

THE GREEN REPORT



HollisWealth®

S U M M E R 2 0 1 6

A quarterly publication providing the latest information about Green Private Wealth Counsel, our community, and today's markets and trends for our clientele.

The Green Report has a
New Look!

The Market

Continued uncertainty in the markets...

by Paul Green

CIM | Portfolio Manager Director, Private Client Group
HollisWealth, a division of Scotia Capital Inc.



As the second quarter ends, stock markets around the world seem less certain about the future. The UK has voted to leave the European Union and opened the door to much speculation as to what happens next

and how long it will take. One thing is for certain, we continue to adhere to our strategy and abide by our rules-based approach. Being diligent to the technical charts and paying attention to fund flows gives us the needed information to be invested in stocks or not. As you know, we will not hesitate to remove your hard earned nest egg out of stocks at any time. Currently, we do not see the needed signals to move out of stocks and have reaped some rewards over the past three months as a result.

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Inside this Issue



GREEN TEAM NEWS

Not only is Paul ranked as one of the top 50 Financial Advisors, he has been nominated as Portfolio/Discretionary Manager of the Year!

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SHARE THE GREEN

Honouring Bill Gillespie and the challenge Green Private Wealth has put forth to other businesses in the Woodstock community.

>> Page 10 & 11



CHEF'S CORNER

With summer in full swing, it is a great time to indulge in sweet flavours and fresh salads!

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We do recognize there are significant issues and noticed that some market commentators have raised concerns about systemic consequences for the global economy and global capital markets. Most notably, these commentators have made comparisons to the 2008 credit crisis. Fortunately for now, central bankers were quick to respond with pledges of further stimulus and liquidity lines, which resulted in stocks moving back up from significant declines. Political uncertainty in the UK and Europe will be more difficult for the markets to ignore. How politicians respond in coming months may prove to be the catalyst for renewed fears over a euro break-up and the potential for further downside risk to risk assets. We remain cautious but invested.



The Market

A very good quarter ...

Green Private Wealth Counsels' Tactical Growth and Income portfolios turned in a solid quarter despite the continued negative geopolitical events around the globe. Our "typical" balanced portfolio (60% growth 40% safety) gained 3% (after all fees) for the second quarter compared to its benchmark of 2.8%. For the year, we continue

to lag the benchmark by approximately 6% due to the US dollar call in the first quarter. *Q2 numbers shown on graph 1*

	Q2	YTD
CANADIAN UNIVERSE BONDS	2.6%	4%
CANADIAN STOCKS (TSX)	5.1%	9.8%
WORLD STOCKS (MSCI WORLD)	0.7%	-5.7%
GPWC SAFETY	2.4%	0.9%
GPWC GROWTH	3.6%	-11.5%

graph 1



The UK's EU Referendum

The way the votes broke down ..

The referendum turnout was 71.8%, with more than 30 million people voting. It was the highest turnout in a UK-wide vote since the 1992 general election.

	LEAVE	REMAIN
West Midlands	59.3%	40.7%
East Midlands	58.8%	41.2%
North East	58.0%	42.0%
Yorkshire and The Humber	57.7%	42.3%
East	56.5%	43.5%
North West	53.7%	46.3%
South West	52.6%	47.4%

	LEAVE	REMAIN
Wales	52.5%	47.5%
South East	51.8%	48.2%
Northern Ireland	44.2%	55.8%
London	40.1%	59.9%
Scotland	38.0%	62.0%



OUR COMMITMENT

Protecting our clients and their personal information.

Service Matters

Protecting Your Privacy

We understand that from time to time you may need information on your accounts for yourself or your accountant and we are here to help! In order to protect our clients' financial and personal

information we cannot provide data (i.e. statements, tax slips, account balances) via email. Online hackers are becoming more sophisticated and creative. The less we expose on the Internet, the safer it is for you. We can provide information via telephone, fax or it can be accessed online through Wealth Tracker or ScotiaOnline.



Speaking of ScotiaOnline...

