Manulife Securities

# ROYDS REPORT

**Mid May 2020**

**TOPICS IN THIS REPORT**



**<u>How Your Portfolio is Doing</u>** – The low of the stock market so far for 2020 was Mar 23. There has been some good recovery since then. Some people check their portfolios on-line every day, which is a good way to increase your stress level, even if you check it daily when the economy is doing well. Others tell me that they don't even open their statements while there is bad news. If that works for you, then stick with it. For those who just look at their quarterly portfolio reviews every 3 months, the most common comment they made about their March statements was, "it wasn't as bad as I expected**". If you looked at your April statements (which you only get if you had a transaction in Apr) or looked at your accounts online now, you would find your portfolio has regained much of what it went down.** 90% of our funds, went down less than the markets. 6% did go down slightly more than the market they are in, but we still have confidence that their holdings and style will get them good long-term returns. There are however 4% with which we aren't happy. More than half of that is in funds that invested in low volatility stocks and which did protect us on the way down in the market drop of 4$^{th}$ quarter 2018 and which had been keeping up with the markets of the last few years. This time however, their style of low volatility investing did not cushion the drop and their rebounds are not comparable to our actively managed Growth At a Reasonable Price (GARP) funds. It turns out this style doesn't hold up so well when the markets move dramatically. So, we may be calling you about moving from that style of investing (as practiced by TD and RBC funds) to other funds. We also had an AGF fund, that had started to lag when the Chief Investment Officer was changed, that wasn't protective like it was for the first 20 years our clients held it and which isn't getting the rebound this time. We have lost confidence in its management. And lastly, of the few Canadian funds we have, there was one whose manager succumbed to the trap of buying resources this past winter, because they were trading at historically attractive prices. So that fund fell harder than the rest and doesn't seem to be set for a strong recovery. We think investors could do better elsewhere, than in this handful of funds. We don't want to sell out of the market, while it is still down, but we want to sell specific funds to buy others to improve the quality of funds to make sure we get as much upside as possible. So, don't be surprised if we call you to propose a change. If you haven't spoken to us in the last month, you could also call us to check if there are any improvements to your holdings that we could recommend.

In general, **our global funds are only down half as much as the market now**, and one is even up 4% year to date. We don't have much Canadian exposure. The bulk of our funds there only fell 50-80% as much as the Canadian market. The small and mid cap US funds fell far less than their index, but still fell harder than our other funds. Small and mid cap stocks often fall hardest in a downturn, but they also usually have the best returns coming out of a recession. So those funds should be fine. **Our heaviest weighting is in US funds. That's where our portfolios are really excelling. We have funds that are down 20-40% as much as the market now, but we also have funds that are either slightly positive year to date, or even up as much as 8%. Some of our US and global funds have been rising 2-4 times as fast as the stock market**. Economic situations like we are in today are when the GARP style shines and our managers show their value. After the 08/09 recession, our portfolios recovered fully about 2 yrs before markets in general. If our managers continue what they're doing now, we will recover well before the markets again.

<u>**Markets Recently**</u> – We have a bifurcated market, some of it is strong and some is really weak. **The FAANGM stocks (Facebook, Apple, Amazon, Netflix, Google and Microsoft) have risen in value, as the majority of the other stocks fell**, with the result that the FAANGM big tech stocks have grown to comprise 25% of the US stock market (as measured by the S&P 500). The strength of FAANGM and their weight in the index has made it look like the stock market is recovering way ahead of the economy, but the reality is that only the FAANGM and American health care funds (in great contrast to the few stocks in the Canadian health care sector which are down) have been taking the stock market index up so fast. **If you weight all stocks on the S&P 500 equally, the index would still be down about 20%.** It will take much longer for most sectors of the market to start serious recovery. Resource stocks in Canada on average have just about doubled in value from their lows, which still leaves them down about 50% from mid Feb levels. **All of this does not mean that our investments can't make money while we wait for the economy to start operating on all cylinders**. See below!

