

# THE GREEN REPORT

## Paul's Perspective

by Paul Green, CFP®, CIM®

### Volatility is back...

Stock markets around the globe have moved sharply lower ending the quarter in what we call "correction" territory. In fact many markets are now in "bear market" territory. These are terms we use to signify how far the market has dropped from the peak value. Corrections are over 10% and bear markets are over 20%. Countries/markets in correction are: US, Switzerland, Italy, India, Canada, UK, France, Stoxx Europe 600, Japan, and Spain. Countries/markets in bear market are: Portugal, Germany, Argentina, Brazil, Hang Seng, Russia, Greece, China Shanghai, China Shenzhen. For the quarter, the markets we are mainly invested in (US and Canada) were down approximately 7% but fortunately the strength of the US dollar cushioned the decline by increasing almost 7% for the quarter. Most portfolios with US T-bills saw positive performance for the quarter but those portfolios with more stock exposure saw small decreases. Most of the major markets are down in 2015 in their local currencies but our portfolios continue to have positive returns thanks in large part to the exposure of the US dollar.

### What happened?

Uncertainty. Markets hate it...and it is everywhere. The major issues are: the Federal Reserve and if/when they will raise interest rates; China's economy in decline and what this will mean to other major economies like Europe and the US; continued tension in the Middle East and the general state of the US economy. These are significant concerns and a major reason why markets are moving lower.

### What are we doing about it?

At Green Private Wealth Counsel, we follow a very strict rules based approach to investment management. We follow technical analysis closely and use numerous screens and filters to determine our holdings. Currently, we are not seeing an obvious continuation of the declines in US stock prices and therefore continue to hold most positions. We have

had individual positions deteriorate to the point where we sold and left the proceeds in cash. In general, stocks are showing weakness and technically are very close to moving to cash. We are watching the trends daily and are ready to make change to either protect you from major losses or take advantage of growth. At this point we have made the portfolios more conservative and wait for clear technical direction. We will communicate out if there are major adjustments to your portfolio.

### What you need to remember...

Declines in the market are common and "corrections" happen every year on average. You need to recognize the media will play up any negative performance as this is what catches the interest of the public and helps sell advertising. We know the issues stated above are real and concerning, but we have seen these kinds of events over and over again. We will pay attention daily, determining if this is yet another correction or if it may be more. As I have said many times, these times are necessary in order for us to get additional returns. We must go through the uncomfortable declines as this is why we get the risk premium (or reward for accepting the risks of stocks).



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## SERVICE MATTERS

### Snowbirds Be Prepared...

It's almost that time of the year again when the temperatures drop, the snow falls and the snowbirds travel south! We want to remind all of our clients who may travel over the winter months to ensure they have proper travel insurance coverage. Please visit our website to apply for coverage through Manulife or for more information.

### Managed Statements

Over the next few months, we will be transitioning clients over to the new Portfolio Managed Platform. This move will bring small changes to your statements and mailing preferences. In addition to the monthly statements you already receive, HollisWealth will now mail a quarterly statement highlighting key areas such as performance, fees and market commentary. Because we are opening new accounts, all statements will default back to being mailed. To receive your statements online, contact the office and we would be happy to help set you up.

### RESP Deadline

The deadline to contribute towards your RESP account for 2015 is December 31. Contribute as early as possible to avoid a last minute rush! Please call the office if you have any questions about your RESP and we would be happy to help.



### Meet Chris Amicucci

We are proud to welcome Chris Amicucci to the Green Private Wealth Counsel team! Chris is security licensed and is working towards his CERTIFIED FINANCIAL PLANNER CFP® designation. Chris enjoys volunteering his time to help raise money for the Terry Fox Foundation and enjoys golfing in the summer. Chris will look to become an advisor in the near future and is looking forward to meeting you.



### CHEF'S CORNER with Chef Rob Bartley

## Pumpkin Pie Filling

#### INGREDIENTS:

2 Cups Pumpkin Puree  
3 Eggs  
1 Cup Packed Brown Sugar  
1 Ounce Butter (melted and cooled)  
1-1/2 Cups Cream  
1/3 cup Sour Cream  
1.5 tsp Cinnamon  
1.5 tsp Ginger  
Pinch of Cloves  
Pinch of Salt  
3 Tbsp Dark Rum  
2 tsp Vanilla Extract

#### METHOD:

Mix pumpkin puree, eggs, sugar, melted butter together in a standing mixer fitted with a paddle attachment until well blended. Add spices and mix to combine.

Combine wet ingredients and add to pumpkin mixture slowly. Mix to combine.

Pour into pre baked pie shell and bake at 325 F until mixture is set but still jiggly in the middle. Approx 20 minutes.



