MISSISSAUGAS OF THE CREDIT TORONTO PURCHASE TRUST

STATEMENT OF FINANCIAL POSITION

as at August 31

	2021	2020
ASSETS		
Investments at fair market value:		
Managed by Beutel Goodman	$38,024,176	$ 34,739,394
Managed by Mawer	53,559,085	50,845,103
Managed by Dixon Mitchell	25,075,439	22,990,298
Other Investments	6,698,680	3,832,105
Hydro One NLRP	9,480,883	9,480,883
	$132,838,263	$121,887,783
LIABILITIES		
Accounts Payable	14,189	13,459
NET ASSETS	**$132,824,074**	**$121,874,324**

ANNUAL INCOME ESTIMATE

Annual Income estimate is the GREATER of:

All of the income for Canadian Federal tax purposes for the year. An estimate of this amount as at August 31, 2021	$ 4,205,270
or	
The net payment by the Trustee to MCFN in each Fiscal Year shall be, at a minimum, an amount equivalent to 4% of the closing market value of the Authorized Investments during the immediately preceding Fiscal Year (the "Minimum Payment") to be paid out of the capital of the Trust Property to the extent there is insufficient Annual Income available to pay same.	$ 5,287,427
Annual Income Estimate For 2021	$ 5,287,427

Emotions and Investing

Human beings are an intelligent lifeform. As a species, our intelligence allows us to thrive and survive through some of the most difficult situations. Our intelligence can be generalized into two broad categories: *logical* and *emotional*. Logical (also known as cognitive) refers to our capacity to acquire information and process it. Emotional refers to our capacity to demonstrate, use and manage emotions in a given situation.

Historically, there was a presumption that investing and investment decisions were predominantly a numbers game. That is to say investors use and process information to make logical Investment decisions. Behavioral finance, which is a relatively new branch of finance, states that both logic and emotions play an important role in investment decisions. When investors let emotions influence their investment decisions, those decisions are known to be emotionally biased.

Emotions and Investing

Emotional biases impact an investor(s) approach to risk and return. Some people do not like taking risks in life and that is reflected in their investment decisions as well. Some people are 'dare devils' and adrenaline junkies and enjoy taking risks in all aspects of their life and that too shows in their investment decisions. They may end up taking more risk when they shouldn't or vice versa. In summary, emotional biases negatively impact investment decisions and can hinder financial goals if they go unchecked.

The benefit of having professional investment managers make investment decision on your behalf is that emotional biases are limited. These investment managers are not 'emotionally' attached to your investments as you may be as an individual. This provides a distinct advantage as the investment managers can make logical investment decisions. They have a dedicated team of analysts, economists and supporting staff which collects, synthesizes, and processes huge amounts of data to make an investment decision.

This does not mean that investment managers are free from emotional biases of their own (they are human beings after all!). Some investment managers may have a favorite stock or may prefer one asset class over another. The impact of emotional biases is reduced through compliance and peer reviews. Investment managers also use highly sophisticated financial models to determine the impact of investment decisions on returns. If the outcome of an investment manager(s) decision is not favorable, it is scrutinized to check for any biases and reset for an optimal outcome.

Meet The Team

Sarim Ehtesham joined Peace Hills Trust in January of 2020. Sarim is interning under Jeff and brings a new dynamic to the team and our ongoing monitoring process of the investment managers. Sarim just passed his level 2 CFA and writes his level 3 in November. Once this is completed he will be a new CFA. Sarim wrote this great article.