<u>**The Economy**</u> – The **unemployment rate is supposed to get worse, perhaps up to 25% by August**. Projections I've heard from credible economists for how long it will take for businesses to get mostly back on track, and for unemployment to get back to normal levels, range from 1-2 yrs. But there is also good news. **2/3 of all people on EI or collecting CERB (Canadian Emergency Relief Benefit) payments are laid off, not terminated**. So, they are still affiliated with their employer and can transition back to work when their company resumes operations. There are 7 Million Canadians on CERB and 2 Million still employed because their employers got wage subsidies, and there are 500,000 businesses that got government sponsored loans to tide them over. Plus, there are other income supports in Canada for students, arts and sports groups, the energy sector, agribusiness, large employers and many other

industry sectors. This is unprecedented and, while not a safety net for all, and while not as good as real wages, it will allow most individuals and society to keep going until businesses open up. U.S. government aid is now estimated to be worth $6.4 Trillion. There is an old saying, "don't bet against the Fed", which means, **if the U.S. Federal Reserve is propping up the economy by throwing money at it, don't invest as though the economy won't be revived, because a determined Federal Reserve will prevail**. All the money in the world can't get us an immediate vaccine, but it will drastically cushion the financial trauma.

<u>**Volatility, Quality and GARP**</u>– **In the month of March 2020, the daily average stock market movement (as measured by the S&P 500) was 5.2%** (according to Stone Co.). The AGF chief investment officer said on a conference call last week that for the previous **51 consecutive days, the S&P 500 had changed more than 1%, either up or down. However, in 2017 there were only 4 times all year when the S&P 500 moved that much in a single day**. If you felt like you were riding out a storm in a little boat in March, it's no wonder. But those huge price swings are helpful to Growth At a Reasonable Price (GARP) managers. More often than normal, in times like these our managers can find people willing to sell businesses to them at too low prices or willing to buy businesses from them at too high prices. This is one way our managers were able to get more market rebound, than the market in general. Another factor that has been helping our managers do better than the index is the quality of their holdings (low debt, competitive advantage in their industry, moat around their business to keep out competitors, strong management, non-cyclical demand for their product or service). And lastly our managers seem to have had some success by strategizing on what businesses will come through the pandemic better. For example, very early on, many of our managers predicted that Microsoft and Google's parent, Alphabet, would do strong business in the pandemic, and indeed first quarter earnings were even stronger than previous forecasts, and since stock prices follow earnings (eventually at least), Microsoft's and Google's share prices went up to new highs. Other solid businesses they have liked are diabetes supply manufacturers, defence contractors, video game creators, charge card companies, and other well financed businesses that make essentials like soap and screws. And one really experienced manager disclosed in a recent webcast, that he's gone much deeper than that in his strategic thinking about who will benefit coming out of this pandemic. He's into data analytics businesses, medical technology delivery, automation and robotics for cleaning and automated order fulfillment, chromatology for quality assurance on drug production, etc. These are the companies not making the headlines that have had huge increases in business and will grow even bigger in the post-COVID world. It is superior analysis and research like that that makes most of our fund managers such winners, and why we know part-time stock-pickers can't compete. That's also why we sleep well, knowing our investments are in companies that will not only survive the pandemic but retain their **value** even as their prices fluctuate wildly. GARP Superstar, Warren Buffett, said that "Price is what you pay; value is what you get." That's a key for GARP investing. Concentrate on getting a valuable business at a good price and the market will eventually figure out the right price. Remember how Warren Buffett says that in the short-term the market is a popularity machine, but in the long-run the market is a weighing machine that sets the price at the true value.

<u>**Historical Numbers**</u> – According to the blog of Dynamic Funds manager, David Fingold, **the last 20 times that we had a one month market surge like we just had from Mar 23 – Apr 23, 2020, the S&P 500 a year later was up over an average of 20%**. (A 20% gain undoes a previous loss of 17%.) He also points out for the first 30-50 days after the market surge are usually very volatile. Of course, none of those

markets had to deal with the uncertainty of when a vaccine would be developed, but they did have other severe worries, like whether the entire banking system in most of the world would collapse. The Head Trader of AGF says history also tells us that **the longer a market rebound lasts after a bad crash, the less chance that the market will re-test the bottom** (that is go back down again, before a lasting recovery). As usual, we don't know what path stock markets will take in the short-term, but they've always gone up in the long-term, even through the American Civil War and the Spanish Flu.

