



Save the Date

Estate Planning & Cyber Security Seminar
Willow Springs Winery (Stouffville)
Thursday May 26, 2016
6:30 pm–8:30 pm
More details to follow...

1st Quarter Review 2016

The first quarter of 2016 was a stark contrast to the same time period of 2015, as market volatility and negative sentiment came back in a resounding way. The three dominant themes of oil, US interest rates and China were still the same as a year ago, however this time the stock markets worldwide sold off quite aggressively with double digit losses suffered the first six weeks of the year. Fortunately, calm was restored and the buyers came back in a big way, helping the indexes post better returns.

After suffering an 11% decline in 2015, the Toronto Stock Exchange was one of the best performing indexes gaining 2.51% for the first quarter, thanks to the material, telecom and utility sectors. Although the price of oil was relatively flat for the period, the energy sector was positive and it appears the worst is mostly behind us. The benefits of low energy prices are still working their way into the economy, as it appears that businesses and consumers are decreasing their debt and increasing savings throughout the world.

The table finally turned with a good start to the year and a 5.93% increase in the Canadian dollar versus the US dollar, which made travelling south of the border that much cheaper, after a 16% drop in 2015. The strength in the loonie came after comments made by the US Federal Reserve that they will not be raising interest rates as aggressively as originally con't

Retiring to small town Ontario

Retiring to small town Ontario is a dream comes true for us. In 2011, we sold our home in Stouffville (where we had lived for 35 years) and moved to Bobcaygeon, a town of about 3,000 on the Trent-Severn Waterway. In moving, we would be further away from our kids and 2 hours from the airport. Having accepted that, this big change in our lives couldn't have worked out better.

We are fully integrated into the Port 32 community; a freehold sub-division of about 400 detached homes inhabited almost entirely of GTA ex-pats. It's a vibrant community of active seniors who engage in a wide variety of sports and leisure activities both summer and winter. We attend many social events at the Port 32 community centre. Fees are minimal because there is a lot of volunteerism – which really helped us integrate. The town is beautiful; people are friendly and we've had no problem getting medical services right in town; three hospitals are 35–45 minutes away.

We've become avid curlers and are active volunteers at the club. If you play sports, you do have to accept that you may lose to someone in their 80's; but that's just motivation to stay active and fit.

We didn't just happen to pick Bobcaygeon. We spent several summer holidays travelling to small towns from Kincardine to Picton. We stayed in B&Bs and tried to get a flavour for each area. Once we tentatively decided on Bobcaygeon, we made several trips here both summer and winter; had meals in local restaurants and even dropped in to the curling club. Each visit just made us more eager to move here.

Some folks are apprehensive about retiring to a small town. We did our research and picked an area where there are 500-1000 retirees who are an active and integral part of the town. We love it here and plan to stay. M & A Thompson

Did you know? If you hold US dividend paying stocks in your TFSA, the dividend will be subject to foreign withholding tax. Since a TFSA is a non-taxable account, this tax is not recoverable. This would effectively reduce your rate of return. When deciding where to hold your US dividend paying stocks, there are better options available than a TFSA.

Tax Slips:

It is possible you won't receive all tax slips until about mid-March so we strongly suggest you don't file your return until then.

Email Address Update:

Please DELETE any ipgstouffville.com email addresses you have for us from your contact list, as they are no longer in service.



Let's take a look at our garden...

Spring is here! That magical time of year when plants emerge from the ground with the promise of a dazzling display of colours. Crocus, tulips, and daffodils will reward our efforts of the previous fall when we patiently planted each bulb in the ground and did our best to keep the squirrels from digging them up.

Now is the time to reflect back on the previous year and plan our gardens for the new season. What plants didn't do well, what perennials need to be divided and/or moved to a new location and where more colour is needed in the garden. Gather up your gardening tools, roll up your sleeves and put your plan in motion.

Clean up the gardens. Rake the leaves that escaped you in the fall. Trim back (and divide if necessary) any perennials that flower in mid to late summer but do not touch your early summer flowering perennials as they will flower from buds created the previous year (think creeping phlox). Work up the ground and be sure to amend the soil by adding some bags of triple mix. Apply a good quality fertilizer that will stimulate root growth. Lastly try planting some pansies and violas for an extra punch of early spring colour.

Now sit back and enjoy knowing that the May 24 weekend planting frenzy is only weeks away.

B Riddell



1st Quarter Review continued...

suggested and the Bank of Canada will likely hold rates where they are. The stabilization of the price of oil and other commodities also helped, as our currency is tied very closely to these.

Bond markets continued their forward advance in these times of uncertainty, leading many to purge risk assets in favour of "safe havens". The FTSE TMX Canadian Universe gained 1.52% and the Merrill Lynch US High Yield Index was down slightly at 0.28%. Negative interest rates are now the topic de jour as central banks continue to push the boundaries of unconventional monetary policies.

While the US economy is thriving, with low unemployment and a stabilizing housing market, the S & P 500 started things off with its worst first week of the year in history. The concern of rising interest rates, stocks becoming more expensive, the later stages in the economic cycle and the risk of a recession, sent investors to the exit for the first 6 weeks of the year with a 14% drop. However, the buyers came back strong in the last half of the quarter, as it was the best March since 2009, resulting in a quarterly return of 1.09%.

European and International markets did not recover as Canada and the U.S. did, as stimulus measures by the European Central Bank did not have the effects many were hoping for. The MSCI EAFE index was down 5.19%, with Germany and Japan leading the way, dropping 9% and 15% respectively, after being the leaders in 2015.

As the Blue Jay bandwagon is back in town, the baseball analogy of being in the late innings of this market rally is fitting. Since the financial crisis of 2008, stocks have been in a bull market after reaching the lows in March 2009, although it would appear the good times are behind us, the risks of a recession and major market correction seem very low, with interest rates historically low and corporate profits healthy. Hopefully a Bautista bat flip is in the not too distant future.

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