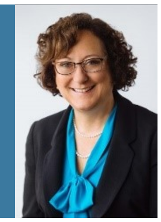
CINDY BOURY FCSI®, CIM®, FMA
Portfolio Manager & Branch Manager

CINDY BOURY PRIVATE WEALTH MANAGEMENT



NEWSLETTER: THIRD QUARTER 2020

Cindy's Insight

I hope this newsletter finds you well as the world begins to open up a little more. I have returned to the office but everything is not quite back to normal. Our office remains closed to clients and visitors for the time being, except in emergency cases. I truly miss seeing you all here in person.

Despite this, we are moving forward and we are here to help you. I have asked the ladies to set up Zoom meetings for us… yes, Zoom! If you aren't familiar with this program, we can help you in setting it up. Zoom is very effective in facilitating meetings, and gives me the ability to show you documents and reporting on the same screen. We can discuss and review your goals over a live video feed. But if you prefer, we are also happy to conduct meetings over the phone.

My goal as owner is to keep my team safe, while also being available to you. We will maintain a low profile with no face-to-face visits until we have further direction. Even on our floor, we are all wearing facemasks when we leave our offices. We must keep our bubbles small to prevent having to go back to working from home in isolation.

COVID-19's Impact on the Market

At the time of writing this newsletter (July 24th, 2020), we are in earnings season and COVID-19 will have an impact, with many of us expecting them to be lower and a market that has reflected this in the stock prices. However, as earnings continue to be reported the market does respond. Loblaws, one of our stock selections, were above their earnings, though their expenses were also up due to COVID-19. Factors such as extra costs in protecting their staff and bonus pay to their high-risk frontline workers played a part. These extra costs are understandable, and I support the moral decisions made by Loblaws.

It's an interesting time in the markets, and I expect further volatility as uncertainty in the world creates uncertainty for investors. This volatility may become more extreme as we get closer to the election, with confusion and lack of leadership creating more insecurity. In response, we have made additional changes to the portfolios–some larger changes and some minor adjustments. We did take some profit this month and we placed some money in the market. We are still holding a cash position in many of our accounts in order to buy back into the market if it drops or corrects.

Other changes made include moving some indexes and managed money to global managers. A global manager can buy companies throughout the world and are not limited to North America. This can give managers additional options in the event that North America isn't a profitable place to invest.

It has been a crazy year, and I hope we will never experience this again.

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

"An investment in knowledge pays the best interest."
- Benjamin Franklin

Inside This Issue

COMPUTER TIPS & TRICKS

Did You Know…

"On the computer,
Press CTRL & scroll on your mouse to zoom in & out."

- Susan Bonner (née Boury)

Recipe Corner

Roasted Peach & Strawberry Fizz

Prep Time: 10 minutes | **Cook Time:** 25 mins | **Servings:** 6

Ingredients:

- 3 peaches
- 600g strawberries
- 1 1/2 cups apple juice
- 1 1/2 cups sparkling water
- Crushed ice

Directions:

1. Preheat the oven to 175 °C.
2. Cut peaches in half and remove the pit. Cut the strawberries in half. Place the fruit on a baking tray lined with baking paper and roast for 25 minutes.
3. Take the tray out and leave to cool for 10 minutes.
4. Remove the skins from peaches and blend the flesh together with apple juice in a blender to get a smooth pureé. Blend the strawberries separately.
5. Divide the strawberry pureé into 6 glasses and add ice. Pour the peach and apple juice mixture over ice and add sparkling water. Serve immediately.

Recipe Source: www.useyournoodles.eu

Life Insurance Frequently Asked Questions

Q: *"Why wasn't I notified my premium was increasing?"*

A: Most insurance companies provide renewable term life insurance. These policies provide the insured the opportunity to renew the policy without providing current health, employment or financial information. If you've had a serious health issue and may not qualify for a new policy having a renewable policy continues to provide financial protection for your family.

If you allow your policy to renew you will see a significant increase in your premium, as the insurer is taking a greater risk not knowing your current health status. In most cases applying for a new policy is going to be more cost efficient as you'll be providing evidence of insurability.

It is up to the owner of the policy to notify the insurer if they wish to cancel or terminate the policy. If you purchased a policy through an insurance advisor/agent be sure to keep the insurance company informed of your current contact information. The insurance company will cancel the policy when they are no longer receiving the premium or when the policy reaches its expiry date.

