



Understanding The Noise In The Media

The “PIIGS” (Portugal, Italy, Ireland, Greece and Spain) of Europe were the focus for 2012 and into 2013. Since the financial crisis of a small county (Cypress), there has not been much media attention about Europe.

Instead, our neighbours to the south (USA) have been attracting the recent attention. Ben Bernake is scheduled to end his term in January 2014 as head of the FED and Janet Yellen has been announced to take over. She is well regarded and certainly qualified to take on the challenge of leading the country’s central bank and manage growth while keeping inflation under control.

The US government has solved its borrowing limitation problems (temporarily). On October 16th, the Democrats and Republicans came to an agreement to permit the government to go further into debt rather than run out of funds. It is anticipated that they should once again maximize

their line of credit early in 2014. As this date approaches, we anticipate volatility in the markets unless the US Government can find a longer-term solution to their debt problems in the interim. Once again, we emphasize that this approach is not a cure for the problem but temporary treatment to the issue. Ideally, the US government needs to learn to collect more revenue than it spends.

In Canada, our Senate has suggested the idea that a balanced budget should be mandated in the law and only under extreme circumstances should this be forgiven for a short period of time. The intention is good, however, it could handcuff the government’s ability to stimulate the economy during tough economic periods. In October, the Bank of Canada announced that it expects to keep interest rates low for a few years.



INVESTMENT Market Outlook

In our last newsletter we talked about our bias for profitable companies that pay dividends. With continued low interest rates, this continues to make these investments attractive. We do not believe this is a short term fad. If we look at demographics, the baby boom generation is morphing into a retired population eager for income. We believe there will be pent up demand for these types of securities which should gradually drive up the price of the stocks.

Although the US and European governments have financial challenges, many of the companies based out of those regions are doing very well, some with record earnings. Not only is sector diversification important, but it is also important to include geographic diversification in portfolio construction. We take advantage of this when building and managing portfolios for individuals.



FINANCIAL PLANNING

This is the time of the year when capital loss planning opportunities should be reviewed to help minimize your income taxes.

It is also the time of year to top up your RESP (Registered Education Savings Plans) and TFSA (Tax Free Savings Account) contributions.

For those that are eligible for an RDSP (Registered Disability Savings Plan), we can help with this too!

Have you reviewed your Will and Powers of Attorney lately? We should review this with you to ensure we have aligned the beneficiaries, know who your powers of attorney and executors are and how to contact them. It is also important to ensure it is current and reflects your intentions.

INSURANCE



Insurance protection can be described as if sitting on a 3 legged stool. There are 3 basic risks that need to be insured (through privately owned coverage in addition to any employer coverage). If one of these is out of balance, you could tip the stool over. They are: You live too long, die too soon, or have something wrong happen along the way.

Live too long: the fear is you may run out of money. We can help you plan for and during retirement to protect you from this.

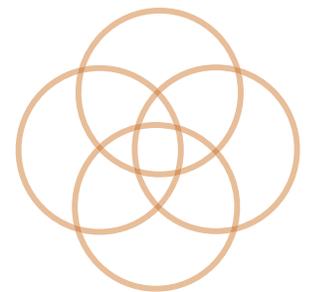
Die too soon: the risk is you leave loved ones who are financially dependent on you without the resources desired. Life insurance can fund this problem.

Something goes wrong along the way: an accident or illness can leave you with additional expenses and without income. Disability insurance can help to replace part of your monthly income and Critical Illness insurance can provide a lump-sum of insurance to help replace lost income as well as provide funds for expenses.

*Time for a needs assessment? Every few years, or when a significant life event occurs, we should have a review. Schedule an appointment to meet with us to review your current and desired protection to ensure you have the right types and amount of insurance. As with our investments solutions, we are able to select from a variety of insurance companies and types of insurance products.**

Favourite words from a client

“Your advice and service is exceptional and far surpasses that of several financial advisors we have worked with in the past. We highly recommend Holistic Wealth and trust them for their professional and friendly advice and guidance.”
– Mark & Vanessa



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Below is a chart of different asset classes and sector exposure with our team's current outlook compared to the normal North American weighting. Based on the economic outlook, we will want more or less than our normal exposure to each category. Each individual investor will have a different investment portfolio depending on their personal circumstances considering their: Risk Tolerance, Income requirements (both current and anticipated), Time Horizon, Taxation, and of course Temperament (investor behavior). We then look for opportunities to tax optimize the holdings based on which plans hold which investments. You should consult us to determine the ideal asset mix and asset selection given your circumstances.

Who is HOLISTIC WEALTH?

This is the trade name that the Summerland office of Manulife Securities Incorporated operates under. We call ourselves this as most traditional stock brokers and investment advisors do not take the same holistic wealth approach in working with clients. We prefer to take a financial planning approach when advising clients incorporating their debt, insurance and investment portfolios into consideration. We use solutions that people understand and avoid 'synthetic' investment products (such as hedge funds).

We currently advise clients throughout BC, Alberta and Ontario. We are still growing our practice and welcome new clients. If you or someone you feel would benefit from a confidential and complementary consultation, please contact our office.

		Underweight	Slightly Underweight	Neutral	Slightly Overweight	Overweight
FIXED INCOME						
Government	Long-term	●				
	Mid-term	●				
	Short-term		●			
Corporate	Investment Grade			●		
	High Yield			●		
	Floating Rate			●		
EQUITIES						
Canadian	Dividend Focused					●
	Large Cap				●	
	Small Cap			●		
US					●	
European			●			
Asia				●		
Emerging Markets				●		
	BRIC			●		

Sector		Underweight	Slightly Underweight	Neutral	Slightly Overweight	Overweight
Consumer Discretionary					●	
Consumer Staples				●		
Energy				●		
Financials	Banking			●		
	Insurance			●		
	Asset Managers		●			
	REITS			●		
Materials			●			
Utilities				●		
Telecommunications				●		
Healthcare				●		
Industrials					●	
Information Technology				●		

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