

COACHING - WHAT'S THE BIG DEAL?

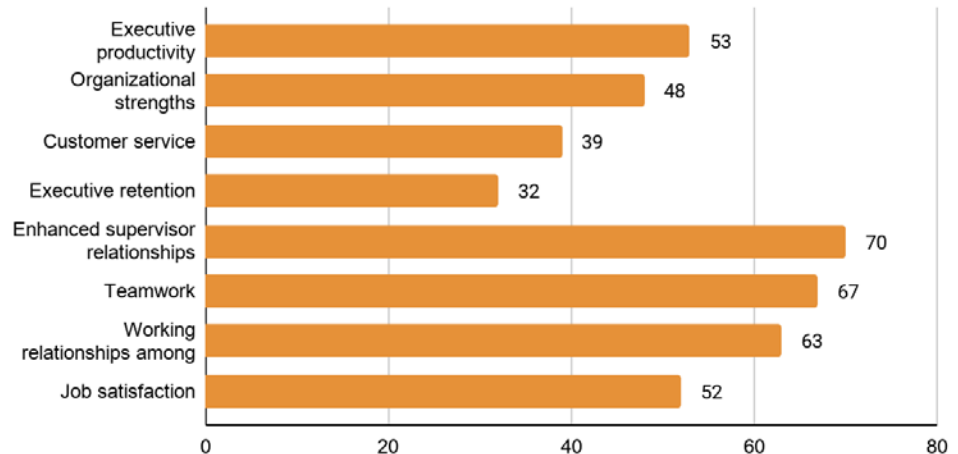
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Positive ROIs of Coaching

Percent improvement/increase as reported



Many of you have heard and read statistics, like the table above, that support the benefits of *Coaching*. The potential gains all make sense in theory, but why do many of us still hesitate to actually get a coach?

Professionals use coaches and the data shows it is effective, useful, and productive to achieving one's goals – so what prevents us from taking that step?

In my personal experience, the culprit is a fantastic four-letter-word spelled F.E.A.R. Yes, fear. What if we take the leap, get the coaching, go through the process and we do not achieve the goal we set out to achieve? What if we put in the time, effort, and hours of hard work, only to not accomplish what we set out to? What happens when we have to face our fear that we have *failed*?

Here's what happens: **we try again**. The beauty of having a coach is you have someone to work with, re-jig the planning, reset the timeline, and go back to the drawing board to figure out how to learn from our mistakes and move through failure to success.

A couple of years ago, the Ontario lottery corporation launched [this campaign](#) featuring a "dream coach" to encourage people to discover their Big, Meaningful Dreams (that's our Hillside-speak). Of course, the goal was for people to buy more lottery tickets, but we can take the idea and apply it too since we prefer to think all our clients can be lottery winners by their own means!



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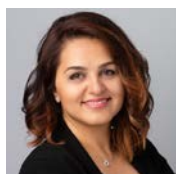
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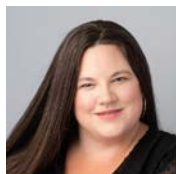
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What this campaign highlighted is that most people cannot dream big enough - and they want to encourage everyone to "Dream to the Max" (the Lotto Max, get it?). What drew our attention to this article is we too find our clients do not dream big enough!

We want you to dream BIGGER. I'm adding in the definition of bigger to be incredibly concise: *of considerable size, extent or intensity*. When we chat about Dreamscaping, we don't mean your annual trip to go somewhere warm (or cold), the new kitchen appliance you desperately need, or getting a new car because your current one has broken down. **We want to know the big, life changing experiences you want to do. The ones that seem out of your depth or almost fantastical.**

Now, dreaming big can relate back to that tiny voice in your head telling you not to get a coach. That voice's name is Fear; we know her so well. Don't get me wrong, there are times a healthy amount of fear is important. For example, cliff diving. Free solo rock climbing. Perhaps even, wingsuit flying – all sports where a good amount of fear is likely helpful. So why would fear come into play when trying to figure out our Big, Meaningful Dreams? Well, what if you want to buy a house in Hawaii – and each year you continue to look at houses, but none are "just right". Slowly, that dream starts to escape you. Or what if you *found* the house but the markets have taken a tumble and your dreampool isn't enough to purchase the place? Slowly, that dream starts to escape you. What if a family emergency comes up and you need to use your dreampool for said emergency? Again, slowly that dream starts to escape you. It's normal to experience fear when dreaming big, no one enjoys feeling disappointed. Really though, the only thing to fear is fear itself - because if you don't get it the first time you aren't going to perish on the rocks because you didn't calculate the cliff jump properly.

