



RETIREMENT: IS THIS REALLY THE END GOAL?

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Retirement is a major life transition. You go from a period in your life where ~40hrs of your week was allocated to work, to a time in your life where work could occupy none of your time. Although you may think it's a transition most would welcome (assuming money wasn't an issue), retirement is rated as one of the top 10 most stressful life events (*source: The Holmes-Rahe Life Stress Inventory*). Given one of our major focuses is your retirement, we feel a responsibility to help alleviate the stress so you can enjoy life as much as possible.

The funny thing about life is you can't avoid major transitions - they are always there, waiting for you to deal with them. If you love your job and never want to stop doing it, this doesn't mean you can just ignore retirement. What if you are forced into retirement for reasons you can't control, then what?

The trick is to prepare yourself for the transition, whatever it is. Here's another universal truth: it's never too late. Maybe you retired 10 years ago, maybe you are retiring in 10 years, or maybe you never worked: if something's eating at you, you can choose to let it keep eating you, piece by piece; or you can turn on it and deal with it. We encourage the latter.

Money is important; we need enough to live comfortably today and in the future. Having enough money so you can afford to retire is a big piece of the puzzle. Not surprisingly, the financial aspect of retirement is what gets the most attention. The funny thing is those with more than enough money seem to be working more in retirement- not because they need to, because they want to. The key takeaway here is just because you are financially prepared, doesn't mean you are ready for the transition.

In fact, it's easier to get more lost when it's not obvious what the problem is. Questions start popping up: Why am I not happy? I don't understand what's missing? I thought I wanted to travel more but that doesn't seem to be the answer, so what gives?

The point is there are a lot more questions which need answering to make sure **you are not only financially, but psychologically prepared for retirement.**

1. What will/do you miss about your work?
2. What do/did you like about your work?



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3. How do you feel about retirement?
4. What are your strengths?
5. What interests you?

When you know the answer to these types of questions, you are in a much better position to fill any voids. The more questions you answer, the easier it is to work through the transition and come out the other end, happier. And it would appear this sort of framework can be applied to other major life transitions- the empty nest, marriage, divorce...

Without a doubt, we need to grow your portfolio and put you in the best possible financial situation to live your best life. And let's be clear, we understand you'd rather have more- so do we. It's okay, we completely get this and have the systems, expertise, and people to deliver this for you. Yes, we know how to make you real money.

Let's also understand something else- just because you have the money, doesn't mean you are set. It's more complicated than this and we have more work to do. We are going to continue to grow and learn so we can bring more value to you and your family.

This is our responsibility to you and we're going to honour it.

PORTFOLIO UPDATE

Jason Del Vicario, CFA

November saw our three model portfolios advance by the most ever for a single month period dating back to our inception in 2014. This, on the heels of a decent October to boot. Many would pat themselves on the back and focus on this short-term performance. We will not focus on short term performance because it is just that: short-term performance.



We have a commitment at Hillside to understand perspectives and prioritize what matters. We understand the perspective of looking at portfolio values daily, weekly or



monthly. We feel strongly this behaviour is counterproductive to achieving what matters to you, be it a comfortable retirement, fund post secondary education pursuits or realize your big meaningful dreams. In this spirit I am going to re-iterate that a big up or down month doesn't change what we are trying to accomplish on your behalf. We are 100% committed to sourcing and populating OUR (not just 'your', remember we all at Hillside own what you own) portfolios with businesses that are high quality and run by people who are honest and have skin in the game. We are never satisfied and are always looking to improve and leverage our competitive edges on your behalf.



I am incredibly proud of the way our team and clients have navigated 2022. Let's call a spade a spade; 2022 at certain points was the WORST performing year for a traditional 60/40 portfolio. If this felt worse than 2008, **it was**. I am by no means suggesting this bear market is over (no one knows for sure) but I would like to point out how incredibly proud I am of our team and in particular our clients who have trusted our process during these challenging times. It is not easy to see your portfolio dropping endlessly. It's even more difficult to add money during these times. We have lost 3 clients in 2022. This is more than our average annual loss of 1%/year but out of 300 client families this is ~1%. By way of comparison, the average Portfolio

Management group, per our observation, loses on average 33% of their assets per year. Lastly, I will point out that the last few months is a perfect example of why we need to stay invested. If I suggested in September that our portfolios would advance 7-15% in the ensuing 2 months you'd probably have thought me crazy. We will never focus on the short-term because this is unknown. Staying invested in a concentrated group of high-quality businesses provides us with the highest probability of achieving what matters to us. Period.

Please allow me to wish you and yours a wonderful holiday season and we look forward to a healthy and prosperous 2023!

THE HILLSIDE FACTOR^(V) FOCUS: A PARTNERSHIP WITH GREAT PEOPLE

"The mercenaries are trying to flip their stock. The missionaries love their product or their service and love their customers, and they're trying to build a great service."

- Jeff Bezos

There's a business behind every stock, and there're the people behind every business. Instead of a list of "ruthless" tickers and in addition to a collection of good businesses, we see our portfolio as a partnership with great people that build strong businesses for a purpose. Trust us – the purpose here is by no means money-oriented, although significant wealth (i.e., shareholder value) creation often comes as a result of that purpose. These people are missionaries, not mercenaries.



