



We hope that this update finds you well.

We just wanted to send you a brief note about where we see the markets now and where they may be heading over the next few months.

Global markets are struggling with inflationary pressures caused by the massive stimulus that was needed to get us through the pandemic. This has been exacerbated by the war in Ukraine and China being shut down by COVID.

The challenge facing Central Banks is to raise interest rates at a pace that will reduce demand and stabilize growth without causing a recession. This is a delicate balancing act, however there are signs that we are making progress. Supply chains are slowly easing, the labour market is beginning to balance out and we are seeing signs of lowered consumer spending. This process will take time and the markets will remain volatile as this sorts itself out.

We have been focused on companies that will perform well in an inflationary environment, have stable cash flows and pay solid dividends. This will allow you to maintain your income and buffer your portfolio from some of the wild swings. The nature of our investing philosophy has allowed us to avoid the more speculative areas of the markets, specifically high multiple technology stocks, crypto currencies and emerging markets. We are well positioned and will look for opportunities to take advantage of the volatility while positioning for the future.

As always if you have any questions or just want to touch base, we are just a phone call or e-mail away.

Enjoy the long weekend!

The Andras Group

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