



The Month Gawne By

March 2018

What Happened?

Equity markets declined across the board in March. The Federal Reserve [raised the interest rate by 0.25%](#), and is expected to do so 2 more times this year. While the Central Bank of Canada [did not raise their interest rate](#) due to trade uncertainty and housing regulations.

Global trade concerns could have been behind the equity market weakness in March. The US imposed [tariffs on imported steel and aluminum](#), but excluded Canada and Mexico (pending successful NAFTA negotiations). [China is the target of the tariffs](#), with the US looking to trim their trade deficit by \$100 billion. China has implemented [tariffs of their own](#), but it looks like they are [negotiating with the US](#).

Power Shares Canadian Dividend Index underwent its annual reconstitution in March. Notable additions include Bank of Nova Scotia, TransCanada, and Enbridge. The yield has decreased slightly to 5.04% vs the TSX yield of 2.82% (Invesco). Income paying equities have underperformed recently with rising interest rates, but we still like the strategy and the inherent value focus.

Lysander-Canso Corporate Value Bond - We visited the offices of Lysander last week and met the CIO of Canso as well as several portfolio managers. Continue to like their investment philosophy, culture, and independence.

Markets (as of March 28th, 2018)

Stocks	Benchmark	March	YTD
Canada	S&P TSX Composite	-0.49%	-5.19%
United States	S&P 500	-2.69%	-1.22%
International	MSCI EAFE	-2.41%	-2.37%
Emerging Markets	MSCI Emerging Markets	-2.17%	0.93%
World	MSCI ACWI	-2.44%	-1.48%

Bonds	Benchmark	March	YTD
Canada	FTSE TMX Canada Universe Bond	0.75%	0.14%
United States	Bloomberg Barclays US Aggregate	0.74%	-1.65%
World	Bloomberg Barclays Global Aggregate	1.07%	1.37%

Currency	March	YTD
CAD / USD (Source: ThomsonOne)	0.78%	2.38%

Articles of Interest

[The Framing Effect](#) – A 14-year-old was able to convince his classmates to [ban water](#)

[Luck](#) and its [role in success](#)

[Humans are worse for wildlife than severe radiation](#)

[How to download your Facebook data](#)

[History of car crashes](#) – we are more tolerant of human error than machine error

[Fact #25](#): An estimated 1 million dogs in the U.S. have been named primary beneficiary in their owners' wills.

[Is your dog or cat in your will?](#)

[Stephen Hawking](#)

Music

[Plants and Animals](#) – attended their show at the Horseshoe where they played their first album from start to finish to commemorate its 10th anniversary. Their opener, [Black LeGary](#), is worth a listen as well.

Books

[The Evolution of Everything](#), Matt Ridley
 Historical figures are often credited with great moments in history; whether they won a battle, invented something, or drove societal change. Ridley looks at how the collective, rather than the individual, was the driver of change through evolutionary processes.



Disclaimers

The information contained herein has been provided by The Gawne Group and is for information purposes only. The information has been drawn from sources believed to be reliable. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any investment. The information does not provide financial, legal, tax or investment advice. Particular investment, tax, or trading strategies should be evaluated relative to each individual's objectives and risk tolerance.

Index returns are shown for comparative purposes only. Indexes are unmanaged and their returns do not include any sales charges or fees as such costs would lower performance. It is not possible to invest directly in an index.

FTSE TMX Global Debt Capital Markets Inc. [Year] "FTSE®" is a trade mark of FTSE International Ltd and is used under license. "TMX" is a trade mark of TSX Inc. and is used under licence. All rights in the FTSE TMX Global Debt Capital Markets Inc.'s indices and/or FTSE TMX Global Debt Capital Markets Inc.'s ratings vest in FTSE TMX Global Debt Capital Markets Inc. and/or its licensors. Neither FTSE TMX Global Debt Capital Markets Inc. nor its licensors accept any liability for any errors or omissions in such indices and/or ratings or underlying data. No further distribution of FTSE TMX Global Debt Capital Markets Inc.'s data is permitted without FTSE TMX Global Debt Capital Markets Inc.'s express written consent.

The Gawne Group consists of Paul Gawne, Vice President & Investment Advisor; Robert Gawne, Associate Investment Advisor; Bobby McBride, Associate Investment Advisor and Donna McBride, Client Service Associate. The Gawne Group is part of TD Wealth Private Investment Advice, a division of TD Waterhouse Canada Inc. TD Waterhouse Canada Inc. is a subsidiary of The Toronto-Dominion Bank.

All trademarks are the property of their respective owners.

® The TD logo and other trade-marks are the property of The Toronto-Dominion Bank.