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A SIMPLE CHANGE, A PROFOUND IMPACT: HOW ONE BUSINESS OWNER TRANSFORMED DEBT INTO OPPORTUNITY

Michael Preto, CFP®, CIM®

Running a business is no easy feat. Business owners juggle countless responsibilities, often doing their best to keep things running smoothly. But sometimes, even the most seasoned entrepreneurs need a helping hand. Here's a real-life example of how one business owner found more success than they ever imagined by seeking advice.

Meet Sarah (name changed for privacy), a 56-year-old business owner who had been managing her company for years. Things were fine—work was steady, bills were paid, and on the surface, she seemed content. However, between personal and business debts, Sarah was facing \$1.4 million in liabilities. While she had the cash flow to manage the debt, she wasn't making much progress. She felt resigned to the idea of working indefinitely to fund her family's lifestyle.

That changed when a friend recommended she speak with John, a specialist in streamlining small business operations. Intrigued, Sarah reached out, and after a few meetings, John saw potential for improvement. He suggested bringing Sarah's management team into the conversation, where a longstanding problem came to light.

Each month, Sarah's business was losing 10% of its total revenue due to wasted product—items that didn't meet client specifications. To Sarah and her team, this was just a cost of doing business, but John saw it for what it was: a massive inefficiency.

Sarah's company produced custom-built products tailored to client needs. When an order came in, several decisions needed to be finalized before production could begin. However, in an effort to keep her team busy, Sarah would often push work orders through before they were fully approved. This well-meaning approach resulted in costly errors.

The fix? Simple. No work order would go into production without client sign-off. This one adjustment led to hundreds of thousands of dollars in increased profits annually.



With this newfound profit, Sarah started paying down her debts. A couple of years later, her debt is nearly gone, and she has more options than she ever thought possible. Sarah is now considering retirement, either by selling the business or stepping back and handing over daily operations while retaining ownership. Whichever path she chooses, Sarah is poised for a much more lucrative exit than before she met John.

Sarah’s willingness to seek advice and embrace change deserves to be celebrated. Being open to outside perspectives can create tremendous value. Too often, pride prevents people from realizing there may be a better way forward.

If you’d like to connect with John and explore how his expertise can benefit your business, reach out to us. We’d be happy to make the introduction, watch the transformation, and help you decide how to make the most of your newfound wealth.

BEST TIPS FOR SELLING YOUR BUSINESS TO BOOST YOUR RETIREMENT

Whether you're looking to maximize your sale price or ensure a smooth transition, [this video](#) is packed with essential tips to guide you through the process.

Don't miss out on these crucial insights that can make a significant difference in your retirement planning!



HILLSIDE WEALTH MANAGEMENT | FREEDOM | FAMILY | PERFORMANCE



Michael Preto, B.Comm., CFP®,
CIM® Portfolio Manager
Direct: 604-895-3329
Mike@hillsidewealth.ca



Jason Del Vicario, B.Sc.,
CFA® Portfolio Manager
Direct: 604-895-3367
Jason@hillsidewealth.ca



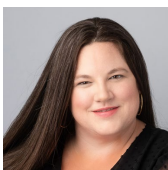
Amanda Baxter, B.A.
Investment Advisor
Direct: 604-895-3351
Amanda@hillsidewealth.ca



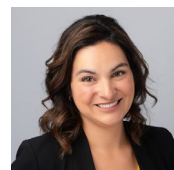
Steven Chen, MBA, CFA®
Global Analytics Associate



Rozita Tehrani
Associate Investment Advisor
Direct: 604-895-3349
Rozita@hillsidewealth.ca



Heidi Marsall
Associate Investment Advisor
Direct: 778-484-5455
Heidi@hillsidewealth.ca



Sabrina Del Vicario, B.Comm.
Business Development Manager
Direct: 604-895-3324
Sabrina@hillsidewealth.ca



Lucas Grant, B.I.E.
Associate Investment Advisor
Lucas@hillsidewealth.ca

RRSP TO RRIF CONVERSION - HOW IT WORKS

In this video, Amanda dives into the RRSP to RRIF conversion process, demystifying the essential aspects you need to understand.

