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A HERO'S JOURNEY

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On September 23rd, a few of us at Hillside attended a conference that will forever be etched in my memory. Not only because this event marked the first-time seeing colleagues in two years; but also because the keynote speaker, Joe Roberts, blew me away. His speech was one of the most memorable I've heard.

Joe's story is full of little details which make it truly remarkable. You need to hear it from him to receive the full impact. Reluctantly, I'm going to give you a quick summary as some context is needed to make sense of how he can help all of us on our journey.

Joe was an average Canadian kid, born into a loving family who cared for him dearly. Life blindsided him and his family at a young age. He ended up on the wrong path and eventually found himself on the downtown east side addicted to heroin and living on the streets. After ~10 years of going deeper and deeper into this dark chapter of his life, he managed to turn things around. He eventually attended college, got a job, and became a leader in a successful technology company.

While he was in his darkest hour, he promised himself he would give back to humanity if he was ever able to get himself back on track. He kept his promise. Joe went on to spearhead [The Push for Change](#), a campaign to raise awareness around youth homelessness. In short, he pushed a shopping cart across Canada and raised over \$2m to put towards his ambitious goal of ending youth homelessness. Joe's clearly no ordinary person, I consider him a hero.

Now it's time to introduce you to another Joe. Joseph Campbell was an American professor who worked in comparative mythology. Yes, Mr. Campbell was an expert in Myths. He popularized the 'Hero's Journey'; realizing regardless of where or when a myth was written, it shared the same storyline as every other myth. [This quick video](#) nicely describes the Hero's Journey.

When you think about mankind, it's incredible to fathom how the stories of our history follow such a similar plotline. Joe Roberts' could not escape the grips of the Hero's Journey.

More than likely you have been called to a challenge by life. If you're like most people, there's someplace you've always wanted to explore



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which you haven't yet made happen. You've likely experienced something in your life which has left a lasting impact on you. You may still be in the dark hours of the Hero's Journey. When you come out the other side, you'll be able to apply this newfound tool to help you moving forward through the next journey.

Whether we like it or not, we'll all have many journeys which will follow the same storyline; we maybe able to control the departure date, we may not know the return date or even have a choice. We may be blindsided and not given any choices. The point is each journey has beauty in it - whether the journey lasted for minutes, hours, days, months, years or decades. The pattern of each journey is incredibly similar and will continue to be true for as long as mankind is fortunate enough to roam this planet.

I am not saying our stories are the same as Joe's, his is off the charts. I am saying Joe's story came from the same place as ours. He knew what he wanted- to live a life he could be proud of, to be happy. As impossible as this seemed for him, he believed it to be possible and started to make decisions in line with his goals. As he moved down the right path, it didn't take long for his dream to come true. He went from having no shoes on his feet to being a CEO in ~10 years. Joe's story proves even with similar plotlines, our stories have a myriad of possibilities. For this, I'm forever grateful - thank you, Joe.

Since we wrote our last letter, Jason was able to experience a dream of his which he writes about in this letter. He was called, he answered, he was accompanied by fellow journey mates, had incredibly challenging moments, came through the other side and returned to his status quo with something no one can ever take away from him. Something he will use in his everyday life from now on.

We are all Hero's in our own lives and so we are all somewhere on our own Hero's Journey. We may be waiting for our next call or we may be battling the biggest dragon we've ever faced. Or we may have just returned to our ordinary world with the newfound gift we get to use on our next journey.

If we have a dream to work towards realizing with you, we know we're headed in the right direction. Please think about what might be next for you and share those ideas with us and then we'll have all we need to set off on the next leg of your journey. We feel incredibly fortunate to have a part in your story, a responsibility we promise to honour.



PORTFOLIO (MANAGER'S) UPDATE: REALIZING ONE OF OUR OWN BIG, MEANINGFUL DREAMS

Jason Del Vicario, CFA

Our purpose at Hillside: real people working together to realize big, meaningful dreams. Not only do we 'eat our own cooking' on the portfolio management front (our money is invested right alongside yours) but we also have dreams and are working towards realizing them! Recently I was presented with an opportunity to fulfill a childhood dream of mine which is to experience the upper reaches of North America. I've always been fascinated with snow and ice. My friend Luke invited me to join his friend Lars, in Kodiak on a 60' sailing boat Lars had sailed solo (well, with dog She-Ra) from Thailand to Alaska. I leapt at the opportunity and simply had to go.

