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## MANAGING MARKET VOLATILITY, MAXIMIZING WEALTH, AND MAKING AN IMPACT

*Michael Preto, CFP®, CIM®*

### A QUICK WORD ON TRUMP AND TARIFFS

There's a lot of noise surrounding Trump and the trade war he has initiated. It's a challenging time for business owners worldwide. The companies that will successfully navigate this period are those with strong balance sheets (i.e., little or no debt), well-established operations with experienced management teams, and a durable competitive advantage.

***These are precisely the kinds of businesses in your portfolio, and we remain highly confident in their ability to adapt and thrive.***

We monitor the portfolio daily and are ready to capitalize on opportunities as they arise. Likewise, the management teams we've partnered with are looking to take advantage of the openings that inevitably emerge during times of uncertainty. In short, if we see meaningful short-term volatility, we will use it to your benefit.

If market noise escalates, reviewing your **Hillside Owner's Manual** is a great way to reinforce the principles that keep you on track. If you'd like to go over it together, book a time with us with [this link](#).





Discipline consistently  
generates exceptional  
results

Periods of volatility will come and  
go. Using a disciplined approach  
will take advantage of the  
opportunities volatility provides.

## GIFTING WHILE LIVING: A WIN FOR YOU AND YOUR LOVED ONES

At Hillside, we focus on two things:

1. Generating strong returns on your money by managing it exceptionally well.
2. Helping you achieve financial independence.

Once you've reached financial freedom, any surplus beyond what you need—the **Dreampool**, as we like to call it—can be used in ways that bring you joy and fulfillment. One powerful way we've seen clients deploy their Dreampool is through **gifting**.

When we think of giving, the word *selfish* doesn't usually come to mind. Yet, according to Mo Gawdat, author of *That Little Voice In Your Head* (a highly recommended read), giving is one of the most selfish things we can do—because it significantly increases our happiness. Some studies suggest that giving can boost happiness by **up to 43%**.

Take one longtime Hillside client, for example. She had allocated part of her estate to her grandchildren in her will. But after watching them work hard to save for a home or pay down their mortgage, she realized they would benefit far more from the gift *now* rather than later. So, she tapped into her **Dreampool** and gifted to her grandkids today. The result? She said it made her feel *incredible*, and four out of five of her grandkids were brought to tears. Not only did she help them when they needed it most, but she also got to witness the joy it brought them. This is why **gifting while living** can be so powerful.

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## HILLSIDE WEALTH MANAGEMENT | FREEDOM | FAMILY | PERFORMANCE



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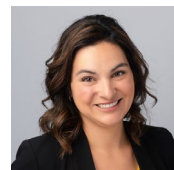
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Beyond direct gifting, here are **two additional ways to give** while making the most of your wealth:

1. **Donor Advised Funds (DAFs):** A DAF allows you to move investments from your personal or corporate account into a dedicated fund. You'll receive a **tax receipt** for the amount contributed and can distribute donations to your chosen charities annually. This strategy is particularly useful for reducing an abnormally large tax bill resulting from a business or real estate sale.
2. **Gifting Through Life Insurance:** There are several approaches to **gifting through life insurance**, depending on whether you want tax benefits today or for your estate. You can decide whether to provide a **smaller immediate benefit** or a **larger impact later**, or even both. The best approach depends on your situation and charitable goals.

### *Plan Before You Give*

Sustainable giving starts with knowing **what you can afford to give** without compromising your own financial security. Having a clear plan with **simple, easy-to-understand targets** ensures that your generosity doesn't derail your long-term goals.

As the saying goes, **measure twice, cut once**. If you'd like to assess what's possible for your situation, let's talk.

**We want you to know that the last 10 years have been strong, and we're optimistic about the next 10, 20, or even 30 years. Let's plan for a future where you can enjoy the ride.**

### HOW TO GIFT PROPERTY AND SAVE TAX!

*Passing on the Recreational Property to the next Generation* - in our case example, a family Cabin - is a life stage many property owners in Canada will eventually have to go through. It's KEY to know the options that exist out there to pass it on efficiently to your kids, grandkids, etc. .... as remember - this is a taxable transaction!

[Watch the video](#) to see how a couple reduced their tax burden by thousands!







## BACK TO THE FUTURE (WHICH IS NOW THE PAST)

Steven Chen, CFA®



Source: Erie Times-News

Last month, we held our semi-annual portfolio-management webinar, which was flooded with questions around the new US administration, its tariff policy, and potential trade war. Understandably, investors are concerned and want to know what to expect next.

This seemingly one-million-dollar question reminds me of the 1980s classic “Back to the Future.” Now take a minute to imagine - at the start of 2020, you had the opportunity to travel forward into the next two years solely reading through headlines of major newspapers. That is to say, when the stock market was hitting all time-highs, you would learn the future – e.g., likely the worst global pandemic in our lifetime, border closures, city lockdowns, supply-chain disruptions, labor shortages, and high inflation. After you came back to early 2020, how would you plan to position yourself in the stock market for the near term? It may seem logical to stay as far away from stocks as possible. Nonetheless, stocks turned out to have great years in both 2020 and 2021.

So, what would we have missed? The stock market is a second-order system: it is not the future event – but the consensus view regarding the event - that matters in determining the short-term share price movement. Since it is extremely difficult (if not impossible) to gauge other market participants’ perception with consistent accuracy, the optimal investing approach (although being counterintuitive to some degree) is to allocate long-term money to participate in the future prosperity of our planet and make every attempt to ALWAYS stay in the game.

On the contrary, any attempt to time the market based on macro forecasting could be costly (e.g., missing out in 2020/2021). **If Doc Brown ever gives you a ride into the future, be sure to skip all headlines and go directly for the stock market table/chart!**



## FEBRUARY 2025 PERFORMANCE RESULTS

An overview of our three portfolios to date.

Performance to February 28, 2025	YTD	6 Mo	1 Yr	3 Yr**	5 Yr**	10 Yr**	Inception**
Hillside Conservative Growth*	<b>3.92%</b>	<b>9.77%</b>	<b>16.71%</b>	<b>10.35%</b>	<b>8.86%</b>	<b>7.73%</b>	<b>8.33%</b>
HCG Benchmark <sup>1</sup>	2.15%	5.36%	11.37%	4.43%	4.75%	4.27%	4.59%
Hillside Balanced Growth*	<b>3.74%</b>	<b>10.15%</b>	<b>16.27%</b>	<b>11.96%</b>	<b>11.02%</b>	<b>9.33%</b>	<b>10.44%</b>
HBG Benchmark <sup>2</sup>	2.74%	9.02%	17.65%	8.69%	9.44%	6.91%	7.08%
Hillside Focused Growth*	<b>3.69%</b>	<b>12.22%</b>	<b>19.38%</b>	<b>16.96%</b>	<b>16.77%</b>	<b>10.52%</b>	<b>11.60%</b>
HFG Benchmark <sup>3</sup>	3.20%	12.04%	22.57%	12.31%	13.85%	9.31%	9.36%

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: 75% Vanguard Balanced ETF & 25% Vanguard All-Equity ETF

<sup>3</sup> Hillside Focused Growth Benchmark: 100% Vanguard All-Equity ETF

Source: SIACHarts.com

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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.