

*In This Issue*Standing Tall  
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**www.HeartWealth.ca****Direct Line:****1.888.778.0356****Standing Tall Amid Turmoil: Canadian Banks and the Lessons from Global Banking Instability**

As American banks grapple with recent failures and Europe witnesses the historic merger of Credit Suisse and UBS, Canadian investors might be wondering about the implications for their own financial institutions. In this article, we will explore why Canadian banks are less likely to face similar issues, and provide guidance for investors on how to protect themselves in the current global financial landscape.

**The Strength of Canadian Banks**

Canadian banks are renowned for their stability and resilience, often outperforming their international counterparts during times of economic turmoil. This can be attributed to several factors:

- Prudent Regulation:** Canadian banks operate under a robust regulatory framework that places a strong emphasis on capital and liquidity requirements. The Office of the Superintendent of Financial Institutions (OSFI) maintains stringent standards, ensuring that banks are well-capitalized and prepared to withstand market fluctuations.
- Conservative Lending Practices:** Canadian banks have traditionally adopted more conservative lending and investment practices compared to their American and European peers. This cautious approach has helped to mitigate risks and maintain the stability of the Canadian financial sector.

**The Credit Suisse-UBS Merger and Its Limited Impact on Canadian Banks**

The recent merger of Credit Suisse and UBS, two of Europe's largest banks, is a significant event in the global financial industry. However, the direct impact on Canadian banks is expected to be limited. Canadian financial institutions have limited exposure to European markets and maintain strong capital buffers, helping to insulate them from the fallout of the merger.

**Protecting Your Investments**

While Canadian banks are generally considered to be safe and stable, investors should still take steps to protect themselves in the face of global uncertainty. Here are some tips for managing risk and safeguarding your portfolio:

- Diversification:** Spreading your investments across a variety of assets, sectors, and geographic regions can help to mitigate risk. By diversifying your portfolio, you can reduce the impact of market fluctuations on your overall investment performance.
- Long-term Perspective:** Adopting a long-term investment strategy can help to insulate your portfolio from short-term market volatility. By focusing on the long-term growth potential of your investments, you can avoid making impulsive decisions based on temporary market fluctuations.
- Stay Informed:** Regularly review your investments and keep up-to-date with the latest financial news and market trends. This will help you make informed decisions and ensure that your portfolio remains aligned with your investment goals and risk tolerance.

**The Accountability Gap**

*One of the most upsetting aspects of these bank failures, in our opinion, is the lack of accountability for bankers who make risky decisions. In many cases, these individuals have not faced legal repercussions, and some have even received significant severance packages upon their departure. This absence of personal responsibility has created a culture where risk-taking is not only tolerated but often rewarded, encouraging reckless behavior and increasing the likelihood of future bank failures.*

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Despite the recent turmoil in the American banking sector and the high-profile merger of Credit Suisse and UBS, Canadian banks remain well-positioned to weather the storm. With prudent regulation, conservative lending practices, and strong capital buffers, these institutions are unlikely to face similar issues. However, Canadian investors should still take proactive steps to protect their investments by diversifying their portfolios, adopting a long-term perspective, and staying informed about market developments. By following these principles, investors can navigate the uncertain global financial landscape with confidence and peace of mind.

## AI Revolution: Investment Opportunities for Canadian Investors in Artificial Intelligence

Artificial Intelligence (AI) is transforming industries worldwide, and Canadian businesses are no exception. With a growing reputation as a hub for AI research and innovation, Canada is well-positioned to capitalize on this technological revolution. In this article, we will explore investment opportunities for Canadian investors in the AI sector, focusing on some of the largest public companies that are leading the charge.

### The Canadian AI Landscape

Canada's AI ecosystem is rapidly evolving, thanks to a combination of factors, including government support, world-class research institutions, and a highly skilled talent pool. The country is home to several AI research centers, such as the Vector Institute in Toronto, the Alberta Machine Intelligence Institute (AMII) in Edmonton, and MILA in Montreal. These institutions foster innovation and collaboration, attracting top talent and fueling the growth of AI startups and established companies alike.

