



**We're investors,
not traders.**

Investment Approach

About us

TriCert Investment Counsel was founded over 25 years ago by two visionary accountants who recognized their clients could be better served by providing a sound, disciplined investment management approach alongside the integration of trusted accounting expertise into financial planning and wealth optimization. Today, we proudly manage over \$3 billion in assets on behalf of thousands of clients.

At TriCert Investment Counsel, we're investors, not traders.

Our methodology resonates with owner-operators, entrepreneurs, and all types of professionals because our definition of quality investing aligns with the attributes they strive to achieve in their businesses.

We call this approach QSector, short for Quality Sector, selecting high-quality holdings on a sector-by-sector basis independent of geography. Our approach matches a client's investment profile with a tailored portfolio designed to meet their goals and provide peace of mind through volatile markets.

Seamlessly working with your accountant and financial planner, your portfolio manager takes a holistic view of your financial affairs, aligning your investment plan with your tax and financial plans. Your financial plan's goals serve as our benchmark to build tax-efficient portfolios that let you sleep soundly and deliver results.

25

Years in business

+\$3B

Assets under management

15+

Accounting firm owners

We hold positions for the long term.

Registered Portfolio Manager and Investment Fund Manager *



QSeet[®]

Quality
investments,
diversified by
sectors.

Investment principles →

* TriCert Investment Counsel Inc. is registered as a Portfolio Manager with the Ontario Securities Commission (OSC) in Ontario, its principal regulator, and with each relevant securities administrator in all other jurisdictions across Canada. TriCert Investment Counsel Inc. is registered as an Investment Fund Manager in Ontario. A proud member of the Portfolio Management Association of Canada.



About you

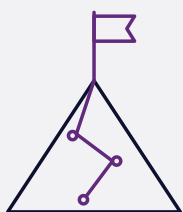
Getting to know you is a critical aspect of portfolio management, as it allows us to tailor an investment strategy that targets your goals and meets your comfort level.



Getting to know you is a collaborative process with you, your accountant, financial planner, and portfolio manager that involves understanding your unique needs, goals, and preferences. By tailoring investment strategies and maintaining open communication, your portfolio manager can help you achieve your financial objectives while navigating the complexities of the market.

Know Your Client (KYC) process

Your portfolio manager begins by gathering information about your financial situation, investment objectives, risk profile, time horizon, and other relevant factors. This information is typically collected through discussions with you and KYC documentation, which forms the basis for developing an appropriate investment strategy.



Understanding financial goals

Your portfolio manager works closely with you and your financial planner to understand your financial goals, whether they are focused on wealth preservation, capital growth, income generation, or a combination of these objectives. By understanding your goals, we provide solutions that align with your objectives.

Considering time horizon

The time horizon, or the length of time you intend to hold your investments, is an important factor in portfolio management. Typically, clients with longer time horizons may be better able to withstand short-term market volatility and may be more inclined to pursue more aggressive investment strategies. Conversely, clients with shorter time horizons may prefer more conservative approaches to minimize risk.

Assessing your risk profile

Your portfolio manager must understand your risk tolerance and risk capacity to determine your risk profile. Risk tolerance refers to your willingness to take on, accept, and deal with risk. Risk capacity, on the other hand, is your ability to take on risk—the amount of risk you can take without jeopardizing your financial stability or objectives. We evaluate your risk profile through active discussions during your onboarding and ongoing KYC updates. Understanding your risk profile helps determine the appropriate asset allocation and investment strategy.

Regular reviews and updates

It is vital to periodically meet with your accountant, financial planner, and portfolio manager to review and reassess your financial situation and goals and for your portfolio manager to make the necessary adjustments to investment strategy.

Investment principles

Our QSector approach is based upon a series of investment principles that guide our portfolio management team.

Household-Based Asset Allocation

Where appropriate, we allocate your investments across the various individual and entity accounts in your household to optimize tax efficiency.

Sector-Based Equity Asset Allocation

Our comparison of companies is not constrained by the geography of their headquarters. We diversify our holdings from across the major industry sectors of the broad economy. Geographic approaches may lead to sector overexposure.

Valuation-Based Active Investment

Our investment strategy focuses on identifying undervalued securities with strong fundamentals. We conduct our own in-house research and valuation work to identify these opportunities, utilizing a long term investment philosophy. This involves performing thorough internal valuations to identify undervalued or overvalued securities. We actively manage the portfolio by making buy, hold, or sell decisions based on these valuations, aiming to align investments with client goals and market opportunities.

Timing Market Transactions

We perform our own internal valuation and carefully monitor the fundamentals using this process as a tool to help inform the timing of our buys and sells.

