



# The David Miner & Associates Communiqué

## Spring 2021

*"Beware of little expenses.  
A small leak will sink a  
great ship."*

- Benjamin Franklin



## Spring Sunshine!



The prospect of sunshine and an end to the "stay-at-home" order are what keep many of us motivated, and while the vaccine rollout provides some optimism, the daily case counts, and hospitalization rates remain uncomfortably high in Ontario.

More than a year into this, our thoughts are with everyone who continues to battle on the front lines or anyone whose life has been impacted by the disease or the shutdowns. We try to remind ourselves every day how fortunate we are to be healthy. The strain this has put on everyone is real; the love and compassion of friends, family and neighbours has never meant more.



Maya and Nalina can't wait for Spring!



### David Miner & Associates Financial Advisors

Visit [www.davidminer.ca](http://www.davidminer.ca)

David Miner, BSc, MBA, FCSI  
Email: [davidminer@davidminer.ca](mailto:davidminer@davidminer.ca)

Amelia Naidoo (née Miner), BA  
Email: [amelia.miner@davidminer.ca](mailto:amelia.miner@davidminer.ca)

Kiran Naidoo, BCom, CPA, CA  
Email: [kiran.naidoo@davidminer.ca](mailto:kiran.naidoo@davidminer.ca)

**Phone: 647-776-2475**  
**Toll-free: 1-866-93-MINER**  
**Fax: 647-260-1735**

**#503—1243 Islington Ave.**  
**Toronto, Ontario, Canada. M8X 1Y9**

Copyright 2021  
David Miner & Associates  
Mutual Fund provided through:



### ECONOMY and MARKET COMMENTARY

The sectors that have fared best so far in 2021 were among the underperformers last year – a compelling case for balance as the best investment returns have come from the 'recovery' stocks as opposed to the 'work-from-home' stocks, particularly in the US.

One surprising drag on international exposure has been the Canadian dollar, having gained nearly 4% vs. the US dollar year-to-date<sup>1</sup>. The strength in energy, commodities and the tone set by our central bank have all contributed to dollar strength and this was compounded by weakness in foreign currencies. Many of the fundamental risks for the Canadian economy such as an overheating real-estate market, household debt and pandemic management have not improved so far in 2021.

Long-term treasury yields have increased from their record lows in 2020, in part due to inflation expectations and this has led to the poor performance of bonds to start the year. Despite this, interest rates remain historically low and anyone with a significant mortgage can appreciate the savings.

The global economic recovery remains on track, in part due to the US, where GDP has continued to accelerate, posting growth of 6.4% in the 1<sup>st</sup> quarter vs. 4.3% in the 4<sup>th</sup> quarter of 2020. Looking beyond the recovery, many global managers continue to find the growth prospects and equity valuations more favourable in Europe and Emerging Markets relative to the US and Canada. Global diversification remains as important as ever!

## Dealer Merge

**Important to all clients:** You should have received an insert with your Q1 statements indicating that our dealer firm, FundEX Investments Inc., will be merging with its sister company, Investia Financial Services Inc. (“Investia”), effective July 1, 2021.



We would like to emphasize that this change is not the result of an acquisition by a third-party firm. The merger reflects a commitment to operational efficiency and ensuring a superior client experience by positioning Investia as the largest independent mutual fund dealer in Canada.

What is the impact to you? Written communication such as statements, the online portal and our website will feature new branding and any cheques written after the effective date should be made out to *Investia Financial Services Inc. in Trust*.

Some of the more important aspects of our relationship for which you can expect no disruption or change, include your accounts, fees, investment products, and the website/client portal layout & functionality. We welcome any questions and are here to help facilitate if any issues do arise during transition.

*The trusted relationship with David Miner & Associates continues without impact and clients should expect the same level of knowledge and service as before!*



## Introducing: Soumya!

David Miner & Associates is excited to introduce the newest member of our team, Soumya Bakshi!

A recent graduate, Soumya Bakshi began her journey at David Miner and Associates in April as an unlicensed assistant.

