



An Important Note: Tax Free Savings Accounts - Primer

A Tax-Free Savings Account (TFSA) is a flexible investment account that you can use to meet short and long-term investment goals. Assets held inside a TFSA can earn interest, dividends or capital gains, but this income is not taxed, even when amounts are withdrawn from the TFSA, unlike a Registered Retirement Savings Plan (RRSP). Therefore, a TFSA can be used for both retirement and preretirement goals.

I attach a primer that explains this type of account and its uses. It is a short piece and this information is worth knowing.

<https://mediahandler.broadridgeadvisor.com/media/398786/TFSA%20Primer.pdf>

Market Update – July 2021

July was another positive month adding to our attractive year-to-date results.

In general, the current market and economic environments remain strong. Earnings and sales continue to impress, and in many cases, exceed expectations. The economic recovery remains robust. Central banks appear committed to keeping key interest rates low through 2023. Consumers appear to be increasing their spending, and job growth is strong. At this time, we are comfortable being invested and investing new funds.

This is not to say that prices are moving smoothly upwards. Human nature and its tendency to inconsistency and fickleness means that prices will always fluctuate, and in some cases fluctuate greatly, even when nothing has changed to justify or explain the movement.

The newspapers and radio stations often interview someone who would explain what drove a specific day's activity but if you listen carefully, and think about what they say, there is usually little that is helpful or particularly insightful. Such interviews usually provide one of two explanations. First, the simple, but very true, explanation that markets fell because investors sold taking profits, or markets rose because investors were in a buying mood. The second is an explanation that connects everything to some headline news. Here the markets fell due to concerns about COVID, or markets rose due to some recently released positive economic statistic. But such an explanation is only provided after the fact, as we have seen markets rise regardless of COVID concerns and we have seen markets fall regardless of some recently released positive economic statistic.

In the end, and this is why we avoid short term predictions. In our view, the daily market movements are a result of emotions and human nature. Stocks go up when more people are buying than selling and fall when more people are selling than buying. Why they buy or sell on a given day is incredibly complex, personal to each and impossible to predict (or at times, to understand). The only consistency is that is always so.

As always, our conclusion remains that same: focus on the longer term. Invest for the long term. Ignore short-term fluctuations. Focus on your life, your plan, your goals. At the end of the day that is all that truly matters.





We are cautiously positive in the short term (admitting that this could prove wrong), and positive in the medium and long term. We continue to hold our positions and invest cautiously.

For the Month, the bond market was up 1.0%, the Canadian market was up 0.9%, the US market was up 7.9%, International markets were up 0.5%, the Emerging markets were down 5.8%, the Real Estate market was up 3.6% and the preferred market was down 0.1%. (Reuters 7/30/21) ⁽¹⁾

Year-to-date, the bond market is down 4.1%, the Canadian market is up 18.2%, the US market is up 15.3%, International markets are up 9.5%, the Emerging markets are down 1.2%, the Real Estate market is up 21.3% and the preferred market is up 12.0%. (Reuters 7/30/21) ⁽¹⁾

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

- Meir

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⁽¹⁾ Indexes shown

- Bonds FTSE Canada Universe Bond Index - CAD
- Canadian Equity - S&P/TSX 60 Index - CAD
- US Equity - S&P 500 - USD
- International - MSCI EAFE Index - USD
- Emerging Markets - MSCI Emerging Markets Index - CAD
- Real Estate - Dow Jones® Global Real Estate Index - USD
- S&P/TSX Preferred Share Index - CAD

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