

THE INDEPENDENT SOURCE

MAY 2014

ISSUE 5, VOLUME 2

SEA TO SKY GONDOLA

By Jessica

Last Sunday I spent the day in Squamish and experienced the Sea to Sky Gondola for the first time. My friend and I decided to hike up the Sea to Summit trail and take the gondola down. It's a fantastic trail, steep in parts but balanced out with flat sections in between. You are in the trees for most of the hike, but there are a couple of spots where you can preview the amazing views. It took us over 2 hours to hike the 9.8km distance, which includes a 918m elevation gain. The trail is a series of long switchbacks, following the Chief Peaks route for part of it, then over to Upper Shannon Falls, before winding its way up to the summit. Other than the Chief section, it was very quiet and peaceful on the trail. We probably encountered only 20 other hikers along the way. The Sea to Summit route is categorized as intermediate/advanced, with fixed ropes to assist in some places.

There are beautiful views of Howe Sound from the top and on the gondola ride down, as well as stunning mountain vistas. There is a cafeteria style restaurant and bar at the summit, with great seating inside and out, viewing platforms, a gift shop, and a suspension bridge. There are also additional trails that can be accessed, ranging from easy short walks to backcountry hikes. It was quite busy in the lodge but there was no wait for the gondola ride down.

I plan to return to the Sea to Sky gondola this summer. I'd like to hike up again, as well explore and trail run some of the other new trails. I'm also intrigued to snowshoe in the backcountry during the winter months.

For the summer season (until October 13) the hours of operation are Monday to Thursday 9am- 5pm and Friday to Sunday until 9pm. The cost is \$34.95 round-trip for adults (with discounts for families of 4, seniors, youth, and children, plus under 6 are free), or \$9.95 to download only. I really like the fact that dogs can download too! They also offer season passes for people and dogs.

The Sea to Sky gondola is approximately a 45 minute drive from downtown Vancouver, and is situated between Shannon Falls and the Chief. Parking is free for short-term (3 hours maximum) at the base of the gondola as well as the overflow and long-term parking located at Darrell Bay (south of the gondola) and Chances Casino (north of the gondola).

I would highly recommend the Sea to Sky gondola, whether you are riding both up and down or hiking and downloading. It's a perfect day trip from Vancouver, and along with the incredible drive along the Sea to Sky highway, showcases the region very well!

Source:

<http://www.seatoskygondola.com/>

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EDUCATIONAL TIDBIT

When investing abroad, currency matters

By Salman Ahmed

Quite frankly, currencies are confusing. There are numerous cross currents to think about. For example the Canadian dollar may be strengthening against the U.S. dollar, but weakening against the Japanese yen. Now imagine that happening for all currencies in a global equity portfolio. Then there's the terminology -- derivatives, futures, forwards, swaps, spreads, overnight. It sounds like a cross between a sci-fi and bad romantic novel.

So I'll spare you the migraine and spend much of this article going over how hedging or not hedging foreign equities affects your portfolio rather than the intricacies of currency markets.

To hedge or not to hedge?

Investing in foreign securities exposes investors to changes in exchange rates, and there's a pile of research debating whether this foreign currency exposure should be eliminated by hedging or left in a portfolio. Like any great debate, there appears to be no clear victor. In a nutshell, those against hedging will tell you that currencies add a layer of diversification to a portfolio. When one currency zigs, another will zag. They'll also tell you that currency fluctuations will wash out over the long-run, eventually leading to a net return of zero.

Proponents of hedging, meanwhile, point to exchange rates that haven't always evened out over the years in cases like the Japanese yen. You could have tripled your investment if you converted Canadian dollars to yens 40 years ago and exchanged them back to dollars today. They also point to the fact that currencies add risk to the portfolio -- a risk for which investors aren't always compensated over long periods. For example, the risk-adjusted return (as measured by Sharpe Ratio) for the MSCI EAFE Index, which represents developed foreign markets excluding U.S. equities, is higher for hedged portfolio.

How do portfolio managers cope with foreign currencies?

Managers who hedge fall into two broad camps. In one corner you have funds that hedge a certain percentage no matter what's going on in

the markets. For example, RBC Global Asset Management hedges away 90% of the U.S. dollar exposure on RBC O'Shaughnessy U.S. Value. This approach has its benefits, the most apparent of which is discipline, which is especially important if investors aren't sure if a manager has the skill to manage currency.

In the other corner, there are funds that take a more opportunistic approach. When looking at these funds, it's important to understand the process the manager uses to manage currency exposure -- poor calls can be a drag on performance. Trimark Fund, for example, hedges currencies to manage risk. It has hedged a chunk of its exposure to the yen because of Japan's effort to weaken its currency.

