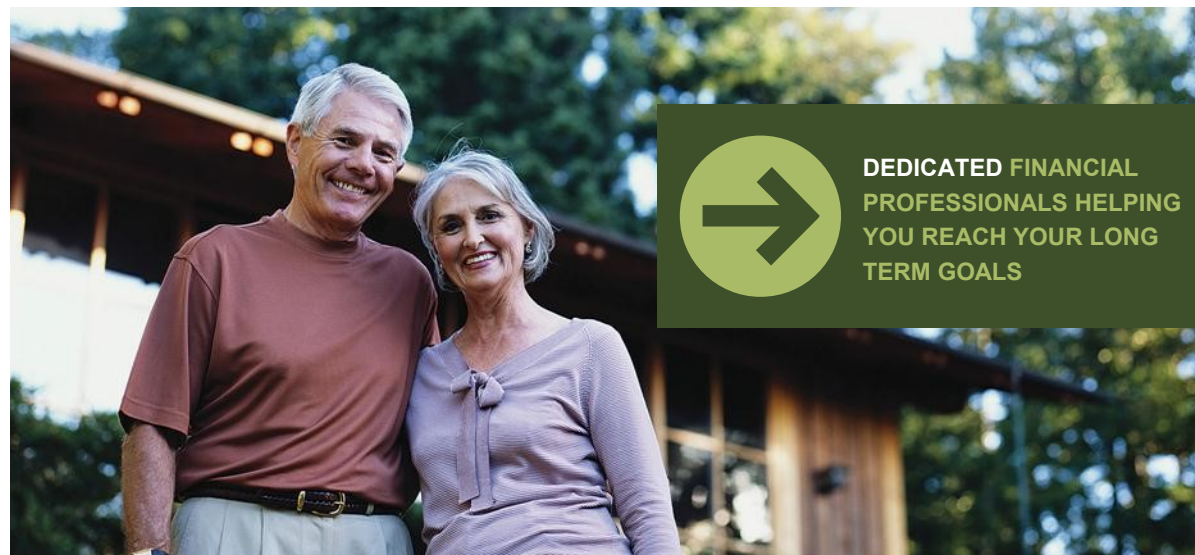


A seasonal newsletter providing comprehensive news and strategic analysis regarding the financial industry.



DEDICATED FINANCIAL PROFESSIONALS HELPING YOU REACH YOUR LONG TERM GOALS

THE HALDENBY Financial

Fall 2016

HALDENBY FINANCIAL GROUP

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Market Update

After a rocky start to the year, the market settles down, while oil begins to rebound

This year has undoubtedly been quite the year for investors in Canada, which is one of the major reasons we stress the “buy and hold” philosophy (with some tweaks along the way). Some major themes this year included the Canadian dollar rallying over 10% from a low of \$0.68 in January, as the price of oil has increased over 35% from its low of US \$32.85 in January, after falling over seventy percent from 2014 highs.

Although the Toronto Stock Exchange (TSX) has improved from last year’s “technical recession” seen in Q1 & Q2 2015, as the TSX is up 6.87% over the past 12 months, Canada continues to see head winds. These are causing the Bank of Canada to leave interest rate hikes on hold, with some experts believing there is even the potential of a rate cut later this year. These head winds include a rising trade deficit, increasing to \$3.6 billion as of June 2016, overall continued weakness in the majority of commodity prices, as well as political uncertainty around the world: as we have seen the rise of a populist movement through events such as Brexit, Donald Trump’s recent election in the US,

as well as an upcoming Italian referendum later this year, similar to Brexit, among other political events. The wild fires we saw in Alberta earlier this year, led to one of the worst GDP reports in May, not seen since 2009, with the economy shrinking by 0.6%, guiding down expected Canadian economic expansion to a mere 0.6% for the entire year.

Positives in 2016 have included the unemployment rate continuing to improve across Canada from 7.2% in January to 6.8% as of June, continued growth in the Real Estate market, with sales activity forecasted to rise by 6.1% across Canada in 2016.

As we finish the last quarter of 2016, we want to stress that changing markets are why we consistently review your risk tolerance, to ensure you are taking on the proper investments to reach your long-term goals. The only certainty in life is change: when a material change happens in your life, please reach out to us so we can adjust your long-term plan and ensure continued success!

