

WP

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HOT LIST

2016

The 50 men and women whose
headline-making moves are transforming
the wealth management industry

THE PANAMA PAPERS

The hard facts behind
the biggest data leak the
world has ever seen

CONFLICTING FORECASTS

Where is Canada's
economy really headed
in 2016?

OPEN FOR BUSINESS

What new exempt market
rules in Ontario will mean
for client portfolios

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HOLLIS WEALTH" "CHRIS VIANI
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CONTENTS

UPFRONT

04 Editorial

Analyzing the month's big headlines

06 Head to head

Are advisors about to be replaced?

08 Opinion

Preparing for the next great disruptor

10 Statistics

The numbers behind the Panama Papers

12 News analysis

Making sense of conflicting reports on the state of the Canadian economy

14 Intelligence

This month's big movers and shakers

16 ETF update

BlackRock adds three new iShares funds

18 Alternative investment update

Real assets move into the spotlight

FEATURES

50 Social media videos

Five tips for creating marketing videos that beg to be shared

52 Feedback is broken

How to get – and receive – helpful feedback

PEOPLE

44 Advisor profile

Scott Totten explains why he's focusing on emerging markets this year

55 Career path

Inspiration from Warren Buffett got Dennis Mitchell into wealth management

56 Other life

Steve Hawkins escapes from his busy life in Newfoundland

WEALTHPROFESSIONAL.CA

CHECK IT OUT ONLINE



COVER STORY

HOT LIST 2016

WP reveals the 50 industry stalwarts and up-and-comers who have shaped wealth management over the past year

PEOPLE

INDUSTRY ICON

Beth Hamilton-Keen, the new chair of the CFA Institute, shares her big ideas about where the industry is headed



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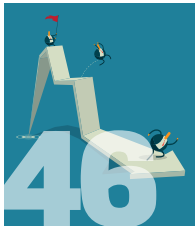
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FEATURE

A GAME-CHANGING PLATFORM

An inside look at Invesco's new platform-traded funds



FEATURE

EXEMPT MARKETS

What advisors need to know about Ontario's newly accessible exempt markets

PEOPLE

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The paper trail

Since our last issue of *Wealth Professional*, there's been plenty of food for thought for Canada's financial advisors. While transparency has been a common theme for wealth management over the past few years, the emergence of the Panama Papers in early April has brought the issue to international prominence. Managing clients' tax affairs is a key component of an advisor's job, after all, and doing so in a legal and fair manner is vitally important.

One of the biggest news stories this year (or any other), the revelations from the Panama Papers look set to have far-reaching implications. Minister of Finance Bill Morneau has stated his intention to tighten tax laws and remove many of the loopholes that have allowed offshore tax havens to thrive. The group Canadians for Tax Fairness estimates that overseas tax-avoidance schemes cost

Managing clients' tax affairs is a key component of an advisor's job, and doing so in a legal and fair manner is vitally important

federal and provincial treasuries \$8 billion per year. As the government pushes ahead with a series of national infrastructure projects and with large budget deficits earmarked to pay for the plan, at least attempting to claw back some of that \$8 billion would be advisable.

The past month was also notable for some mixed messages on the economy from many respected institutions. Last year was far from a vintage year, both in Canada and internationally, and while 2016 has looked better so far, progress on that front is still slow. Forecasters are divided over whether the recent steps forward are sign of a real turnaround or simply the eye of the storm. As uncertainty battles with confidence in the minds of Canada's investment community, *Wealth Professional* analyzes both points of view this month.

This edition of *WP* also highlights some key figures in finance who have made an impact on the advisory world over the past 12 months. Our annual Hot List includes individuals from wealth management, of course, but also those in investment banking, insurance, the government and Canada's array of regulators. These 50 men and women were selected because they made headlines over the past year in their attempts to help shape the industry as it continues its transformation.

The Wealth Professional team

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HEAD TO HEAD



Are robo-advisors about to replace us all?

Automation is taking away jobs everywhere – will investment advisors be the next target?