After completing a Bachelor of Management Studies (*specialization in Marketing*) from the University of Mumbai, India, Soumya moved to Canada in 2019 to pursue additional education and start her career. Since arriving, she has successfully completed two post-graduate certificates in Marketing & Strategic Relationships and is working to complete the Canadian Securities Course.

In her free time, Soumya enjoys reading and is passionate about music, having organized concerts featuring local musicians during her college days. Soumya is also a people person and loves being around her family, close friends & any four-legged creatures!

We're excited for clients to get to know Soumya better and she can be reached directly at 647-776-2797 or by email at [Soumya.Bakshi@DavidMiner.ca](mailto:Soumya.Bakshi@DavidMiner.ca) if you want to say hi.

# Federal Budget Highlights & Notes from the Bank of Canada

For those counting, it's been more than two years since a federal budget was tabled and it's a re-election friendly spending package. Some of the key highlights are as follows:

1. National Early Learning and Childcare System – probably the single biggest announcement in the budget as it commits nearly 30 billion dollars over the next 5 years (and 8+ billion / year thereafter) to improve access to affordable childcare nationwide. This plan acknowledges the disproportionate effect the pandemic has had on labour force participation for women as schools and childcare facilities were closed. Quebec is the only province with affordable childcare and the gap between male/female labour force participation reflects this. Details are forthcoming but the ambitious end-goal is \$10 per day per child.
2. Pandemic Relief Initiatives:
  - 12-week extension of benefits available under the CRB and CRCB.
  - Increase in the number of eligible weeks from 15 to 26 weeks for EI sickness benefits.
3. Retirement Income:
  - One-time OAS payment of \$500 in August 2021 for eligible adults 75 and older.
  - 10% Increase in regular OAS payments for pensioners 75 and older commencing July 2022.
4. Tax Matters:
  - Effective January 1, 2022 a proposed 1% annual tax will be applied to foreign-owned homes in Canada that are considered vacant or underused.
  - Post-doctoral fellowship income will be included as earned income for RRSP purposes.
  - Effective January 1, 2022 a proposed luxury tax will be applied to the sale of cars, personal aircraft and boats.

There was some speculation about increasing the capital gains inclusion rate, introducing a wealth tax or changes to taxation of principle residences to offset some of the pandemic spending initiatives and close the growing wealth gap. While these items may not be off the table, they are more likely to resurface should the liberals secure a majority vote in the next election, particularly if the U.S. introduces similar measures.

It was interesting that a couple weeks back the Bank of Canada was the first to indicate they could start slowing their emergency stimulus and began paring back their bond buying, potentially reducing liquidity in the process.

*“Do not save what is left after spending,  
but spend what is left after saving.”*

*- Warren Buffet*

Master Chef Kiran honing his skills!







**Dorinda vaccinated on St. Patrick's day!**



The bank was quick to emphasize that it will not consider raising rates until the economy has made a full recovery from pandemic losses. Some data points that will undoubtedly influence future decisions include the astounding price gains in real estate, particularly in the GTA and the fact that more than 90% of Canadian jobs lost during the pandemic have now been recouped.

Whether interest rate hikes come sooner than 2023 is yet to be seen but the bank's current expectation is that inflation targets will be exceeded sustainably during 2022.



**David turns 30 (again!)**

*Juggling finances in a pandemic can be tough. We're humbled to be a trusted resource for our clients on the tough stuff: income changes, government benefits, financing, debt, tax planning, small businesses, insurance and estate planning...Let us know how we can help!*

*Mutual funds are provided through FundEX Investments Inc. The opinions offered herein are those of David Miner & Associates and unless otherwise indicated, are not the opinions of FundEX Investments Inc. or any other party. Mutual fund performances reflect changes in share value and reinvestment of all dividends but do not take into account sales, redemption, distribution, or optional charges or income taxes which may reduce returns. Fees and expenses are associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Mutual funds are not insured by the Canada Deposit Insurance Corporation or any other deposit insurer and are not guaranteed.*