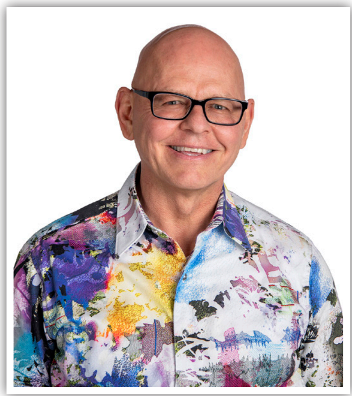
Connect

Spring 2023

What is your HEALTHSPAN?



Doug Buss, *President*
CFP, CLU, CPCA, CEA, RWM

While on our vacation in Mexico, I read a fantastic book by David A. Sinclair, PhD. Harvard University, called: **Lifespan – "Why We Age and Why We Don't Have To".** I highly recommend you pick up a copy as Sinclair's research is fascinating.

Sinclair delves into the nitty gritty of our cells and what happens to them as we age. He focusses on nutrition, biology, molecular science and groundbreaking discoveries from modern medicine to come up with ways of curing aging. Yes, he considers aging a disease that can be slowed and potentially cured.

The big question Sinclair addresses is: *Why do so many people wait until they get sick before they decide to take care of themselves?* He considers diabetes, chronic heart disease and high blood pressure, among other illnesses, as symptoms of aging. His research centres around taking measures to prevent these life-threatening illnesses and thus significantly slow aging.

What's important to you?

If you want things to change, you can't keep doing the same things you have always done. Get fit, work less, travel more, fix a relationship: Make the changes you need to make on a daily, weekly, monthly basis. Prepare yourself by being the best version of yourself today. I operate under the motto: **If it is to be, it's up to me!**

At YourStyle Financial, we take the same approach to your financial fitness. We look at all areas: ***Accumulation, Growth, Preservation/Protection*** and finally ***Transfer of the family wealth*** for generations to come. Our job is to understand your goals and dreams and put a plan in place that can weather economic storms including fees, inflation and taxes.

Whether it's your health or your wealth, don't wait for tomorrow to plan what you should do today!

Til next time...

Bear Markets

With inflation rearing its ugly head, you've all likely heard the term Bear Market. A Bear Market can be described as one with a prolonged drop in investment prices. Generally, a Bear Market happens when a broad market index (like the TSE or S&P) falls by 20% or more from its most recent high and is characterized by investors' pessimism and low confidence. During a Bear Market, investors often seem to ignore any good news and continue selling, pushing prices even lower.

Just What is a Segregated Fund and Why Do I Have Them in my Portfolio?

Sean McDermid

Following is some valuable information about segregated funds and how they can benefit your investment portfolio.

Segregated funds are a unique investment product that offer both the growth potential of mutual funds and the security of insurance protection. They are similar to mutual funds in that they pool money from investors to purchase a diversified portfolio of stocks, bonds, or other securities. However, the key difference is that segregated funds are protected by insurance guarantees that can provide you with peace of mind and protection for your investments.

Here are some benefits of segregated funds:

Principle protection: Segregated funds offer a unique feature called a maturity guarantee, which ensures that you will receive a minimum percentage of your original investment at maturity, regardless of market performance.

Estate planning benefits: Unlike mutual funds, segregated funds can bypass probate and allow your beneficiaries to receive the full value of your investment without delays or additional costs. As well, an Annuity Settlement Option can be built in. An Annuity Settlement Option gives you the option to distribute the value of the Death Benefit in multiple ways like lump sums, periodic instalments, or a combination of the two. This gives you flexibility with beneficiaries that have differing lifestyles and spending habits.

Creditor protection: In the event of bankruptcy, your segregated funds are protected from creditors.

Potential for higher returns: Segregated funds offer a wide range of investment options that can potentially provide higher returns than traditional savings products.

The Anti-Inflammatory Eating Plan: A Life-Saving Diet

Recent research from Europe has found that adhering to an anti-inflammatory diet can lower your risk of dying from any cause, including cardiovascular diseases and cancer. Researchers came to this conclusion after following 68,273 Swedish men and women between the ages of 45 and 83 for 16 years. They reported that those who most closely followed an anti-inflammatory diet had an 18 percent lower risk of all causes of death, a 20 percent lower risk of dying from cardiovascular diseases, and a 13 percent lower risk of dying from cancer. They listed anti-inflammatory foods as fruits and vegetables, tea, coffee, whole grain breakfast cereals, low-fat cheese, olive oil and canola oil, nuts, chocolate and moderate amounts of red wine and beer. They categorized pro-inflammatory foods as processed and unprocessed red meat, organ meats, chips, and soft drinks. Study leader Joanna Kaluza of the Warsaw University of Life Sciences said her team's analysis showed that even partial adherence to the anti-inflammatory diet may benefit health.

This is encouraging news. In addition to reducing the chronic inflammation that influences the development of Alzheimer's and Parkinson's diseases as well as heart disease, cancer and other age-related disorders, following an anti-inflammatory diet is key to treatment of autoimmune diseases such as rheumatoid arthritis and lupus. The diet is an evidence–based way of selecting and preparing foods that can help you achieve and maintain optimum health over your lifetime. You won't miss out on good taste – the diet incorporates olive oil, herbs and spices, cooked Asian mushrooms (like shiitake, enoki, and maitake), as well as dark chocolate as an occasional sweet treat.