Of course there are numerous funds that don't do anything with their foreign currency exposure. Funds like Mawer International Equity and Capital International Global Equity don't hedge any foreign currency exposure, but that doesn't mean they ignore it. Both look at the exposure in the portfolio and look for companies that can withstand large currency fluctuations.

How does currency impact Canadian portfolios?

Understanding the characteristics of funds is important, but investors need to make decisions on any security within the context of their total portfolio. So while a discussion on how hedged and unhedged equity funds perform on their own is useful, it's more important to examine how they may perform within Canadian investors' portfolios. The hedging decision varies depending on the asset class, so let's break it down into three broad categories: U.S. equity, international equity and emerging markets equity.

The U.S. dollar is considered a reserve currency. In times of crisis, investors around the world flock to the stability of these currencies. Even during the credit crisis in 2008-2009, while the U.S. economy was struggling, the U.S. dollar gained about 3% against the loonie. That means you may want to have exposure to the U.S. dollar and leave your U.S. equity exposure unhedged. In fact, the S&P/TSX Capped Composite Index's correlation to the S&P 500 in Canadian dollars over the last 10 years is far lower than its correlation to the U.S.-dollar version of the S&P 500 (see table below).

International equity funds include exposure to the euro and Swiss franc, which like the U.S. dollar are also reserve currencies. About 40% of the MSCI EAFE Index, the most commonly used benchmark for the asset class, is comprised of Eurozone and Swiss companies. But it also includes a potpourri of other currencies. This makes the hedging decision trickier. On the whole, an unhedged international equity exposure has had lower correlations to Canadian equities. But the difference between the hedge and unhedged international equity exposure isn't as meaningful as U.S. equities.

Over the past decade, emerging markets have gone from the next hot thing to a necessity for investors. But let's take a step back for a second. Yes, on their own, emerging markets can diversify a portfolio's exposure to countries. But as part of a portfolio, they may not provide Canadian investors a large diversification benefit. That's because Canada is a large exporter of commodities; 38% of the S&P/TSX Composite is in the energy and material sectors (that number has been as high as 50% in the past). And the price for commodities has been driven by demand from developing markets. It often surprises investors when they find out that Canadian equities have been more correlated to emerging market equities than to U.S. or even international equities. If you do have emerging market exposure, hedging their currencies has challenges, the biggest one being its high cost. Many currencies trade infrequently, which increases the cost to trade them; this may negate any benefit of hedging them in the first place.

Index correlations to S&P/TSX Composite

| | <u>3- Year</u> | <u>5- Year</u> | <u>10- Year</u> |
|---------------------------------|--------------------|--------------------|---------------------|
| S&P 500 (CAD) | 0.62 | 0.59 | 0.5 |
| S&P 500 (USD) | 0.75 | 0.77 | 0.78 |
| MSCI EAFE (CAD) | 0.71 | 0.56 | 0.64 |
| MSCI EAFE (Local Currency) | 0.66 | 0.67 | 0.78 |
| MSCI Emrg Mkts (CAD) | 0.79 | 0.69 | 0.77 |
| MSCI Emrg Mkts (Local Currency) | 0.77 | 0.73 | 0.81 |

Currency calls can be very complex due to the numerous factors that must be considered. However, it is important to understand how currencies can impact a portfolio. When we are considering third-party managed fund that invests in foreign equities, an important part of our due diligence process is understanding how

the managers deal with the currency risk. If they hedge, what are the additional costs to do so? Does the manager always hedge their currency risk, or are they opportunistic? If the manager is trying to add value through currency calls, do they have the skills or tools to do so, and what has been their track record?

Source:
<http://cawidgets.morningstar.ca/ArticleTemplate/ArticleGL.aspx?culture=en-CA&id=649595>

BOOK REVIEW

The Orenda

By Joseph Boyden

Reviewed by Dwight

Books, like movies and music, are in my view more a matter of personal taste than of universal appeal. Awards (in this case the 2014 Canada Reads competition winner, and a nominee for both the 2013 Giller Prize and Governor General's Award) are like the gold medals on wine labels...great advertising, but your own palate is really the only judge whose opinion matters. To complete the analogy, I want each page of a book to be a work of prose that can stand on its own, then compel me to keep turning the pages, just as a sip of fine wine can be savoured, and ultimately begs another mouthful.

Authors who deliver this experience for me include Michael Ondaatje (The English Patient) and Mark Helprin (A Soldier of the Great War, Winter's Tale). Each page is a work of art that can stand on its own: the imagery and the sentence structure contribute greatly to the reading experience. It's not just plot and clever dialogue that hold my attention (though don't get me wrong, a good detective novel is a fun read, too).

The Orenda is, in a word, compelling. It is also horrifying, visceral, relentlessly violent and depressing, yet evokes a beautiful sadness that will overwhelm readers at many points. It is difficult to pick up, and even more difficult to put down. Moreover, one reviewer, Dr. Ronald F. Williamson, pointed out that The Orenda "should be required reading for every Canadian."

