



Year in Review, Year Ahead and Team Recognition

Thoughts from Mike: Winter 2023

As we finish the first month of 2023, I thought I would take a moment to review 2022. We entered 2022 with low rates, almost every investable asset class higher and cost of goods that we purchase more expensive. In order to rein in those costs, interest rates were increased at a speed most have never seen, in an attempt to bring those costs down and lower inflation. This had the reverse effect of lowering most asset classes and slowing growth. There is still debate if interest rates need to continue to rise or if they are close to peaking. I'd suggest we're close. The word recession started to become common place in the media in 2022 as they debated when, how long and how deep it might be. In the end it doesn't matter. This could be the most telegraphed recession in history and we've had more than 10 since 1950. By the time the recession is declared, things from a market perspective will likely have already gotten better. I've often said the markets are forward thinking, pricing things in before they actually happen. Let's look at how some of the major markets did last year. Could they have been pricing in some bad news?

Nasdaq: -34%

Bond Market: -12%

S&P 500: -19

TSX: -9%

Emerging Markets: -20%

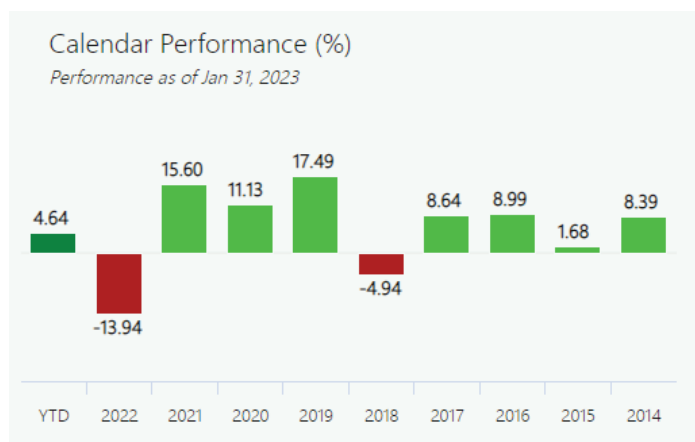
Traditional Balanced Portfolio: -13.94%

Thankfully, given the diversification and our focus on profitable dividend paying companies, our portfolio's had a strong performance in comparison to the overall markets.

Traditionally the worst years of the market are followed by the best years of the market, and we could already be seeing that in the month of January as we have a strong start to 2023. 2022 was the worst year in terms of performance for the traditional balanced portfolio, with the surprise to most being the bond portion of that portfolio lower by 12%. Aren't bonds supposed to be safe?



This chart is the performance of the TD Balanced Growth Mutual Fund just to share some perspective.



I have no idea what the remainder of 2023 will look like. What I have confidence in is the quality of the business's that we own are expected to continue, as they did last year, to raise their dividends combating inflation in a way that many other assets can't. I suspect rates have either peaked or are very close. And what didn't work in 2022 might actually work again this year. Bonds might actually be safer again. Stay diversified, focus on income, and forward think.

Dividend Increases the past Quarter: (only a few examples)

Company	Recent % Dividend Increase	5 year % cumulative increase
Alimentation Couche-Tard Inc.	27%	120%
Canadian National Railway	8%	56.45%
Enbridge	3.2%	38.5%
Royal Bank	3.1%	30.3%
Canadian Tire	6.2%	65.4%
Telus	3.7%	32.9%
Fortis	6%	30.2%

Top Wealth Advisor in Atlantic Canada

Our team was honoured recently to have been awarded the #1 Wealth Advisor in Atlantic Canada presented by the [Globe and Mail's Report on Business and SHOOK Research](#).

In its inaugural ranking Top Wealth Advisors were evaluated and selected by Shook Research based on best practices learned through in person / virtual meetings, credentials, a review of compliance records and firm nominations. Client retention, industry experience and growth rates were also factors in the award.

Awards like this one are a result of a team approach in everything that we do. I'd like to congratulate our team on the hard work and the passion for the success they have for our clients.



Please see our website <https://advisors.td.com/anderssenwealthmanagement/> for a link to more information on the award.

A few points to highlight:

- dividend and interest income went up in 2022
- the markets tend to do much better after a negative year
- sometimes the best time to invest is when it doesn't feel like the best time to invest.

As always, our team is here for you. If you have any questions or know of anyone that could benefit from our services please don't keep us a secret.

Mike.

Michael Anderssen, CFP®, CIM®, FMA
Senior Portfolio Manager and Senior Investment Advisor
902-541-3104 | Michael.Anderssen@td.com
anderssenwealthmanagement.com
[Connect with me on LinkedIn](#)
[Follow me on Twitter](#)

Anderssen Wealth Management

TD Wealth



The information contained herein has been provided by Michael Anderssen, Senior Portfolio Manager & Senior Investment Advisor, TD Wealth Private Investment Advice, 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.

Certain statements in this document may contain forward-looking statements ("FLS") that are predictive in nature and may include words such as "expects", "anticipates", "intends", "believes", "estimates" and similar forward-looking expressions or negative versions thereof. FLS are based on current expectations and projections about future general economic, political and relevant market factors, such as interest and foreign exchange rates, equity and capital markets, the general business environment, assuming no changes to tax or other laws or government regulation or catastrophic events. Expectations and projections about future events are inherently subject to risks and uncertainties, which may be unforeseeable. Such expectations and projections may be incorrect in the future. FLS are not guarantees of future performance. Actual events could differ materially from those expressed or implied in any FLS. A number of important factors including those factors set out above can contribute to these digressions. You should avoid placing any reliance on FLS.

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.

Anderssen Wealth Management is part of TD Wealth Private Investment Advice, a division of TD Waterhouse Canada Inc. which is a subsidiary of The Toronto-Dominion Bank. All trademarks are the property of their respective owners.®The TD logo and other trademarks are the property of The Toronto-Dominion Bank or its subsidiaries.