

# SLATER FINANCIAL GROUP

Slater Chronicles November 2024

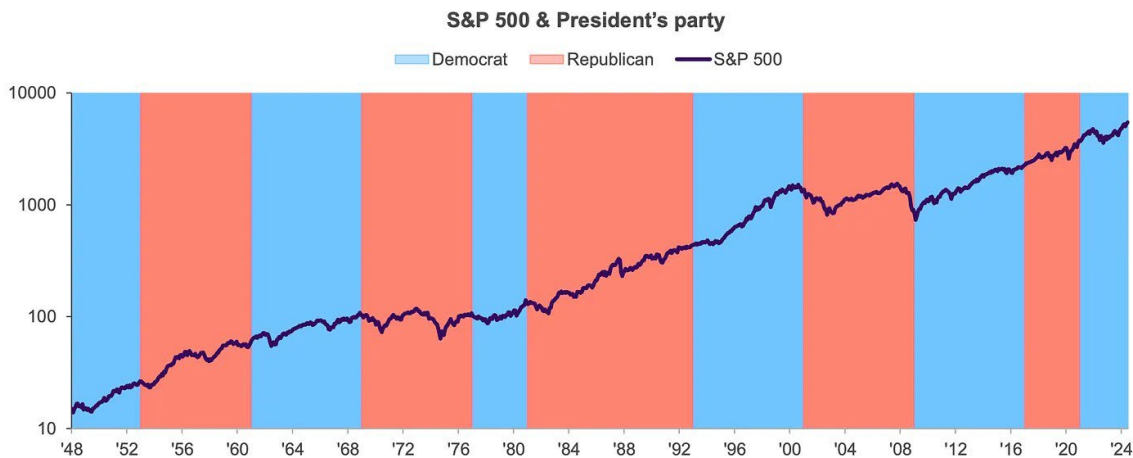


With the U.S. election results confirmed and discussions swirling about potential impacts on the Canadian economy, it's natural to feel some uncertainty. But rather than getting caught up in speculation, now is an excellent time to revisit Slater Financial Group's 10 Principles for Long-Term Wealth Creation. These principles remind us that while short-term reactions might seem tempting, the real path to success lies in focusing on our long-term goals.

**Watch:** For further insights on what this election means for the markets, watch the [Navigating the 2024 US Election CIBC](#) webcast recording.

## NAVIGATING UNCERTAINTY: A REMINDER OF OUR CORE INVESTMENT PRINCIPLES

There's a common myth that who wins presidential elections significantly impacts stock market performance. However, historical data tells a different story. Let's explore some data that sheds light on how the stock market has performed across different political administrations.

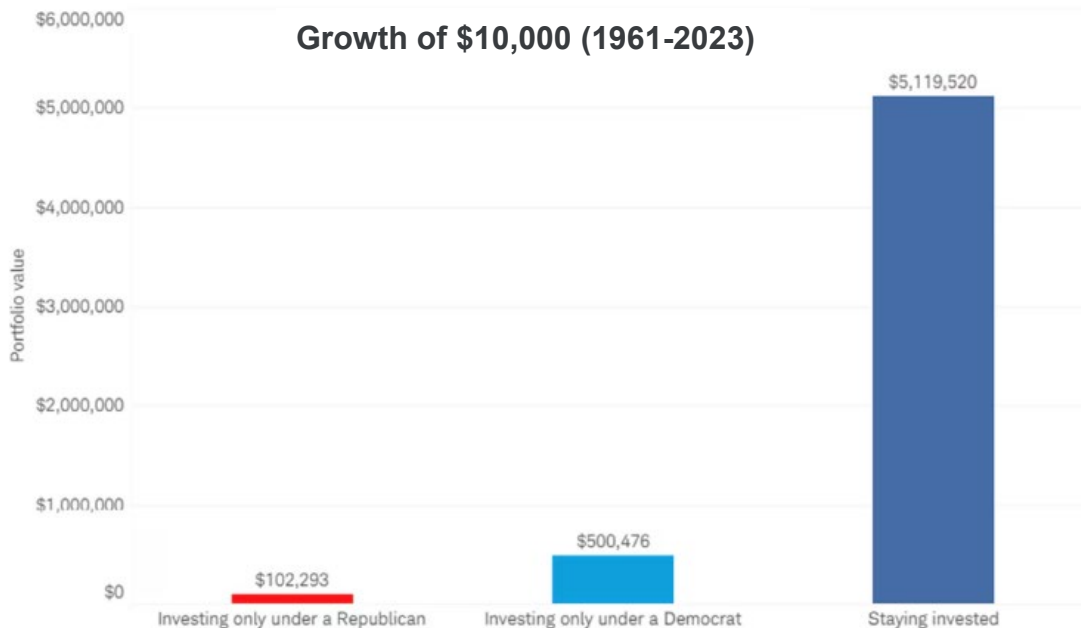


Data source: Truist IAG, Bloomberg  
Past performance does not guarantee future results.

