

Perspective

JULY 2025



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The Value of a Great Caddie

Ask ChatGPT who the greatest golf caddie of all-time is, and the name Steve Williams comes up. Williams was most famously Tiger Woods' caddie through the 2000's – 13 of Tiger's 15 major championships and 64 of his PGA Tour wins came with Williams at his side. Williams also caddied for other golfers, including Greg Norman and Adam Scott, with Scott winning the 2013 Masters tournament with Williams on the bag.

So what makes a great golf caddie? A great caddie acts as a partner – providing deep golf knowledge and acting as a 2nd set of eyes to read greens and select clubs. Secondly, a great caddie also provides psychological support – providing positive encouragement and helping the golfer stay focused and resilient. Third – a caddie can help a golfer plan a few shots ahead – strategically navigating through the various obstacles on the golf course.

In the same way, an investment advisor acts as a partner to help investors navigate the volatile whims of the markets. Just as a caddie relies on deep knowledge in golf – table stakes for an investment advisor is to provide deep expertise on asset allocation and security selection. Secondly, an investment advisor helps their clients with behavioural coaching, avoiding poor investor behaviour during times of fear and greed, similar to how a caddie would provide psychological support. And finally, just as a caddie helps a golfer plan their way through 18 holes, a good advisor helps with customized family wealth planning, tax and estate planning.

Just how much are these aspects worth? In mid-June, Russell Investments published their 10th annual "Value of an Advisor" report, where they estimated that advisors add value worth just over 4% for their clients. This includes the elements of ensuring clients are appropriately rebalanced, helping coach behaviours through tough times, and creating customized planning.

FIGURE 1: VALUE OF AN ADVISOR – 2025

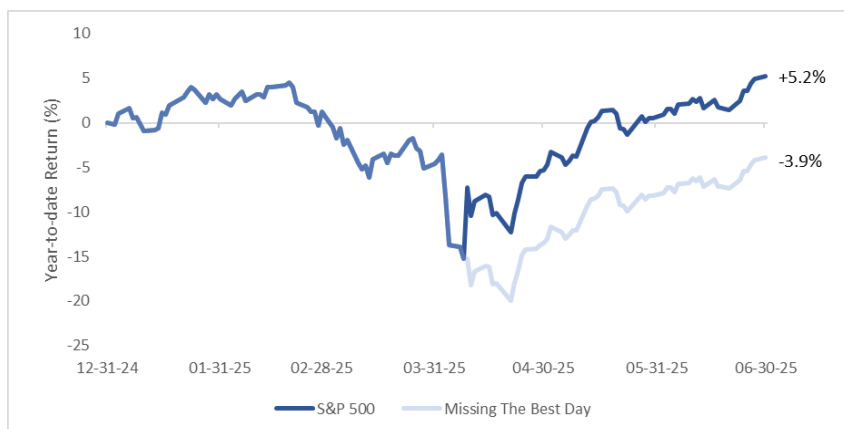


SOURCE: RUSSELL INVESTMENTS, AS OF JUNE 2025

For context, 4% is an enormous amount of value, particularly when annualized over the long-haul. For a stand-alone mutual fund in the Morningstar global neutral balanced category, for instance, 4% is greater than the difference between a top quartile fund and a bottom quartile fund over the 3, 5, and 10 year periods. And when compounded over a 10 year period, 4% annualized would result in a portfolio that is worth approximately 50% more.

According to Russell, within that 4%, behavioural coaching is the largest positive individual aspect from an advisor. Indeed, helping investors stay invested, focusing on “time in the market” rather than “timing the market” is perhaps one of the greatest services advisors can provide. And 2025 has been a fantastic example - imagine a worried investor on April 8th, when market sentiment was at its most dour. The S&P 500 Index was down 15% year-to-date and declining fast with sky-high tariff rates threatening to plunge the global economy into recession. An investor who sold on that day, but then realized his mistake quickly and bought back right away after Trump gave a 90-day reprieve on the tariffs, still would have significantly damaged his portfolio return by missing that one day (April 9th). Instead of seeing a +5% return year-to-date, they would have a -4% return this year.

FIGURE 2: MISSING THE BEST DAY IN 2025 - OUCH



SOURCE: BOWES WEALTH, FACTSET, AS OF JUNE 30, 2025

Customized wealth and tax planning, meanwhile, are also significant drivers of value from advisors to investors. Customized wealth planning includes not only a financial plan, but cash management, tax & estate planning, legacy & succession planning, retirement planning, philanthropy, and other advisory services. Planning also means being tax efficient - taking a tax-aware approach can help maximize after-tax returns by using various vehicles to help clients minimize their current and future tax bills.



