

IN A DELUGE OF WISDOM?

It is difficult to believe but it's that time of year again. Yes, it's spring, but I'm alluding to those spring showers, which bring with them the perennial investment mantra, "Sell in May and go away". For longtime Market Pulse enthusiasts, this investment axiom isn't new. Having addressed it for tow years running, I think it worth checking in on its durability. But first, for those in need of a refresher or are first-time hearing of this adage, here's a succinct explanation, as presented by a recent Seeking Alpha – Wall Street Breakfast email:

"There's a famous adage on Wall Street called "Sell in May and go away", but investors are analyzing if the strategy still holds any merit. The investment approach posits that stocks tend to underperform in the six months through October, so investors should convert to cash at the start of May and then buy into a dip later in the fall. The origins of the saying go back quite a while, with reasons ranging from vacation cycles to bonus allocations, and others noting that the worst market crashes of 1929 and Black Monday in 1987 occurred during this period."^(1.)

Having exited a tumultuous April this year, investors could hardly be faulted for presuming a further escalation of selling hostilities, with unbroken asset price cutbacks rolling into May. Alas, the never-ending tug-of-war between buyers and sellers, which never ceases to fascinate, flipped the script in May, punishing those who exited "too early" from recouping the damage inflicted in April's thumping.

Naturally, another year's worth of "proof in the pudding" will be better assessed in October, once the prescribed six-month period concludes. It could very well be that it was those who did not sell in May wind up sporting more financial bruises, which is reminiscent to the same period as recently as 2022. More likely though, it will be the chasing greenhorns who exhibit the most black and blue, as they stumble out having bought the highs and sold the lows along the way.

As with all aspects of life, it's not what you know, it's what you do with that knowledge that makes the difference. Investing is no different. I, for one, admire studying the sage edicts of today's and yesteryear's investment savants. It's why I share some of the most powerful ones with you in the Quote of the Month section below. With these words, they teach us about their lessons learned, experiences and best practices.

But for the inquisitive reader, that still leaves the question, what are we to do? As suggested in April's Market Connection (made available to clients of Pinnacle Sovereign Investments of ACPI), part of investing involves properly identifying and equitably applying the correct objective to each particular asset purchase.

This month's Quote of the Month (below) highlights an extension of that process. There's no doubt the investment advisory industry is replete with the notion of diversification as a staple in building viable investment portfolios. And I'm not here to argue against that position as it is one of the principles applied in building most portfolios for clients of Pinnacle Sovereign Investments of ACPI. However, I do think the general investing public is left in the dark on the other side of this investing coin.

Intrigued about the notion of reducing the "black and blue" bruising of your investment portfolio? Or you would like to learn more about diversifying versus concentrating and how it can be applied to your investment portfolio? At Pinnacle Sovereign Investments of ACPI, we are fervent on topics of investing so please reach out. Let's connect for an informal and no obligation conversation so you can learn more about how we operate beyond the conventional for the benefit of our clients.

All My Best,

Adrian Harasymiw
Investment Advisor

QUOTE OF THE MONTH

"To make it, concentrate;
to keep it, diversify."
~ Mark Skousen

1. Seeking Alpha, Wall Street Breakfast: As It May email, May 2, 2024

| <u>10-YEAR BOND YIELDS</u> | <u>May 2024</u> | <u>April 2024</u> | <u>Quarter 2 2024</u> | <u>Year-to-Date 2024</u> |
|----------------------------|-----------------|-------------------|-----------------------|--------------------------|
| Canada | -4.85% | 9.75% | 4.49% | 12.55% |
| U.S. | -3.89% | 11.52% | 7.19% | 16.45% |
| Switzerland | 19.09% | -0.79% | 17.83% | 11.50% |
| Japan | 21.93% | 16.49% | 43.83% | 73.34% |

| <u>MAJOR STOCK INDICES</u> | <u>May 2024</u> | <u>April 2024</u> | <u>Quarter 2 2024</u> | <u>Year-to-Date 2024</u> |
|----------------------------|-----------------|-------------------|-----------------------|--------------------------|
| S&P/TSX (Canada) | 2.66% | -2.13% | 0.37% | 6.53% |
| DOW (U.S.) | 2.22% | -5.00% | -2.82% | 2.98% |
| S&P 500 (U.S.) | 4.94% | -4.23% | 0.37% | 11.22% |
| Nasdaq (U.S.) | 6.64% | -4.60% | 1.40% | 11.22% |
| NYSE (U.S.) | 2.73% | -3.87% | -1.25% | 7.30% |
| FTSE 100 (U.K.) | 1.61% | 2.41% | 4.06% | 7.01% |
| Euro Stoxx 50 (EUR) | 0.35% | -3.45% | -3.10% | 9.06% |
| Nikkei 225 (Japan) | 1.00% | -5.51% | -5.31% | 15.95% |
| Shanghai (China) | -1.46% | 1.83% | 1.24% | 3.84% |

| <u>MAJOR COMMODITIES</u> | <u>May 2024</u> | <u>April 2024</u> | <u>Quarter 2 2024</u> | <u>Year-to-Date 2024</u> |
|--------------------------|-----------------|-------------------|-----------------------|--------------------------|
| Gold (USD) | 2.07% | 1.93% | 3.83% | 13.18% |
| Silver (USD) | 14.65% | 6.03% | 21.08% | 26.60% |
| WTI Crude Oil | -5.51% | -1.46% | -7.40% | 7.36% |
| Natural Gas | 31.55% | 12.75% | 46.46% | -0.58% |
| Uranium | -3.27% | 3.15% | 1.78% | -3.16% |
| Wheat | 12.28% | 7.33% | 20.71% | 7.92% |
| Cotton | -3.02% | -14.25% | -16.84% | -5.84% |

| <u>OTHER</u> | <u>May 2024</u> | <u>April 2024</u> | <u>Quarter 2 2024</u> | <u>Year-to-Date 2024</u> |
|--------------|-----------------|-------------------|-----------------------|--------------------------|
| USD Index | -1.59% | 1.74% | 0.13% | 3.20% |
| CAD/USD | 1.07% | -1.68% | -0.64% | -2.78% |
| Bitcoin | 11.30% | -14.87% | -5.25% | 59.75% |
| Ethereum | 24.64% | -17.26% | 3.22% | 64.71% |
| VIX | -18.03% | 14.92% | -5.14% | -2.34% |

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High Interest Savings Fund: 4.76% (net)

1-Year GIC: 5.00% (net)

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