



NEWSLETTER: FIRST QUARTER 2018

CINDY'S INSIGHT

Happy New Year to everyone! Welcome to the beginning of a brand new year! I'm looking forward to 2018 as we have a number of projects we are working on.

Investment Updates and New Products

It looks like another decent year in the markets, even with the world and political issues we hear about. The expectation is that the market will continue to move forward, interest rates will increase and you will see inflation and cost increases as well. This is all part of the economic cycle. We think one of the most undervalued sectors right now is Canadian materials. Investments in this sector do come with higher risk. Currently our portfolios hold "the world". Within our portfolios we have U.S., Canadian, European, and Asian exposure. We hold ETF's, mutual funds and single stocks depending on your risk and your goals.

As the government has increased our taxes and reduced some of our deductions we are reviewing flow-through placements. For those of you with an appetite for risk in the material sector, a flow-through purchase is tax deductible. When the investment matures it is 100% capital gains. People who use flow-throughs often have higher income, large pensions, larger RIF withdrawals and have a focus on tax deductions. Reach out to us for more information if you or someone you know is interested in this type of tax deduction.

I want to mention the benefit of gifting in kind. If you gift or donate, you are able to transfer an investment directly to the organization you wish to gift to, and it bypasses paying capital gains tax on the growth of investment. You can then replace the investment you gifted by using the cash you would have donated. This way, you not only donate to whom you wish but you also add a benefit to you by bypassing the capital gains tax when you transfer the investment directly.

Our Educational Presentations, and "Back to the Basics" Series

This year, we will be presenting more educational sessions, including our "Back to the Basics" series, which you may have attended. They are very popular and have had great feedback, so sign up quick when you receive your invitation! We hold them in our boardroom as we feel a small group is valuable, as it invites discussion in a comfortable learning environment.

I love to help people and educate through presentations. Last year I had the pleasure of presenting to a number of groups on different topics, such as "Understanding Wills, Probate and Estates" and "How to Safeguard your Senior Clients from Investment Abuse." If you are interested in having me present to your group, on either of these topics or any topic that is significant to your group, please let us know! (continued on pg. 2)



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ADVISOR TALK

“

Did you know that
roughly **50%** of Canadians
DON'T have a will!?
Come see us, we can help!

”

- Cindy Boury

CINDYBOURY | RAYMOND JAMES
PRIVATE WEALTH MANAGEMENT

(continued from pg. 1.)

We Would Love to Meet Your Family

Last year we expanded the team and are able to help more people. We would love to meet your friends and family! If they are not sure how to begin, invite them to one of our presentations. Then they can meet us and also learn something of value.

Education is a priority to becoming a knowledge partner. We are happy to have you as our business partners and to everyone out there, I thank you. We will continue to do our best work and give you the service and respect we know you are entitled to. Until next quarter, happy investing!

- Cindy Boury



REFLECTIONS AND RESOLUTIONS

With the turning of the calendar, many people reflect on the year just past and resolve what they want to change in the upcoming year. So we want our first newsletter of 2018 to look back at our previous articles, what we have done in portfolios and the improvements and changes we're contemplating for 2018.

Our Newsletter Themes in 2017

January: Buy emerging markets.

May: Buy Canadian Energy Producers.

June: Positive on the markets despite overall weakness.

September: A contrarian who buys high quality, income producing investments that have fundamental value.

So how did this advice work out? Our favourite emerging markets mutual fund increased over 28% in 2017 so we will put that in the win column. While the price of oil rose dramatically in 2017, our emphasis on natural gas producers has not paid off yet. The shares of ARC

Resources and Peyto have declined. We still believe that natural gas will be the fuel that supplies the tremendous growth of electricity demand worldwide, that U.S. gas production growth will not be adequate to meet the rising demand and that transport issues from Canada will be resolved but it has not been a rewarding position so far. At this time we will continue to hold. When markets sold off in the spring our research indicated that it was a normal, healthy correction and that investors would be wise to stay the course and continue to add to stock positions. That proved to be correct as the markets gained value throughout the second half.