Within the next few months all our clients who have online access to Holliswealth via WealthTracker will be transitioned to ScotiaOnline. We will keep you informed on when this change will happen.



The Market

Taking a Technical View ...

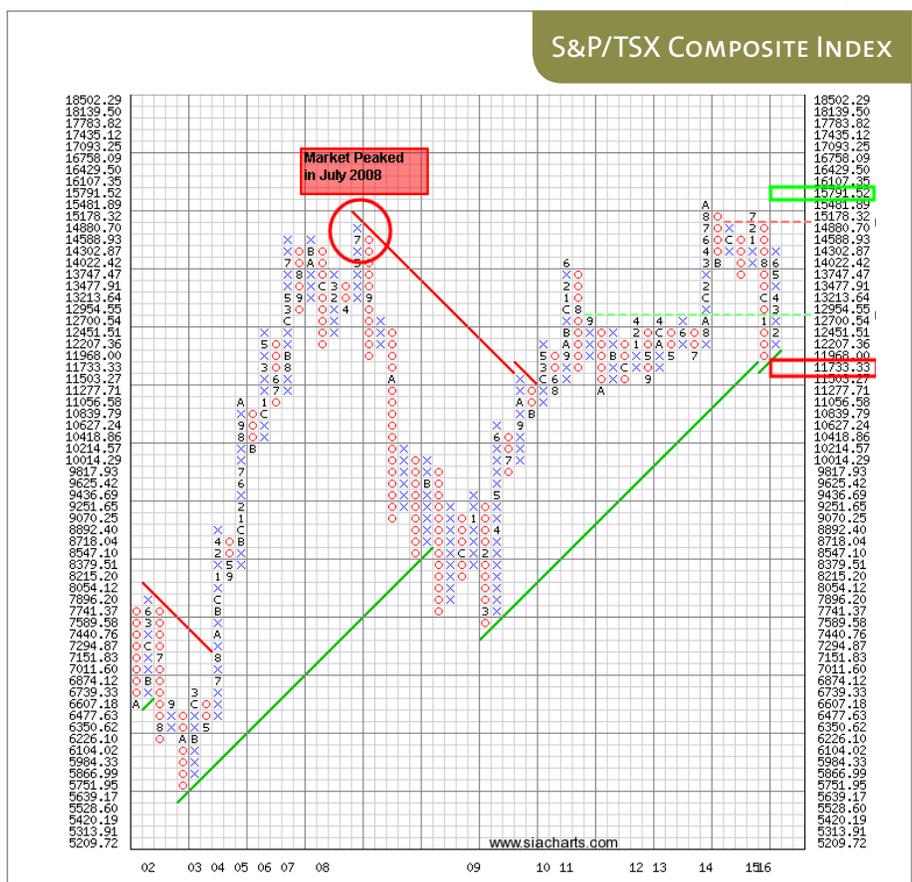
A detailed look at Equity Markets, Currencies, Commodities in the current marketplace

EQUITY MARKETS:

The broad market indices in the United States and Canada are shown below and we can quickly see that the US benchmark, the S&P 500, stands very close to a material breakout if we see a close at 2,151.45 or higher. The chart shows a consolidation pattern from September 2014 to present with the S&P 500 trading very close to the top of the range below that breakout. The S&P/TSX Composite has rebounded from its support above its uptrend line on strength in Gold and Crude but remains about 8% off its highs of the chart from September 2014. The two indices remain in a battle of who is superior with the S&P 500 owning the intermediate term trend and the S&P/TSX Composite dominating the short term trend.

