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## THE IMPORTANCE OF CONSISTENCY WITH REPORTING AND COMMUNICATION

*Amanda Baxter, Investment Advisor*

As far back as I can remember there has been regular, consistent reporting and communication in most aspects of my life. Report cards, training summaries, daily schedules. ***Most of us thrive in environments with consistency delivered through regular reports and communication.*** We know if we are “on track”, we have a gauge to measure the metrics we need/want, and we get a sense of our situation.

The examples of reporting and communication for better or for worse are infinitely present in our everyday lives.

Have you ever taken a BC ferry on a busy weekend and been frustrated with the process? Delays, website crashes, inaccurate wait time estimates. On May long weekend my family and I went through this, and when we asked BC Ferries staff, we received three different answers to the same question. With a toddler in tow, it was quite a horrible wait and at moments anxiety inducing.

The ultimate problem with the situation? – complete and utter lack of reporting and communication on the issue(s). With no clear answers and a website that stopped refreshing early in the evening we were at the mercy of a boat we only hoped would arrive shortly. BC Ferries is notorious for poor communication and reporting. It creates distrust, lack of standards, and poor branding.

We finally got to our end destination, with a few more gray hairs and an overtired toddler.

The same weekend, the Canucks were continuing their run in the playoffs. We watched both games and noticed how quickly stats pop up on screen, the depth of the analysis, the breadth of information reported within very short periods of time. The real time engagement draws you in – Canucks are 0/4 scoring on the power play, will this be the one? Will they break the cycle? (They did not 😞). Whether or not you enjoy hockey, or sport in general, as an industry it has really cornered the market of reporting and communication.

In finance, the highs are always easy to report on. We prefer to call you, our client, when accounts are up. We’re both better people in this situation! That being said, when the portfolio is down, you will continue



to receive reporting and communication. The phone will get picked up, voicemails will be returned. Emails, meetings, phone calls – we will be available. We won't shy away from a difficult situation, side by side with our philosophy to **be consistent with reporting and communication**.

Our annual commitment to provide our planning clients a **VISTA**; detailed report on performance, money in and out, goals, timeline and cost of goals, along with dream pool (bucket of funds available to achieve goals) is our primary way of keeping you on track! This document goes beyond just reporting and **details your big, meaningful dreams in a way that makes them accessible and possible**. Beyond being consistent, we want you to know how important it is to us, you feel fulfilled, validated and living your best life.

We also deliver on this promise to you by hosting our semi-annual Portfolio Management Updates. Please [click HERE to JOIN US](#) for our next webinar on Wednesday, June 26th at 6:30 PM (Vancouver time).



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## PM UPDATE: A TRIBUTE TO CHARLIE MUNGER - A CENTURY OF WISDOM, LAUGHTER, AND INVESTMENT MASTERY

Jason Del Vicario, CFA®

Charlie Munger passed away in November 2023, just weeks before his 100th birthday. This remarkable man had a profound impact on the investment world, particularly on Warren Buffett with whom he shared a 65 year friendship and business relationship. Since the 1960s they ran Berkshire Hathaway compiling one of the strongest return track records of our time.

For those of you who follow me on [LinkedIn](#), you'll hear me quote Charlie (and sometimes Warren) often. I first learned of Charlie by studying Warren Buffett and Berkshire Hathaway. At the time, I didn't really pay much attention to Charlie because it was Warren who was the face and being interviewed on mass media and featured in books. It wasn't until I attended the 2018 Berkshire Hathaway AGM that I became a massive fan of Charlie's. During the 4-6 hours of the AGM Warren spoke 98% of the time and Charlie 2%. However, Charlie's 2% was packed with wisdom and hilarity. Charlie easily received 80% of the laughs. So, I started researching Charlie and while the content is trickier to find, it's there. Both he and Warren have been very generous over the years imparting much of their philosophies and processes to knowledge seeking eyes and ears.

Charlie had the amazing ability to say as much as was required given the situation and NO MORE. His most common comment at Berkshire AGMs when asked if he had anything to add was 'I have nothing to add' and he'd take another bite of See's Candy or sip of Cherry Cola. Charlie was incredibly knowledgeable on a number of subjects: mathematics, philosophy, physics, biology, law, architecture and of course finance.

