Wealth Management
Dominion Securities

RBC Dominion Securities Inc.

The Krygier Report

An exclusive newsletter from Mark J. Krygier, Senior Portfolio Manager | May 2023 www.krygierwealthmanagement.ca

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

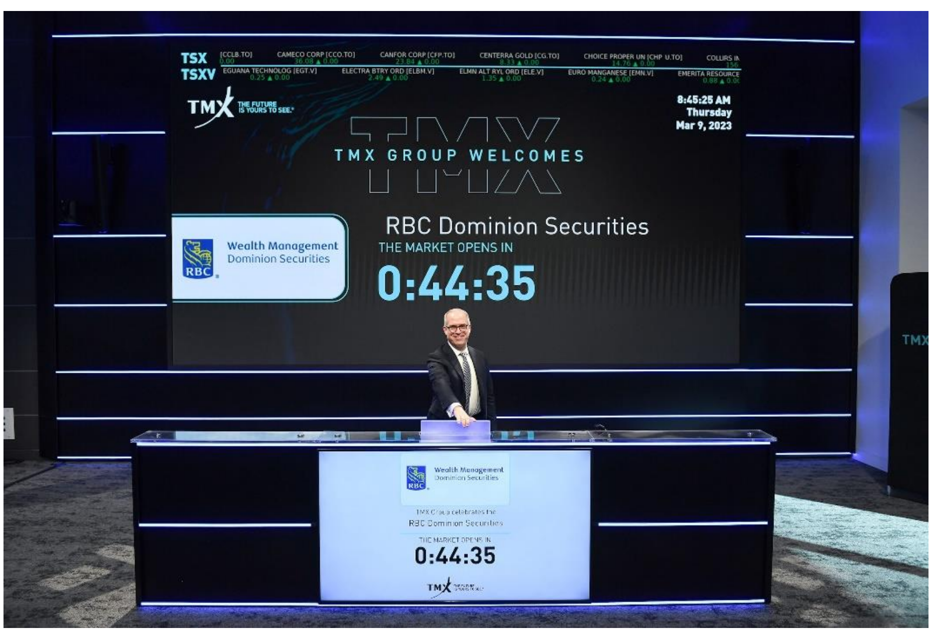
Avital Pearlston
Associate Wealth Advisor
416-733-5751
avital.pearlston@rbc.com

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

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

Ringing the bell – lessons learned!

In early March of this year, I had the unique opportunity to join a group of advisors from *RBC Dominion Securities* who were selected to "Ring the Bell" for the *Toronto Stock Exchange* daily market opening. Over the years I have seen video clips of market openings – mostly from the *New York Stock Exchange* – and while not particularly significant, it was fun. Aside from the group photo of us "Ringing the Bell" (or "Pushing the bar" in the modern era), we each had our own individual photos taken prior to the market opening, for personal memento purposes I suppose (see below). While you can't see them in the picture, I tried to play the part by wearing my "bull & bear" cufflinks for the photo shoot… (when you are in Rome…). Following the ceremonial aspect to the event, and the various photo opp's, we sat down for a morning of presentations from CEOs and CFOs of six of Canada's largest public companies. I enjoyed this part very much, as five of the six companies are current holdings in the *Krygier Wealth Management* managed portfolios. Having invested in several of these companies for many years, I knew the "story" behind each of them, but there is something to be said about hearing that story being told directly by the people who manage the company on a day-to-day basis.



The corporate presenters included the CEOs of *Intact Financial Corporation* and *Element Fleet Management Corporation,* the CFOs of *Telus Corporation*, *Colliers International Group Inc.* and *Constellation Software Inc.*, and the VP of Investor Relations from *CN Rail Company*. Each one separately presented their company's "story", and, in doing so, tried to provide some insight as to the direction management believed the company was heading. They each discussed the challenges facing their industry, or their company, and how their management team intended to meet those challenges. For instance, the CEO of *Intact Financial*, Mr. Louis Gagnon, discussed the goal of reaching $20 billion in annual premiums, while facing the triple headwinds of inflation, severe weather and cost increases. There was a brief Q&A session at the end of each presentation.

What I enjoyed most about these presentations, aside from being able to assess if the people on stage were the sort of people one felt confident to lead the companies in which we invest, was not the actual material presented, but the reminder that each of the companies in which we are investing, for ourselves and on behalf of our clients, are real companies with solid business models. While this should not be a revelation of any kind, it is certainly in great contrast to the media's portrayal of investing consisting merely of a series of numbers to which so many have become addicted. When one focuses primarily on the smorgasbord of numbers provided by the local business media, one can easily begin to forget that buying stocks actually means partnering in some small way with companies which are real businesses that need to be profitable, that need to have a plan for growing their earnings, that face the demands of employees seeking higher wages, and customers that seek lower priced goods or more timely services, while meeting the challenges of supply chain disruptions and increases in the cost of materials that they need to maintain their business model. Whether company "A" is the "top performer today because it is up 5%, or whether company "B" is the "worst performer" because it is down 8%, tells you nothing about the fundamentals of the company and its long-term prospects. Buying and selling based on just price changes isn't investing and is more akin to playing numbers on the lottery ("got to be in it to win…") or rolling the dice at the local casino hoping for the jackpot.

Bottom line

Successful investing starts with a recognition that one is partnering with a business that needs to grow in value if our investment is to grow in value. While media hype over the latest "market moves" is exciting (or terrifying) at times, it does not provide a sound basis for long-term investing. Improve your investing success by focusing on the quality of the people running a company and the company's prospects for success, rather than on which company's stock was up or down for the day or which company's Super Bowl ad was more eye-catching!

Global benchmarks

As of April 30, 2023 (Canadian $ Returns – except where noted)

Asset class	YTD	1 year	3 years
S&P/TSX Composite T/R (Canada)	7.6%	2.7%	15.2%
S&P 500 TR - **US$**	9.2%	2.7%	14.5%
NASDAQ Composite - **US$**	16.8%	-0.9%	11.2%
MSCI Europe Index Price Return	13.9%	15.0%	10.6%
MSCI Emerging Markets	2.2%	-4.3%	0.9%
China S.E Shanghai A Price Return	7.4%	9.9%	4.9%
MSCI World Index Price Return	9.0%	6.9%	10.3%

Asset class	YTD	1 year	3 years
30-year U.S. T-Bond - **US$**	6.4%	-9.3%	-13.9%
10-year U.S. T-Bond - **US$**	5.0%	-1.0%	-6.3%
Long GOC Bond (2053)	8.9%	-0.2%	-10.9%
10-year GOC Bond	5.0%	3.4%	-4.5%
5-year GOC Bond	2.9%	1.9%	-2.1%
3-month CDN T-bill	1.4%	2.9%	1.0%
US$/CDN$ (1.3550)	0.0%	5.4%	-0.9%

Source: RBC Capital Markets Quantitative Research

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

Wealth Management
Dominion Securities