See graph 2 & graph 3 (opposite page)

graph2





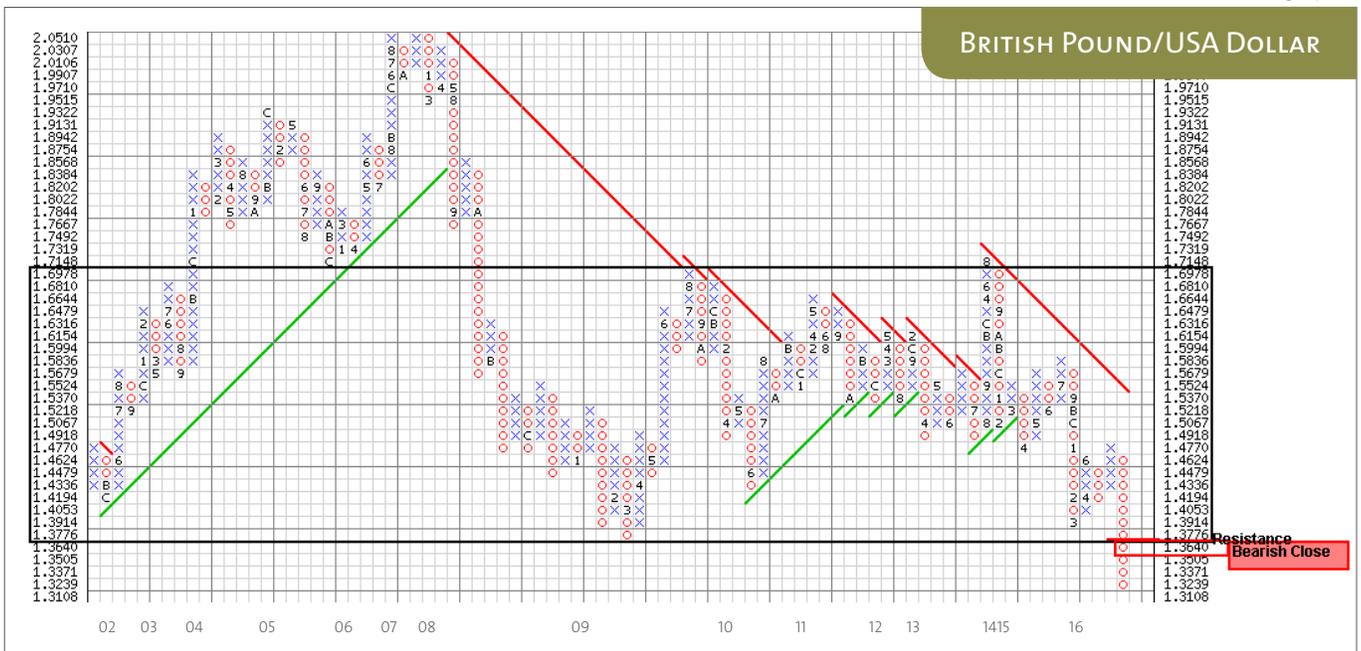
CURRENCIES:

In our currency analysis we are going to take a look at the British Pound versus the US Dollar. This chart is important on the back end of a vote for the UK to leave the European Union (Brexit) as this has shocked the markets and as such may have broader implications. The chart shows us that the British Pound has been in a long term consolidation range with the US Dollar since 2002, (with the exception of 2004-2008).

This range between 1.3640 to 1.6798 has seen the low end of this range since the beginning of 2016. With the vote last week to leave the EU, the British Pound has moved below the long term consolidation in a very bearish pattern. This opens the door for a near term target in the mid-1.20s and intermediate to the low 1.20s. The shock and perceived instability of Britain's vote to leave the European Union is creating strength in the

US Dollar over other currencies, including the Canadian Dollar. As other issues, such as the negotiation process out of the EU, a Scottish referendum to remain in the UK, and of course other members of the European Union coming under pressure from their own citizens, this uncertainty should lead to a flight to quality. Specifically, this would include the US Dollar and Equity/ Bond Markets. *See graph 4*

