

Market Review/ Outlook

Following a poor Y2018 in which it was down 11.64%, the Canadian stock market, as measured by the S&P/ TSX Composite Index bounced up by 14.4% for the 1st half of this year. The U.S. broad market, as measured by the S&P 500 index gained 12.7% over the same period (following a 1.52% gain in Y2018), while the high-tech laden NASDAQ gained 15.9%. The Morgan Stanley World Index gained 11.0% over the 1st half of the year, while the Morgan Stanley Emerging Markets index gained just 4.9% under some pressure, I believe, from the impact of the Trump trade talks.

I continue to have concerns about Canada – love my country/ hate its mid-term economic growth prospects. Our debt-per-capita now stands at 178.5% according to Canada Mortgage and Housing Corporation in their May 2019 report – the highest in our history and the highest level in the G7. Debt like this could make it increasingly difficult for affected Canadians to secure financing for future purchases, putting some pressure on the consumers' contribution to Canadian economic growth.

Global trade talks from U.S.-China; to U.S.-Canada-Mexico; and the impact of Brexit on European and British economies are also a headwind to global economic growth.

Geopolitical concerns are dominating headlines and creating market volatility – from Trump's Tweets; to the news last month that British ships operating in the Gulf had been put on the highest state of alert amid fears that UK-flagged commercial vessels were vulnerable to attack by Iranian gunboats; China threatening to use troops to quell protests in Hong Kong; upcoming Canadian and U.S. elections. The list goes on and on. Despite the negative news headlines "the market climbs a wall of worry" and the S&P 500 Index closed at record highs as I write this newsletter. In addition, as anticipated, the U.S. Federal Reserve cut interest rates last week – a move that historically has been positive for equities as investors turn away from the low interest rate alternatives. Given this background, I am currently neutral overall but, given my concerns about Canada, I am looking to reduce exposure to Canadian equities into market strength. Following the run up in the markets over the first half of this year, I am inclined not to "pay up" for stocks especially after buying into market weakness last fall and in light of the current geopolitical tensions just mentioned.

Canadian Investors Deserve Professional Investment Advice

As I've shared in the past, I have been concerned about the lack of any professional designation standards for Canadian Investment Advisors. This same concern was recently addressed on the U.S. side so you may be interested in the article in the attached link.

<https://blairbellocurve.com/substance/>

In addition to the designation concerns, I have recently heard many sad stories about bank-owned brokerage firms "firing" clients who fall below an

Volume 4, Issue 1



Contents

Special Interest Articles	
Market Review/Outlook	1
Canadian Investors Deserve Professional Investment Advice	1
Inside	
Canadian Investors Deserve Professional Investment Advice (con'd)	2
Still Receiving Aligned Capital Partners Statements?	3
Holiday Notification	3



Canadian Investors Deserve Professional Investment Advice (con'd)

account minimum size (with ranges from \$250,000 to \$500,000 and more). Many of these clients had previously had assets well above the stated account minimum; however, if they are taking income from these accounts, as in the case of RRIF withdrawals, clients can be fired despite having had a long-term relationship with their broker. While High Net Worth (HNW) clients represent an easier way to generate commissions than clients with lower net worth, what do these moves say about the value these firms place on their clients?

In addition to these stories I've heard stories of investors who never hear from their Investment Advisor – unless, the client themselves contacts the Advisor.

It is appalling to think that many Canadian investors think that they have no alternatives. In letters to the clients being fired from the bank-owned brokerages, they are directed to contact their bank branch for future servicing. A November 15th Globe & Mail article entitled "How much money do you need to get the attention of a financial adviser?", only serves to dishearten investors looking for alternatives as the article claims that clients need at least \$250,000 to access services - one company notes a minimum of \$2-million requirement. I attach the link for this article here:

<https://www.theglobeandmail.com/investing/globe-wealth/article-how-much-money-do-you-need-to-get-the-attention-of-a-financial-advisor/>

Increased financial literacy is necessary to show Canadians that they have other choices. Worldsource Securities Inc. has been supportive of assisting all Canadians with their investment needs.

Quarterly Challenge: Seize Control of Your Future

- Watch for upcoming seminar announcements and attend to increase your financial literacy. As I work on my list of seminars, I welcome your feedback regarding topics you would be interested in.
- Reminder: Interested in furthering your Financial Literacy? Check out Ontario Securities Commission website: getsmarteraboutmoney.ca
- Reminder: Sign up for: "My Account" on the Canada Revenue Agency (CRA) website to check your allowable RRSP and TFSA contributions and also what T slips have been filed with them.

Trinity Holistic Wealth / World
Source Securities

Sharon Wigle, CFA Investment Advisor
30 Duke St. W.,
Suite #1023
Kitchener, ON N2H 3W5
Ph: 226-476-5996 Email:
swigle@worldsourcecurities.net

*"The Secret of freedom lies in educating.
Whereas the secret of tyranny is people
keeping them ignorant"* Robespierre

Find us on the Web:

www.trinityholisticwealth.com
www.worldsourcecurities.com



*The views and opinions are those of the author alone and may not necessarily reflect those Worldsource Securities Inc. (WSI). This publication is not an offer to sell or a solicitation of an offer to buy any securities. This publication is not meant to provide legal, accounting, or account advice; as each situation is different, you should seek advice based on your specific circumstances. Please call to arrange an appointment. The information contained herein was obtained from sources believed to be reliable; however, neither the writer nor WSI makes any representation or warranty, express or implied, as to its accuracy, completeness or correctness.

STILL RECEIVING ALIGNED CAPITAL PARTNERS STATEMENTS?

Some clients have called to state that they are still receiving Aligned Capital Partners statements as of the end of June. If your accounts transferred, to Worldsource Securities, between March 31st and June 30th these statements are a legal requirement to indicate the transfer activity and there should be a 0 balance. There should be no further statements. However, Aligned did not close down many cash accounts upon transfer of the registered accounts. If you have received a cash account statement with a balance showing, please contact me and we can review. I have been working with Aligned Capital Partners to get all of these CASH accounts closed so you may also receive a call from them to resolve this issue. If you have any questions, please do not hesitate to call me.

NOTICE OF HOLIDAYS

Please note that I am away on holidays:

- (1) The week of September 3rd through 6th; and,
- (2) September 25th.

If you have any inquiries that do not require an immediate answer, please leave a voice mail or email and I will respond to you as promptly as possible upon my return to the office. If your inquiry requires an immediate response, please contact:

- (1) *Jeffrey Kwan, Internal Administrative Advisor @ Head Office:* Tel: [905.940.0094](tel:905.940.0094) Ext. 2226
Jeffrey will be covering Monday through Wednesdays;
- (2) On Thursdays and Fridays, or if you can't reach Jeffrey, please call Head Office Trading Desk @ [1-866-740-7277](tel:1-866-740-7277) or send an email to Trading@WorldsourceSecurities.com.

Please note: never leave trade instructions on voice mail or send trading instructions by e-mail.

Have a great summer ☺

