



The David Miner & Associates Communiqué

Summer 2021

*People with humility don't
think less of themselves,
they just think of
themselves less.*
- Norman Vincent Peale



Summer Fun!



What a difference a few months makes! Canada has gone from one of the worst vaccination rates globally to one of the best, with vaccine willingness and ample supply allowing us to jump to the front of the pack. There are many things to be grateful for, including warm summer months and easing restrictions, giving us a chance to catch up with loved ones. For those of us fully vaccinated, the reintroduction of hugs and face-to-face meetings is beyond welcomed!

We hope everyone is making the most of their newfound freedoms (albeit cautiously) and enjoying the warm weather, good company, and the simple pleasures in life that have been missing!



It's party time with Kiran, Amelia, Soumya and David!



David Miner & Associates Financial Advisors

Visit www.davidminer.ca

David Miner, BSc, MBA, FCSI
Email: davidminer@davidminer.ca

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

Kiran Naidoo, BCom, CPA, CA
Email: 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

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Mutual Fund provided through:



Investia Financial Services Inc. (“Investia”)

Effective July 1, 2021, FundEX Investments officially merged with Investia Financial Services. With \$54B in assets under administration, Investia is the largest independent Canadian MFDA dealer.

Outside of the rebranding, clients can expect a seamless transition with no interruption to their experience with us or client-facing websites. With our dealer's increased size, improved efficiencies and leveraging of technology, we anticipate a more robust digital experience for our clients going forward.

For David Miner & Associates, our practice has not been impacted by the merger under Investia. We pride ourselves on being a “boutique” firm, providing sound advice and independent product solutions to meet your financial goals. We love what we do and believe our passion translates to excellence in service, client experience, and strong investment performance!