**Competing with the Pros** – A common question we get these days is what individual stock a person should buy. They want to cherry-pick the best bargain of the day rather than pick up a basket of stocks picked by a professional fund manager. And who wouldn't want to get a stock that doubles without having the returns watered down by being grouped with other stocks that might only go up 10, 20 or 30% from the bottom and bet that stock without having to pay management expense fees either (just commissions to buy and to sell). The good news is that as long as the stock you buy isn't garbage, there's a good chance you will make at least some money, because a rising tide lifts all boats! **When most people buy an individual stock however, they take risks they would never normally take. First, they are pinning their fortune to the future of a single stock, rather than a basket of them, and secondly, they are often buying something that the market feels is supremely damaged or risky, because that stock has fallen amongst the most. Cherrypickers often assume that whatever fell the most has the biggest upside potential**. Once in a while, we see this work out for someone, particularly if they are buying something in an industry they know. Mostly however, we don't see good results. (That applies to us too, if we get too tempted to buy an individual stock.) It's harder than it looks to figure out a company's true value. As Buffett says, valuing a company is simple, but not easy. Buffett, "the world's most successful manager" doesn't always get it right. But it doesn't matter much if he makes a bad purchase, because he is so diversified. One bad stock won't affect his bottom line much. **It's even tougher to buy a bargain before all the big pension funds or fund managers have found it and already caused price appreciation, especially since some of those managers or teams of analysts have done months of work on that same stock's prospects and been watching for 10 yrs or more.** So, when a market crash happens, these managers just have to change an assumption or two in their financial models to calculate what the new fair market value is, based on whatever factor has changed. A T.Rowe Price fund manager who runs a Canadian mutual fund for TD is a perfect example. He was talking about how in Mar 2019 he and his team had 117 calls or visits to companies' executives to get updated information, so that they could project future revenue etc. In Mar 2020 however, the teams had 810 calls! He said in a 10 day period he had talked to some companies, that he owned in his fund or was interested in adding to the fund, 3 times to keep getting more detailed information for his calculations. That's a lot of research. Immediately after our conference call with him, he had a call scheduled with Mark Zuckerberg himself to talk about the quarterly earnings report that was coming out for Facebook that day. There are only 2 investment companies, Fidelity and T. Rowe Price who have that kind of access to the CEO of Facebook. You can't tell me that those managers won't have a better idea about the future of Facebook than individual investors, or most of his competitors. With his 25 yrs of experience, that T. Rowe Price manager certainly knows what he is doing. His team of analysts is pretty incredible too. Because he invests in health care companies (pharmaceuticals, biotechs etc), he has an epidemiologist and a surgeon, among other experts on his team, to assess the prospects of each health care company, and to the keep on top of the latest trial results with respect to prospective new blockbuster drugs. It's costly to have such an extensive team of highly educated and experienced analysts, but that's what has led this fund manager to have terrific results over at least the last decade or more. He outperformed the S&P 500 index by 18% in the first four months of the year, net of costs! (He doesn't usually outperform by that much, and he can be too bumpy for some people's tastes. So his fund isn't for everyone.) At Fidelity, which has the largest financial research team in the world, the fund managers and analysts will go to any length to get a competitive advantage, including getting the highest level of geo-political insight available (similar to what is given to the US President each day), as provided by a retired, high-level CIA director. One thing that ex-CIA director helped Fidelity with in recent years was anticipating the Russian invasion of the Ukraine as soon as the Olympic games in Russia were over, so they didn't have any investments in the Ukraine then. The point is, how can you compete with professional teams like these? We sure can't, and Elaine started investing in stocks over 40 yrs ago and got an MBA in Finance. Half of all investors get below average returns. A ton of those are do-it-yourselfers. I think our fund managers' teams are well worth paying for to help us not be amongst the underperformers, and even more importantly, to make sure we don't invest in companies that could have a permanent loss of capital. So, **if you want to buy a single stock for fun, and you are prepared to risk the disastrous results that you might get instead of making a fortune, then go for it, but leave your investments and serious money in diversified funds managed by truely professional teams. They're worth the cost.**

**<u>Buying a Stock is Easier than Selling It</u>** – WealthProfessional.ca reported on a multi year study by Inalytics and a study by the University of Chicago and Carnegie Mellon University. Both studies showed that professional fund managers have clear skill in picking stocks, but not so many are good at selling the stocks. **The reason to sell that resulted in the best financial results was disappointing earnings.** You would think that it would be an easy decision to sell then, but people often fall in love with their stocks or want to avoid the emotional pain of locking in a loss and admitting they had made a bad investment. The studies didn't mention any other reasons to sell that can help a manager outperform as well. We have observed that with our managers **the strategy of "upgrading" has been successful in past downturns. This is where a manager sells a company they like, because they have found a company they like better, that is even cheaper**. I think that's part of the reason that our portfolio managers tend to get us stronger gains in a recovering market than the stock index gets.