Similarly to the dream coach in Ontario who is helping (hopeful) lottery winners map out and accomplish their dreams, we are doing the same for our clients at Hillside. We are not certified "life coaches", and while that may come into play in the future, currently we are working in our capacity as Financial Advisors to put together "coaching" practices within our depth and certifications. That means digging deep to figure out what is most important to you, setting the targets and putting the processes in place to achieve those targets, and going after



those big, meaningful dreams without regret. Because here is the beautiful thing, if you don't get it on the first time, we will be here to ensure there is a second time, and third time, and fourth time and so on if necessary. We will keep pushing forward with you to make sure you feel your most accomplished self. Real people, working together, to realize your big, meaningful dreams.

Our philosophy - Discipline consistently generates exceptional results. We believe it, do you?

PORTFOLIO UPDATE: OUR COMMITMENT TO BE CONSISTENT WITH REPORTING & COMMUNICATION

Jason Del Vicario, CFA

At Hillside, our commitments to our clients are of high importance to us. We see everything through the lens of what's best for you. As a result, we often find ourselves pushing ahead regardless of operational challenges which may accompany our journey. One such challenge is owning foreign securities. There's a lot of value in doing this - so we do it- full stop. To use Mike's often noted maritime analogy; we are in uncharted waters by owning foreign equities directly. It would be much easier for us to own a mutual fund or ETF to gain foreign exposure, but this would increase the embedded fees and dilute the results of the Factor^(v).

For perspective, there isn't a Portfolio Management group we are aware of out of our 800+ advisors at iA Private Wealth where the portfolios are primarily populated with individual securities, let alone those trading in farther away places such as the UK, Sweden & Japan.

(As a reminder iA Private Wealth's role in our relationship is that of providing us the platform from which to conduct our wealth management practice. The backbone is National Bank Financial which is the largest independent dealer network in Canada. Together they provide us with account hosting/accounting, trading, statements, tax slips etc.)

Hillside is responsible for all the rest; including portfolio management, retirement and financial planning and of course Dreamscaping! While we dream of the perfect platform that does everything exactly as expected, the reality is this is not always the case.

You may have noticed in your portfolio, foreign stocks are noted as 5 lettered symbols or a number, such as 1830 (Perfect Shape in Hong Kong) and IDGXF (Integrated Diagnostics in UK). While we own these securities directly through the foreign exchanges (Hong Kong and London), they are being shown on statements as their 'Over-the-Counter' (OTC) US listed equivalent. So IDHC in London becomes IDGXF in the US.

Earlier this year we noticed some of the OTC equivalents are quite illiquid and trade infrequently. For example, IDGXF was showing at \$1.00 USD for a fair amount of time when it had last traded in London at \$1.20 USD. This served to artificially deflate the value of your accounts. Not by a lot as this isn't a particularly large position, but we noticed it. Knowing this wasn't affecting you negatively (overall a slight reduction in fees for you, the client), we didn't feel the need to communicate the issue. We did get to work with iA and National Bank to rectify the issue. If we had our way, we would much rather be showing the actual securities on the foreign exchanges we hold/own. This way the pricing is exact, as well our performance



US TAX ISSUES & CONSIDERATIONS

Are you an American living in Canada? Do you hold a Green Card? Do you own property in the US? Will you inherit US property or capital assets?

If ANY of the above apply to you - then JOIN US on November 24th, 2021 from 4-5pm PST, we will be having a discussion with Michael Hopkinson, expert U.S. tax accountant.

Visit our [LinkedIn page](#) for details.

reporting. We have been working diligently and patiently with our dealer for months to fix the issue and bring the most accurate reporting to fruition. As you were unaffected we accepted the slower progress.

The other day an alert client noted a discrepancy in the value of the account on the online platform in comparison to their statement. *(As a sidebar here, if you are not using the newest version of the online platform, you're missing out on a fantastic opportunity to catch errors like this one 😊). Also it is much better than the previous one – please let us know if you aren't sure or are not signed up for the newest version).*

In this instance Kakaku.com (2371 in Tokyo but KKKUF OTC equivalent) was the security in question. Kakaku paid a dividend of 20 Yen but the software assumed this was worth \$20CAD/share instead of \$0.22/share – there are approx. 92 YEN/\$1CAD. (We did check, and no unfortunately the powers that be will not honor the \$20CND per share dividend). This artificially increased the market value of your account. We are happy to say the problem has been resolved and your online accounts are corrected.