I packed up my winter gear (even though it was mid-September) and after three flights found myself in what seemed like the edge of the world: the Kodiak harbour. (Think 'Deadliest Catch' in terms of setting.) I arrived in the middle of a storm with winds gusting over 40 knots. The fishermen were busily changing their gear from salmon to halibut. While not unfamiliar with being on the water, my sailing experience includes a set of sailing lessons age 13 off Ambleside... to say I was overwhelmed and out of my element would be an understatement. The plan was to sail to Homer Alaska via Geographic Harbor but not 3 hours into the trek we encountered sustained winds over 30 knots from the north and had to change course. As I learned over the week, sailing requires one to be flexible; no day saw us do exactly what we had planned at the beginning of the day!



While I could go on and on about the beauty of Alaska (it really is stunning) I think photos will do that best; I've selected a few from the 581(!) we took during the week. Rather I'll focus on the journey and experience as this can't easily be captured through a lens. First, sailing is no joke... in my head I assumed 'auto pilot' meant we could set a course and sit back and watch the view; WRONG. Sailing is VERY involved, which appealed a lot to me. The boat must be prepped every morning for sail, meaning tying everything down and putting everything and anything away that could bounce around when the boat listed 30+ degrees. We leaned heavily on technology to assist us in determining routes and in extreme cases areas to avoid and/or where to seek shelter. There is something very liberating (and a bit scary) to being



completely at the mercy of mother nature. Going from a fairly scheduled life in Vancouver as a Dad, husband, business owner/operator & taxi driver (running kids all over the city), to being on the high seas with no schedule was incredible, so much so it took a few days to adjust upon my return. I think we all dream of a less hectic and scheduled life and it was great to live like this even if it was 'just' for a week.

This trip has opened my eyes to the fact that life is short and we should grab these dream experiences when

we can. I'm very fortunate to have been able to realize this dream and have returned even more inspired to continue the innovative path and direction of Hillside. For those who choose Hillside to lead us into their financial future we remain committed to helping YOU realize YOUR big meaningful dreams. I can't wait to hear of your adventures!



If you're interested in more photos of my Alaska adventure, click [HERE](#).

THE HILLSIDE FACTOR(Y) FOCUS: CONSERVATIVE MANAGEMENT

When it comes to equity investing, the best offense is usually a solid defense. As Charlie Munger put it, "if you watch the downside closely enough, the upside will take care of itself." Thinking long and hard about how money could be lost on an investment is how Berkshire Hathaway was built over time.

To cap the (downside) risk of our stock investments at Hillside, we prefer to "partner" with companies demonstrating a conservative management gene embedded in day-to-day operations and long-term strategic planning. We look for such evidence throughout our research process, including direct interaction with the management team.

Hong Kong-based [Perfect Medical](#) is one of the largest medical beauty services providers in the region and became a Hillside portfolio company earlier this year. We have been in touch with the management on a regular basis and found unlike many of its competitors, the company



JASON IN THE NEWS!

ICYMI, Jason was a guest on a couple of recent BNN Bloomberg shows.

On the [September 29th episode](#) of Market Call, Jason joined host, Andrew Bell, to discuss North American Growth Stocks.

Jason was also interviewed for the October 15th episode of "The Open", sharing his market outlook. [Watch the segment here!](#)

focuses only on non-invasive procedures to avoid potential legal costs and high staff expenses. It also mitigates the “diworsification” risk. The management even underweighted the “exciting,” rapidly-moving China Mainland market and instead turned to more developed regions such as Australia and Singapore to expand geographically for a more predictable outcome. The aforementioned reasons explain the Perfect Medical’s consistently industry-beating financial results, in our opinion.

