



# The First Edition: Fall 2023 Quarterly Update

We hope you've all enjoyed your summer with family and friends. Although the pace of the markets usually takes a breather during this period, it was a busy and exciting time for our team. We had the opportunity to create a new website, streamline and strengthen many of our internal processes, and of course focus and reflect on your portfolios.

Fall always feels like the start of a new year for us. Our new quarterly update is intended to help us stay connected with you between our phone calls and in-person meetings. Our hope is that this brief and informative update sparks your curiosity and encourages a conversation which otherwise would not have happened.

This is new for us. We are excited to connect with all of you in a different way. We look forward to your feedback and with that, hope we can shape this recurring newsletter into a valuable touchpoint.

**Tamara Bonn, CFA**

**Nikola Gasic, CFA**





## Market Reflections and Looking Ahead

As we sit here in mid-September writing this update, we can't help but reflect on how humbling the last few years in the capital markets and economy have been. At the risk of stating the obvious, the pandemic set off a series of unpredictable economic shocks. The financial impacts of these shocks were at times detrimental, and at other times beneficial for our investment portfolios. It's not however just our investment portfolios which experienced a rollercoaster ride over the last several years. Many of us sold our used vehicles for more than we paid for them new. Others sold their homes over the asking price in a matter of days without having a single buyer physically setting foot into their home. There is a long list of similar anecdotes which I am sure we have all grown tired of hearing about. Although none of us have a crystal ball, we are finally starting to feel as if the twists and turns, ups and downs of this rollercoaster ride seem to be slowly fading away.

The pace of inflation in Canada, the United States and other developed economies around the world has slowly but surely come down from the generational highs that we saw transpire in 2022. This is a good news story, but we are not at the end of the road yet. Inflation is still running outside the comfort-zone of most central bankers, and the market can always throw them a curve-ball. Even though it is not making its way into the news headlines as frequently as it has over the last couple of years, inflation is still something that we continue to monitor very closely.

With a slowdown in the pace of inflation comes an expected slowdown in the rate of future interest rate hikes. Market participants (including ourselves) believe that we are at the end, or very close near the end of this short, but very aggressive interest rate hiking cycle. This however is not to suggest that we expect interest rate cuts to transpire any time soon. Our view is that with inflation still higher than target coupled with historically low unemployment rates, there is very little incentive for central bankers to consider decreasing interest rates well into 2024. If interest rates eventually decrease as we make our way through the next business-cycle, bonds also stand to benefit from capital appreciation (interest rates fall and bond prices increase) through an inverse relationship.

The stock market of 2023 has so far been a very different animal than 2022. Asian stock markets, China in particular, have had many setbacks and challenges. To the surprise of market participants, North American and European stocks have performed much stronger than expected. Despite the strong returns in North America, there are some dynamics we are watching very closely. Of particular interest is how little breadth there is in market leadership. For instance, within the S&P 500 index (which actually consists of 503 companies), only 7 companies are currently responsible for 70% of the index's returns this year. We like to see a much more diversified market with the positive returns spread across many companies instead of just a handful.

It is important to keep in mind that many of these are short-term trends. What happened in the capital markets just last week can sometimes feel like a lifetime ago, and conditions can change on a dime. What does not change however is the fact that we are long-term investors. We build our portfolios to be resilient over the long-term and adjust them correspondingly as we go through the business-cycle. Our job is to identify the difference between short-term noise (which we should not necessarily be reacting to) and long-term trends (which we do react to).

**If you found something in here interesting, please don't hesitate to give us a call, we'd love to chat about it.**



## Reminders for the Season Ahead

As we enter the last quarter of the year, we often shift our focus towards taxes. Here are a few items we will be focusing on, and you may want to consider as well.

### **Tax-Loss Selling**

We focus on after-tax investment returns, and tax-loss selling is one of the key strategies we utilize to help ensure that your portfolios are efficient from a tax perspective. This is something our team will be looking into. If you want to learn more about tax-loss selling or you have unique considerations that you are interested in discussing, please don't hesitate to give us a call.

### **Donating Securities In-Kind**

Donating securities which have high capital-gains can be a very tax-efficient way of supporting causes you care about. If you are interested in making a donation to a charitable organization this year, let's discuss the potential benefits of donating in-kind securities.

### **Timing of TFSA Withdrawals**

If you are planning on withdrawing a substantial amount of funds from your TFSA in the new year, doing so within the calendar year 2023. This will allow you to have the flexibility to re-contribute the withdrawn funds at some point throughout 2024.



## What's New

### **We have Rebranded to the Bonn Gasic Group Wealth Management**

Our Team and Business is growing! We hope you have the opportunity to get to know Wilson Li, Associate Portfolio Manager, Sabine Ciocan-Polder, Private Client Service Associate and Denise Skipp, Private Client Service Associate who add tremendous value to our team on a day-to-day basis.

### **The New Team Website is Live**

Sometimes it's faster and easier to bookmark a webpage than it is to save a new number in your phone. Our new website is an easy place to get our contact information, put a face to a name, and access the latest market and economic analysis from TD's economists. If you have a moment, we encourage you to scan the QR code below or go to:

[portfolio-managers.td.com/thebonngasicgroupwealthmanagement/](https://portfolio-managers.td.com/thebonngasicgroupwealthmanagement/)



Scan the QR Code to access our new team website, read more about our backgrounds and see the latest economic and market updates



## We Want to Hear from You

We want our dialogue with you to go beyond our formal portfolio reviews. We continually strive to enhance our services to serve you better. To do that, we would greatly appreciate your feedback.

- Are there specific topics or information you would like covered in our future newsletters?
- Is there interest in in-person workshops around estate planning, inter-generational wealth transfer, philanthropic gifting or ethical investing?
- Do you need help understanding your investment account statements?
- Are there any other areas of our service you'd like to discuss?

Your feedback is a valuable gift to us. Occasionally, you may receive an e-mail survey from TD Wealth which is *anonymous*. We believe you deserve exceptional service, and your honest input is crucial in helping us achieve that goal. If you find anything on the survey that falls short of a 10/10, we encourage you to reach out to us directly. Your insights are our compass for continuous improvement.



## Reaching the Team

With so much information always at our fingertips sometimes its hard to find what we are looking for. Please do not hesitate to contact the team if there is something we can be helpful with. Give us a call or send an email if you prefer, we are here to help.

Contact	Phone Number	E-mail Address
Tamara Bonn	250-356-4149	tamara.bonn@td.com
Nikola Gasic	250-483-0907	nikola.gasic@td.com
Wilson Li	250-356-4083	weichen.li@td.com
Sabine Ciocan-Polder	250-356-4041	sabine.ciocan-polder@td.com
Denise Skipp	250-356-4086	denise.skipp@td.com

The information contained herein has been provided by The Bonn Gasic Group Wealth Management and is for information purposes only. The information has been drawn from sources believed to be reliable. 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.

Index returns are shown for comparative purposes only. Indexes are unmanaged and their returns do not include any sales charges or fees as such costs would lower performance. It is not possible to invest directly in an index.

The Bonn Gasic Group Wealth Management is part of TD Wealth Private Investment Counsel, who represents the products and services of TD Waterhouse Private Investment Counsel Inc., a subsidiary of The Toronto-Dominion Bank.

All trademarks are the property of their respective owners.

©The TD logo and other TD trademarks are the property of The Toronto-Dominion Bank or its subsidiaries.