Brad Brain

Senior investment advisor
Brad Brain Financial Planning

"In time, technological advances, including robo-advice, will squeeze out thousands of marginal advisors and make it more difficult for new advisors to establish their careers without a long period of apprenticeship. But I think it will be a time of abundance for the really, really good advisor. I just don't see robo-advice as an acceptable substitute for high-end talent and experience. Financial planning is more than merely an algorithm and a basket of ETFs. Knowledge is not wisdom, nor is it empathy. Robots can be really good at playing chess, but ... they aren't going to cut through the cacophony of nonsense that impedes clients from reaching their great goals in life."



Meagan Balaneski

CFP and insurance broker
Advantage Insurance & Investment Advisors

"To the contrary, I think robo-advisors are absolutely necessary if we are to maintain the professional quality of our advice. Even if commissions are continued and we are spared an advisor exodus, with the average age of an advisor at 58+, within the next decade we'll still be staring down the barrel of a very significant advice gap.

Emerging is an opportunity for robo-advisors to use their marketing prowess to help younger generations care more about saving for their future. Balancing a client's personal fears with the implementation of advanced strategies is an advisor's art. Algorithms will never replace that. But they can provide low-cost advice to get investors saving."



Kevin Cahill

Founder
Canadian Legacy Builder

"The title of 'advisor' is amusing and misleading. Anyone can advise. Anyone with a calculator and a 'Finance for Dummies' manual can tell people to spend less on that and invest in this. There are financial professionals, and there are financial amateurs.

I believe robo-advisors will replace the amateurs in the financial industry but will encourage true professionals to come together and restore the financial planning profession to the respect and credibility we all deserve.

The need to enhance consumer protection is real, and standardization through technology is a great opportunity."

NOTHING TO WORRY ABOUT

A recent report by Citigroup suggests that robo-advisors won't be making financial industry jobs obsolete anytime soon. Despite the fact that the bank estimates robo-advisors' global AUM at \$20 billion, that's still a fraction of the \$69 trillion in total global AUM. What's more, Citi believes high-net-worth advisors will always put a premium on personal service. "We see the advent of robo-advice as an example of automation improving the productivity of traditional investment advisors, and not a situation where there is significant risk of job substitution," the report said. "Higher-net-worth or more sophisticated investors will, in our view, always demand face-to-face advice."

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A new age of wealth management

Social media has become a part of our lives – and it can be a part of building investment portfolios, writes **John Bowman**

FOR MOST of us, social media has become an essential part of how we communicate. We post, like, swipe and tag to our hearts' content, filling our online profiles with massive amounts of information. Imagine if that information could be used to help plan for retirement or build investment portfolios.

Sound crazy? It's not. A leading social media player is already banking on it. Snapchat, the social media app known for its disappearing messages (and for dumbfounding anyone over the age of 40), wants to become a robo-advisor by using your online data and its sophisticated algorithms to manage its users' money through low-cost, diversified investments such as ETFs.

Although some wealth management professionals might scoff at this approach, they'd be wise to pay attention. It's not inconceivable that the likes of Facebook or even Amazon could partner with, say, Vanguard and become a huge disruptor with a built-in platform used by well over a billion consumers.

People will always need financial advice, but the avenues they use to obtain it can and likely will change. After all, we like watching movies, but it's easier and more efficient to watch them through Netflix than it was to jump in a car and go to Blockbuster.

It's been well documented that industry professionals can be resistant to change. But increasingly across all industries, technological advances, firmer regulation and changing consumer habits are forcing executives to

adjust. July will see the introduction of new fee disclosure rules in Canada, which are likely to increase the pace of disruption in the wealth management industry.

On one end will be the advisors of high-end private wealth clients, offering complex,

“People will always need financial advice, but the avenues they use to obtain it can and likely will change”

customized products and services. Investment counsel will continue to be wrapped and bundled in full-service ‘family office’ solutions to ensure that holistic advice is maintained.

On the other end will be the low-cost, no-frills advisors who cater to the lower-level retail and sub-retail populace. New players are entering this space as the robo-advisor model continues to gain credence. Contracted and per-hour wealth advice solutions are also gaining steam. The fear-mongering opponents of the fiduciary rule simply underestimate the innovative energy of the financial industry.