Below I have attached some materials that I believe you will enjoy; highly recommended for summer reading! During one of his last interviews he was asked what he'd like put on his tombstone to which he replied: I tried to be useful. Charlie has left an unmatched legacy and he will be missed the world over. RIP Charles T. Munger.

### More Charlie Munger:

[The last interview Charlie gave with CNBC](#)

Book: [The Tao of Charlie Munger](#)

Book: [Poor Charlie's Almanac](#)

If you have limited time I recommend:

[The Extraordinary life of Charlie Munger](#)

[The best jokes of Charlie Munger](#)



Steven and I look forward to the upcoming [PM Webinar](#). Our favourite part is the Q&A so please fire lots of questions our way!

## HILLSIDE IN THE NEWS

Jason shared his long-term investing process and highlighted 3 Top Picks in this interview with *StockPick News*:



## NEW ON YOUTUBE

*From the Hillside Factor<sup>®</sup>*: The Hillside Wealth team talks about Restoration Hardware (RH). Tune in to learn more about them, and why we hold them in our model portfolios.



Mike talks about two timeless rules every investor should know about when planning for retirement.



Don't miss our latest videos by subscribing to our [YouTube Channel](#) today!

## ENSURING A SMOOTH TRANSITION: HOW TO MAKE YOUR BUSINESS SALE-READY

*Michael Preto, CFP<sup>®</sup>, CIM<sup>®</sup>*

***One of the key issues facing business owners today is successfully transitioning their business to the next owner.***

Many current owners struggle with this because there are more sellers than buyers. It's a buyer's market, and buyers have specific criteria, one of which is the current owner's level of involvement in daily operations.

Earlier this year, I needed some repairs done on my boat; my anchor winch needed to be rebuilt. We removed the winch, boxed it up, and shipped it to the company, which promised a turnaround time of about three weeks. As the completion date approached, we experienced a communication blackout—no responses to emails and unreturned phone calls. Eventually, we discovered the sole person responsible for rebuilding our winch had suffered a heart attack. Thankfully, he survived. However, this machinist was also the receptionist, shipper/receiver, manager, and owner. When he went down, his business came to a halt. This scenario perfectly illustrates what not to do if you hope to sell your business someday.

The gentleman, now in his 70s, will never be able to sell his business for more than the value of its machinery and inventory. Despite the business supporting him and his family for decades, he won't receive a multiple of the profits. This highlights another issue many owners face—if they simply close their doors, will they be able to maintain their current lifestyle?

To create a different outcome for you and your family, all you need is time and an open mind.

Time's needed to:

- Implement systems and processes required to have other people run your business for you.
- Hire the right people to run the business.
- Structure the business so when you do successfully sell, you do so tax efficiently.

An open mind is needed to look at your business through the buyer's eyes and see things differently than you have in the past.

These two elements are crucial to transforming your business into a saleable asset and securing the funds needed for a smooth transition into your next chapter.



## MAY 2024 PERFORMANCE RESULTS

An overview of our three portfolios to date.

Performance to May 31, 2024	YTD	1 Mo	6 Mo	1 Yr	3 Yr**	5 Yr**	Inception**
Hillside Conservative Growth*	<b>5.45%</b>	<b>2.66%</b>	<b>7.91%</b>	<b>9.86%</b>	<b>6.56%</b>	<b>6.59%</b>	<b>7.32%</b>
HCG Benchmark <sup>1</sup>	2.59%	1.76%	5.56%	8.20%	1.42%	3.78%	3.98%
Hillside Balanced Growth*	<b>6.84%</b>	<b>3.10%</b>	<b>9.22%</b>	<b>10.64%</b>	<b>8.39%</b>	<b>8.33%</b>	<b>9.48%</b>
HBG Benchmark <sup>2</sup>	5.16%	2.06%	8.40%	13.02%	3.80%	6.36%	5.48%
Hillside Focused Growth*	<b>9.73%</b>	<b>3.78%</b>	<b>12.13%</b>	<b>16.52%</b>	<b>11.10%</b>	<b>11.54%</b>	<b>10.36%</b>
HFG Benchmark <sup>3</sup>	10.33%	3.02%	13.55%	21.57%	8.23%	11.01%	8.36%

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.

<sup>1</sup> Hillside Conservative Growth Benchmark: 100% Vanguard Conservative ETF

<sup>2</sup> Hillside Balanced Growth Benchmark: 100% Vanguard Balanced ETF

<sup>3</sup> 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.