



An Important Note: New Year Forecasts

It is that time of year. Every financial pundit is publishing their forecast for 2022. While interesting even fascinating (if you are into this stuff), I do not recommend putting much credence in any of them.

In reading several I do find that some ring truer than others, but at their core they are still predictions. As such, no matter how informed and thoughtful, it still describes only one possible future, so this is more of a mental exercise, entertaining and interesting, than helpful.

We all know that 2022 will not be like 2021 in many ways, but it is very unclear what that means for our investments. While it appears that 2022 will be more difficult for companies, no one knows how, or even if, this will affect profitability. Throughout the pandemic, companies have continued to learn, adapt and improve. The key is owning companies



that can survive and even thrive, regardless of if (when) a recession hit. The idea (at the heart of so many forecasts) of getting in and out of investments based on macroeconomic prophecy, is not an investment strategy with an attractive track record.

Separately, please remember and be rest assured that one of the key reasons we invest with select funds is that they too are insightful and thoughtful. They however spend their time, energy and resources focused on finding attractive investments and have much less interest in predicting economic statistics. No one is sitting still ignoring the changing world around them.

Market Update – December 2021

December was even more volatile than November. After falling, the markets rose to near all-time highs, then fell to almost 10-week lows before rising again and hitting all-time highs. Anyone who has said 'all's well that ends well' will be pleased with December but I question whether they considered the emotional and, in some cases, the physical toll that volatile journeys can take.

The main concerns - supply chain disruptions, inflation, increases in interest rates - all still remain. Inflation is no longer referred to as 'temporary', as it appears that it will be with us for longer than that, but it is being described as 'transitory' as the supply chain problems are expected to be solved within the year. Once again, I feel that that the only thing we know about future markets is that they will be volatile and can be irrational at any moment.



To quote Benjamin Graham “In the short run, the market is a voting machine, but in the long run, it is a weighing machine”. Fundamentals and earnings are what matter in the long term.

And so, as always, the focus remains on the long term. Invest for the long term. Ignore short term fluctuations. Focus on your life, your plan, your goals. At the end of the day that is all that truly matters.

Looking forward we are cautiously neutral in the short term, and positive in the medium and long term. We continue to invest new funds and monitor our positions.

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

- Meir

Index	Quarter	Year to Date
Bonds FTSE Canada Universe Bond Index - CAD	0.60%	-2.80%
Canadian Equity - S&P/TSX 60 Index - CAD	8.20%	28.00%
US Equity – S&P 500 - USD	11.30%	29.00%
International – MSCI EAFE Index - USD	1.20%	9.20%
Emerging Markets - MSCI Emerging Markets Index - CAD	-1.90%	-0.70%
Real Estate - Dow Jones® Global Real Estate Index - USD	7.70%	28.30%
S&P/TSX Preferred Share Index - CAD	0.20%	17.80%





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¹ Bonds FTSE Canada Universe Bond Index - CAD
Canadian Equity - S&P/TSX 60 Index - CAD
US Equity - S&P 500 - USD
International - MSCI EAFE Index - USD
Emerging Markets - MSCI Emerging Markets Index - CAD
Real Estate - Dow Jones® Global Real Estate Index - USD
S&P/TSX Preferred Share Index - CAD

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