graph 4



The Market

Taking a Look at Commodities



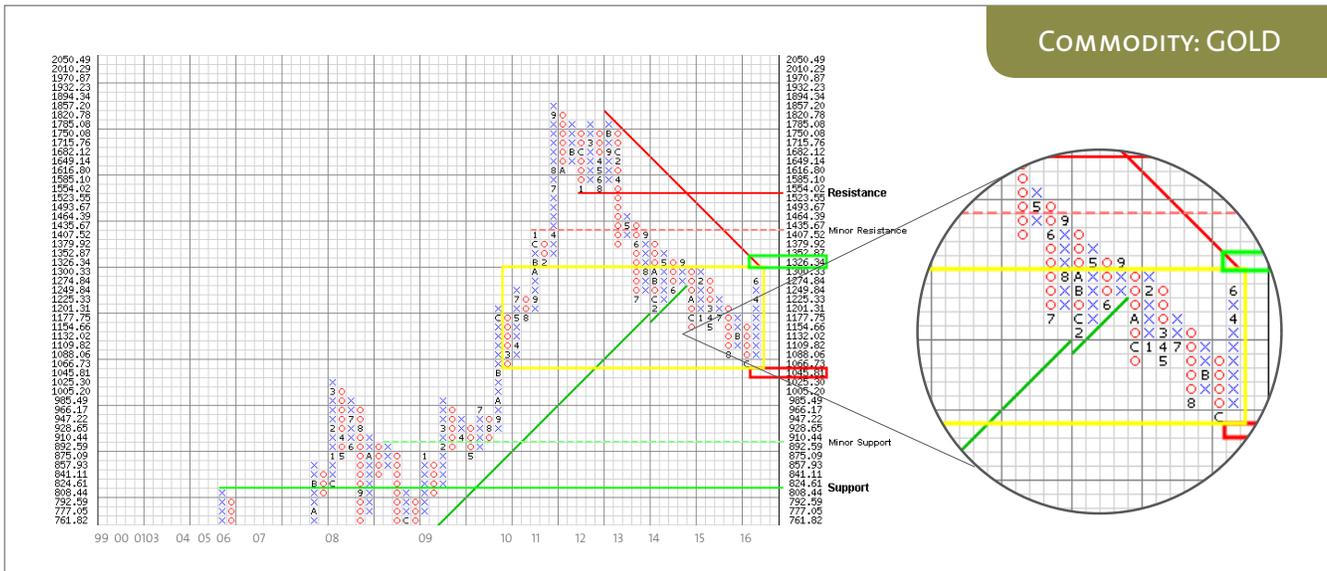
GOLD

Gold has been a very important topic over the past five months after the US Federal Reserve sought to weaken the US Dollar to stave off the poor earnings of US multinationals and prop up Crude, a larger employer in

the US over the past 10 years. The additional downward pressure on all currencies except the US has also seen additional interest in the precious metal. Looking to the chart we can see that Gold sits very close

to a strong resistance point, its downtrend line. This test can be broken with a close above \$1,326.34, which would be the most bullish event for Gold in the past few years. *See graph 5*