Quality Investing

We seek to invest in companies that we characterize as 'value creators'. These are typically leaders in their industries, have solid, defensible business models, are financially healthy, can pay and grow their dividends, and have share prices that reflect their fundamentals, making them ideal candidates for long term investment.

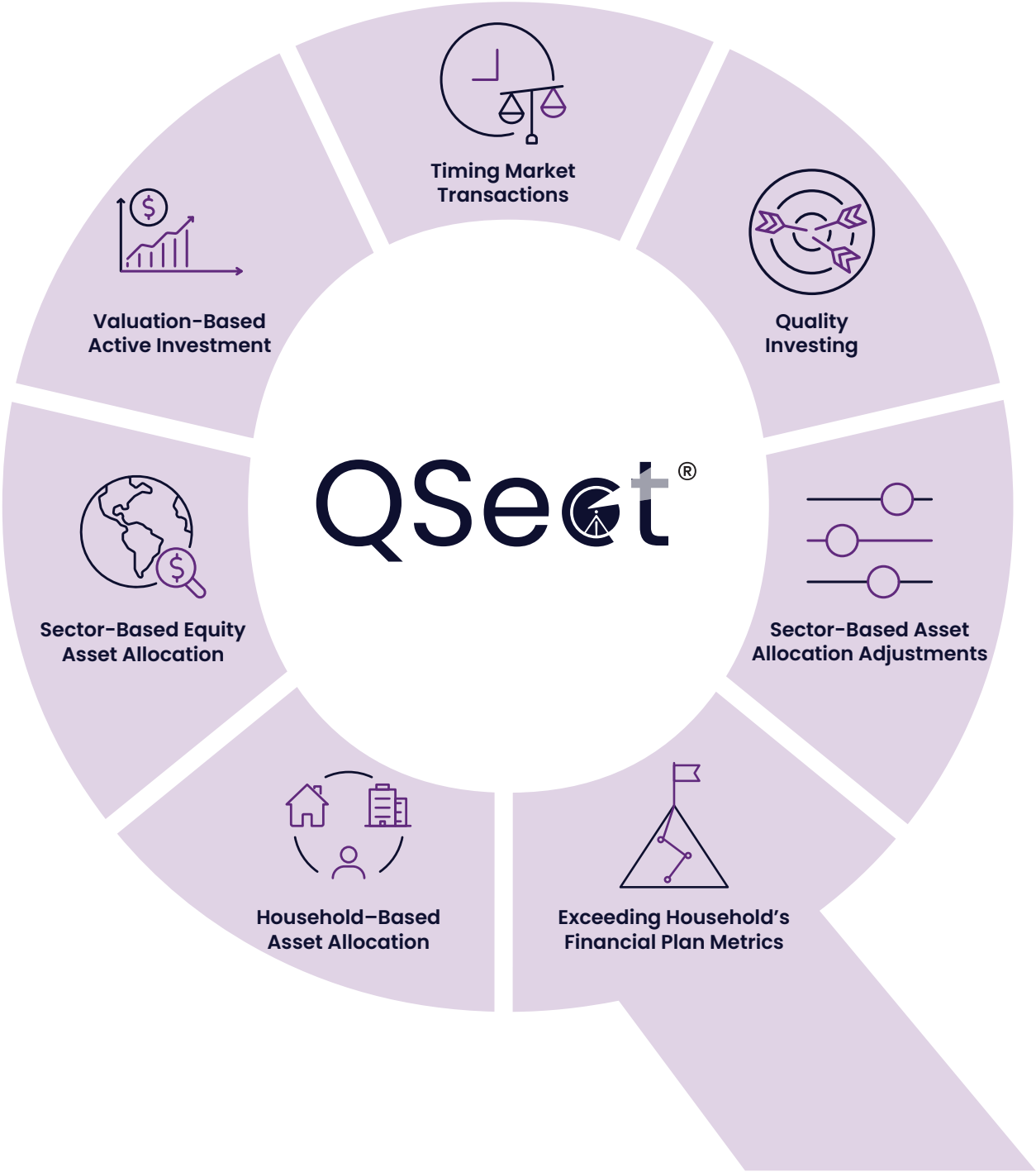
Sector-Based Asset Allocation Adjustments

We seek to capitalize on macroeconomic trends by adjusting our weightings in the various asset and industry classes. Instead of moving assets between different geographies, we move them between various industries based on what's happening in the global economy.

Exceeding Household's Financial Plan Metrics

Our benchmark for success is meeting or exceeding the appropriate metrics in each household's financial plan.

Quality investments, diversified by sectors.



