



The Krygier Report

An exclusive newsletter from Mark J. Krygier, Senior Portfolio Manager | February 2023

www.krygierwealthmanagement.ca

Mark J. Krygier
Senior Portfolio Manager
& Wealth Advisor
416-733-5750
mark.krygier@rbc.com

Avital Pearlston
Associate Wealth Advisor
416-733-5751
avital.pearlston@rbc.com

Irene Hama
Associate
416-733-5752
irene.hama@rbc.com

Jacky Mai
Associate
416-733-5749
jacky.mai@rbc.com

It's time to be strategic!

For over ten years I have been enrolled in a business coaching workshop called, “Strategic Coach”. The program, run by master thinker Dan Sullivan, is intended for entrepreneurs to help direct them how to both efficiently expand and manage their businesses while at the same time allowing them to get more enjoyment in their lives. At a time when the world seems to have so many uncertainties – the continued threat of war, the reemergence of inflation as a real threat to the lifestyles to which we have become so accustomed, the reversal of globalization in the aftermath of Covid, etc. – I believe that the principles taught in the Strategic Coach (“Coach”) program can be of real benefit to so many others, so I wanted to share a few of them in this month’s newsletter.

The “R-Factor” question: One of the initial challenges in any relationship is to try and understand what it is that you are trying to accomplish when entering into any relationship, whether it be on a personal or business level. Coach has a unique way of looking at this initial challenge. When you look at starting something new, or even when you are assessing whether you ought to continue with an ongoing concern, ask yourself the following question: if we were to be sitting together in three years from now and you are looking back to today, what has to have happened during those three years in order for you to be happy with that relationship or situation? For instance, you begin a new job. In three years from now, what has to have happened during those three years in order for that job to have been judged to be satisfying? Is it simply making sufficient money? Is it developing a certain number of skills? Is it building the relationships and connections you developed in that time? Coach suggests that if you can’t even envision what it is that could make you happy, then the new relationship is a nonstarter and don’t waste your time entering into it. However, if you can start imagining what it is that would make that relationship or situation a success, you can already start setting the process in motion. It’s a simple yet very powerful question.

What is your “D.O.S.”? Another great principle of Coach is to develop an approach to self-analyze your situation, as if you don’t know where you currently stand it is rather difficult to plan for the future. In assessing, for instance, your current financial situation, you can ask yourself the following set of questions: What are the **D**angers to your current situation? What **O**pportunities do you have to grow or expand your situation? Finally, what **S**trengths do you currently have which will help you either overcome the dangers to your current circumstances or allow you to take advantage of your current opportunities? Let’s say that your family’s wealth is based on real estate holdings. Dangers might include being overleveraged in an era of increasing interest rates, or even just a general downturn in the economy leading to lower demand for housing. Opportunities might include the ability to get better deals on purchasing real estate should the market turn down due to lower demand. Strengths might include one’s experience during previous downturns in the economy or one’s low level of leverage due to having paid down debt during “good times.” The “D.O.S.” framework can help you quickly assess where you stand and which areas are worthy of your real concern or attention.

What is your “Unique Ability?” Mr. Sullivan suggests that most traditional educational systems start on the wrong premise. That premise is that you should assess your strengths and weaknesses and work on your weaknesses to become a better person. Coach turns that premise on its head and suggests that doing so only creates a person with stronger weaknesses. Instead, Coach suggests you should “play to your strengths” by first assessing what is your own unique ability – those things which you are really good at and which energize you in your everyday dealings. The next step is to spend the majority of your time focusing on your unique abilities and delegating the other “stuff” to other people, for whom those “other” things are in fact their own unique ability. For instance, if you are an amazing baker, but are terrible managing finances or marketing, hire people who are really good at managing finances and marketing and spend most of your time baking. The combination of creating such a “unique ability” team, in which each individual spends the majority of their time doing things they enjoy and which they are really competent, is much more powerful than trying to waste your time doing things which you are either not good at doing or even if you are good at doing which do not get your “mental juices” flowing.

