



NEWSLETTER: SECOND QUARTER 2019

Cindy's Insight

Value and Advice

"Have you seen these ads on TV? The ad where the advisor is getting ready to retire on the high fees they charged and the ad where the clients' head is in the vice and it's slowly being turned!?" Frankly I find these ads disturbing. No one here has their head in a vice or wants to squeeze the last nickel you ever earn out of you. In fact our portfolio costs are lower than average as we know the value this adds to you over time. We build our portfolios as we have the licensing to manage discretionary accounts and in case you ever wondered, the teams' money is invested alongside of yours. You better believe we are paying attention!

We are not only multi-licensed investment specialists, but our true group title is wealth advisor. Having wealth creates its own challenges. Managing wealth brings its own set of challenges and we are happy to help you and your friends and family. Many of you have designed your estate with me, your taxes are reviewed and strategies are discussed. During our regular meetings we not only discuss your portfolio but also your world. Whether you are selling your company, buying a house, managing yours or a friends' POA and estate, we can discuss strategies, refer you to our mortgage people, accountants or lawyers.

So what am I writing about? The value of working with someone you like and trust. My goal is to have each person who works with us to know they can do the things they wish with planning and goal setting. This is key. It is truly important that you have financial success, not only by investing in the portfolios but with all the other things that happen during your life.

Russell Investments recently published a report that identified the value added by working with a like-minded advisor who has good tools. See below highlights:

Advisor's Approach	Result To You (Client)
Clients who chase returns	Costs 1% per year over 20 years
Being tax smart and using strategies	Saves 63% per year
Planning	Value added is 0.75% per year
Disciplined approach	This can add up to 0.2% per year
Managing the risk	Adds another 0.70% per year

These are based on 20 years of research from Russell Investments. It adds up to work with someone who not only knows what they're doing but who knows you as well.

Cindy Boury FMA, CIM®, FCSI®
Portfolio & Branch Manager



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QUOTE INSPIRATIONS

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NEVER DEPEND ON A SINGLE
INCOME. MAKE INVESTMENTS
TO CREATE A SECOND SOURCE.

”

- Warren Buffett



Patience Grasshopper

'The market is the most efficient mechanism in the world for transferring wealth from impatient people to patient people.' - Warren Buffett.

Readers of a certain vintage will recall a movie and television series from the 1970s entitled "Kung Fu" in which the master repeatedly admonishes his young student with the phrase "patience grasshopper". As I thought about the events of the past six months I was reminded of the value of patience when it comes to investing.

From October to Christmas Eve, markets suffered one of the sharpest and swiftest declines in many years. Both investors and professional advisors were shocked by the ferocity of the sell-off. Then, just when it seemed like a bear market could be starting, the market snapped back with extraordinary gains in the first three months of 2019. These types of events can shake the confidence of even the most experienced and confident investor, but the patient and disciplined person who thinks in terms of three to five years is able to remain calm and on course. Please see the attached 30 year chart of the S&P 500.

The value of patience is borne out by the dramatic increase in the probability of positive returns when the holding period is lengthened. Using the S&P 500 index as a market proxy, we see that the probability of a positive return over any one year period since 1950 is 79%. When an investor holds for three years that probability increases to 89%. So when we as investment professionals consider your time horizon, we make appropriate adjustments without over-reacting to short term changes in markets. Our biggest advantage is that we are willing to be more patient than most advisors and investors, even when that looks wrong in the short term. That doesn't mean that we never sell a position. We recently made the painful decision to part ways with Cineplex at a loss. It simply means that our decisions are driven by fundamental analysis not by emotion.

Life Insurance FAQs

Q: "What is an annuity?"

A: An annuity provides fixed or variable payments to an annuitant. They provide a guaranteed income stream for life or a specific term. The payments can begin immediately or can be deferred up to 10 years. Annuities are issued by life insurance companies, and can be purchased with registered or non-registered funds. Annuities are tax efficient and creditor protected. Most annuities once purchased are locked in, you cannot withdraw the funds. There are some companies which offer a cash refund should the annuitant die before receiving all their payments. There are many variables when purchasing an annuity. You can think of an annuity as a self-funded pension.

To ensure an annuity is the right fit you should discuss and understand retirement and estate planning with your advisor prior to purchasing one.

Florenza Jones
Insurance Representative

FINANCIAL TALK

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Did you know...

There are many
funding opportunities
available for
BC Farmers!