DID YOU KNOW: Recent Vanguard research shows that an advisor can add up to **3% in net returns annually over the long-term!**



50 Added Value Services: What Haldenby Financial Group Does for You

Financial Planning

1. Develops and executes your financial plan with you and for you
2. Guides you to think about areas of your financial life you may not have considered
3. Formalizes your goals and puts them in writing
4. Helps you prioritize your financial opportunities
5. Helps you determine realistic goals
6. Studies possible alternatives that could meet your goals
7. Monitors and tweaks your financial plan
8. Suggests creative alternatives that you may not have considered
9. Reviews and recommends life insurance policies to protect your family and financial plan
10. Assists you and gives input on your work retirement plan and can help with your retirement option questions, such as: whether to commute or take the pension?
11. Assists in preparing an estate plan for you
12. Helps you and your children, grandchildren or relatives finance their education through the RESP
13. Helps you determine your RRSP required minimum payments
14. Provides reminders about key financial planning data
15. Identifies innovative financial planning strategies throughout the year
16. Guides you on ways to fund goals in retirement.

Investments

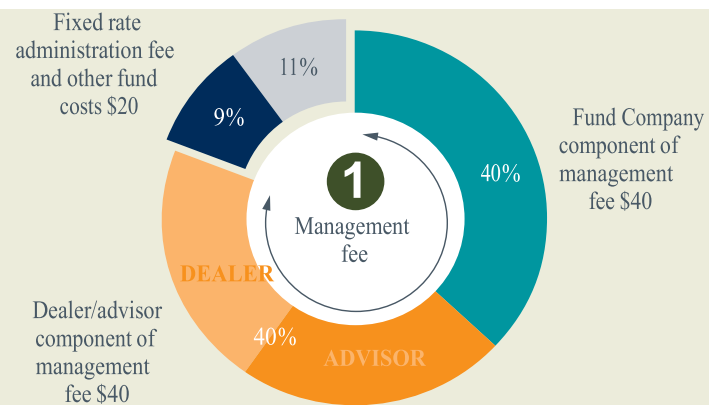
17. Prepares an asset allocation for you so you can achieve the best rate of return for your given level of risk tolerance
18. Stays up-to-date on changes in the investment world
19. Monitors your investments
20. Reviews your investments in your workplace RRSP or DPSP
21. Consolidates investments at other firms to maximize your return
22. Converts your investments to lifetime income.
23. Refers you to a banking relationship for loan and trust alternatives
24. Suggests alternatives to increase your income during retirement
25. Helps you protect your principal and avoid unnecessary estate costs (probate taxes).
26. Provides you with unbiased investment research
27. Provides you with personal investment analysis
28. Determines the risk level of your existing portfolio
29. Helps you consolidate and simplify your investments
30. Can provide you with technical, fundamental and quantitative investment analysis
31. Provides introductions to the best mutual fund managers available
32. Shows you how to access your statements and other information online

Taxes

33. Suggests alternatives to lower your taxes during retirement
34. Reviews your tax returns and assessments to find savings in the future
35. Stays up to date on tax changes
36. Helps you reduce your taxes!
37. Repositions investments to take full advantage of tax strategies
38. Works with your tax and legal advisors to help you meet your financial goals

Person-to-Person

39. Monitors changes in your life and family situation
40. Proactively keeps in touch with you
41. Serves as a human glossary of financial terms such as: alpha, beta, P/E ratio, and sharpe ratio
42. Provides referrals to other professionals, such as accountants and lawyers
43. Shares the experience of hundreds of clients who have faced circumstances similar to yours
44. Helps with the continuity of your family’s financial plan through generations, and can help develop trust strategies for family.
45. Facilitates the transfer of investments from individual names to trust or from an owner through to beneficiaries
46. Keeps you on track and reminds you of key dates, like mortgage renewals
47. Identifies your savings requirements for a successful retirement!
48. Develops and monitors a strategy for debt reduction
49. Is a wise sounding board for ideas & projects you are considering
50. Most importantly: is honest with you!



EXAMPLE PURPOSES ONLY: FUND WITH A 2% MANAGEMENT EXPENSE RATIO (MER)

The following chart illustrates how the fees you pay are calculated, and put to work.

If you had invested \$5,000 in a fund with a 2% MER¹, you would have paid \$100 in management fees and expenses for the year.

TFSA vs. RRSPs

At first glance, many investors are left wondering whether they should invest in a Tax-Free Savings Account (TFSA) or a Registered Retirement Savings Plan (RRSP). Both offer tax advantages, but deciding which account is more appropriate for you depends on your goals, risk tolerance and time frame. Did you know: in some cases the best way to maximize your tax-free savings account is through investing in higher rate of return investments, like mutual funds? Because the **growth is tax-free**: it recommended that higher-growth money be invested in the TFSA; whereas savings accounts should be non-registered, given the low interest earned on many savings accounts. We can migrate any bank account TFSA or high-interest TFSA into a growing TFSA—feel free to contact us to start growing your TFSA the most tax-efficient way possible!

TFSA and RRSP similarities

Both accounts offer tax advantages. Plus, both accounts allow you to invest in mutual funds, segregated funds and Guaranteed Investment Certificates (GICs), to name a few.

