

## Wilson, Cameron B (RBC DS)

**From:** Wilson, Cameron B (RBC DS)  
**Sent:** Friday, June 24, 2016 3:48 PM  
**Subject:** Market Update: June 24th 2016: Brexit Vote - the facts so far, and the investment opportunities



Wealth Management  
Dominion Securities

Wilson Wealth Management Group

Market Update: June 24, 2016



# Wilson Wealth Management Group

Hello Clients and Friends,

A dramatic turning point happened today. Britain voted to leave the EU (European Union). My cousin in Poland posted an interesting image on Facebook I would like to share with you. It seems the younger people want to stay in the EU whereas the older wanted to leave. I will let you draw your own conclusions from this.

Age Group	Median Age	Remain	Leave	Life Expectancy	Average number of years they have to live with the decision
18-24	21	64%	24%	90	69
25-49	37	45%	39%	89	52
50-64	57	35%	49%	88	31
65+	73	33%	58%	89	16

Polling Data = YouGov, 1652 people, 17-19th June 2016  
Life Expectancy based on ONS pension planner life expectancy estimator  
Average 65+ year old was estimated to be 73 using ONS age distribution data  
Those who were undecided or wouldn't say have been excluded

Those who must live with result of the EU referendum the longest want to remain.

I think it is a good thing the Governor of the Bank of England is our very own Mark Carney, who was the Governor of the Bank of Canada during the financial crisis. I feel he will help them navigate through this storm quite well, as he helped us through the 09 financial crisis.

Matt Barasch from our PAG(Portfolio Advisory Group) made these key points:

#### Highlights

- The UK voted for “Brexit” and will likely begin official negotiations to leave the European Union in October.
- Uncertainty about Single Market access is expected to result in a slowdown in the UK economy, sterling depreciation, and monetary policy stimulus from the Bank of England.
- The UK is one of Canada’s top trading and investment partners, however the small relative size of these relationships points to a muted direct effect on Canada’s economy. Knock on effects could weaken the euro area and remaining EU economies with which Canada also has important trade and investment relationships.
- A return to risk aversion in financial markets is expected to put downward pressure on oil prices, government bond yields, and the Canadian dollar (relative to USD). In a more severe reaction, upward pressure on peripheral spreads in the euro area risks replaying the volatility seen during the European debt crisis.
- Financial market effects have the potential to exacerbate regional divergences within Canada’s economy. A pickup in uncertainty about the global economy also presents a downside risk to the outlook for the Canadian economy.
- Ratification of CETA, Canada’s free trade agreement with the EU, will likely be delayed amid Brexit negotiations.

**Where is the investment opportunity?** Though the markets tend to take an elevator down, and the stairs up, this does present some interesting investment opportunities.

One of the ETFs (Exchange Traded Funds) I own personally and also for clients, exits the market for the most part from May to October and stays cash. The manager of this fund plays the statistical side of the market season, and patterns of volatility. The markets are down 2-3% today, and this ETF is up 0.60% today, almost a perfect hedge to most portfolios. I will be contacting many of you to add this alternative investment to your portfolios, as I think we will see increased volatility in the markets through the summer. With the combination of trying to work through the BREXIT, as well as the US president election process we could be in for an interesting summer. Fingers crossed for an overdose of Vitamin D. If you would like to see if this strategy would fit in your portfolio send me a quick email.

Other opportunities I see in the market place are: Utilities, Telecom, REITs, and Consumer Staples. If you would like my top ideas in these areas please send me a quick email and I will send you back my thoughts. You can click [HERE](#) to do so.

When it comes down to it, we as a human race adapt and overcome, we aren’t in a horse and buggy anymore, we have cars that drive themselves. Many of you know I am a Rotarian, and Rotary International has made drive with our partners to eradicate polio, we are 99.9% there.

We will get through this Brexit and the US Vote, and come out better off in the long run!

Have an excellent week,  
Cameron

**Cameron Wilson, FCSI, CIM, CPCA, PFP, CIWM**  
**Investment and Wealth Advisor & Financial Planner | Wilson Wealth Management Group**  
**RBC Wealth Management | RBC Dominion Securities**

T: 604-870-7109 | M: 604-217-5621 | TF: 800-563-1128 | [www.CameronWilson.ca](http://www.CameronWilson.ca)

[Leighan McParland, Associate | Office: 604-870-7248 | \[Leighan.McParland@rbc.com\]\(mailto:Leighan.McParland@rbc.com\)](#)

[Privacy & Security](#) | [Legal](#) | [Accessibility](#) | [Member-Canadian Investor Protection Fund](#)

RBC Dominion Securities Inc.\* and Royal Bank of Canada are separate corporate entities which are affiliated. \*Member-Canadian Investor Protection Fund. RBC Dominion Securities Inc. is a member company of RBC Wealth Management, a business segment of Royal Bank of Canada. ®Registered trademarks of Royal Bank of Canada. Used under licence. © RBC Dominion Securities Inc. 2016. All rights reserved.