Call us for more info.

—
- Cindy Boury

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MARKET ECONOMIC UPDATE

However we do understand the toll that market declines can take on clients.

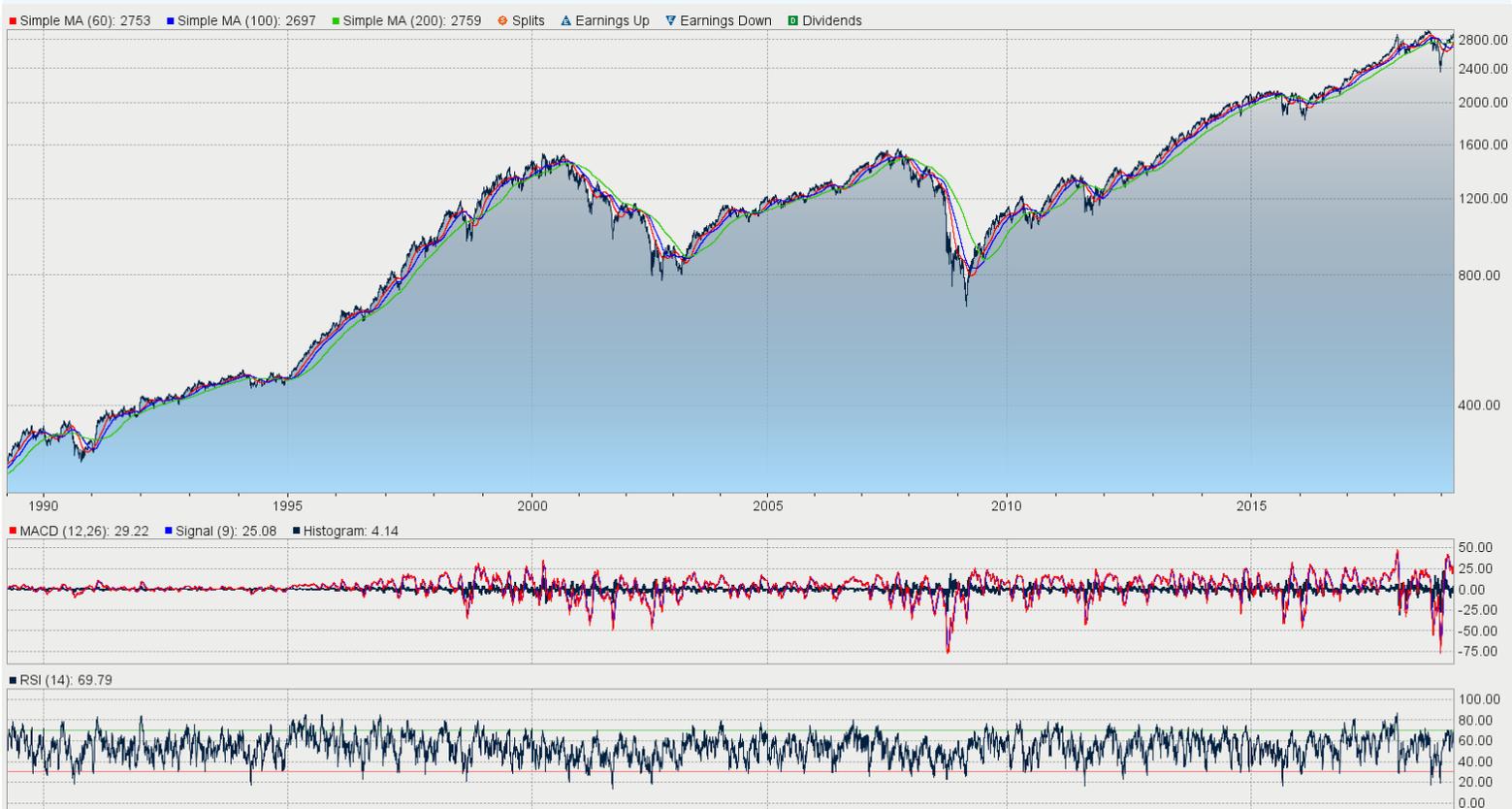
We believe that many people have a real fear of another 2008 style financial meltdown. Some of the "talking heads" and media "experts" add fuel to the fire by predicting another catastrophe. What they fail to mention is that 2008 was not a normal occurrence. So far, 2008 was a unique, once in 70 years type of event. It should be remembered that there have been many safeguards built into the financial system since then. Investment management is not about predicting a bull market or a crash. It's about probability and risk management. In terms of a major crash, it's usually an unforeseen series of events that leads to it. So while it is unlikely that we can successfully predict crashes, we can use gauges of over-confident, speculative behaviours to warn us of rising risk levels. We continue to monitor the types of things that could warn us of a reversal in markets such as a new debt crisis, a global cyber incident or a major armed conflict, but we won't try to make bold predictions. Having said that we do take a view of the meaning of things we can measure.