### Congratulations Brad!

September was a month of accomplishments for Bradley Winlaw. He earned his CERTIFIED FINANCIAL PLANNER CFP® designation and was chosen by HollisWealth as one of the top Administrators in Canada. Brad has worked hard over the past three years to prepare for his CFP® exams. This designation recognizes his achievement of internationally recognized standards of knowledge, skills, abilities and ethics. He was recognized at the first national HollisWealth Administrators Conference for being professional and knowledgeable. Brad's 'can-do' attitude and dedication to putting clients first makes us proud to have him as part of our team!



share the green

## Big Brothers Big Sisters Charity Ball



Big Brothers Big Sisters will be hosting their first annual "Big Night Out Charity Ball" which was formerly the Lights and Sirens Ball.

Green Private Wealth Counsel is happy to be a key sponsor for the event which will be held on November 7th at the Oxford Auditorium.

Tickets can be purchased at the Big Brothers Big Sisters office for \$50 each. The event will feature a dinner and dance that you will not want to miss! All proceeds will go to Big Brothers Big Sisters of Woodstock and area.

For more information, please visit: [www.bbbswoodstock.ca](http://www.bbbswoodstock.ca)

## Knapsacks for Kids

Green Private Wealth Counsel was happy to support the Knapsacks for Kids campaign with a financial donation. This initiative is run by Operation Sharing every summer before the start of the school year.

The initiative collects donations and uses them to purchase knapsacks and various school supplies before the start of the school year. These supplies are given to families who struggle to afford the cost of school supplies each year.

## Our Recent Open House



We recently held an open house for clients to showcase all of the recent changes that have taken place within Green Private Wealth Counsel. We renovated the building over the summer months, changed our company name and have become Portfolio Managers. We would like to thank all clients who were able to attend and for those that couldn't, we look forward to showing you the changes to our building during your next meeting.

## Beginnings Family Services Banquet

Once again Green Private Wealth Counsel was an event sponsor for the Beginnings Annual Fall Banquet held on September 26. This non-profit, faith-based agency has 4 offices in Ontario.

The Woodstock office is located on Wellington St and provides pregnancy testing & counselling as well as parenting and family support programs to clients of all ethnic backgrounds, religious affiliations and walks of life.

You can find more information on their website: [www.beginnings.ca](http://www.beginnings.ca)

## Dragon Boat Festival

Pittock Reservoir was abuzz with activity on Saturday August 8th. The Pharmasave Woodstock Rotary Dragon Boat Festival kicked off their 18th annual event with a record-breaking 52 teams vying for victory.

Entrants included hometown teams, youth teams, breast cancer teams and teams from as far away as Barrie.

Green Private Wealth Counsel was a gold sponsor of this event that raises money for community and international projects.

Our own David Harris is a Rotarian and has been the chair of this popular event for the past 14 years.

Congratulations to Dave and all who volunteered and participated as it was the most successful Festival to date.



# Separating the Wheat from the Chaff

DAVE'S INSIGHTS by David Harris, CFP®, CIM®

It is fall and every where we look in Oxford County crops are coming off the land. Farmers look across their fields and see the value in the hard work they have done. But to get at the most valuable parts of a crop, such as wheat, they must employ specialized equipment to separate the grain from the rest of the plant.

Similarly, your advisors at Green Private Wealth Counsel constantly review the wide range of investment options and use their skills to screen out the best ideas in the investment universe to identify those that have the highest value for clients. We separate the wheat from the chaff in the world of financial planning.

With such low interest rates being offered today, retirees are being punished as they cannot get the returns they expect from traditional savings vehicles like GIC's and Bonds. Stock market volatility and the recession in 2008 have made investors and particularly retirees nervous about the stock market. This has created a perfect storm for financial companies to engineer products that promise guarantees on your principal and income of 4% or more.

You may see an ad promising a high rate of return or hear about a product guaranteeing income for life and wonder why we have not discussed these with you or presented them as an option.

As part of our ongoing research, we constantly review new products and determine if there is value in them for our clients. We receive news feeds from all the major insurance and investment companies in Canada and subscribe to investment publications to keep current on the changing landscape.

Invariably one thing is constant with any of these engineered products. The fees they charge for the

guarantee is high and the advisor is usually compensated up front at the time of purchase. It is not unusual to see annual fees in excess of 4% on some products.

A client recently showed me an ad for an investment promising an 8% return. The money was being used to finance mortgages and was marketed by a company with no licencing or third party regulatory oversight. An investor would have no recourse other than the courts should the promise not come true. On top of that there was no access to the principal and the 8% was all interest income netting 4-5% after tax. The risk of this type of investment is just too high.

Paul and I have spent several years working to bring clients a transparent investment program with lower costs by taking on more of the investment management responsibilities and eliminating expensive managers where possible.

In looking back as far as 2006 there have been 16 market declines of greater than 5% (S&P/TSX). Only two of those times were significant events (January 2008 and August 2011). The relative strength process we now use identified these two dates as times to exit the equities market while ignoring the noise created by the other 14 normal corrections. By focusing on protecting your money from recessionary periods we can achieve your investment goals without resorting to risky or over priced engineered investment products.

If you come across something you would like us to review for you please let us know. Chances are we have already seen it. In the meantime, we'll keep separating the wheat from the chaff for you.

CHARTING YOUR COURSE TO FINANCIAL INDEPENDENCE



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