So, where would this split leave the mass affluent – those with a net worth of \$100,000 to \$1 million? These investors present the greatest opportunity for advisors: By 2020, mass affluent wealth is projected to grow up to 50% faster than assets held by high-net-worth investors (those with more than \$1 million).

The current mass affluent model, however, is rife with conflicts that often lead to bad advice, misalignment of interests and a lack of transparency. In some cases, this situation is worse than simply no advice at all. If firms want to win over this growing market segment, they will have to give clients the personalized advice needed to meet their goals.

This process must begin by fully justifying the value of services provided and disclosing any compensation from recommending specific platforms or products. One particular precedent is quite scary for ‘Main Street’ advisors. In January 2013, financial regulators in the UK banned commissions and payments from providers to advisors. Regulators also required transparency in how any fees were used. As a result, and the number of advisors in the UK fell by 25%. Those who survived were forced to articulate and prove to clients that they were getting value for their money.

Ultimately, the winners of this industry shift will be those who re-establish a value proposition with clients and put clients' needs and financial goals first. Abandoning such

artifacts of the past as public benchmarks, quartile rankings and product silos – which distract from meeting individual client needs – is essential to surviving this creative destruction. One thing is clear: The status quo is not an option. Firms must reattach their services to the public good of their clients, communities and economies as a whole.

Those who continue to keep their heads in the sand are ignoring the lessons of history. Just because you have the flag of a major firm or bank hanging outside your office doesn't mean you'll be protected. The robo-advisors are already here, and another game-changer could be around the corner. **WP**

John Bowman is the managing director for the Americas at the CFA Institute.



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(1) Forbes Magazine, November 24, 2014 - “Glory To The New Bond King” (2) Bloomberg Markets magazine September 5, 2012 and October 5, 2015. 50 Most Influential magazine editors favour recent accomplishments above lifetime achievements to build their list. They rely on the rankings, profiles, and cover stories they publish throughout the year in Bloomberg Markets. (3) Institutional Investor. www.usinvestmentawards.com May 2013. Manager winners are selected by the editors of the magazine based on the results of a survey conducted of U.S. institutional investors. DoubleLine® is a registered trademark of DoubleLine Capital LP. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the simplified prospectus before investing. To obtain a copy of the Renaissance Investments family of funds simplified prospectus, call 1-888-888-FUND (3863). Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. ®Renaissance Investments is offered by, and is a registered trademark of, CIBC Asset Management Inc.

STATISTICS

Panama Papers by the numbers

The data leak exposing widespread tax havens has stunned the world – but what does it mean for investors?

THE RECENT leak of more than 11 million documents from Panamanian law firm Mossack Fonseca has revealed just how extensive the practice of tax evasion is among the rich and powerful. The leak exposed the offshore tax haven strategies of 140 global politicians and public officials – including many Canadians. In response, Revenue Minister Diane LeBouthillier quickly urged officials from the Canada Revenue Agency to get their hands on the information contained within the papers.

The leak highlights the importance of cybersecurity when dealing with large sums of money. “Never collect any sensitive information over your website unless you are using an encrypted webform service or SSL certificate,” says Taylor Boivin, community leader at Advisor Websites. “While it might seem like a good idea to get as much information as possible from a prospect, if you are using an unsecured medium for that collection, you are essentially putting that information up for grabs online.”



350

Number of Canadians who were exposed in the Panama Papers leak



\$9 billion

Amount Canadians put in offshore tax havens in 2014



\$40 billion

Amount Canadians put in offshore tax havens in 2015



\$8 billion

Estimated amount of annual tax losses in Canada due to offshore holdings

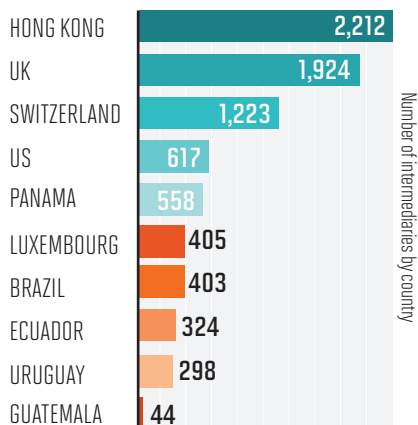
Sources: Macleans, Toronto Star, Canadians for Tax Fairness

MOST POPULAR TAX HAVENS

The British Virgin Islands were the runaway favourite jurisdiction for offshore companies incorporated by Mossack Fonseca, but the law firm's home base of Panama also provided plenty of tax shelter.

