear and pessimism as we watched a pandemic, related supply chain disruption, inflation, interest rate explosion and war in the Ukraine unfold. All of which created more uncertainty than many of us had ever seen. Bond, equity and real estate markets all plunged in 2022 with the storm of fear. But remember those four words ...

Optimism was abundant in January 2023. North American markets roared back with the TSX gaining 7.1% and the S&P 500 gaining 6.2%. It seems that many of the 2022 concerns have reduced by becoming just a part of our daily lives. With this new norm, investors are turning their focus on the impending economic slowdown/recession and its related severity. As central banks begin to indicate an end to increased interest rates, many are looking into what the new future will look like and are seemingly optimistic about what they are seeing. So, the pendulum swings.

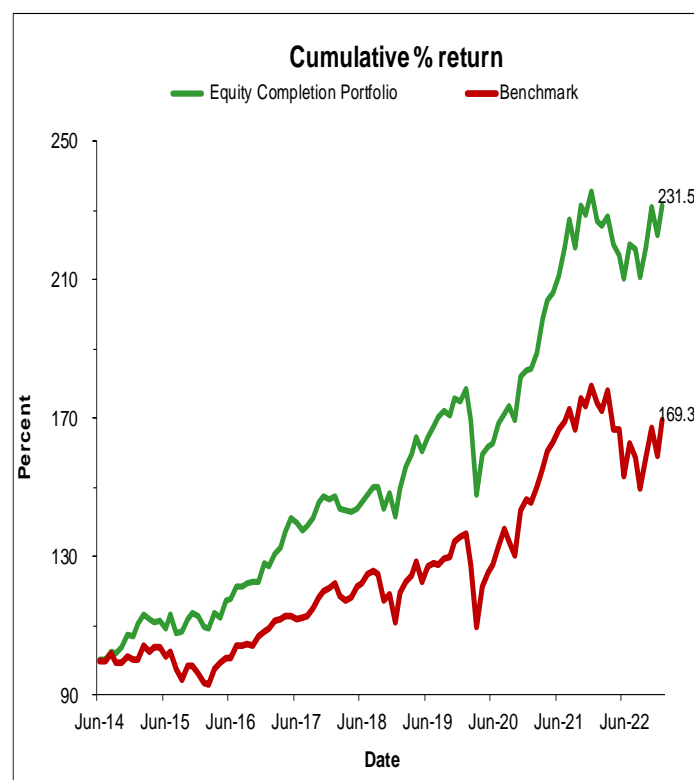
We are focussed on not getting caught in the swings. Or the exuberance. Or the fear. We look for the opportunities and have 3 goals:

- 1) sell a business that someone is buying at too large a premium,
- 2) buy a business that is being too heavily discounted,
- 3) live with the great businesses we have and tune out all of the worry.

We are doing some combination of the three and hope to write about our success doing so in the coming commentaries.

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 | 3.9% | 2.1% | 12.1% | 9.1% | 11.5% | 9.4% | 10.3% |
| Benchmark | 6.5% | (3.0%) | 7.9% | 7.4% | 9.1% | 6.7% | 6.3% |

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