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## Staying humble and unbiased

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Over the past three quarters, I have travelled to eight different cities outside of North America. They include Shanghai, Frankfurt, Berlin, London, Dublin, Madrid, Barcelona, and Holguin. Travelling offers an opportunity to confirm and experience what we already know, as well as obtain new perspectives. Some of my takeaways from recent trips are as follows:

The grandeur of the cityscape in Shanghai was intoxicating but unfortunately so was the air quality, which was deemed unhealthy by the nation's air quality index while I visited over the winter holidays. I had a vastly different experience during my stay at a higher-end hotel versus renting an apartment. My experiences offered a glimpse into how differently tourists are treated from locals. With tight controls over access to information through Google, Facebook and Twitter for example, as well as heat and electricity often being rationed, it is not surprising to see a general exodus of human and financial capital from China.

In Frankfurt, large groups of adults standing in the streets during regular office hours, seemingly without purpose, was a reminder of German Chancellor Angela Merkel's humanitarian, open-door policy toward accepting refugees from war-torn countries. As I crossed the German countryside by high-speed train toward Berlin, I saw for myself the numerous wind turbines dotting the horizon, lending support to Germany's reputation of being a highly eco-conscious nation.

My excursions to Madrid and Barcelona revealed some of the differences in culture, food, politics and art between two distinct regions within Spain and provided a glimpse into why the more *avant-garde* Catalans want to be recognized as an independent nation. Meanwhile, in the Cuban city of Holguin, young individuals approaching me in restaurants asking for formal invitations to Canada brought to light a collective dissatisfaction among young Cubans. They want better opportunities than their parents were afforded and would prefer not to endure a slow transformation toward a freer economic system.

Experiences while travelling can help to confirm or change opinions about different cities. However, these experiences are in fact anecdotal evidence and should not be confused for objective, scientific research. Travellers, as well as investors, are susceptible to exhibiting a confirmation bias – a tendency

to select information that confirms their beliefs while ignoring data that refute their preconceived notions. This bias can be greatly reduced by staying humble and making efforts to stay well informed.

As professional investors, collecting data and conducting unbiased research is an ongoing process. Continuously monitoring financial markets and studying micro and macroeconomic data are necessary to properly assess investment opportunities as they arise. Technology allows us to do our own research on valuations, fundamentals and correlations for global asset classes from our head office in Toronto. We also make use of valuable insights from our partner, State Street Global Advisors, a leader in asset allocation with researchers based in major cities around the world.

*Combined top 15 equity holdings as of July 31, 2016 of the Evolution 40i60e Standard portfolio with Alpha-style exposure:*

1. Microsoft	6. Simon Property Group	11. Alphabet – Class A
2. Atco	7. Manitoba Telecom Services	12. Apple
3. Altagas	8. Toronto-Dominion Bank	13. Thermo Fisher Scientific
4. Alphabet – Class C	9. Tourmaline Oil	14. CIBC
5. Chubb	10. UnitedHealth	15. Medtronic