



The David Miner Communiqué

Fall 2024

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

— Warren Buffett



A Warm Welcome to Fall!



You wouldn't know that fall is in the air given the warmth and sunshine we've had so far and as we approach October, the leaves have yet to really start showing their colours in Toronto!

Knowing that colder weather is around the corner, we hope everyone had a great summer, ideally great memories were made with friends and loved ones.



*Amelia, Mark, & Kiran on Jersey Street,
outside the iconic Fenway Park in Boston, Massachusetts.*

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This summer has been an incredibly beneficial one for Team DMA, having taken it as an opportunity to ensure we can continue to offer the highest level of service to meet the needs of our clients. We've connected with many of you during this time to verify that our records are up-to-date and have been working to make sure your portfolios are positioned to support your goals going forward.

In August, Soumya travelled to India to visit her family, touring ancient cities and enjoying all the homecooked or street food she could (David was unabashedly jealous!). Helena as well as David & Dorinda spent the summer enjoying many of the arts and entertainment the city has to offer with family and friends. Karen took a beautiful Alaskan cruise. Mark, Amelia, and Kiran just returned from a Loomis Sayles conference in Boston, as part of our commitment to understanding the providers we work with inside and out.

Market Commentary

As we approach the final quarter of 2024, Canadian investors find themselves in a rapidly evolving economic environment. Domestically, economic conditions and inflation remain at the forefront, with three consecutive 25 basis point rate cuts since June. While this provides relief for many consumers, there is still concern for those whose ability to service their debt or mortgages were based on the interest rate environment 3-5 years ago. Total consumer insolvencies for the twelve-month period ending July 31, 2024, were 16.8% higher than a year earlier, while business insolvencies were up a staggering 54.7% over the same period. In August, the Canadian CPI rose 2.0% (year-over-year), representing the lowest inflation rate Canadians have seen dating back to February 2021. The underlying data is mixed, with lower prices noted for gasoline and apparel, while inflation at the grocery store remains above 2% despite 'in-season' discounts for many types of fresh produce.

Canada's unemployment rate crept up to 6.6% in August, representing the highest in the past seven years when you exclude the pandemic years of 2020 and 2021. The U.S. unemployment picture is far better at 4.2% in August, down from 4.3% a month earlier, but still up from 3.8% a year earlier.

The real estate market (particularly condos) has seen a marked slowdown, especially in urban centers like Toronto and Vancouver. Some of the factors driving this include ballooning inventory, high price points for new builds, interest rates and waning demand from investors (as opposed to those seeking housing).

Despite some volatility through July and early September, U.S., Canadian, UK and Japanese markets have been positive since June, while much of Europe and China have been down to varying degrees. The Dow (+12.34%), S&P 500 (+20.64%) and S&P/TSX (+11.39%) each ended August at or near YTD highs, while the NASDAQ (+20.21%) finished 5% below its YTD high notched in July.

Corporate valuations remain above historical averages and markets have a newfound optimism now that the US Federal Reserve has begun cutting its own interest rates to support economic growth and in response to moderating inflation. While many debate the market effect of the US election, neither party is likely to yield a significantly different outcome for US markets in the short term, but there will be individual winners and losers based on differences in policy. A lack of clear policy action to address the national debt by both parties is likely to be the bigger threat to US markets, and the fact that the US recently joined the exclusive "100 Club" should not be discounted. The 100 Club consists of countries whose national debt has exceeded 100% of their annual GDP – Japan, Greece, Italy, Singapore, Spain, Portugal and the UK are other notable countries among these 20 such nations according to the IMF. As we look ahead to 2025, keeping an eye on government policy shifts, economic data, the scale of international conflicts, and global market trends will be key for top-down decision-making.



Carl & Karen on their recent cruise to Alaska— both raved about the natural beauty and wildlife!

The Psychology of Investing: Human nature, fast money, and all things ‘cool’

*Let's lead with our conclusion:
We're not cool.*

In fact, we're boring. Here's why...

Market fads are unsustainable:

Wealth accumulation requires long-term discipline, not chasing the flavour of the month. Being 'cool' often means following the hype, which can fizzle out, and cost those who were late to the trade. It is often forgotten that for a stock trade to be successful, not only do you have to get the timing of both the buy and sell correct, but you must also make enough money to have justified not holding a broader segment of the market in the first place.



Amelia & Kiran saw the Green Monster bested by a 10th inning homerun to keep the Red Sox in the playoff race. Team DMA values excitement in sports, not investing...

Research trumps market sentiment:

Understanding both a company and industry dynamics, identifying long-term trends that yield sustainable competitive advantages, and finally, forming a thesis on a company's value proposition going forward combine to form the research foundation for a stock. This discipline (read: boring) is often what sets great investors apart from the herd over time. Industry leaders are rarely hyped in the early days, and because they don't get 'lucky', they are able to produce sustained returns.



*...Speaking of exciting sports,
Dave & Dori smiling after a game of pickleball
with friends Rick & JJ.*

Following the crowd can be an emotional experience:

'Safety in numbers' does not necessarily apply to financial markets. Unfortunately, efficient markets ignore human nature, or our propensity to exaggerate bad news and marginalize good news. Great investors find opportunities where others have yet to turn their attention. They can preserve capital both by avoiding crowded trades and holding on - even when the crowd overreacts. They can recognize when sentiment defies their buy or sell thesis.

Who is Investia? Why are they relevant to me?

Team DMA is proud of both our independence and our ability to provide access to the best solutions available in the mutual fund and ETF investment space. It is important to acknowledge what goes on behind the scenes to make that happen...

Investia Financial Services is our chosen investment dealer, meaning that they provide us with the infrastructure required to successfully support our clients. Investia serves as a layer of compliance oversight on your behalf. They are also responsible for issuing statements, development and maintenance of both the client portal & mobile application, facilitating transactions through our trading platform, and they represent all Investia advisors when interfacing with investment regulatory bodies to help shape both the investment and financial advisory landscape in Canada.

They are Canada's largest independent investment dealer, and despite their size, Investia continues to maintain a culture that is 'boutique' in nature with shared family values. They approach their business and the industry with strong ethics and recognize the importance of independent advice. Their corporate culture parallels that of Team DMA.

Parent company to Investia, iA Financial Corp., is a publicly listed Canadian company, whose origins as an insurance company date back to 1892, when they were known as Industrial Alliance.

Team DMA continues to partner with Investia as our chosen investment dealer to allow us to support Canadians as best as we can. This edition's insert gives clients a more thorough view on the role of Investia and how they're supporting you, our clients, too.



*Soumya on her travels:
Taking in the fantastic view of Udaipur, India.*

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