



NEWSLETTER Q4

IN THIS ISSUE

Market Insights

Quarterly Flip Book:
Myths & Reality2

BDWM in the Community

MCCF Golf Tournament & U of W
Student Lunch4

TD Wealth Private Investment Advice

Tel: 519-253-1028
TF: 1-800-287-1898
156 Ouellette Avenue, Suite 300
Windsor, ON N9A 1A4
www.brazierdupuiswealth.com

What Drives Us

Fall 2023

There is comfort in the passing of Labour Day, a re-engagement with routines and making new commitments for the year ahead.

In the broader economy, there is also a feeling of seasonal change. At the Bank of Canada's most recent meeting, they paused their interest rate hikes, holding the overnight rate at 5%. (For those counting, this has been a rapid rise from 0.25% a little over a year ago to today's rate of 5.0%). The pause was not unexpected. There are many signs that higher borrowing costs are having their intended effect of slowing the economy to regain control over inflation. The labour market is softening, and households are spending less on discretionary items as more cash is used to service debt.

Despite the challenges noted above, we're excited about the future and the opportunities awaiting our clients. Of course, we will continue to target great companies that can weather changing economic conditions and consistently grow earnings over time. We will also look to bond and fixed-income markets to contribute meaningfully to the overall return of a balanced and diversified portfolio.

This edition's main feature explores common myths and facts in our industry. We've also included some recent happenings with the team and highlighted important *Save the Dates* on the back cover.

Stay Well,

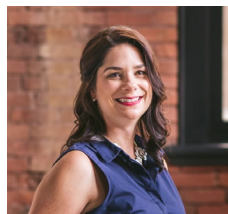
P.J. Dupuis
Senior Portfolio Manager
TD Wealth Private Investment Advice



Brad Brazier
Senior Portfolio Manager



P.J. Dupuis
Senior Portfolio Manager



Nicole Slatford
Client Service Associate



Samuel Lau
Associate Investment Advisor



Boraba Sordachanh
Administrative Assistant



Brian Porter
Associate Investment Advisor



National Bank Investments - Quarterly Flip Book - Summer 2023

Reasons to Sell

Myth

Selling in times of heightened uncertainty can protect investments from heavy losses.

Reality

Selling in times of heightened uncertainty is generally the best way to ensure heavy losses, as it often rhymes with selling low and missing the rebound.

More importantly, one should keep in mind that **the only certainty is that there will always be uncertainty, as it is the price to pay for capital appreciation in the long run.**

And – need we add – it isn't in the media's best interest to report the latest news with nuance and historical perspective; better to let fear and pessimism easily set in. However, the chart below should act as a reminder that letting emotions take over is a good recipe for short-term gain, but long-term pain.



Average return?

Myth

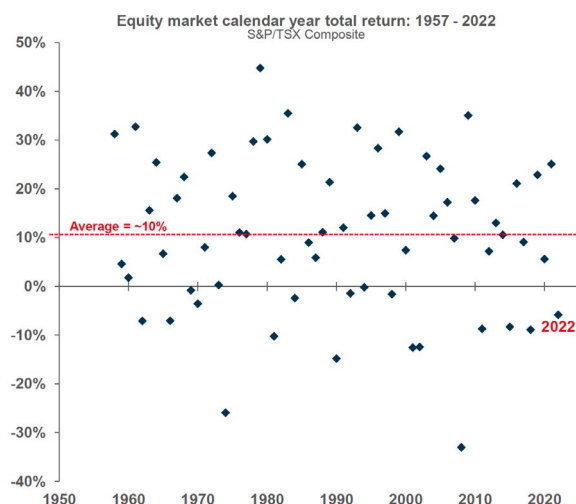
Since the long-term historical average annual return on the stock market is ~10%, investors should expect to see calendar-year return near 10%.

Reality

Quite the contrary, it is likely that **investors will only rarely see a calendar year where equity returns are close to their long-term historical averages.** Case in point: since 1957, only 8 years out of 63 have seen the Canadian stock market generate performance near average (+/- 2%).

One likely reason for this myth is the common misconception that “average” is synonymous with “typical.” However, there is no such thing as a “typical” year in the stock market.

As a result, investors should expect a wide range of possible outcomes in any given year, whereas only the passage of time can lead to an annualized return near the market's long-term average.



Should investors fear recessions?

Myth

Investors should be fearful of recessions as they entail heavy financial losses.

Reality

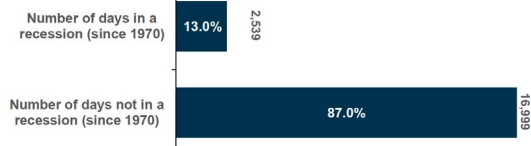
It is true that the most turbulent periods for markets are generally concomitant with recessions. As such, those with eyes riveted on daily stock exchange prices are very likely to experience fear in times of economic downturn.

However, if we step back from market fluctuations and look, rather, at the historical performance of a basic balanced portfolio* during the last six recessions, we see that **the average return was actually zero.** Not something to celebrate, but far from the financial catastrophe many seem to believe – especially when we consider returns in the previous and following years. What's more, let's not forget that recessions are relatively rare events, covering only 13% of the last 50 years.