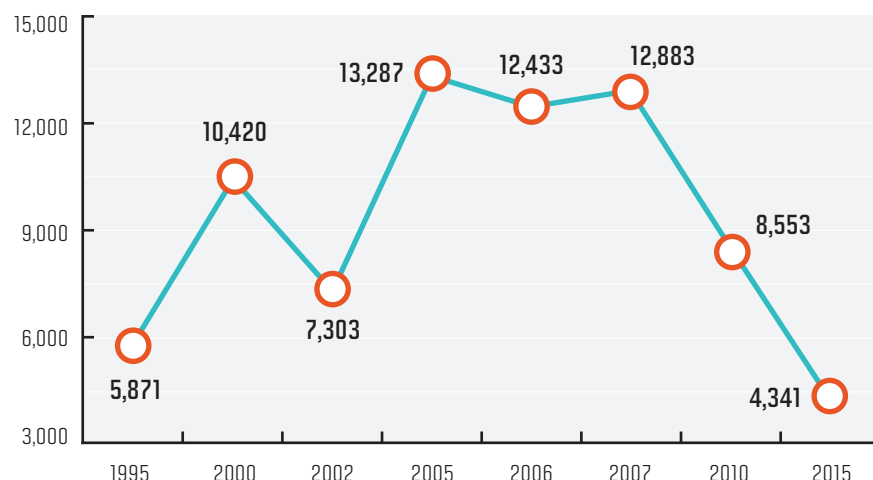
THE INTERMEDIARIES

Thousands of intermediaries – including, allegedly, RBC – worked with Mossack Fonseca to set up tax havens for their clients; Hong Kong and the UK had the largest numbers.



