The David Miner

Communiqué

Spring 2016

"Everyone has the brain power to make money in stocks. Not everyone has the stomach."

- Peter Lynch

Warm Weather Welcome!

Welcome to spring! After getting in a little skiing this winter in Mont Tremblant, Quebec, David and Dorinda are back into dragon boat season and chilly practices on the water. Amelia and Kiran spent a week in the United States exploring New York State, Washington DC, and Virginia.

David & Dorinda enjoying the Après Ski in March at Mont Tremblant.

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Daughter Victoria is now stationed in Moosonee on James Bay pursuing her social work career. During the past winter, she often drove several hours up the ice road from Moosonee to Attawapiskat First Nation, which is much in the news these days. With the spring thaw, the ice road is unavailable, so Vicki and her co-workers now travel by plane. Vicki is getting amazing experience. We are proud that she's chosen such admirable work.

"Money is not the most important thing in the world. Love is. Fortunately I love money."

– Jackie Mason

Market Commentary

While the Canadian stock market (S&P TSX) was negative about 11% in 2015, our philosophy of holding strongly diversified portfolios did us well. Most of our clients had reasonably solid positive returns in 2015. The reasons are simple: markets of most countries did better than Canada last year and most currencies were stronger than the Canadian dollar. Weakness in Canadian stock markets was mainly because of weak oil prices. We never advocate being out of Canada entirely, but do advocate holding portfolios that are diversified by country, sector and asset class (i.e., both stocks and bonds).

In 2016, we are seeing some recovery in oil prices, the Canadian Dollar, and the Canadian stock market (source: Bloomberg). At the time of this writing, oil has climbed from a low of about $28 U.S. per barrel earlier this year to about $45 U.S. a barrel now. In 2014, oil was trading over $100 a barrel, but it is unlikely that we shall see those $100 oil prices again for quite a while.

Trying to time the market can cost you.

Amelia and husband Kiran visit the Washington Monument in early April.

It's no secret that we're advocates for *not* timing the market. We do not do it ourselves and do not recommend it. While some people will boast "I sold Nortel/General Motors/ Tesla at the perfect time", it's important to keep in mind that they're also not disclosing their opportunity costs of being in cash when markets rallied. The best days in the market frequently happen right after a market decline. The common result of moving to cash is that market rebounds are missed. Wealth creation is lost, and who wants to brag about that?

Investing $10,000 USD in the S&P 500 on Jan 1, 1980, and **leaving it alone** would be worth $503,741.72 USD on March 31, 2015. Over the same period, missing the best 5 days would produce only $309,431.51 USD, and missing the 30 best days would create a portfolio worth of only $90,573.26 USD. The message is simple – do not try to time markets. Staying invested is the best way to build wealth.

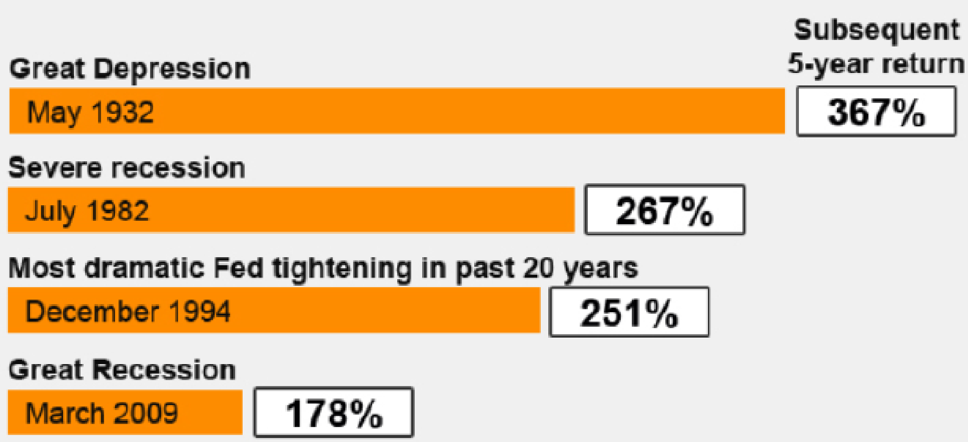
Trying to time the market can cost you.

Hypothetical growth of $10,000 invested in the S&P 500 from Jan. 1, 1980 to March. 31, 2015.

Past performance is not a guarantee of future results. The hypothetical example assumes an investment that tracks the returns of the S&P 500® Index and includes dividend reinvestment but does not reflect the impact of taxes, which would lower these figures. There is volatility in the market and a sale at any point in time could result in a gain or loss. Your own investment experience will differ, including the possibility of losing money. You cannot invest directly in an index. The S&P 500®, a market capitalization-weighted index of common stocks, is a registered service mark of the McGraw-Hill Companies, Inc. and has been licensed for use by Fidelity Distributors Corporation. Source: FMRCo, Asset Allocation Research Team as of 3/31/15.

One of the world's best examples of an impatient investor: On April 15, 1976, Ronald Wayne sold his 10 percent stake in Apple for $800. Forty years later it is worth over $58 billion. We bet he wishes he stayed invested!

It has paid to stay invested in U.S. stocks during troubled times.



U.S. stock market returns represented by total return of S&P 500® Index. **Past performance is no guarantee of future results.** It is not possible to invest in an index. First three dates determined by best five-year market return subsequent to the month shown. Sources: Ibbotson, Factset, FMRCo, Asset Allocation Research Team as of March 31, 2015.

Good News, Bad News

The Canadian Institute of Actuaries recently revised their mortality tables. A woman who is 60 this year can expect to live on average to 89.3. A man who is 60 can expect to live on average to 87.3. The good news is that men and women are living an average of three years longer than when the mortality tables were last compiled in 1995.

The bad news is that we need to fund an extra three years of living expenses in retirement. We need more money! A person working between the ages of 25 and 65 will need to fund retirement over that 40 year period – a retirement that could last 25 years or more!

David with jazz vocalists the Ault Sisters at Gate 403

Dorinda and David with artist Fred Hummel at his exhibition in Toronto.

And the scary news: a recent study by consumer credit agency Equifax found that while all consumer debt is rising, debt among those over 65 is rising fastest.

Fortunately, the formula for financial freedom at retirement is simple: starting young, invest regularly, and invest wisely.

"Compound interest is the eighth wonder of the world. He who understands it, earns it...he who doesn't...pays it."

– Albert Einstein