

# THE GREEN REPORT

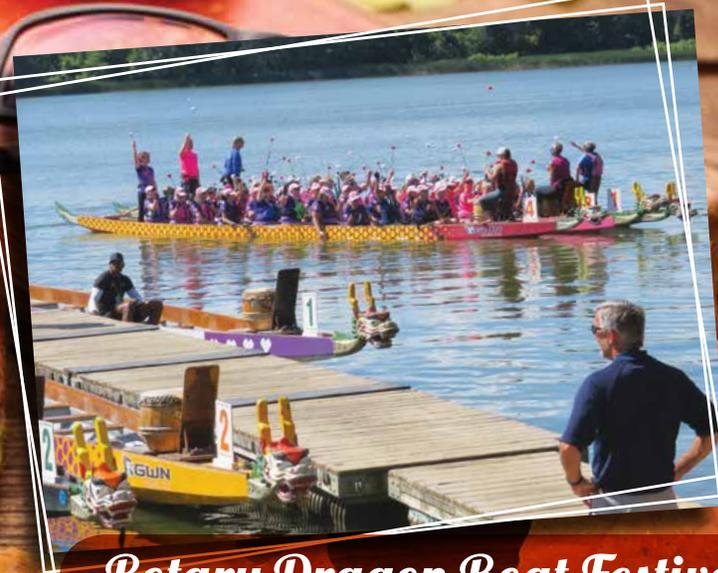
 GREEN  
PRIVATE WEALTH COUNSEL

 HARBOURFRONT  
WEALTH MANAGEMENT

FALL 2019

A semi-annual publication for our clientele that provides the latest information relating to Green Private Wealth Counsel, our community and today's markets and trends.

*Autumn Greetings*  
The crisp days of fall are here!



*Rotary Dragon Boat Festival*

## Share the Green

### Rotary Club of Woodstock's Annual Dragon Boat Festival

Green Private Wealth Counsel proudly sponsored the Rotary Club of Woodstock's Annual Dragon Boat Festival again this year. Dave Harris is a Rotarian and has chaired this event for most of its 22-year history.

Rotary welcomed 40 teams with over 1,200 paddlers to Pittock Conservation Area on August 11th to battle it out on the water! It was a perfect day for the event. The real winners will be those that benefit from the expected \$20,000 in funds raised.



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# The Market

## Paul's Perspective

### **Great performance so far in 2019!**

As indicated by our technical assessment earlier this year, through August has seen very impressive returns in both the stock markets (US and Canada) and bond markets. A balanced portfolio has grown by approximately 8.5% and a growth portfolio over 10% year to date. The past few months have seen much higher levels of volatility as tensions are growing over trade between the US and China. Lately, the bond market has been signaling a slow down expected in the global economy which has thrown another element to the volatility. These factors, and many more that come at us on the daily, have not hurt overall performance thus far.

### **What to expect...**

With significant issues to deal with (trade and possible economic slow down) we would expect the markets to continue with higher volatility. We use our technical tools to give direction on risk and continue to favour US equities for growth. We monitor the asset allocation of your portfolios daily to ensure that the holdings are aligned with our technical indicators.

We encourage you to focus on the Long-term goals of your investment portfolio and tune out the day to day noise. For example; In August the S&P 500 started at 2953 and over the next 30 days it bounced off the 2040-2050 mark three different times. Each time there was a sharp rebound. Each of these drops were a decline of more than 3%. At the end of the month, after the smoke (noise) had cleared, the S&P 500 sat at 2926, about 0.9% lower than it started the month and up 16% on the year. Any reaction to the day to day noise would not have improved the outcome of your portfolio in the short term. Instead we stick to our process of selecting investments based on relative strength and allocating your portfolio among equities, fixed income and private debt to stabilize returns and protect from significant declines. We encourage you to

take a long-term view of how your portfolio is doing versus the expected return over a 5 year or longer time period. This will give you a better perspective and allow you to enjoy your life outside of the day to day volatility of the stock markets.