### AI Investment Opportunities in Top Canadian Public Companies

As AI continues to reshape various industries, several large Canadian public companies have emerged as front-runners in the adoption and development of AI technologies. Here are a few examples:

#### Shopify (TSX: SHOP)



Shopify, a leading e-commerce platform, has been investing heavily in AI to enhance its offerings and support its growing merchant base. The company has developed AI-powered tools to improve inventory management, fraud detection, and customer support. By integrating AI into its platform, Shopify is well-positioned to capitalize on the growing demand for AI-enhanced e-commerce solutions.

#### Kinaxis (TSX: KXS)



Kinaxis, a provider of supply chain management software, leverages AI to help businesses optimize their supply chains and respond to market disruptions more effectively. The company's RapidResponse platform uses AI algorithms to analyze data and provide real-time insights, enabling clients to make informed decisions and improve their overall supply chain performance. As global supply chains become more complex, Kinaxis' AI-driven solutions are poised for significant growth.

#### OpenText (TSX: OTEX)



OpenText, a global leader in information management solutions, has incorporated AI technologies to offer advanced analytics and automation capabilities to its clients. The company's Magellan AI platform enables businesses to extract valuable insights from their data, driving better decision-making and operational efficiency. OpenText's commitment to AI innovation presents a compelling investment opportunity as organizations increasingly seek data-driven solutions.

#### Constellation Software (TSX: CSU)



Constellation Software, a leading provider of enterprise software solutions, has been actively acquiring and integrating AI technology into its portfolio. The company's diverse range of software products can benefit from AI-driven enhancements, such as predictive analytics, automation, and natural language processing. Constellation Software's AI investments offer a unique opportunity for investors seeking exposure to AI across multiple industries.

### Balancing Risk and Opportunity

While the AI sector presents significant growth potential, investors should be mindful of the associated risks. As AI technologies continue to evolve, regulatory landscapes and competitive pressures may impact the performance of companies operating in this space. A well-diversified investment approach can help mitigate these risks and ensure a balanced portfolio.

*The AI revolution presents Canadian investors with a wealth of opportunities in the country's largest public companies. By investing in firms such as Shopify, OpenText, Kinaxis, and Constellation Software, investors can capitalize on the growing demand for AI-driven solutions across a range of industries. As with any investment, it is essential to consult with a professional financial advisor to develop a tailored investment strategy that aligns with individual goals and risk tolerance.*

## A Bright Horizon – Canadian Outlook

As the Canadian economy rebounds from the pandemic and enters a period of growth, investors are seeking opportunities to capitalize on this expansion. In this article, we will delve into the Canadian economic outlook, focusing on investment opportunities and the performance of various sectors. Additionally, we will examine the regional economies of British Columbia, Alberta, Ontario, the Prairies, and the East Coast.

### Fiscal and Monetary Policy

The Canadian government and the Bank of Canada have been proactive in implementing policies to support the economy throughout the pandemic. The country has witnessed a series of stimulus packages and monetary easing measures aimed at boosting consumer spending and encouraging business investment. These policies have been successful in promoting economic recovery and are expected to continue supporting growth across the country in 2023.

### Investment Opportunities in a Growing Economy

Canada's diverse economy is a significant contributor to its resilience and growth prospects. The country has a robust service sector, which accounts for approximately 70% of its GDP, while natural resources and manufacturing industries also play a vital role. This diversification has helped cushion the impact of the pandemic and will remain an essential driver of economic growth in the coming years.

As the Canadian economy strengthens, we see several sectors poised for growth, presenting lucrative investment opportunities. These include:

- a. **Technology:** Canada's thriving technology sector, encompassing areas such as artificial intelligence, clean technology, and biotechnology, is expected to drive economic growth. Investors can benefit from this trend by investing in innovative tech companies and startups with strong growth potential.
- b. **Renewable Energy:** With the federal government's commitment to achieving net-zero emissions by 2050, the renewable energy sector is set to expand rapidly. Investors can capitalize on this growth by investing in companies involved in the production, distribution, and development of renewable energy technologies, such as solar, wind, and hydro power.
- c. **Infrastructure:** The Canadian government has allocated significant funds for infrastructure development, including public transit, broadband, and affordable housing. Investment opportunities exist in companies involved in construction, engineering, and project management, as well as in infrastructure-focused funds.