Take Tobila Systems for example. The company started just a little more than a decade ago, with its founder, Atsushi Akita, developed a filtering system for fraudulent calls for his grandfather, who became a victim of a phone scam. With the mission to “allow everyone to live without fear of fraudulent and other illegal activities,” Tobila today is the go-to partner for telecom carriers in Japan to help tackle special fraud, which leads to a total loss of roughly JPY 30 billion a year across the country.

Fever-tree, a recent addition to our Focus model is another purpose-driven success for not only shareholders but consumers as well. It was literally “born” in the British Library, where Tim Warrillow and Charles Rolls researched the best possible ingredients for tonic after noticing an extraordinary gap in quality between mixers vs. spirits. With no compromise on quality, the two travelled around the world to source supplies, which could take them to Congo for quinine and to the Ivory Coast for green ginger. Fast forward to today, Fever-tree has become the only premium mixer brand on a global scale for demanding consumers to complement the world's finest spirits.

It is worth noting that both Tobila and Fever-tree remain led by their respective founders. As shareholders, we feel fortunate to partner with these great people (at the right prices, btw) throughout the journey to generate tremendous shareholder value AND make the world a little better place.

HILLSIDE CO. OWNERS' GUIDE

Amanda Baxter, BA

One of Hillside Wealth's commitments is: recognize and honour responsibilities. We believe that an important step to meeting that commitment is **annual planning** with clients.

A large part of the value in being a Hillside client is the retirement planning and Dreamscape process we provide.

The Best Diet Is The One You'll Stick With



The Best Investment Plan Is The One You'll Stick With



The Best Exercise Program Is The One You'll Stick With



Consistency Is More Important Than Optimization

 @brianferoldi

Benefits to annual planning include:

- Provides a guide for decision making
- Improves financial outcomes
- Keeps you on track to your goals
- Sets a performance standard
- Reviews your situation each year and applies necessary changes
- Monitors your Dreampool

We look forward to your annual planning review and being able to provide you with the structure you need to achieve your big, meaningful dreams.

REALIZING BIG MEANINGFUL DREAMS

After completing the Dreamscape Process, Mike and his wife, Becky, had a Family Travel adventure to Europe on their Dreamscape list for some time.

They, along with their 3 kids, were fortunate enough to be able to realize this dream earlier this year.

[Read about Mike's Journey HERE](#) (and don't miss some amazing photos!)



ULTIMATE EGGNOG RECIPE

'Tis the season to gather with our loved ones, and this recipe is a proven crowd-pleaser. [Send us a photo](#) of your family and friends enjoying up cup of Heidi's Ultimate Eggnog!

Serves 8

- 3 cups (700ml) whole milk
- 1 cup (240ml) heavy or double cream
- 3 cinnamon sticks
- 1 vanilla bean pod, split and seeds removed
- 1 teaspoon freshly grated nutmeg, plus more for garnish
- 5 eggs, separated
- 2/3 (130g) cup granulated sugar
- 3/4 cup (175ml) Bacardi Dark Rum, or bourbon

1. In a saucepan, combine milk, cream, cinnamon, vanilla bean, vanilla seeds, and nutmeg. Bring to the boil over a medium heat. Once boiling, remove from the heat and allow to steep.
2. In a large bowl or stand mixer, beat egg yolks and sugar until combined and thick ribbons form when the whisk is lifted. Slowly whisk in the milk and continue to mix until the mixture is combined and smooth. Add bourbon or rum, and stir. Refrigerate overnight or for up to 3 days.
3. Before serving, beat the egg whites in a large bowl or stand mixer until soft peaks form. Gently fold into eggnog until combined. Serve and garnish with freshly grated nutmeg.

Tips:

- If you like things super vanilla-y, use two vanilla pods, or add some vanilla extract as well.
- Freshly grated nutmeg really is a game changer, it just tastes different than the powdered stuff.
- 3/4 cup rum/bourbon makes it fairly strong, so it can be left out if preferred and just added per glass.
- [Download a print-friendly version of this recipe here](#)



NOVEMBER 2022 PERFORMANCE RESULTS

An overview of our three portfolios to date.

Performance to November 30, 2022	YTD	1 Mo	6 Mo	1 Yr	3 Yr**	5 Yr**	Inception**
Hillside Conservative Growth*	-10.52%	5.22%	0.50%	-8.55%	2.81%	4.74%	6.30%
HCG Benchmark ¹	-10.28%	4.65%	-0.42%	-8.80%	1.45%	2.85%	3.64%
Hillside Balanced Growth*	-11.63%	6.48%	0.61%	-9.74%	4.35%	5.96%	8.40%
HBG Benchmark ²	-10.55%	4.74%	-0.62%	-9.03%	2.44%	3.63%	4.30%
Hillside Focused Growth*	-14.46%	8.78%	2.10%	-11.22%	6.02%	6.18%	8.33%
HFG Benchmark ³	-9.62%	7.07%	0.23%	-6.87%	6.91%	6.46%	6.96%

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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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.