### **Pass this along...**

We would like to mention a cautionary word. Our clients are protected by a tactical approach that allocates investments to the strongest asset class while maintaining proper diversification. We will move equities to cash if needed. Our goal is to protect our client investments from significant declines in the stock markets that typically come during recessionary periods. In addition, we build a financial plan, with you, to help guide decision making and plan for unexpected events.

If we have a significant negative economic event soon (recession), we are concerned about the average Canadian household and the amount of debt outstanding. In 2018 the Bank of Canada pegged the average household debt at 170% of disposable income (income after taxes). This is up from 100% twenty years ago. Please pass along our concerns to your friends and family and give them our advice. While the economy is doing well, make plans to Reduce your debt or build up an emergency fund as much as possible, especially if you cannot service the debt if you were to miss a few months of pay cheques. If the response is, "but there is no more money to reduce debt," suggest they need to stop what they have been doing and think about how important it is to not go through bankruptcy. We believe the next downturn could be financially devastating for many Canadian households. Please give those you care about a heads up of our views.

### **On a personal note...**

I know you will be shocked to hear, but I turned 50 a few weeks ago. Hard to imagine time moving this quickly but our girls have just started their 4th year (Katie at the Royal College of Surgeons in Ireland) and 3rd year (Carly at Western). We had some good times this summer, but it felt very brief. All in all, Laura and I are very happy and proud parents as we see the girls grow up.



## Share the Green

"Thank you again for paying for my glasses. Last week I began my second year of university and for the first time in a long time, I did not have to worry about getting to class 10 minutes before the lecture started in order to get a seat in the front row so that I could see the board. You have significantly contributed to my education this year in ways that you might not know. I no longer experience tension headaches because of straining my eyes too much and now I truly focus on my education without worrying about any visual accommodations. I hope to have the opportunity to meet you in person in the near future to express my gratitude." ~ Ashley

# Turning 25 and 50 at the Same Time...

by Paul Green  
CFP®, CIM® | Portfolio Manager,  
Director Private Client Group

Green Private Wealth Counsel wasn't always this old (and neither was I!) but celebrating our 25th year in business was a very nice feeling. Looking back at the humble beginnings makes me think of sharing my office with a cot (thanks Mom and Dad for the low-cost rent!) and doing many house visits as I tried to convince people they required life insurance. It didn't take long to leave the large insurance company and go on my own as an independent advisor and in 1994 started Green Financial. To say I wasn't scared of the idea of blazing my own path would be far from the truth, but I was convinced the best way to look after my clients was to be free of the constraints placed on me by the big firms, and work solely in the best interests of my clients.

When I reflect on those days back in 1994 and see what has happened 25 years later, I can only describe it as an absolute blessing. I have truly enjoyed my journey far beyond my expectations and am humbled by the support of so many people that became and are still clients. I had no idea how much I would love helping assist and advise people with their finances and continue to enjoy it as much 25 years later. The team behind me has been amazing as well. Having a team that cares as much as I do about our clients well being is a complete joy to be around. With all of this said, I know our staff and our clients have been the key factor in the national industry recognition we have received over the past 4 years. Other notable team milestones this year include Dave Harris who is celebrating 20 years as an advisor and Susan Burton



Paul's 50th birthday with Laura, Katie & Carly.

who has been supporting me and our clients with great care and service for 20 years now.

As you might know, I too am getting a bit older and celebrated turning 50 in August. In some ways this is hard for me to process, as I was always thought I was the young one coaching people for retirement. Many of those people were in their 40s and 50s and in need of a plan. Well, fast forward and here I am! Bottom line is I am extremely happy to hit this milestone, but I have so much more to do in this business and for our clients and staff of GPWC.

From the bottom of my heart, I sincerely appreciate all of you being apart of this amazing ride with me!

## David Harris Congratulations on 20 Years!

One of the things that drew me to this business twenty years ago was seeing that my father had been successful in helping so many people protect their families through life insurance. He went out of his way to make sure clients received good service, following up on missed premiums so that coverage did not lapse and taking time to ensure clients understood the importance of life insurance.

I still work with many of his clients today and they remind me of how they enjoyed their meetings with him. Over the

years, I have added Financial Planning and Discretionary Portfolio Management to my skill set, along with a team of support staff, so we can provide the most comprehensive wealth management solutions for our clients. With every new relationship we have a chance to help improve a person's financial situation so they can achieve their goals and dreams. This is exciting stuff for me!

