

# PLANNING MATTERS

Quarterly Financial Planning Newsletter  
from Coleman Wealth



Spring 2017 - 1<sup>st</sup> Edition

## Important Dates and Numbers

### Individual tax filing deadline:

April 30, 2017

### Sole proprietor tax filing deadline:

June 30, 2017

**Maximum RRSP limit for 2017:** \$26,010

**TFSA limit for 2017:** \$5,500

## Pedro and Nik's Tips and Tricks

- **Pedro:** All clients have access to download their tax slips through their online client portal. If you haven't registered for online access, you can contact us and we can walk you through how to do it.
- **Nik:** Now that we are through the 2016 RRSP deadline, make sure to talk with us about setting up monthly RRSP contributions for 2017.

Coleman Wealth  
Raymond James Ltd.  
40 King St West, Suite 5300  
Toronto, ON M5H3Y2  
[www.colemanwealth.com](http://www.colemanwealth.com)

## What are we up to?

It's a new year and we have more exciting endeavors on our plates outside of the office! In last year's holiday letter, Darren outlined some of the team's charitable initiatives (Dancing with the Stars, Andrea's fundraiser, Pedro's holiday giving drive) as important causes that are near and dear to our hearts. We wanted to update you on some of the things we're working on for this year!

Darren has hung up his dancing shoes (for now) and is working on his next 'big one' to be launched next summer. It's still a secret... but stay tuned for more details... And no, he will not be following in The Bachelor's footsteps or debuting on the renowned Dancing with the Stars TV show, at least yet.

Andrea's non-for-profit dance company, Momentum Dance Toronto, is putting the finishing touches on their spring show, One Fifty, celebrating Canada's 150th anniversary. 15% of the proceeds from the show will be donated to the Canadian Council for Refugees, as the company supports and celebrates diversity and acceptance. If you'd like to see the show (in Toronto April 23-26) or donate to the cause, please visit:

[www.momentumdancetoronto.com/box-office](http://www.momentumdancetoronto.com/box-office) or <http://ccrweb.ca/>.

Celebrating Canada's  
**ONE FIFTY**  
Proudly presented by MOMENTUM DANCE TORONTO  
**APRIL 26 - 29**  
@ The Al Green Theatre  
750 Spadina Avenue, Toronto  
MOMENTUM DANCE TORONTO  
MDT's 7<sup>th</sup> Annual Production  
#MDTonefifty

Nik has been quietly and successfully raising funds for the Enbridge Ride to Conquer Cancer, coming up June 10-11. He will be bike riding 200km from Toronto to Niagara over a two day period and all funds raised are in support of the Princess Margaret Hospital Foundation. He has raised 81% of his \$2,500 goal thus far. If you'd like to donate, please visit his donation page here: [DONATE](#)

Also, Darren will be participating by zooming behind the pack on his motorcycle to make sure everyone stays 'on course' (no stragglers left behind!).



## Active Wealth Management: Why You Need It

We're watching a really interesting trend happen in our industry right now, and I wanted to share it with you.

Active wealth managers still hold the majority of client assets worldwide, but the herd-like influx of capital into low-cost ETFs and robo-advisors has been accelerating. For example, in February, Vanguard (the world's largest index product provider) surpassed \$4 trillion in assets under management. Costs of investment products have become a major focus, rather than the true value received from a wealth manager. Investors seem to be forgetting that performance is merely an outcome of the risks that you choose or choose not to take – not solely the price paid to invest.

Investing will always be about making active decisions, but not the kind that you read about in the press. There are a number of ways in which we, as wealth professionals, earn our keep by actively managing client assets. It's just that most investment professionals spend their time and energy focusing on the wrong things. Our greatest impact on managing your wealth comes from intangible value that cannot be obtained from low cost ETF providers or robo-advisors.

- Actively defining your true goals and objectives.
- Actively setting investment policies and guidelines.
- Actively getting to know your risk profile, time horizons, fears, and desires.
- Actively making asset allocation decisions.
- Actively reviewing and controlling fees.
- Actively managing tax efficiency.
- Actively educating and communicating with you.

- Actively providing feedback as to how your portfolio aligns with your goals.
- Actively designing and managing a strategic portfolio to help you achieve your goals.
- Actively managing client behavior and emotions (investor coaching).
- Actively providing advice on retirement, cash flow planning, insurance, and estate planning.

Fees will continue to be a focus as financial technology improves productivity and brings new competitors. But instant access to market prices, the ability to trade on your smartphone and lower trading costs do not necessarily bring financial success. Indeed many of these innovations make it harder for investors to behave prudently. Just because you can trade faster, cheaper and on your phone, doesn't mean you should. You can easily give back any cost savings from lower fund fees and trading expenses with one poor (emotionally driven or gambling based) decision.

There's an old joke that brokers tell: Your portfolio is like a bar of soap: the more you touch it, the smaller it gets.

