

This Issue: 2013 year in review & update on our team

Almost There...

Over the holidays, I found time to complete the first draft of my book, ***Faith in Planning***. It's been a year and a half journey of enlightenment and I'm looking forward to sharing this book with you. While I work on the finishing touches, here's an overview of subject matter (a series of conversations with the reader).

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You may notice these conversations fall into three blocks. The first block relates to my background and how Legacy Partners came to be. The second covers key financial planning principles on which most of our planning processes are built. The final set of conversations address the challenge to always be moving forward, despite what life may toss in your way.

I'm not sure how long the final editing phase will take, but my aim is to have this in print by Spring. I believe the result will meet my goals of a) starting a conversation on important topics and b) deepening the reader's appreciation of planning. There are many take-away items and conversations starters for the reader to tackle.

I believe you'll enjoy the light hearted stories and find value in sharing this book with others. But for now, all I can say about the book is I'm **almost there**.

The same holds true for the global recovery and the withdrawal of government stimulus (aka, tapering). While predictions are not something I'm fond of, I would like to share some storylines I've read and which are shaping my thoughts on the coming year. While the havoc associated with the 2008 financial crisis may not be entirely behind us, I'm comfortable saying we're almost there.

- Markets were strong in 2013. Canadian gains were solid but limited by losses in the resource sector. These losses resulted from slower emerging market demand and the reduced need for insurance+ (gold) against a financial crisis relapse. Challenges remain to diversify our economy and replace lost manufacturing jobs.
- US markets were strong. The S&P 500 had its best year since 1997 and a reduction in the Canadian dollar (0.9414 at y/e) helped further boost the returns for Canadians investing in US holdings. Questions remain on sustainability, P/E ratios and unemployment rates.
- Interest rates were stable. While the five year decline in interest rates is over, the question that remains is if/when they will start going up again. As a result, bonds lagged a little in 2013 (DEX Universe was off 1.2%... its first negative year since 1999) as the bond market anticipated higher interest rates in

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the near future. Bond fund managers have been increasing exposure to corporate bonds to adapt to this climate.

Table 1
Summary of major market developments

Market returns*	December	Q4 2013	2013
S&P/TSX Composite	1.7%	6.5%	9.6%
S&P500	2.4%	9.9%	29.6%
- in Canadian dollars	2.4%	13.5%	38.4%
MSCI EAFE	1.3%	6.0%	23.5%
- in Canadian dollars	1.4%	8.8%	27.6%
MSCI Emerging Markets	-1.1%	2.7%	0.9%
DEX Universe Bond**	-0.4%	0.4%	-1.2%
BBB Corporate Index**	-0.4%	1.1%	1.2%

*local currency (unless specified); price only
**total return, Canadian bonds

Table 2
Other price levels/change

	Level	December	2013
U.S. dollar per Canadian dollar	\$0.941	-0.1%	-6.6%
Oil (West Texas)*	\$98.42	6.2%	7.2%
Gold*	\$1,205	-3.7%	-28.1%
Reuters/Jefferies CRB Index*	\$280.17	1.9%	-5.0%

*U.S. dollars

- Global issues are mending, but questions remain. Can China transition into a consumer lead economy when the government curtails infrastructure projects? Will Greece be able to collect taxes and balance their books? Do emerging markets have the necessary reserves to ride out lower demand for their commodities (oil, gold, etc)?

Despite the good news from 2013 and hopes of sustained market gains in 2014, there will always be risks which need to be managed. I've read forecasts for rosy returns in equities this year while other reports suggest the possibility of a pull back. Like people, forecasts are never perfect. That's why we choose to follow a plan. A well diversified investment plan will provide options in any market condition. Changes to your asset allocation will be managed as part of your personalized **Exit Strategy** and not some crystal ball prediction. We have faith in these proven planning processes, and they have a track record we are proud of. We have **faith in planning!**

Please Welcome Judy Moncrieff

It is with great pleasure I announce that Judy Moncrieff joined our Legacy Family in November of 2013. Judy has a wealth of experience with both London Life and Great West Life. In the past, she has even worked with Tim, Mike and Maureen. So it is a nice home coming to have Judy working with us once again.



Judy Moncrieff



Michele Simmons

Michele joined Legacy Partners in April of 2012 after a lengthy career in customer service within the auto insurance field. Michele has quickly established herself as an integral piece of our quality, caring team.

Like the rest of the Legacy Team, our two case coordinators have experience working in large corporate offices. They choose to join Legacy Partners for the family working environment, the caring service model and the opportunity to work directly with clients in a relaxed and friendly environment. These are likely similar to the reasons you chose to work with Legacy Partners.

What can I say, we make a great family!

If you would like to introduce us to your friends or family, please call Michele to book an appointment. Your friend can then meet us and judge for them self, the value added services we offer.

* Table 1&2. Source: GLC Market Matters Monthly Investment Commentary Jan 2014.

The information in this letter is general in nature. You should consult your Financial Advisor before making changes to your investment plan.

**From Our
Legacy Family
to Yours...**

All the best in 2014!

**We look forward to
meeting with you.**