If you have a policy in place and are not sure if it provides the right protection at this time of your life let us know, we will be happy to review it and your current insurance needs with you.

Florenza Jones
Insurance Representative

Bounce Back Quarter

The first quarter of 2020 brought a level of anxiety to equity and bond markets not seen since the financial crisis. As economies entered lockdown, aggregate demand fell off a cliff. However, governments and central banks acted quickly to limit the economic damage with unprecedented fiscal and monetary stimulus. In the US, Congress enacted a fiscal rescue package totaling US $2.8tln with unprecedented speed, earmarking trillions for the unemployed and small businesses. Similarly, the US Federal Reserve (Fed) announced an open-ended quantitative easing program and several other programs to provide additional liquidity for market participants. This resulted in a significant expansion in its balance sheet of over US $3tln. The Fed's actions helped to reduce the cost of borrowing for corporations and individuals, the lifeblood that keeps the economy growing. Combined, these measures amount to ~20% of US GDP, but the US was not alone in announcing stimulus measures; global fiscal measures equaled 6% of world GDP. The response to COVID-19 has far surpassed the measures taken during the financial crisis and, when combined with the monetary stimulus, these actions have largely been responsible for the significant rebound in both equity and bond markets. Like our global counterparts, Canada also embarked on its own economic bailout package in an effort to keep the economy from slipping into a deep depression. Canada's federal COVID-19 stimulus package has included spending more than $150bln to help stabilize the economy, split between direct support to individuals and businesses. However, according to the Parliamentary Budget Officer, the total federal deficit will reach approximately $252.1bln this fiscal year. Relative to the size of the Canadian economy, the deficit would be 12.7% of GDP and the federal debt-to-GDP ratio would rise to 48.4% of GDP in 2020-21. The larger deficits prompted credit-rating agency Fitch to downgrade Canada from a perfect AAA to a near-perfect AA+. Despite the decision, the other rating agencies maintained Canada's existing AAA rating and the reaction to the downgrade was limited, as the 10-year bond yield remained unchanged on the day of the announcement.

S&P / TSX Comp & Major Indicies: Q2-2020 Performance

Source: Factset, Raymond James Ltd. As of June 30, 2020

While these measures limited the downside in the economy, both the US and Canada experienced a severe contraction. In Q1, US and Canadian GDP contracted at an annual rate of 5.0% and 8.2%, respectively; the unemployment rate shot up to 13.3% (in the US) and 12.8% (in Canada), putting millions of individuals out of work. The most severe impact from COVID-19 will be evident in Q2 GDP data released later this month. Nonetheless, as some normalcy returned in late Q2, economic growth began to rebound from very depressed levels. Still, the US recovery has been complicated due to rising COVID-19 cases across some 20 US states. Fifteen states have paused or rolled back their re-opening plans, covering ~40% of the US population.

The stimulus measures have provided a bridge for the economy while it recovers, but there remains uncertainty surrounding when the economy can fully reopen and support a robust recovery. The earliest both the US and Canadian economy may return to the previous level of GDP is 2022/23. In the meantime, governments and central banks will be encouraged to maintain ultra-accommodative fiscal and monetary policies until the economy fully recovers and/or acceptable levels of employment are achieved.

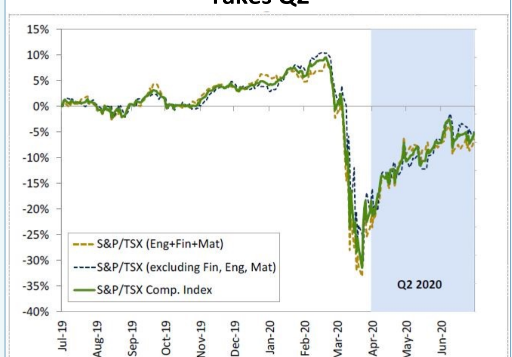
Unfortunately, this crisis has further exacerbated income inequality, as there are segments of the population that have experienced job loss and/or face the prospects of an imminent loss of income once government support winds down, while other segments are flush with cash, having experienced a forced rise in savings. This involuntary savings may negatively impact future consumption levels once the initial pent-up demand subsides, as individuals may decide to increase precautionary savings driven by fear of future outbreaks and the economic disruption they would create. Of course, with short-term interest rates near zero, this presents challenges for savers and often pushes them into riskier assets such as equities.

