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WISHING YOU A SUMMER TO REMEMBER

As we head into the heart of summer, we want to take a moment to wish you and your family a season filled with what matters most—time well spent with the people you love, doing the things that bring you joy, freedom, and peace of mind.

Whether it’s adventures with your grandkids, slow mornings at the cabin, or simply unplugging with a good book and a cold drink—we hope you find space this summer to live fully and freely.

At Hillside, we believe in planning well so you can live well. If you need anything at all in the meantime—questions, ideas, or just a check-in—we’re here. The team is always just a phone call or email away.

Here’s to a summer of family, freedom, and living life on your terms.

We’ll see you in September.

Warmly,

The Hillside Wealth Team





THE RRIF DILEMMA: TAKE THE MONEY AND RUN... OR LET IT RIDE?

Michael Preto, CFP®, CIM®

Retirement income planning in Canada is full of opinions. One strategy we hear often—and that sounds tempting—is to draw from your RRIFs (Registered Retirement Income Funds) early, even if you don't need the income, and move the funds into a non-registered investment account. The idea is to “spread out the tax hit,” reduce future clawbacks on Old Age Security (OAS), and create a smoother ride later on.

At first glance, it makes sense. Why wait to be forced into higher tax brackets at 71 when you can draw earlier and pay less tax now?

But here's the thing—we've run the numbers. Extensively. And while there are always exceptions, the general answer for most Canadians is simple:

Let the tax deferral ride.

WHY THE "EARLY RRIF DRAWDOWN" IDEA CATCHES FIRE

The strategy is rooted in valid concerns:

- You don't want to be surprised by high marginal tax rates later in retirement.
- You'd like to minimize or avoid OAS clawback.
- You're looking to “flatten” your tax bill over time.

These are reasonable goals. And yes, in some very specific cases—like when someone retires early with little to no other taxable income—it might make sense to draw early.

But that's not the typical case. And it doesn't tell the whole story.

HILLSIDE WEALTH MANAGEMENT | FREEDOM | FAMILY | PERFORMANCE



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THE POWER OF TAX DEFERRAL (DON'T UNDERESTIMATE IT)

Every year that money stays in your RRIF (or RRSP pre-conversion), it grows tax-deferred. That means:

- No taxes on interest, dividends, or capital gains.
- More compounding working in your favour.
- A delay of taxation until a time when you may still be in a reasonable tax bracket, depending on your overall income needs and portfolio structure.

When you pull that money out early and shift it into a non-registered account, you trigger tax today—and lose the benefit of that tax-sheltered compounding. Sure, you might get some dividend tax credits and capital gains advantages in the non-reg account, but it rarely outweighs the benefit of deferral.

In short: you're trading a future *maybe* for a guaranteed *ouch* today.

THE OAS CLAWBACK BOOGYMAN

OAS clawback starts when your net income exceeds around \$90,000 (indexed annually). For most retirees, it's not a real issue—especially those who aren't spending anywhere close to that number.

If you are in that income range, it's more important to look at broader tax planning across all income sources rather than knee-jerk pulling money out of your RRIFs. In many cases, better estate planning, pension splitting, and charitable giving strategies provide more bang for your buck.

OUR PHILOSOPHY: DON'T FIX WHAT'S NOT BROKEN

At Hillside, we're not shy about challenging conventional wisdom—and this is one of those times.

Our analysis consistently shows that for most people, the optimal move is to **stay the course**, benefit from long-term tax deferral, and only draw from your RRIFs when required—or when it clearly fits into a broader, personalized strategy.

This isn't about playing it safe. It's about performance. About freedom. About keeping more of your money working for you instead of handing it over to the CRA before you need to.

Want a second opinion on your drawdown strategy? Let's talk. We will take a deep dive into your situation, run the numbers and show you the results- we'll do the work.

Retirement income planning is one of the most powerful levers you have to build the life you want—and we're here to help you make the most of it.

INVESTING IS EMOTIONAL - 3 GOLDEN RULES TO HELP YOU COPE

Watch our recent [YouTube video](#) where Amanda talks about Whether you're a beginner investor or looking for peace of mind in volatile markets, Amada offers practical tips to reduce financial stress and make smarter investing decisions.



Subscribe to our [YouTube Channel](#) today!

CAN CHATGPT WRITE OUR NEWSLETTER? (ALMOST...)

Jason Del Vicario, CFA®

At Hillside, we like to keep a close eye on emerging tools that could reshape how we work—especially when they promise to increase efficiency *and* spark creativity.

Artificial Intelligence, and ChatGPT in particular, is one of those tools. Its capabilities are astounding: from research and writing to code and concept generation, it can produce polished output in seconds. To illustrate that point, we gave ChatGPT a simple prompt:

>> **“Write me a 500-word article about the lesser-known feats of Charlie Munger.”**

Seconds later, the following article (next page) was born.

Impressive? Absolutely. Enough to replace our newsletter writing? Tempting—but not quite. We have too much to say, too many opinions, and let’s be honest... too many investment metaphors to retire just yet.

