



SUMMER 2017 | ISSUE NO. 2

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SUMMER OFFICE HOURS ANNOUNCEMENT

For the months of July and August we will be shortening our office hours to **9:00 am - 4:00 pm**. We will resume our regular 9:00 am - 5:00 pm workdays in September.*

*Reminder: Nicky will be on holidays from August 4 - 24. The remainder of our team will be in the office and available to help you with anything you should need.

MEET OUR NEWEST TEAM MEMBERS



Brittany Bolohan

&



Steven Kapouranis

Brittany joined our team in December 2016. She spent 4 years in various roles at the bank and is also a graduate of the Financial Planning program at Conestoga College. Brittany's role at Essential Wealth Group is primary administrative support. This includes tasks such as:

- Scheduling and confirming appointments
- Processing post-meeting and account related paperwork
- Posting trades following investment recommendations
- All related follow-up to ensure efficiency and accuracy in day-to-day dealings

Steven is our newest co-op student and will be starting with our team this summer. He recently received early acceptance to the Financial Planning Program at Conestoga College and will begin his studies in September 2018. During his time with our team he will be primarily shadowing Samantha and Brittany in their day-to-day activities to learn the ins and outs of the industry. Steven is an extremely motivated young individual who is eager to gain knowledge and hands-on experience that will tie into his schooling.

GREEK FOOD FEST 2017

Thank you to all those who attended and supported the local Greek community, Nutrition for Learning and The Food Bank of Waterloo Region this past weekend!



KEY CLIENT IMPACT DATES - IA ACQUISITION



We will begin debiting the annual "Trustee Fees" for the administration of registered accounts*

Reminder: the fee is debited directly from your applicable HW investment accounts

*this does not apply to those on the Summit fee-based platform or those who meet certain criteria



August 4 — acquisition deal closes

You will receive a "close out" statement from Scotia Capital Inc. \$0 balance will appear

You will receive a "transfer in" statement from Industrial Alliance

June

July

Aug

Sept

In May you should have received a letter announcing details of the Industrial Alliance acquisition of HollisWealth — a second letter with regards to the transition will be sent out in the 3rd week of July

You will also be provided new account numbers and instructions on how to sign up for iA's online client portal — "My Portfolio Plus"

You will receive your first portfolio statement from our new Industrial Alliance/National Bank back office

You will also receive 2 separate fee and performance reports for 2017 (1 from Scotia Capital Inc. and 1 from iA)*

*mailing dates TBD



ANOTHER DATE YOU WON'T WANT TO MISS...



10th Annual HollisWealth Charitable Golf Classic

In support of Camp McGovern and Ronald McDonald House

Includes:

- breakfast
- 18 holes of golf (with cart)
- dinner
- everyone goes home with their own tee gift



Formal invitation attached separately to email.

MARKET UPDATE - FIRST QUARTER 2017



In reviewing the first quarter of 2017, financial markets in Canada and around the world continued to be lifted by positive momentum, based on the expectation of continued economic growth, low interest rates, and moderately rising inflation.

Although global equity markets were somewhat unsettled during the first few months, they finished with generally positive results. The MSCI World Index, a broad measure of global equity results, returned 6.5% in U.S. dollars, including dividends, or 5.7% in Canadian dollar terms. The S&P 500 Index in the U.S. reached a new high in early March, and ended the period with a gain of 6.1% (5.3% in Canadian dollars). In Canada, S&P/TSX Composite Index earned 2.4% for the quarter. Although lower oil prices continued to weigh on the Canadian energy sector over the past three months, the index was buoyed by stronger results for the materials, information technology and consumer discretionary sectors.

Overseas markets were also generally positive, with particularly strong results in Hong Kong, Taiwan and several other Asian markets. The exception in the Pacific region was Japan's Nikkei Index, one of the few global equity markets to lose value in the first quarter. European equities, including markets in London, Paris and Frankfurt, were also up for the period, as were most emerging market indexes.

Global government bond yields dipped through the period as prices rose, and high-yield and investment-grade corporate bonds outperformed. The U.S. Federal Reserve raised interest rates by 0.25% as expected in mid-March, and is on track to make two more rate increases in 2017. Other major central banks in Europe and Japan, as well as the Bank of Canada, however, chose to continue with the looser monetary policy designed to support their economies, and left rates unchanged. The FTSE TMX Canada Universe Bond Index, a measure of Canadian government and investment-grade corporate bonds, returned 1.2% for the three-month period.