[Watch to learn more HERE!](#)



Whether you're approaching retirement or simply planning ahead, tune in to learn some important information on one of the more widely used registered accounts in Canada.

THE HILLSIDE FACTOR(Y) FOCUS: LONG-TERM RELEVANCE

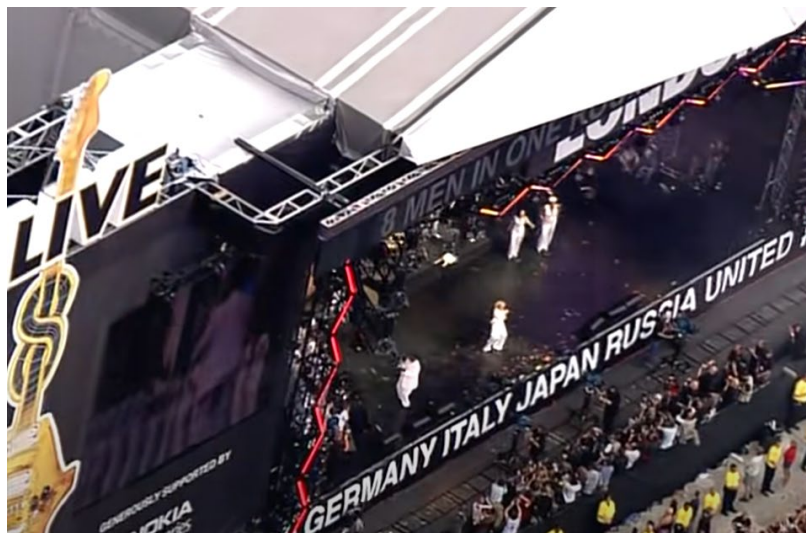
Steven Chen, CFA®

Around 40 years ago, when the legendary band Queen performed at Live Aid, [Pepsi](#) was one of the major corporate sponsors of the world's biggest charity concert, alongside other household names like [Chevrolet](#), [AT&T](#), and [Eastman Kodak](#).



*Above: Queen's frontman, Freddy Mercury, performing with Pepsi.
Source: [YouTube](#)*

Fast forward 20 years to Live Aid 2 (Live 8), where the "Queen of Pop," Madonna, took the stage. By then, two technology giants, [Nokia](#) and [AOL](#), had joined the global sponsor list—AOL even secured the broadcast rights.



UNDERSTANDING SUCCESSORS VS BENEFICIARIES - REGISTERED INVESTMENT ACCOUNTS

In this video, Amanda explains the crucial distinctions between successors and beneficiaries for registered accounts in Canada.

[Watch to learn more HERE!](#)



Whether you're planning for retirement or managing investments, understanding these appointments is essential for safeguarding your financial future. Stay informed and make confident decisions for your financial planning journey.

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



Previous and Above: A crowd of 200,000 people attended the July 2, 2005 Live 8 Concert in Hyde Park, London. Source: [YouTube](#)

Consumer brands, like soda, might not seem as exciting or flashy as technology brands such as smartphones or the internet. But what about their long-term relevance?

If we jump ahead another 20 years to today, many of us are still listening to Queen or Madonna and drinking Pepsi. But how many of us are carrying a Nokia phone or browsing the web on AOL? Looking further into the future—say 20 years from now—if younger generations revisit Live Aid 2 on the internet, how many will still recognize Nokia or AOL? And in 40 years, will YouTube, TikTok, or the iPhone be as essential to their lives as they are to ours today?

Investing is a long-term endeavor. While it's difficult to predict exactly what the world will look like in 20 or 40 years, it is possible to gauge the pace of change in certain areas—think of the relative stability of soda compared to the rapid evolution of digital technology.