We will clearly communicate to you any problems we find which affect you and will do our very best to fix them as quickly as possible. As we write this, we are still working with our dealer to fix the issue and find a long-term solution which will prevent these issues from happening again. We value your trust and will continue to be transparent throughout this process. Thank you for your patience and continued support. Please reach out if you have any questions.

THE HILLSIDE FACTOR^(Y) FOCUS: THE SILVER LINING

In our portfolios, we aim to own ONLY high-quality businesses – you may wonder, do they have to come from an attractive industry? Most likely, but not necessarily. As every cloud has a silver lining, we do land on outliers in some poor-quality domains from time to time, thanks to our genuinely bottom-up process. Some of these companies are quite exceptional; we have followed them diligently and often had the good fortune to buy them at attractive prices. Let's go through some examples.

The restaurant industry is a typical space filled with challenges we attempt to avoid, i.e., suffering from a thin profit margin, high employee turnover, and lack of scalability. However, Snack Empire, the Taiwanese street-food brand operator has a brilliant



UPCOMING EVENTS!

We are excited to host or participate in a number of events for clients and friends Hillside Wealth and other occasions.

Here is a list of some of the things we have planned:

Nov. 24 - US Tax Issues & Considerations Expert Series Webinar

Dec. 17 - Jason Del Vicario on BNN's *The Open*

Jan. 21 - Jason Del Vicario on BNN's Market Call

Jan. 27 - Hillside Wealth's Market Update Webinar

[Follow Hillside Wealth on LinkedIn](#) for more information on how to join us!

franchise model making it an economically appealing story. With low CapEx needs, cash-rich operations, superior returns on total/incremental capital, and highly-liquid balance sheet – it has all the usual evidence we find in a high-quality business. Despite its' scale disadvantage (i.e., the micro-cap status), we love the fact Snack Empire's downside risk is well shared, particularly in geographic expansion. According to the founders, the company did minimal franchise marketing yet many of its overseas franchisees are operated by loyal customers of the brand.

Another (perhaps predictable) example, oil and gas companies form another cohort we tend to shy away from. As price takers (instead of price setters – think Hermès bags here), fossil fuel producers often find themselves in the situation of having to invest heavily upfront for unknown future results. We should state, not all oil/gas-related businesses are created equal. Texas Pacific Land Corporation is one darling showing the exact opposite result. Thanks to its royalty-driven model, on the top of approximately 900,000 acres of land in West Texas, the company requires little CapEx or OpEx to sustain operations, growth and produce persistently high returns on capital. Its land provides drillers with some of the most profitable sources of oil in the United States. This creates a sort of natural hedge for the business (in case of a decline in oil usage and price).

Lastly, the auto industry earns another spot on our caution list. As the adage goes, never invest in any company making things out of metal. Understandably - if the product is too durable, sales would be susceptible to the economic cycle. One silver lining we have noticed across the total industry exists in the aftermarket segment. Two companies dominate here: auto-parts retailer O'Reilly Automotive and collision repair center operator Boyd Group. Both generate decent returns on capital with high consistency no matter how the economy goes. This is because O'Reilly would benefit from more wear and tear on vehicles already on the road when consumers are not spending on new cars (during a recession). In Boyd's case, insurance companies (not the consumers) normally take care of the payment for auto repair.

As you can see, good companies do exist in "poor" industries. This is why at Hillside we are huge fans for bottom-up stock picking. Given that high-quality businesses are an ultra-rare species, alpha-seeking investors (those who's goal it is to outperform a comparative index) should certainly not give up any chance of finding one.

OCTOBER 2021 PERFORMANCE RESULTS

An overview of our three portfolios to date.

Performance to October 29, 2021	YTD	1 Mo	6 Mo	1 Yr	3 Yr**	5 Yr**	Inception**
Hillside Conservative Growth*	8.35%	0.46%	6.91%	15.03%	10.53%	8.08%	8.45%
HCG Benchmark ¹	4.32%	1.25%	3.31%	11.16%	8.85%	6.33%	5.57%
Hillside Balanced Growth*	14.08%	0.92%	9.59%	23.93%	13.13%	10.31%	11.13%
HBG Benchmark ²	6.85%	1.94%	4.16%	15.13%	10.22%	7.63%	6.41%
Hillside Focused Growth*	17.47%	1.60%	8.95%	33.99%	14.24%	10.46%	11.18%
HFG Benchmark ³	17.76%	4.25%	8.15%	34.96%	15.29%	12.22%	9.34%

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.

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Insurance products provided through iA Private Wealth Insurance.

Hillside Wealth Management is a personal trade name of Michael Preto and Jason Del Vicario.

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.