LIFE CYCLE FINANCIAL

iA Investia Financial Services Inc.

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Market Focus

Brexit: U.K. votes to leave, what's next? Invesco Perpetual

After months of anticipation, U.K. voters have decided – in an historic move – to leave the European Union (EU) some 43 years after joining its predecessor, the European Economic Community, in 1973. The U.K. government, institutions and wider business community now have the task of addressing a multitude of financial, economic, fiscal and political implications and consequences.

In our view, the decision to leave will likely increase existing market volatility in the immediate aftermath, driven by investor uncertainty over the potential consequences of the outcome, and may see investors moving further into defensive assets. This type of market volatility often leads to price adjustments that are indiscriminate, and can therefore present attractive buying opportunities for fundamental, long-term investors, such as ourselves.

Market consensus appears to be clear that, over the short term, the decision to forego EU membership will likely lead to weakening of sterling and impact U.K. economic growth. The extent of such an impact and how long it will last can only be speculated on at this time. The more immediate impact on the U.K. economy and growth will likely be determined by several domestic and global factors, from trade, productivity and capital investments (domestic and direct foreign) to the direction of central bank monetary policy.

Longer term, we believe the U.K. economy will not only be able to handle the decision to leave the EU, but continue to thrive, as we remain optimistic about the U.K.'s growth outlook. Having experienced some of the strongest growth among the G7 nations over the past four years, we believe the economy is well-positioned to handle what lies ahead.

For our part, we have been investing across global equity markets for more than 30 years. And whilst markets have changed, we have always remained true to our investment principles. This event is no different. In doing so, we remain focused on what is in the best long-term interests of our clients. It is our commitment to taking a long-term view that has been the key to the investment performance that we have generated over time.

TSX regains post-Brexit losses, Canadian dollar rises

CBC News Posted: Jul 04, 2016

The Toronto Stock Exchange emerged from its long weekend slumber in an upbeat mood Monday, rising by nearly 1.4 per cent as it more than recouped the losses it incurred following Britain's vote last month to leave the European Union.

The S&P/TSX composite index was up 194.33 points at 14,258.87 after being closed Friday for Canada Day.

The gain meant the index has made back everything it lost after it closed on June 23 at 14,131.38. Over the following two trading days, the index lost more than 441 points.

The TSX is on "a continued push higher as markets are becoming more comfortable with the Brexit announcement," said Kash Pashootan, senior vice-president and portfolio manager at First Avenue Advisory in Ottawa, a Raymond James company.

At the end of last week, American stock markets experienced a similar surge, he said.

In the United States, the stock markets were closed Monday for Independence Day. But they ended last week up three per cent, which came close to regaining the ground they lost following the so-called Brexit vote.

That type of market reaction has happened in the past following other big events such as the Sept. 11 attacks, he said.

"We view these as buying opportunities if you have cash on the sidelines," Pashootan said, though he added that despite the rebound, the markets aren't out of the woods yet when it comes to Brexit.

"It's simply too early for the markets to start to price in a doomsday scenario."

Pashootan said more clarity will come in two or three years when details of the union's divorce are established.

BC, Ont. to lead economy

The Canadian Press - Jun 13, 2016 | S 168066

The Conference Board of Canada is predicting Ontario and British Columbia will lead other provinces in terms of economic growth between now and the end of 2017.

A provincial economic outlook released this morning by the Ottawa-based think-tank projects B.C.'s real gross domestic product to register three per cent in 2016 and again next year.

The report forecasts real GDP growth in Ontario to reach 2.8 per cent this year and 2.6 per cent in 2017.

The Conference Board says it doesn't expect 2016 and 2017 to be as kind to resource-dependent economies such as Saskatchewan and Newfoundland and Labrador, where it predicts real GDP to shrink next year.

The think-tank says while it expects the Albertan economy will contract by two per cent this year, it predicts the province to rebound in 2017 with 2.5 per cent growth.

It anticipates Alberta's bounce back will be due in part to a boost from rebuilding efforts following the wildfire damage in Fort McMurray and a continued recovery in oil prices.

The Conference Board is also predicting solid real GDP results this year for Prince Edward Island and Manitoba — the only other provinces besides Ontario and B.C. where it expects to see growth above two per cent.

The report said the Quebec economy is also strengthening thanks in part to an expected growth in its exports to the United States. It predicted real GDP in Quebec to hit 1.8 per cent in 2016 and two per cent in 2017.

The Conference Board report was released hours before the Paris-based Organization for Economic Co-Operation and Development was to release its report on Canada's economy.