Avoid the “Gap”! In life, whether personal or business, it is crucial to develop and maintain a positive outlook. Being positive gives you the energy to face the challenges that are sure to come your way. With all of the negative headlines of war, epidemics, recessions, terrorism, etc., in addition to whatever personal challenges you might face on a daily basis, how is it possible to maintain a positive outlook? Coach suggests that a negative attitude develops when you evaluate your performance in any area of life against your targeted goal and not reaching that goal, thereby you fall into the “gap”. For instance, if your goal is to lose 25 pounds over 6 months, and 6 months later you have only lost 10 pounds, it is so easy to feel depressed. What if instead of focusing on the 15 pounds you didn’t lose, you focus instead on the 10 pounds you did lose? How much more optimistic would you now be that you could continue on your way to your ideal look! In fact, Coach takes it one step further and suggests that our “targets” or “goals” are really just artificial numbers which are unachievable. The reason is that our goals keep changing as we keep improving – like the imaginative “horizon” which we can’t ever reach, no matter how long we are driving. Therefore, to avoid falling into the “gap”, assess your performance retroactively to see how far you have come, and take satisfaction in achieving each of the small steps you have accomplished along the way.

Bottom line

In life it is easy to focus on the negative and to beat yourself up about what “could have” or “should have” happened. Take the time and effort to focus on the positives, your own personal strengths, what you have already accomplished in life, and develop a mindset which allows you to build a better future for yourself. This is true in life and it is true in investing.

Global benchmarks

As at January 31, 2023 (Canadian \$ Returns – except where noted)

Asset class	YTD	1 year	3 years	Asset class	YTD	1 year	3 years
S&P/TSX Composite T/R (Canada)	7.4%	1.6%	9.5%	30-year U.S. T-Bond - US\$	6.4%	-24.5%	-8.9%
S&P 500 TR - US\$	6.3%	-8.2%	9.9%	10-year U.S. T-Bond - US\$	3.4%	-11.7%	-4.2%
NASDAQ Composite - US\$	10.7%	-18.6%	8.2%	Long GOC Bond (2053)	7.2%	-16.1%	-9.2%
MSCI Europe Index Price Return	6.7%	-1.4%	2.8%	10-year GOC Bond	3.6%	-6.7%	-2.7%
MSCI Emerging Markets	5.9%	-10.6%	-0.8%	5-year GOC Bond	1.9%	-3.5%	-0.9%
China S.E Shanghai A Price Return	5.7%	-4.5%	4.0%	3-month CDN T-bill	0.3%	1.7%	0.8%
MSCI World Index Price Return	5.1%	-4.7%	6.1%	US\$/CDN\$ (1.3305)	-1.8%	4.7%	0.2%

Source: RBC Capital Markets Quantitative Research

For past copies of *The Krygier Report* visit www.krygierwealthmanagement.ca.



Wealth Management
Dominion Securities

This information is not investment advice and should be used only in conjunction with a discussion with your RBC Dominion Securities Inc. Investment Advisor. This will ensure that your own circumstances have been considered properly and that action is taken on the latest available information. The strategies and advice in this report are provided for general guidance. Readers should consult their own Investment Advisor when planning to implement a strategy. Interest rates, market conditions, special offers, tax rulings, and other investment factors are subject to change. The information contained herein has been obtained from sources believed to be reliable at the time obtained but neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers can guarantee its accuracy or completeness. This report is not and under no circumstances is to be construed as an offer to sell or the solicitation of an offer to buy any securities. This report is furnished on the basis and understanding that neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers is to be under any responsibility or liability whatsoever in respect thereof. The inventories of RBC Dominion Securities Inc. may from time to time include securities mentioned herein. 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. ® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © 2022 RBC Dominion Securities Inc. All rights reserved.