Vested INTEREST

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PERLER FINANCIAL GROUP

WORLDSOURCE FINANCIAL MANAGEMENT INC. MUTUAL FUND DEALER

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- Staying the Course - 5 Things You Need to Know
- Recently Divorced or Widowed?

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MAIN FOCUS THIS QUARTER:

Staying the Course: 5 Things You Need to Know to Ride Out a Volatile Stock Market

Source: Franklin Templeton Investments

1. **WATCHING FROM THE SIDELINES MAY COST YOU**

When markets become volatile, a lot of people try to guess when stocks will bottom out. In the meantime, they often park their investments in cash. But just as many investors are slow to recognize a retreating stock market, many also fail to see an upward trend in the market until after they have missed opportunities for gains. Missing out on these opportunities can take a big bite out of your returns. **Consider that in the 12 months following the end of a bear market, a fully invested stock portfolio had an average total return of 37.4%. However, if an investor missed the first six months of the recovery by holding cash, their return would have been only 7.5%.[1]**

The table below is a hypothetical illustration showing the risk of trying to time the market. By missing just a few of the stock market's best single-day advances, you could put a real crimp in your potential returns.

Jumping In and Out of the Market May Cost You
20 Years Ended December 31, 2015

Period of Investment	Average Annual Total Return of S&P 500 Index[2]
Stayed Fully Invested	0.0819
Missed the 10 Best Days	0.045
Missed the 20 Best Days	0.0206
Missed the 30 Best Days	-0.0004
Missed the 40 Best Days	-0.0197

This table is for illustrative purposes only.

2. **DOLLAR-COST AVERAGING MAKES IT EASIER TO COPE WITH VOLATILITY**

Most people are quick to agree that volatile markets may present buying opportunities for investors with a long-term horizon. But mustering the discipline to make purchases during a volatile market can be difficult. You can't help wondering, "Is this really the right time to buy?”

Dollar-cost averaging can help reduce anxiety about the investment process. Simply put, dollar-cost averaging is committing a fixed amount of money at regular intervals to an investment. You buy more shares when prices are low and fewer shares when prices are high, and over time, your average cost per share may be less than the average price per share. Dollar-cost averaging involves a continuous, disciplined investment in fund shares, regardless of fluctuating price levels. Investors should consider their financial ability to continue purchases through periods of low price levels or changing economic conditions. Such a plan does not guarantee a profit or eliminate risk, nor does it protect against loss in a declining market.

Dollar-Cost Averaging at Work

Month	Monthly Investment	Share Price	Shares Purchased
January	500	9.00	55.6
February	500	10.00	50.0
March	500	8.00	62.5
April	500	11.75	42.6
May	500	12.25	40.8
June	500	9.00	55.6
Total	3000	60.00	307.1

Average Share Price:
$10.00 ($60.00/6 purchases)
Average Share Cost:
$9.77 ($3,000/307.1)

The average cost of your shares would be $0.23 less than the average price of your shares over that period. Figures are for illustrative purposes only.

3. NOW MAY BE A GREAT TIME FOR A PORTFOLIO CHECKUP

Is your portfolio as diversified as you think it is? Meet with your financial advisor to find out. Your portfolio’s weightings in different asset classes may shift over time as one investment performs better or worse than another. Together with your advisor, you can re-examine your portfolio to see if you are properly diversified. You can also determine whether your current portfolio mix is still a suitable match with your goals and risk tolerance.

4. TUNE OUT THE NOISE AND GAIN A LONGER-TERM PERSPECTIVE

Numerous television stations, websites and social media channels are dedicated to reporting investment news 24 hours a day, seven days a week. What’s more, there are almost too many financial publications to count. While the media provides a valuable service, they typically offer a very short-term outlook. To put your own investment plan in a longer-term perspective and bolster your confidence, you may want to look at how different types of portfolios have performed over time.

Hypothetical Performance of Asset Allocation Portfolios

12/31/95–12/31/15[3]

	Growth of a $10,000 Investment	Average Annual Total Return	1-YEAR CUMULATIVE RETURNS (%) Best	Worst
100% Stocks	$40,214	7.21%	38.37	-37.95
80% Stocks I 20% Bonds	$40,035	7.18%	31.51	-29.31
60% Stocks I 40% Bonds	$38,474	6.97%	24.66	-20.67
40% Stocks I 40% Bonds I 20% Cash	$32,070	6.00%	17.21	-12.66
20% Stocks I 60% Bonds I 20% Cash	$28,993	5.47%	10.70	-4.02

The hypothetical asset allocation portfolios shown above are for illustrative purposes only. They do not represent the past or future portfolio composition or performance of any Franklin Templeton fund and are not intended as investment advice. We suggest working with your financial advisor, Fraser McDowell to see which allocation opportunities may be right for you.