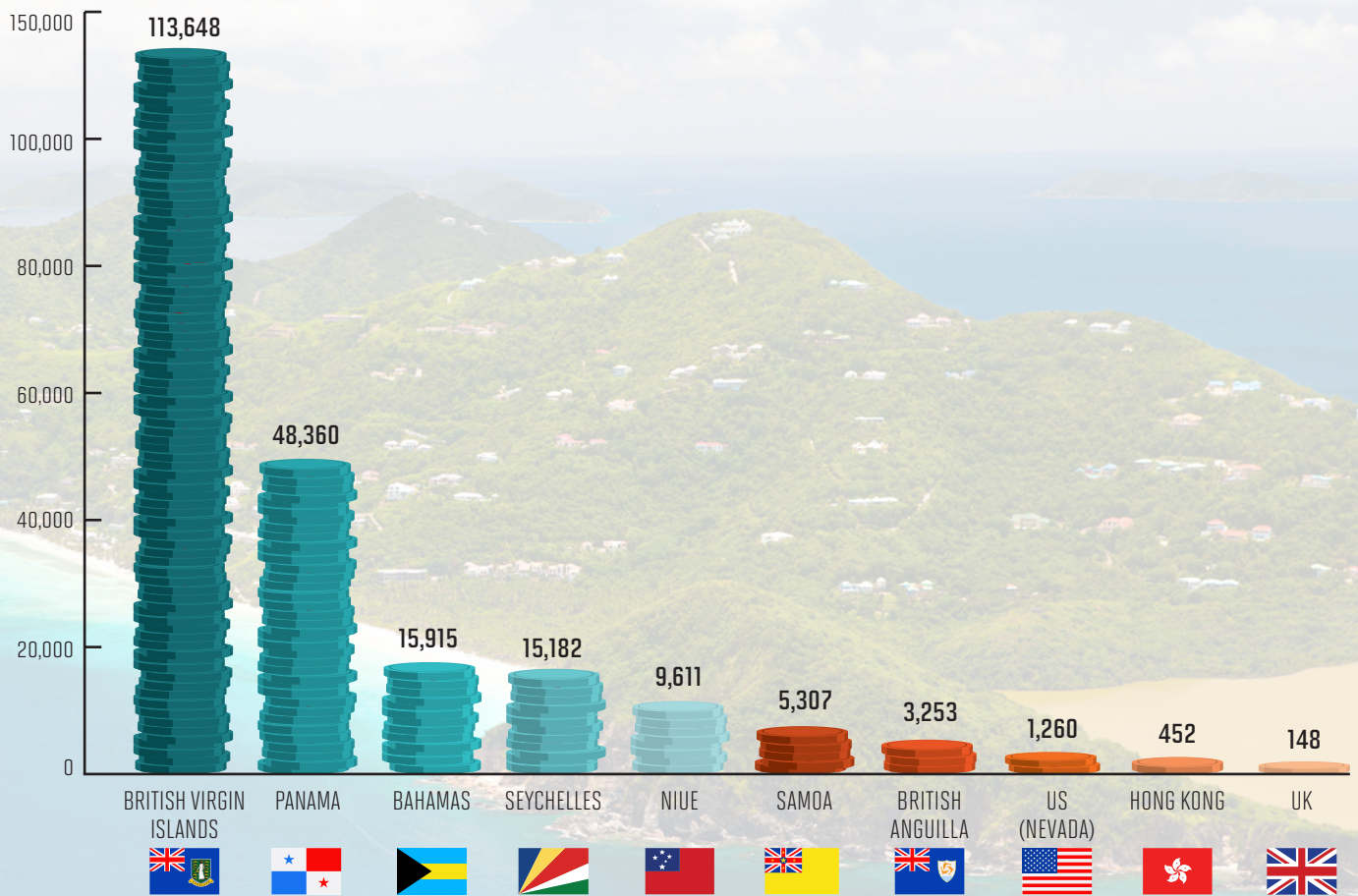
MID-2000S WERE THE HEYDAY

The number of offshore companies created by Mossack Fonseca fell after 2000, but then rebounded in dramatic fashion after 2003 before tapering back off following the global financial crisis.



Source: Statista

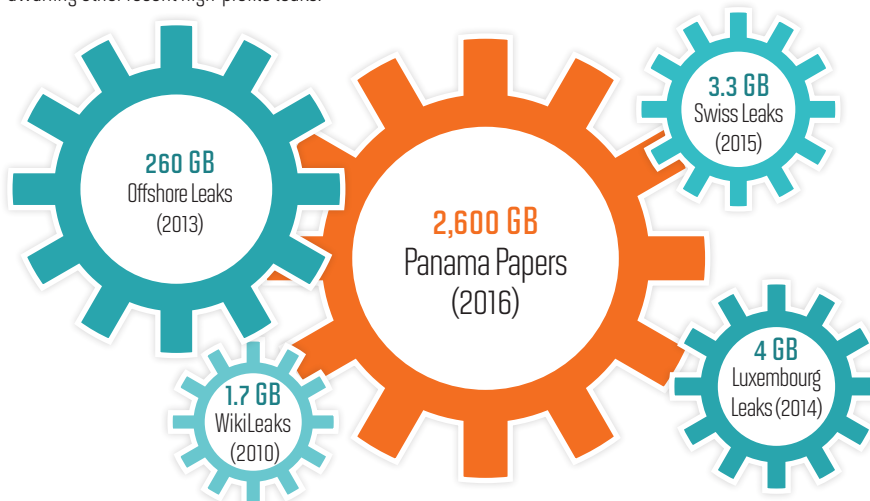
Number of offshore companies incorporated by Mossack Fonseca



Source: Statista, The Panama Papers, ICLJ

MASSIVE SCALE

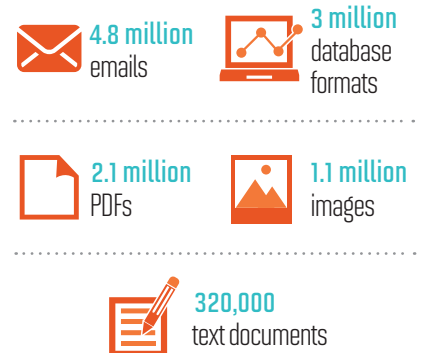
The 2.6 terabytes of data exposed in the Panama Papers makes it the largest worldwide data leak in history, dwarfing other recent high-profile leaks.