Therefore, **it is not the recession that investors should fear, but fear itself...** or rather the risk of materializing heavy losses, when in the grip of emotion, at an untimely moment.

Balanced portfolio (60/40)* total return

Recessions (NBER)	12-months Before	During Recession	12-months After	Full period**
Nov 1973 - Feb 1975	7%	-7%	12%	11%
Jan 1980 - Jun 1980	11%	9%	7%	31%
Jul 1981 - Oct 1982	9%	15%	26%	57%
Jul 1990 - Feb 1991	4%	6%	9%	21%
Mar 2001 - Oct 2001	-1%	-5%	-8%	-14%
Dec 2007 - May 2009	1%	-16%	9%	-8%
Feb 2020 - March 2020	16%	-9%	22%	28%
Average	7%	-1%	11%	18%



Data via Refinitiv. *60% MSCI World (in CAD) 40% ICE BofA Broad Canada Universe (FTSE 91-day index for the 1973-1975 recession). **Total return from 12-months before a recession until 12-months after a recession. Recession dates are from the NBER.

Are GICs a risk-free alternative?

Myth

Guaranteed Investment Certificates (GICs) offer a risk-free alternative for investors seeking to at least preserve the purchasing power of their assets.

Reality

GICs are indeed among the safest investment vehicles available. However, their returns, while guaranteed, generally fail to cover inflation, leaving their holders at risk of seeing their purchasing power decline over time.

It should be specified that this observation is a reflection of the low interest rate environment prevailing over the past several years. For instance, although a 1-year GICs provided income above inflation in the 1990s, this has not been the case since 2009.

Ultimately, the selection of an investment vehicle depends on risk tolerance - GICs may therefore be the right choice for some. However, **a key risk for investors whose investment horizon is measured in years may not be the short-term volatility of other assets, but rather the potential erosion of their purchasing power over the long run.**



Data via Refinitiv. *35% S&P 500, 35% S&P/TSX, 20% MSCI EAFE, 10% MSCI EM; all in CAD. **60% Equities, 40% Fixed Income ***100% ICE BofA Broad Canada Universe

To view the entire digital version of this National Bank Investments Quarterly Flip Book(Summer 2023), including additional myths & facts, please follow this link <https://bit.ly/quarterlyflipbook>

BDWM IN THE COMMUNITY

MCCF Golf Tournament & U of W Student Lunch

We attended the Desjardins Securities Golf Tournament to benefit the Montreal Canadiens Children's Foundation (MCCF). The MCCF supports underprivileged youth by encouraging physical activity and the adoption of a healthy lifestyle. In addition to supporting this worthy cause, it was a great opportunity to connect with both Steve DiGregorio, Vice President and Portfolio Manager at Canoe Financial, who oversees the Premium Income Fund and Preferred Share portfolio, and Tommy Nguyen, Manager and Head of Global Equities at Desjardins Global Asset Management.

The team also had a chance to reconnect with our Lancer roots at the University of Windsor. We volunteered to host a lunch service for students as they returned to campus for their annual Welcome Week. The energy was high as students explored the many clubs, resources and events that make for a rich campus life.



From left to right: Brian Porter, Steve DiGregorio, Tommy Nguyen and PJ Dupuis at the MCCF Golf Tournament.

SAVE THE DATES

Thursday November 30th, 2023
(Evening) - Brazier Dupuis Wealth
Management Client Appreciation Event.

Saturday December 2nd, 2023
(Morning) - TD Wealth Private
Wealth Management Movie Day



Brian Porter serving up hamburgers at the U of W Student Lunch.

The information contained herein has been provided by Brazier Dupuis Wealth Management and is for information purposes only. The information has been drawn from sources believed to be reliable. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any investment. The information does not provide financial, legal, tax or investment advice. Particular investment, tax, or trading strategies should be evaluated relative to each individual's objectives and risk tolerance. Certain statements in this document may contain forward-looking statements ("FLS") that are predictive in nature and may include words such as "expects", "anticipates", "intends", "believes", "estimates" and similar forward-looking expressions or negative versions thereof. FLS are based on current expectations and projections about future general economic, political and relevant market factors, such as interest and foreign exchange rates, equity and capital markets, the general business environment, assuming no changes to tax or other laws or government regulation or catastrophic events. Expectations and projections about future events are inherently subject to risks and uncertainties, which may be unforeseeable. Such expectations and projections may be incorrect in the future. FLS are not guarantees of future performance. Actual events could differ materially from those expressed or implied in any FLS. A number of important factors including those factors set out above can contribute to these digressions. You should avoid placing any reliance on FLS. TD Wealth represents the products and services offered by TD Waterhouse Canada Inc., TD Waterhouse Private Investment Counsel Inc., TD Wealth Private Banking (offered by The Toronto-Dominion Bank) and TD Wealth Private Trust (offered by The Canada Trust Company). Brazier Dupuis Wealth Management is part of TD Wealth Private Investment Advice, a division of TD Waterhouse Canada Inc. which is a subsidiary of The Toronto-Dominion Bank. All trademarks are the property of their respective owners. ®The TD logo and other trademarks are the property of The Toronto-Dominion Bank or its subsidiaries.