

THE CAMPBELL CHRONICLES

A MONTHLY NEWSLETTER FROM
THE CAMPBELL WEALTH MANAGEMENT GROUP



THIS MONTH'S NEWS AND UPDATES:

- **2021 Tax Packages**
- **Remembering Dr. John Sangster**
- **What's happening with Bonds**
- **More on the Budget**
- **Bank of Canada hikes**
- **Question of the Month**

The Campbell 
Wealth Management Group
BMO Nesbitt Burns

FROM THE HOME OFFICE

The Good, The Sad and The Ugly. It seems there is never a shortage of world events to discuss, and although we are out of the official lock down stages, many are still hesitant to return to life as we once knew it. If you have 24 hour news channels running in the background all day, it can certainly taint your view of the world and make it seem like it's all doom and gloom out there. It's not though. The Good: Recently I've heard from countless people that have finally been able to travel again. To reconnect with family members and loved ones they haven't seen in over 2 years, and to regain a little bit of normalcy. Our own office is re-opening to a new normal. The Sad: The medical community lost an icon recently. Dr. John Sangster was taken from us in a tragic accident on March 18th. There's a tribute to Dr. Sangster on the next page. The Ugly: With interest rates and inflation on the rise, the bond market just closed out it's worst quarter in over 40 years. What many consider to be the safe part of their portfolio has been experiencing equity market type volatility. More on that as well on the next page. Lastly, as Easter weekend approaches, the entire team at The Campbell Wealth Management Group wish you a happy and healthy Easter weekend, and hope you are able to spend it with those you love.

2021 TAX PACKAGES

By now you should have received your full tax package. If we have your accountant/bookkeeper's information, we would have also sent it to them. If you have any questions or concerns, please reach out.

WHAT'S HAPPENING WITH BONDS



Whether you have been investing for decades, or made your first investment this year, the old adage is stocks are volatile, but bonds form the foundation of your portfolio. With inflation hitting a 30 year high, the Bank of Canada is being forced into raising interest rates in an effort to fight inflation. This has had an adverse impact on the overall bond market in Canada. So far this year, XBB, which is an ETF that tracks the Core Canadian Bond Universe, is down over 8.5%. This is a significant amount, but the direction was not unexpected. The Bank of Canada has been warning of higher rates for over a year now, and as such, we started underweighting portfolio's exposure to the bond markets. As interest rates rise, the largest impact is typically at the onset of these hikes. As always, we will monitor the situation, and look to add back to the bond positions at a later date after we see some more interest rate hikes.

REMEMBERING DR. JOHN SANGSTER



A few weeks ago I received the news that Dr. John Sangster had been killed in a tragic automobile accident. Dr. Sangster had been a client of mine for close to 20 years. Over that amount of time you get to know a lot about someone. Their hopes, their dreams, their fears and most of all, you get to know the person. I have always said it's a privilege to do what I do. Clients trust me with their life savings, and rely on my guidance to achieve their goals, and in many circumstances, set their family up for generations to come. Dr. Sangster was a pillar in the London Family Medicine community. Not only practicing medicine for over 40 years, but also a mentor to many Family Physicians that came after him. For those of you that were lucky enough to know Dr. Sangster, you will remember his infectious smile, his caring attitude and his overall zeal for life. Whether it was fists pumps after he got a birdie on the golf course, or relaxing afterwards with a beer and a burger on his back deck, Dr. Sangster enjoyed life, and lived to the fullest. My thoughts and prayers go out to Toula and the rest of the family. The full obituary can be found here <https://www.westviewfuneralchapel.com/obituaries/dr-john-f-sangster/>

2022 FEDERAL BUDGET REVIEW

On April 7th, Finance Minister Chrystia Freeland presented her second Budget in the House of Commons. Labelled a "Budget for Recovery" it marks a shift in focus from managing the pandemic to rebuilding the economy. Throughout the past few years, there has been much speculation about the lowering or elimination of the inclusion rate on capital gains, therefore increasing the tax bill when a gain is realized. There were no changes to the capital gains inclusion rate, nor were there any changes to corporate or personal tax rates. The Tax Free First Home Savings Account was introduced as a vehicle to help first time home buyers save. There are still details to be announced, but it seems like another great tool in addition to a Tax Free Savings Account to help people save for that first home purchase. Some of the other key takeaways include:

- Residential Property Flipping Rule: full tax on profit from selling a home owned for less than a year.
- Introduction of the Canada Recovery Dividend in the form of a one time 15% tax, and onward 1.5% tax on Canadian banks and life insurance companies.

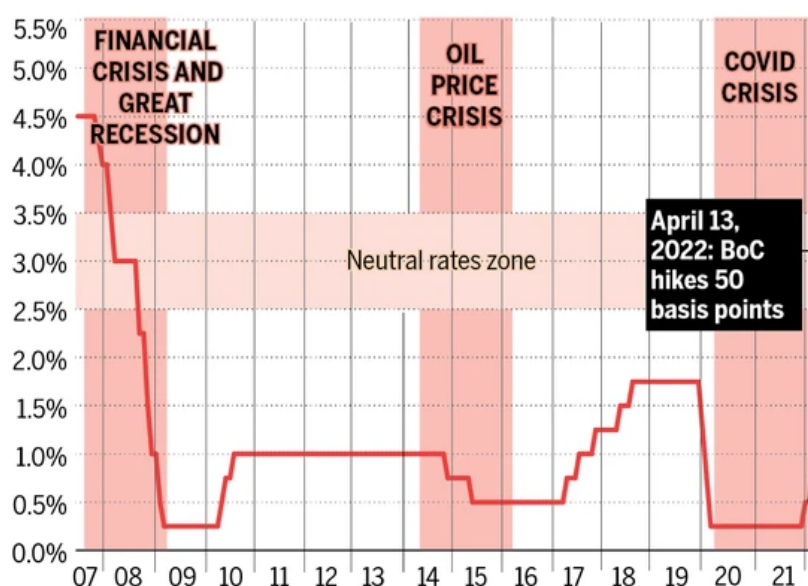
If you would like to see a full review of the budget, it can be found on our website www.campbellwealthgroup.com

BANK OF CANADA RAISES RATES AGAIN

The Bank of Canada has raised interest rates again, this time by 50 basis points, or 1/2%. This is the first time since the year 2000 the Bank has moved by more than a 1/4%. The next rate announcement will be June 1st.

BoC HIKES TO 1% IN RACE TO TACKLE INFLATION

Bank of Canada overnight lending rate



QUESTION OF THE MONTH

What is Crypto Currency, and should I invest in it?

This has been a popular question over the last few months. Depending on who you ask, crypto or virtual currencies can be considered a currency, an asset, or a commodity, similar to gold. A key difference is crypto currencies are not controlled or regulated by any single authority and are, therefore, decentralized. Transactions are conducted in a peer-to-peer network without the need for intermediaries such as central banks or financial institutions. Over the past year, Bitcoin, arguably the most popular crypto currency, has fluctuated in value from approximately \$80,000 CAD a year ago, to below \$40,000 in July 2021, back up to over \$84,000 last November, and currently one Bitcoin is worth a little over \$50,000 Canadian.

So, whether you believe it to be a currency, investment or similar to a precious metal, something that can fall by 50%, rise back by over 100% from the low, only to fall by almost 50% again - all in a 12 month span - is too volatile for most people. As always, I am happy to discuss this, or anything else with you. There is a more detailed article on our website if you would like more information [click here](#).



Have a question you would like addressed in a future letter? Send me a note: jamie.campbell@nbpdc.com



Private Wealth

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