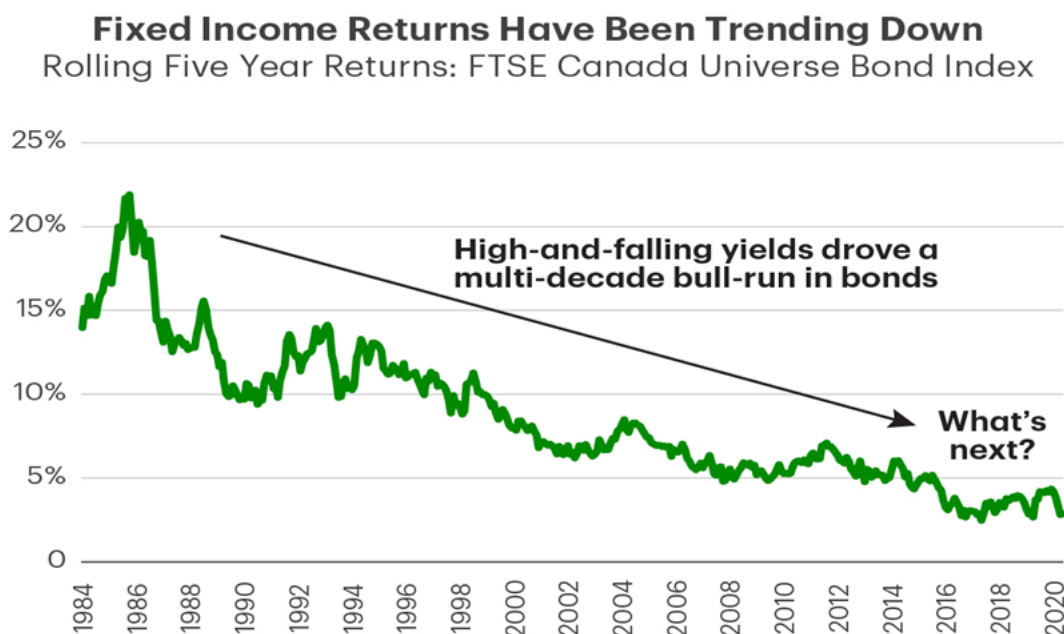
MARKET COMMENTARY

Overall, global markets have been mixed in 2021. North American markets continue to hover around all-time highs, albeit with clear winners and losers as investors attempt to distill the impact of the ongoing pandemic, economic recovery, and central bank policies. Both the S&P/TSX Composite and S&P 500 boast solid year-to-date returns, while Canadian and US bonds have underperformed given the interest rate environment. The continued strength of commodities, in part as supply constraints persist, continues to elevate the Canadian dollar relative to most other currencies. Investment performance for international equities (particularly Asia and emerging markets) has been muted this year largely due to resurgent COVID cases and a strong Canadian dollar. We expect that some sector rotation will be key to long-term outperformance in equities over the next several months. We maintain our conviction in strong active global management.

Economic activity continues to revive in many parts of the world, even if that progress has been choppy and subject to strong headwinds. For the week ended June 26, US hotel occupancy was almost back to pre-pandemic levels, and coinciding job openings in these industries are expected to benefit the unemployment rate. Much of the world is now grappling with rising rates of the delta variant and lower or slowing vaccination rates. There continues to be investment opportunity, however an “easy” global economic recovery may not be possible in 2021.

What is the new relationship between fixed income and retirement?

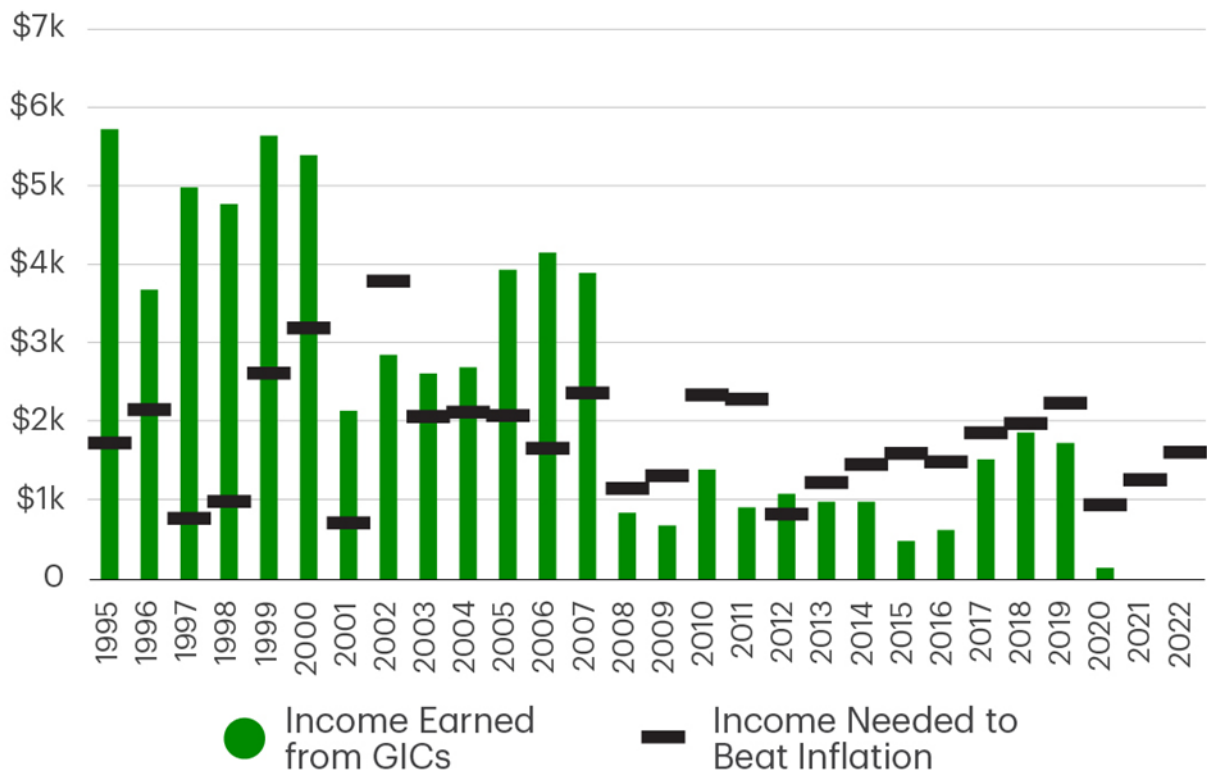
Rolling five year returns for fixed income have been on the decline. As yields have fallen from historically high levels nearly 40 years ago, the strength and stability of fixed income returns have shaped the way we think about portfolio construction. In recent years, risk mitigation and portfolio diversification through traditional bond exposure has had the potential to increase risk for investors and mute returns. In this world of persistently low interest rates, the role and characteristics of fixed income in investment portfolios has evolved towards assets linked to inflation, bonds that have shorter durations, or higher yields.



