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Give the people what they want, whether it makes sense or not....

This is a saying of mine, one that I've carried around for a lot of years. It transfers generally to any retail environment including fashion (sleeveless turtle necks?), technology (have you noticed the number of people walking around with a cell phone for personal use that's worth \$500.00 +), and unfortunately....it also pertains to the investing world.

I don't believe that investing is actually about products, but I'll let you in on a little secret – I'm one of very few advisors who believes this. I'm sure if you went to a website or read marketing material from an advisor or advisory firm they would make some mention of it NOT being about products....and then the next thing would be ABOUT products.

Let me give you a little insight into my work....I know you can hardly wait! I have to be patient, tenacious, believe in my message more than you can imagine, objective in my research and with my opinions (the no bias part can be tough!), keep an open mind and last but not least, I have to truly want my clients to succeed.

As you know, I do love my work; however, it can be exhausting (I'm kidding). Part of my work is dealing with the fact that generally companies and advisors will always want to "give the people what they want whether it makes sense or not".

In our meetings for the last year it may appear that we aren't doing too much around here. Well, you know that Carolyn always is but me, you may wonder. That's because I've been saying a lot of this to people "right now, we aren't going to do a darn thing to your portfolio" – Wow, what exciting and dynamic work – right?

Of course, there's paperwork (lord knows there's ALWAYS paperwork) but that generally has been administrative housekeeping. Maybe your account is moving to Fee for Service, maybe you qualify for lower fees from the fund companies, maybe we're changing your income, or updating your personal information. These are all really, really important and will always be things that we look at and review but what we're NOT doing is making major changes to the investments that we all own.

This is to many advisors, counter intuitive (I'd say it is to most investors as well) and that's why it's so extremely difficult to do. There are times when we are making changes and that's because there's an opportunity in Canada, outside of Canada, with value funds, with growth funds, something made a lot so we need to re balance – who knows? But right now, in this current environment...we are waiting.



Oh this is so hard for the rest of the world to accept – aren't you glad you're in this bubble with us? The Canadian market has been basically hovering for two years now and the US market is just recently moving ahead – not much has been going on. This means that what we owned before (and for so many good reasons) is still what we want, and so we have patience. This constant need to DO something has hurt investors before and will continue to hurt investors.

This is what currently bombards mebuy ETFs (exchange traded funds) because they're low cost, look at the robo- advisor (what the heck?) to manage your "small" accounts, use this new managed product to free up more time for you and get ahead of the disclosure of fees, use this software package to make investment decisions automatic – basically, for god's sake woman do something!

This is what I say: I don't need to get ahead of full disclosure of fees, I've always done that. I don't use funds because they're low cost, I use them because I trust the companies and the managers and they have a good LONG term history. I don't categorize by "big" or "small" account – who knows what may happen and a small could become big quickly or more likely the small becomes big over time – that's my favourite! Software for rebalancing...not for me thanks. I believe when an advisor does this human nature kicks in and because everything is automated they forget to do their job – I'll just stick with my old fashioned manual process.

I make a lot of people involved in industry crazy. They believe that the constant introduction of new and improved products will change lives, and I say, I don't think so. I believe doing what we do in what appears to be the most boring fashion possible will change lives....and after 18 years, I know that I'm right.

Frenzies are hard to stay out of and they'll never go away, yet if more people could find the calm and level head to be patient they would likely fare better. The feeling of missing out on something is always lingering, real estate, gold, stocks, bonds – could be anything. You should choose an advisor for a multitude of reasons and they all add up to this; it's the message and not the product and that can only be delivered by the right messenger.

I will finish with a few wise words from two more successful and well known investors who also agree.

"Patience is a crucial but rare investment commodity" - David Dreman

"The stock market is designed to transfer money from the active to the patient": - Warren Buffet

And so everyone, enjoy the fall and have fun moving into the holiday season knowing this; we are doing absolutely nothing and that's a conscious decision – we can wait.

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