graph 5



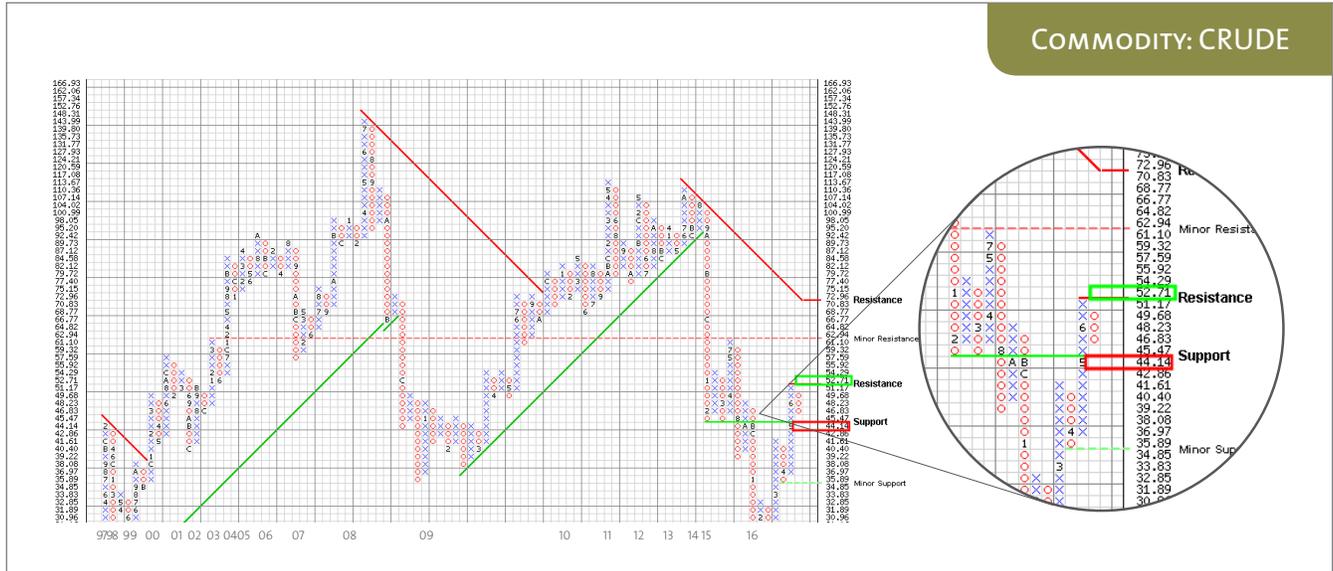
CRUDE OIL

Crude too has been on a tear since the US Federal Reserve moved to weaken its currency. Since Brexit there has been a move down on the stronger USD, but only time will tell if the world leaves panic mode on the UK's

decision to leave the EU and the Federal Reserve's weaker dollar policy continues. Looking to the chart, there is technically an opportunity for upward movement in Crude. Still in Bear Market status below

its trend line, there is room the low \$60s available with a close above \$52.70. See graph 6

