



The David Miner & Associates Communiqué

December 2020

*"Success is not final,
failure is not fatal:
it is the courage to
continue that counts."*
- Winston Churchill



Winding down on 2020!



Living through a pandemic is (hopefully!) a once in a lifetime experience. With rolling restrictions and lockdowns, it felt like the year would never end, but here we are amid the holiday chaos, ready to ring in 2021. With so many vaccines and therapeutics in the works, we can hope that safer and less restricted times are ahead!

This will be a quieter holiday season for the team. We wish everyone a happy and safe holiday season celebrating with loved ones, even if it is from the other side of a screen!



Maya & Nalina on a chilly day in October.



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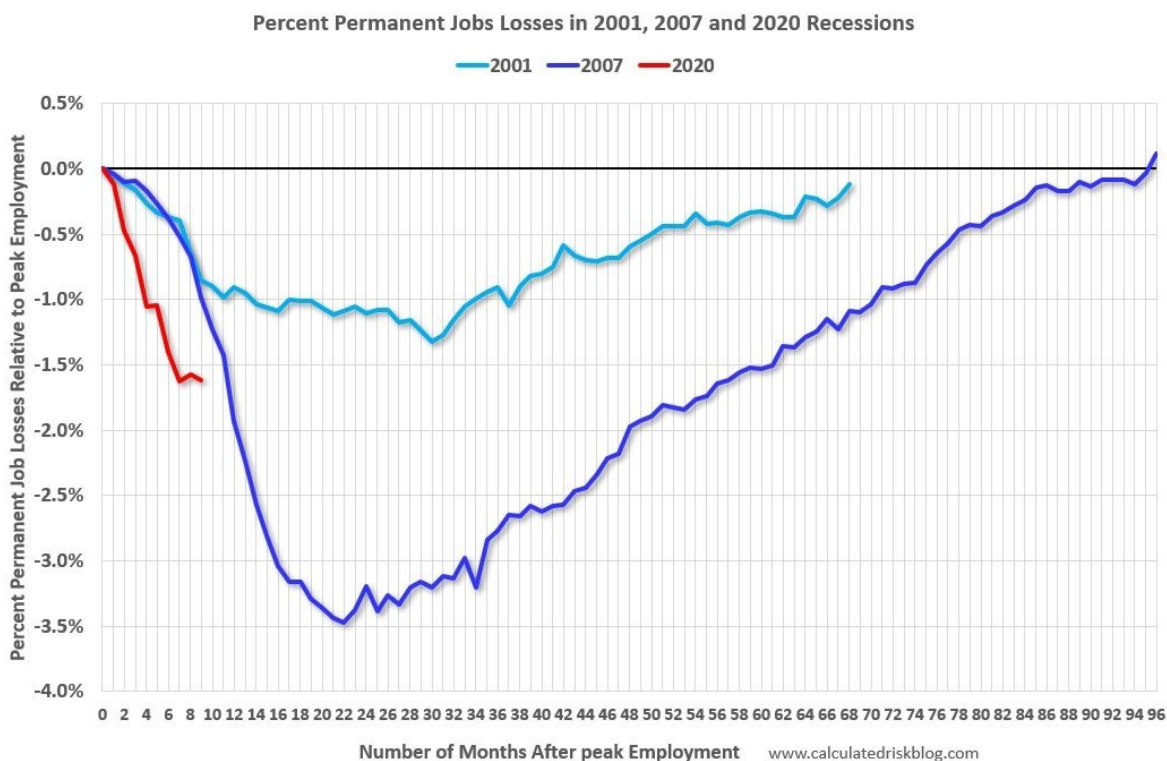
Market and Economic Commentary

The S&P 500 has hit new highs in December despite the brief but vicious bear market earlier this year. Although the economy has yet to fully recover, by many measures, that bear market is long over.

As we have often stressed this year, stock markets trade off expected earnings – not COVID-19, not U.S. politics, not economic noise. In essence, companies that have strong and growing earnings, will see that reflected in their stock prices over time. We are fortunate to work with some of the best portfolio managers on the planet, who not only see through the noise, but are able to maintain discipline when buying and selling portfolio holdings. Many of our clients are enjoying record high portfolio values despite the market volatility in 2020.

As we look to 2021 – what can we expect? A few things immediately come to mind...

