Wealth Management
Dominion Securities

Our Investment Process

Helping you navigate your course

We believe employing a consistent, disciplined and non-indexed process to investment management will lead to superior results. We look forward to showing you the difference our process will make.

We Want

To ensure your investment goals are consistently being achieved, whether this is to produce retirement income, to increase your wealth for the next generation's benefit, or simply to reduce fluctuations in the value of your investments so that you sleep more soundly.

We Believe

There is no "one size fits all" formula. Every investor has unique needs and goals, however all clients benefit from a disciplined investment process that keeps goals in focus while reducing market risk.

We Will

Proactively rebalance your portfolio to take advantage of timely investment opportunities, or to reduce or remove risk as market conditions warrant.

Here's how we do it:

We have a process to manage both the bigger and the smaller picture of the investment landscape.

The Smaller Picture in Focus

Our portfolio building process begins with the analysis done by our Investment Strategy Committee, who considers global and regional economic outlooks, interest rates, corporate earnings and equity valuations. The committee provides quarterly asset allocation recommendations that can be incorporated into clients' investment portfolios.

We then turn to our Portfolio Advisory Group for analysis and recommendations on the various components of our asset allocation
mix. This group incorporates three disciplines into their decision-making process; fundamental, quantitative and technical analysis.

Fundamental and quantitative research focus on the investment merits of each company or sector based on earnings visibility, competitive landscape, quality of management, and various other metrics. Technical analysis looks at price momentum, and allows us to make buy or sell decisions in an objective and timely manner.

Knowing at what price we are comfortable buying or selling a security (or more importantly at what price we would be uncomfortable owning a security), is a key discipline that helps manage risk in a portfolio.

We are not beholden to index weightings. It is our opinion that the composition of an index is arbitrary and not indicative of any particular investment strategy. The decision to include or exclude a security from a portfolio should be based on the investment merits of that security alone. This allows us to divest entirely of stocks or sectors with deteriorating fundamental or technical characteristics, rather than sit idle while capital is eroded.

We are not restricted to funds or models managed by RBC or its affiliates. We are able to use best-in-class external managers to augment our core portfolios where prudent.

The Bigger Picture in Focus

At some point, every market corrects. Some corrections are much more substantial than others. Not eroding your capital and returns during these corrections will have a substantial impact on your portfolio's performance over the long term. In the short term, it can also have a significant impact on your lifestyle and the income you can take from your portfolio. We want to ensure that irrespective of what the market is doing, you maintain your lifestyle.

"Knowing in what to invest in is not as important as knowing when to be invested"

The Key indicators that help us navigate where we are in market cycle:

Monetary Policy:

Are interest rates rising? Is the yield curve flattening, or worse, inverting? An inverted yield curve has preceded every market correction, generally between 6 and 12 months in advance, going back as far as the data reveals

- ✓ **What does this inversion tell us?**
  That a market correction is on the horizon.
- ✓ **What will we do, and how will we use this information to protect your money?**
  As we see interest rates rise, we will be reducing equity exposure and increasing your cash/fixed income position, to protect your capital.

Economic Momentum:

How are the big drivers of economic momentum performing; such as business activity, employment, consumer activity, investment and housing? Have they been steadily accelerating and now faltering? If a majority of them are losing momentum, this a very telling sign, especially in conjunction with the other indicators.

Equity Valuations:

As these valuations become stretched, as most recently seen in 2008, we will be taking profits and increasing our cash position throughout the portfolios. Stretched valuations across a number of sectors is a strong indicator that a significant market turn is on the horizon.

Sentiment:

When general sentiment is overwhelmingly positive and there is thought to be no end in sight to the bull-run, there probably is an end in sight; in fact the end is probably here. It is time to take profits and increase your cash position.

While this is not an exhaustive list, these are some of the key indicators we look at when assessing whether or not we're reaching the end of a market cycle. We believe your money matters and steps must be taken to ensure your assets are protected.

For more information, please contact our team today.

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