[Credit Acceptance](#), also a recent addition to our portfolio, is another conservative growth story. The management sticks to what the company does best – underwrite auto loans for consumers with a subprime credit rating in the US. The company never ventured beyond their core market since it exited the UK and Canada back in the 2000s. Additionally, it has remained disciplined to only invest in loans with a projected return considerably exceeding the cost of capital throughout the latest credit cycles. One of the company’s annual shareholder letters specified, “if we couldn't earn more than our cost of capital, we needed to give that capital back to shareholders.” During the same period, many other financial institutions gained market share initially via aggressive loan underwritings but found themselves in trouble when tough times came subsequently – some of them had to leave the space with a loss and shareholder value being destroyed. In contrast, Credit Acceptance achieved double-digit annual growth rates in sales and earnings year in and year out. Slow is fast!

Our last example from our portfolio for this newsletter is [Rational AG](#); a German cooking equipment manufacturer. In a recent email exchange, the management implied (noted) to us the company would not look for an acceleration in business expansion, because a faster pace, while more “sexy” to Wall Street analysts, would dampen the quality of the offerings and customer experience. The management regards a high-single-digit growth rate as “manageable” and something they can budget for. Rational has been planning for long-term shareholder value by concentrating on building a brand-based moat even at the expense of the (lower but still decent) current growth. There should be no surprise to see consistently industry-leading customer satisfaction and loyalty for Rational’s products, keeping competitors at bay.

SEPTEMBER 2021 PERFORMANCE RESULTS

An overview of our three portfolios to date.

Performance to September 30, 2021	YTD	1 Mo	6 Mo	1 Yr	3 Yr**	5 Yr**	Inception**	Added Value vs. Benchmark**
Hillside Conservative Growth*	8.00%	-1.75%	9.13%	11.36%	9.31%	8.19%	8.50%	3.18%
HCG Benchmark ¹	3.04%	-2.11%	3.25%	8.19%	6.91%	5.69%	5.32%	
Hillside Balanced Growth*	13.21%	-2.13%	8.37%	18.22%	12.64%	10.94%	11.14%	5.10%
HBG Benchmark ²	4.83%	-2.35%	3.79%	11.24%	7.75%	6.79%	6.04%	
Hillside Focused Growth*	15.89%	-2.22%	14.48%	27.33%	10.48%	11.00%	11.07%	2.29%
HFG Benchmark ³	12.95%	-3.38%	6.58%	26.05%	10.97%	11.09%	8.78%	

Past performance is not an indication of future returns.

* Performance is presented gross of fees. **Inception: Sept 2, 2014. Results beyond 1 year are annualized.

¹ Hillside Conservative Growth Benchmark: 100% Vanguard Conservative ETF

² Hillside Balanced Growth Benchmark: 100% Vanguard Balanced ETF

³ Hillside Focused Growth Benchmark: 100% Vanguard All-Equity ETF

Source: SIACharts.com

The performance presented in this portfolio report is hypothetical and does not represent a specific client account. Details regarding actual returns of an investment account are available from the client's advisor.

SAVE THE DATE: HILLSIDE WEALTH'S ANNUAL CLIENT UPDATE - OCTOBER 28, 2021

Hillside Wealth Management is excited to invite our clients to join us on October 28, 2021 at 7:30 pm PST for our Annual Update where we can thank you for your business and discuss our model portfolios, our investment strategy and the current financial landscape.

Like last year, this interactive presentation will be held virtually.

Stay tuned for more details, or Hillside Wealth clients can [RSVP here](#).

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Performance is calculated using month-end market values of the model portfolio. Since we use a model portfolio to calculate performance there are no client-initiated cash flows (deposits/withdrawals) to account for. Performance is calculated by dividing the change in the model portfolio's market value by the model portfolio's market value at the beginning of the performance period. Also, all income generated by the portfolio's holdings are held within the model portfolio in cash and is accounted for in the portfolio's month-end market value - this results in a total return measure of the model's performance.

Returns for periods less than 1 year are shown as periodic returns while returns for periods greater than 1 year are annualized. Returns do not include fees and actual returns experienced by an investor may differ from those shown. Past performance is not a guarantee of future results.