



Happy New Year! and Welcome to 2020!

We thank you for your trust and confidence. We take these very seriously, and it inspires us to focus on continuously improving what we do for you. If you have any suggestions we would love to hear from you.

As is our tradition, in lieu of New Year cards or gifts, we have made charitable donations in your honour. We set aside a percentage of all fees each year and through the years this tradition has resulted in over \$350,000 of donations. The majority of these donations have gone to saving lives, taking care of the sick, feeding the hungry and medical research.



Important Topic: “My Account” with the CRA

I recommend that everyone register with the My Account service provided by the CRA.

Once registered you can use this portal to:

- View the status of your tax return
- Obtain copies of past Notice of Assessments
- TFSA and RRSP contribution limits
- View Tax information slips per tax year
- Start and update direct deposits
- Get the account balance and statement of your account
- View past letters sent to you by the CRA
- View benefit and credit payments
- Get a proof of income statement, and more

To register you will need your:

- Social Security Number
- Date of Birth
- Zip Code
- A specific number that appears on your latest tax return

Note: As all of this information appears on your last tax filing, it is easiest to register with that in hand.

You can register at www.Canada.ca/my-cra-account

Market Update – December 2019

December was a mixed month with bonds and real estate stocks falling while most other asset categories posted small but positive gains. The entire fourth quarter of 2019 can be described similarly.

More importantly, 2019 closed with very positive results; all asset classes were up and some hit all-time highs.

The bond market rose as interest rates unexpectedly fell for most of the year. Under the category of ‘unexpected’, the highest returns came from investments in long bonds (20-30 years bonds), this after almost all bond experts abandoned this segment and bought short term bonds out of fear and expectation that rates would rise.

The stock market as propelled upwards by a combination of falling interest rates and economic success, overcoming political and economic concerns. Note that such concerns seem to always exist, but how the markets react to them is very inconsistent. Some years small concerns are seen as critical dragging the market down significantly and quickly. Other years all concerns, even some being terrifyingly significant, are ignored and markets continue upwards.

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The truth is that no one can be sure of the significance of any concern. First, people react to concerns, address them thereby changing the result. Second, sometimes the concern does not play out and simply disappears. Lastly, and likely most significantly, most concerns have no specific deadline. Some will take years to play out all the while rising and falling in significance. The eventual results stemming from any concern, and its timing, are unpredictable.

My conclusion is that while one should learn about and track the many concerns that threaten us, one must put these in perspective and acknowledge that their significance is unclear and constantly changing. At the end of the day the markets will rise and fall with what appears to be a will of its own. When the markets “wish” to rise they will do so shrugging off all concerns (and appearing to view even negative news as positive). When the markets wish to fall they will do so making mountains out of mole hills (and appearing to view even positive news as negative).

For the year 2019 overall, earnings (profits) were above expectations, interest rates were below expectations, inflation was below expectations, and sentiment was positive. It turned out to be a great year.

Looking forward, we believe the economy is stable, earnings should be just fine, political uncertainty and volatility remain high (as always), inflation remains benign and interest rates remain low.

As a result, we are neutral to positive in the short term, and positive in the medium and long term. We continue to hold our positions and invest cautiously.

For the Quarter, the bond market was down 0.7%, the Canadian market was up 2.4%, the US market was up 6.1%, International markets were up 6.6%, the Emerging markets were up 7.5%, the Real Estate market was up 0.5% and the preferred market was up 3.4%. (Reuters 12/31/19)

For 2019, the bond market is up 7.2%, the Canadian market is up 20.8%, the US market is up 23.6%, International markets are up 19.1%, the Emerging markets are up 9.7%, the Real Estate market is up 19.8% and the preferred market is up 2.4%. (Reuters 12/31/19)

Have a great month and let us know if there is anything we can do for you,

Meir

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