

# Mott Liokossis Wealth Management Group Newsletter



## November 2024 Commentary

September is traditionally the weakest month of the year for stocks, followed closely by October. 2024 graphically illustrates why you can't use this type of historical cyclical data to trade. Selling in anticipation of trouble would have been a huge mistake this year. September & October added 5.24% and 3.58%, respectively, to our *Hypothetical Equity Model*<sup>1</sup>, outpacing our *Global Equity Benchmark*'s<sup>2</sup> 1.60% and 0.88%. Year-to-date end of October we are 28.44% vs. 18.20%, respectively. So far it is a strong year for stocks and even stronger for our model. As things stand with two months to go, if things don't change, this will be our second-best year since year we first implemented our model in 2013.

The anticipated update to our model structure has proven to be more involved (administratively) than we anticipated. We are still working through those details and will report back soon.

## Market Commentary

Not to sound like a broken record but there is only one game in town right now and that is the election for President of the United States on Nov. 5<sup>th</sup>. Economically speaking, the two options could not be more opposed.

Our take is that the incredible rally we've enjoyed over the last year is largely the stock market pricing in a Trump return with the expectation of a return to the market-friendly policies of his first administration. With that in mind, stocks move on the chasm between expectations and reality. If Kamala Harris wins, the expectations that have been priced into stocks might well get priced right back out. It is possible we get a correction.

Medium term our guess is a Harris administration, should they achieve their tax policy goals, would mean a stock market crash into 2026. The main culprit is their proposed unrealized capital gains tax. The concept is that if you've had a house for 30 years and it has gone from \$100,000 to \$1 million, you will be assessed on that \$900,000 gain and will owe taxes without having sold the house! Imagine the wave of forced selling this would engender and the effect on home prices. Now apply the same process to stocks. And land. And any capital asset. We don't have any concrete policy details yet, but they've spoken of it openly, including comments from the Secretary of the Treasury Janet Yellen.

The forgoing assumes a normal election with a normal transition. We expect this will not be the case and will save any commentary for post-election once we see what actually comes to pass. Neither side can afford to lose. We think it is going to be messy and chaotic. We hope we are wrong.

In the face of all this, our market analysis remains resolutely full speed ahead and so we remain fully invested. When conditions inevitably change, we'll be on it.

---

<sup>1</sup> If you are new to this newsletter, our reference to a 'hypothetical equity model' bears explaining. Because every client's portfolio is slightly different and customized, we track a 'hypothetical' model to represent our results. This model contains the same investments as the equity portion (i.e. the 'engine') of your portfolio. It excludes the bonds. Each trade is done at the same time and price as your portfolio.

Our Hypothetical Equity Model closely approximates the actual performance of your equities before fees. It gives us context, allowing for various types of analyses & comparisons.

<sup>2</sup> Global stock market is represented by EW1785 World Stock Equal Weight Index, Courtesy of SIA Charts

## Awards Night!

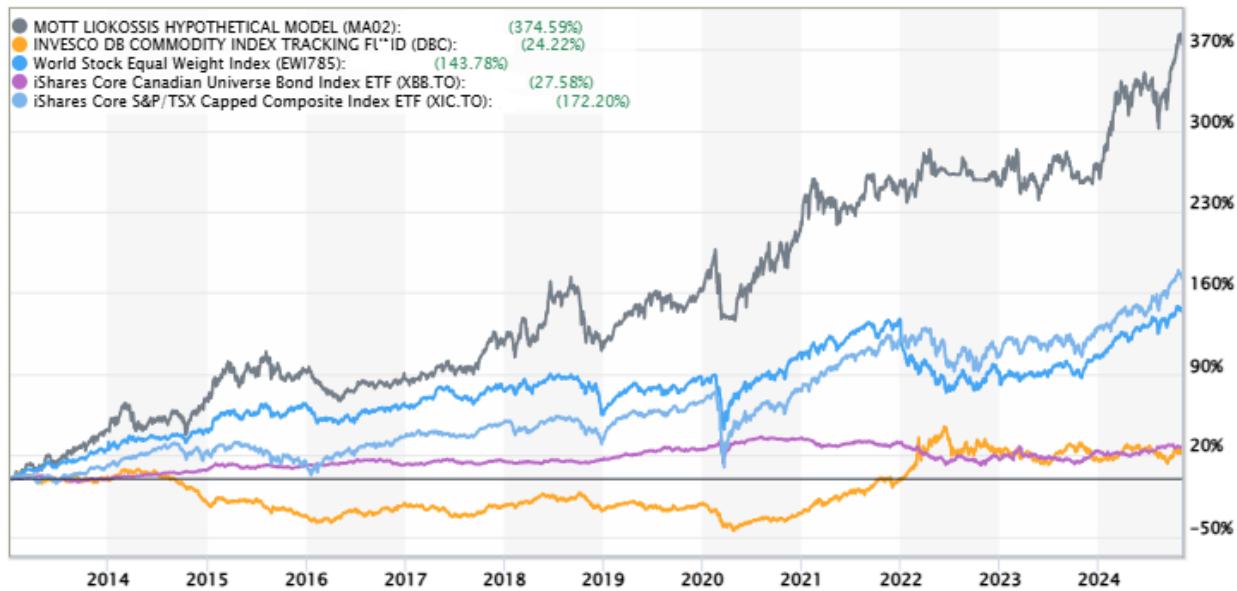
November 5<sup>th</sup> is not only the U.S. presidential election, but it is also the Canadian Hedge Fund Awards gala in Toronto. The fund we developed with our partners at SIA in Calgary – The SIA ML Global Tactical Pool – has been recognized for its superior risk-adjusted returns. It has been nominated in the Global Macro/Managed Futures/Multi-Strategy category for fund of the year. Wish us luck!

