

Wealth DIRECTIONS

JULY 2021



How long will the markets keep going up?

The media/news is famous for implanting ideas and fears to the viewing and reading audience. Don't forget, they get paid when we watch or read them. As a result, we have been fielding the occasional questions: I hear the markets are at an all-time high, how much longer will markets go up? When is the next correction? How bad will the next correction be? After 25 years in the industry, I have yet to know of anyone who can accurately answer these questions with any preciseness or certainty. **The short answer is: other than a few areas, the stock markets are not in a bubble and thus no broad correction is anticipated in the short term.**

- **Individual stocks**

At any given period of time, an individual stock can be trading at significant over-valuation (bubble) or at severe discount (out of favour) to their intrinsic (fair) value. Our Holistic Wealth process identifies securities that meet our **five** filtered criteria and then buy them at an opportune price. When they increase to be either too large relative to your portfolio or become overvalued, we look to trim or sell the position.

- **Markets as a whole**

In trying to predict the direction of the markets, there are really **two known factors**. **Valuation** is whether

or not the market as a whole (or certain sectors such as the tech sector at the turn of the century) are in a bubble, fairly priced or at a discount. **Economic Environment** is the condition of the economy and what the government is doing to help it recover or control the growth.

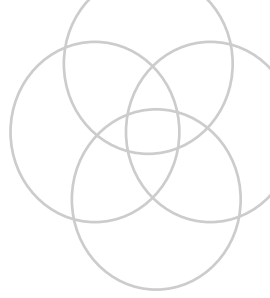
There can also be **unknown** factors that catch us by surprise. Examples are 911 and COVID-19. Both put immediate brakes on economy and triggered market corrections. If you recall, SARS did not have very much of an impact on the economy or the markets. It was hard to predict initially, that COVID-19 would shut down much of the global economy.

Due to COVID-19, the global brakes were put on the economy causing panic and the markets to drop 35% in 33 days. Traditionally, there would be a gradual economic slowdown anticipating a recession. This happened almost overnight requiring global bailouts to prevent terminal economic issues. Now the world is getting vaccinated and life is slowly returning to 'normal'. During the shutdown, this created a delay in many things such as manufacturing and now the demand is picking up and there are backorders and signs of inflation. (You may have heard of a

This publication is solely the work of Len Colman for the private information of his clients. Although the author is a Manulife Securities Advisor, he is not a financial analyst at Manulife Securities Incorporated or Manulife Securities Insurance Agency ("Manulife Securities"). This is not an official publication of Manulife Securities. The views, opinions and recommendations are those of the author alone and they may not necessarily be those of Manulife Securities. This publication is not an offer to sell or a solicitation of an offer to buy any securities. This publication is not meant to provide legal, accounting or account advice. As each situation is different, you should seek advice based on your specific circumstances. Please call to arrange for an appointment. The information contained herein was obtained from sources believed to be reliable; however, no representation or warranty, express or implied, is made by the writer, Manulife Securities or any other person as to its accuracy, completeness or correctness. Tax preparation is offered through Holistic Wealth and not part of Manulife Securities Incorporated or Manulife Securities Insurance Agency.

global shortage of semi-conductors) The global government bailouts are tapering as the economy recovers leaving behind massive government debt.

Some sectors continue to be in dire difficulty (travel, tourism and hospitality). Overall, the economy is recovering and expected to grow (although more slowly down the road). The economy is in stable shape as long as inflation does not get out of control requiring increases in interest rates. The global government debt is staggering. With near zero interest rates, the interest payments are manageable. If rates have to increase, this will burden governments to increase taxes potentially creating a recession.



Protect yourself from CRA (Canada Revenue Agency) scams

Now that 2020 taxes are filed, it is possible that CRA will contact you to discuss your

tax and benefit situation. CRA's website warns you to be aware of scammers pretending to be CRA employees. They may try to reach you by telephone and trick you into making payments or revealing your confidential information (such as date of birth or SIN). Make note of their name, telephone number, location and ID number. Then call back using the CRA number on their website.

A global re-opening presents travel opportunities.

There is pent-up demand for travel as many have 'cabin fever'. Once the borders open up and it is considered safe to travel, ensure you have proper travel insurance which includes COVID coverage. You can purchase this coverage directly on our website!

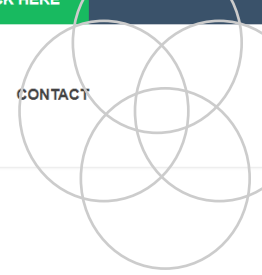


It's going to be a hot summer. Make sure your body is prepared for it.