Source: Morningstar® Direct as at April 30, 2021

“Safe” investments have proven to be “not so safe”. GICs lack liquidity and for the last fifteen years, they have been unable to keep pace with inflation. Deposit accounts are often ideal when planning for short-term cash needs; however, also subject to inflation risk, there is a clear trade-off on returns. Unfortunately, neither are a viable stand-alone retirement strategy.

Income Earned on \$100,000 Deposit



Source: TD Asset Management Inc. (TDAM). Data as at Dec. 31, 2020. Note: 1-Year Treasury Yield is used as the proxy GIC rate of return.



Amelia and Kiran out on the trails.

Equities have proven to be drivers of long-term returns and diversification has been key to mitigating volatility. Make no mistake, fixed income continues to serve a strong purpose, especially for anyone looking to mitigate volatility while generating cash flow from their investments. More than ever, a well-managed mutual fund strategy with diversified stock selection will provide investors the best opportunity to achieve the risk-adjusted returns required to preserve and build capital.

*Our greatest glory is not in never falling,
but in getting up every time we do.*

-Confucius

The emotional rollercoaster called “investing”

The Canadian housing market just will not quit – a lack of new supply, increased demand (immigration), low interest rates, and the pandemic have combined to drive prices skyward at a frenzied pace. ‘Bubble’ rhetoric over the Canadian housing market (which has been present for more than a decade) is becoming louder and pressure is mounting for further government intervention.

Big picture, the energy sector is struggling with what essentially amounts to the “intergenerational passing of the torch”. Oil has not seen prices this high since 2018 and this is largely because demand has recovered faster than supply, but is there reason to believe demand will remain strong? Longer term we may all be driving electric vehicles and the industry ‘winners’ will likely be the ones that drive the shift towards clean, renewable energy.

Over the past several years, growth has been synonymous with tech companies, who have been among the best performing stocks regardless of earnings. Companies that enable ‘work from home’, automation or digitization of processes, and cloud computing have benefitted from a durable shift in consumer behaviour – something that was accelerated during the pandemic. There are however pockets within the tech space where earnings are so distant that, regardless of the company or product merit, they are susceptible to significant correction should investors seek safety.

What do these three narratives have in common? They simply serve to highlight that competing market forces can make it rather difficult to determine a specific course of action, let alone the timing, and can leave investors feeling more confused, anxious, or paralyzed. Headlines are more emotionally charged than ever and sensationalized information is often presented to increase website traffic (a tool to increase revenue). Executing calmly and blocking out the attention-grabbing ‘infotainment’ that can compromise our rational thinking has never been more difficult. Fortunately, our partnerships allow us to leverage incredible teams of investment professionals working in every geography around the clock, to make rational investment choices for us. Our friends at RBC Asset Management have provided an excellent, research-backed insert called “Emotional investing: How emotions can get in the way of your long-term investment plan”. We welcome any person interested in the psychology of investing to check it out!



Nalina celebrates her birthday with Amelia, Cousin Kiara and Ryker

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