Financial advice and the resilient investor

John Poulain

Advisors play an important role in enhancing resiliency

Resilience is an important concept in financial markets. As applied to the financial system, it means that markets are durable and can withstand shocks from unanticipated events. The term is equally important when it comes to retail investing.

While the regulatory framework and investor education are important, **the front line of investor protection is enhancing resiliency** — the ability of individual investors to avoid costly mistakes and withstand shocks from unanticipated market events.

What does the resilient investor look like?

A resilient investor understands that all investing has some degree of risk. Stocks, bonds, mutual funds and ETFs can all lose value when markets turn bad. Nevertheless, a resilient investor knows they cannot achieve their financial goals without risk. Therefore, a resilient investor is also one who takes only the amount of risk they can personally tolerate. Finally, a resilient investor can withstand market volatility and avoid panic selling in falling markets when losses can be crystalized.

The question is, how to foster resilience in retail investors?

Evidence shows that one of the best ways an investor can develop resilience is by obtaining financial advice. A large and growing body of research shows that investors who work with advisors build more wealth over time compared to similar non-advised investors. The research shows that the specific aspects of advice that contribute to increased wealth is a combination of asset allocation and savings discipline. At YourStyle Financial, that advice means a plan. We customize a Real Wealth Management Plan to help you weather the economic storms.

The Pollara Mutual Fund and ETF Investor Survey, sponsored by the Investment Funds Institute of Canada, also reveals the power of personalized investment advice in building resilience — advice that answers questions specific to the investor's circumstances in the context of a trusted relationship and a specific plan.

When asked, 74% of mutual funds investors and 68% of ETF investors stated that "because of my advisor I have better savings and investing habits." Furthermore, 84% of mutual fund investors and 78% of ETF investors stated they feel more confident they'll reach their investment goals when using a financial advisor.

The volatility in markets this year has no doubt reinforced the value of advice for many investors and the role it plays in building and sustaining resilience. In fact, 92% of mutual fund and ETF investors reported this year that they're satisfied with their advisors, and 79% of mutual fund and 71% of ETF investors stated they wouldn't want to handle their investments on their own.

It is also notable that when asked how they evaluate satisfaction with their advisors, the second most common response (after investment returns) was **peace of mind** and a sense of security in a trusted relationship.

Finally, behavioural economics has demonstrated that investors have predictable irrational biases, such as loss aversion and confirmation bias. An investment advisor can enhance resilience by coaching their clients to overcome bad investing behaviours, stay the course through volatile markets and avoid costly mistakes.

Competition and innovation will continually change and improve the way investors access investment advice. One thing that won't change is the importance of long-tenured investment advice from a trusted advisor in creating the resilient investor — the front line in investor protection.

Improve your cash flow with proper tax planning

Two forms can eliminate a tax refund for 2023

Tax season is now in full swing. To date, the Canada Revenue Agency (CRA) has received nearly five million personal tax returns, with an estimated 25 million more returns yet to be filed. And, so far, two-thirds of all those earlier filers have received a **tax refund,** with the average refund for the 2022 tax year being $2,172.

This, of course, raises the question, **Why do you get a refund each year?** Is it because of savvy tax planning on your behalf? Or is it actually **a sign of poor tax planning?** After all, a tax refund is a signal that an individual has loaned their money to the government, interest-free, for up to 16 months!

A tax refund typically arises when the amount of tax owing on a return is less than the amount of tax withheld from an individual's income during the year. Employment income is the most common type of income from which tax is deducted at source, and thus employees are most often the ones who get significant tax refunds each year. But tax is also withheld from other payments, such as RRSP withdrawals as well as RRIF withdrawals beyond the annual minimum required withdrawal amount.

For employees, the amount of tax withheld is calculated by your employers by taking into account various credits to which you're entitled, but without taking into account various deductions you might ultimately claim when you file your tax return.

The first way to reduce taxes withheld by an employer is to reach out to your employer to revisit **Form TD1 Personal Tax Credits Return,** along with its provincial (or territorial) equivalent, which you would have filled out when you first started working. This form lists the various credits to which you're entitled, such as the basic personal amount, the disability amount and the spouse or common-law partner amount, among others. If your personal situation has changed since you started working, making you eligible for one or more of these credits, you may wish to complete updated TD1 forms and submit them to your payroll department so your tax deductions at source may be reduced for the rest of 2023.

But the root cause of a tax refund for many Canadians are tax deductions taken when filing their 2022 returns, such as RRSP contributions, deductible spousal support payments, interest on money borrowed for investment or business purposes, or child-care expenses, which aren't reflected when tax at source is deducted by an employer.

If that's the case, now is a great time to consider filling out CRA Form T1213 Request to Reduce Tax Deductions at Source, which must be sent to the CRA and, once approved, authorizes your employer to reduce the amount of tax withheld at source for the balance of 2023.

Using these methods will **improve** your cash flow throughout the year — and eliminate your tax refund next filing season. Ultimately, you'll have more money in your jeans each month!!

Source: Investment Executive

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