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10 YEARS AGO THIS MONTH

Can you believe it's been ten years since the financial crisis? Below are a few of the major headlines from that time:

"Lehman Files for Bankruptcy; Merrill Is Sold,"

The New York Times, September 14, 2008

"U.S. to Take Over AIG in \$85 Billion Bailout; Central Banks Inject Cash as Credit Dries Up," *The Wall Street Journal, September 16, 2008*

"Worst Crisis Since '30s, With No End Yet in Sight,"

The Wall Street Journal, September 18, 2008

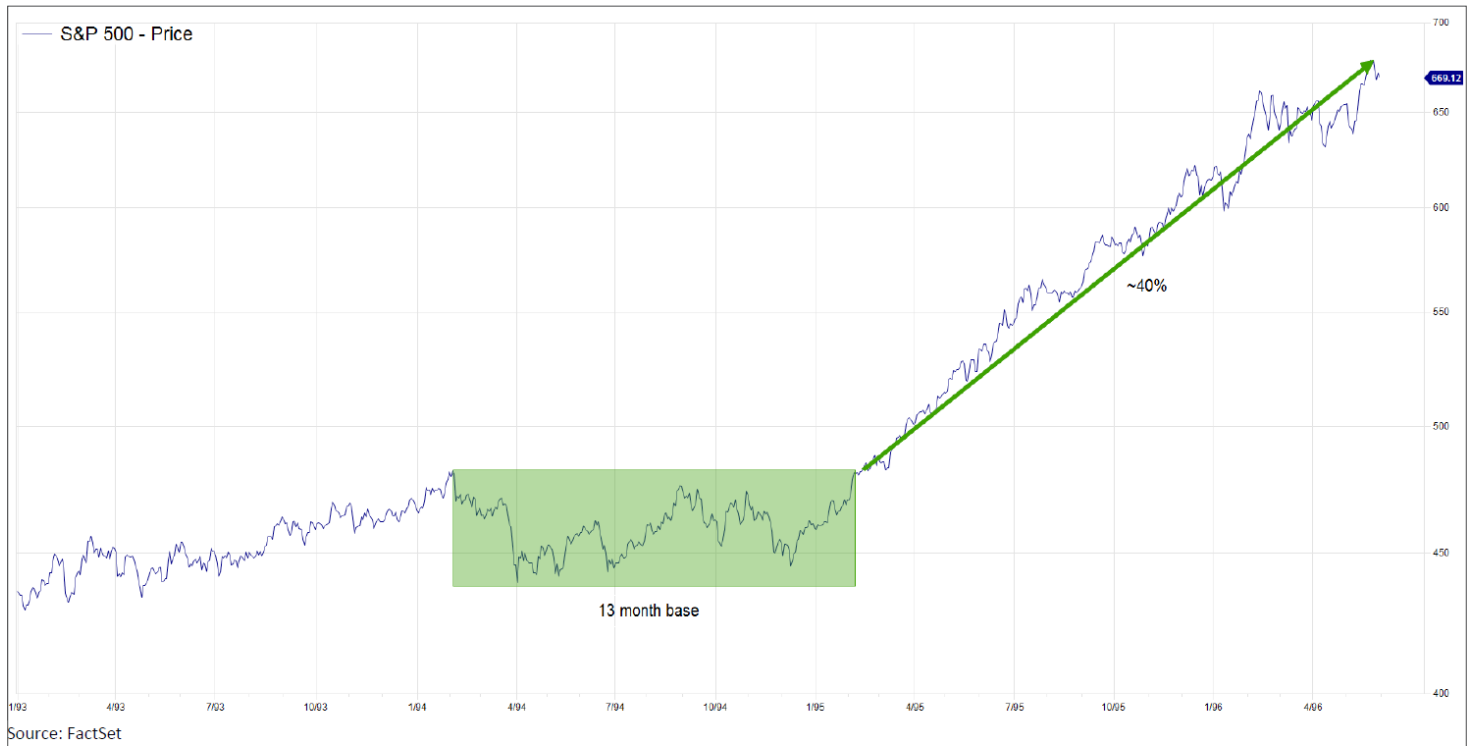
"US Senate passes \$700bn bank bailout," *Telegraph, October 2, 2008*

Most of us still, unfortunately, remember that time in our lives. Some investors, with the help of a prudent multi-portfolio manager approach, came away fairly unscathed within a year or two and never looked back. Others were impacted more significantly and some were hurt so badly, both emotionally and financially, they will never fully recover.

Thankfully, a lot of positive events have happened since then, and a few pundits are now calling the past nine years the longest bull market in history. However, at Johnson Legacy, we respectfully disagree. Anyone can cherry pick the absolute bottom of a crisis and call what follows a bull market. But long-term bull markets don't actually begin until company earnings start to expand and that didn't happen until 2013. The four years prior to that, from 2009-2012, the global stock markets were being artificially inflated by government intervention and rightfully so. Had governments not used taxpayer's money to bail out the banks, the entire financial system would have collapsed. That being said, many people are starting to wonder; when will this bull market end?

We're here to tell you not any time soon in our opinion! In fact, we could be in for a significant increase in the stock markets over the next 12-14 months if they react the same way the S&P500 did in the mid 1990s (up 40%) as shown below:





As you can see, for 13 months between February 1994 and February 1995 the market consolidated and went sideways testing investors' patience. But then the market broke out and went up 40% over the next 16 months! Since January of this year, the S&P500 experienced very similar sideways action testing investors' patience once again. However, on August 24 it broke out to the upside, like it did in 1995.

Patience is one of the greatest virtues when investing, yet it's also one of the hardest to accomplish. Investors who are patient and don't react to the negative news headlines (noise) will be rewarded.



Market Pulse:

Major Stock Indexes	Level/Price	YTD Return Ending Aug 31/18
S&P/TSX Comp	16,263	0.33%
S&P 500 Comp	2,902	8.52%
Dow Jones Industrial Avg	25,965	5.04%
Major Bond Index		
FTSE Universe	1,043	0.62%
Commodities		
Crude Oil - WTI (US\$/bbl)	\$71.16	17.78%
Gold (US\$/oz.)	\$1,193	-8.87%
N. Gas (US\$/MMBtu)	\$2.85	-3.39%
Currency		
Canadian Dollar (CAD/USD)	\$0.76	-4.42%

Source: Bloomberg.

Personal Updates:

Now that the summer is wrapping up, Lori is looking ahead to some fall projects. Lori is on the planning committee for the annual Raymond James Christmas in November event. This year they have chosen to raise money for the Kelsey Serwa Scholarship Fund, this fund will support Kelowna high school graduates excelling in athletics and academics. Lori has also been asked to assist the Kelowna Art Gallery with event planning and fundraising. She will attend her first meeting with that committee this month and learn more about the objectives of the gallery.

Jay would like to thank everyone again who donated to another successful Ride to Conquer Cancer. Jay personally raised \$6,600 and the entire Raymond James team raised over \$68,000, bringing their running total to \$460,000 since 2011. Even though it was cold and raining both days, over 2,500 riders rode from Cloverdale to Chilliwack. Day two was supposed to take them to Hope but because of the Agassiz wildfire along Highway 7 they changed the route to stay within Chilliwack. Jay will now shift his attention back to coaching Charley's and Tucker's soccer teams and driving them around to dance and hockey.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual funds. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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