



# The David Miner Communiqué

Winter 2020

*Success is not final;  
failure is not fatal:  
It is the courage to  
continue that  
counts.*

-Winston Churchill



## 2020 VISION!



Welcome to the first Communiqué of the new decade!

Amelia and Kiran started the New Year with a family trip to the Dominican Republic in early January. Later in the month, Dave and Dorinda spent some quality time together with a few friends in the Mayan Riviera in Mexico. Canada is a beautiful country in winter, but it is nice to escape the cold once and a while.



Celebrating Dorinda's birthday  
in Mexico

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### 2020 To-Do List:

As of Jan 1, 2020, clients benefit from the following items:

1. \$6,000 in additional TFSA contribution room per eligible Canadian.
2. \$2,500 in additional RESP contribution room to maximize the RESP benefit, per beneficiary. As a reminder, the Canadian government will match 20% up to \$500 in CESG for all Canadians. Some Canadians will also qualify for the Canada Learning Bond and/or other subsidies, subject to income qualifications.
3. First 60-day RRSP contributions are available to eligible Canadians that want to reduce their 2019 taxes payable. This year, the deadline is March 2, 2020.

## How can I make a contribution?

1. A cheque payable to FundEX Investments In Trust, delivered in person or via mail to our office. Bank drafts may also be accepted with supporting bank receipts.
2. We can process certain one-time contributions directly from a Canadian bank account. Please let us know if you would like to do this and we can send the necessary form. Allow at least an extra two days for processing if you wish to do this, so do not wait until the last minute.
3. For FundEX nominee clients, FundEX Investments can also be set up as a bill payee and contributions made directly by clients through online banking.
4. Clients that currently have non-registered “OPEN” investments can shift money from this registration into a TFSA, RESP or RRSP. Let us know if you would like to fund a contribution using existing investment money and we will work with you to make it happen. As a reminder, transferring from an OPEN to a registered account may trigger capital gain tax.

Reach out to us early if you would like to make a First 60 Day RRSP contribution. We work hard to accommodate all clients but please be mindful of Canada Post delivery times, unforeseen courier weather delays, and the like.

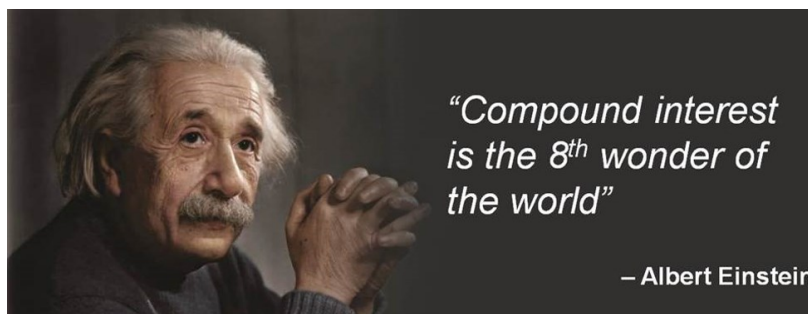
**2019 RRSP contribution deadline: MONDAY MARCH 2, 2020.**



Maya, Nala and Kiran enjoy pool-time in the Dominican Republic.

## Speaking of hindsight 2020, some interesting predictions that were also supposed to come true by 2020:

1. Futurist Ray Kurzweil said in 2004 that food consumption would dwindle by 2020 in favour of billions of tiny nanobots that provide the exact nutrients we require. Okay – maybe he was a little early on that one.
2. In 2000, Eric Haseltine said that signatures would be “considered quaint” by 2020. Instead, biometric IDs such as fingerprints, iris, and voice recognition systems would be most prominent. This prediction has come true in many ways.
3. Elon Musk had predicted that “by 2020 there would be serious plans to go to Mars with people”. The 2010s started out seeming like they were on track for the development of space tourism, Virgin Galactic and Space X perhaps being of the most notable names.
4. The RAND Corporation in 1964 predicted that apes would be bred to execute menial chores in our homes. Having seen too many Planet of the Apes movies made since that prediction was made, we hope to take a pass on simian help around the house.



## Market Commentary

While stock markets in 2018 returned negative performance by year end, markets in 2019 roared back. The DOW in the United States returned its best year in the last ten.