Quality equity investing

Quality refers to the philosophy we use to select equities for client portfolios. It encompasses various factors such as revenue stability, growth potential, competitive advantages, market share, and value creation. Our quality investing approach inherently leads to a buy-and-hold or long-term view to our equity selection.



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Approach

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Assessing quality

Consistent results

Quality companies typically pay dividends, maintain strong balance sheets, and consistently grow revenues, earnings, and dividends over time. These characteristics often provide investors with stability and confidence during market downturns.

Competitive advantage

Understanding competitive dynamics is an important part of our approach. Every successful business faces competition. We are attracted to management teams that understand and successfully navigate the competitive environment.

Market share

Market share leadership often leads to higher returns on equity and invested capital. Companies with a significant market share typically enjoy advantages such as pricing power and economies of scale.

Value creation

Quality businesses typically generate returns on capital that exceed their cost of capital. Generally, this creates shareholder value and contributes to long-term wealth creation.



We avoid hype and short-term thinking for our asset selection.

The importance of valuation

While identifying quality companies is essential, we also consider valuation. Paying the right price for a quality business is crucial, as overpaying can erode returns, even when the business fundamentals of a company remain strong. We can also take advantage of market irrationality by capitalizing on mispriced valuation.

Tax-efficient investing



Tax-efficient investing is a strategy aimed at minimizing the impact of taxes on investment returns. By incorporating tax strategies from your accountant, investors may be able to enhance after-tax returns and potentially achieve better overall after-tax performance.

Tax gain (loss) harvesting

Tax gain (loss) harvesting involves strategically selling investments to realize capital gains or losses. Realized losses can offset capital gains, reducing overall tax liabilities, while gains can be realized in a lower tax bracket to minimize taxes.

Capital gain (loss) utilization

Investors can offset past, current, and future capital gains by selling investments at a loss, thereby reducing taxable income.

Flexibility in timing

Tax gain (loss) harvesting can be conducted throughout the year and is particularly beneficial during market downturns when capital losses are more prevalent. Year-end may also be a strategic time for tax planning.

Applicability to various asset classes

Tax gain (loss) harvesting can be applied to assets held in taxable (non-registered) accounts, including stocks, bonds, preferred shares, mutual funds, pools, and ETFs.

Integrating tax gain (loss) harvesting, with input from your accountant, alongside asset location strategies allows for a holistic approach to tax planning, aiming to minimize tax liabilities and maximize after-tax returns across your entire investment portfolio.

Asset location

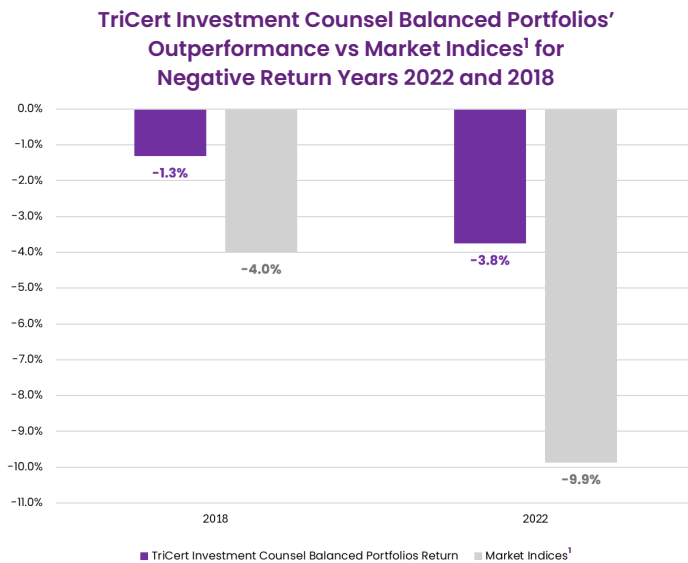
Your portfolio manager can perform tax-efficient asset location due to our unique household-centric approach. We may place investments across various individual and entity account types while maintaining an overall portfolio asset allocation to manage risk through a household-centric rebalance mechanism.

