Connect

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YourStyle FINANCIAL

The Value of Digital Assets

As I enter my 34th year in the financial services industry I am honored to be working with 2nd, 3rd and 4th generations of my client's family members. What I am noticing is the manner in which we now connect and communicate. Historically, I talked to clients and booked appointments over the phone. Now, most of my communications are done via email or text and meetings are being conducted via conference call, Zoom or Facetime. While virtual meetings and smart phones can be more efficient, they also create a legacy of logon credentials and passwords to be managed.

One of the areas that has become integral to the planning process is the digital footprint we all now have. In years past, when we passed, a couple bank accounts and credit cards were generally all that needed to be dealt with. We now have numerous on-line accounts that link to our bank accounts and credit cards. **How will these be dealt with when you pass away?**

Given the pandemic, we have been ordering groceries online, conducting all our financial transactions online, connecting virtually with our family doctor, and engaging with others via social media to pass the time. These are all referred to as **"Digital Assets".**

Although digital assets are not new, the estate industry is paying greater attention to them as part of estate planning and administration. Until now, many estate advisers and clients have argued that digital assets were something they only used in the workplace or for the younger, tech-savvy generation. Digital assets, in their simplest form, are electronic records

Doug Buss, CFP, CLU, CPCA, CEA

understood to be associated with online accounts, and more recognizable as e-mail, social media, loyalty points, travel rewards, crypto assets, digital photos and gaming tokens.

As one might expect, the risk of death or incapacity from COVID-19 has skyrocketed concerns about wills. So much so that Canadian mainstream media has reported an explosion of people getting wills done. In early April, the government passed emergency orders allowing lawyers to remotely witness will signings, and it appears that other provinces are considering options to accommodate social distancing when dealing with legal document signings.

We are looking to coordinate an education session to review and discuss the importance of including digital assets into your estate planning. Should this be of interest to you, please email **maria@yourstylefinancial.ca** or call the office **204 474 2929** to confirm you would like to be included in this event.

Til next time...

A wise man speaks because he has something to say.

A fool speaks because he has to say something!!

"Bucket List - change the B to an F" – ie) Do what's important to you!

What's important to you?

Focus on staying the course by putting emotions aside

The emotional reactions investors have during volatile markets can be like a roller-coaster ride. Interest rate hikes, political unrest, market volatility, natural disasters — sound familiar? These are just some of the events that contribute to the market "noise" that can play on investors' emotions. You've likely felt that pang of concern over one or more of these events at some point. The key takeaway — keeping your emotions in check can help you avoid putting your portfolio at risk and missing out on valuable opportunities.

Realize You're Human and Prone to Emotional Forces

What can you do to ensure emotional responses don't negatively impact your portfolio's performance? First, remember that no matter how knowledgeable you are about financial markets, the best route to long-term success is discipline. This means following your financial plan and realizing your limitations. Warren Buffett reflected this well when he said, "The most important quality for an investor is temperament, not intellect."

Let's put Buffett's words into action. Here are some emotional traps investors can fall victim to, as well as different approaches to help manage these traps.

Getting Swept Away by Swinging Markets

The emotional reaction investors have during volatile markets can be like a roller-coaster ride. It begins as the market heats up and investors fall victim to a fear of missing out. Investors then jump in en masse as the market reaches its peak, only to experience a loss when the market inevitably declines. This pattern of jumping in and out of the market for fear of negative returns ultimately causes investors to miss out on potentially higher returns during a market uptick.

Avoiding Loss at all Costs

Investors have a penchant for avoiding the pain of loss, which has been proven to far outweigh the pleasure experienced by achieving a gain. This bias is known as "loss aversion," and it's the reason investors focus on stocks that are losing money — even if their overall portfolio is doing well.

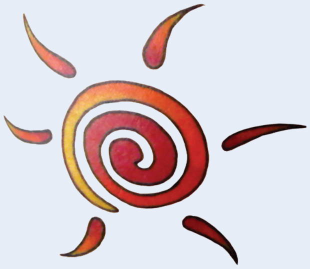
Investors aim to evade feelings of regret after making a choice that has a negative outcome. Their reaction is often to refuse to sell a losing investment in an effort to sidestep having to confront a poor decision. Ultimately, investors cling to the hope that the investment will return to its original price, while risking an even greater plunge in its value.

Work With a Professional to Keep you on Track

Lasting financial success is possible if you remain aware of your limitations and stick to a solid investment plan. Knowing this highlights the immense value of having an advisor on your side. We have the experience and tools to keep you on track toward meeting your short and long-term financial goals.

