

Episode 1

Why We Do This
December 14, 2024

Why We Do This - Episode 1

On This Week's Episode

- Why EI - Personal Finance was built.
- How we support every day investors.
- How are we doing with our example portfolio - notice we don't say model!
- View our weekly stock example - pulled at random from our portfolio.
- Key headline in the investing news.
- Closing thoughts for next week.

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Background

- We started investing over thirty-five years ago.
- A collection of mutual funds and individual “safe” stocks.
- Over time through company stock plans and regular investing our portfolio grew.
- We experienced the October 1997 crash, the 2001 Tech bubble, the 2008
- Financial Crisis and Covid 19 Crash.
- After the 1997 crash, we built a model to manage our investments.
- Our goal was to take a balanced approach and not fear the market.
- This model had three key attributes:
 - A single view spreadsheet of all assets by quarter.
 - Detailed macro data by quarter - FX rates, interest rates, contribution room.
 - A view of all portfolios including returns and top/bottom three investments.

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What We Hear

- Friends and family do not like talking about investing - there are some exceptions.
- Many stories of significant losses due to bad timing or inappropriate decisions.
- Significant fear or confusion relating to most basic investing principles.
- Acceptance of handing things over to a professional.
- Less than 5% of people have an aggregate view of their net worth.
- Our model designed to deliver three key outcomes:
 - Gain confidence by seeing everything in one place and growth achievement.
 - Reduce stress by understanding why investments are moving.
 - Easily monitor overall investments including top/bottom three performers.

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Our Approach

- We complete an inventory of all assets and highlight areas of strength.
- We walk individuals through the 30 minute drill to support quarterly check-ins.
- We talk through areas of under investment and strategies to address.
- We consult the investment dashboard to view QoQ and YoY trends.

We are not Financial Advisors

We understand that many use an FA or Bank to support strategies

EI Personal Finance supports your overall plan by providing Macro Level Insights

Go ahead and participate in the “skip the latte” approach to savings.

But make sure you have visibility to the big picture - then have a latte!

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Review the Master Spreadsheet

Review YTD Results in the Sample Portfolio

Research on a Stock from the Portfolio

Discuss a Headline in the Financial News

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Review the Master Spreadsheet

| | | | | |
|---|-------------|------|----------|--------|
| 2021 Jan 1 | | | | |
| | | | | |
| | | | | |
| Non Registered - TFSA, Canadian Margin, US Margin | Total Value | Cash | Invested | % Cash |
| | | | | |
| Cash Accounts | | | | |
| CDN Margin | | | | |
| US Margin | | | | |
| TFSA | | | | |
| Totals | | | | |
| Registered - RRSP/RESP | | | | |
| RRSP+Commuted Pension \$ | | | | |
| Totals | | | | |
| Grand Total All | | | | |
| House Value | | | | |
| Auto Values | | | | |
| Other Assets | | | | |
| Total of All Assets | | | | |
| Total Liabilities | | | | |
| Total Assets Net Liabilities | | | | |
| Available TFSA Contribution | | | | |
| Available RRSP Contribution | | | | |
| Forecasted Investment Income | | | | |
| USD CAD = | | | | |
| Mortgage Rate | | | | |

Key Data::

Non-Registered Accounts - YTD Returns = xx%; Profit/Tax Loss Harvesting Plans; Adding safety in fixed income x% overall?, reducing total names for 2025.

Registered Accounts - RRSP Contribution room to Feb, 2025, adding safety in fixed income?, Reducing total names - shift out of mediocre names.