Professionals aren't the only ones who make better decisions about buying stocks than about selling them. Individual investors often won't take profits on stocks that have gone up unreasonably fast. And most people don't want to sell stocks on which they have lost money, even if there doesn't seem any reason to expect a recovery. **It's important not to fall in love with our winners. Selling at least enough to get your original capital out is one strategy to use, if you can't bring yourself to sell all of a winning stock. And for losers, people hesitate to sell, because it's an admission that the decision to buy it was a mistake**. As we said earlier, even Buffett makes mistakes. He once said that about 1 out of 7 of his company purchases have been mistakes. And when we listened to Buffett's Berkshire Hathaway annual meeting on Sat May 2, 2020, he reported selling the 4 airlines he bought last year for billions of dollars less than he spent buying 10% ownership in them last year. But when he makes a mistake, he recognizes it and gets out. He usually doesn't fall in love with his holdings, or let his pride prevent him from selling at a loss, and he knows what the founder of Dynamic Mutual Funds, Ned Goodman, used to say, namely that **you don't have to get your recovery with the same stock or fund that lost value**. If you wouldn't buy the company for the first time with what you know about it today or at today's price, then you probably shouldn't continue to hold it. Another reason why people hate to sell a stock is because of the tax payable on half of the capital gains. It's a fact of life that in unregistered accounts, if you make money, you have to pay tax on it. **Better to pay tax on something overpriced (like Nortel when it was over $120/share), than to avoid tax, but keep holding the stock as it loses value.**

**<u>Canada's Petrodollar</u>** – Canada has traditionally had a Petrodollar, that is a dollar that goes up and down in relation to the US dollar based on the value of a barrel of oil. Our dollar has not followed the price of oil down this time. The only reason I have heard **why the Canadian dollar has held up in the low 70 cent range is that the global market has been happy with the governments' responses to COVID19 and thinks Canada will perform relatively well coming out of the pandemic. I have also heard speculation that our dollar will go down as far as $0.62. On the other hand, I have heard that if oil goes up significantly, we could get back to a $0.75 dollar**. Who knows? Our managers often hedge against a rise in the Canadian dollar in our foreign funds, so we don't lose if the Canadian dollar rises. If the Canadian dollar drops, it makes our foreign holdings more valuable.

**<u>Truths Exposed by the Pandemic</u>** – Rob Carrick wrote in the Globe and Mail on Apr 2/20 that there are some widely held **attitudes toward money that have been exposed during the pandemic as not being logical. One he cited was that "Using Debt to Finance Consumption is Normal"**. One of the most egregious abuses of debt to finance everyday living expenses is to build up debt on credit cards, car loans and lines of credit and then to roll it into a mortgage, and often to do this multiple times. People never get ahead doing this. Whatever happened to living within one's means. **A second "myth" about money he cited is that "Crushing Mortgage Payment are a Normal Part of Home Ownership"**. It may be common today for people to take huge mortgages and become house poor. After COVID, people should realize that bad things can happen and do every so often. So, people need to keep enough of their cash flow available to save for emergencies etc in order to be able weather the storms. Being house-poor can lead to enormous stress and result in the loss of your home in the end due to foreclosure. His last money myth was hat **"Spending Big on a Vehicle is Normal." He wrote that the average new vehicle loan or lease payment in Feb 2020 was $696/month and over half the loans were for 7 yrs or more. Such high payments are an extravagance that most families should not have undertaken. People are generally buying nicer cars than they can actually afford**.

Philip Petursson, a Manulife economist, pointed out that for every dollar of disposable income that **the average Canadian household has, it has $1.75 of debt. Compare that to the $1.47 of debt per dollar of** disposable **income that Americans had in 2008, when Americans got in trouble for their debt. Now however Americans only have $0.97 of debt per dollar of income this year. Americans obviously learned their lesson and cleaned up their act, and Canadians went crazy running up debt into dangerous territory, possibly lured by cheap interest rates**. There isn't going to be enough government bailout money to help the most indebted of people, and certainly not enough to undo the damage done by years or decades of living beyond their means. An argument was put forward by a risk analyst, Nassim Taleb, that unpredictable "Black Swan", highly improbable catastrophes happen from time to time, and we should therefore be prepared for them. Indeed, he says even George W. Bush in 2005 recognized that black swans happened and felt that his administration needed to be prepared for another pandemic like the Spanish Flu. So, Taleb contends that government economic support of businesses, which weren't prepared to survive an event like the COVID shutdown, are really just subsidies to companies that didn't prepare well enough for a catastrophe of some kind, which they should have known would come sooner or later. Interesting viewpoint and possibly not wrong.
(Globe & Mail, Apr 13, 2020)

**Five Signs of a Debt Problem –** The president of OCCA Consumer Debt Relief was quoted in the Globe & Mail (July 6, 2013) that there are 5 signs a person is in trouble with their debt.