Source: Statista

HOW THE DATA WAS LEAKED

Far and away, emails represented the bulk of the data leaked, totalling nearly half of the 11.5 million exposed records. Database records, PDFs, images and text documents also were exposed.



Source: Statista

Who's right about the economy?

Contrasting growth forecasts from the Bank of Canada and the IMF reflect a general divergence of opinion on the right path forward

WHISPER IT quietly, but Canada's economy is showing signs that the miserable performance of 2015 wasn't part of a long-term negative growth trend for the country.

"Canada's economy is recovering strongly after a mid-2015 swoon, and tailwinds to growth are accelerating." That was the pronouncement of Alexander Lowy, associate economist at Moody's Analytics,

the overall health of the economy for some time yet.

That's not to say everything is copacetic out West – far from it, in fact. Drilling in Western Canada fell 46% in the first three months of 2016, which marked a 30-year low. With further spending cuts and job losses to come, the oil & gas industry is redefining itself for the market as it stands today – extremely temperamental.



"Canada's economy is recovering strongly after a mid-2015 swoon, and tailwinds to growth are accelerating"

Alexander Lowy, Moody's Analytics

speaking in April as the nation's economic prospects took a turn for the better when oil prices bounced back and the loonie followed suit.

"Macroeconomic adjustments are playing out across the economy in response to structural shifts in the global oil market, but economic data suggest that the worst is now in the rearview mirror," Lowy said, acknowledging that while Canada is slowly but surely moving away from its longstanding energy dependence, the industry's well-being will remain tied to

Despite the failure of the Doha talks to find an agreement on freezing oil supply, experts believe some sort of compromise between OPEC members and Russia is in the works. All those concerned have suffered greatly from the latest oil shock, but given that the price of US crude has risen from a low of US\$26 per barrel in February to above US\$43 in April, it appears likely that wiser heads will ultimately prevail.

Any recovery in energy will obviously be great news for Canada as a whole, but especially so for the beleaguered



provinces of Alberta, Saskatchewan and Newfoundland, which have endured more than their fair share of hardship since oil's collapse.

Another indicator that Canada may be moving in the right direction is the loonie's elevation since the lows of earlier this year – at press time, the Canadian dollar stood at US\$0.79. That has both positive and negative effects, however. It's good for the many Canadian consumers who have watched their grocery bills surge since the loonie took its big tumble. On the flip side are the many manufacturers that have fuelled Canada's recovery this year as the cheap loonie allowed them to be much more competitive internationally.

But since a return to parity with the greenback is unlikely anytime soon, Canadian exporters should still remain an attractive proposition. The loonie's current position should also prove beneficial to tourism as Canadians forgo heading South



and Americans elect to vacation in the Great White North. Shoppers coming from the US also have provided a significant boost to retailers close to the border.

The International Monetary Fund's World Economic Outlook, released in April, cut its prediction for Canada's growth from 1.7% to 1.5% for 2016, and from 2.1%



“My long-term view of Canada – and pretty much all Western economies, for that matter – is tepid growth”

John De Goey, Industrial Alliance Securities

That said, there's no need to get carried away with sunny projections for the economy just yet. Moody's foresees the growth rate for 2016 to fall short of 2%, similar to the Bank of Canada's prediction of an increase of 1.7% in GDP. But for every BoC report expressing optimism, there's a counter viewpoint stating that Canada's energy heartache and its repercussions are far from over.

to 1.9% for 2017. This reflected its global forecast generally; worldwide growth was reduced from 3.4% to 3.2% for 2016 and from 3.6% to 3.5% for next year. Canada, the IMF argues, is far from immune to global uncertainty, and its considerable energy exposure makes it vulnerable, as was proven definitively in 2015.

John De Goey, portfolio manager at Industrial Alliance Securities, believes the

TURNING THE CORNER?

