

## Issue #29 - "Investment Update"

### Interesting Links from Around the Web

Charitable : [JF - Golf Marathon for Cancer Research](#) : Integra  
 Investing : [Why Dow 44,000 is coming](#) : Yahoo! Finance  
 Life : [Your Lifestyle has been Designed](#) : FilmsForAction.org

*"A Rising Tide Lifts All Boats"* -John F. Kennedy

With both Canadian and US major stock markets reaching all-time highs this past month, it has been a very rewarding time to be an investor. In our May newsletter, we shared our concern that the stock markets were getting ahead of themselves and that perhaps we would be in for a moderate correction in the near term. This month's issue will provide some clarification as to our current target asset allocation and the performance of our top funds year-to-date.

*Market Outlook: Long-term optimism, short-term pessimism*

As we presented in "The Coming Correction", we feel that thanks in large part to low interest rates, the stock markets are a little ahead of where they should be and a moderate price correction would be healthy for the markets. That being said, we are still optimistic on the future of the global economy and believe that strong, dividend producing companies will continue to provide attractive rates of return for investors willing to accept the associated risks.

For this reason, we continue to be overweight on equities (stocks) in our target portfolio, particularly in large, multi-national companies with established competitive advantages: think Microsoft's high margin software that everyone knows how to use, as well as Coca-Cola with a distribution network capable of placing their products within a few kilometres of most humans.

### Individual Accounts

Fund Name	Category	Risk Level	Year-To-Date	2013	1-Month	3-Month	6-Month	3-Year	5-Year	10-Year	Inception
<a href="#">TD Monthly Income</a>	Cdn Balanced	Low-Medium	<b>7.78%</b>	8.94%	0.98%	3.65%	7.78%	8.15%	10.39%	7.77%	7.77%
<a href="#">CI Signature High Income/Diver. Yield</a>	Global Balanced	Low-Medium	<b>7.44%</b>	8.64%	0.79%	3.02%	7.44%	9.26%	12.93%	8.64%	8.64%
<a href="#">CI Global Leaders Balanced</a>	Global Balanced	Medium	<b>4.38%</b>	25.42%	-1.07%	-0.72%	4.38%	12.66%	9.92%	No data	No data
<a href="#">TD Global Low Volatility</a>	Global Balanced	Medium	<b>7.09%</b>	24.60%	-1.02%	2.95%	7.09%	No data	No data	No data	No data
<a href="#">CI Select Income Fund</a>	Cdn Bond	Low	<b>3.77%</b>	3.77%	-0.05%	0.75%	3.77%	5.31%	No data	No data	No data

### Group Plans

Fund Name	Category	Risk Level	Year-To-Date	2013	1-Month	3-Month	6-Month	3-Year	5-Year	10-Year	Inception
<a href="#">DynamicEdge Balanced</a>	Global Balanced	Low-Medium	<b>3.35%</b>	12.96%	0.46%	0.62%	3.35%	5.41%	8.31%	No data	7.77%
<a href="#">Mackenzie Symmetry Balanced</a>	Global Balanced	Low-Medium	<b>4.99%</b>	11.83%	0.99%	1.70%	4.99%	7.35%	8.20%	No data	8.64%

That being said, we want to provide a counter-weight (diversification) in the event that markets correct more harshly than we expect. Due to record-low interest rates, investing in fixed-income (bonds) is not particularly attractive at the moment as rising interest rates typically translate to losses on long-term bonds. With this in mind, we are holding cash and money-market securities for the first time in my career as a hedge against short-term price corrections on the market. The purpose of this position is to provide us safety if the markets drop while allowing us a rapid turnaround time to get back into the markets and 'buy-low' should the opportunity to pick-up quality positions at a discount present itself.

This continues to be in-line with our Tactical Asset Allocation strategy. Despite the addition of these cash positions, performance has been very strong in our overall portfolio with our Canadian holdings leading the way. Below, you will find the breakdown of our top mutual fund holdings and their respective Year-To-Date performance numbers.

*What this mean to you?*

With many retirement plans targeting an annual return of 4-6%, we are happy to report that we have already met or exceeded this target rate of return for the calendar year in many of our portfolios. We will continue to exercise caution in anticipation of a potential market correction by choosing mutual funds that are poised to profit from short-term price movements while minding your long-term return goals.

Should the opportunity to "Buy Low" present itself, your assistance in providing expedited authorization for trades will be greatly appreciated.

Have a great summer!