

QUARTERLY COMMENTARY

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Happy 2021 Folks!

I hope you are doing well considering 2021 is starting out just as strange as 2020. Sadly, we can't flick a switch and have rainbows and lollipops rain down just yet.

Last year I used music to "theme" my quarterly reports. I was thinking this year I would use movies, my first being Forrest Gump. This was reiterated when I came into the office to write this last Sunday. I wrote one line and just had no desire on a Sunday to continue on, or in simpler terms I had writers cramp. When I got home guess what my wife, Jackie, had on? Yup, Forrest Gump. I knew then this was the right choice. I actually got to watch the whole movie for the first time, as I had seen it in parts many times, but never in whole prior to then. This is the movie's 27th anniversary this year. It truly is a classic that you may want to revisit on a cold Covid night.

Here is what I started to write last Sunday:

"Mama always said life is like a box of chocolates. You never know what you're going to get". Now for the rest:

That truly sums up 2020 in the simplest form! I can say with much certainty that nobody could've predicted how many different flavours of chocolates were in the box last year and certainly that the best ones were saved for last. As we tested the Pot of Gold's out each month we were left in awe that something so awful sounding on paper was actually not as bad as we thought it may be from what "someone else" suggested it would be.

Takeaway:

Never take others advice or suggestions as gospel or let that coerce you into not using your own willingness to learn, evolve, and trusting your own intelligence. Simply stated, as I digested information for myself, I realized there were some very tasty treats to be had with the Federal Reserve pulling out all the stops and interest rates dropping substantially. The government came into cool things off as they were getting very hot and the chocolates were going to melt away. Remember what I have said many times over? Never fight the Fed. This was a textbook example of that. We would be in very different times if that intervention wasn't put in place. Thanks Jerome Powell and gang!

"My mama says that stupid is as stupid does":

There are so many people that do things because they believe they need to follow others because it must be the correct thing to do if so many are doing so. Many folks panicked last year. I did not, and never will with your money or my own. What I did do was buy assets from others willing to sell me theirs that were on sale. I just "Tidied" things up a bit. To this day I am

still baffled by the divergence in thinking of the stock market compared to the grocery store. If I go to Costco and Tide is on sale for 50% off, do I question why or buy more? In a matter of a few weeks many companies went on sale for massive discounts just like Tide sometimes does. Yet so many investors returned their Tide to the “store” in a panic and were given the discounted price for their Tide as they felt it was all of a sudden something, they did not want in their household anymore. Now they know that idea stunk, just like their clothes do without Tide.

Takeaway:

Emotional investing is the nemesis to so many investors. If you stick to your plan and listen to your gut (and advisory team), and not your emotions you will be able to find many good deals when everyone else is being irrational. For many of you this is not your first trip to Costco. Those of you that added money when others were returning their Tide were greatly rewarded. For those of you newer to this or that were gravely concerned and considered selling, please remember, the best time to buy Tide is when it is on sale, not when it is at full price. So many of us get that backwards and we want to stop adding when the going gets tough and the Tide is out (man I love my dad jokes). Never let your emotions guide your investment strategy! For those of you who called me, and I advised you into adding more, or at least off the fence, thank-you for listening. We did not have one household sell assets irrationally because the markets were dropping excessively!

“I don’t know if we each have a destiny, or if we’re all just floatin’ around accidental-like on a breeze. But I, I think maybe it’s both”:

My favourite quote of all. So much truth and reality in that, Forrest.

Takeaway:

While some folks believe there is luck in much of this business, I KNOW that is not the case. There is a method and a plan. Effective advisory teams follow a regimented process and educate their clients on how it is structured. We are not floatin’ in the breeze folks, even though that sounds really, really good right now. Please know that we are here doing so much more than just buying you the next hot stock. I can’t reiterate that enough. When you are looking at a monthly statement, happy or not, we are here allocating or rebalancing your assets comparatively to where you are on your investment path for upcoming years, not for upcoming weeks or months.

Sally Field was so great as his “mama”. *“You do your best now, Forrest”:*

Takeaway:

Housekeeping. I am doing my best on the portfolio side of things.

I made many strategic changes in your portfolio(s) in 2020, and have already moved two positions in 2021. Brookfield Property Partners and Aecon have been sold. Brookfield was offered to be taken out by its parent company the first business day of this year. How’s that for a crazy start to 2021? I did not wake up Monday expecting that, but seeing it was up over 16% on that news, it was time to move on. I have watchlists (and analysts) for just this reason, and thankfully being a Portfolio Manager I was able to execute a trade for all PIMG clients that morning which was split into Oneok and SmartCentres REIT. The Aecon sell was just done this Monday in the PIMG group to purchase Ballard Power. I have been watching Ballard for quite some time and finally decided to purchase it on our analyst upgrade to a strong buy the same day. So far, so good, as again I did not expect to wake up this morning to it up over 25% in the last two days. I guess sometimes there is a bit of luck involved!

We did a record amount of conversions last year to income mode from accumulation mode. Congratulations to those entering retirement this year! “To infinity...and beyond!”. Aw...shoot wrong movie. “Live long and prosper”. Oops, never mind...Enjoy folks, you’ve worked hard to get here, you earned it!

As always, thanks to all of you for trusting us with your box of chocolates. Regrettably, we didn't get as many meetings as I wanted last year. I am getting to be a ZOOM pro though, so please call either Amanda or Brenda to set up a meeting so I can talk to you live about any changes, concerns, or 2021 projections that I intentionally left out as predicting the future is like knowing what's in each one of those chocolates, and if you have a plan in place maybe you don't need to predict as much as prepare? Just saying.

And now I must, "Run, Forrest! Run!":

Cheers,
Steve

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