

Good morning readers,

The nice weather in Ottawa today should be welcomed by those of us who woke up to snow Wednesday and Thursday morning. After the initial shock Wednesday morning, I determined it was not worth worrying about as golf courses aren't open anyways.. (in Ontario that is - if you live in any other part of North America you are free to golf).

A relatively non-eventful week in marketland until early afternoon Thursday when Biden's new capital gains tax proposal was released. Markets pulled back on the news (often an overreaction when news is broken during the trading day – see Trump, Donald), but at the time of writing (Friday pre-market) US equity futures were in the green as investors seem to have shaken off this news (like they have for most negative news over the past year). As a quick refresher, when you sell an investment, you pay tax on the gain (capital gain). In Canada you pay your marginal tax rate on half of the gain. The US system is different whereas if you sell an investment within a year of purchase, it is deemed a short term capital gain, and the full gain is taxed at your marginal tax rate. If you hold the investment for over a year, it becomes a long term capital gain, where the highest tax rate is 20% on the gain. Biden's proposal bumps this up to 43.4% when Obamacare surtaxes are included for high income earners (over \$1M a year earners).

Critics of the current system lament that wealthy investors pay less tax on their stock sales than middle class workers pay on their income. Proponents of the current system argue that the ripple effect would disincentivize risk-taking, and hold back economic growth (less attractive to invest in businesses). This is certainly something

we will be monitoring, but the market is thus far taking the news in stride, and given the massive stimulus rollout, I don't think anyone can really be surprised taxes will be increasing (can't wait to see what happens in Canada...)

Although the pandemic (and lately how politicians are handling the pandemic) seems to be all we are talking about, I wanted to touch on the subject through perhaps a different lens in this week's article. I believe if a psychologist were to study our emotions and mental state throughout the pandemic, this might be the most interesting time to do so given the numerous paradoxes currently at play. We have the comfort of being a year into the pandemic and learning how to live under these conditions, but the fear of this third wave being the most severe. We have the optimism of the vaccine rollout, and seeing those close to us (including many of you) receiving their first shot, but also the "close to home factor" (at least I am noticing) where more people close to us are contracting Covid, and even seeing a young, healthy close friend of mine admitted to hospital (he has since been released and doing better!). Not to be overlooked, we have the optimism and excitement that typically comes with spring, being overshadowed by our most severe lockdown yet, and no real comfort that we will be able to live a "normal" summer. Tying into this week's article, with all these paradoxes and stresses at play even those whose mental health is doing well likely end many days feeling "bleh" – which segways into this week's article.

There's a Name for the Blah You're Feeling: It's Called Languishing – from the New York Times, this article describes this dominating feeling being felt by many. The article describes languishing as the void between depression and flourishing, the middle child of mental health. You're not functioning at full capacity, languishing

dulls your motivation, disrupts your ability to focus and triples the odds that you'll cut back on work. This feeling or state of mind would likely come from lack of fulfillment. Beyond family (which has been tough with social distancing) and work (which also can feel much less team-oriented from home) it is difficult to accomplish new tasks or experience new things to provide the sense of fulfillment. I think this describes an interesting microcosm of human nature. As much as we often fear stress, and the ups and downs, this state many (not all) people are now in of nothing severely wrong, but nothing really great probably isn't great for our mental health. Maybe we thrive on the ups and downs and chasing those "ups" is what motivates and fulfills us?

Disclaimer: I have absolutely no background in psychology, and could be completely off base, but after a friend sent me this article earlier in the week, I spent some time pondering it and figured would be a could topic to ramble on about during our weekly musings!

You can read the full article here:

<https://www.nytimes.com/2021/04/19/well/mind/covid-mental-health-languishing.html>

I hope you are all doing as well as can be, and for those of you googling "building raft that holds golf clubs" with hopes of making your way to Quebec this weekend – the third article down is the best, and all in the project takes ~4 hours.... I am told.....

Penned by Kale Wild

Sincerely,

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