Canada's major banks hiking fees while pulling in big profits
Banks are raising fees on select personal banking services even as many are seeing revenue increases
By Sophia Harris, CBC News Posted: Jun 13, 2016
If you're already feeling gouged by bank fees, it may be time to check your statements. Almost all of Canada's big banks are doling out some kind of personal banking fee increase this year.

Bank fee hikes can easily make people angry, especially when those financial institutions are earning multi-billion dollar profits. But some experts argue the charges are just the cost of doing business.

"Banks are expensive to run," says Carleton University business professor Ian Lee.
They may be costly operations, but some also pull in plenty of cash. Last month, TD reported a second-quarter profit of $2.05 billion, up from $1.86 billion in the same period last year, thanks largely to retail bank earnings.

TD also hiked some fees on March 1. For example, the bank raised non-TD ATM fees by 50 cents to $2. It's also the last of the big banks to levy a fee — $75 — for transferring a tax-free savings account to another bank. TD said it The changes quickly inspired fury online.

"They make BILLIONS every year forever. But that's not enough, let's tack on a few more cents or dollars and let's make more," commented one reader on a CBC News story about the new fees.

"They're getting richer than you think," echoed another person.

CIBC was next in line with fee hikes. On April 1, it upped the minimum account balance needed to avoid a monthly fee for its Everyday Chequing Account from $1,000 to $2,000. Transaction fees associated with that account also went up.

CIBC is having a good year as well. The bank saw its second-quarter profit grow to $941 million, up 3.3 per cent from the same period last year.

CBC News asked CIBC why it introduced the fee hike, and if the bank is planning any other personal banking fee increases this year.

In response, the bank provided details about its new Smart Chequing Account, which offers a flexible pricing plan.

introduced the fees "to remain competitive in today's marketplace."

It isn't just savings and chequing accounts: Scotiabank, BMO and National Bank are all upping some credit card fees this year. BMO, for example, on Friday increased the charge for a missed credit card payment due to insufficient funds by $8 to $48.

This month, National Bank also raised some banking service fees by 25 cents. The bank explained that the changes are in line with their digital development.

The big banks often argue the fee increases are required to remain competitive. But not all Canadians are buying it.

Duff Conacher, co-founder of Ottawa-based Democracy Watch, believes some bank fees are getting out of control. The advocacy group has been lobbying the government to investigate all bank charges.

"There needs to be an independent audit of every division of the banks to determine whether there's gouging. And if there's gouging, it should be publicized," he says.

Conacher believes the publicity could force banks to bend.

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There's some evidence this can work. Last year, when new Royal Bank fees sparked public and political outcry, the company axed them.

Royal had planned to charge customers transaction fees for payments on their loans, mortgages and credit cards from some RBC accounts.

While Lee says banks have their reasons for charging fees, he believes that Royal's charges went too far.

"To charge people to make a payment that they're compelled to make out of the loan agreement, I thought that the optics were terrible," he says.

At the time, RBC said it had changed its policies because it was listening to customers. The bank tells CBC News it has no personal banking fee hikes planned for this year.

So while banks are free to up their fees, Canadians are also free to complain if they feel they're being gouged. Now and then, complaining can actually bring about change.

Canadians 'unrealistic' when it comes to health and finances in retirement

Pattie Lovett-Reid, Chief Financial Commentator, CTV June 15, 2016

ANALYSIS: A Morneau Shepell survey released Wednesday reveals that Canadians 50 and older are unrealistic when it comes to managing their financial issues in retirement and are overly optimistic about their health.

The report suggests Canadians expect to withdraw 15 per cent of total savings each year – four times the recommended amount. In addition, 61 per cent of employees over the age of 50 are currently suffering from one or more chronic illnesses. Despite this, 97 per cent describe their current health as being good, very good and even excellent.

We often talk about getting your finances in order for retirement, yet health is one of the most important factors to consider when planning for retirement. Fifty-nine per cent of respondents indicated they will not have access to an employer-sponsored health benefits plan.

Of the employees surveyed, 24 per cent indicated that when they choose to retire, they will not be financially prepared. Twenty-three per cent plan to rely on the government pensions and 30 per cent will not be financially prepared to deal with a health issue.

Many don’t even have the proper documents in place and are concerned about managing their money, property and finances if they become ill and are unable or unwilling to do so. Discussions around health care directives, accommodation, should you be unable to live alone and dealing with financial affairs, are complex and highly emotional topics that are better dealt with outside the heat of the moment. This type of discussion is necessary and should happen years before implementation.

