Our Investment Philosophy & 10 Core Beliefs

As a parent, I believe we want to instill certain virtues and values in our children. We have two daughters, aged ten and six, and some of the things we hope they learn are: the value of a dollar, confidence to know right from wrong, compassion for others etc. Often, life pulls us in many directions causing us to lose focus. I believe the world of investing can be similar, especially right now during the ongoing COVID pandemic and current Russia-Ukraine tensions. It seems the media always has ''Breaking News'' and because there is so much noise, even the most seasoned investors can get spun around. It is worthwhile to come back to your foundation and beliefs.

A few years back, Keith and I attended a workshop that pushed us to put our investment beliefs in writing and back them up with academic evidence. We strive to build client portfolios aligned to clients goals and comfort. Furthermore, we try to balance three competing forces: return, risk and costs (fees & taxes). In addition, we try to reduce investor emotion by building portfolios that generate consistent income and lower volatility. The attached table is an introduction to our 10 core beliefs which we plan to highlight and feature in future articles.

Written by Eric
... Invest Well, Live Well

1	Asset Mix	A key to a client's long-term financial success is a custom well-diversified portfolio between equities (stocks) and income (bonds).
2	Diversification	Because the top performing investment changes every year, it helps to employ several strategies- we use seven tactics to help reduce risk.
3	Reduce Emotion	Throughout history, many investors have sold at the worst time resulting in poor returns. Studies show lower volatile strategies can outperform long-term and help minimize behavioural risk.
4	Income Bias	Interest and dividends typically make up a significant portion of your total returns and when reinvested helps create a compounding effect. Studies show that dividend payers & growers can outperform and keep ahead of inflation.
5	Valuations	Avoiding high priced investments can limit downside and help improve returns over time.
6	Alternatives	Non-traditional strategies use tools that can help generate positive returns in both up & down markets.
7	Active & Passive Management	Historically, very few managers beat the markets or their respective benchmarks. A way to help outperform is to use managers with a high "active share" which typically have a portfolio that looks different than the index.
8	Costs	Returns can improve by being conscientious of all costs, namely fees and taxes.
9	Rebalancing	Systematically trimming when an investment is up and adding when others are down, helps improve risk-return.
10	Financial Advice	A 2019 Vanguard study showed that clients may achieve up to 3% extra per year working with a trusted professional Financial Advisor.

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