



HARBOURFRONT
WEALTH MANAGEMENT

The Sea Glass Report

Spring 2022

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**Helping our clients
lead extraordinary
lives.**

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Welcome to Spring!

After what seems like a never-ending Winter, Spring has arrived and like you, we are all looking forward to getting outside and enjoying the warmer weather. These past few months have been a whirlwind of uncertainty with inflation, supply chain challenges and global conflicts dominating the news. Even so, not all the news is bad and like Spring, we want to take advantage of the new opportunities all around us.

This issue, in addition to our regular updates, we take a closer look at alternative funds. These non-traditional solutions are becoming more relevant in today's investing environment, so we wanted to share some information about them with you.

Want to talk about your money? We are here to help and look forward to hearing from you.

Kristina, Tracey and Sheryl



Wealth Planning – Alternative Investments

Alternative investments are becoming more and more popular, but what exactly are they? Alternative investments, as the name suggests, are financial assets that do not fall under the category of conventional investments like stocks, bonds, mutual funds and cash. Alternative investments are different in that they might include privately held equities, venture capital, managed futures, real estate and private debt.

So why hold alternative investments? These types of investment vehicles can be attractive as they provide a counterbalance to conventional investments. As such, they can provide diversification to a traditional investment portfolio and hedge against such influences as inflation and changes in interest rates. They tend to have more consistent performance, but also have some unique attributes. For instance, they may be harder to value and are generally more illiquid, meaning they may be more difficult to quickly sell. Alternative investments, however, are a compelling risk mitigation tool as they generally have a low correlation to the stock and bond markets. So, in times of market uncertainty, the counterbalance they provide may offer portfolio stability. This is why alternative investments are such a huge component of endowments and pension plans. For instance, the Canada Pension Plan invests more than half of its assets in private / alternative investments – retail investors should have that same opportunity.

Access to these specialized investment pools is an important element of building a diversified portfolio and this is one of the main reasons why we moved our Sea Glass Wealth team to the Harbourfront family.

If you are interested in learning more about alternative investments or any of the many investment solutions we provide, we would love to talk with you.

We are happy to help!



**Don't wait
for
someone
to bring
you
flowers.**

**Plant your
own
garden
and
decorate
your own
soul.**

- Luther
Burbank



Upcoming Events

May 10, 2022 1:00pm-2:00pm

Introduction to Investing Online Workshop

June 7, 2022 7:00pm-8:30pm

Women's Financial Empowerment Evening – a safe space to ask any questions relating to your financial well-being.

To get more information or register for the May 10th and June 7th events, please email seaglasswealth@harbourfrontwealth.com

Ask about our Sea Glass Mastermind Sessions for professionals and entrepreneurs – starting soon!

SAVE THE DATES!

July 24, 2022

Sea Glass Wealth Beach Picnic at Centennial Park

September 24, 2022

Sea Glass Wealth Walk for UBC Diabetes Research

Brainteaser of the Month - Coffee Break!

Spring Sudoku

			2					5
8					9			4
			1	8			2	
3						5		9
5							7	
	6						4	
								6
		1		3	4	9	8	
9	2		6	5				3

Economic Forecast

It was one of the poorest starts to a year for global stocks as the S&P500 fell 5.7% in CAD in Q1 (after being down approximately 13.0% from peak to trough). Alternatively, the more resource and cyclically focused TSX Composite ended with a 3.8% gain. Tightening central bank policy and war in Ukraine sent most equity sectors down in Q1, especially those related to technology. Alternatively, Commodities, Oil & Gas, and Canadian banks rallied during the quarter. Coming into the year the world was already seeing a tighter supply of commodities as the Biden administration attempts to pivot to a “Green” economy. Meanwhile, the war in Ukraine removed two of the largest commodity-exporting nations, and caused wheat, oil, and various metals prices to explode higher. Moves that usually take decades happened overnight, resulting in a large amount of volatility in markets.

The Canadian dollar (CAD) was relatively flat for the 2nd straight quarter rising 1.3%, selling-off mid-quarter as the US dollar rallied on a flight to safety because of the war in Ukraine, and then CAD subsequently appreciated once additional risks from the war seemed to fade. When we zoom out to a longer-term chart of CAD (10 years of data) it looks like CAD should move higher over the next few years against the USD. Should commodity prices remain high, combined with developing countries shunning the US Dollar (less demand for USD), a fundamental backdrop for a longer-term rally in CAD could be in place.

On the back of inflationary pressures coming from a spike in commodity prices, bonds had a terrible quarter with the Canadian Universe Bond Index falling 7.0%. We analyze the risks with bonds regularly, however, a loss of this magnitude in one quarter on the safety part of portfolios was not expected. We continue to see the use of private debt and real estate for the safety portion of portfolios as the outlook for bonds remains cloudy. If the current trend in rising inflation persists, then it's likely that the 40-year bond bull market will end and rates will move higher, continuing the downward pressure on bonds.

- **Ian Goodman, CFA - Portfolio Manager and Supervisor, Managed Accounts Program – Harbourfront Wealth Management Inc.**

Raspberry Ricotta Cake



Ingredients:

Nonstick vegetable oil spray

1½ cups all-purpose flour

1 cup sugar

2 teaspoons baking powder

¾ teaspoon kosher salt

3 large eggs

1½ cups ricotta

½ teaspoon vanilla extract

½ cup (1 stick) unsalted butter, melted

1 cup frozen raspberries or blackberries, divided

Spring is proof that there is beauty in the new beginnings.

- Matshona Dhliwayo

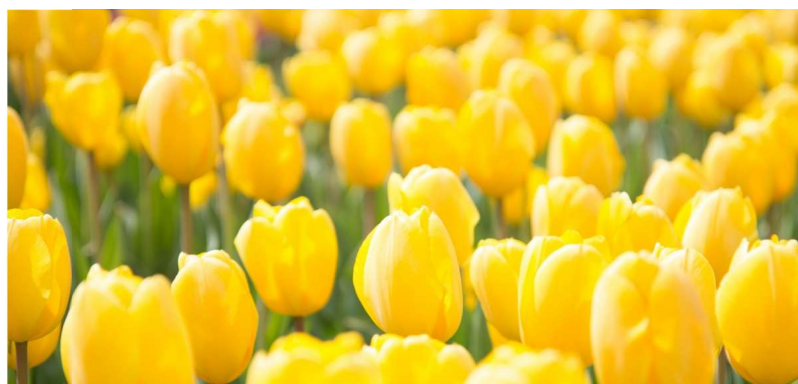
1. Preheat oven to 350°. Line a 9"-diameter cake pan with parchment paper and lightly coat with non-stick spray. Whisk flour, sugar, baking powder, and salt in a large bowl.

2. Whisk eggs, ricotta, and vanilla in a medium bowl until smooth; fold into dry ingredients just until blended. Then fold in butter, followed by ¾ cup raspberries, taking care not to crush berries. Scrape batter into prepared pan and scatter remaining ¼ cup raspberries over top.

3. Bake cake until golden brown and a tester inserted into the center comes out clean, 50–60 minutes. Let cool at least 20 minutes before unmolding.

4. Do ahead: Cake can be made 2 days ahead. Store tightly wrapped at room temperature.

Enjoy!



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