Historical performance insights

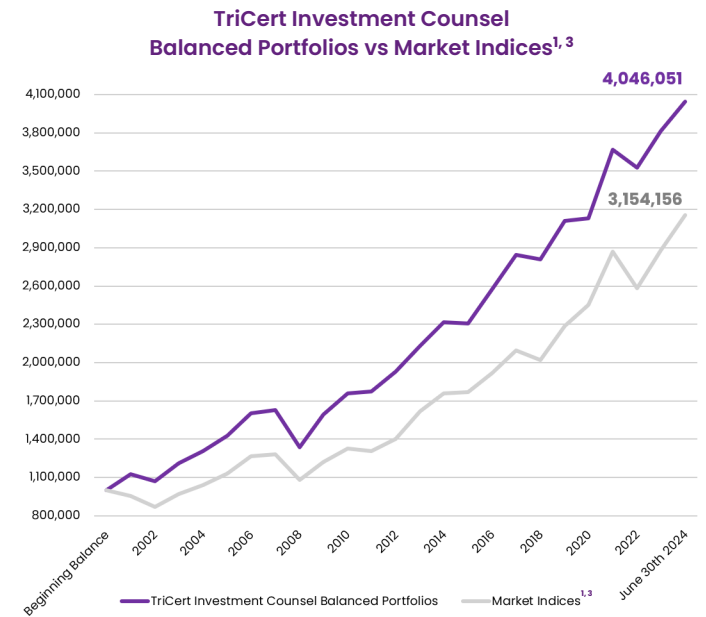
Our portfolio construction is customized against a client's financial plan, circumstances and risk profile. However, we recognize that clients may be overly exposed to market indices, so understanding our performance in this context may assist in providing education and confidence in the QSector® approach.

What can investors typically expect from our QSector approach to investing in a balanced portfolio?

Historically, in periods of significant market gains—often influenced by speculative market trends—our balanced portfolio returns have generally been more conservative. This reflects our focus on solid business fundamentals. Conversely, during market downturns, where investors tend to return to fundamental analysis, our approach has shown it can outperform the market. In 2018 and 2022 our balanced portfolios outperformed the broader market indices by 2.7% and 6.1% respectively.



Over the past 25 years, our QSector approach has shown its ability to outperform during market downturns, which has generally led to more stable, balanced portfolios over the long term. While we cannot guarantee these results in the future, as market reactions to unforeseen events are unpredictable, our clients gain peace of mind by understanding our QSector approach and its historical performance. We strongly recommend consulting with your portfolio manager before making decisions based on the information provided here.



Important notice about performance

Past performance is not indicative of future results. The historical performance discussed is for illustrative purposes only and should not be considered as a guarantee of future returns. All investments carry inherent risks, including the potential loss of principal. Market conditions can impact investment performance, and there can be no assurance that our investment strategy will consistently achieve its objectives. Our focus on risk management and diversification is designed to help protect and potentially grow investments, particularly during volatile market periods. Investors should consult with their portfolio manager before acting on any information presented, and carefully consider their own investment objectives, risk profile, and financial situation before making any investment decisions.

¹ For Composite construction, the following asset-allocation ranges were used (based on Investment Policy Statement (IPS) midpoints):

- Cash + Canadian Bonds + Preferred Shares + Income Trust (Income-Producing assets) between 30% and 70% of overall assets, (remainder of assets are Canadian, U.S., and International Equities)

For Comparative purposes, beginning 2015, the following indices were used:

For the Income-Producing components of the portfolio:

- FTSE TMX Canada Short Term Bond Index (TR)²
- S&P TSX Preferred Share Index (TR)
- S&P TSX Income Trust (TR)

For the Equity components of the portfolio:

- S&P TSX (TR), (CAD)
- S&P 500 (TR), (CAD), (USD)
- MSCI EAFE (TR), (CAD), (International)

All indices are Total Return (TR) and include earned interest and dividend income. Foreign indices are adjusted by currency exchange rates, to Canadian dollar returns (CAD). The proportion of each market index, as a basis of the composite market index, is calculated monthly (beginning of the month) based upon all portfolios within the Balanced mandate.

² Cash and investments maturing within one year are included with the bond component and measured against the Short Term Bond Index.

³ Previous to 2015, Comparisons used:

- Prior to Q1 2015: FTSE TMX Canada Short Term Bond Index⁴ - 39% + S&P TSX Total Return - 30% + S&P 500 Composite Total Return (CAD) - 16% + MSCI EAFE Total Return (CAD) - 15%
- Prior to Q3 2011: Globe CDN Short Term Fixed Inc. Peer Index - 39% + S&P TSX Total Return - 30% + S&P 500 Composite Total Return (CAD) - 16% + MSCI Index (CAD) - 15%

The composites were redefined to better represent our investment strategy. As of January 1, 2018, the composites only include fully discretionary accounts with a minimum size of \$500,000 CAD. Policies for valuing portfolios, calculating performance, and preparing presentations are available upon request. The above results are unaudited, but are verified by a third party, and returns are shown gross of fees in Canadian dollars. Results are based on Time-Weighted method of calculation. Returns are not guaranteed as market values may change and past performance may not be repeated.

Due to the nature of customization, composite returns above may not be representative of some client portfolios.

⁴ The Dex Short Term Bond Index was renamed as the FTSE TMX Canada Short Term Bond Index during the first quarter of 2014.

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