

As we approach the mid-point in the year, it's important to revisit the building blocks of your portfolio, to understand their role and contribution to performance year-to-date. It is useful to think of each fund in your portfolio as a player on a sports team (let's go with hockey -this is Canada after all)! And like a professional sport's team, the funds in our asset allocation models have a very specific role to play, and are designed to provide solid, risk-adjusted returns over the long term. Today, I have attached for you <[here](#)> information about Edgepoint, an integral part of our model portfolios and a strategic partner in the delivery of our financial representation to you.



The first slide summarizes the pillars of **Edgepoint's** approach to wealth management, and how they define risk differently. Risk is generally understood as market volatility, whereas with **Edgepoint** it is defined as a permanent loss of capital. The criteria used by **Edgepoint** allows them narrow their focus and select companies that offer growth potential, but also have lower downside risk. Currently the **Edgepoint** Global Growth & Income fund hold just 35 stocks, carefully selected according to the rigorous standards they set for who makes the team.

The second slide shows illustrates the importance of active money management. It lists the top 10 companies by market capitalization for the past 5 decades. Note that no company makes the list for every decade, and that names come and go depending on what the prominent driver of market returns dominated a particular decade. The take away from this is that capitalism is relentlessly competitive and that the leading companies of today will invariably be replaced by new ones tomorrow. As such, continually analyzing and re-positioning the portfolio is critical to long term growth. This is exactly what **Edgepoint** does, and, as they have shown over time, done well. Fund performance can be found <[here](#)>, with the reminder (always) that past performance does not ensure future results. That said, with an investment philosophy that has shown it's resilience through all market cycles, we are confident in our decision to include **Edgepoint** in our client portfolios.

And a Happy Belated Father's Day to all the great Dads out there! Every child needs someone to believe in them. Thanks for all you do!

Be safe, be well!

Martin

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