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BMO Nesbitt Burns

July 2021 Monthly Summary

With summer's arrival, in Ontario we welcome the annual abundance of local grown fresh fruits and vegetables. Across Canada, everyone is welcoming the arrival of fewer restrictions, in person visits with family and friends, and a sense of renewed freedom to travel and explore. We are truly fortunate to live in Canada and look forward to the day that everyone who seeks a vaccination globally, can get one.

In this newsletter, we provide a brief summary of the importance of Powers of Attorney, a case for the use of multiple wills, and a brief review of the markets in June.

Powers of Attorney

PAs are an often-overlooked tool to help direct your wishes when you are unable to. The article, [Incapacity Planning in a Mobile World](#) outlines considerations to ensure your assets, as well as personal and health care decision making, can be properly managed if you become incapable of making decisions while outside your home province or territory. It is important to understand the potential limitations beyond the borders of your own country as well.

Wills For Worldwide Assets

Many Canadians own assets in multiple provinces and countries. Whether you have a family property, vacation villa or ownership in a local business overseas, specialized estate planning is necessary to ensure the ease of administration of these assets on your death.

[Estate Planning For Your Worldwide Assets](#) provides strategies and legal considerations that can be applied to your personal circumstances in the decision on whether to use separate "situs" Wills or one multijurisdictional Will.

Market Overview June 2021

More Upside Left as US Stocks Enter Second Half of the Year

The S&P 500 rose 2.2% in June, the fifth straight monthly gain for the index, and is now up 14.4% YTD, marking the second best 1H performance in the past 20 years. The central theme during the month seemed to be this notion of "peak" as it relates to inflation, growth, and policy support. The expectation that peak inflation may be in the rear-view mirror with growth soon to follow, along with a more hawkish-than-expected Fed, took the wind out of the reopening trade and helped spur the outperformance of growth over value. This peak



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rhetoric also led to some investors contemplating whether current price levels may be “as good as it gets” for stocks in 2021. However, we believe there is more room to run, especially as companies continue to build on the earnings recovery displayed in recent quarters. ⁽¹⁾

Technology Sector Roars Back in June

After being left for dead by many investors amid the reopening trade, Technology topped gains among S&P 500 sectors in June, eclipsing the market by 4.7 pct. pts, which is its biggest outperformance spread since last August. The relative performance struggles during most of the year combined with above-market blended EPS growth helped improve valuations for Tech versus the S&P 500, although they remain elevated compared to history. ⁽²⁾

Real Estate Stocks Outperform the Market for Fourth Straight Month

Real Estate stocks registered a 2.8% gain in June, outpacing the market for the fourth straight month. The group is now the third-best performing sector in the S&P 500 YTD, up almost 22%. Real Estate names seem to have been lifted by a combination of factors including the recent downtick in the US 10Y Treasury yield, heightened inflation worries, and reopening momentum. ⁽³⁾

TSX Pushes to New All-Time Highs

Canadian equities continued to march higher in June, gaining another 2.2% on a price return basis and was up 15.7% in the first half. Although this sharp recovery is unlikely to be matched in the second half of 2021, we continue to believe Canadian equities provide attractive value opportunities and room to beat still relatively modest expectations. ⁽⁴⁾

As always, if you have any questions regarding this summary or your investment portfolio, please call us.

Sincerely,

[Ferrie Petruccelli Wealth Management Group](#)

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(1),(2),(3),(4) BMO Capital Markets

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