In my experience, it's not really your investments that matter. It's what you DO WITH your investments that matters most. And that's all about becoming a better investor. Our job is to actively manage YOU, and keep you focused on the things that matter, and learn to ignore the things that don't.

## Changing the shape of your retirement plan

I was recently asked to provide insight on the new 'shape' of retirement planning for an article featured in the Globe and Mail. The reporter asked me various questions from 'What are five tips to developing a successful retirement plan?' to 'What new trends do you see emerging from today's retirees?' This led me to reflect on some of the conversations that I've had with clients, both over the 10+ years that I've been doing planning, and also as of late.

When I started my career in retirement planning, I was very focused on providing advice around the traditional, linear retirement that most people envision having (or think they should be envisioning). Retire at 60, or 65, or 55. Have enough money to live - say for 20 or 30 years. Make sure you keep up with inflation. These conversations are still important, but they are evolving - being worked on like a beautiful sculpture over time.

I recently met with one of our clients, Annalise, to discuss her retirement plan (ok, this might be the lead character from my favourite TV show, *How to Get Away with Murder*, but I'm protecting confidentiality here!). After some initial discussions around those traditional retirement questions, we got into what the shape of HER plan might look like. She told me, "We want to end up in Costa Rica, or somewhere warm. Hubby will keep on working (is a contractor), and I will likely end up doing some kind of work. I don't know what yet. I know that may sound crazy, and this probably isn't even possible, but I thought I'd mention it."

Annalise was afraid that I would laugh, as she thought her retirement dream might sound foolish or unobtainable. Quite the opposite!

Let's consider another client, Judi, who is retiring a few months from now. She's going to take a few months off, begin receiving her pension, and then will start working as a new job opportunity came up that she doesn't want to turn down. To her, the ability to have the financial security from her pension gives her the freedom to take on work that she really wants to do.

So often, as clients, approach the end of their long term career, retirement is simply the transition into a new stage of the possible: starting a new business, living overseas, working part time. In fact, I have yet to meet a client, whose long term retirement plan includes a lot of sitting on a beach, staring into the great blue unknown.

Clients who are still in their mid-earnings years may have some idea of where you might be going in the future, but it's still fuzzy. Like a sculptor, we need to have a vision of our masterpiece, and need to remove all the stone that isn't part of the figure. And this process takes time; Michelangelo needed more than a week to complete the David.

For those who are within 10 years of their 'retirement', you probably have a better sense of where you might want to end up. Or maybe where you thought you might end up isn't where you are. That's ok - we still have time to course correct! We'll just refine and reshape your retirement plan, because life will continue to move around and throw us curveballs. That's just life.

If you are now actively enjoying retirement, the focus moves to a new and wider set of challenges, such as pursuing longevity and seeking new challenges for your energy, experience and wisdom.

The key message to all is this: the shape of your retirement is unique to you. It's wonderfully yours and yours alone. The road of life will twist, turn and take you to places you didn't expect. Life has taught you to adapt, to be flexible when needed, and to dream bigger dreams.

This is one of the reasons why we ask for working assumptions, instead of decisions, when we are talking about your plan. Life is dynamic, markets aren't linear and thus your plans need to have flexibility.

## Coleman Wealth

40 King St West, Suite 5300, Scotia Plaza, Toronto, ON

**Darren Coleman PFP, CFP®, CIM®, FMA, FCSI, Senior Vice President,  
Private Client Group Associate Branch Manager, Portfolio Manager**

T: 416-777-7158 | darren.coleman@raymondjames.ca

**Andrea Thompson CFP®, CLU, CHS, CDFP, Senior Financial Planner**

T: 416-777-7031 | andrea.thompson@raymondjames.ca

**Pedro Ostia-Vega, Financial Advisor Associate**

T: 416-777-7159 | pedro.ostiavega@raymondjames.ca

**Nik Zabaljac, Financial Advisor Assistant**

T: 416-777-7147 | nik.zabaljac@raymondjames.ca

*This newsletter has been prepared by Coleman Wealth and expresses the opinions of the author and not necessarily those of Raymond James Ltd. (RJL). Statistics, factual data and other information are from sources RJL believes to be reliable but their accuracy cannot be guaranteed. This newsletter is furnished on the basis and understanding that RJL is to be under no liability whatsoever in respect thereof. It is for information purposes only and is not to be construed as an offer or solicitation for the sale or purchase of securities. RJL and its officers, directors, employees and their families may from time to time invest in the securities discussed in this newsletter. This newsletter is intended for distribution only in those jurisdictions where RJL is registered as a dealer in securities. Any distribution or dissemination of this newsletter in any other jurisdiction is strictly prohibited. Securities-related products and services are offered through Raymond James Ltd., member-Canadian Investor Protection Fund. Insurance products and services are offered through Raymond James Financial Planning Ltd., which is not a member-Canadian Investor Protection Fund.*