Once your plan is in place, we become more than simply your investment experts. We can help keep your emotions in check, ease your anxiety during periods of market volatility and provide perspective on the benefits of long-term investing.

Please contact us today to learn more about tuning out market noise and keeping behavioural biases at bay, so you can stay focused on meeting your financial goals.



When naming minor beneficiaries causes major complications

When you leave assets to a minor — either as a beneficiary of your will or a named beneficiary of a registered investment or insurance product — ensure that you name a trustee and set out the trustee's powers to invest and administer the funds.

Leaving money to a minor without naming a trustee can create expense and upset, because minor children are considered parties under a disability and aren't entitled to receive funds directly.

Therefore, funds left to a child must be received by a trustee on the child's behalf and invested for the child's benefit until the age of majority or, if desired, used to purchase an annuity.

A parent isn't automatically the guardian of a child's property. When a child inherits as a beneficiary in a will or as a named beneficiary of a registered investment or insurance product, and a trustee isn't named, the child's parent or guardian must apply to court to be appointed to manage the child's property.

Source: Investment Executive August 2020

Cashflow Corner from Sean McDermid

With the pandemic, cashflow and budgeting are top of mind for a lot of people. We'll be introducing a few tips to help get you through.

How much of my budget should I be saving?

This is one of the ultimate questions, and the answer depends on your savings goals.

Common short-term and long-term goals include going on a family vacation, buying a new vehicle, putting a down payment on a home and preparing for retirement. How much you'll need to put aside also depends on the time horizon and the amount you'll need to save. For example, saving for a family vacation tends to have a shorter timeline than retirement, although it also tends to cost a lot less.

Generally speaking, you should aim to save between 10 and 15 per cent of your gross income and live on the other 85 – 90%. Although this may cut into your disposable income, it's important to make savings a priority. Instead of treating savings as the last priority in your budget, treat it as a first priority by "paying yourself first."

When you pay yourself first, the money you'd like to save is set aside in a separate savings account before you're tempted to spend it. By having the money 'out of sight,' it may also be 'out of mind,' making it more likely for you to meet your savings goals.

Contact Sean if you need help with your budget.

Pandemic has led to greater desire to age in place: survey

A new survey suggests more Canadians want to continue living at home as they age, rather than move to a retirement or long-term care facility. For advisors, the survey serves as a reminder to discuss long-term care needs with clients.

The survey of 1,517 Canadians was conducted online by the National Institute on Ageing at Toronto's Ryerson University in late July.

Sixty per cent of respondents said the Covid-19 pandemic had changed their opinions on whether they'd arrange for themselves or an older loved one to live in a nursing or retirement home.

The number climbed to 70% for respondents aged 65 and older.

Overall, 91% of respondents said they would try "to live safely and independently in their own home as long as possible."

(According to the institute's tabulation of provincial data, more than three-quarters of all deaths from Covid-19 in Canada have been among residents of long-term care homes.)

A shift away from institutionalized care toward home care doesn't obviate the need for planning.

For example, StatsCan reported in 2018 that more than one-quarter of households that paid for home care services paid solely out of pocket (27%).

In some cases, relatively young household members are the ones incurring expenses because they're providing the care.

About one in four Canadians age 15 or older provided care in 2018 to a family member or friend with age-related problems, or with a long-term health condition or disability, StatsCan said.

Of these caregivers, about 14% received financial support from family and friends, 8% received federal tax credits and 6% received funds from a government program.

YourStyle Financial has a solution with the Homecare Expense Plan from MyDiginity to help you and your loved ones remain in your home. It will provide access to cash when you need it and is available from ages 18-80! Call today for more info.

myDIGNITY

Got Oat Milk?

According to a report by the Institute for Agriculture and Trade Policy, 13 of the world's largest dairy farms together contribute a total of 32 million metric tons of greenhouse gas emissions each year. This is equivalent to 6.9 million cars driven for one year and roughly the same amount of emissions produced by the entire United Kingdom, which has a population of nearly 68 million. Ready to switch to oat milk?

John Poulain, Maria DeRosa, Doug Buss, Loreen Buss, Sean McDermid

1-B 2020 Portage Avenue
Winnipeg, MB R3J 0K4

YourStyle FINANCIAL

Office: 204 474 2929
Fax: 877 223 2936
Email: maria@yourstylefinancial.ca

yourstylefinancial.ca