



Wealth Management
Dominion Securities

Newsletter Spring 2022

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A word from Karim



I can't believe it is Spring 2022 already, and the days are getting longer and warmer. This is a great time of year and, the good news is, we may soon be coming out of this health crisis we have been in for the last two years.

It's amazing to think that it has been two years since we started working offsite for what I initially thought was only going to be a few weeks, or a month or two, at most. Fortunately, we are starting to come back to the office, and will hopefully be back full-time soon. The big assumption here is that we don't go backwards. I hope we have not declared victory

against this virus and removed all restrictions too soon. Only time will tell. I hope not, as I know we are all ready to put this chapter of our lives behind us, and watch the kids have a nice summer. However, I think being careful is prudent. Now I am starting to sound like a doctor!

As for the two tall humans in our house, Aqil is graduating this year and in the process of deciding where he wants to go do his master's degree. Kiyaan is finishing his first year at Ryerson in Sociology. As a proud dad, I am thrilled to say they are both doing well in school and may be better

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students than I was at their age. Yes, the pandemic has been difficult on them in many ways, but we are blessed that even though they missed friends and sports, they did very well academically. Unlike many students, Kiyaan actually liked his virtual classes. It allowed him to sleep more. The only thing Kiyaan likes more than sleep is desserts (something he shares with his dad).

Kiyaan is going to summer school so he can take the fall semester off. Why, you may ask? So his dad can take him to Qatar to watch Canada and his favourite player (Messi) at the World Cup in November. Dad sort of promised him that if he got good marks in his first year, Dad would take him to the World Cup. Truth be told, Dad actually wanted to go himself, so it should work out well – Kiyaan got great marks so Dad and Kiyaan get to go to the World Cup. Win-win situation.

As for our office team, everyone is safe and doing well. We are now starting to work in the office together a few days a week, which is nice. It's better than only seeing each other on Zoom or WebEx. It's been a hectic time for the team as it is tax season, one of the busiest times of the year.

A few items to discuss on the business side:

Webinars (i.e. online seminars)

We have started to host some great virtual seminars that I think many of you will find informative. We are also recording them and posting them on our website www.KarimVisram.com. If you miss any sessions, you can watch them on our website. I welcome any suggestions you may have for future webinar topics.

RRSP/TFSA/RESP Contributions

If you have not made your 2022 Registered Retirement Savings Plan (RRSP), Tax-Free Savings Account (TFSA) or Registered

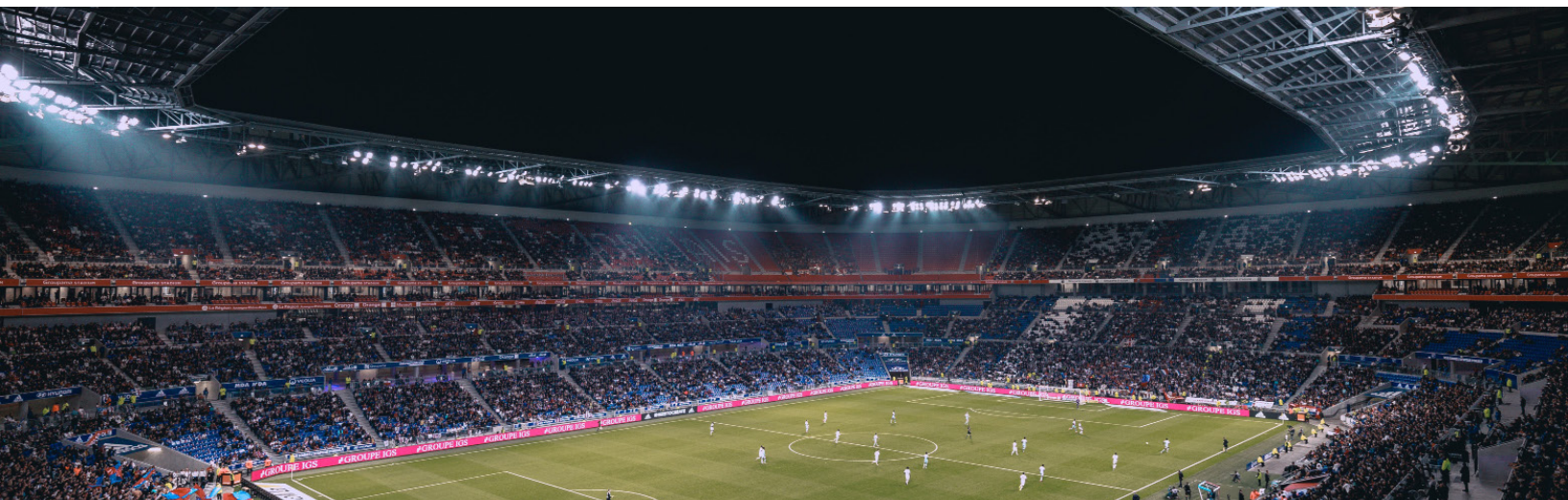
Education Savings Plan (RESP) contributions, please call us and make that contribution now. Don't wait till end of the year. See my video on this topic on our website.