The will is arguably the most important document in your plan, outlines how you would like your assets to be distributed upon death. It’s a foundation document that many still shy away from. Should you die without a will, provincial law determines how your assets will be distributed. Your will should be kept in your safety deposit box, and a copy kept on file with your lawyer.

Power of attorney is a legal document that appoints a person or trust company to manage the financial affairs of an individual. Today, powers of attorney are proving to be just as important as wills, because medical science is extending people’s life expectancy, often at compromised levels of physical and mental capacity.

There are two types of powers of attorney. The first is a power of attorney for property, which covers all financial matters, such as investments and bill payments, with the exception of making or changing a will. The other is a power of attorney for personal care, which assigns responsibility for all matters related to your quality of life and health care if you become incapable of making those decisions.

I’ll focus on the pros and cons of financial powers of attorney:

The pros:

• Makes it clear who will be responsible for your affairs if you can’t manage them on your own, even temporarily
• It’s flexible. The set up can be as general or as specific as you need it to be
• An enduring power of attorney allows your attorney to continue looking after your affairs if you lose your mental capacity

The risks:

• The set up may leave you vulnerable to financial abuse and could lead to the mismanagement of your money and property
• Your attorney must manage your money as directed in the document; however, be careful not to be too directive or not specific enough
• Keep things up to date to reflect your needs and to ensure there aren’t competing powers of attorney if you have signed more than one document

It is a savvy person who can look down the road and plan for the “what if” scenarios, appreciating there are mechanisms in place to protect you and hold your attorney accountable if they mismanage your finances – or do not manage your money in the way you directed them to.

And remember, as long as you are mentally capable, you can continue to make your decisions about your finances. It is your money.

What you need to know about changes coming to Canada Pension Plan, and Canadian wallets

The Canadian Press

VANCOUVER — Finance Minister Bill Morneau met his provincial and territorial counterparts in Vancouver on Monday and reached an agreement with most of them to expand the Canada Pension Plan. Here is what you need to know about CPP and the proposed deal:

1) The system is designed so that each generation of workers pays for its own retirement. That makes it different from two other income replacement programs for seniors and retirees: old age security (OAS) and the guaranteed income supplement (GIS). Those measures are covered through general tax revenues, meaning that workers today pay taxes to raise the incomes of poorer seniors.

2) CPP contribution rates have only been raised once in the last 20 years. In 1997, finance ministers agreed to a phased-in increase in contribution rates to ensure one generation of workers wasn't paying for another generation's retirement. The argument today is that the CPP should pay more in benefits and help those who aren't saving enough for retirement. The argument against raising contribution rates is that it would hit workers' wallets at a time when governments keep saying the economy is fragile.

3) Crunching the numbers

Increasing the income replacement rate to one-third from one-quarter, meaning the maximum CPP benefit will be about $17,478 instead of about $13,000.
— Increasing premiums on employers and employees by one per cent, meaning an extra $408 a year coming off paycheques.
— Increased premiums will be phased in over seven years, starting in 2019.
— Increasing by 14 per cent to $82,700 the maximum amount of income subject to CPP.
— Expanding the refundable tax credit known as the federal working income tax benefit, to help low-income Canadians offset the increase in premiums.

How guarantees can reduce the fear of investing

In bumpy markets, investors can feel more secure with annuities and guaranteed investment funds
By: DAVID ISRAELSON globeadvisor.ca

Date: May 25, 2016

Whoever coined the phrase "there are no guarantees in life" probably didn't know much about protecting retirement portfolios.

While many investment products are subject to risk from market downturns and volatility, depending on the features, segregated fund products, also called guaranteed investment funds (GIFs), do offer a range of guarantees.

"Segregated fund products have been part of wealth portfolios for decades, and annuities, which are related, have been around for hundreds of years," says Michael Banham, vice-president, wealth distribution, individual insurance and wealth, Sun Life Financial.

"As part of an overall retirement income plan, these products provide benefits, increase confidence, and can offer peace of mind in retirement, not only during volatile markets, but also in the current low-interest-rate environment."

At different stages in clients' lives and investing horizons, different factors become the focus.

"Segregated fund products may be a great solution for clients who are looking for protection over the long term," says Andrea Thompson, senior financial planner with Coleman Wealth, Raymond James Ltd. in Toronto.

"Investment wise, they have similarities to mutual funds, but have various additional features. There is a variety of investment options to choose from, for conservative to aggressive investors."

According to the 2015 Sun Life Canadian Unretirement Index, an overwhelming 98 per cent of Canadians say that they want at least some of their retirement income to be guaranteed.