graph 6



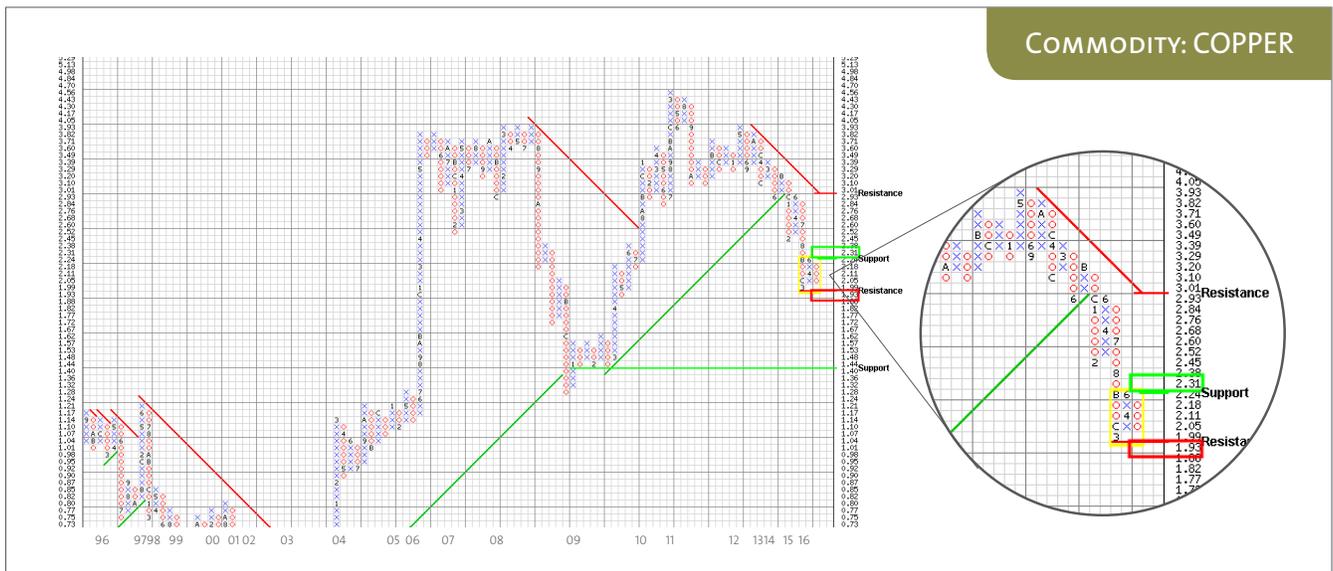
COPPER

The final chart we are looking at is Copper. Long seen as a "barometer" of economic activity around the world, Copper has been under pressure the past few years. Just like Gold and Crude,

Copper is under its long term down-trend line. The chart shows us that a close of \$2.31 changes the short term outlook for Copper and gives room for a challenge of its downtrend line

in the \$3.00 range. To the downside, a close below \$1.93 would be another spike in the heart of Copper with room to \$1.25 from there. See graph 7

graph 7

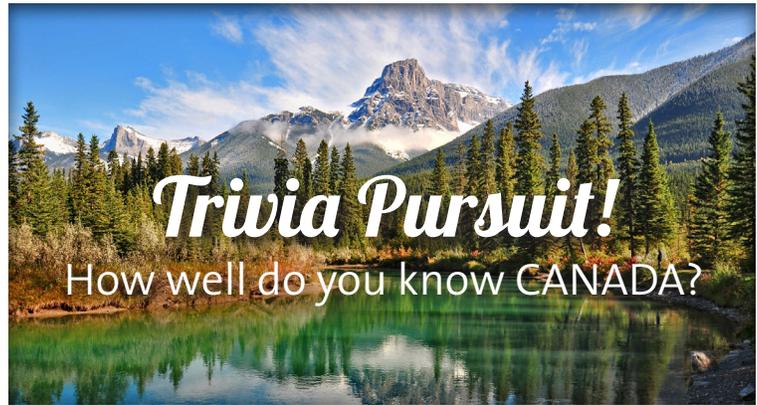


The Market

Final Analysis

by Paul Green
CIM | Portfolio Manager Director, Private Client Group
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Overall analysis from the many charts displayed here send out some mixed messages. We have strong potential in the US Equity Markets for a breakout, but weakness caused by Brexit may stand in the way of that near term. On the Canadian market side, we see a good bounce over the past five months on stronger commodities such as Gold and Crude but both of these commodities are in Bear Market status. As such, the longer term outlook is not as enchanting as the shorter term success both of these commodities have seen. Finally, we see strong weakness in Copper, our barometer of economic activity around the world looking very weak on both a short and longer term basis. However, there are key events to watch. First, the weakness in currencies such as the British Pound will have little effect unless it spreads to the Euro. If it does, this could see more money flows to the US as large institutions relocate assets to a stronger country. If it does not spill over, we should look for follow through in the form of a new high on the S&P 500, an important test showing equity markets are back on track. Policy out of the Federal Reserve will continue to be important to watch as the weak USD they created in January may have run its course. Watching for a breakout on the Gold chart above its downtrend line, and new highs in Crude will be a signal the market is expecting weaker USD and a continuation of that policy. ■



1. Canada has 10% of the world's forests.
True or False?
2. Is Canada larger than the entire European Union?
True or False?
3. What is the northernmost settlement in Canada called?
4. How long would it take you to walk Canada's entire coast line?
5. How many Lakes does Canada have?
6. Which is the only walled city in North America?
7. Canada produces 70.8% of the world's bitumen (a semi-solid source of petroleum). True or False?
8. How many oceans boarder Canada?
a) 1 b) 2 c) 3 d) 4
9. Where does the word Canada come from?
a) Jacques Cartier
b) Samuel de Champlain
c) Jean Nicolle
10. Whose face is on the Canadian hundred-dollar bill?
a) Wilfred Laurier
b) John A. MacDonald
c) Robert Borden
11. When did O, Canada officially become the national anthem?
a) 1880 b) 1920 c) 1980
12. How many points did Wayne Gretzky score in his career?
a) 1,876 b) 2,857 d) 3,204



Good Luck!
Answers can be found below

Answers: 1. True. | 2. True | 3. Alert, Nunavut | 4. 4 1/2 years | 5. 3 Million | 6. Quebec City | 7. True | 8. 3 | 9. A | 10. C | 11. C | 12. B

Anchoring Bias

The Science Behind Making a More Informed Decision

David Harris
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Insurance Advisor, HollisWealth Insurance Agency Ltd.