Tax-Free First Home Savings Account (TFFHSA)

This is great news for future first-time homebuyers. The recent federal budget is allowing individuals who are looking at buying their first home to set up this tax-free investment (I will call it "investment") account to help with the down payment. If you, your kids or your grand kids, are looking at buying a first house sometime in the future, please call me to discuss this option further.

Thank you and stay safe,

Karim



The bigger picture

All things being equal, a decline in markets today increases their future long-term return potential. To help illustrate this, we looked at the worst 15 quarters for U.S. equities over the past 20 years. Some of you will have lived through a few of these periods and quite likely still remember the sting. Something you may have lost sight of, however, is how the market performed in periods following these quarters. Interestingly enough, despite entering correction territory earlier in the quarter, Q1 2022

finished 12th-worst out of 15 (-4.6%). So what can we learn from this historical data?

Here are some key findings:

1. There are very few periods where returns remained negative after one and three years. A majority of the time, investors saw double-digit gains one year on.
2. The average quarterly drawdown over this dataset is -11.1%, however, the average performance one year afterwards is 17.1%.
3. This table demonstrates the markets' ability to add value



over the long term, despite short-term shocks, which are relatively common.

If you lived through these periods what you remember most, you are likely to recall the red moments. You may have forgotten or failed to consider the broader picture that the green cells depict.

Largest quarterly pullbacks in the past 20 years	Performance	Subsequent returns (cumulative)		
		1 year	3 years	5 years
Q4 2008	-21.9%	26.5%	48.6%	128.2%
Q1 2020	-19.6%	56.4%	?	?
Q3 2002	-17.3%	24.4%	59.0%	105.1%
Q3 2011	-13.9%	30.2%	86.1%	113.4%
Q4 2018	-13.5%	31.5%	100.4%	?
Q2 2002	-13.4%	0.3%	27.0%	66.3%
Q2 2010	-11.4%	30.7%	66.2%	122.5%
Q1 2009	-11.0%	49.8%	88.0%	161.1%
Q1 2008	-9.4%	-38.1%	7.2%	32.6%
Q3 2008	-8.4%	-6.9%	3.7%	61.2%
Q3 2015	-6.4%	15.4%	61.4%	93.8%
Q1 2022	-4.6%	?	?	?
Q4 2007	-3.3%	-37.0%	-8.3%	8.6%
Q1 2003	-3.1%	35.1%	61.1%	71.0%
Q2 2012	-2.8%	20.6%	61.4%	97.9%

WHO SAID

Life is 10% what happens to you and 90% how you react to it.

- 1) Charles R Swindoll
- 2) Barrack Obama
- 3) Donald Trump
- 4) Albert Einstein

Source: Bloomberg, RBC GAM. Data as of March 31, 2002 to March 31, 2022. S&P 500 TR (USD), cumulative returns.

ANSWER – Charles R. Swindoll



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