

Market Update: February 27th, 2105. RSP Deadline, Stock Market Sizes 1899/2014. Greece Again! OIL! Pensions.
Investing for Income

Hello clients and friends,

I wanted to thank the four new families that have become clients this month; I look forward to a long term relationship with them.

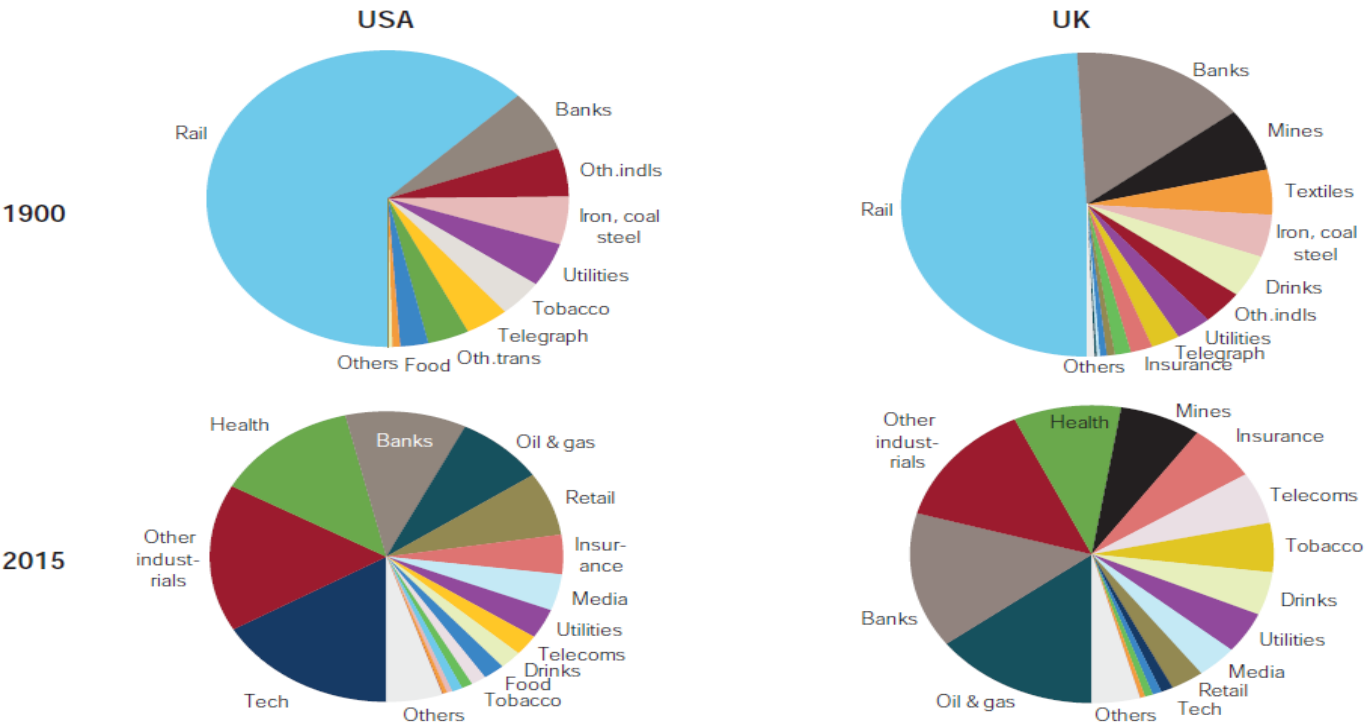
RSP Deadline: March 2nd. For those who have their banking at RBC you can make a RSP contribution online in real-time, call Christine @ 604-870-7148 and she can talk you through the process. Those who are wishing to drop off a cheque please give me a call directly @ 604-217-5621, or make sure your cheque is dropped off by noon on the 2nd. Please call us if there is anything we can do.

Investing for Income & Market Update Seminar – I'll be hosting an advice event on Thursday March 26th in Abbotsford in our Boardroom. Times will be 9-10:30am(light breakfast served), 1-2:30PM(light lunch served), 7-8:30PM(snacks served). I will have a guest speaker who will highlight income strategies that will save tax on your investments. We'll discuss how to hold investments tax efficiently. How to turn your savings in to an income stream for life, from your different investment accounts. Also, the top 10 mistakes investors make heading into retirement. **Please RSVP.**