After 20 years, I have learned that one of the most important things I can do is to listen to my clients and understand what matters to them. Once I understand their goals, we can develop a strategy to achieve them. My satisfaction comes in seeing a plan develop in real life and seeing the impact it makes on my clients' life. I am looking forward to many more years serving my clients.

# When do I start my Canada Pension Plan Income?



David Harris  
CFP®, CIM® | Portfolio Manager, Director Private Client Group

As the days get shorter and children return to school, we swap the shorts and t-shirts we wore all summer for warmer attire and look forward to the colours of autumn across the landscape. I personally look forward to the fall when the air is cooler and the sun still shines warm and long enough for outdoor activities in the evening.

Fall is also a great time for many people to take stock of where you are financially in the year. There is still time to plan for your RRSP contributions, make some decisions about charitable giving and give some thought to a winter getaway.

Those of you closer to retirement might be wondering about how your Canada Pension Plan Retirement Benefit (CPP) will impact your income and when you should decide to take it. Below are some key points to consider when planning for your CPP income.

## When can I receive my Canada Pension Plan?

The CPP does not start automatically. You must apply for it through Service Canada. The normal start date for your CPP is the month after you turn 65 but you may choose to receive it as early as age 60 or as late as age 70.

**How much will I receive in CPP income?** The maximum CPP income for 2019 is \$1,154.58 per month while the average payout for new recipients is \$679 at age 65. The benefit is inflation adjusted

annually to keep pace with the Consumer Price Index inflation number. There is a reduction of 0.6% per month for each month before age 65 and increased by 0.7% for every month after age 65. Someone taking their pension at age 60 would get 36% less than they would at age 65. Waiting to age 70 increases your benefit by 42%. The amount of your base benefit will be determined by the number of years you contributed to the plan and your income over those years. To improve your benefit you can take advantage of the General Dropout Provision and the Child Rearing Provision to have low earning years removed from the calculation of contributions.

**When should I take my CPP Pension?** This is one of the most common items we deal with when laying out an income strategy for retiring clients. Everyone's situation is unique so there is not one simple answer. However, when we apply

some math and life expectancy tables to the problem we can get some idea of the best time for many people to consider taking their benefit. The idea is to compare when the normal accumulated income of the benefit taken at age 65 is equal to the accumulated payouts if taken at other ages, then consider your life expectancy. For this exercise, let's say we have a client who is retiring at age 60 and would receive a normal CPP Benefit of \$1,110 per month at age 65. The client expects to live to age 85.

Age	Monthly Income	Accumulated at Breakeven Age	Breakeven Age	Difference at 85 vs Age 65 Benefit
60	\$720	\$119,000	73	(\$58,000)
61	\$790	\$133,000	74	(\$42,600)
62	\$870	\$146,000	75	(\$29,000)
63	\$950	\$160,000	76	(\$17,500)
64	\$1,030	\$173,000	76	(\$7,800)
66	\$1,203	\$173,000	77	\$9,000
67	\$1,296	\$186,000	78	\$15,800
68	\$1,390	\$200,000	79	\$20,500
69	\$1,483	\$213,000	80	\$22,800
70	\$1,577	\$227,000	81	\$22,900

**Conclusion:** These results show us that, unless there is a reason to think you have a shortened life expectancy, choosing to defer your CPP benefit until age 63 at least will provide a close to optimal strategy. Providing a breakeven age of 76 with only a slightly lower total payout at age 85. Taking it between age 63 and 65 provides a reasonable tradeoff in benefit and gross payout by age 85. We do not think that it makes sense to defer the pension beyond age 65 as there is limited survivors benefits payable and potential that you or your family will not benefit from your years of contributions.

When completing your financial plan, we take into account a number of other factors such as pension income, RRSP income and income splitting between spouses that can alter our recommendations.