In 2020, markets started the year on firm footing, but by the time of this writing, markets are reflecting concern for the effects of the coronavirus, specifically the interruption of trade and travel. What will be the cost to businesses and economies? We saw similar market reactions in past years with the impact of SARS and Ebola. We expect (and hope!) that the coronavirus spread will be contained soon, and our thoughts go out to the people around the world directly affected.

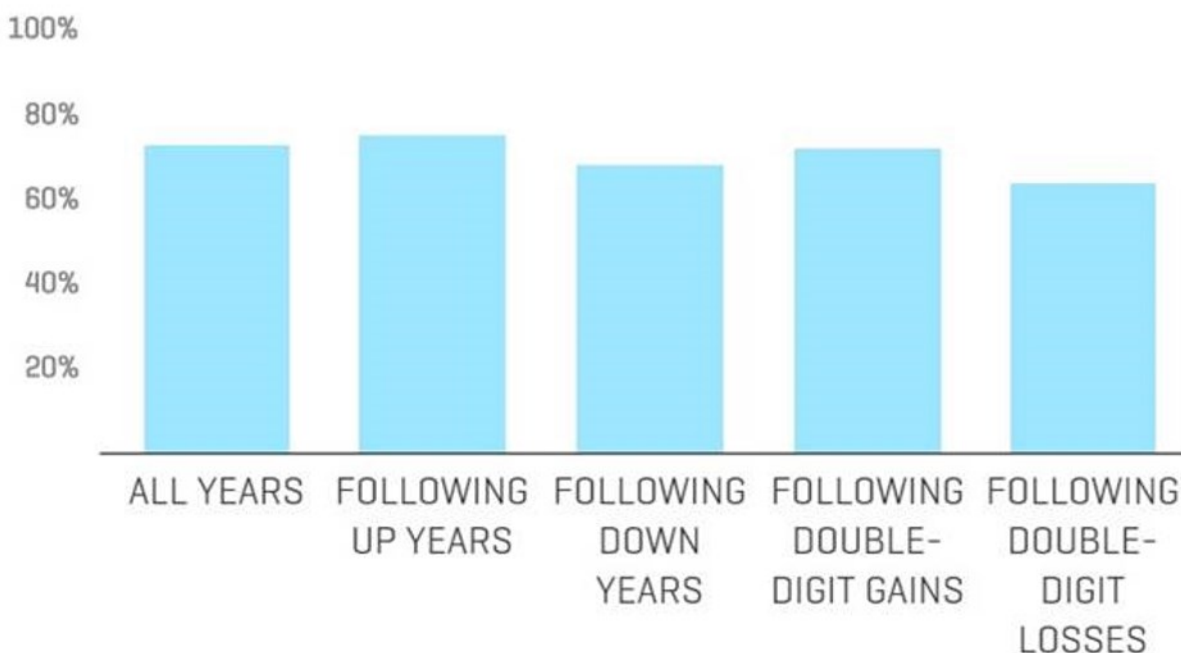
It is normal for markets to climb the proverbial “Wall of Worry” and 2020 is no exception. Markets are always subject to buffeting and head winds. Coronavirus and presidential elections are just some of the headlines that we know will dominate the news cycle this year. As always, the best strategy is to stay the course and stay invested.

Many wonder if we may expect a strong market in 2020 after such a strong market in 2019. Is a good year an indication of a not-so-good year to come? The simple answer is “No”.

Expected (or average) returns in any year are highly independent of returns of the prior year as illustrated in the Table of Average S&P Returns: 1926 to 2019. In a nutshell, while negative returns in a calendar year can and do happen, the expectation over time is for positive stock market returns in any calendar year about 75% of the time, regardless of performance in the prior calendar year. And more important, it is that average compound growth over time that creates wealth. Yes – markets sometimes can and will go down. Staying invested always is investing with the odds in your favour. As long as you are invested, you are winning, even though markets do fluctuate short-term. Being out of the stock market is investing against the odds, and simply translates to opportunity (i.e.; wealth) lost over time.

As always, we look forward to the future with optimism, knowing that even the best investment strategies – like winning teams in sports - have occasional bad innings.

## Percentage of Time the Stock Market Was Up in a Calendar Year



S&P 500 Total Returns: 1926-2019

Chart: Ben Carlson • SOURCE: DFA

**FORTUNE**

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