### Regional Economic Outlook

- a. **British Columbia:** The British Columbian economy is expected to grow due to its strong technology and clean energy sectors, as well as its role as a major gateway for international trade with Asia. Investors can benefit from the province's growth by investing in local technology firms, clean energy projects, and companies involved in the export of goods and services to Asian markets.
- b. **Alberta:** Alberta's economy, heavily reliant on the oil and gas sector, has faced challenges due to low oil prices and pipeline constraints. However, the province is diversifying its economy by investing in renewable energy and technology. Investors can find opportunities in renewable energy projects, as well as in companies that support the province's economic diversification efforts.

- c. **Ontario:** As Canada's largest provincial economy, Ontario is expected to benefit from growth in the technology, finance, and manufacturing sectors. Investors can take advantage of this growth by investing in companies within these industries, as well as in real estate, given the ongoing demand for housing in the Greater Toronto Area.
- d. **The Prairies:** The Prairie provinces have experienced economic challenges due to their reliance on agriculture and natural resources. However, opportunities exist in areas such as agribusiness, clean technology, and infrastructure development. Investors can seek out companies and projects that support the diversification and modernization of the region's economy.
- e. **East Coast:** The East Coast's economy, driven by tourism, fisheries, and energy, is expected to grow moderately. Investors can find opportunities in companies involved in these sectors, as well as in infrastructure projects aimed at improving transportation and connectivity in the region.

### **Managing Risks**

*While opportunities abound in various sectors and regions, investors should remain cautious and consider potential risks, such as global economic uncertainties, currency fluctuations, and interest rate changes. A diversified investment approach, coupled with ongoing risk assessment, will help ensure a well-balanced and resilient portfolio.*

The Canadian economic outlook presents investors with an array of opportunities in various sectors and regions. By carefully analyzing the potential for growth and diversifying your investments, you can capitalize on these opportunities and achieve long-term financial success. As always, it is crucial to consult with a professional financial advisor to tailor investment strategies according to individual needs and risk tolerance. Reach out to us today to discuss investment opportunities for your portfolio.

## **No Surprises Here, Eh? A Light-Hearted Look at Family Money Talks**

Today, we're diving into the world of family money talks, but fear not—this won't be a snooze-fest of financial jargon. Instead, we'll explore the importance of open conversations about your financial situation and estate plans, all while keeping things light, funny, and delightfully Canadian.



**1. Don't Keep Your Loonies Under a Rock (or a Hockey Puck)** We get it—talking about money can feel as awkward as trying to eat poutine with chopsticks. But trust us, it's essential to let your family know what's going on with your finances, so they aren't left scratching their heads when you leave them a fortune in vintage hockey memorabilia instead of cold, hard cash. So, gather your loved ones and start discussing those assets, liabilities, and plans for the future.

### **2. Learn from the Rich and (In)famous**

Do you remember the wild saga of Howard Hughes, the eccentric billionaire who passed away without a valid will? His estate turned into a free-for-all, with long-lost relatives and alleged heirs popping up like Canadian geese during migration season. Don't let your estate become the stuff of tabloid legend. Instead, ensure your family is well-prepared and informed about your intentions.

### **3. Discuss the "Eh-to-Z" of Your Estate Plan**

When it comes to talking with your family about your financial plans, don't be afraid to get into the nitty-gritty details. Explain how you want your wealth distributed, who gets that prized collection of moose antlers, and who's responsible for carrying out your wishes. The more information you provide, the less confusion there will be when the time comes. You'll save your family from potential squabbles and give them peace of mind (and maybe a few laughs) along the way.



#### 4. A Dollar Amount Isn't Everything (But It's Kind of Important)

Sure, money can't buy happiness, but it can buy a fancy ski chalet in Whistler or a lifetime supply of maple syrup. When having your family money talk, be honest about how much you've saved (or haven't). This transparency will help your family manage expectations and plan accordingly. Plus, it's a great opportunity to remind everyone that love, laughter, and a shared love of all things Canadian are the true keys to happiness.

#### 5. Keep the Conversation Going, Just Like a Canadian Winter

Family money talks shouldn't be a one-time event. Make it a habit to check in with your loved ones and keep them updated on any changes to your financial situation or estate plans. This ongoing dialogue will ensure everyone's on the same page, and it's a great excuse to get together for some Timbits and hot cocoa.

So, let's embrace the importance of family money talks with a light-hearted attitude and a healthy dose of humour. By being open and honest about our financial plans, we can help our loved ones navigate the inevitable with confidence and a few chuckles along the way. After all, isn't that what being Canadian is all about?