We believe that economic growth will be slower, interest rates will be stable and fears of recession will fade in the second half of this year. There remains the possibility of a short and shallow recession in 2020 but we should remember that since 1950 the US has only been in recession 13.5% of the time. So recessions are the exception not the rule. We are very encouraged to see productivity growth picking up because that contributes to non-inflationary growth. Strong capital investment by business should lead to more productivity growth which leads to more output and so on. We continue to be concerned about government deficits and a debt hangover down the road. We're watching closely for signs that China has stabilized, trade disputes are resolved and clarity around Brexit but we believe that long term moves in markets are driven by economics. Right now we seem to be in a "sweet spot". It's not too hot and not too cold. Inflation isn't running away and talk of deflation is rare these days. Most of the economic indicators have softened but are still positive.

In terms of what we've been doing in portfolios, we did trim in September and October but were too early deploying some cash back into the market in November 2018. So far in 2019, we have been taking some capital gains on stocks, buying more bonds and golds. We're at the highest cash level we've been in quite a while but much of that is set aside for opportunities that present themselves. We've also done some minor changes to our models and continue to review everything we're doing on a regular basis. We'll move to a slightly more defensive posture this year but our bias is still positive on stocks.

In the final analysis we accept that not every investment will work out and there will be times when it seems like nothing works, but if we stay on the right side of probability it is highly likely that we will succeed in meeting your objectives. That's what we work hard at every day and we appreciate your continued trust!

Martin Chambers CIM®
Trading and Research Specialist



Attend Our Free Presentations

Thank you to all who have attended our past sessions. Due to positive feedback we will be releasing more throughout the year!

Upcoming Event:

An Evening with Andrew McCreath: Managing Risk vs. Return Late in a Cycle



When: May 23, 2019 | 6:30 - 8:30PM



RSVP as seats are limited. Location released then. No cost to attend.



Contact: 604-855-0654 | or email: sheryl.boury@raymondjames.ca

Stay up to date by visiting our website:
www.cindybourypwm.ca

"We would love to meet your friends and family! If they aren't sure how to begin, invite them to a presentation. Then they can meet us and also learn something of value!"

- Cindy Boury



Abbotsford Hospice Butterfly Ball Fundraiser

(Above) Cindy Boury Private Wealth Management was proud to be the Silver Sponsor for this year's Abbotsford Hospice Butterfly Ball Fundraiser! We had so much fun creating VIP table gifts, and together we raised \$159,000.00!



April is Cancer Awareness Month

(Left) In support and memory of the many people whose lives have been affected by cancer, Cindy supported the Canadian Cancer Society's annual daffodil campaign this April by purchasing pins and mailing them to our clients and friends. Show your support. Wear a daffodil.

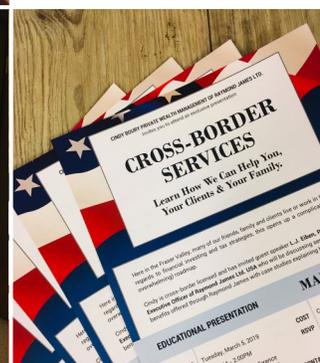


Trinity Western University

(Left) Martin Chambers presented to a group of students at Trinity Western University on "Cryptocurrency and Blockchain...Should I Invest in Them?"

Congratulations Cindy on Your Continued Partnership With Raymond James Ltd!!

(Bottom-left) Cindy celebrated 10 YEARS of partnership!



Cross-Border Services Presentation Event

(Left) Thank you to our accountants, lawyers and colleagues who attended our recent presentation on "Cross-Border Services: Learn How We Can Help You, Your Clients & Your Family."

Follow Our Social Media!

Have you seen our Facebook and LinkedIn? Stay up to date on the Cindy Boury Private Wealth Management team by following us!

Click the hyperlinks or copy to a webpage:



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