# Service Matters

## CAFA Day Seminar

by David Harris  
CFP®, CIM® | Portfolio Manager,  
Director Private Client Group

I attended the Canadian Association of Farm Advisors one-day conference Farm Management Update in June. I heard from a number of presenters on topics ranging from commercial hemp production to social media and farming. I learned from Farm Credit Canada about increasing risk of misuse of farm data. Producers are increasingly concerned about the data collected by all of the electronic and computer driven farm systems from seeds to feed.

They realize that gaining the knowledge from this data is important for improving efficiency and decision making. Once collected, they are concerned about how this may be used and who it may be used by. Often their data can be sold to third parties without the farmers consent or approval.

We also learned from Craig Clemmer, Economist for Farm Credit Canada, that the outlook for agriculture in Canada overall remains good. A lower Canadian dollar and high demand are good for Canadian Ag products such as corn and Soybeans but prices have been softening. Farm land price increases have also slowed down along with the sale of tractors



and combines. At the same time, they are seeing margins squeezed a bit.

We also had a presentation by Paulette Sopoci of Strategic Coach. She challenged us to take a longer view on things and develop a 25-year framework for success. The idea is to reduce day-to-day pressure on yourself so you can focus on regular steady improvements that will ultimately lead you to greater success.

The last speaker of the day discussed his first documentary film, *Before the Plate*, a look at 10 ingredients that Chef John Horne uses on the menu at Canoe restaurant in Toronto. The film follows these ingredients from planting through harvesting, processing and finally in the preparation of a wonderful dish at Canoe. The focus of the documentary was to challenge modern myths about farming and reveal the obstacles that farmers face in sharing their message.

## Share the Green

### Big Brothers Big Sisters Gala - Join Us!



We hope you will join us! There are many ways to lend your support; through sponsorship, purchase of tickets, promotion of the event or a donation of an auction item.

Green Private Wealth Counsel is once again proud to be a Major Sponsor of the Big Brothers Big Sisters 5th Annual Big Night Out Charity Ball on October 26, 2019. As Big Brothers Big Sisters' largest fundraiser of the year, this dinner/dance will support mentoring programs for young people across Oxford County. Every dollar raised at the event stays in Oxford County and supports the close to 1000 children and youth anticipated to be mentored in 2019. Last year, sponsors and attendees were able to raise \$100,000 for the agency. With a live band, DJ, buffet dinner, silent auction and cash bar, this event is a great deal at \$50 a ticket, and will not disappoint!



## Green Team Outing A Great Day!

The Green Team had a great time when they ventured to Niagara Falls for their summer outing!



## Share the Green 8th Annual Gems & Java



Mothers with a Heart for Ethiopia was absolutely ecstatic to raise a record-breaking \$121,000 at this year's Gems & Java events, eclipsing the \$100,000 milestone for the first time.

It would not have been possible without the support of dedicated community sponsors like Green Private Wealth Counsel. This year, the longtime sponsor moved into a brand-new role, becoming Gems & Java's first ever Presenting Sponsor.

"Gems & Java went beyond our wildest expectations this year. We are delighted, thrilled and so very appreciative for the way our community has responded to the work Mothers with a Heart for Ethiopia is doing for the women and children in Ethiopia," the organization's founder Shelley Green said.

"Raising \$121,000 – \$30,000.00 more than last year! – is absolutely extraordinary, and what delights our volunteers the most is knowing what a difference this money is going to make in Ethiopia."

The bulk of the organization's donations stem from its flagship fundraiser, Gems & Java, and allow investments to be made in children's education, safety, and sports, as well as projects that empower women, provide medical care, and give vulnerable people opportunities to chart a new course for their lives.

When Gems & Java started in 2012, it brought in \$7,700. Guests are invited to shop through the "Bags & Baubles Boutique," where donated purses, jewellery and scarves are on display. Ethiopian coffee is served, handmade goods are sold, and most importantly, stories straight from people in Ethiopia are shared with the folks that attend.

Rowan Forabosco, one of this year's youngest guests at 12 years old, was impacted by the stories he heard at the event, including the food shortages and other harsh realities facing players on two girls soccer teams to which Mothers with a Heart for Ethiopia donates.

"I love sports. I want to give other people who couldn't do that their own chance to play sports," he said, reflecting on a donation his family made to soccer programs in the eastern Ethiopian city of Harar.