1. Interest rates will likely remain at historic lows for a while to support economic recovery, particularly in the absence of inflation. While both stocks and bonds remain important components in portfolio construction, we expect that stocks will remain more attractive than bonds as negative interest rates appear unlikely in North America. Eventual rising interest rates will hamper long-term bond performance.
2. Asia appears best positioned to bounce back from the pandemic economically as they have better embraced measures taken to curb community transmission. Early economic indications have supported this— as an example, China touted a record trade surplus of 75 billion dollars in November.
3. The hospitality, bricks and mortar retail and travel industries have taken a major hit to revenue and earnings as a result of lockdowns and travel restrictions in 2020. Many of the smaller players in these industries are buckling and will be unable to survive if these conditions persist. As economic stimulus continues into 2021 and the restrictions ease, these industries could finally begin to recover (who doesn't want to go on vacation after a year like this?) and employment numbers will improve.



Year-end Housekeeping Items:

1. Avoiding Tax: Clients expecting to pay tax (ex. CERB did not withhold tax at source), can utilize RRSP contributions (through the first 60 days of 2021) to reduce taxes payable or generate a refund. If you no longer work, donating investments to registered charities can not only support causes you're passionate about, it can create a tax deduction and bypass triggering of capital gains.
2. TFSAs & Cash Flow: Short term cashflow needed from investments are best taken from a TFSA at year-end, particularly if you have contributed the lifetime maximum, as the funds can be re-contributed in the following year.
3. Tax Savings: For clients who hold open or non-registered investments, triggering some capital gains could result in tax savings down the line if your 2020 income is expected to be lower than usual.
4. Government Economic Response Programs: The requirements and availability of these are constantly changing for individuals and businesses – if you need support but are unsure if you qualify, we can help you navigate the details!

Of course, there may be something unique to your situation not considered by this list – do not hesitate to call us so we can help you get 2021 started on the right footing financially!

Some Key Tax Figures for 2021:

1. The maximum RRSP contribution for 2021 is 18% of pre-tax income up to \$27,830.
2. TFSA annual (additional) contribution room is \$6,000 in 2021 and the lifetime maximum is \$75,500 if you were eligible since the program commenced in 2009.
3. The personal amount increases to \$13,808 in 2021 (basis for non-refundable tax credit for all).
4. The age amount will be \$7,637 in 2021 (basis for the non-refundable tax credit when 65 or older in the calendar year. The credit is clawed back when net income exceeds \$38,508).
5. The OAS clawback threshold will be \$79,845 in 2021.

Insurance:

Insurance is an important part of our process, particularly when evaluating financial risk for clients. Mortgages, a lack of employer-provided health care plans, the dependence of children or other family members such as parents can put a lot of pressure on us to maintain or grow our ability to earn. The layering in of affordable insurance to protect against the loss of income due to disability or death can alleviate some anxiousness associated with the “what ifs”. With a policy in place, families can rest assured that they can bear unforeseen financial burdens, and this is one less thing to distract those faced with illness or loss.

A holistic financial plan (short and long-term goals, taxes, retirement & estate), when combined with saving, investing and insurance is ideal, but finding the right balance can be difficult. Contact us if you feel that the addition of accident and sickness or life insurance may be of benefit to you and your family.

A comprehensive strategy is important, and our goal is to ensure all the pieces are working towards your optimal outcome. It is common for us to incorporate existing insurance, company sponsored plans, external assets, and engage with lawyers, accountants, and family members to ensure everyone on your ‘team’ is working towards the same goal.



The Naidoo family in October.

Technology - *Enhancing our relationship with you in times of physical distancing!*

Whether it's catching up with family, friends or throwing a dress-shirt over those sweatpants for work meetings and conferences; the nuances and faux pas of videoconferencing are one of the few widely shared cultural developments during this pandemic.

It was refreshing to have face-to-face meetings with some of you through the summer months before the second wave pushed us back to digital interactions.

Many of you have embraced our online portal, Wealthview, which was overhauled and relaunched just over a year ago. For those that have not, we wanted to take a moment to highlight some of the key features that can make your life simpler:

1. **Track your investments** – not only can you see all of your accounts in one place (when linked together), but you can drill down by account type to see the values, evolution, underlying funds held, asset allocations and transaction history.
2. **E-signatures** – gone are the days where you need to sign in-person or by mail, let alone print/sign/scan and send forms back to us. You are now able to e-sign documents with the click of a button.
3. **Your digital filing cabinet** – the online portal contains your quarterly statements, trade confirmations, tax slips and documents signed or shared with you. It is also a way you can share documents with us securely.
4. **Manage your contact information** – Update your mailing address, phone numbers, email address, and document delivery preferences without having to call us or fill out any forms.

If that is not enough to entice you – a mobile app is expected to be available for your phone in early 2021!



David and Dorinda wish you a very happy and healthy Holiday Season!

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