

LEADING PORTFOLIO MANAGERS

GO-TO STRATEGY:

Open up access

Duane Francis has built his approach around the concept of giving his clients access to the types of investments used by endowments and pension plans

THIS YEAR marks Duane Francis' 23rd in the wealth management industry. Currently a portfolio manager and senior financial advisor with Capital Wealth Partners at Mandeville Private Client, Francis earned his CIM in 2004 but didn't step into a portfolio manager role until he joined Mandeville in 2013. Now he's using his skills as a PM, along with his firm's access to private investments, to create new opportunities for his clients.

Francis got his start with Investors Group, where he met branch owner Michael Prittie. After Prittie moved to Berkshire Securities in 2001, Francis followed the next year. The two men eventually transitioned to Mandeville Private Client, and Francis began putting his portfolio management skills to full use.

"When Michael Lee-Chin came back to the industry to start Mandeville, it allowed Michael [Prittie] and I to become the first two portfolio managers at the firm," Francis says. "Since then, it has been great to give our clients access to both high-quality public and private investments."

Francis has built his approach as a portfolio manager around the access Mandeville allows him to offer clients.

"Having the opportunity to be with a mutual fund firm, a full-service securities firm and then coming to Mandeville has allowed me to see different types of portfolio structures," he says. "One of the most exciting things about being at Mandeville is not only

giving access to public investments, but co-owned private investments, whether real estate, infrastructure, etc."

That access is something Francis sees as an important feature for all portfolios. He models his after endowment funds and pension plans that invest in similar areas.

"The majority, if not all, of our clients have a piece of private investments in their portfolio," Francis says. "Our CIO, Ray Sawicki, created a tool that allows us to see what the

manager has also been a key benefit.

"I think the biggest attribute of being a portfolio manager during a time like this is the ability to make quick bulk decisions versus calling all clients," he says. "It was mostly on the public side, as privates, in most cases, are longer-term. On the public side, we made changes quickly for investments we felt had taken a beating or didn't have long-term value and looked at opportunities in either the public or private space. We were

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proper asset mix should be based on clients' assets, age, time horizon, current makeup of income – business or personal – and then it allows us to determine how much private strategies should be in the portfolio. We are big believers that all investors should have some private or alternative strategies."

The diversity of the investments within Francis' portfolios has helped them weather the volatility of this year. He says having the ability to make bulk moves as a portfolio

manager has also been a key benefit. fortunate to make these quick adjustments, and our clients have benefited. They have rebounded nicely since the March lows."

When the major public indexes were down in the first quarter of the year, Francis was able to take advantage of some opportunities on the public side.

"We found some public opportunities that we were looking at last fall [when] we felt valuations were too high," he says. "The private markets are large, but we didn't see



PROFILE

Name: Duane Francis

Title: Portfolio manager and senior financial advisor

Practice: Capital Wealth Partners

Firm: Mandeville Private Client

Location: Ottawa, ON

Years in the industry: 23

Certifications: CIM, CFP, CPCA, FCSI, CIWM

investments that make sense for clients based on their goals, age, etc.”

While this year has presented its share of challenges, Francis says the biggest for him has been focusing on capital preservation.

“With the recent run-up, we are preserving the gains we made and keeping the long-term focus,” he says. “Our client portfolios have come back quickly – faster than I thought they would – and we are starting to see some weakness in stocks that were high-flying over the last couple years. That gives us an opportunity – these are valuations we couldn’t see six months or a year ago. More importantly, we need to preserve capital and make sure we rebalance to the asset allocation models. We do not want to be running up when the markets are up, only to go back down when weakness occurs.”

Francis believes this challenge can be addressed through a solid understanding of each client. “I think what makes a good portfolio manager is making sure they understand their clients,” he says. “We have tools in place as portfolio managers that give our clients opportunities, but without the full picture, it is hard to advise properly. One thing I have used within my practice over the last 23 years is a comprehensive wealth plan. It allows us to put the planning in place – not only for the investment picture, but the overall picture – and then we can create the strategies to help clients over the long term.”

a lot of new opportunities; still, we added to current positions if there was value.”

One of those areas of opportunity was in passive investments – although some portfolio managers rely solely on active strategies, Francis does include some passive

investments in his portfolios if it makes sense for the client.

“We do own some ETFs,” he says. “It depends on the client, as we do a thorough client assessment and, from there, garner the asset allocation mix. There are some passive