Other Assets:

- Home - Value of Home
- Autos - Value of Autos
- Other - List with values

Debt:

- Mortgage - Total amounts owing
- Line of Credit - Total amounts owing
- Auto Loans - Total amounts owing

USD/CAD - Document for Quarter
Mortgage Rates - Document for Quarter
LOC Rates - Document for Quarter

TOTAL ASSETS LESS LIABILITIES - QoQ and YoY Growth/Decline
Highlight Contributors to Growth or Decline

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Quarterly Top Three Account Performance and Activity -

| Returns and Top/Bottom Equities | US Margin | Action | Can Margin | Action | RRSP | Action |
|---------------------------------|--|-----------------|------------|-----------------|----------|-----------------|
| 10 Year Return | | Target 97% | | Target 97% | | Target 110% |
| 5 Year Return | | Target 40% | | Target 40% | | Target 48% |
| Top Three | | | | | | |
| 1 | Apple 186% | Add on weakness | TRP 43% | Add on weakness | ATD 93% | Add on weakness |
| 2 | JP Morgan 76% | Hold | RBC 27% | Add on PE lower | VCN 67% | Add annually |
| 3 | Uber 73% | Add on weakness | XAW 25% | Add annually | CIBC 62% | Hold |
| Bottom Three | | | | | | |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| | | | | | | |
| | | | | | | |
| Other Holdings | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| ETF's Listed Above | | | | | | |
| | | | | | | |
| Considering | | | | | | |
| Other Notes | Returns do net reflect dividend income; Canada market assumed to “catch up” some of gap to USA over next three years, USD to fall back once USA drops interest rates in line with EU and other G7 countries, ETF participation with Vanguard or Blackrock but looking at adding others. Portfolios structured to include Transports, Pharma, Telecom, Tech, Financials, Energy and Technology. Moving to 25% ETF to capture broader market while maintaining top names by sector where possible. | | | | | |

Express Innovation

Review YTD Results

Key Data::

10 Year Returns - US Margin x%; Canadian Margin x%; Canadian Registered: x%

5 Year Reruns - US Margin x%: Canadian Margin x%; Canadian Registered x%

US Markets driving overall portfolio growth including USD at 1.41 CAD.

Top US Names: Apple, JP Morgan and Uber

Top Canadian Names: TC Energy, Royal Bank of Canada, XAW ETF

What are we looking at:

Profit taking in Q1 to harvest some gains.
Adding fixed income as % of overall portfolio - Bull run has been great and we fully participated.
Adding to laggards with positive financials.

Other:
Alibaba Rollercoaster
Bell Canada Disaster
TD Bank Struggles

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Pick A Stock - Bank of America