Stock Market Makeup - Two interesting charts I found this week compare the size of the global stock markets in 1899 to 2014, and the leading industries in the UK and US, courtesy of Credit Suisse. First, the US was once a small slice of the global markets, and now is the dominant player, mainly because of the market capture of the US companies. Where do we go from here? I believe that some US companies will continue to outperform, but having a global portfolio is key to long term growth. One needs to realize that some of the current largest companies will not always stay that way, as we can see railways were once the largest industry, now there is more of a mosaic to the industrial split. I will continue to position portfolios to stay dynamic and capitalize on opportunities, there will be times to buy certain companies and time to sell others. It is highly unlikely that we will be buying at the bottom and selling at the top, but the key to long term growth is to mitigate the risk in the portfolio by protecting the downside risk. <http://goo.gl/TFFjSX>

Industry weightings in the USA and UK, 1900 compared with 2015

Source: Elroy Dimson, Paul Marsh and Mike Staunton, Triumph of the Optimists (for 1900: UK based on Top 100 companies, US on total market) and FTSE All World Indices (for 2015)



Relative sizes of world stock markets, end-1899

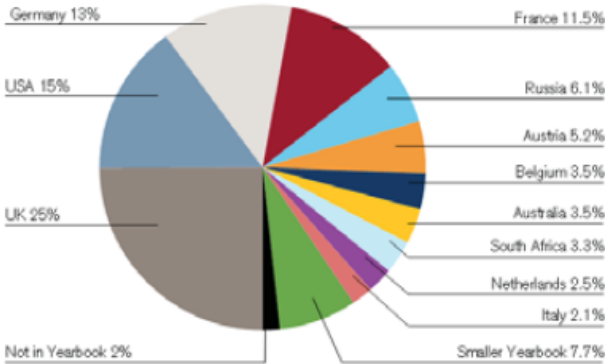
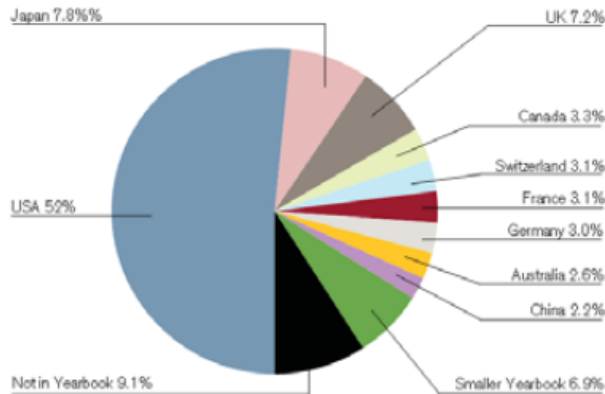


Figure 2
Relative sizes of world stock markets, end-2014



Floating Oil - Another interesting fact/chart I came across this week is called the floating oil. What is floating oil? It's the amount of oil off shore on tankers floating in the sea. As you can see from the following chart, floating oil inventories are starting to rise. <http://goo.gl/47uHhn> <http://goo.gl/vO78NZ>

Pensions - I was talking with a colleague this week about people who leave their job either by choice or force and what the best option is to do with their pensions. If you leave an employer and you have a pension usually you are given a couple options: 1 – leave the pension as is and 2 – take the Commuted Value(CV). Since pensions are based on expected returns on your capital, and with interest rates at all-time lows. I believe you are better off to take the CV rather than leave the pension. If you leave the pension and something happens to you, your beneficiaries may only receive a portion of your pension if you were to pass away. Secondly, because pensions are expected in theory to last forever they are invested in very long term bonds, i.e. 50 yr bonds paying 3%. But, why have your money invested in a 50 yr bond at 3% when you can get a 5yr preferred share at 5%? Thirdly, if you take the CV, you have full control and access to the investment mix and it will also leave a legacy for your family. However, everyone's circumstances are different, and you should consult an advisor to work out the CV or the pension benefits if you are planning on kicking tires on the job front. Please don't hesitate to reach out to me if you do have questions.

Greece - If Greece wasn't in the news, is it really a true news week? They have a 4 month extension, with conditions mainly imposed by the Germans. If you are going to borrow my money, you're going to play by my rules, seems logical, but it seems Greece doesn't seem to think so; the tide could be turning as they are seeing the impact of not playing by the rules can make life very difficult. <http://goo.gl/HC8PUF>

One last one on Apple Earnings

Ten numbers that put Apple's record quarter into perspective - The Globe and Mail

<http://goo.gl/kDYT5i>

Have an excellent weekend!

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Please note that we cannot accept trading instructions by email for regulatory reasons. Please call us to discuss any transactions in your account.

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We accept new clients primarily by referral from our existing clients. We would be pleased to speak with anyone you know who would like a second opinion on their investments.