



NEWSLETTER: THIRD QUARTER 2021

Cindy's Insight

With summer days upon us I want to shine some light on the Nasdaq stock market and our current portfolio holdings. We recently repositioned the portfolios with a bias to North America, and liquidated the Nasdaq earlier this quarter.

The Nasdaq we held was hedged to the US dollar, which means there was no currency impact on the investment. When the US dollar went down against the Canadian dollar this was a benefit.

The Nasdaq Composite

This stock market index is comprised of almost all stocks listed on the Nasdaq stock exchange. Companies must qualify and pay to have their stock listed on this index. You can buy the index or any one of the stocks on this index. Currently there are 3097 companies listed on this exchange. The Nasdaq Composite is weighted by the size of the company. This is important because when the stocks of larger-sized companies move up or down, it has a greater effect on the performance of the index as compared to the movements of smaller companies.

The Nasdaq-100

This stock market index is made up of 100 of the largest non-financial companies listed on the Nasdaq stock market, and is also market-cap weighted. Often confused with the Nasdaq Composite index, the Nasdaq-100 index holds about 90% of the weight of the larger index.

My concern with the Nasdaq is the over-weighting of portfolios. If you bought any of the Nasdaq you have approximately 33% of the top three stocks—Apple, Microsoft and Amazon. This is a high concentration of technology stock due to market cap. You now have an overexposure to these three companies as they are also in other indexes that some of you hold. We saw an example of the problems this can cause when the TSX was over-weighted with Nortel stock, which created volatility as Nortel stock started to drop.

One of my goals as your portfolio manager is to mitigate risk. This doesn't mean moving money to a GIC, it means understanding the investment risks. What happens if Apple's bottom line is impacted should its licensing in Ireland prompt a corporate tax of 15% in G7 countries? Or, how is this index impacted if the USA increases their tax of non-USA companies?

In my opinion, an over-weighting of an index that represents 33% in three stocks is too high a risk when you understand how much of these technology stocks you may already own in the portfolio.

Ongoing Uncertainty

The impacts of COVID-19, and global and government instability all create issues in our world and the stock world. I did not buy back the Nasdaq due to its over concentration, but I bought other US-specific indexes to enable you to own US assets directly, locking in profits. We adjust our portfolios for three reasons: 1) concentration, 2) currency, and 3) valuation.

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ADVISOR TALK

If you have one original or notarized POA (Power of Attorney), do NOT keep it in your safety deposit box. Store it where the appointed POA can access it.

MARKET ECONOMIC UPDATE

...Continued from page 1.

We have removed some of our European and emerging market exposure due to government instability and debt concerns. And, with the current issues with China, Russia and the Middle East, I felt it prudent to move some assets back to North America or a global exposure. A global position means anywhere in the world, and an international index will not have a North American component.

Many indexes use filters or algorithms to add support and value. All our models are created in a software program which identifies weightings and duplications.

Looking Ahead

I expect markets to be a bit volatile in the near future so we will continue to effectively buy and sell to take profits or add to positions. I recently purchased some Canadian equity but I am being cautious with Canada, and my view is still global with a North American bias, and a tilt towards USA currency. Canada's currency is not as stable due to aggressive levels of borrowing. After Canada's federal election, which will likely occur soon, we may have some clarity. I'm a believer in the economic cycle as it has worked time and time again, and our new positions reflect this. Until next time, take good care of yourselves.

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

Top 15 holdings of the Nasdaq Composite

1	Apple (NASDAQ:AAPL)
2	Microsoft (NASDAQ:MSFT)
3	Amazon (NASDAQ:AMZN)
4	Facebook (NASDAQ:FB)
5	Alphabet Class C (NASDAQ:GOOG)
6	Alphabet Class A (NASDAQ:GOOGL)
7	Tesla (NASDAQ:TSLA)
8	NVIDIA (NASDAQ:NVDA)
9	PayPal Holdings (NASDAQ:PYPL)
10	ASML Holdings (NASDAQ:ASML)
11	Intel (NASDAQ:INTC)
12	Comcast (NASDAQ:CMCSA)
13	Netflix (NASDAQ:NFLX)
14	Adobe (NASDAQ:ADBE)
15	Cisco Systems (NASDAQ:CSCO)



Life Insurance FAQs

Q: "What do I need to know about my travel medical insurance related to Covid-19?"

A: During this time of transition, some of us are making travel plans. We strongly encourage travelers to adhere to the recommendations of the Government of Canada and medical professionals, and to review their travel insurance with their agent, as coverage may not provide the same protection if there is a travel advisory. Not all policies provide protection for COVID-19 should you test positive at your destination.

