

Equity Completion Portfolio – Sept 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

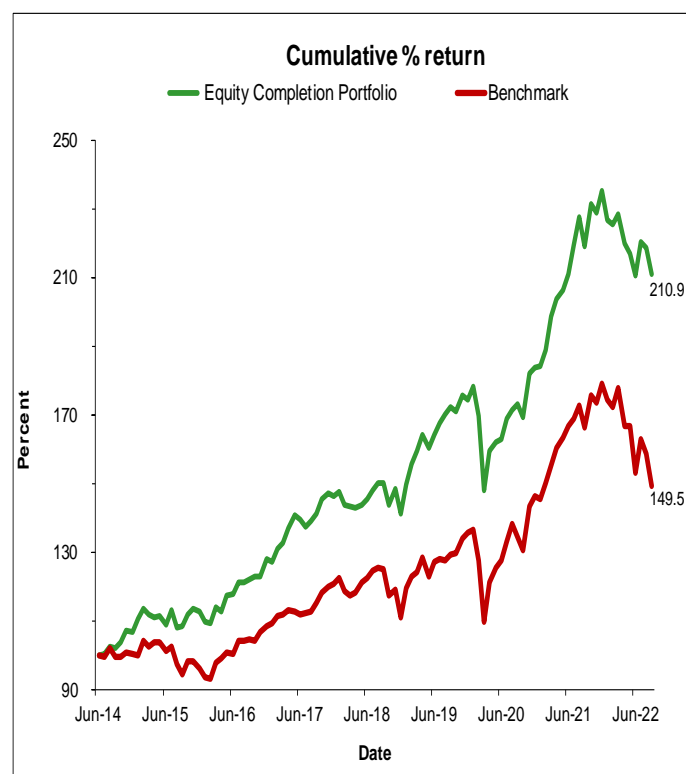
The basic thesis behind diversification is that different asset classes, geographic regions and industries perform differently in the same environment. As such, having a mix of all of these should reduce the likelihood of all of the assets moving significantly at the same time. While the theory is sound, it has failed in practice. During the financial crisis of 2008 and the current 2022 bear market, virtually all asset classes' price declined. Plainly stated, there are times when there is nowhere to hide from assets dropping in price.

This is where the importance of knowing the value of a business is far superior to trading stocks based on algorithms, momentum or just an expectation of a greater fool buying you out at a higher price. The trader has no reason to own something other than they think someone will pay more for it, without knowing why. The fundamental investor sees a bigger picture. They look for why this business is valuable, how it generates cash and the reason that it has worth.

If an investor has done their homework. Reviewed micro and macro factors affecting their businesses. Tested their assumptions. Checked and double checked their internal biases, they can have some confidence in the value of their businesses. Understanding the value of the business allows for calm. It allows investors to be patient, collect dividends and know that in time the price of the business they own will return to the value of that business. In the meantime, they can collect dividends and sleep at night.

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	(3.6%)	(3.8%)	10.3%	7.0%	8.9%	8.4%	9.5%
Benchmark	(5.8%)	(10.2)%	5.5%	5.0%	4.6%	5.4%	4.9%

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