

April 2016

## Second Quarter 2016

What an interesting start to 2016! The market fluctuation has been extraordinary, which allowed our clients to take advantage of the dips in the market throughout RRSP season. January and February proved to be a great time to invest. Since the beginning of March the markets have been on a pretty steady incline.

Oil prices have had an interesting time this year. At one point in February you could buy a barrel of crude oil for less money than a bucket of fried chicken. Our dollar followed suit and ended up at a low of \$0.68 USD. Its rapid rise since the bottom has slightly affected foreign portfolio returns. Our balanced portfolios are up just over 1% in the first quarter.

	Market	Dec 31 2015	Mar 31 2016	YTD Incl. Dividends
Canada	TSX	13009	13494.36	3.73%
U.S.	DOW	17425	17685.09	1.49%
U.S.	S&P 500	2045	2059.74	0.72%
U.K.	FTSE	6242	6174.9	-1.07%
France	CAC	4637	4385.06	-5.43%
Germany	DAX	10743	9965.51	-7.24%
Japan	NIKKEI	19034	16758.67	-11.95%
Canadian \$		\$72.29	\$76.88	6.35%
Oil (US\$)		37.02	38.34	3.57%

\*\*Source: CNN Money

## Federal Budget Update 2016

The big news this quarter was the federal budget. Here are a few key points from the budget that may affect you:

- A 4% increase in the top federal rate of personal income tax (from 29% to 33%) for taxable income over \$200,000
- A reduction in the second-lowest federal tax bracket rate from 22% to 20.5%
- **\*to calculate your income tax rates visit - <http://ativa.com/tax-2015-2016/>**
- A reduction in the annual Tax-Free Savings Account (TFSA) contribution limit from \$10,000 to \$5,500; and
- Changes to several tax measures affecting Canadian-controlled private corporations (CCPCs) and other private corporations.
- Decrease eligibility age for old age security (OAS) back to age 65 from age 67
- Elimination of the Universal Child Care Benefit (UCCB) and the Canada Child Tax Benefit (CCTB); replaced by the new Canada Child Benefit.

**\*use this calculator to see what your family may be eligible for - <http://www.cra-arc.gc.ca/bnfts/clcltr/cfbc-eng.html>**

## New Financial Advisor joins Maude Financial

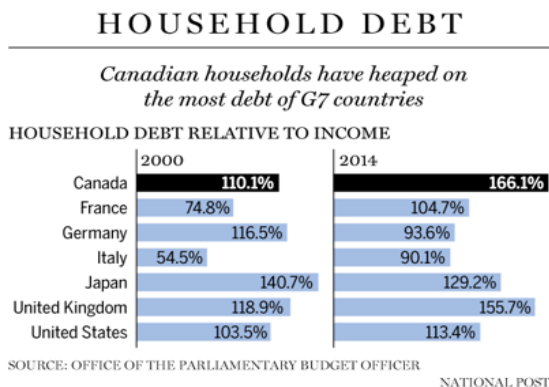
*We would like to welcome Trevor Merrick to our team at Maude Financial Inc. Trevor joined our team as a Financial Advisor on January 18<sup>th</sup> with 20 years experience in the Financial Services Industry.*

*He spent the last 7 ½ years as a Regional Vice President with Invesco (Trimark Investments), a major Global Investment Management Firm in Canada, and he has over 10 years experience providing Life Insurance and Tax & Estate Planning support. Trevor and his family are lifelong residents of Edmonton. He has been married to his wife, Carrie, for 20 years this August and they have a son and four daughters.*

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Manulife Securities Investment Services Inc.

The culture of debt in Canada is reflected in the latest information from the Parliamentary Budget Officer. Canadian households are carrying the biggest debt-to-income loads of all countries in the G7. Data from Stats Canada revealed that in the third quarter of 2015 household debt reached 165 per cent of disposable income. That means that for every \$100 of disposable income, households had debt obligations of \$165. These numbers are alarming.



There is no “miracle” solution to debt reduction. There are only two options to reduce debt: 1) earn more or 2) spend less.

The article “The Psychology of Spending and How to Avoid Pressure to Spend” by Emily Holland (found on the website [www.chopra.com](http://www.chopra.com)) has great tips on how to avoid overspending. The author’s tips point out that spending is just as much about psychology as it is financial management:

1. Check in with yourself: Why do you feel compelled to spend money in that particular moment? More than likely, the urgency has more to do with a difficult situation you’re facing rather than the actual item itself.
2. Scan Your Social Circle: Do your friends handle money well themselves? Do they convince you to spend money you know you don’t have? The company you surround yourself with can impact our money spending tendencies.
3. Always Have a Shopping List: Prepare a list prior to shopping. Whether you’re purchasing Christmas presents or buying groceries, having the items you need written down will provide you with clarity and order while you’re shopping.
4. Keep Your Wallet Light: Avoid carrying credit or debit cards when going out, and instead stick with cash. Bring with you only what you think you will need.
5. Limit Temptations: Think about what you struggle with most financially. Do you spend too much money at the mall? Eating out? Vacations? Make a list of where your money is going and take necessary steps to avoid temptations.
6. Relinquish the Desire to Keep Up: Give up the need to keep up with your neighbors, co-workers, and friends. Everyone’s financial situation is different and it’s dependent upon a variety of factors, least of all being one’s self worth. Comparison leads to debt and dissatisfaction with what you already have. Appreciate what you currently have by practicing gratitude.
7. Be Accountable and Ask for Help: Hold yourself accountable by maintaining a healthy mindset, which will better equip you to stick to your money goals.

Debt is a very complicated subject because you have chosen to create your debt situation. Therefore you are the only one to hold accountable. You are also the only one that can take action to get back on track. The concept of debt reduction is simple but the action plan will take determination and commitment. The time to start is now.

**Are you interested in receiving our Quarterly Newsletter by e-mail? Send your request to [info@maudefinancial.com](mailto:info@maudefinancial.com). Please ensure that your full name is clearly marked on the e-mail.**



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