

InTouch

Spring 2016

CANACCORD Genuity
Wealth Management

To us there are no foreign markets.™

Wendy
Strub
Wealth Management

It gives me great pleasure to welcome you to the inaugural edition of InTouch newsletter, a quarterly publication I hope will inspire you, as you navigate the road of *your* financial wellbeing. Spring, being a time of new beginnings, is a perfect time to launch new initiatives. I am committed to helping you shape your unique financial path so that your future requirements and desires can be met.

InTouch is your financial newsletter. Wendy Strub Wealth Management will publish articles that provide you with optimal financial knowledge in an effort to assist you in making sound investment decisions. Additionally, we will create an avenue for two-way communication where you become a member of our editorial team by providing feedback on the articles published quarterly. I welcome financial questions you feel are timely and important. If I don't know the answer, I'll tap my sources and provide a reply in the next publication using your first name only. Here is how you will be able to reach us:

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The video highlights numerous issues we are presently challenged with as a global populace. Also of importance, it emphasizes how inconsequential our country of Canada is on the world investment stage.

I recently watched a YouTube video called "*If The World Were 100 People.*"

The video highlights numerous issues we are presently challenged with as a global populace. Also of importance, it emphasizes how inconsequential our country of Canada is on the world investment stage. That's why I've incorporated an article on the importance of global diversification for your investment portfolio.

There's no question 2016 thus far (and much of 2015) has been a volatile period for our financial markets. As a professional in the investment industry for decades, I've witnessed many periods where wild price swings have occurred. Market volatility is inevitable. That said, even though we expect gyrations to occur, they still produce anxiety for the investing public. Looking back at historical records tells us that financial markets have always recovered and surpassed previous highs. While that's true, it doesn't mean you should be complacent in times like these. We need to constantly review your personal situation and make sure your investment needs continue to be met. We are here to help in that process.



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An equity investment of \$1,000 in 1982 would have yielded over \$25,000 today, an annualized return of over 10.3 percent!*

Back to the Future?

As an investor, wouldn't it be great to travel back in time and alter the course of the future? Knowing what you know now, would you choose to do things differently?

Recall the movie "Back to the Future", when a young man is sent back accidentally through time to 30 years in the past. It is easy to forget what the world looked like around 30 years ago. But, recall that in 1982, the economy was in the depths of a severe recession. Pessimism was rampant; the prevailing view was that the planet was overpopulated and would eventually run out of resources. Unemployment was around 11 percent in Canada and similar in the U.S.

By the summer of 1982, the predecessor of the TSX Composite Index had posted a loss of over 39 percent over the previous 12-month period. Inflation seemed out of control, and interest rates were extremely high.

And yet, this period of bleakness preceded one of the greatest bull markets in history. An equity investment of \$1,000 in 1982 would have yielded over \$25,000 today, an annualized return of over 10.3 percent!*

Could this happen again?

Conditions today are markedly different, of course, as they are in every cycle. The business environment has undergone considerable change in over thirty years. The world seems to move at a higher speed, particularly in the information sector. Unlike in 1982, interest rates are at rock-bottom levels, and central bankers seem determined to maintain their fight to stimulate economic growth while keeping inflation under control.

Even so, history has shown that times of greatest uncertainty have provided some of the best opportunities for profitable investing. Investors who realize these opportunities take action and don't sit on the sidelines.

What about your own portfolio? As individual investors, we need to assess each of our positions and reflect on our goals, needs and personal circumstances, as we seek opportunity.

Recovery has been a slow process, as reflected by the sluggish Canadian markets and especially due to the latest challenge of low oil and commodities prices. But there are many positive signs of improvement. Is the climb towards longer-term recovery just around the corner? A trip to the future will be the only way we will know for certain.

*Based on the S&P/TSX Composite Total Index Return (dividends reinvested) from 06/30/1982 to 06/30/2015.

Diversification? Think Globally

Here's Why We Look Beyond Domestic Borders...

While many investment opportunities exist within Canadian markets, here are some reasons why looking beyond domestic borders provides diversification opportunities

The Canadian market is relatively small. The Canadian equity market represents only 3.3 percent of global equity markets and is ranked 6th largest in the world, which shows how fragmented markets are internationally.*

The Canadian market is concentrated by industry. Around 65 percent of the S&P/TSX Composite Index is represented by just three sectors: financials, energy and materials.** With recent challenges in the energy sector and sluggish commodities markets, looking beyond domestic borders may provide diversification opportunities.

