

August 2020 Financial Planning Email Update

As the economy continues to heal from the sudden shut down caused by the COVID 19 pandemic, this is the month in 2020 when the news both from an economic standpoint and in the progress in defeating the coronavirus has been more positive than negative.

From an economic standpoint, first we are continuing to add jobs at a pace of 419,000 in the month of July which is lower the level of unemployment. Second, household debt levels in Canada which has been a concern for many years has declined this year. For example, Credit Card balances have shrunk from \$102.8 billion to \$89.6 billion and unsecured lines of credit balances have decreased as well from \$43.8 billion to \$41.4 billion. Consumer debt levels have also been reported to decline in the United States. Lower debt levels is an indication that consumers are acting more financially responsible. Third, company earnings reports in the last few weeks have been above expectation especially in the area of insurance with Manulife and Sun Life both reporting earnings approximately 30% above expectation levels. Although there are companies in many sectors which are struggling there are, perhaps surprisingly many companies which have remained profitable during this otherwise difficult time. Fourth, the significant government monetary policy worldwide has proven to provide liquidity and support for the economic recovery. And finally, investor sentiment has remained positive.

From a pandemic perspective healthcare has continued to improve as well with the development of anti-body treatments for COVID 19 for patients in serious condition.

Finally, several vaccines are being tested with favorable results coming from large pharmaceutical companies such as Pfizer and Johnson and Johnson. These companies suggest that once large human trials are completed and final approval is given that they would have the production capacity to produce over 1 billion vaccine units potentially by early to mid 2021. The governments of Canada and the United States have both signed contracts to be early recipients of the vaccine ensuring the earliest protection possible from COVID 19.

Although there is good reason to be optimistic COVID 19 continues to burn its way through sections of the USA and the world causing some states to delay or reverse reopening plans. As a result the risk is not that the economy will not recover just that it won't recover back to its full potential.

One of the most important philosophical ideas in investing is to maintain a long term perspective. When I first started investing in the early 1980's I was privy to the thoughts and long term forecasts of such brilliant investment minds such as Sir John Templeton. One of his strong arguments for an ever increasing value of companies and investments was noting the early trend of mergers and acquisitions which would steadily decrease the supply of high quality investments over time (therefore increasing the value of all remaining companies). As it turns out Sir John Templeton was correct and this trend continues today and into the future. There are fewer publicly listed companies today then there were in 1976. However, the average market capitalization for a publicly listed company today is over \$10 billion, up from less than \$700 million in 1976, adjusted for inflation. As always we as investors are rewarded by maintaining a long term perspective and remaining patient. As with every major calamity faced by

mankind, this pandemic will eventually be resolved. Or as my mom used to always say and I feel this is most fitting today “ This too shall pass”.

Amanda and I are both qualified CERTIFIED FINANCIAL PLANNER® professionals at your service to assist in all areas of comprehensive financial planning including financial goal discovery, cash flow/budget analysis, retirement income planning, tax savings, estate planning, insurance needs analysis, investment planning, education saving planning, special purpose or major purchase planning.

I wish to thank you for your continued confidence and for the opportunity to serve you in all aspects of Financial Planning. As always, I will continue to keep in touch with you but if you have any questions or concerns that you would like to discuss or review, please do not hesitate to email or call Amanda or I at 519-894-2661 or toll free 1-800-716-5538. Have a great day.

Respectfully Yours, Gary

Gary H. Attack, BBA,CFP®,RFP,RRC® | CERTIFIED FINANCIAL PLANNER® professional

HollisWealth® | HollisWealth® is a trade name of Investia Financial Services Inc.

203-1601 River Road East, Kitchener, Ontario N2A 3Y4 T 519-894-2661 or 1-800-716-5538 F 519-894-6656 gary.attack@holliswealth.com or gary@ghafinancial.com www.ghafinancial.com | www.holliswealth.com

PLEASE BE ADVISED THAT TRADING INSTRUCTIONS SHOULD NOT BE COMMUNICATED VIA E-MAIL, AND IF RECEIVED WILL NOT BE ACTED UPON.

Without the use of secure encryption, the Internet is not a secure medium and privacy cannot be ensured. Internet e-mail is vulnerable to interception and forging. HollisWealth cannot ensure the privacy and authenticity of any information, and will not accept any instructions, that you send to us over the Internet. HollisWealth will not be responsible for any damages you may incur if you communicate confidential information to us over the Internet or if we communicate such information to you at your request.

HollisWealth® is a trade name of Investia Financial Services Inc. and PPI Management Inc. Mutual Fund products provided by HollisWealth are provided through Investia Financial Services Inc. Insurance products provided by HollisWealth are provided through PPI Management Inc. Gary H. Attack Financial

Planning Inc. is an independent company unrelated to HollisWealth and Investia Financial Services Inc. Investia Financial Services Inc. companies have no liability for Gary H. Attack Financial Planning Inc.