#### Family Money Talks: Preparing Your Loved Ones for the Inevitable

- Open conversations about finances and estate plans can provide peace of mind for both you and your family. Here are some tips for initiating these discussions:
- Choose the Right Time and Place: Select a comfortable and private setting where everyone can speak openly.
- Be Transparent: Share information about your assets, liabilities, and estate plans, including the location of essential documents.
- Discuss Your Wishes: Clearly outline your intentions for the distribution of your assets and the roles family members may play in your estate.
- Encourage Questions: Give your loved ones the opportunity to ask questions and share their thoughts.
- By discussing these matters now, you can help prevent confusion and potential conflicts after your passing.

### Surfing the Dividend Wave: A Light-Hearted Guide for Canadian Investors

Ahoy, investors! As you ride the waves of the investment world, there's one thing you won't want to miss: dividends. These delightful little treasures can be the difference between your investment portfolio being as flat as a beaver's tail or soaring as high as a coastal mountain peak. So, grab a cup of coffee, sit back, and enjoy this informative look at the importance of dividends for your investment portfolio.

#### 1. The Dividend Difference: A Financial Lifeline or Life Preserver

Think of dividends as a financial life preserver, keeping you afloat amid the unpredictable waters of the stock market. These regular cash payments, made by companies to their shareholders, can provide a steady stream of income, acting as a buffer during stormy market conditions. Like the gentle lapping of waves on a sunny Okanagan beach, dividends offer comfort and stability in an otherwise uncertain world.

#### 2. Compounding: A Snowball Effect for Your Investments (Minus the Actual Snow)

Here in British Columbia, we know a thing or two about snow. Compounding, in the context of dividends, is like a financial snowball rolling downhill, gaining size and momentum with every turn. By reinvesting your dividends, you'll acquire additional shares, which in turn generate more dividends. Over time, this compounding effect can help your investments grow exponentially, much like a Whistler snowfall accumulating on the slopes.

#### 3. Diversification: A Smorgasbord of Investment Opportunities

British Columbia is known for its diverse landscapes, from the sandy shores of Tofino to the bustling metropolis of Vancouver. Just as our province boasts an array of natural wonders, a well-rounded investment portfolio should include a mix of assets. Dividend-paying stocks provide an excellent opportunity to diversify, allowing you to spread your risk and potentially increase your overall returns. It's like a buffet of financial opportunities, with a side of maple syrup, of course.

#### 4. The Taxman Cometh (But Maybe Not as Harshly)

We can't escape taxes, but that doesn't mean we can't try to minimize them. In Canada, dividends from Canadian companies often receive preferential tax treatment, thanks to the dividend tax credit. This means that, compared to other forms of investment income, you'll be parting with fewer of your hard-earned loonies when tax season rolls around. It's almost as satisfying as finding a hidden stash of Nanaimo bars in your fridge.

#### 5. The Long Game: A Retirement Plan as Majestic as the Rockies

Dividends can play a significant role in your long-term investment strategy, especially when planning for retirement. By investing in dividend-paying stocks, you can generate a reliable income stream to supplement your pension or other retirement savings. As you kick back and enjoy your golden years, you'll be able to appreciate the financial fruits of your labour, much like gazing out at the breathtaking beauty of our province.

In conclusion, don't overlook the importance of dividends in your investment portfolio. By embracing these cash payouts, you can ride the waves of the market with confidence, secure in the knowledge that you're well-prepared for whatever financial storms may come your way. And, who knows? With a little luck and some savvy investing, you just might find yourself enjoying a comfortable retirement in a seaside villa on Vancouver Island, sipping BC wine and toasting your dividend-fueled success.

**Call us at 1.888.778.0356 to book a confidential meeting in any of the following locations:**

### **Straightforward, reliable financial advice**

Service, integrity and communication are the foundation of our practice. In order to deliver timely financial advice to the individuals, families and businesses that have entrusted us to invest their hard-earned savings, we have found that scheduled appointments for portfolio reviews meetings and detailed financial discussion work best. This allows us to devote our undivided attention to your financial situation.

Please call us if you would like to arrange a confidential meeting to review your financial plan or schedule a portfolio review meeting. In the meantime, if you have any questions, please feel free to call us at 1-888-778-0356 or email us at [Heart.Wealth@raymondjames.ca](mailto:Heart.Wealth@raymondjames.ca).

**We are happy to help!**

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