38%

The greenback's gain on the loonie between July 2014 and January 2016

\$125 billion

Cost of the Liberal government's plan for infrastructure over the next 10 years

1.7%

The Bank of Canada's most recent prediction for growth in 2016

1.5%

The IMF's projections for Canadian growth in 2016

IMF's forecast looks much more likely. “My long-term view of Canada – and pretty much all Western economies, for that matter – is tepid growth,” he says. “That will persist at about, or probably less than, 2% annualized for as far as the eye can see – probably a decade and possibly a generation or two.”

One factor that could work in the Canadian economy's favour is the Liberal government's upcoming \$11.9 billion infrastructure program – although it has plenty of naysayers as well. Such spending will leave the country with a \$29 billion deficit for the year, which the prime minister argues is a calculated risk to kickstart the economy. The Liberals hope a resulting consistent positive growth rate will allow them to balance the books when Canada is solidly back on its feet. However, critics of the plan say that if said growth doesn't materialize – which, given the global outlook, is certainly a possibility – Canada will be left with huge debt that will take many years to reconcile. **WFP**

CORPORATE

ACQUIRER	TARGET	COMMENTS
SAC Capital	Canaccord Genuity Singapore	Canaccord Genuity has announced the sale of its Singapore unit; the price was not disclosed
Sun Life Financial	Birla Sun Life	Sun Life expands its presence in Asia with the purchase of a 49% stake in the Mumbai-based firm
T.E. Wealth	Doherty and Bryant Financial Strategists	The move gives the Toronto-based company an expanded presence in Calgary, where it already had one office

PARTNER ONE	PARTNER TWO	COMMENTS
Canaccord Wealth Management	Credit Suisse AG	Canaccord will join forces with the Swiss bank to access its proprietary investment products
Excel Funds	Aditya Birla Sun Life	Excel has signed a memorandum of agreement with the Mumbai company to offer India-based investment strategies to institutional investors
Fiera Capital Corporation	Bedrock Asset Management	Montreal-based Fiera Capital will expand its reach into Europe by forming a partnership with the London-based firm

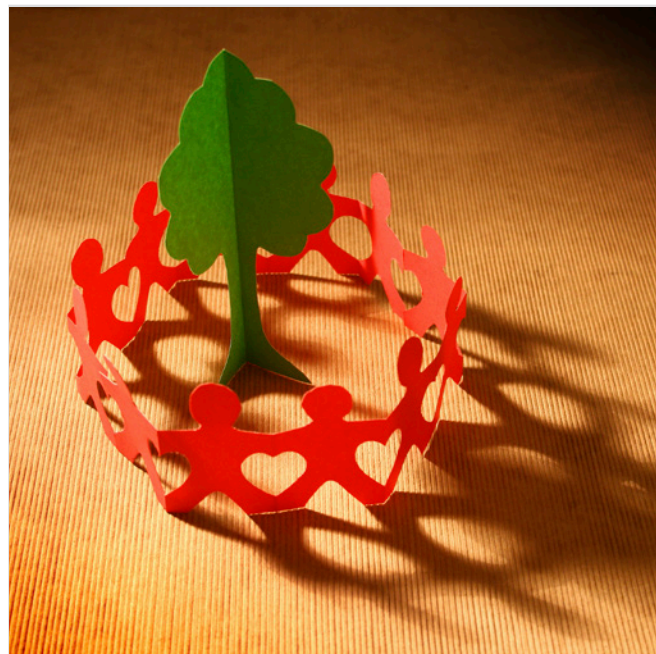


T.E. Wealth secures Calgary firm

As it looks to expand its presence across Calgary, Toronto's T.E. Wealth has announced the acquisition of Doherty and Bryant Financial Strategists. Doherty and Bryant was founded seven years ago by Vic Bryant and Russ Doherty to offer retirement planning, tax planning, estate planning and more. The move gives T.E. Wealth an expanded presence in Alberta's largest city, where it already boasts one office.

"The cultural fit is perfect, and we are confident that the transition for their clients will be seamless," T.E. Wealth CEO Mark Arthur said of the acquisition.