That desire for security isn't surprising – Canadians are living longer, which means more people need their money to last well into retirement. According to Statistics Canada, nearly half of today's 65 year olds will live into their 90s, so for many, retirement income will need to last 30 years or more.

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Another anxiety-inducing factor is volatile economic times. Experts are suggesting that the growth of the global economy combined with ever-faster technology means volatility could be a permanent phenomenon.

The Unretirement Index showed that many investors are more risk-averse than they have been in the past: Compared with their behaviour before the 2008 market crash, 38 per cent of investors said they are taking less risk with their portfolios now.

“Products with guarantees can help to counteract the normal reactions people have to the ups and downs of the stock markets,” says Sandra Foster, financial author and president of Headspring Consulting Inc.

Mr. Banham points out that guarantees can be a valuable part of investment planning.

“The guarantees and estate planning advantages in GIFs can reduce some of the anxieties that even affluent investors are feeling.”

There appears to be lots of room for client education. A survey by CANNEX/Greenwald & Associates of more than 1,000 people with investible assets of more than $100,000 found that only 26 per cent were familiar with segregated fund products. The survey also found that fewer than half of respondents (48 per cent) were familiar with income annuities.

Canada's top scams earned crooks $1.2B last year, says BBB
By Mike Laanela, CBC News Posted: Mar 01, 2016

Fear of the taxman and offers of love are two of the top tricks used by scammers to separate unsuspecting victims from more than a billion dollars last year.

In total, Canadians reported losing $61 million to scams last year, according to the Better Business Bureau of Canada.

But that likely represents only five per cent of the $1.2 billion the BBB estimates Canada's actually lost to scammers in 2015.

President Danielle Primrose says that's because victims often feel too ashamed to do anything about it, including reporting their losses to police.

And while the total amount reported lost to scammers actually dropped by $10 million last year, Primrose says the scammers are working hard to stay ahead of the law.

"The bad news Is scammers are finding new ways, new disguises to ply us with the same scams."

Anyone who thinks they have been contacted by a scammer can report it on the BBB's Scam Tracker website.

Extortion scam: CRA income tax scam

Total loss: $2.9 million

"The Canada Revenue Agency Scam is our number one scam this year. It was the most reported scam by far and it took several forms in order to get your money. And it didn't just happen around tax time, all year long we received calls," says Primrose.

How it works: You get a phone call or email from the Canada Revenue Agency threatening to arrest or deport you if you don't pay back taxes immediately. After you pay up, you learn it was not the taxman who took your money.

Solution: The CRA does not work this way. Hang up the phone or delete the email without responding. Contact the CRA directly if you have tax concerns.

Insurance rates

For those of you who are looking for life insurance that is available through our office, here are some recent quotes. Monthly premiums, non smoker, 10 year term. Rates effective July 8, 2016.

All rates subject to change.

Male				Female		
Age	30	40	50	30	40	50
100K	$10.13	11.70	21.24	7.90	10.66	15.84
250K	$15.53	19.35	41.40	11.93	16.20	30.38

Office News

We like to congratulate two staff members Apryl for successfully completing her branch managers course, and Chrissy who has completed her Mutual Funds course.

If you have any family or friends that would like a second opinion of their portfolio, or need advice or have questions on retirement planning, insurance products, or other financial products, please let us know and we would be happy to meet with them. We would like to thank all of our clients for helping to make our business a continued success.

What Products Do We Offer?

Mutual Funds

Banking Products: GICs*, Savings Accounts, Mortgage Referrals

RRSPs, RRIFs, RESPs, LIFs, TFSAs

Non-Registered Investments

Guaranteed Income Products*

Segregated Funds *

Cancer Insurance *

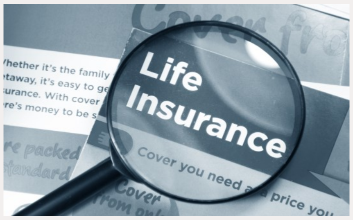
Disability Insurance *

Term Life Insurance*

Universal Life Insurance *

Extended Health Plans *

Critical Illness Insurance *



Travel Insurance *

Investment Planning

Retirement & Estate Planning

Pension Plan Analysis

Referrals to Accounting, Mortgage and Legal Professionals

Mutual funds products are offered through Investia Financial Services Inc.

*Insurance products provided through multiple insurance carriers. *Segregated funds products are offered through Investia Financial Services Inc. and/or multiple carriers.*

Guaranteed Investment Certificates (GICs) are offered through Investia Financial Services Inc. and/or multiple carriers.