

Monthly Client Newsletter

September 2019

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***“Take Your Wealth
to the Next Level”***

Adam's Update

Friends,

After seeing Canada's Bianca Andreescu win the US Open tennis tournament, and after careful consideration, I have decided NOT to start my career as a tennis pro! If you had the same thoughts, I don't blame you, who could look away as a nineteen year old from Mississauga rose to the top of women's tennis. Bianca's rise over the last year, is not 1 in a million, but probably more like LottoMax numbers, 1 in 33,294,800 (per \$5 play, according to OLG). Bianca dreamed about reaching that level, but she probably didn't fully count on it. That's why Bianca completed her Ontario high school diploma, while playing tennis, which post US Open victory was unnecessary. But the point is, Bianca had the sense to diversify! That is my message today. Saving, investing, diversifying and compounding can make you a winner, although not as spectacular as Bianca, but success nonetheless!

Have a wonderful remainder of September and beginning of October and thank you for your continued support!

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Key Dates to Keep in Mind!

- TFSA contribution room available = Beginning of January
- Installment payment date deadlines = Mid March, June, September and December.
- Individual tax filing deadline = End of April.
- Self-employed individual and spouse tax filing deadline = Mid June.
- Tax Loss Selling deadline = End of December.
- RESP contributions deadline = End of December
- RRSP contribution deadline = End of February

Idea Corner:

The Power of Saving!

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It is said that “the little things in life make the biggest difference”. Personally speaking, my kids, as small as they may be in stature, make a huge difference in my life. Financially speaking, that difference is oftentimes impacted by small amounts saved over time. Everyday, we have a constant dialogue with ourselves about spending now or saving for later. Typically, the later is the loser, as our society’s ever increasing drive for instantaneous gratification.

Additionally, today, the news is obsessed with information and commentary discussing big money! Trillions, billions and hundreds of million are the eye popping dollar amounts that the news media love to recite. So, thinking to yourself about saving an extra \$15 or \$20 dollars a month, may not seem like it is material. However, those trillions, billions and millions had to start somewhere. Although the news media may not like giving the background story of how those numbers came to be, they did start with the simple action of saving!

Whether it’s 2%, 3% or even 4% more saved, the extra money saved today can have a significant impact in helping achieve the retirement you envision. Why is this? Because the longer you give your money the chance to grow the better. Albert Einstein, the great physicist, once said that “compound interest is the eighth wonder of the world. [Those] who understand it, earn it. [Those] who don’t, pay it.” The great thing about compound interest is that it works no matter how old you are or how far off retirement is.

While still working, consider saving 15% of your income on an annual basis. This figure of 15%, in my experience is a good starting point for clients to ensure that they maintain the lifestyle they are accustomed to in retirement. This 15% can come from salary, bonus, employer contributions or profit sharing plans.

**Note: Please see page 6 of this newsletter, for a graphical depiction of the impact of a 1% savings increase.*

Market Performance Review:

August 2019

*Source:
Total Returns in CAD\$, Bloomberg, Bank of
Canada, pcbond.com, Barclays Capital, BMO
CM, S&P

Adam's Comment: Canadian equities were resilient in August, as US and International stocks sold off. Fixed income markets continue to register equity like returns, with Canadian and US bond markets both outpacing equity returns by a wide margin. The Canadian Loonie declined against the US greenback as investors fled to the relative safety of the US currency amidst the prospect of slower global growth and trade tensions.

Market	August Return %	2019 Year To Date Return %	5 year Annualized Return %	10 year Annualized Return %
Canadian Equity (S&P/TSX Composite Index)	0.43	17.13	4.10	7.33
US Equity (S&P 500 Index)	-0.48	15.33	14.63	15.67
International Equity (MSCI EAFE Index)	-1.49	7.34	6.58	7.56
Canadian Fixed Income (FTSE TMX Canada Universe Bond Index)	1.88	8.70	3.95	4.56
US Fixed Income (Barclays Capital U.S. Bond Universe Treasury Index)	4.56	5.86	6.98	5.16
Currency Exchange Rate (CAD\$ in USD\$)	-1.11	2.61	-3.94	-1.92

Chart of the Month:

Increase your contribution by 1% and by retirement you could...