Finally, *longevity doesn't always guarantee peace of mind for investors*—consider the fate of Kodak. In today's fast-moving business environment, technology is woven into almost every aspect of life. **That's why continuous innovation and a customer-centric approach are key qualities we seek in a corporate management team.**



CELEBRATING A MILESTONE: OUR 10-YEAR PERFORMANCE ANNIVERSARY

Jason Del Vicario, CFA®

This past September marked a significant milestone for Hillside Wealth, as we celebrated the [10-year performance anniversary](#) of our three flagship portfolios: Hillside Conservative Growth, Balanced Growth, and Focus Growth.

Back in 2014, I made the bold decision to “rip the bandaid off,” committing to managing clients’ money the same way I manage my own: by holding a **concentrated portfolio of exclusively high-quality businesses**. Alongside this, I reduced management fees across the board and introduced a performance bonus structure—tying a portion of my/our income directly to the success of the portfolios.

Perhaps the toughest decision was how to structure Hillside in a way that truly made sense for our clients and us. It led to a division of roles where I focused entirely on research and portfolio management, while Mike took on the client-facing and planning responsibilities. It was a big career risk at the time, but in hindsight, my only regret is not making these changes sooner! At Hillside, we embrace challenges and don’t shy away from hard work, so being “under the gun” suits us perfectly.

We are deeply grateful for the opportunity to make a meaningful impact on our clients’ lives, and we truly believe our best work is still ahead of us. Exciting times!

In the following pages, we have included a couple of illustrations summarizing the 10-Year Performance of Hillside’s Balanced Growth and Focused Growth models.

Here are some key stats that highlight our growth over the past decade:

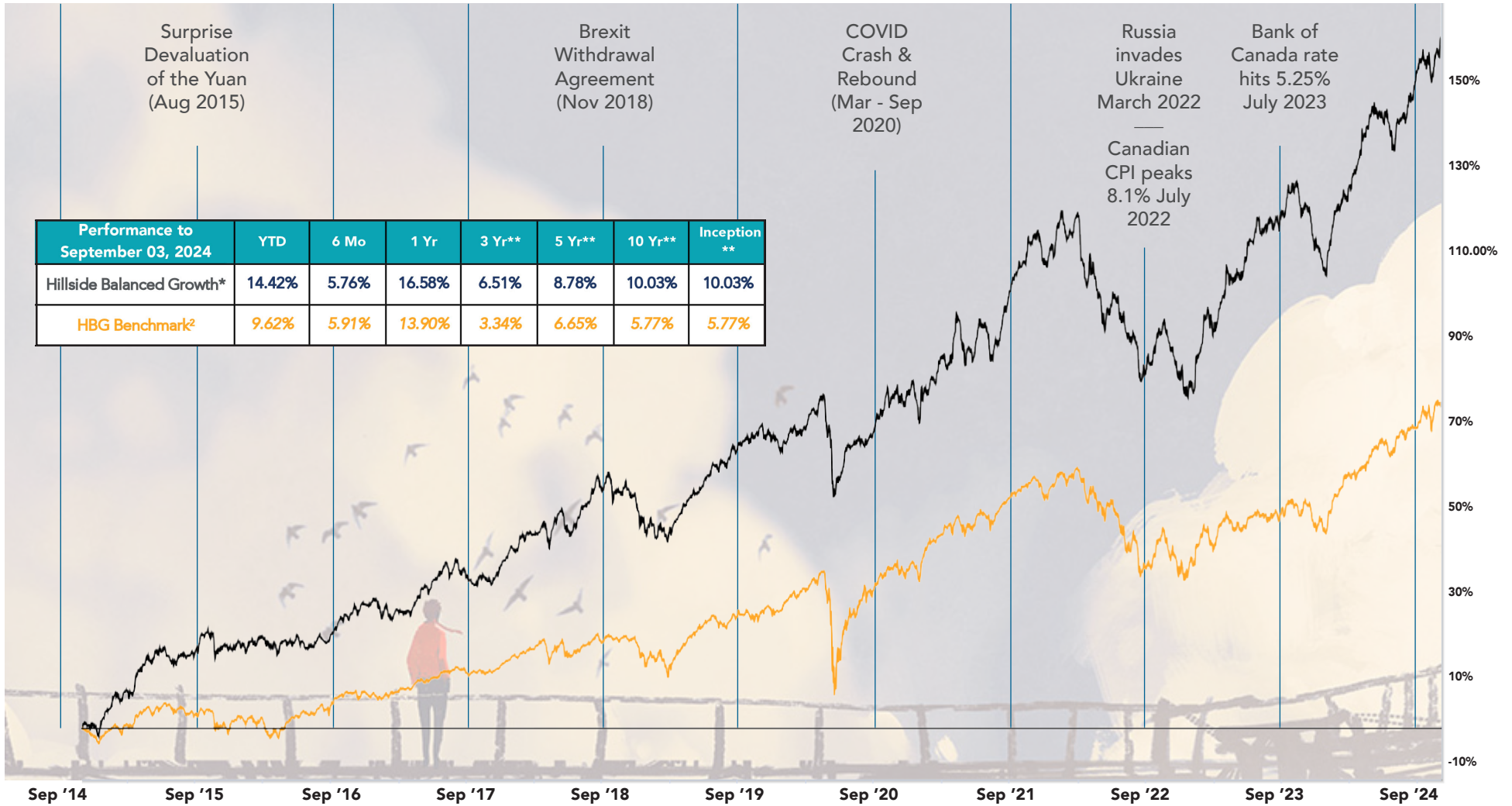
	02-Sep-14	02-Sep-24
Assets	\$30,000,000	\$250,000,000
Hillside Team Members	2	8
Households	40	350
% in Conservative Growth	28%	4%
% in Balanced Growth	58%	73%
% in Focus Growth	12%	20%
#1 Holding	CSU (\$270/share)	CSU (\$4,300/share)

