

"Patience is not passive, on the contrary, it is concentrated strength."

Bruce Lee

Good morning,

I trust the weekend was an eventful one.

I had a wonderful opportunity to meet with several business owners last week, which is always illuminating, learning about entrepreneurial journeys, as no two are alike.

At Henderson Family Wealth, we work closely with enterprising families and business owners, and we often parallel being an entrepreneur to that of being a lighthouse keeper.

You often feel as though you are on an island. Unaccompanied. It's just you and the sea.

And the sea is your opportunity....deep, wide and abundant.

Sometimes calm, but often the seas are turbulent and stormy.

The lighthouse is your vision. Your focus is to keep it shining. Even when there's no ship in sight.

Particularly when there's no ship in sight.

It can be a lonely, but it's your responsibility. It's important to remember, every beam of your light can be a beacon to guide those around you. That's worth the silence.

Climb your stairs, time to light the lamp

"You have power over your mind — not outside events. Realize this, and you will find strength."

Marcus Aurelius, Meditations

Roman emperor Marcus Aurelius as a philosopher with a true belief that we should always be focusing our time and our energy on what we are able to control and be active in our efforts and active in our patience. [Active patience](#) refers to the practice of being patient in a proactive way. This can involve taking action to improve a situation, rather than simply waiting for things to change. It can also mean actively working to maintain a positive attitude and calm mindset, even when faced with challenges or setbacks. In essence, active patience is about taking control of one's emotional response to difficult situations, rather than simply reacting to them.

Being patient just for the sake of patience doesn't equal to achieving what you want in life. Instead practicing the active patience means that you are moving fast on the day to day activities but you are enjoying the present so much that you don't get anxious about the future. You are confident that good things are coming and your patient comes from knowing that.

Active patience is present in the fisherman who fully prepares himself before throwing the bait then, once he puts the bait on the water he actually enjoys the process of being there. That is way he is patient.

Move fast, work hard and enjoy the moment. Be patient about the future because you are too happy on the present.

"Highly focused people do not leave their options open. They select their priorities and are comfortable ignoring the rest. If you commit to nothing, you'll be distracted by everything."

James Clear

And now, to the Markets

It's hard to believe, but the first half of the year has come to a close. While it's been eventful, one could argue it's been relatively dull compared to the year ago period. Interest rates are still rising, but less aggressively than last year. The rate of inflation is decelerating, rather than accelerating. And, economies have proved resilient, still largely growing despite what many had predicted at this time last year. Global stocks and bonds are higher year-to-date, despite the near universal concerns around the interest rate backdrop. In some cases, the returns have been modest with global bonds and Canadian equities up a few percentage points for example. In other cases, like international equities, the gains are larger. The U.S. equity market has looked strong. Yet, beneath the surface, its gains have been less compelling as the technology sector has had an outsized impact, and in particular a handful of the largest household names. In some ways it hasn't been surprising as some of these stocks were responsible for driving much of the U.S. stock market decline last year. Regardless, it's undoubtedly been a more pleasant investing experience for investors thus far in 2023.

It's our view that the substantial amount of rate hikes of the past year will eventually wear on consumers and businesses. With this in mind, we have made adjustments to portfolios and our positioning over the past year that leave us feeling comfortable with our ability to maintain our active and opportunistic approach that works extremely well in these environments. There have been refinements we have made re-evaluating the quality of our portfolio holdings, the dividend yields and growth, and sector exposure for example. The biggest adjustments have been in fixed income where bonds have re-emerged as a more useful tool in helping our clients and their portfolios. The level of income that can be generated from bonds today is substantially more attractive than it's been in years, with yields that are hundreds of basis points, or a few percent, higher. Moreover, while inflation does remain a risk, it's the first time in a long time that bonds can offer renewed diversification and protection in the event the economic backdrop worsens. We are active, diversified and opportunistic and excited for the next half of the year.

"Curiosity is the beginning of knowledge. Action is the beginning of change."

James Clear

I was reading some content on the weekend from Author of Atomic Habits, James Clear, who shares Aurelius' thinking, ensuring we are employing active patience, focusing on what you can control, and playing a game worth winning. A few highlights I thought I'd share as we cruise into the week....

- Think about what you want today, and you'll *spend* your time. Think about what you want in 5 years and you'll *invest* your time.

- Someone else living a good life does not prevent you from living a good life. There are many ways to win and plenty of space."
- You don't need to catch every break if you're willing to keep trying. Every winner has an archive of losses, but each attempt creates the chance for a victory.

Let's be patient, but not passive.

"The best way to change the world is in concentric circles: start with yourself and work your way out from there."

James Clear

Enjoy the week and enjoy the moments

Derek