

August 2018

## Market Update



### Important Topic: Protecting Your Privacy

Please note that TD is rolling out a secure email platform. TD did something similar about two years ago but the system had flaws.

You will be receiving an email from us explaining how you register (this is not spam) and then we will send out a test email to ensure all is working.

While I can understand that the registration process may not be something that you want to do, TD is very focused on protecting our client's privacy and we are required to use this system. Once you register you will be able to open all secure emails with one password and you can then rest even more assured that your information is protected.

### Important Topic: Evaluating Decision Making

Imagine that I randomly pick one card from a deck, and without either of us looking at it, I offer you \$1 if you correctly answer the following question:

#### **Am I holding the 6 of Clubs?**

Considering the odds are only 1/52 that I am, the best decision is to answer "No".

Now imagine that I was in fact holding the 6 of clubs; I had randomly selected that one card. **Was your decision wrong?**

#### **Your answer turned out to be wrong, but was the decision process faulty?**

Imagine if the question was instead: **Am I holding a club?**

The answer is still "No" but the likelihood of being wrong has greatly increased.

Too many people judge a decision by its outcome. In truth we can only judge a decision by looking at what was known, what could be known and what more we could have done to learn more. But at some point all decisions must be made on the information at hand. The quality of the decision making can be assessed but this is not tied to whether one ended up being right or wrong.

We believe that this is true with investing – there are too many unknowns to ensure one is always right – and it is true with almost all of life's decisions.

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## Market Update:

The month of July saw different markets move in different directions. While the US markets fluctuated they ended the month higher (though this was due to a few stocks rather than a broad based advance) while the Canadian and International markets ended lower.

Economies around the world remain resilient and continue to grow. There remain many more positive characteristics than negative and so we remain invested.

There are reasons for concern – as there always are. Recent reasons for concern always feel more pressing than those from the past but in truth this is more a statement about being human than it does about the actual seriousness of these concerns.

As always, even in a bull market with strong earnings, one must remain diligent and cautious. The markets seem to have a way of punishing greed just when one thinks it is safe. Looking forward, we remain optimistic for the long and medium term but cautious for the short. Our focus remains, as it must, on the long-term. Our long-term plans and the reasons for investing as we do, remain the same. Each specific investment is reviewed to help ensure that the reward for risk-taken is tilted clearly in our favour.

For the month the bond market was up 0.8%, the Preferred market was up 0.8%, the Canadian market was down 1.5%, the US market was up 3.0%, International markets were down 2.3%, the Emerging markets were down 3.0% and the Real Estate market was up 1.0% (Reuters, August 2018).

Have a great month and let us know if there is anything we can do for you,

Meir



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