We are starting to see some evidence of a turnaround in the shares of some of our contrarian picks such as General Electric and ARC while still waiting for Cineplex to find a bottom and turn back up. Many research analysts hold the view that 2018 will be a year in which value oriented investments will close the performance gap with growth and if that is right, we will benefit. Some of the big

wins for clients this year included Aecon Group, Manulife Financial, Johnson and Johnson and stocks from outside of North America. Interest rate increases and the strength of the Canadian dollar had a dampening effect on the returns from our bonds and foreign stocks in 2017 but we don't plan to abandon the stability that bonds provide and remain confident that investing outside of Canada is prudent and will be rewarded. All in all, we are pleased with the performance of most of our portfolios. One exception would be our corporate model and that will be one of the key focal points for change this year.

Finally, it seems right we should touch on the two "hottest" topics that we've had questions about lately: marijuana stocks and bitcoin. We plan on covering these topics in greater detail in future articles and presentations but an article about our expectations for 2018 would not be complete if we did not touch on these. "Concept" investments are high risk and extreme valuations are much more vulnerable to negative surprises

MARKET ECONOMIC UPDATE

than solid fundamental investments. It is just common sense.

We must say that we believe there is a lot of speculation going on right now and we are concerned if these "stories" do not turn out as expected. While we acknowledge that both marijuana and crypto currencies are huge societal changes that will provide great investment opportunities, we are concerned that many of the popular investments may end up being "bubbles" that result in large losses for investors. The hype of the media and "industry experts" are at maximum volume right now but we worry that it could disappear along with the money of many disappointed investors. We've seen this too many times before. Think Nortel and the tech wreck, U.S housing and leveraged collateral debt obligations and oil sands

stocks when the "experts" said oil would be \$200 per barrel, to mention a few.

So how are we approaching the great opportunities without losing our commitment to prudent investing? In the marijuana business we don't know which companies will be the eventual winners or even survivors. We believe the company that manufactures and sells hydroponic equipment to many of the growers around the world is a sensible way to participate regardless of how it shakes out. We would prefer taking a position in this type of company rather than a distributor at this time.

With over 1450 Cryptocurrencies and evidence of insane speculation one could ask if bitcoin is the modern version of PayPal (was a huge success) or Betamax video tapes (not so much).

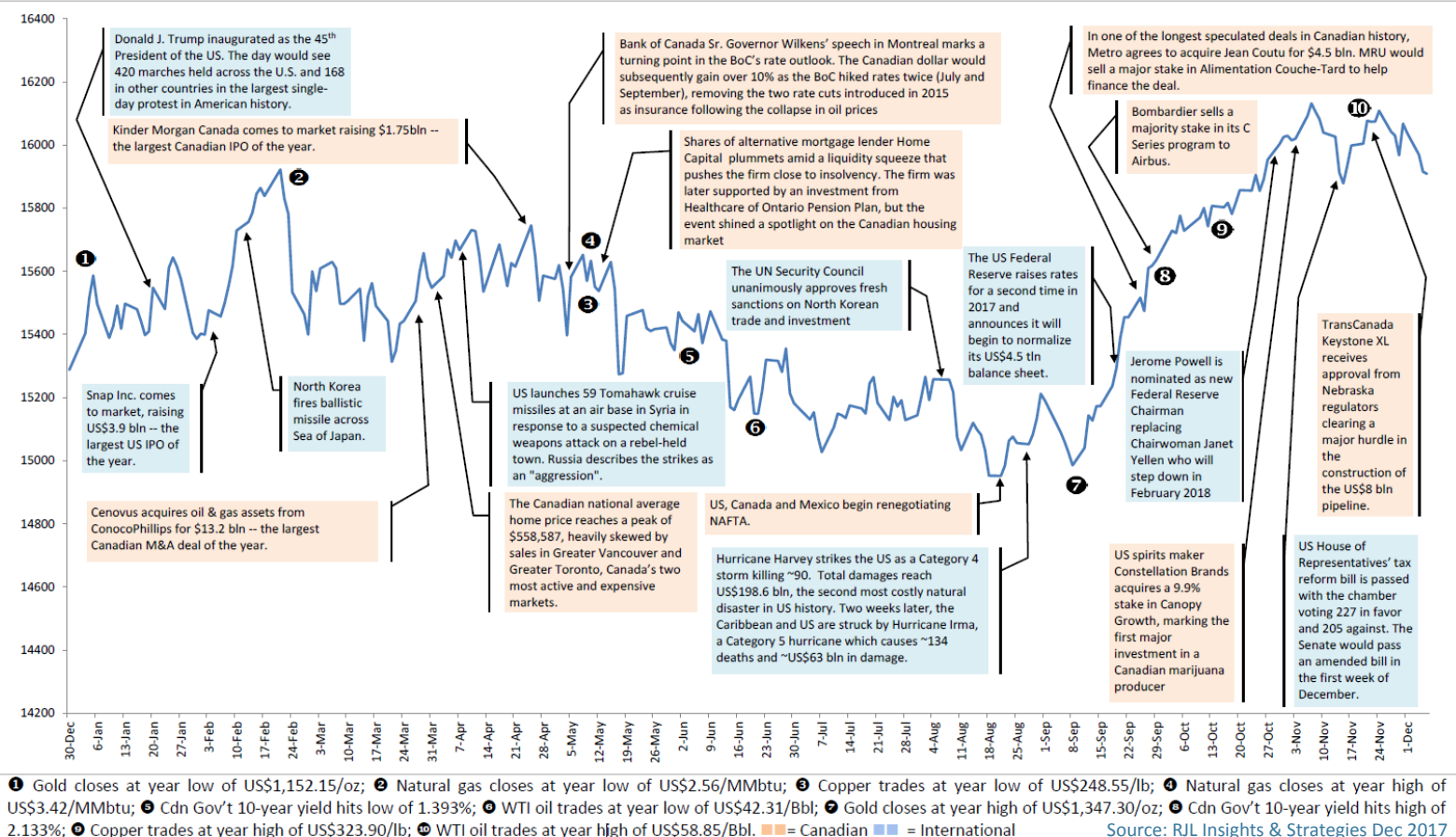
What we know is that all of this activity benefits the technology stocks that we own such as Cisco and that the growth in electricity demand to run all the large computer networks will benefit providers of the infrastructure such as General Electric and the power production chain.