There has been a significant amount of research into the decision making process that humans use. Most of us would like to think that we make decisions logically, weighing the pros and cons before coming to a decision, but science has proven this otherwise. This research has overwhelmingly shown that emotions drive the decision making process. For investors this can be problematic as it can lead you to buy and sell at precisely the wrong time. It can also lead you to hold back on investing as you wait for “returns to improve” when logically you should invest when prices are lowest.



When we build a financial plan we typically use as consistent rate of return, based on long term historical results, tempered with our expectation for the future, 6% for example, and use this to project out the future values of investment accounts. We know that the actual returns a client receives in any given period of time will be higher or lower than this. Our goal is to target this return over a long period of time. We need a goal in mind even though we do not know future values.

Logically speaking we know that despite our best efforts, not every year will provide positive results.

History has shown that markets move in cycles. Despite employing a sophisticated rules based approach to measuring the strength of various markets we will not always achieve success. But we believe that this approach offers a higher chance of success than traditional asset allocation. When faced with a period of time where results are below expectations our emotions can kick in causing angst and frustration at not seeing more positive results.

It is during times like this that we tend to look back and identify the highest value achieved in our *continued...*

Online Security: How to Protect Yourself

Continuing on the topic of online security - it is a good idea to change your passwords regularly. Avoid using ‘give away’ passwords like your pet’s name or your birthdate.



Although they are easy to remember they are also easy for someone to guess! Also be aware of scam emails. One point to note is that Canada Revenue Agency (CRA) will never ask for personal information via email. If they require something from you they will mail a letter. If you are unsure about an ‘official looking’ email from a bank or from CRA please investigate before you respond.

ALERT CRA PHONE/EMAIL SCAM



Canada Revenue Agency

FRAUDULENT EMAILS AND PHONE CALLS - PROTECT YOURSELF!

The CRA is warning Canadians that fraudulent emails and phone calls purporting to be from the Agency are currently being reported. Find out more about these scams and learn how you can protect yourself.

Visit www.cra-arc.gc.ca for information

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David Harris

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Insurance Advisor, HollisWealth Insurance Agency Ltd.



accounts. This value could be the result of a particularly good run up in the market moving you ahead of your target return. It would not be surprising to see values fall off as the market moves through its cycle. The tendency is to look at that point and mark it as the value by which you reference current month end values. This is a type of investor behaviour known as Anchoring Bias.

This is our tendency to attach our thoughts to a single reference point and measure future results against it; when it comes to investors we tend to focus on the highest investment value in our portfolios or even individual stocks.

In a 1974 paper entitled “Judgment Under Uncertainty: Heuristics And Biases” by Amos Tversky and Daniel Kahneman participants observed

a roulette wheel that was predetermined to stop on either 10 or 65. Participants were then asked to guess the percentage of the United Nations that were African nations. Participants whose wheel stopped on 10 guessed lower values (25% on average) than participants whose wheel stopped at 65 (45% on average). The pattern has held in other experiments for a wide variety of different subjects of estimation.

“THERE IS A TENDENCY TO “ANCHOR” YOUR THOUGHTS TO THE HIGHEST VALUE ..”

Applying this to your thinking.

In general our portfolios have shown good results over the past three years relative to the market and our long

term target returns. However, in the past 12 months we have seen the values in the growth models drop from those highs while the safety side has enjoyed better than average returns.