### Mott Liokossis Hypothetical Equity Model – Holdings on October 31<sup>st</sup>, 2024

Weight	Equity Name	Symbol	Sector	Price	TTM Yield
5.34%	CARPENTER TECHNOLOGY CORP	CRS	Manufacturing	\$208.31	0.38%
5.91%	EMBRAER S.A. ADR	ERJ	Aerospace and Defense	\$46.71	0.00%
5.71%	TRANE TECHNOLOGIES PLC	TT	Manufacturing	\$515.78	0.63%
6.36%	SAP SE ADS	SAP	Computer Software	\$325.55	0.73%
39.31%	SIA ML GLOBAL TACTICAL POOL CLASS I	SWI220	Alternative Equity Focused Equal Weight Idx	\$28.27	1.20%
6.02%	KKR & CO. INC	KKR	Financial Services	\$192.62	0.35%
10.04%	BMO SIA FOCUSED CANADIAN EQUITY ETF	ZFC.TO	Canadian Equity	\$45.52	0.47%
6.93%	QIFU TECHNOLOGY INC.	QFIN	Financial Services	\$45.68	2.58%
5.37%	HOWMET AEROSPACE INC	HWM	Aerospace and Defense	\$138.95	0.17%
5.63%	CONSTELLATION ENERGY CORP	CEG	Utilities	\$366.41	0.37%
3.38%	CASH				

### Mott Liokossis Hypothetical Equity Model – Percent Gain from Jan. 4, 2013 to Oct. 31, 2024

#### Growth Chart



Powered by SIACHARTS.COM (Oct. 31, 2024)



[Click here to access your online account and tax statements](#)



[Click here to learn more about the team](#)



[Click here to contact us](#)

**Blair Mott**

FCSI, CIM®, FMA  
Senior Wealth Advisor  
& Portfolio Manager  
519-646-2146  
[blair.mott@nbc.ca](mailto:blair.mott@nbc.ca)

**Tony Liokossis**

B.A., FCSI, CIM®  
Senior Wealth Advisor  
& Portfolio Manager  
519-646-5728  
[tony.liokossis@nbc.ca](mailto:tony.liokossis@nbc.ca)

**Stephanie Lindsay**

HBA  
Wealth Associate  
519-646-2149  
[stephanie.lindsay@nbc.ca](mailto:stephanie.lindsay@nbc.ca)

**Juliana Weese**

Wealth Associate  
519-646-2152  
[juliana.weese@nbc.ca](mailto:juliana.weese@nbc.ca)

**Bogue Clark**

Wealth Associate  
905-980-6331  
[bogue.clark@nbc.ca](mailto:bogue.clark@nbc.ca)



© NATIONAL BANK FINANCIAL. All rights reserved 2024.

National Bank Financial - Wealth Management (NBFWM) is a division of National Bank Financial Inc. (NBF), as well as a trademark owned by National Bank of Canada (NBC) that is used under license by NBF. NBF is a member of the Canadian Investment Regulatory Organization (CIRO) and the Canadian Investor Protection Fund (CIPF), and is a wholly-owned subsidiary of NBC, a public company listed on the Toronto Stock Exchange (TSX: NA).

The information contained herein was obtained from sources we believe to be reliable, but is not guaranteed by us and may be incomplete. The opinions expressed are based on our analysis and interpretation of this information and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein. The opinions expressed herein are those of the author and do not necessarily reflect those of National Bank Financial.

The securities or investment sectors mentioned herein are not suitable for all types of investors. Please consult your investment advisor to verify whether the securities or sectors suit your investor's profile as well as to obtain complete information, including the main risk factors, regarding those securities or sectors. This document is not a research analysis produced by the Research Department of National Bank Financial.

[Unsubscription option](#)

[Terms of use](#)

[Privacy Policy](#)

[ABCs of Security](#)