*Source:

Fidelity Investments

Adam's Comment: Think about it this way: "Do you want to be worrying about money in retirement?" Whether you increase your savings by 1%, 3% or 5%, the extra savings today can make a "huge" difference in helping you reach the retirement you dream of.

Increase your contribution by 1% and by retirement you could...



*Source: Fidelity Investments

This information is intended to be educational and is not tailored to the investment needs of any specific investor.

**Approximation based on a 1% increase in contribution rate. Continued employment from current age to retirement age, 67. We assume you are exactly your current age (in whole number of years) and will retire on your birthday at your retirement age. Number of years of savings equals retirement age minus current age. Nominal investment growth rate is assumed to be 5.5%. Hypothetical nominal salary growth rate is assumed to be 4% (2.5% inflation + 1.5% real salary growth rate). All accumulated retirement savings amounts are shown in future (nominal) dollars. This assumes no loans or withdrawals are taken throughout the current age to retirement age.*

Your own plan account may earn more or less than this example and income taxes will be due when you withdraw from your account. Investing in this manner does not ensure a profit or guarantee against a loss in declining markets.

Investing involves risk, including the risk of loss

Article of the Month:

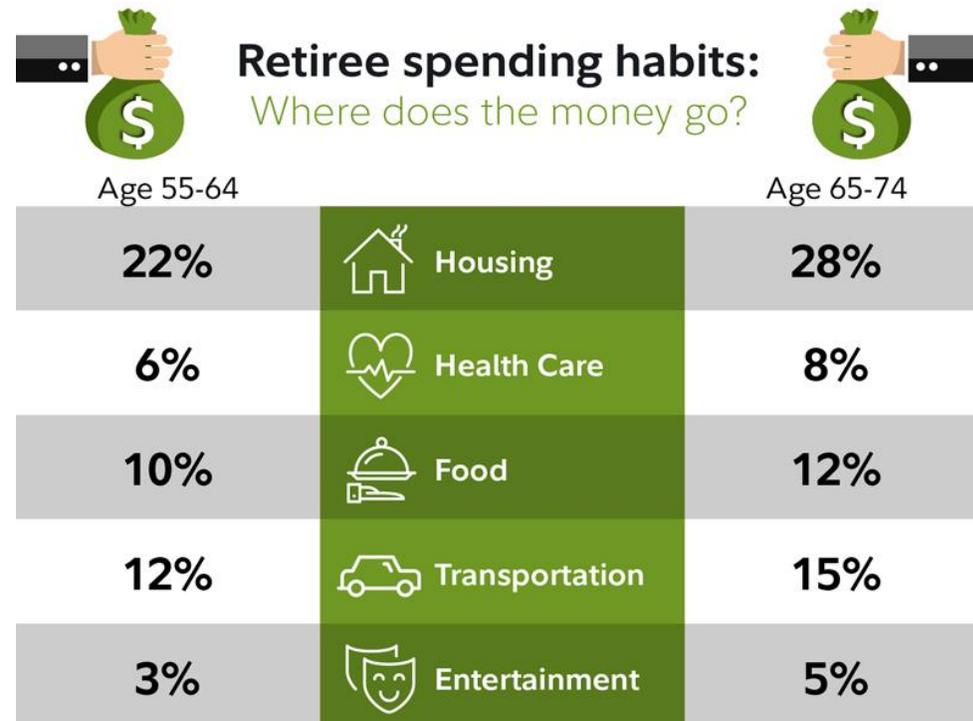
Ready to retire? You still need a budget

Making a budget may not be the first thing you look forward to in retirement, but it's one of the most important things to do to start your retirement on the right path.

Along with an income plan that can deliver a steady "retirement paycheck" and an investing strategy that allows a portion of your nest egg the chance to grow, a realistic budget—based on all the sources of income you have coming every month—is always important.

Keep it Simple! Remember why you retired—to have fun and do the things you never had time for when you were working! Finding ways to ease the burden of financial management is always a good idea, but it's especially important in retirement, when you're likely to spend more time traveling and pursuing your passions. One way to simplify may be to consolidate your retirement accounts with a trusted financial services provider, which enables you to organize your income, investing, and spending in one place while potentially reducing fees.

Although making a budget is one of those chores people tend to put off, it can be an essential contributor to feeling confident about your finances in retirement. If you need help, consider working with a financial advisor on your budget and overall retirement income plan.



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Fidelity Viewpoints at Fidelity Investments



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