	TFSA	RRSP
Annual contribution limit	\$5,500 regardless of an individual's earned income	The lesser of \$24,930 or 18% of earned income, less pension adjustment for 2016
Maturity limit	None	Must mature by the last day of the year in which you turn 71
Tax-deductible contributions	No	Yes (reduces your taxable income)
Tax on withdrawals	Investment income and returns remain tax free Amount withdrawn is not added to your taxable income	Amount withdrawn is added to your taxable income Applicable marginal tax rates apply
Impact on eligibility for government benefits, such as the Canada Child Tax Benefit (CCTB), Old Age Security (OAS) or the Guaranteed Income Supplement (GIS)	No	Yes, potentially. For example: OAS claw-back starts at income levels above \$73K
Contribution room restored after withdrawals	Yes	No
Ability to carry forward unused contribution room	Yes	Yes
Penalty for exceeding contribution limit	1% per month	1% per month
Spousal contributions	Allowable; no attribution rules apply	Allowable to a Spousal RRSP; attribution rules apply

IN REVIEW: MANAGEMENT EXPENSE RATIO (MER)

NOTE: APPLIES TO MUTUAL FUNDS ONLY

1 The **management fee** covers the cost of paying the mutual fund company and investment professionals who decide how and in which securities the fund will invest. Also included is the compensation to the investment dealer (HollisWealth); a portion of which goes to the financial advisor who services your investments and provides ongoing financial advice and services to the investor.

Note: for fee-based accounts, like our Summit accounts, HollisWealth's dealer compensation is applied separately and is not included in the MER.

2 The **fixed rate annual administration fees** cover operating expenses incurred in conjunction with the operations of the funds by the fund manager and directly by the funds. Services provided by the fund manager include unitholder processing and client services, fund administration, legal, tax and financial reporting. Direct fund expenses include custodian safe keeping fees, audit, prospectus filing fees, mailing and expenses related to Independent Review Committees

3 **Other fund costs** include applicable taxes (e.g., Capital Taxes), interest, borrowing costs and any other new government fees. These other fund costs are very small and, on average, represent less than 0.02% of the MER

4 **Taxes** are paid on the management fee and certain operating costs and are therefore included in the MER

“An experienced professional can offer a steady hand during stressful times to help you stick to a plan that’s right for your situation and feelings about risk, and to navigate the markets to reach your goals”

-Joe Steeves, Fidelity, Private Client Group

HALDENBY FINANCIAL GROUP

Here We GROW Again

Haldenby Financial Group has recently opened our third office, located in Chatham, Ontario to serve you better! The lead Haldenby Financial Group Financial Advisor, Timothy Ternosky, will work out of our Chatham office.

Did you know that Haldenby Financial Group has four licensed advisors servicing most of South-western, Ontario... From Chatham, Sarnia, Petrolia, London and Toronto; to all the way up the Grey-Bruce Peninsula: *Haldenby Financial Group is expanding advice throughout Ontario!*

-Haldenby Financial Group Team, HollisWealth Advisory Services Inc.

HollisWealth

A SNEAK PEEK AT THE NEXT ISSUE:

- +** MARKET UPDATE
- +** TIME IN THE MARKET VS. TIMING THE MARKET
- +** TAX UPDATE
- +** CRM2: WHAT IT MEANS FOR YOU

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4359 Petrolia Line, Petrolia, On N0N 1R0

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Upcoming Tax Changes Unveiled in 2016 Liberal Federal budget

Released in the latest budget are upcoming changes to the benefits of corporate class mutual funds in non-registered (OPEN/CASH) accounts

- Previously allowed to switch, within the same fund company, between different class funds without incurring a taxable event
- Upcoming changes that come into affect January 1st, 2017 will eliminate this tax-deferred benefit
- What we recommend: switch non-registered mutual funds into funds that you are going to be comfortable holding over the longer term
- Call to book an appointment today if you have further questions or would like to discuss in greater detail before year-end



Referring Friends and Family

We all know someone who could use assistance with his or her finances: whether it is a family member who needs estate planning help or a friend who can't decide if they can retire—we can help. Haldenby Financial Group is glad to offer our assistance to anyone you may know who needs financial guidance!

We encourage you to share our information with anyone who you think could benefit from our services. We will treat all new clients with the same respect and great services you have come to know, no matter the asset size.

We are able to assist in the following planning areas:

- ✓ Financial Planning
- ✓ Retirement Planning
- ✓ Insurance Planning
- ✓ Investment Management
- ✓ Estate Planning
- ✓ Mortgage Referrals
- ✓ Tax Advisory Referrals

If you aren't sure if we can help or not, please give us a call, as we are always glad to discuss our services with you.