To be clear, we don't believe in putting your hard earned money into investments that could "go up in smoke" (bad pun intended) or rank speculations. What we can do is to tune out the fire and fury of noise and remain focused on those things that will reward you consistently over the years.

As always, we welcome your questions, comments and deeply appreciate your continued confidence in us. Thank you and Happy New Year!

- Martin Chambers

S&P/TSX Index - The Year That Was



ATTEND OUR FREE EDUCATION CLASSES

Thank you to all who attended our sessions, "Back to the Basics: Part 1." Due to positive feedback, we will be launching parts 2 and 3 soon! (As well as other upcoming education events!)

Upcoming Events:

- **Back to the Basics: Part 2**
- **Back to the Basics: Part 3**
- **Using Economics to Become a Successful Investor**
- **Pay Off Your Mortgage Smarter**
- **Understanding Macro-Economics**
- **Bitcoins and Blockchains**

Stay up to date on events and sessions by visiting our website:

www.cindybourypwm.ca



FVCPAA Conference:

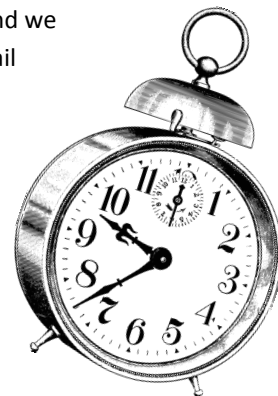
(Above) Cindy presented to the FVCPAA (Fraser Valley Chartered Professional Accountants Association) "How to Safeguard your Senior Clients from Investment Abuse."

Cross Country Charity Challenge:

(Below) Our Raymond James Cross Canada Charity Challenge, has wrapped up for another year! If you missed seeing the video, watch it here: <https://vimeo.com/244894999> (Check out 1:29 minutes in!) Giving back into our community remains a core value of Raymond James and all of us at Cindy Boury PWM. (Check out who made the banner as one of the team photos!)

It's That Time Of Year Again... For Your TFSA Contributions!

If you would like a copy of our TFSA 2018 info handout please contact us and we will be happy to email or mail you one.



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Suite 200-2881 Garden Street, Abbotsford, BC V2T 4X1 | 604-855-0654 | cindy.boury@raymondjames.ca