Water is the basis for life. This reminds me of the movie The Waterboy where Adam Sandler quotes: "Now that is what I call high quality H2O"

Tips for Proper Hydration:

- Start and end your day with a 250 ml serving of water.
- Drink before you are thirsty.
- Keep drinking water even when it is cooler outside.



We now do tax preparation!



Buy Travel Insurance

HolisticWealth.ca Web Site Updated

We have updated our website! It is phone, tablet and computer friendly. There is even a self-serve section where you can purchase Travel insurance (including COVID), Extended Health insurance, and open a Manulife Bank Account.



You ask ... Manulife Securities listened.

There are now two client login options. The old version is still available. With the new version, you can chose and customize what you want to receive electronically or paper based. This includes the ability to download electronic: tax receipts, confirmations, and statements.

We also have a growing capability of DocuSign capabilities. For example, we can now electronically & securely update changes such as address changes without having to send paperwork in the mail.

We cannot say this enough. Thank you for your loyalty!

And thank you for referring your friends and family.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Mutual funds, stocks, bonds, GICs, and financial planning services are offered through Manulife Securities Incorporated. *Insurance products and services are offered through Manulife Securities Insurance Agency (a licensed life insurance agency and affiliate of Manulife Securities) by Manulife Securities Advisors licensed as life agents.

Manulife, Manulife & Stylized M Design, Stylized M Design and Manulife Securities are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under license. Manulife Securities Incorporated is a Member of the Canadian Investor Protection Fund and a Member of the Investment Industry Regulatory Organization of Canada.. Holistic Wealth® is a registered trade mark of Len Colman and is used by his affiliates in the Summerland office.

Our Current Allocation Outlook

Below is a chart of different asset classes and sector exposure with our current outlook compared to the normal weighting. Based on the economic outlook, we may want more or less than our normal exposure to each category. Each individual investor will have a different investment portfolio depending on their personal circumstances considering their: Risk Tolerance, Income requirements (both current and anticipated), Time Horizon, Taxation, and of course Temperament (investor behavior). We then look for opportunities to tax-optimize the holdings based on which plans hold which investments. You should consult us to determine the ideal asset mix and asset selection given your circumstances.

		Underweight	Slightly Underweight	Neutral	Slightly Overweight	Overweight
Fixed Income						
Government	Long-term		●	←		
	Mid-term		●	←		
	Short-term		●			
	Investment Grade			●	←	
	High Yield			●		
	Floating Rate	●				
EQUITIES						
Canadian	Dividend Focused				●	
	Large Cap				●	
	Small Cap		→	●		
US					●	
European				●		
Asia				●		
Emerging Markets			→	●		
	BRIC		●			
Sector		Underweight	Slightly Underweight	Neutral	Slightly Overweight	Overweight
Consumer Discretionary			●			
Consumer Staples					●	
Energy				●		
Financials	Banking			●		
	Insurance			●		
	Asset Managers		●			
	REITS		●			
Materials					●	
Utilities				●		
Telecommunications				●		
Healthcare					●	
Industrials				●		
Information Technology				●		

Who is HOLISTIC WEALTH®?

This is the trade name under which the Summerland office of Manulife Securities Incorporated operates. This differentiates us from most traditional stockbrokers and investment advisors who do not take the same holistic wealth approach in working with clients. We take a financial planning approach when advising clients, taking their debt, insurance and investment portfolios into consideration. We use solutions that people understand and avoid 'synthetic' investment products (such as hedge funds).

Len Colman, BA, CFP, CLU

Senior Investment Advisor,
Manulife Securities Incorporated
Insurance Representative,
Manulife Securities Insurance Agency
len.colman@manulifesecurities.ca

Holistic Wealth®
Manulife Securities Incorporated
(office) 250.494.1130
(toll free) 1.888.403.9392
www.HolisticWealth.ca
P.O. Box 840
103-9523 Main Street
Summerland, BC V0H 1Z0

THANK YOU

We thank you for your incredible loyalty as a client. We strive to provide our best advice and service. We also continue to grow our business and want to thank those who have encouraged their families and friends to work with us. We continue to appreciate your introduction of us to anyone you believe would be a good fit within our financial planning and investment practice.

We currently advise clients throughout BC, Alberta, Ontario & now Nova Scotia!