Sector Performance

Our measures of the "Big Three" (financials, energy and materials) outperformed the "Everything Else" proxy by 5.0% thanks to a significant rally by the materials sector. Materials stocks benefited primarily from the 13% gain in gold, which improved the outlook for explorers and producers. Energy and financials, however, failed to keep pace, advancing just 9.3% and 4.8% respectively in the quarter. The muted response in the energy sector was due to the long-term effects COVID-19 may have on the demand outlook as countries/states wrestle with reopening. On the supply side, OPEC+ looked to reduce the inventory overhang by extending their production cut of 9.7 million barrels a day — or about 10% of global output in normal times — through July. As for financials, the Canadian banks received a boost as investors found comfort in the quarterly earnings being not as bad as expected. However, the long-term implications of interest rates staying lower for longer presents a significant headwind for the industry group. There are also concerns about rising delinquency rates once government fiscal support measures run out later this year.

In terms of sector breadth, we show the number of issues trading above their 50-day and 200-day moving averages. Given the significant selloff in Q1, breadth measures improved across the board with the exception of the long-term breadth measures for the communications and consumer discretionary sectors. It's interesting to note there was a marginal increase in the long-term breadth measure within the utilities sector as the number of issues trading above their 200-day moving average moved to 38% (from 31% in the prior quarter), despite the view that long-term interest rates will remain lower for longer. The "lower for longer" view also appears to be impacting financials as only 4% of issues are trading above their long-term breadth measures. We attribute the poor measures within defensive sectors to the rotation into cyclical areas of the market amid a general risk-on environment. In addition, technology has been an auxiliary benefactor of COVID-19, given increased e-commerce and people working from home (WFH); the sector exhibited among the best short-and long-term breadth measures within the S&P/TSX.

S&P / TSX Performance: "Big Three" Takes Q2



Sector	Index Weight	Q2 2020 Price Return	1-yr Price Return
Consumer Disc.	3.4%	32.0%	-12.4%
Consumer Staples	4.3%	11.4%	1.6%
Energy	12.4%	9.3%	-28.5%
Financial	28.9%	4.8%	-14.6%
Health	1.1%	9.6%	-54.9%
Industrial	11.5%	12.8%	-1.9%
Information Tech.	10.3%	68.2%	85.1%
Material	14.7%	41.6%	23.1%
Real Estate	3.1%	10.2%	-19.2%
Communications	5.4%	-2.1%	-10.5%
Utilities	5.0%	2.7%	5.9%

Source: Factset, Raymond James Ltd. As of June 30, 2020

Jason Castelli CFA

Head of investment strategy, PCS Investment Strategy team at Raymond James Ltd.

NEWS & EVENTS

Attend Our Free Events & Presentations

Have you joined us yet for Cindy's LIVE ZOOMINARS!?

Cindy will be hosting video webinars speaking on market and branch updates. Watch for the invite emails, or give us a call for more info.

Back to the Basics: Part 2 & 3

Pay Off Your Mortgage Smarter

Women's Only Events

Understanding Wills, Probate & Estates: Have You Prepared For Your Family?

The Role of an Executor: Your Obligations & Risk of Personal Liabilities

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

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:

www.linkedin.com/in/cindyboury/

www.facebook.com/cindybourypwm/

Our Custom Team Facemasks are Being Worn by the ENTIRE Team!
(Above) The Cindy Boury PWM team has made custom fabric reusable face masks for our clients! We hope you all stay safe and healthy! You should have already received an email for the complimentary offer to receive yours. If you have missed it, please give us a call. There are 2 sizes, the medium is grey and the large is black.

Introducing the Canadian Women's Advisory Council!
(Left) Cindy is thrilled to be a part of the new Women's Advisory Council and sit alongside these hardworking women all looking to make a difference. The Women's Advisory Council was created to help move the needle forward on female advisor initiatives for our Network for Women Advisors. With the help of the women on the council, we are excited to see what can be achieved working together. Collectively, they will be able to further support our existing female advisors as well as clearly identify to the industry that Raymond James is the best firm for women advisors.

Our Spring Colouring Contest
(Left) Congratulations to our winners, Terri-Lou and Thomas! We hope you enjoy your gift cards to Michael's!

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