



David Miner & Associates
Communiqué
 Holiday 2013



Seasons Greetings!



2013 has been a busy and exciting year. In our last newsletter, we announced the addition of Marianne Knibbs' practice after her retirement. Shortly thereafter, we changed dealers from Equity Associates to FundEX Investments Inc.



David and daughter Victoria in Edinburgh, Scotland

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With change comes a volume of paperwork! We have been slowly contacting clients, in no particular order, to update the "Know Your Client" documentation. Chatting with so many people has been a great experience for me; I've especially enjoyed meeting for the first time the many new clients from Marianne's practice. We look forward to communicating with more clients over the next few weeks. As always, your patience and support as we meet regulatory paperwork requirements is appreciated.

Mark Brownell, my licensed assistant, and I have had to learn new computer and operating systems at FundEX. The compliance systems at FundEX, while onerous, are second to none. To help organize the conversion to FundEX, my daughter Victoria worked in our office over the summer months before she left for graduate school (Masters in Social Work) at the

University of Strathclyde in Glasgow, Scotland. As a final push to accomplish as much as possible over the next few weeks, we have added some temporary helpers in our offices at 1243 Islington Avenue.

In July, Dorinda and I spent a few days in Boston at a Fidelity Investments conference. In October we spent a weekend with friends in New York City. In September, we spent almost two weeks in Scotland, where we toured some of the Scottish countryside and helped Victoria get set up for school. The Scottish Highlands and the Isle of Skye are breathtakingly beautiful. I look forward to going back.



Enjoying some of the finer food experiences in New York City with friends.

Why FundEX?

While FundEX Investments Inc. may not be a household name, it is a well-known and respected dealer in the mutual fund industry. FundEX is a member of the Mutual Fund Dealers Association (MFDA), and administers close to \$12 billion through the practices of over six hundred senior advisors across the country.

FundEX is owned by Industrial Alliance, an \$89 billion financial institution. The Industrial Alliance companies include their life insurance company (fourth largest in Canada), IA Clarington Funds, Jovian Capital, FundEX, Investia (another mutual fund dealer), and a securities dealer. The strength of Industrial Alliance is core to my decision to move my practice to the FundEX platform.

Over the last ten years, the number of independent dealers under the MFDA has declined by more than 50 percent. That trend continues. As many smaller firms disappear, larger firms are flourishing. I am pleased to be connected with FundEX, a large firm that is thriving and growing steadily. And while I provide independent advice while running my own practice, I find comfort in aligning with a large financial institution like Industrial Alliance as I look forward to the next decade and beyond.

"How many millionaires do you know who have become wealthy by investing in savings accounts?
I rest my case." - Robert G. Allen

Keeping The Process Simple

In future, deposits to client accounts should be made via cheque to “**FundEX Investments In Trust**”. Cheques of \$250,000 (or more) need to be certified. The practice of certifying larger cheques is now common in the industry and due, in part, to Anti-Money Laundering legislation.

As always, viewing your accounts on-line is easy. Go to www.davidminer.ca and click LOGIN. If you are not yet registered for on-line access, have a fund company statement or FundEX statement handy. You should be able to register easily. If you have difficulty, please contact Mark at mark.brownell@davidminer.ca or by phone. He will help you set up quickly. You may also choose to receive your statements electronically instead of by mail. I have personally opted for electronic statement delivery as I have found that electronic storage and retrieval is easier and more efficient. You can choose what is right for you.

Market Commentary

Five years ago, we were in the middle of the “sub-prime” correction. While the Canadian stock market has risen substantially from those lows, the Dow Jones Industrial Average in the United States has actually climbed to new highs - well above the pre-2008 levels. In Canadian dollars, the DOW total return is up well over 30 percent year-to-date while the Canadian S&P TSX Total return is up about 10 percent.

The Canadian stock market was stronger than world markets generally in the first decade of this century, largely on the back of a strong commodities cycle. As that commodities cycle has abated, the Canadian Stock market has lagged most other world major markets in the last two or three years, including the United States. We are certainly not suggesting that we abandon Canadian stocks. We do, however, reinforce our three core values of diversification, diversification, and diversification.

If a Canadian team were playing in the World Cup soccer championship, most of us would be cheering for the Canadian team (even though we might not have much chance of winning). Cheering for the home team is called “home country bias”. If, however, we were putting together an all-star team of soccer players with the intention of winning the championship, we would want to select the best players from a number of different countries. Selecting players only from a single country would probably not be the smart thing to do.

"Investing should be more like watching paint dry or watching grass grow. If you want excitement, take \$800 and go to Las Vegas." - Paul Samuelson

The same thinking applies to investing. Home country bias (i.e.; sticking exclusively to one's home country securities) is not expected to optimize return over time. It's no surprise that the five largest pension funds in Canada all hold more non-Canadian stocks than Canadian stocks. Taking a balanced and diversified approach is the best way to increase wealth with minimal volatility. And the best way to implement that strategy is through balanced portfolio programs offered through large global investment managers like Fidelity Investments. (Fidelity has a lot of my own money and my family's money.)

Looking Ahead To 2014!

This year has been exceptionally busy, featuring organic growth, acquisition, and a change in dealers. Looking forward to a continuing and growing practice, we are thankful for our relationships with some of the best investment managers in the world, managers like Fidelity Investments. We are thankful for our new connection with FundEX.

Most important, we appreciate the good people we serve – the investors – for whom I am privileged to work. Thank you. All the best for the holiday season, and have a safe and prosperous year in 2014. As always, please contact us if we may be of service.



David, Dorinda, and Victoria exploring the Scottish Highlands in September.

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