BALANCED GROWTH PORTFOLIO STATS (2014/09/02 - 2024/09/03):

- CAGR before fees: 10.03%
- CAGR after 1.7% fee: 8.33%
- CAGR Benchmark: 5.77%
- # of positive years: 8
- # of years outperforming benchmark: 8
- Largest annual gain: 17.94% (2023)
- Largest annual loss: 12.28% (2022)
- % of winning months: 66.67%
- Average monthly gain: 2.29%
- Average monthly loss: -2.06%
- Maximum drawdown (peak to trough): 19.99% (Nov 2021 - Oct 2022)
- Recovery from maximum drawdown: 20 months

We look forward to continuing this journey, striving for excellence in everything we do!

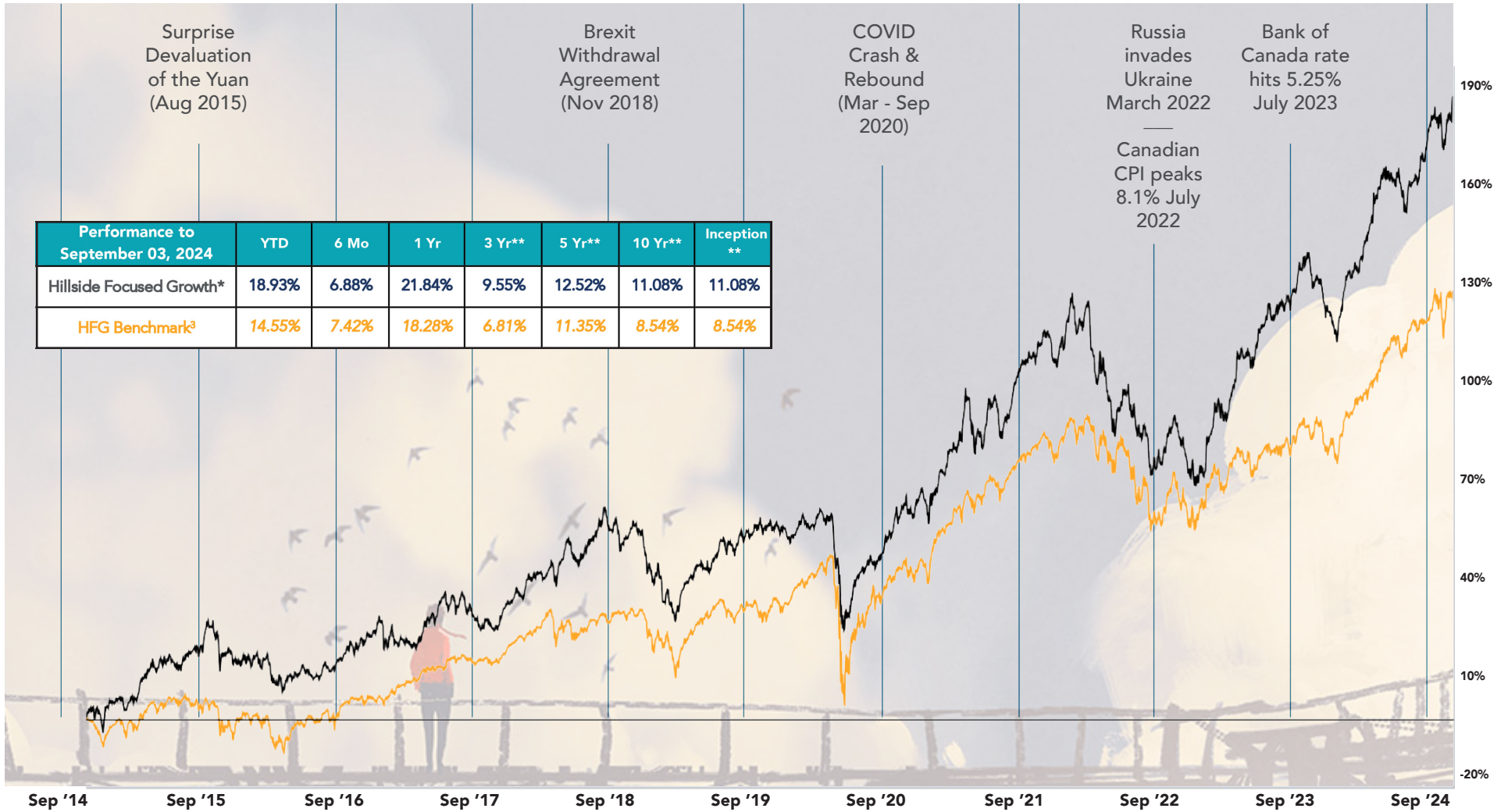
2014 (3mo) 8.58% 2015 11.41% 2016 5.00% 2017 14.63% 2018 1.12% 2019 15.27% 2020 9.87% 2021 17.87% 2022 -12.28% 2023 17.94% 2024 YTD 14.42%



— Hillside Balanced Growth — Balanced Benchmark

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. ² Hillside Balanced Growth Benchmark: 100% Vanguard Balanced ETF (VBAL)