- You can only afford to make the minimum payment on your credit card instead of paying them off
- You have reached your credit limit on your cards. You're maxed out.
- You can't pay all your bills each month and have to alternate which ones you pay to keep creditors at bay.
- You have to withdraw from your savings, like your RRSP, to pay your bills
- You are paying 15% or more of your after-tax income on your credit card debt.

An unexpected bill or temporary period of unemployment could be disastrous when you have a high level of debt. A lot of people are figuring that out today. If any of the 5 signs of debt above apply to you, creating a budget might be a first step to help you get your spending and debt under control.

**Recession, not Depression** – One of the most respected minds in finance in Canada is Stephen Poloz, the outgoing governor of the Bank of Canada. He was quoted on May 1, 2020, on Wealth Professional's website as saying "that, despite the challenges and risk that the COIVD-19 crisis presents, Canada entered this unprecedented period with a healthy economy, inflation on target, and the lowest unemployment rate in 40 years. He likened the economy to a fit, healthy person, who is able to shake off the disease. Poloz said that the action that has been taken since the start of the pandemic means that the risk to the economy is not the same as in the Great Depression, when "policy-makers basically failed to respond and even worsened the situation by enacting protectionist international trade policies." … he said the current situation is more in line with a natural disaster where policy is designed to pause and later restart the economy. He said that recovery from natural disaster events are typically "quite rapid and robust". All the fear-mongers you occasionally hear saying "we're already in a depression" seem to be throwing words around loosely with no regard to economics or history. We only just passed the criteria for being in a recession. A depression is a recession that lasts for numerous years. None of the recessions since the 1930s has met the criteria of a depression, and this time doesn't look like it will either. The stress people feel in a recession is just compounded this time by health fears and the stress of social isolation, but stress is not the measure of a depression.

**True Impact of the Pandemic on the Value of Businesses/Stocks** – While much of the economy was shutdown and at least 20% fewer people were working, we can be sure that some spending and Gross Domestic Product (GDP) will forever be lost. So, the companies on the stock exchange have lost some cumulative profit. That does change the value of those stocks. They can't recover as though they had uninterrupted income. A few companies may recover all of it. As we've noted before, cloud computing companies, hand sanitizer makers etc will not likely have any profit reduction and may have extra sales and earnings long-term. But most won't have as much profit as they would have had COVID19 never struck. For example, if you didn't ride a bus or train to work during the shutdown, you won't catch up those trips later. Go Transit, the HSR and TTC will forever have lost that revenue. Airlines will take years to get their business back (it took 7 yrs after 911 for air traffic to get back to previous levels), so they'll lose profit for much longer than the shutdown period. The question for anyone holding a basket of typical stocks or stock funds is how much less are stocks, in general, worth because of that lost period of income. This requires a lot of assumptions about how much production and how many sales will be lost forever. RBC's chief economist and his team did a lot of work to figure that out and came up with the most reasonable answer I have heard yet, using the Net Present Value methodology that most professional fund managers and investing genius' like Warren Buffett use. RBC's Eric Lascalles said, in a webinar on May 4, that it looked like companies should be worth about 5% less because of the profits lost (perhaps 20% on average of what would have been 2020 sales in normal circumstances). Globally stocks are down about 5% year to date at the time of writing this. Canadian stocks are down more, perhaps because of our former heavy weighting in the energy sector. US stocks are down closer to 10% (or even 20% if an equal weight index is used), perhaps because of their larger weighting in the travel and entertainment sector, their sizable energy exposure, and the number of companies they have that are more highly levered (indebted) than most companies around the world. So, the stock market valuations in general, as measured by investors' purchase prices for stocks, are at or below what RBC has calculated general values should be after price reductions for lost sales due to COVID19. This means a couple of things. One, price recovery from here will be slower, because the new fair value is in the range of many current prices. Two, the terrible second quarter earnings reports, that we expect to see in late July, have already been factored into current prices. What it doesn't mean though is that this will prevent the market from going down significantly again before it comes back to at least current levels. And lastly, it doesn't mean that our funds can't still have continued gains by finding undervalued companies with better than average prospects. **So bottom line is that the market's long-term growth has been permanently impaired by about 5% by this global pandemic and shutdown, but GARP outperformance could offset this**. Even if GARP doesn't help us get back to previous market levels, a 5% market hit is generally speaking less than a year's growth. It's impactful, but not the end of the world.

