

Riding out Market Volatility

We have some very exciting news to share with you.

We are Proud to Announce...

On June 1st at the eighth annual Wealth Professional Awards more than 500 members of the Canadian Wealth Industry gathered red carpet and Oscar's ceremony style, to celebrate outstanding achievers in the financial services industry. One of which we are extremely proud to announce was Sonia LeRoy, winning *The Sun Life Global Investments Award for Advisor of the Year – Responsible Investments*. This award honours advisors who have demonstrated excellence over the last twelve months with socially responsible investments. We are extremely proud and very excited to continue to bring you the very best responsible investing content and advice. You can read more about Sonia's award [here](#).

Now, we would like to take some time to talk with you about some updates on current market changes and why you should and how to weather market volatility. If a child asked you what we mean by market volatility, we could tell them it's a lot like a roller-coaster. Because, market volatility refers a period when the price of an asset, like a stock or a bond, rises or falls in sudden, large, and unpredictable ways. Much of the time the major stock markets are calm; prices gain or lose less than 1% per day.



Sonia LeRoy	Adrian LeRoy
Sr. Wealth Advisor	Wealth Advisor
B.A. Hons (Econ)	B.A. Hons (Econ)
CFP®, RFP, RIS	RIS

1525 Carling Ave, Suite 504
Ottawa, ON K1Z 8R9

40 Eglinton Ave East, Suite 402
Toronto, ON M4P 3A2

Toll-Free: 1-800-700-3589
Fax: 1-866-559-2521

Email:
sonia.leroy@ipcsecurities.com
adrian.leroy@ipcsecurities.com
www.theleroygroup.com

However, at other times, prices can rise or fall dramatically.

Such as at present , according to IPC Chief Investment Officer Corrado Tiralongo.

“The next few quarters will be characterized by high inflation, slower growth, and tighter monetary policy. Inflation will fall sharply in the second half of the year, but the leap in commodity prices has meant that it will stay higher for longer than we previously thought. Our expectations for inflation imply that the dent in households’ and firms’ purchasing power - and hence spending - will be a headwind. Combined with Ukraine-related disruptions in Europe and a muted recovery from lockdowns in China, we are more pessimistic than previously about growth prospects in the world’s major economies. Even with a weaker growth outlook, most policymakers will conclude that the path of least regret is tackling inflation before it becomes entrenched by aggressively raising interest rates. The world economy should cope with this policy tightening, but there are some pockets of vulnerability and undoubtedly lots more volatility ahead.”

Read more on expected financial headwinds by Corrado Tiralongo [here](#).

While this might all sound a bit concerning or you may find these expectations discomfoting and not the feel-good comments that one would hope to be reassured with in these times, we think it is important to level-set expectations.

If you find yourself experiencing some finical anxiety apart from reviewing you're plan with your finical advisor there are some steps you can take to reframe you're thinking and alleviate anxiety. For example, it's helpful to reframe volatility as an opportunity, rather than a risk factor.

Because in fact, this is exactly the reality. Unlike stable assets like cash or guaranteed investment certificates, which are only stable in price because they cannot be sold prior to maturity, (\$50 today will still be \$50 next week), other assets (stocks, bonds, real estate, commodities, etc.) always will experience some price variability from time to time.

Imagine you need to buy a new dishwasher and the model you want just went on sale. Would you wait until the price goes back up or take advantage of the temporary price drop? Few of us would be upset about the price drop on a major appliance purchase. So, it can be helpful to look at short-term volatility as a long-awaited opportunity to buy something we want at a better price. As your advisors we are always cued into taking advantage of these opportunities on your behalf. As are professional investment managers of actively managed funds, which many of our clients own.

In this rollercoaster ride of a season, we see what some experts are calling for a bear market or even a recession. Whereas others point out that even with economic slowdown anticipated, or even recession, given stock markets are leading economic indicators, investment markets could soon be on the rise once more. It's times like these when we must bravely endure the twists and turns, for our own economic and mental health. As we've learned from previous periods of volatility, we will always come out the other side. As we know, all rollercoasters come to a climb fall and slow.

The wise course of action is to let your long-term financial plan and goals be your guide. Periods of temporary volatility can even serve to improve investment portfolios for long term, active investors. We can help you stay disciplined. We would be pleased to meet to review your strategy. The articles below give some excellent guidance and perspective on handling the emotions that may arise

during volatility and bear markets. We highly encourage you to read them and get in touch to talk about your strategy.

Keep an eye on your inbox in the near future for our next newsletter on our opportunities as socially responsible investors to show allyship and support of Queer and Indigenous communities post Pride Month and National Indigenous History Month this June.

In other news, our team member Rowan has been in Ecuador wrapping up her International Development degree visiting and collecting firsthand data for her research on the impacts on resource extraction on indigenous livelihoods and biodiversity. Stay tuned later in the summer for a full comparative report on the impacts Canadian and International mining and oil companies are having on these populations, the targets socially responsible themed mutual funds are setting for engagement, and the solutions indigenous community presidents advocate for engagements and harm mitigation on the ground. In comparing these key areas Rowan's research highlights where gaps exist in some current engagement strategies, and how we can do socially responsible investing better.

Also, we invite you to follow Senior Wealth Advisor, Sonia LeRoy's blog while volunteering in Senegal this week, at www.soniainsenegal.blogspot.com.

Please email [Rowan Hughes](mailto:Rowan.Hughes) to tell us about how you are celebrating or showing allyship to queer and indigenous communities and we will mail you a free copy of the book Sonia LeRoy co-authored: Financial Success for Women by Women, published in the spring of 2020. Her chapter, titled Responsible Investing: Align Your Money with Your Values, reviews the responsible investing landscape, why to invest responsibly, and how to do so in a manner that

supports one's own values while leveraging one's power as an investor to make the world a better place.

Thank you,

Sonia & Adrian

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