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“What-to-do?”

This expression was a staple in my household growing up. As one of the ‘boat people’, my parents chose to leave behind their friends, family and all their worldly possessions in search of a better life. Their decision was made more difficult, as my mom was heavily pregnant, and there were already three of us, under the age of five. Their first escape attempt resulted in prison time (for our entire family — myself, age three, included). I have very few memories of life before we landed in Canada, probably an act of self-preservation, but I can imagine the echoes of my mom’s voice, in my head, “What-to-do?” both lamenting and consoling, at the same time.

Growing up, my parents did not share many details of the experience of leaving Vietnam. It is only as an adult, and after starting my own family, that I began to ask questions and push for more details about their exodus. The more they opened up and shared, the more I learned how much pain and trauma my parents still carried, being forced to leave behind everyone and everything they loved. Eventually they landed on Canadian soil, and began to lay down roots for us. Like most immigrants, they experienced many set-backs, as the road they had chosen was not paved with yellow bricks of gold. Whenever a new obstacle blocked them, we would see our parents shrug their shoulders, gently whisper “What-to-do?”, and carry on. As you can imagine, with four children, there were many “What-to-do?” moments over the years, as we were growing up (which seemed to increase in frequency as we all entered adolescence).

As most first-generation immigrants, I like to think that my parents’ sacrifice was not for naught. Each generation always try to ‘do better’ than the one before. I have always appreciated my parents’ sacrifice, and their ability to accept hardship, and continue to push through it. I have taken our family motto of “What-to-do?” and improved on it, by not just accepting adversity, but finding a way to springboard off it; using it as a point of elevation, instead of just a hurdle to clear.

Last year was an unbelievable year — which nobody could have predicted or prepared for. For most of us, it is the relationships and connections we have with others that have sustained us and helped us endure. The same is true for WealthCo. WealthCo values the relationships we have cultivated over our 20 year span, and so I have been spending the last few weeks in client meetings, checking in, asking questions, and listening to your concerns:

Are equity markets too high? “What-to-do?”

A typical client at WealthCo will have approximately 35% of their portfolio in public market equities, resulting in a lower volatility portfolio. In periods of strong equity market returns, we will take some chips off the table and re-deploy them in private assets, which are inaccessible to a traditional public market investor.

Will government spending/borrowing and printing money result in inflation? “What-to-do?”

With interest rates at all time-lows and negative yields in some countries, we do not believe we are being compensated for the risks associated with ballooning government deficits and the potential for rising inflation. With WealthCo’s investments in private debt, we generate higher yields by sacrificing liquidity and taking on credit risk. Our partners lend to strong borrowers, enabling our clients to earn income from those with improving balance sheets.

How does the vaccine and return to work affect real estate and travel? “What-to-do?”

We are strong believers that human behaviour takes time to change. When the vaccine roll-out starts to gain ground, we expect a return to ‘normal life’ — though it may look quite different than what we are used to. People will go back to the office, shop in stores, watch movies in theatres, dine in restaurants, attend rock concerts & sporting events, and ultimately travel for leisure and business. The pace of how quickly we get back to these activities is uncertain — but we will get there. As our partners make investments, they will continue to invest in assets that provide goods or services with increasing demand. For many years, our real estate partners have been investing in logistics, as the transition of retail began to move from brick-and-mortar stores to online shopping, decades ago. The global pandemic simply accelerated a secular trend that was well under way. Additionally, as the balance sheets of hospitality-related assets or office buildings suffer and the distressed cycle begins, our partners are ready to invest.

As responsible money managers, we never think we can outsmart the market. We rely on our experience and knowledge of financial markets, with an awareness that human behavior can play a significant role in the valuation of assets. We know that at times we will have to shrug, ask ourselves “What-to-do?” and continue to push ourselves to commit to making the best investments we can, with the knowledge, skills and resources we have at our disposal. We strive to deploy capital in assets that are priced fairly to our view of intrinsic or fundamental value.

We continue to keep our standards for allocating dollars high, remain disciplined and constantly review our portfolio construction and ensure it matches the objectives laid out in our investment philosophy. Our clients entrust WealthCo with managing a balanced portfolio, using diversification as a key component of risk management. We do not chase returns. As portions of our portfolio outperform, we sell them off in order to invest in new opportunities. This provides our clients with exposure to assets that have growing income streams over time. Our partners are well equipped to persevere through economic cycles, and rely on data and experience to make informed decisions on asset purchases. The performance of our portfolio is not dependent on the outcome of one or two assets, one or two sectors, or one or two countries.

Canada is a country full of immigrants, and everyone’s family, at one point in time or another, has come from somewhere else. For those of you who are much further removed from the immigrant experience, I appreciate that the expression of “What-to-do?” may not resonate with you. For you, I will offer up the expression that “Life is about learning to dance through the rain”. At WealthCo, we plan to be doing a lot of dancing in 2021.

WealthCo Asset Management is a proud partner to the professionals within the Integrated Advisory community, and shares in the collective success of doing common things uncommonly well. Integrated Advisory is a community of independent CPA firms and professionals who share a calling to provide a higher standard of care and elevate the financial services industry.

The **WEALTHCo.** GROUP OF COMPANIES

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“WealthCo Asset Management is monitoring the outbreak of the novel coronavirus (“COVID-19”) and its potential impact on the Pools. The outbreak of COVID-19 has increased volatility in financial markets. While the extent and duration of the impact of COVID-19 on global and local economies, financial markets, and sectors and issuers in which the Pools may invest in is uncertain at this point, the outbreak has the potential to adversely affect results.”