

Market Update: December 24th. OIL: Crisis & Opportunity, World facts by the numbers. Investment themes, my crystal ball for 2015!

Dear clients and friends,

As the year comes to a close this may be my last market update until the New Year.

### **Link of the week:**

I wanted to share an interesting site I came across this week. <http://www.worldometers.info/>

This site drives some of my fundamental investment ideas for the long term; take a look at some of the numbers below and my investment themes accordingly.

200,000+ = Net population growth per day. Many of you have heard me say in our meetings that there are 200,000 more people on earth every day. Our basic needs are food, water, and shelter. We all need food to survive, basically plants and meat. How do we grow crops quicker? We use fertilizer. What is fertilizer based from? Oil & Gas. How do we grow animals stronger and faster? Farmers use selective breeding practices, and also medication only when necessary. Like us humans, we aren't going to take medication and antibiotics unless we really have to, same goes for our agriculture as well. **\*Contact me for my top picks and investment themes to maximize gains in this space\***

Other interesting numbers:

Public healthcare spending TODAY: almost \$10 BILLION dollars. With more people on earth and the aging population there are some great opportunities here for investment. **\*Contact me for my top picks and investment themes to maximize gains in this space\***

### **FEEL GOOD STAT:**

People with no access to a safe drinking water source.....always decreases.

A couple books I plan to read over the Christmas time are:

Brooke Thackray – 2014

Cullen Roche – Pragmatic Capitalism

Gary Antonacci – Dual Momentum Investing

A couple of my favorites from the past are:

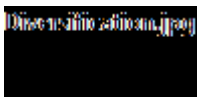
All Michael Lewis books, he is one of my favorite authors.

Flash Boys – he tells about the High Frequency trading firms, and how a RBC trader from New York exposed it.

The Big Short – tells how some very smart players made amazing returns during the housing crash in the US, explains it very well.

Money Ball - **\*also a movie with Brad Pitt\*** - how the Oakland A's base hit strategy works. Interestingly enough base hits also work the best in investing, rather than swinging for the fences.

Carl Richards – The Behavior Gap.



Many of you have seen the sketches in my office over the years that explain different market conditions. I have attached one of my favorite sketches to this email about diversification. I was out with an accountant for lunch today and he was recently talking about a DIY(Do it yourself) client of his who sold out his whole portfolio the other day. I took a stab at what the client had in his portfolio and it was basically 4 Canadian energy companies, 4 Canadian banks, 3 mining companies, and 1 REIT. Unfortunately that is not diversification in my eyes, when 100% of the portfolio is Canadian companies, who are vastly exposed to commodities. He was missing out on the 15% return in the US and many of the other double digit gains in the other areas of the market place, technology, healthcare, consumer goods, telecom and others. The client was an active viewer of BNN in Canada, and from my experience of watching BNN, 90% of the talk is Banks, Oil & Gas, and minerals. Yet Canada is only 3% of the market in the world. I'm not suggesting that over

diversification is also a good thing, but 20-40 diversified companies that deal with different sectors of the market are key in my opinion to financial success.

### **My Crystal Ball for 2015**

Mine is still a little cloudy just like everyone else's. At this time of year we start to see predictions for 2015 from everywhere, my own firm included. The fact of the matter is no one knows where things are going exactly. It's like asking what's the weather going to be like next Sunday, and how much rain or sun will we get in that time frame. We can make an estimate but that's all it really is, an estimate. Fundamentally I still think we are entering a secular bull market with the potential for 16 years plus of double digit gains. I believe that not many of these gains will come from domestically focused companies; we need to look to other areas of the world. **\*See world'o'meters above\*** My opinion will change throughout the year, it may change next month or even in the next 2 weeks, that's the beautiful thing about the markets, world economies, and geopolitical tension. There is always change coming and going. The only thing constant is change.

See our global report: Higher to Climb attached. Page 5 and 6 are of particular interest.



Higher to  
Climb.pdf



Our Global  
Opportunity.pdf

To all my clients, new and old. Thank you for your trust and support over the last year, and looking forward to a profitable 2015 together.

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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.***