



December 2023 Quarterly Update

With Thanksgiving behind us as Canadians and festivities beginning this week for Americans, it's a reminder that the holiday rush has already begun.

For many, it has been a busy quarter as life happens; (travel, family obligations, or business priorities before year-end). Over the last few months, we hosted our first client educational seminar in Victoria and Nanaimo focused on Estate Planning Essentials with TD Wealth Specialists Treva Newton and Susanne Greisbach. Our day-to-day continues to focus on data-driven analysis of the economy and financial markets which ultimately impact how we think and construct portfolios on your behalf. This year has kept us and most "experts" on their toes – more on that later.

As we continue to write these updates, we hope that we are sharing valuable information about our team and our business that you resonate with. We look forward to connecting with you through a phone-call, meeting or an event and sincerely value your feedback in all that we do. Thank you for the trust you have placed in TD Wealth Private Investment Counsel and our team this year. Wishing you a peaceful and happy holiday season!

Tamara Bonn, CFA, BBA

Nikola Gasic, CFA, BBA





Market Reflections and Looking Ahead

As we wrote last quarter and will reiterate again, it has been a very humbling year for anyone in the business of forecasting. Only a few weeks ago (late October), the equity markets and the financial media seemed to believe that interest rates might stay higher for longer for a range of various reasons. Geopolitical risks remained top of mind with the conflict in the Middle East weighing on investor sentiment in a negative way. Returns were sharply negative for stocks and bonds in October as a result, with oil prices taking a serious tumble.

Of particular interest to us was the major move in bond markets. The U.S. 10 Year Treasury Bill hit 5%, the highest level since 2007. As bond yields and their price move in inverse (opposite) directions, many bond investors saw bond prices drop between -1% and -2% during this period which is considered extremely volatile. This move was largely driven by data suggesting that the economy could withstand rates at these levels; with a particular focus on robust U.S. economic data. What usually causes bond yields to rise is tight monetary policy, "rising interest rates" from the central banks, or loose fiscal policy; "borrowing from the government", meaning that rates must go higher to fund those outlays. The surprise we found ourselves in this year is that we had both situations occur simultaneously. Many experts likely expected tight monetary policy to bring inflation back down to the target 2% but did not foresee government spending to be so generous (i.e., 6-7% deficit to GDP in the U.S.). These two actions or tools; monetary and fiscal policy, are currently playing a game of tug-a-war, where one move contradicts the other, leading to less-than-optimal outcomes.

Where does that leave us? For many, discussions about the above make us shudder as we consider all the many complex variables involved. If we look to history for guidance, this time does appear to be different because debt levels are so incredibly high, and growth appears weaker than in the period leading up to the 2007 Global Financial Crisis. We also know we are not going back to a near-zero or negative interest rate regime. There are many unanswered questions we ask ourselves on a regular basis which will only be answered in time. *What happens when the labour markets start to crack? Where do rates go then? How will fiscal deficits be funded, and will that keep inflation stubbornly high? Is the Canadian economy more vulnerable than the U.S. because of our 5-year mortgage terms renewing in 2024 and 2025 versus the U.S. in 30-year terms?*

With the blink of an eye, sentiment turned bullish in November as inflation prints lowered in North America, fueling a rally in equities and a sharp pull-back in longer-term Treasury yields. At the time of this writing, the U.S. 10 Year Treasury Bill is 4.39%. Markets have decided that being "risk-on" makes sense. Goldman Sachs' Chief U.S. equity strategist recently commented that the best advice for 2024 comes from a Taylor Swift song, *All You Had to Do Was Stay* – invested. In all seriousness, when we look at the direction of future interest rates, discussions of rate cuts are starting to appear as a possibility in mid-to-late 2024. However, central bankers continue to provide very cautious language with a reminder that there is still work to be done. As we are not forecasters, we cannot comment on what might happen in the next quarter. What we do know is that headline news is most often "noise", and that many of us have time horizons well beyond a few quarters. We continue to focus on the big picture and the medium-to-long-term outlook which is hopefully out of a late-cycle economy and in to a new normal we can adjust to. If there is a Santa Clause rally along the way, we will happily welcome that before the end of the year!

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



Pink, Sparkles, My Little Pony, and More Pink



This holiday season our team wanted to give back to the community by sponsoring the BC Children's Hospital Festival of Trees in Victoria. Each year, approximately 150 children in BC are diagnosed with cancer. Every one of them has their treatment plan developed at BC Children's Hospital.

Our tree, pictured on the cover, is in honour of a beautiful girl who loved all things pink. Adaea Joan Smart was diagnosed with Acute Myeloid Leukemia just days before Christmas in 2017. Her family was sent to BC Children's Hospital where she received a year of treatment. The family remembers thinking how could we possibly spend Christmas in a Hospital but together with the help of the Oncology Team, Adaea had a special day and Santa found her in her hospital room.



Adaea was a fun loving and happy 5-year-old girl attending St Patrick's Elementary School in Oak Bay when she was first diagnosed. Her favourite things were swimming, dancing, spending time with friends and family, and playing with her toys. In hospital most of these hobbies were taken away and therefore playing with toys really helped to pass the long days. My Little Pony brought a lot of smiles and laughs and we wanted to capture this joy while decorating our tree.

For those of you who have been long-time TD clients (which happens to be quite a few of you), you may remember Adaea's grandfather Tom Williams, a retired Portfolio Manager at TD

Please take a moment to remember this special girl!

If you would like to learn more or make a charitable donation, please reach out to anyone on our team or you can scan the QR code directly below with your mobile device by using the camera function:





New Year's Resolutions: Tax and Estate Planning

Every year we make new years resolutions in the hope of improving our health and happiness, supporting our loved ones, and giving back to our community. This year we encourage you to make it a resolution to review your estate plans.

We understand, it's not exactly the most festive of topics to be discussing in our December newsletter. However, the time and effort that you put into it now is ultimately a way of helping the ones you care about most, and it allows you to give back to your community if this is part of your plan.

Bonn Gasic Group Wealth Management clients receive complimentary access to the highly experienced Trust & Estate planning specialists within TD Wealth. We have access to very impressive team of professionals that are willing to review your unique situation with you.

Many of you have gone through the effort of drafting Wills, POAs, representation agreements and the like. It's a good idea to revisit these documents every few years to make sure they still reflect your wishes. Our team can help guide you through this review process.

For the next several issues we are going to use this newsletter as an opportunity to introduce you to some of our internal specialists. If you are interested in meeting with them one-on-one, please let our team know and we would be happy to arrange it.



Jane Armstrong, JD
Tax and Estate Planner

Jane applies her expertise in estate, trust and tax planning to assist you in developing an estate plan that reflects your personal choices for the future, and the legacy you want to leave behind.

Prior to joining TD, Jane was a practicing lawyer at a Victoria-based boutique law firm primarily focusing on family law and estate planning. Jane's background allows her to work well with clients that need help navigating the complex intersection between family law, challenging family dynamics and tax & estate planning.

Jane holds a Juris Doctor (JD) from the University of Calgary Faculty of Law and Bachelor of Arts in Political Sciences from the University of Victoria. She is an active member of the Canadian Bar Association – British Columbia.

Let us know if you are interested in meeting Jane



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.

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).

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.