

## July 2021 Financial Planning Email Update

It was nearly four years ago when Investia Financial Services Inc. bought HollisWealth from the Bank of Nova Scotia. Since then we have been utilizing HollisWealth as a trade name of Investia Financial services Inc. In the next few months we will no longer be using the HollisWealth trade name and the HollisWealth logo will be being replaced with the iA Investia logo. This is the extent of the change. There will be no change to any of your investment accounts what so ever. Investia Financial Services Inc. has grown significantly in the last four years and is now the largest independent mutual fund dealer in Canada with 56.6 billion in assets under administration.

In the past few weeks Amanda and I have had access to several portfolio managers from Dynamic Mutual Funds. Many great insights have been shared which I have summarized for you.

Myles Zyblock is the Chief Investment Strategist for Dynamic Mutual Funds who emphasized that growth in the Canadian and global economy is outpacing expectations and corporate earnings are currently beating expectations. It was noted that the Canadian dollar was on a tear being up over 20% since the lows of March 2020. This is a really big move for a currency and is reflective of increased pricing in commodities. As a result investors are attracted to the Canadian dollar. Currently Canada is in a trade surplus which is very unusual. Inflation was discussed as averaging below 2% in the past five years but having just recently shot up above 3%. In reflecting on what action can be taken to ease the inflation rate Myles suggested that all major central banks such as the Bank of Canada are currently engaged in quantitative easing which will need to be tapered off before any increase in interest rates can take place. Myles does not expect that interest rates will increase at all for at least another 6 to 9 months.

Noah Blackstein is a Vice President and Portfolio Manager at Dynamic Mutual Funds who stated that this has been a very strong year for growth stocks and that the portfolios of the mid 1990's are resurfacing. Noah advocates management style diversification such as value verses growth. Noah is maintaining a contrarian view sticking to his own portfolio management process and not paying attention to what he calls "short term noise" such as world events. Noah only invests in companies that have great value and long term growth potential.

Jennifer Stevenson is a Vice President and Portfolio Manager at Dynamic Mutual Funds who invests in renewable energy industries. As the world is electrifying especially with electric cars there is a great need to generate more power. China is a particularly large energy consumer and is currently motivated to attaining energy independence. Solar, wind and hydrogen fuel cells are being increasingly used and are all becoming cost competitive. From the universe of clean energy stocks, Jennifer is looking for quality companies involved with renewable power and have a proven business model, sustainable growth, scalable operations and can finance future growth. Her largest

investments are in renewable power utilities companies followed by solar power companies, hydrogen fuel cells, energy storage, and biofuels.

Oscar Belaiche is Senior Vice President and Portfolio Manager responsible for the highly recommended Dynamic Equity Income Fund. Oscar's portfolio management process focusses on what is called looking for quality investments at a reasonable price while also emphasizing protection of capital to the best possible. This process looks for investments with free cash flow and growth over time. This results in above average long term rates of return with relatively low volatility. Oscar refers to the generated equity income as "milk" and the income reinvested for growth over time as "milk+". The equity income investment process is what is called top down in that the search for investment opportunities looks at the best countries, currency, commodity, interest rates and sectors first before identifying individual investments. Oscar reflected on how we have achieved excellent investment return performance since the beginning of the pandemic. First we had the work at home phase followed by the reopening phase which is being coined the vaccine beneficiaries. Oscar commented on inflation which is hot now but does not feel it will be of concern as we still need to get the unemployed back to work.

David Fingold is Vice President and Portfolio Manager at Dynamic Mutual Funds who has a deliberately different approach to global and international investing. David is very bullish as he feels we are very early in a new business cycle. The National Bureau of Economic Research has not declared the recession is over yet therefore the business cycle will continue for many years to come. David looks at business inventory levels now which are very low and supplies are limited which is a very good positive business indicator. David feels that inflation is a positive problem in that prior to the pandemic we were concerned that we could have deflation or stagflation which would make growth very difficult. David invests in industries that have pricing power and can increase prices as needed. In summary, David feels inflation is an opportunity for growth. David has increased confidence in the future as infrastructure spending will increase, all return to work and we are in an early stage of recovery.

Overall, it has been indicated from the Dynamic Portfolio Managers that there is a tremendous opportunity to purchase high quality investments in this growing economy. Although the future is unknown and bad things can happen at any time, any negative fluctuations will be short term in nature and the investor who remains positive, stays invested and maintains a long-term view will be successful!

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 contact either Amanda or I by email or by calling us at 519-894-2661 or toll-free at 1-800-716-5538.

Have a great day!

Respectfully Yours,

*Gary*

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

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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](mailto:gary.attack@holliswealth.com) or [gary@ghafinancial.com](mailto:gary@ghafinancial.com)  
[www.ghafinancial.com](http://www.ghafinancial.com) | [www.holliswealth.com](http://www.holliswealth.com)

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