The performance of different markets will vary. Many factors influence the movement of each market, including local monetary and fiscal policies, economic growth potential and more. Foreign markets may perform differently than Canadian markets, which may help to dampen volatility or lower risk across a portfolio.

Global Diversification: A Consideration

As the chart shows, it is rare to find any single market that has been a consistent top performer. North American performance (highlighted on the chart) has not dominated internationally over the past decade. As it is never possible to predict which market will be a top performer in any given year, diversification across markets may be one consideration.

There are many other considerations when looking beyond domestic markets, including: How high should your foreign content be? Is there an associated currency risk? Are there tax implications? These are some of the many things that we consider when we determine the global exposure of your portfolio and tailor it to meet your individual needs.

Ways to Diversify

Increasing the amount of foreign content in your portfolio doesn't necessarily mean that you need to make direct investments on a variety of international exchanges.

One of the easiest ways to gain diversified foreign exposure is through the use of global funds, such as global mutual funds or exchange-traded funds (ETFs). Many Canadian mutual fund companies offer funds that invest outside of Canada. There has also been a proliferation of lower-cost ETFs available both on Canadian and U.S. markets that offer diversified exposure to stock exchanges throughout the world.

Investing directly in foreign corporations on international exchanges may be somewhat cumbersome. Instead, investors may consider U.S. exchanges that list U.S. multinational corporations operating in different geographies as a way to gain international exposure. Some non-North American companies have their shares held on deposit as American Depositary Receipts (ADRs) in the U.S. and trade on U.S. exchanges in U.S. dollars.

Sources: *World Federation of Exchanges, at 12/31/14 by USD market capitalization.
**tmxmoney.com, S&P/TSX Composite Index by sector, at August 31, 2015.

Chart Used By Permission: Invesco Canada Limited. Each country is represented by its respective MSCI index based on information from FactSet Research Systems Inc., as at 12/31/14.

Top Performing Developed Markets 2005 – 2014

Year	1st	2nd	3rd	4th	5th
2014	Israel 	United States 	New Zealand 	Denmark 	Hong Kong 
2013	Finland 	Ireland 	United States 	Germany 	Spain 
2012	Belgium 	Denmark 	Singapore 	Germany 	New Zealand 
2011	Ireland 	New Zealand 	United States 	United Kingdom 	Switzerland 
2010	Sweden 	Denmark 	Hong Kong 	Singapore 	Canada 
2009	Norway 	Australia 	Singapore 	Sweden 	Hong Kong 
2008	Japan 	Switzerland 	United States 	Spain 	France 
2007	Finland 	Hong Kong 	Germany 	Greece 	Norway 
2006	Spain 	Portugal 	Singapore 	Norway 	Ireland 
2005	Canada 	Japan 	Austria 	Denmark 	Norway 

Wendy Strub Wealth Management Advisory Team



A respected presence in Kitchener-Waterloo's investment community for over 30 years, Wendy Strub has helped many families and businesses benefit from her broad knowledge of the investment industry. She holds a full range of professional securities licenses and is an avid follower of long term trends, demographics, and the effects of the Baby Boomer bulge. Her areas of specialization include Early Retirement & Severance situations, Commuted Pensions, Strategic Tax & Estate Planning, Inheritances, North American Equities, Fixed Income, and Mutual Funds. She is ardent about managing relationships and regularly gives the gift of time (our most valuable asset) to those important to her.

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Lori Hill has worked in the investment industry since 1988, through several market and economic cycles. This experience provides a level of depth and continuity that is rare in the industry. Her strong, yet simple philosophy — Putting Clients First has earned her trust and respect in our community. Lori is a serial connector and a passionate cause marketer. With enthusiasm for health and longevity, she's helping to evolve the wellness conversation as a Certified Pilates Instructor.

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Our advisor team is complemented by an experienced Executive Assistant with 25 years in the financial services industry. Cathy Kehayas provides support for client service, order execution, retirement planning, and general administration. For over 12 years, she has been a licensed investment representative and an integral team member serving our clients. Cathy enjoys travel, beaches, fine wine and cooking for her amazing family. In the spring and summer months you will find her creative juices flowing outside working in the garden.

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We hope you enjoy this first issue of InTouch and welcome your ideas for future articles.