There is a tendency to “Anchor” your thoughts to the highest value your account has reached and compare this to the current value. This can result in unnecessary stress as your longer term performance may be on or ahead of the target in your financial plan. We encourage you to discuss your financial plan with us and see how your investments are doing relative to your own goals. Ultimately, this is what will matter the most. ■

Green Team News

Plenty going on with the team from Green Private Wealth Counsel!



Keep up with our “Share the Green” program on our website and come out to support local charities.



Nominated for Portfolio/Discretionary Manager of the Year!

Paul was not content to just be one of the top 50 financial advisors in Canada. His determination, perseverance and hard work paid off with



a nomination as Portfolio/Discretionary Manager of the Year. Paul and Dave attended the annual Wealth Professional Awards at the Liberty Grand in Toronto on June 2nd. Although Paul did not win, he was still recognized as being one of the industry's top managers in the country. He was one of 30 Portfolio Managers recently featured

in the Wealth Professional, offering his expert opinion on where investors should be putting their money in 2016.



It's All in the Family!

Congratulations to Paul and Laura's daughter, Katie for being one of the recipients of the Woodstock Rotary Club's "Service Above Self" Award. She graduated from Huron Park Secondary School and has her sights set on being a Doctor. In September she will be hopping across the pond to attend the Royal College of Surgeons in Dublin, Ireland.

GOOD LUCK KATIE!



Alzheimer Society of Oxford 26th Annual Golf Tournament

We are proud to be a Platinum Sponsor of the Alzheimer Society Golf Tournament that raised funds to support to the Alzheimer Society of Oxford's programs and services.



Woodstock Rotary Dragon Boat Festival Saturday, August 6, 2016

Once again, Green Private Wealth will be a Gold Sponsor for the Woodstock Rotary Dragon Boat Festival. Come out and support the teams or sign up with a team! Visit woodstockdragonboat.ca for more details.



Share the Green In Honour of Bill Gillespie

Bill was a big man, not only in height but in heart. Not only was he a client of GPWC but for many years he took care of our property which resulted in several nominations in the City Beautiful Awards. Before retirement, 'Mr. G' was a well-loved teacher, coach and mentor at HPSS who promoted integrity and fair play. He was also involved in sports in the community, especially basketball, and he is a Lifetime Achievement member on the Woodstock Sports Wall of Fame.

Bill was also a dedicated volunteer – especially with regards to the annual Terry Fox run. This year the run takes place on Sunday September 18th and the Lions Club wants to honour Bill with a donation to the Terry Fox Foundation – but they need your help. '20 FOR 20' is the slogan. The #20 was Bill's number when he played basketball for the Woodstock Kings and the goal is to raise \$20,000.

WE CAN DO IT! GREEN PRIVATE WEALTH COUNSEL IS DONATING \$5000 AND ISSUING A CHALLENGE TO ALL OTHER BUSINESSES IN WOODSTOCK TO MATCH THIS PLEDGE. WHAT DO YOU SAY WOODSTOCK? LET'S RALLY TOGETHER AND MAKE BILL PROUD.

Chef's Corner Chilled Watermelon Salad

with Chef Rob Bartley

What you Need (Serves 4):
Large seedless watermelon cut into 2" cubes
1/3 jalapeño pepper, cut into thin rings *** if too spicy use less or a banana pepper
Small bulb of fennel, outer layer removed and thinly sliced
English cucumber, cut into 1/4" round slices
2 limes, juiced
1/4 cup picked dill fronds
1 oz extra virgin olive oil
1tb Kosher salt or less
or more to taste



Method:

1. Place cut watermelon into a bowl
2. Add the jalapeño pepper and cucumber along with the lime juice
3. Cover and store in fridge for 1 hour
4. Remove from fridge and add the thinly sliced fennel, salt, olive oil and dill fronds.

5. Toss and arrange in serving bowl
6. Serve as a side salad to a summer BBQ or picnic.

Paired perfectly with

***Herb-Grilled Chicken
& BBQ Corn on the Cob!***

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