**<u>The Alphabet Recovery – U, V, W, L …</u>** - There's been lots of discussion about how the market is going to recover, quickly as a V recovery, staying down for a bit and then gently rising as a U recovery, going up and then down again before finally going up again for a W recovery, or recovering extremely slowly as in an L. Many say it will be a U shaped *economic* recovery, but that the market started in a V shaped recovery and may "re-test the bottom" by going back down before recovering, which would be a W. Data from Bloomberg suggests it doesn't matter what the shape of the recovery is, or even if the market re-tests the low. "The average three-year market return from the initial low" when there is no re-test of the low (like "1962, 1970, 1974 and 1990) was 56.5%." When there was a re-test of the low, like in 1982, 1987, 2002 and 2009, "the average three-year market return after the initial low was even better: 57.8%." What the market does in the short-term now, doesn't seem to matter for our long-term returns. How people behave to control the virus, what companies and business owners do to get restarted, and the programs the governments put in place to help individuals and companies through the pandemic financially will be the most important determinants of our long-term returns.

**<u>A Different World Going Forward</u>** – Blackrock's Chief Investment Officer posted online on Apr 29, 2020, the 5 ways he thinks the **world will be different going forward**. I thought it was a good summary. He predicts:

- **Stronger Trend in Technology Implementation** - Technology will be used more and more to lessen the amount of hand's on or face to face contact going forward even for the long-term – online gaming, online education, remote offices, more automated production and distribution.
- Global vs Local and even Urban vs Rural – **Supply chains will be re-examined to ensure essential products like medical supplies and food will be less vulnerable to border closings**. Some manufacturing will be brought back to developed countries (or even each province!). **People**

**may resist urban highrises** even more after experiencing being quarantined in small apartments. **People may not be as willing to commute** into urban centres and their companies may not want them in corporate offices so much anymore. The trend of **shared temporary desks in head offices may decline** with new sanitizing concerns.

- **Conservative Balanced Sheets** – Companies may never risk having current average levels of debt on their balance sheets in the future, because companies with big debt today may not even survive this pandemic. Hopefully individuals will also think about making sure they have less debt and more emergency reserves to fall back on for the next crisis, whether it's their personal crisis or a country wide economic crisis.
- **Environmental and Social Consciousness Accelerated** - Now that we've seen the pictures from space of the very visible pollution reduction over China and Europa and heard that the ozone hole is closing during the pandemic, are citizens and governments going to look at what is possible for the environment differently? Will the decline of fossil fuels be accelerated by this period of low demand for oil and will demand ever return to former levels? Will the treatment of those in nursing homes forever be changed for the better after the light has been shone on their deficiencies? Will some of our lowest paid workers in stores, factories, agriculture, restaurant and delivery services be more valued financially from here on? Will companies that have treated their workers well or helped society through this pandemic be rewarded be and remembered by customers afterwards?
- **Slow Return to Leisure** – After social isolating is over, will people be reluctant about going into crowded sports stadiums or theatres or airplanes? Will people take a while to get back to their normal activities? Once a vaccine is ready, will it be party time, like the roaring twenties after WWI?

As things calm down, we expect the frequency of our newsletters to go back closer to our normal every 3 months schedule. Sorry if you have found the recent barrage too much. Most people have told us they find the newsletters comforting. At least they know that we are keeping an eye on your portfolios and watching for ways to reposition them to do better than just survive the pandemic. That's why we have continued with the newsletters.

We are resuming scheduling portfolio review and planning meetings, although they have to be by phone or videoconference for the time being. **If you are ready for a meeting, and we haven't called you to schedule one yet, please email or call us to set one up.**

**We hope you are staying safe, and that all of you who are not retired, but can't go into work, can soon enjoy the routine, challenge, sense of accomplishment, paycheque and social aspects of work again very soon. Call us any time you want to talk about anything financial.**


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