At Hillside, we've made the active decision to immerse ourselves in AI—not just as curious observers, but as testers and hands-on users. We’re convinced that AI will change how businesses operate, and we believe it’s too important a development to ignore.

But fear not: we’re not outsourcing founder calls to robots or letting ChatGPT host your next client review meeting. Ours is still a relationship-first business, and no machine can replicate the nuance of human trust and experience.

And for those wondering—no, **HillsideCo** isn’t about to become an AI-stock ETF. While AI may be the talk of the markets, we prefer to back winners *once the race is well underway*. In our view, the runners in this space are still tying their shoes.

(Oh—and apparently, according to OpenAI CEO Sam Altman, including “please” and “thank you” in your prompts is burning up extra energy. So maybe skip the manners when talking to the machines.)



The Lesser-Known Feats of Charlie Munger

(Generated by ChatGPT in seconds)

Charlie Munger, long known as the vice chairman of Berkshire Hathaway and Warren Buffett's intellectual counterpart, is widely recognized for his wit, wisdom, and devotion to rational decision-making. While many know of his investment acumen and influence at Berkshire, fewer are aware of the profound and diverse impact he had in areas beyond investing.

One of Munger's most underappreciated achievements was his contribution to architectural design. Though not formally trained, he had a deep interest in architecture and personally designed buildings for institutions he supported. Notably, Munger donated hundreds of millions of dollars to universities like Stanford and the University of Michigan, with one unusual condition: he would design or significantly influence the architectural plans himself.

Perhaps the most controversial and fascinating of these was his \$200 million donation to the University of California, Santa Barbara, for a student residence housing thousands of students — in a building that would include virtually no windows. Munger believed the layout promoted efficiency and social interaction, drawing from psychological studies and his own contrarian thinking.

Munger was also instrumental in shaping Buffett's evolution as an investor. Early in Buffett's career, he followed the Benjamin Graham school of value investing — buying "cigar butts," or extremely cheap stocks regardless of quality. Munger nudged Buffett toward buying high-quality businesses at fair prices rather than mediocre ones at bargain rates. This mental pivot radically transformed Berkshire Hathaway's trajectory. Without Munger's influence, it's unlikely Buffett would have bought into companies like See's Candies, Coca-Cola, or Apple, all of which embodied Munger's philosophy: *"It's better to buy a wonderful company at a fair price than a fair company at a wonderful price."*



Above images created with ChatGPT prompt: >> "Please create a photorealistic (then animated) image of Charlie Munger as an architect, in China."

HILLSIDE IN THE NEWS!

Find out what Jason had to share with BNN viewers on his last appearance on [Market Call](#):



Another little-known Munger feat was his early recognition of China’s potential as an investment frontier. At a time when few Western investors trusted Chinese markets, Munger took a contrarian stance. He encouraged investment in BYD, a Chinese battery and electric vehicle company, in 2008. Berkshire’s \$232 million stake in BYD eventually turned into a multibillion-dollar position, one of the most successful investments of the decade — and it was Munger who championed it from the start.

Beyond business, Munger was a devoted advocate for multidisciplinary thinking. He coined and popularized the concept of a *"latticework of mental models,"* urging people to draw from a wide array of disciplines — psychology, physics, biology, economics — to make better decisions. This framework influenced not only investors but thinkers and leaders in diverse fields. He believed in rigorous self-education and once said, *"In my whole life, I have known no wise people who didn't read all the time."*

Perhaps most quietly remarkable was his resilience. Munger lost a son to leukemia, endured financial ruin in his early years, and even went blind in one eye — yet rebuilt his life with stoic grace. Rather than complain, he focused on what could be done with what remained.

Charlie Munger’s legacy extends far beyond investing. He was a builder of ideas, institutions, and principles — a polymath whose quieter contributions may ultimately outlive even his legendary financial returns.

While we’re not handing over the reins to the robots just yet, it’s clear tools like ChatGPT have the potential to reshape how we work, research, and communicate. Like Munger himself, we value curiosity, adaptability, and a willingness to explore new frameworks—whether it’s mental models or machine learning. AI won’t replace what we do at Hillside, but it will likely become a supporting player in how we serve our clients: helping us do more, think better, and get to the good stuff faster.

MAY 2025 PERFORMANCE RESULTS

An overview of our three portfolios to date.

Performance to May 30th, 2025	YTD	6 Mo	1 Yr	3 Yr**	5 Yr**	10 Yr**	Inception**
Hillside Conservative Growth*	3.12%	2.15%	15.41%	12.02%	8.51%	7.69%	8.05%
HCG Benchmark ¹	1.57%	0.45%	8.87%	6.06%	4.39%	4.27%	4.43%
Hillside Balanced Growth*	4.28%	3.07%	17.25%	14.00%	11.18%	9.31%	10.24%
HBG Benchmark ²	1.98%	0.65%	13.13%	10.37%	9.13%	6.85%	6.84%
Hillside Focused Growth*	6.20%	4.74%	22.75%	19.58%	16.70%	10.53%	11.56%
HFG Benchmark ³	2.14%	0.73%	15.72%	13.80%	13.45%	9.12%	9.03%

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

³ 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.