This graph of the S&P 500 illustrates its historical resilience across different political administrations. While past performance does not guarantee future results, it is noteworthy that the economic downturns depicted in the graph were

caused by factors beyond political leadership, such as the 2000 tech bubble burst, followed by 9/11, or the financial crisis in subsequent years.

Consider an investor who only invested when either a Republican or Democratic president held office. The chart below demonstrates the outcomes of such a strategy: investing only during Republican or Democratic administrations pales in comparison to the outcomes of staying invested throughout. Over time, a disciplined, consistent approach to investing is more beneficial than trying to time the market based on who holds office.



Source: Schwab Center for Financial Research with data provided by Morningstar.

From both graphs, it's clear to long-term investors that staying invested is the best approach. Our first Principle Rule emphasizes that **investment success comes from acting on a plan, while investment failure comes from constantly reacting to current economic, geopolitical and market events**. If you're continually responding to these events, you'll forever be knocked off course by those you couldn't foresee.

Additionally, Principle Rule 9 reminds us that **untreated human nature will always fail as an investor**. Financial or political journalism often panders to human nature's worst instincts, such as the fear of loss and the fear of missing out (FOMO). While we recognize that there could be some real impacts on the Canadian dollar and economy, such as if harsh tariffs were implemented, investing in a diversified portfolio of enduring, publicly traded companies continues to be our recommended strategy. These companies are financially strong and adaptable, capable of weathering various legislative or regulatory changes. This diversified approach has historically provided higher returns over the long term and helps investors stay on track with their goals.

While having a financial plan is essential, you simply can't plan for everything. It would be impossible to create a portfolio that could insulate you from every economic event, and even if you tried, you'd find that this would likely do more harm than good. As highlighted in our sixth Principle Rule, the most vexing problem of the market's frequent temporary declines is that neither their peak nor their trough are predictable; therefore, they can't be timed. Say you somehow knew that in 2020, there would be the most significant unprecedented event of our century and cashed your portfolio to avoid market declines. You may have averted some losses, but you would have also missed the subsequent upswing. So again, it's best to remain invested.

## Working with Your Advisor

Uncertain times can naturally cause anxiety, but making investment decisions based on short-term worries rarely leads to the best outcomes. Speak with us before making any market-related financial decisions. As your advisors, we are here to

help you manage emotions, maintain focus on your long-term plan, and make choices that align with your overall financial goals.

During periods of uncertainty, trust in your plan, rely on proven principles, and know we are here to support you.

## Reach out to us

At [Slater Financial Group](#), we're happy to speak with you or your family members, friends or colleagues trying to navigate many of these details. In addition, our clients have the benefit of tapping into the many resources available to us here at CIBC.



[416 594-8835](tel:4165948835)

[mark.slater@cibc.com](mailto:mark.slater@cibc.com)

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### Your Trusted Partner in Wealth Management: *Empowering Families, Enriching Futures*

Since 1995 we have made ourselves available to act as a sounding board for anyone who may need urgent financial advice or just a second opinion. We have been able to help many families by providing comprehensive wealth management services. As a result, our business now comes to us almost exclusively through referrals.

So, if you're approached by a friend, neighbour or family member, or if you know someone who needs a sympathetic ear, please let them know we always have time to listen, and do our best to help. By making ourselves available this way, we're striving to make people's financial lives less stressful and better, knowing that we're *"doing well by doing good."*

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## Contact us

[slaterfinancialgroup@cibc.com](mailto:slaterfinancialgroup@cibc.com)

Tel: [416 980-6960](tel:4169806960)

Toll: [1 800 263-3803](tel:18002633803)

[slaterfinancialgroup.com](http://slaterfinancialgroup.com)

West Tower, The Bay Adelaide Centre

333 Bay St., Suite 2800

Toronto, ON M5H 2R2



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Mark Slater is an Investment Advisor with CIBC Wood Gundy in Toronto. The views of Mark Slater do not necessarily reflect those of CIBC World Markets Inc.

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