How can a novel motivate all of these seemingly conflicting and powerful responses?

Set in the seventeenth century in what is now Quebec, *The Orenda* chronicles the early contact between the Huron, the Iroquois, Jesuit missionaries and Champlain's colonial forces. The story covers several years in the lives (and deaths, lots of them) of the people of a Huron village and the Jesuits who came to spread Christianity (and inadvertently disease), seen through the eyes of Bird, a Huron warrior, Snow Falls, a young Iroquois girl he has kidnapped, and Christophe, the Jesuit who is living among them.

Every Canadian knows how the story ends. However, our sanitized view of Canadian history (my elementary school text books can only be described as heavily revisionist) is quickly replaced with the grim reality of life during that period. Boyden paints a picture of our colonization of La Nouvelle France that supports Dr. Williamson's assertion...this is the history we need to know in order to understand ourselves, and to understand our First Nations.

There are no heroes, no villains; just humans with widely divergent cultures and spiritual beliefs, and all too similar human failings. There is also violence that will challenge the strongest of stomachs, but the strength of the prose will overcome the horrors it describes. Don't read this novel for fun...read it for impact, knowledge, understanding, and a truly powerful emotional experience.

MATURITY MATTERS

Don't Let Arthritis Come Between You and Your Garden

Spring is a time of renewal. Hundreds of thousands of Canadians mark this rite of passage every year by raking, pruning and planting to make their gardens beautiful. Yet for the more than four million Canadians living with arthritis, the bending, stretching and lifting that gardening entails can seem daunting. Gardening is actually an excellent form of exercise that helps maintain strength and mobility without putting additional stress on your joints. The Arthritis Society offers the following tips for smart, safe gardening:

- Always be sure to stretch and warm up before working in the garden. This will help reduce stiffness and decrease your risk of injury.
- Use raised flower beds that allow you to stand or sit comfortably while you work.
- Search for garden products that have been designed to be used by people with arthritis. Tools bearing an "arthritis friendly" logo have received a passing grade by an independent third-party research organization.
- Use tools that have long handles to avoid bending or stooping. Handles should be as long as your own height.
- Pad the handles of your hand tools with foam to enlarge the grip.
- Wear a carpenter's apron with large pockets for carrying frequently used tools.
- Make sure your tools are sharp and well oiled. It will make them easier to use.
- Switch tasks often and take lots of breaks.
- Plan rest areas in your garden—benches, chairs, etc.—or use a rolling stool that you can move easily.
- If kneeling, use kneepads or a foam kneeling pad.

More tips for living well with arthritis can be found online at www.arthritis.ca.

Source:

<http://www.seniorlivingmag.com>

INTERESTING TIDBIT

Energy Savings Tips for Your Home

Here are some tips to help you save energy, save money and do your part for the environment.

Furnace:

- Keep your furnace clean, lubricated and properly adjusted with annual maintenance. If your furnace is working at peak efficiency, it will use less energy and cost less to operate.
- Clean or replace your filter every 1-2 months. A dirty filter reduces the airflow and forces the furnace to run longer to heat your home.

Laundry:

- Switch to cold water when doing your laundry. 85-90% of the energy used to wash your clothes is used to heat the water.
- Always wash full loads.
- Choose a front-loading washing machine. It uses 40% less water and 50% less energy.
- When it's warm outside, hang clothes to dry rather than using the dryer.

Basement:

- If you have an unfinished basement or crawlspace, check for drafts by looking for spider webs. If there is a web, there is a draft. A large amount of heat is also lost from an uninsulated basement.

Drapes and Blinds:

- On sunny days, open south-facing drapes and let the sun in as a natural source of heat. If you have large windows that don't receive direct sun, keep the drapes closed.
 - Keep your blinds and drapes closed at night.
- Other tips:*
- Install low-flow shower heads and faucets.
 - Always wash a full load in your dishwasher and air-dry your dishes on the "energy saver" setting.
 - On a wood fireplace, close the damper to prevent warm air from escaping through the chimney and ensure the damper fits properly.
 - Remember to turn lights off when not in use.
 - Conserve water by fixing leaks and drips and keeping the water turned off while brushing your teeth and shaving.
 - Replace old appliances with energy efficient ones. Appliances with Energy Star ratings typically use at least 20% less energy.
 - Make recycling a part of your daily routine. Aim to purchase items with minimal and recyclable packaging.
 - Re-use everything you can, i.e. old t-shirts can be torn up and used as rags or donated to charity.
 - Use energy-efficient light bulbs. These bulbs are now available in a dimmer switch-compatible variety.

Source:

www.teamtelep.com

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