At Bowes Wealth, we believe that full service wealth management is more than just investment management – while generating alpha and the behavioural coaching involved in helping clients achieve their financial goals is a core competency, it is only one of the planks of our service offering.

A full service experience means that we work with you to create a financial plan, assess your tax situation to ensure that you are optimally positioned from an estate planning and tax planning perspective, and work with you to achieve any charitable giving intentions that you may have.

Ultimately, you are playing the golf course – but hiring a great caddie along the way can help you improve your game and improve your returns in your investment portfolio.

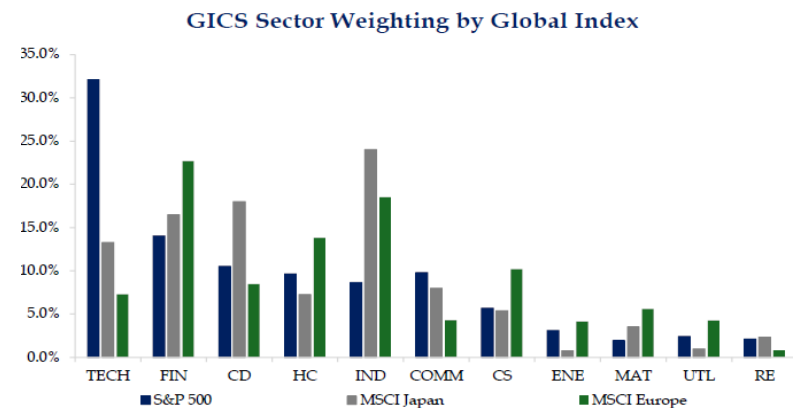
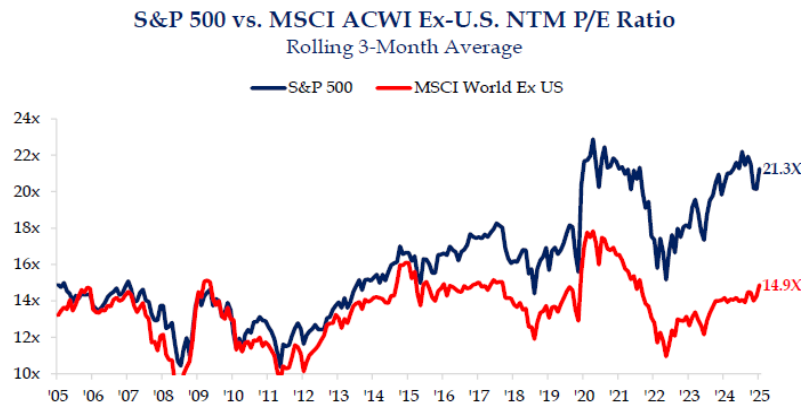
Chart of the Month: US & International Equities Valuation and Sector Breakdown

Last month, we wrote in our headline piece that the long period of U.S. equity outperformance may have resulted in client portfolios being overweight relative to their targets, and that investors may want to reassess their allocation to international equities.

The chart of the month for July, is courtesy of Strategas Research, and shows the forward price-earnings ratio of U.S. stocks (S&P 500) versus non-U.S. stocks (MSCI ACWI Ex-US). International equities offer a much cheaper valuation.

Part of this may be what you're buying. In the U.S., the stock market is dominated by (more expensive) Technology companies, but in Europe, Financials have the greatest weighting, and in Japan, it is Industrials that are best represented in the market. Thus, investors who rebalance their portfolio for some international exposure will also achieve some more sector diversification.

While the U.S. still has the world's most innovative companies, there are other good reasons to be looking at companies in Europe, Japan, and elsewhere. Please contact us if you would like to discuss more.



SOURCE: STRATEGAS RESEARCH, AS OF JUNE

Podcast Corner

Here are a couple of recent podcasts that our team found interesting:

COATUE'S LAFFONT BROTHERS ON THE BG2 PODCAST

[Click to listen on Spotify](#)

Coatue is an American technology-focused investment manager who puts on an annual conference called East Meets West. We especially enjoyed this podcast as it was a discussion with hosts Brad Gerstner (Altimeter Capital) and Bill Gurley (Benchmark) on all things innovation-related, including the AI super-cycle and its impact on the macroeconomic environment and corporate margins. There are also slides available if you want to follow along: [Click here for Coatue slides](#)

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