## Employee Spotlight Welcome Dan!

We would like to introduce the newest member of the Green team, Dan Timmers. Dan comes to us highly recommended from his professors and colleagues at Conestoga. Dan will become

a Certified Financial Planner after he completes a few more exams and gets three years of industry experience.

He will be learning administration under Brad Winlaw with plans of taking on more of the day-to-day responsibilities from Brad. But don't worry, Brad isn't going anywhere. After seven years at Green Private Wealth, Brad is moving into more of an advisor and project manager role for our firm. Rest assured,

Brad will be very involved in serving our clients well.

A bit about Dan : "I was born and raised in the small town of Strathroy, Ontario, which I find very similar to Woodstock and makes me feel right at home. I am the second youngest in my large family of seven. I graduated from the three-year Business Administration - Financial Planning program at Conestoga College. While attending Conestoga College, I completed the CSC course through CSI and have since completed the CPH course through CSI as well as the FPSC Level 1 certification through FP Canada. In my spare time, I enjoy playing beach volleyball and going to the gym. The need for blood is always high, so I like to donate every two to three months."

## Share the Green Alzheimer Day

The Alzheimer Society of Oxford's 2nd Annual Collaborative Care for Cognitive Change: Spotting the Signs conference was held on April 18, 2019 at the Elm Hurst Inn & Spa. Guest speakers included Dr. Niamh O'Regan (Delirium & Dementia), Brynn Roberts (Pain & Dementia) and Valerie Spironello (Compassion Fatigue). The day provided over 60 health care professionals, volunteers and family members of those caring for someone with dementia the opportunity to learn more about delirium and dementia, pain and dementia and compassion fatigue. Shelley Green, Executive Director of the Alzheimer Society of Oxford, had this to say about our support, "Our organization could not provide the services we do in Oxford County without the generous financial support of companies like Green Private Wealth Counsel. We are able to help those affected by Alzheimer's disease and other dementias because companies and people like Paul Green see the need and have chosen to respond. Thank you!"

The participants of the conference left feeling empowered and energized. "As a co-lead/champion of Senior Friendly initiatives, attending the conference reinforced my commitment to further develop an integrated approach to providing care and



services for older adults. The speakers were engaging and motivating, providing the opportunity for self-reflection both professionally and personally." Kathy Gooding, Occupational Therapist, Tillsonburg District Memorial Hospital. Karen Price, Administrator/Owner of Langdon Retirement Villa had the following to share, "Informative!! Opened our minds to a different way of thinking. The topics dementia/delirium and understanding the difference, how to find the signs, tools to help our patients/residents or loved ones were all so helpful. I loved it. Can't wait to return to our retirement home, use the information we received and to educate our staff. What a great day! Well planned, informative and can't wait for the next event!"

# Chef's Corner

with Chef Rob Bartley  
serves 4



## Spicy Red Pepper Jelly Glazed BC Sablefish

### INGREDIENTS:

4 x 6 oz filets of Sable fish  
4 tbs your favourite hot red pepper jelly  
2 tbs Yuzu juice (available at most Asian Specialty stores) – can replace with lime juice, but not as good  
2 tbs hot water  
1 tsp butter  
Pinch of salt

### DIRECTIONS:

- In a mixing bowl whisk together the hot pepper jelly, yuzu juice and hot water until smooth.
- Transfer above to a nonreactive Pyrex or stainless steel casserole dish/pan.
- Add the sable filets in and let marinate for 6-12 hours.
- Remove sable fish from marinade (keep marinade) and transfer fish to well-oiled baking tray.
- Bake sable fish at 450 degrees until cooked throughout, about 8-10 mins.
- Meanwhile, transfer the reserved marinade and put into a saucepan and bring to quick boil. Add in butter and swirl. This is now your finishing glaze.
- Remove fish from oven (it should start to be caramelized) using a blow torch, continue to caramelize the flesh until light browning appears.
- Transfer fish to plate and arrange with your favourite Asian green and maybe even some steamed rice.
- Pour reserved glaze over fish, garnish with some chili threads (optional).

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