We often provide travel insurance for our clients using Manulife Travel Insurance. Manulife offers a COVID-19 travel plan for Canadians travelling abroad. For travelers who are not vaccinated, this policy includes up to a maximum of \$1 million of reasonable and customary charges incurred by you as a result of an emergency related to COVID-19.

If you are fully vaccinated, your combined coverage is \$5 million whether the medical charges are a result of an emergency or treatment related to COVID-19. If you would like additional information, please contact us.

Florenza Jones
Insurance Representative



Did You Know...

Only 8% of the World's Currency is Actual Physical Money

No, the rest isn't bitcoin. The majority of transactions are all done digitally so no physical currency exchanges hands. Think about how often you pay for things with your credit or debit card, or online using PayPal. This is why only 8% of currency is physical money.

Where Did Piggy Banks Originate From?

In old English "pygg" was a type of clay that was used for making jars and dishes that held money. Over the generations, the word eventually morphed into "piggy bank."

Money is Dirty

We've all heard how dirty money is, but did you know that money is dirtier than a household toilet? Or that the flu virus can live on a bill for up to 17 days!

Source: moneysmartguides.com

Quarterly Outlook

A Bifurcated Global Economic Recovery

Light is beaming at the end of the tunnel as global vaccination efforts pick up momentum. We expect this to remain a key factor in the pace and strength of the rebound in the global economy back towards pre-pandemic levels. While over 3.5 billion COVID-19 vaccines have been administered globally, the effectiveness of the vaccine rollout has been uneven. It has been largely successful across most advanced economies, with weaker trends across most developing and emerging economies. We expect this difference to translate into a bifurcated and uneven recovery across the global economy in 2021 and beyond, especially as new virus variants emerge and spread globally. Advanced economies should perform well in the early phase of the cycle; in particular over the next 9-12 months, given their strong progress on the vaccination front. Select developing/emerging markets are expected to carry the baton thereafter.

According to the OECD, global output is expected to rise by ~6% year-over-year (YoY) in 2021, rebounding strongly from the ~3.5% YoY contraction in 2020. The recovery is being driven primarily by the unprecedented policy response by governments over the past year to preserve the health of the economy -- companies, households, and jobs -- in most advanced and some emerging-market economies.

While the crisis and the subsequent recession appeared on the surface to be short lived, the sheer size and magnitude of the global policy response (e.g., record speed of vaccine development, health measures, and monetary, fiscal, and financial support) was on all measures unprecedented and unlike policy responses we have observed in past crises. As a result, we have seen the manufacturing sector rebound sharply; merchandise trade has recovered strongly as borders have begun to gradually reopen and travel

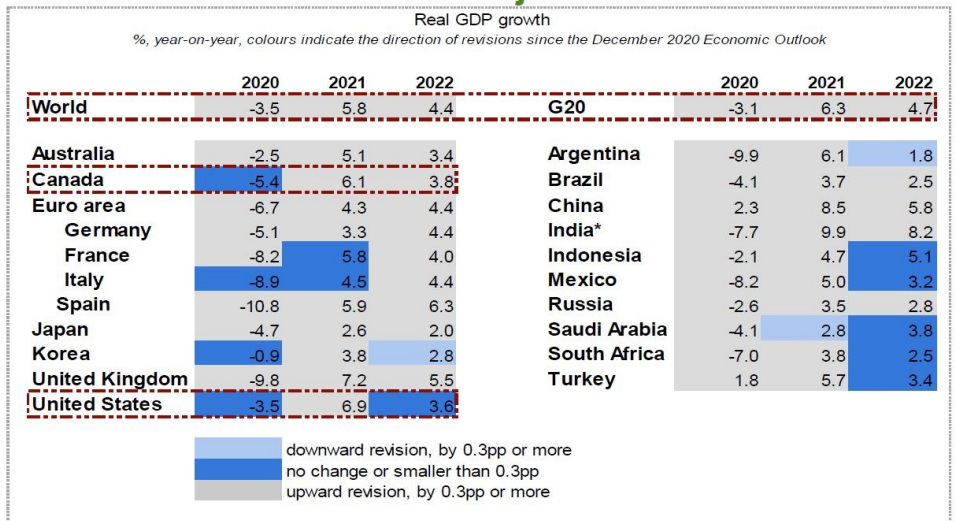
slowly resume. Moreover, the reopening is being accompanied by a surge in consumption and hours worked, which is very encouraging especially when looking back at March 2020, when strict global travel and work-from-home restrictions were being aggressively implemented globally.

