

THE CAMPBELL CHRONICLES

A MONTHLY NEWSLETTER FROM
THE CAMPBELL WEALTH MANAGEMENT GROUP



THIS MONTH'S NEWS AND UPDATES:

- **Rest of 2022 predictions:**
Brian Belski
- **Investing basics for the
next generation**
- **Revisiting fixed vs.
variable mortgages**
- **Question of the Month:**
**How do you work with
your spouse?**

The Campbell 
Wealth Management Group
BMO Nesbitt Burns

FROM THE ~~HOME~~ OFFICE

Yes, that's not a typo. Over the past few months, more and more, we have been returning to the office. Although in March of 2020 we were only going to be home for 14 days to stop the spread, well that turned into over 2 years! But it is nice to return to the routine of getting up and out of the house on a daily basis. Speaking of routine, it's that time of year where school returns. Whether you have children returning to school, starting for the first time, already completed school or don't have any at all, I don't think we ever lose that sense of a new beginning every September. For the sake of everyone, let's hope this school year goes without interruption. As a team, we have children entering high school for the first time, starting at a new high school, starting their Masters and one entering the final year of elementary school in grade 8, so we certainly have a fingers crossed for a good year. Staying on the topic of the next generation, we are putting together a program to get school age kids interested in investing - more details inside this issue. Also inside, we take a look at what the rest of 2022 may bring for the markets; fixed versus variable interest rates; client loyalty survey; and the most personal question of the month so far! Happy reading, and enjoy the final long weekend of the summer.

BRIAN BELSKI'S THOUGHTS ON THE REMAINDER OF 2022

He's been mentioned in past issues, but if you don't know, Brian Belski is BMO Capital Markets Chief Investment Strategist. He leads the Investment Strategy group and provides us with strategic investment and portfolio management advice. He's also not one to shy away from offering his opinion and making predictions of year end stock market valuations. Earlier this year, he made the prediction the S&P500 in the US would end the year at 4,800, and here in Canada, the S&PTSX would finish the year at 24,000. As I write this, that would represent a gain of over 20% from current levels, and put the Canadian market in positive territory for the year, and bringing the US back to essentially where it started the year. His opinion is inflation has peaked, and describes inflation numbers by the end of the year coming down an "Elevator" not an "Escalator". Companies have been on-shoring business and supply chains are vastly improved already. He has a great track record of being able to see the direction of the market, even when at times he's very contrarian to the masses. Although not in the majority, he's certainly not alone in his predictions. Many other analysts have similar views. It's always dangerous to put these types of comments out there, but this is something many of you have heard me talk about over the past couple of months. If we haven't had a chance to connect recently, I wanted to provide you with some of the insight from our Chief Investment Strategist.

TEACHING THE NEXT GENERATION ABOUT MONEY

What's the one thing many parents wish they learned more about in school, or wish their kids were taught more about? Money is the answer I hear more than anything else. While I am not here to change the educational system, what we are offering is to help. Over the years I have met with countless children, grand-children, nieces and nephews of clients. Usually it's when they start to have some money and want to learn what to do with it. What we have come up with is an offer/plan to teach the children earlier about money. We are building a program to teach children at various ages about money and investing. Our goal is to get enough participation to start to run quarterly mini investment challenges with the children we have taught. They will get a fictitious sum of money they can then invest. Our ask of you, is please let us know who would like to participate, and learn about money and investing. We believe this can be a fun, interactive way to teach them. There may even be some prizes along the way!

FIXED VS VARIABLE RATES

Back in March this was addressed in the question of the month. At that time, I wrote most analysts believed the Bank of Canada would raise rates 4-6 times, which would have increased rates by 150 basis points, or 1.5%. Well, that was wrong. So far, the Bank of Canada has increased interest rates by 2.25% with another hike widely expected in September. After that, many believe there will be a pause to see how the inflation numbers come in for the remainder of the year. If you have been in a variable rate mortgage, this means the cost of borrowing has increased \$2,250 for every \$100,000 of debt you have in a variable environment. That's the bad news, the good news is, those rates may start to come back down as soon as next year if the Bank of Canada is able to get inflation numbers back under control. Like I mentioned in March, if you were losing sleep, or stressed about a variable rate, locking in is always a good option. However, more times than not, over the lifetime of a mortgage, being in a variable rate will decrease the amount of interest you will pay - as long as you can ride out the waves.

CLIENT LOYALTY SURVEY

Starting this week, BMO Private Wealth is conducting a survey with a sample group of clients. The survey is designed to garner feedback about your experience, and how we are delivering on our commitment to you and the stewardship of your wealth. If you receive a participation invite, I ask that you complete the survey which should only take a few minutes. Receiving honest and valuable feedback from our clients is important and will assist in continuing to provide the highest quality advice and service. To ensure you remain protected online, please confirm the sender of the email invitation is BMO Client Experience, and the email address should appear as BMOCustomerExperience@bmo.com. For those who decide to participate, I'd like to thank you for your time. Should you have any questions, please, as always, reach out.

QUESTION OF THE MONTH

How can you work with your spouse all day?

I know, what does this have to do with finances? But it is the question of the month, and when I started this column it was meant as a place to address the questions we get asked the most. And, as I mentioned in last month's issue, since Jodie started working with the team, this is by far and away the question that comes up the most. First of all, it's important to understand we are not regular employees of BMO. We are much more like independent business owners, running our own business with the resources and reputation that comes with a 200 year old brand. With that in mind, I have never looked at work as a 9 to 5 job. Many of you know this. We have meetings outside of traditional business hours. I respond to messages when I can, and if that happens to be Saturday afternoon, it's because I can, and want to. When I left my old job at MD Management, and made the decision to build a practice, Jodie was 100% supportive of the decision. She's been that way all along, and as our business continues to grow, I couldn't think of anyone that would have been better to bring in to work with. Having Jodie along to continue to build and grow the business, but also to get to introduce to all the wonderful clients I have the privilege to work with is another added bonus. We get to travel together, share in the experiences yet, we still are able to have our own space and time to work on our areas of specialty. As I put all my thoughts down, it makes me realize how lucky I am to be able to do this with my business and life partner. OK - enough of the personal questions, let's get back to financial questions. Feel free to send them in!



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



Private Wealth

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