5. BELIEVE YOUR BELIEFS AND DOUBT YOUR DOUBTS

There are no real secrets to managing volatility.Most investors already know that the best way to navigate a choppy market is to have a good long-term plan and a well-diversified portfolio.But sticking to these fundamental beliefs is sometimes easier said than done. When put to the test, you sometimes begin doubting your beliefs and believing your doubts, which can lead to short-term moves that divert you from your long-term goals.

To keep a balanced perspective, we recommend that you contact your financial advisor, Fraser McDowell before making any changes to your portfolio.

Recently Divorced or Widowed? Five Steps to Protecting Your Finances

Source: Fidelity Investments

Losing a spouse through death or divorce can be an emotionally devastating experience. And yet it's typically a time when many financial matters require your immediate attention.

To help avoid making emotionally driven – and potentially harmful – financial decisions, it's important to be prepared should you find yourself suddenly single. Here are five important action steps that can help protect your personal finances.

1. **Update your financial accounts.**
   When you lose a spouse, whether through death or divorce, you'll likely need to change the registrations on any financial accounts that are owned jointly. Such ownership changes typically require certain documentation. It's best to initiate this process early on, as registration changes can take weeks to implement.

   A word of caution: Pay attention to the conditions under which you divide assets and/or shift ownership. You could face significant tax burdens when splitting up highly appreciated assets, or risk losses by selling in volatile markets. You should consult your tax advisor.

2. **Divide or roll over retirement assets.**
   Pension and retirement account assets have their own set of rules when it comes to shifting ownership from one spouse to the other, or splitting the assets.

   Generally, upon the death of the account owner, retirement account assets pass directly to the beneficiary(ies) (often the spouse, for those who were married) designated on the account, while in cases of divorce, retirement assets are often split up as part of the divorce settlement.

3. **Adjust your income and budget.**
   In many cases, being suddenly single could mean reduced household income. You may need to adjust your budget accordingly. Start by listing your essential expenses (housing, food, insurance, transportation, etc.) and your discretionary expenses (dinners out, vacations, clothing, etc.). Try to match reliable sources of income (salary, support payments, pension, etc.) to your essential expenses and see where you might trim your discretionary spending. Speak with your financial advisor, Fraser McDowell to help you set up a budget that works for you.

4. **Evaluate your insurance needs.**
   What you'll have and what you'll need for insurance can change dramatically when you lose a spouse through death or divorce. It's important to take a careful look at all the different types of insurance that are available, to see where you may need to adjust your coverage.

   Be sure to review
   - Life: If you are the surviving spouse and the beneficiary on your deceased spouse's life insurance policy, you will typically receive the proceeds, tax-free. But if you are still caring for children, you may want to either purchase or increase your own life insurance coverage to make sure they will be protected in the event of your death.

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If you divorce, you have to consider (1) changing the beneficiary on your life insurance if it is currently your ex-spouse, and (2) purchasing or modifying your coverage to adequately protect your children if either you or ex-spouse dies.

- Health: Even if your spouse carried your family's health insurance coverage, you should be able to continue it for a period of time, whether you are divorced or become widowed. Talk to an insurance expert to ensure you have adequate coverage to meet your unique needs.

- Disability: What if you were injured or sick and couldn't go to work? Disability insurance is designed to protect you and your loved ones against loss of income.

- Long-term care: If you're in your 50s or older, you may want to consider buying long-term care insurance to help keep potential costs of nursing home stays and home health care from depleting your income resources if you become seriously ill or injured.

5. Review your credit.
When you're suddenly single, your credit can be among your most valuable assets, so protect it wisely. After divorce or the death of a spouse, you may want to request a copy of your credit report to take inventory of all the accounts that are open in your name and/or jointly with your former spouse.
If you're divorced, you'll want to close joint credit accounts and shift to single accounts so that an ex-spouse's credit score won't affect your credit rating. If you're widowed, contact both Canadian credit bureaus (Equifax Canada and TransUnion Canada) to let them know that your spouse has passed away, in order to keep others from falsely establishing credit in his or her name.

Good advice is a great idea.
Regardless of your financial situation or level of investment knowledge, Fidelity believes that working with a financial advisor can have a significant positive impact on your wealth – and your piece of mind. Whether it's being better prepared for retirement or creating a successful savings plan, research shows that having a good relationship with your financial advisor can help you realize your financial goals.

Get In Touch!

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