While this is all very positive for most economies, the road ahead will likely remain choppy and unlike any prior recovery. We expect it will be dependent largely on effective vaccination programs and public health policies, in addition to continued policy support across the globe. On a GDP per capita basis, many advanced economies

are recovering much faster than their emerging market peers are, and we expect most advanced economies to exceed their Q4/2019 real GDP per capita on average much sooner than their developing market counterparts. For example, Korea and the United States are at/near their pre-pandemic per capita income levels after about 18 months. Much of Europe may take nearly three years to fully recover. In Mexico and South Africa, it could take between three to five years according to the OECD.

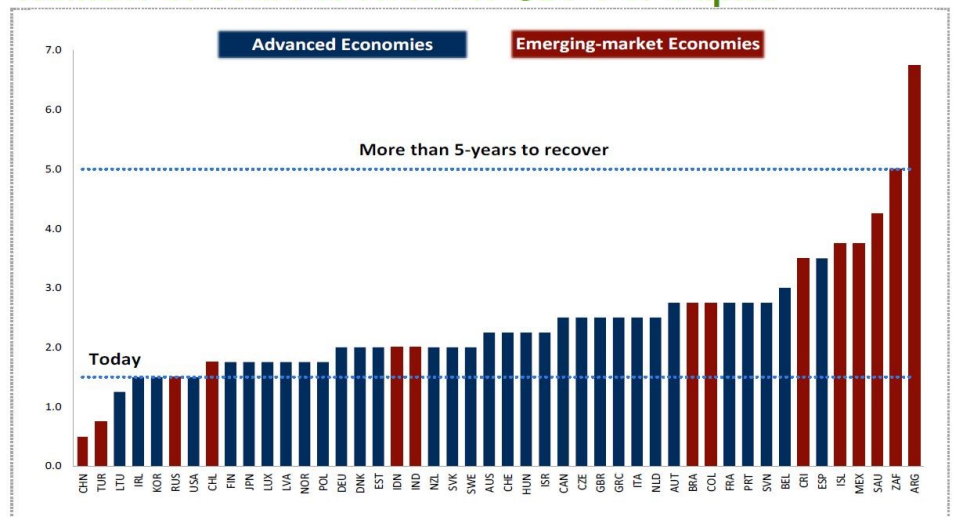
Investment Advisor Strategy Group
(IASG)

OECD Economic Outlook Projections



Source: OECD

Number of Years to Recover GDP Per Capita



Source: OECD

Attend Our Free Events & Presentations



Keep an eye out for Cindy's new educational video series.

These short insightful videos will be uploaded to our website when complete. Watch for 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/



Live Breakout Sessions, Breakout 2:
Building a Leading Advisory Team – Advisor Panel Discussion
Wednesday, June 9th | 1:30pm - 2:20pm



Cindy Boury
Branch Manager,
Portfolio Manager



Brian Steele
Branch Manager



Dominique Vincent
VP, Portfolio Manager



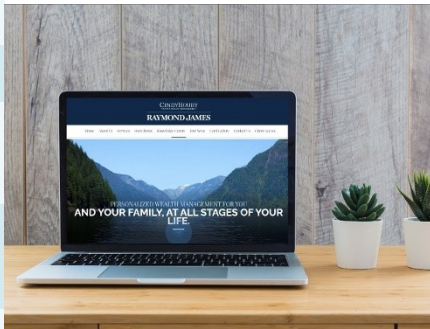
Andrea Linger
AVP, Practice Management

#RJConnections



Raymond James Connections Business Conference

(Left & Above) Cindy and the team are constantly participating in educational programs to stay current in our industry. Recently, this included the annual Raymond James Conference. Due to the pandemic, the conference was virtual, with a networking event mix and mingle. Cindy was a presenter in the *Building a Leading Advisory Team* session based on her experience in developing her own advisory teams.



Reminder: We Have a New Website!

(Above) If you haven't already checked out our new team website, we encourage you to see all the resources now available to you. For those who are clients (either CDN or USA), the Client Access portal to log in to your accounts is still linked for you through the top navigation bar. We will be posting new events and educational videos as we schedule them, so check back regularly. Visit: www.cindybourypwm.ca

FINANCIAL TIPS

What IS an RRSP?

An RRSP (*registered retirement savings plan*) lets individuals save for retirement while sheltering contributions from tax. As long as the funds accumulated remain in the account, they're exempt from tax. Individuals can contribute to their RRSPs until the age of 71.

CINDYBOURY RAYMOND JAMES
PRIVATE WEALTH MANAGEMENT

FINANCIAL TIPS

What happens if you over-contribute to your RRSP?

Similarly to TFSA's, over-contribution to your RRSP account will result in a 1% tax penalty on the excess funds in your account.

CINDYBOURY RAYMOND JAMES
PRIVATE WEALTH MANAGEMENT

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