



A NOTE FROM PAUL

2022, a year full of many possibilities, new beginnings, opportunities and achievements. One of the lessons learned over the past two years has been that being resilient is an important building block for health, wealth and overall well-being. Resilience is often described as the ability to bounce back from adversity, to thrive under pressure. We've been tested during this pandemic and witnessed both challenges and successes as we pivot and adapt.

How do we build resilience? In my experience, a key factor in our success is to learn how to develop a positive perspective. In his bestselling book, 'The Monk Who Sold His Ferrari-a remarkable story about living your dreams', Robin Sharma LL.M. describes a number of practices that are designed to help shift our perspective. One of the most direct methods is 'Opposition Thinking'. The process is straightforward: when an undesirable thought occupies the focal point of your mind, immediately replace it with an uplifting one. For example, it's not hard in the midst of this 24-hour news cycle to drift into worry or catastrophizing over market volatility. When we catch ourselves focusing on the negative we can choose to pause, breathe and replace those negative thoughts with more positive and productive ones. I like using a gratitude list to help nurture a more positive state of being. The key is to find what works for you and consistently use it.

Markets will face some headwinds in 2022 – wage inflation, cost pressures, supply chain disruptions, the possibility of new variants, geopolitical uncertainty, etc. Perspective continues to be important as companies pivot and evolve – transforming the challenges of today into tomorrow's opportunities for outperformance. We're living in a period of turbo-charged innovation, where secular themes are accelerating and people are stepping-up to help manifest a better future.

I hope you enjoy this edition of the Morse Wealth Quick Connect. We continue to tailor our approach to you with the objective of providing useful and interesting content and as always, we'd love to hear from you.

On behalf of the team at Morse Wealth, we are sending you and your family our best wishes for a healthy and prosperous 2022!

Sincerely,
Paul

MARKET PERSPECTIVES *

1. We expect global equities to deliver positive performance in 2022; however, gains are likely to moderate from 2021 levels. Higher valuations should be driven by economic and earnings growth, strong corporate fundamentals, and reinforced by resilient consumer spending and demand.
2. We maintain our core strategic preference for equities relative to fixed income. The protracted low-rate environment is likely to persist even as central bank policies shift from accommodation to stabilization.
3. Primary risks to the outlook include elevated and more persistent inflation, tight labour markets/wage pressures, monetary policy missteps, and new virus variants, which could all lead to elevated market volatility and impact global growth.
4. While we maintain an overall modest underweight to fixed income, due to low real returns, we believe fixed income exposure within portfolios remains important. Bonds can provide investors with consistent income, diversification benefits and insulate portfolios during periods of elevated volatility.
5. With low fixed income yields and the potential moderation of equity returns, an allocation to alternative assets could be beneficial in managing portfolio volatility, providing some long-term inflation protection and attractive absolute returns. We believe alternative assets can help portfolios under either transitory or more structural inflation outcomes.

*Source: TDAM, WAAC Perspectives December 2021

TEAM UPDATES & REMINDERS

Ashley will be out of office for a bit

As of January 10, 2022, Ashley Burns will be out of the office on a temporary leave. Ashley is an integral part of the team at Morse Wealth and we look forward to welcoming her back in early Spring. During this period, please connect with Jodi MacKay (Jodi.MacKay@td.com) for administrative requests and questions. Jodi is an experienced Client Service Associate and is enthusiastic about getting to know you better. Additionally, you may hear from Daniela Nufio (Daniela.Nufio@td.com) as she will be scheduling Morse Wealth meetings during this time. We are happy to welcome new faces to Morse Wealth.

The first Strategy Spotlight in 2022

Save the date for our virtual event! We're excited to host the first Morse Wealth Strategy Spotlight of 2022 on Thursday, February 24, 2022 at 12:30 p.m. EST. To kick off the series in 2022, we will spotlight **Tax and Estate changes that may impact you**. Joining us for the conversation and ready to answer your questions is Georgia Swan, Tax & Estate Planner, TD Wealth and Sébastien Desmarais, Tax & Estate Planner, TD Wealth. These specialists bring a wealth of knowledge and experience on Canadian and US tax matters, estate law and proactive planning. We will send formal email invites out in the coming weeks.

Tax season is approaching

With tax season around the corner, we wanted to remind you that:

- RRSP contribution deadline is March 1, 2022
- TFSA annual dollar limit for 2022 is \$6,000 which means the cumulative lifetime contribution is \$81,500

Please connect with me at your earliest convenience so we can action these tax-efficient contributions. Additionally, TD has begun preparing your 2021 tax package and is planning to begin mailing them on March 25, 2022. Your tax package will include:

- Important Information to help you understand the contents of your tax package
- Realized Gains and Losses (RGL) Report
- Management Fee Report
- Foreign Property Report
- Expected Tax Slips (Non-Registered Accounts) Report
- Duplicate copies of official tax slips: T5008/RL-18, T5/RL3, Investment Income Summary, T5/RL3 – Split Corp, Investment Income Summary – Split Corp, T5/RL3 – Structured Notes, TD mutual fund T5/RL3, TD mutual fund T3/RL16

The Family Enterprise Advisor (FEA) journey continues

This month Paul will be out of office January 24 – 26 attending the next modules of the program. The multi-day program focuses on how to bring the most value to families in business. Family enterprises face many intricacies and unique challenges. The modules will focus on integrative tools and strategies for managing family dynamics and collaborating with their other professional advisors. We will share insightful learnings in our next Morse Wealth Quick Connect.

Office protocols

We continue to work both at the office and remotely. You can reach us through our regular channels. TD continues to maintain and adjust operational protocols to promote a safe environment for clients and employees. Connect with us if you would like to schedule an in-person meeting so we can coordinate accordingly. We continue to leverage conference calls and virtual meeting technology to operate seamlessly while remote.

SELECTED FOR YOU



READ

Advanced tax strategies for wealthy Canadians

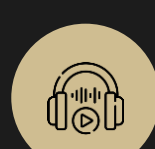
Learn more about specialized tax strategies that could potentially help preserve and grow your wealth.



WATCH

COP26 Glasgow Climate Pact: What you need to know

With the signing of the Glasgow Climate Pact, Kim Parlee speaks with Priti Shokeen, Head of ESG Research and Engagement, TD Asset Management, about the commitments made by countries to pave the way for limiting global warming.



LISTEN

2022 Year Ahead Outlook with TDAM's CIO

The investment landscape continues to evolve. Robert Vanderhooft, Chief Investment Officer, TDAM discusses market themes, inflation and what is on investor's minds.