Current Performance: +40.75%, PE 16.7% and 2.26% Yield

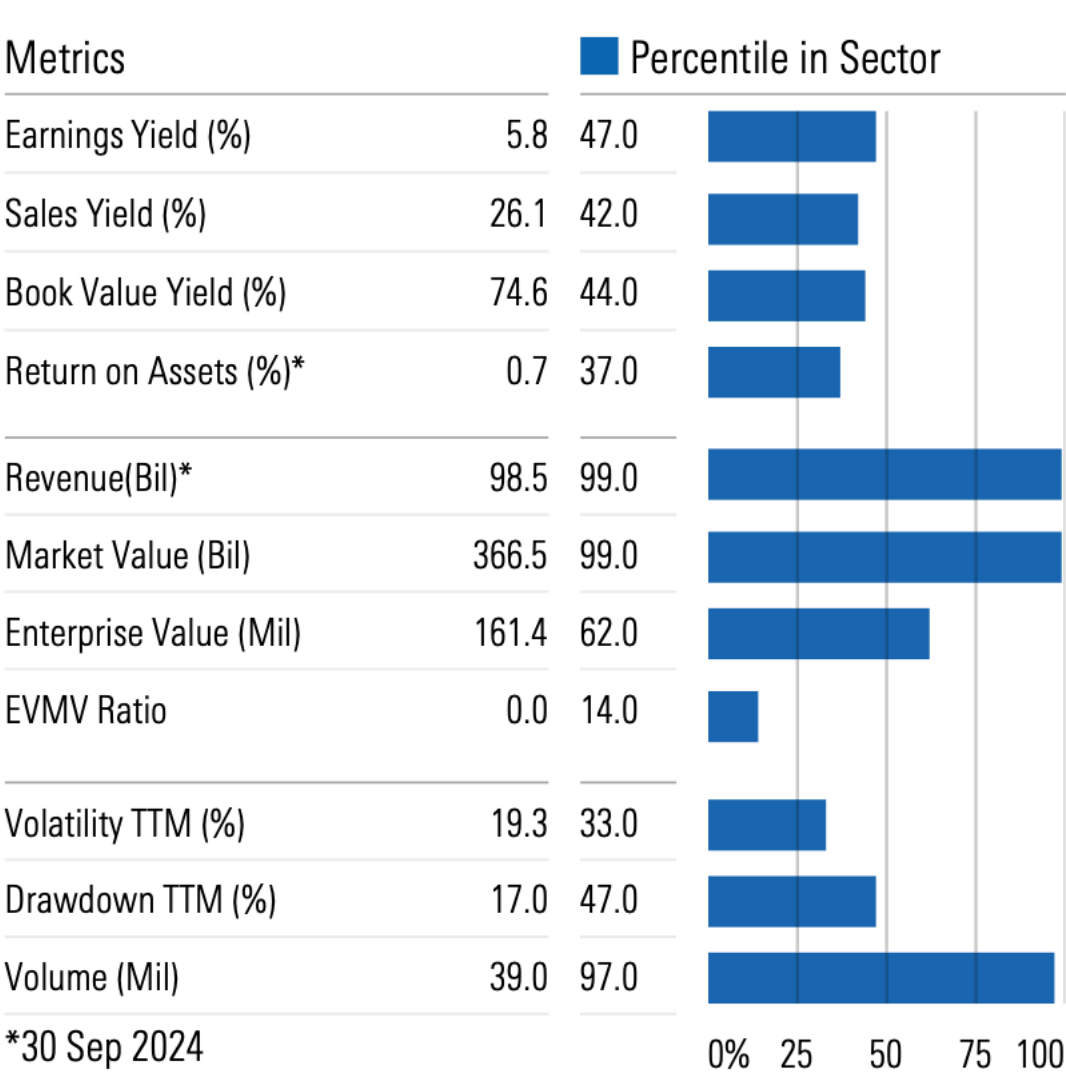
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Pick A Stock - Bank of America

Financials (Fiscal Year End 31 Dec 2024)

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 09/2024 | Fiscal |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|---------------------------|
| 83.12 | 82.25 | 83.70 | 87.35 | 91.25 | 91.24 | 85.53 | 89.11 | 94.95 | 98.58 | 98.50 | Revenue (Bil) |
| — | — | — | — | — | — | — | — | — | — | — | Operating Income (Bil) |
| — | — | — | — | — | — | — | — | — | — | — | Operating Margin (%) |
| 3.79 | 14.41 | 16.22 | 16.62 | 26.70 | 26.00 | 16.47 | 30.56 | 26.02 | 24.87 | 21.94 | Net Income (Bil) |
| 0.36 | 1.31 | 1.50 | 1.56 | 2.61 | 2.75 | 1.87 | 3.57 | 3.19 | 3.08 | 2.75 | Diluted Earnings/Share |
| 26.74 | 27.73 | 18.31 | 10.40 | 39.52 | 61.78 | 37.99 | -7.19 | -6.33 | 44.98 | -2.00 | Operating Cash Flow (Bil) |
| 1.16 | — | — | — | — | — | — | — | — | — | — | Capital Spending (Bil) |
| 6.88 | 21.25 | 33.01 | 39.53 | 38.26 | 48.61 | 38.32 | 32.73 | 45.62 | 42.25 | 37.35 | Free Cash Flow (Bil) |
| 10.52 | 10.38 | 10.11 | 10.43 | 9.81 | 9.00 | 8.65 | 8.18 | 8.02 | 7.91 | 7.91 | Avg Shares Outstand(Bil) |

Key Metrics as of 29 Nov 2024



Performance: +40.75%, PE 16.7% and 2.26% Yield

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Trump Tariff Plans

<https://www.wsj.com/economy/trade/trump-tariff-plan-business-lobbying-8f02ccea>