The current bull market in North American equities marked its eighth anniversary during the quarter, making it the second-longest bull market in history. U.S. equities as measured by the S&P 500 Total Return Index have gained about 300% since the global financial crisis lows of March 2009, while the Canadian S&P/TSX Composite Total Return Index is up about 143% in value, both in Canadian dollars. Although many of the conditions supporting economic expansion remain, markets rarely continue to rise without temporary corrections or bouts of volatility. Our team continues to believe that a diversified portfolio that is suited to your time horizon and tolerance for risk remains the best strategy for managing risk and helping you achieve your financial goals.

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BACK TO SCHOOL

The importance of teaching your kids financial responsibility.



Earlier this year Education Minister Mitzie Hunter announced Ontario's plan to incorporate financial literacy into the public high school system. While even this step is long overdue, it is not enough. Financial skills should be introduced to children at a much younger age than high school and developed over the course of their time in the education system so that when they graduate as adults they have basic skills such as budgeting, planning and saving to be successful. Currently all of the responsibility to teach kids about money sense falls on their families who may not have the capacity to teach it adequately to their children. Unfortunately, even with these new initiatives it will take time to develop new curricula and assess the effectiveness, so much of this responsibility still lies at home. That is why we have comprised a list of 8 essential tips we have to help teach your kids financial responsibility.

1. Don't avoid the subject

- Involve your children in financial decision making such as whether to take a family trip or purchase a new car this year. Explain to them why you can't do both and walk them through the "high level" rationale and steps you take to make the decision
- While a lot of parents avoid talking to their children about family finances altogether because they feel they are protecting them from unnecessary stress, you could be robbing them of an excellent learning opportunity
- Canadians by nature treat money as an extremely private subject, but by making it more of an open conversation, your children will feel comfortable coming to you for advice which may prevent them from making poor financial decisions in the future

2. Define needs and wants

- This may sound simple, but it's hard for children (and sometimes adults) to differentiate between the two
- Explain to them when you go grocery shopping that you need food to live and be healthy, but when you're at the toy store, that doll or action figure is a want item
- Don't forget that it's ok...actually it's important, to say no sometimes



3. Give them their own special savings place

- Whether it be a piggy bank or little change purse, they will enjoy putting money into something that is fun and is theirs
- When they are old enough, open a bank account for them and have them keep money in savings to appreciate the effects of earning interest

4. Make wish lists

- If they have something they really want to save for, have them write it down with the associated cost
- Each time they receive money, they can track how much closer they are to their goal
- In a world where everything is instant, it is important to teach children delayed satisfaction, rather than spending every penny the second it's received, if you are patient with your savings, you will be able to make that big purchase in the end





5. Let them pay

- Whether they have saved up their own money for something special or you are buying it for them, letting them hand the money to the cashier from time to time gives them a sense of gratitude and also reinforces the concept that you have to give to get – those new toys don't just magically appear at home

6. Allowances

- Giving your child an allowance can be a controversial topic – many parents agree with the idea and many parents disagree
- One idea recommended by a client was to only give your child an “allowance” for doing things above and beyond their everyday chores
- Instead of rewarding them for the activities such as brushing their teeth or making the bed that they need to do anyways (no one is going to pay you for these things as an adult) recognize their efforts if they want to wash the car, help you with yard work etc.



7. A portion saved and a portion spent

- Whenever they get money, whether it be from chores, a birthday or Christmas present, it is great to teach them that a portion always gets saved, the rest they can spend
- Get them in this routine young to avoid the habit of living paycheck to paycheck later in life as far too many Canadians do
- If philanthropy is important to your family, you may also want to encourage your child to adopt the habit of setting funds aside for a cause that's important to them – for example, for all money they receive: 1/3 is saved, 1/3 is spent and 1/3 is donated to charity

8. Practice what you preach

- No matter what you tell your children, if you do not follow your own advice, you are not going to benefit them
- Kids are like sponges – they absorb everything around them and learn by example

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every step.™

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