

CREATING and PRESERVING WEALTH with PRIVATE INVESTMENTS

WHEN AN INVESTOR SITS WITH AN ADVISOR, THEY SHOULD ALL BE ASKING "WHAT IS THE HIGHEST VALUE WE CAN PROVIDE TO YOU OUR CLIENT"? THE ANSWER INVARIABLY SHOULD BE TO "MAKE YOU WEALTHY"!

Aside from lower costs and additional services, one of the best ways is to look beyond the traditional three-pronged approach of public stocks, public fixed income and cash. If you look at the wealthy you will notice they do invest differently. Think of the McCain family, the Bronfman's or Thompson families and you will find that just like our pension managers they have added additional sleeves of private equity and alternatives to the mix. Just like you, they have the same needs; preserve and grow capital, liquidity, income and tax minimization. Yet the typical Canadian retail investor invests in 100% public securities. This begs the question - if the needs of the retail client are the same as the needs of the wealthy along with established pension plans - which is to create and preserve wealth, then should the portfolio construction not be similar? Also, as a general observation, private investments do not experience the short-term volatility as fluctuation in value that is characteristic of public equities.

There is a premium that investors are paying by limiting their investments to public securities when otherwise similar private versions may be available at a 30 - 40% discount for no apparent additional risk. While the right exposure varies from investor to investor, we utilize a framework to determine the suitable exposure when integrating private securities with public securities. This also addresses any liquidity requirements that tie in with one's time horizons and capital requirements. In addition, when working with a fee based discretionary portfolio manager, we can serve as proxy for the accredited investor to facilitate such investments. Otherwise, a client under current securities laws needs an income of at least \$200,000 or net financial assets of \$1,000,000 or greater to purchase private investments, and this locks out the vast majority of investors from this valuable asset class.



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In conclusion, public securities comprise only a small component of the total investable universe - private market securities help tap into the remaining majority. By providing our advice seeking clients with access to high quality public, private and alternative investments, just like the pre-eminent family office and institutional investors mentioned, we can and do create significant added value for our clients. If you would like to explore this further over a good cup of coffee,

**WE WELCOME THE OPPORTUNITY
TO DISCUSS WHAT THE MANDEVILLE
APPROACH COULD MEAN TO YOU.**

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