2014 (3mo) 6.26% 2015 10.15% 2016 4.29% 2017 18.18% 2018 -7.08% 2019 17.43% 2020 15.02% 2021 24.33% 2022 -15.18% 2023 24.45% 2024 YTD 18.93%



— Hillside Focused Growth — Balanced Benchmark

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. ³ Hillside Focused Growth Benchmark: 100% Vanguard All-Equity ETF (VEQT)

SEPTEMBER 2024 PERFORMANCE RESULTS

An overview of our three portfolios to date.

Performance to September 30, 2024	YTD	6 Mo	1 Yr	3 Yr**	5 Yr**	10 Yr**	Inception**
Hillside Conservative Growth*	14.81%	8.97%	22.47%	6.92%	7.67%	8.01%	7.98%
HCG Benchmark ¹	8.55%	5.71%	15.97%	2.75%	4.29%	4.61%	4.43%
Hillside Balanced Growth*	16.53%	8.89%	23.55%	8.29%	9.52%	10.12%	10.15%
HBG Benchmark ²	13.00%	7.52%	21.94%	5.41%	7.13%	6.26%	6.04%
Hillside Focused Growth*	21.26%	10.59%	29.64%	11.83%	13.14%	10.90%	11.21%
HFG Benchmark ³	19.23%	9.14%	29.20%	9.63%	11.81%	9.30%	8.91%

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.