PRODUCTS



Fiera alters its Quantum Income Fund

Montreal-based Fiera Capital Corporation has made a change to its Quantum Income Opportunities Fund. Fiera Capital Corporation will now be the portfolio manager and investment fund manager of the fund, replacing Fiera Quantum Limited Partnership, a subsidiary based in Toronto. In addition, the name of the fund will also be altered; it will now be known as the Fiera Capital Income Opportunities Fund. The move comes after Angus Rogers, the lead portfolio manager for the fund, left Fiera Quantum Limited Partnership for Fiera Capital Corporation.



Alpha launches another mutual fund

AlphaDelta Funds has announced intentions to launch several new products in 2016-2017, including the AlphaDelta Tactical Growth Class Fund, which debuted in April. The new fund is designed to be nontraditional and provide exposure to mid- to large-capitalization companies across North America. Barry Hirowatari of Toronto's Aventine Management Group will serve as the subadvisor for the fund. Victor Therrien, CEO of AlphaDelta, described Hirowatari's participation as "a real coup," adding that the fund has a "proven strategy" that's not being offered by other Canadian mutual fund providers.

RBC fund closes to new investors

RBC Global Asset Management has closed its PH&N High Yield Bond Fund to new investors as of April 7. RBC processed purchase orders prior to that date from new investors; however, the fund, which had limited additional capacity when it was reopened on March 28, then closed its opportunities to potential newcomers. Those who had already become unitholders of the fund will be able to make further investments going forward, even after it was capped to new investors.



AGF Investments to merge funds in May

AGF Investments has announced that several of its funds will merge around May 20. The mergers include the AGF Canadian Bond Fund into the AGF Fixed Income Plus Fund, the AGF International Stock Class Fund into the AGF Global Equity Class Fund, the AGF Global Value Fund into the AGF Global Equity Fund, the AGF Global Value Class Fund into the AGF Global Equity Class Fund, the AGF Canada Class Fund into the AGF Canadian Growth Equity Class Fund, the AGF Canadian Small Cap Discovery Fund into the AGF Canadian Small Cap Fund, and the AGF Inflation Plus Bond Fund into the AGF Fixed Income Plus Fund.



IA Clarington introduces five funds

Toronto-based IA Clarington has introduced five new fund-of-funds to the market. Promising active management of security selection, the portfolios are monitored on a daily basis and involve ongoing rebalancing to maintain their target risk levels. According to Eric Frape, the company's senior vice president, the new program is well timed, given ongoing market volatility. "We are confident that this well-diversified and flexible portfolio solution will help Canadian investors stay the course in pursuit of their investment goals in an increasingly complex investment landscape," Frape said.

PEOPLE

NAME	LEAVING	JOINING	NEW POSITION
Daljeet Lamba	Bank of America	Citigroup Canada	Managing director of corporate banking
Stan Magidson	Institute of Corporate Directors	Alberta Securities Commission	Chairman and CEO
Shaun McIver	NASDAQ	TMX Group	Chief client officer for equity capital markets
Kristi Mitchem	State Street Global Advisors	Wells Fargo Asset Management	President and CEO
Joe Oliver	Government of Canada	Origin Merchant Partners	Chairman
Howard Wetston	Ontario Securities Commission	Goodmans	Counsel

Former NASDAQ digital head joins TMX Group



Shaun McIver has arrived at Toronto's TMX Group with a big reputation. McIver, who will serve as TMX's chief client officer of equity capital markets, was previously the global head of digital media solutions at NASDAQ. He will report to Nicholas Thadenry, president and CEO of global equity capital markets.

"Equities listings and trading are core components of TMX's business plan," Thadenry said, "and Shaun will play an important leadership role in helping us realize our vision of being a technology-driven solutions provider that puts clients first."

OSC's Wetston goes into private practice



Howard Wetston, the former CEO and chairman of the Ontario Securities Commission, is joining the private sector in the role of counsel at Toronto law firm Goodmans. Wetston left the OSC in November 2015 but has continued to serve on a number of advisory boards.

"Howard's vast experience in competition law, adjudication and dispute resolution, and corporate governance, combined with his strong knowledge of Canadian and international securities regulation, will add a unique perspective to the services and counsel we offer to our clients," said Dale Lastman, chairman of Goodmans.

ETF UPDATE

NEWS BRIEFS



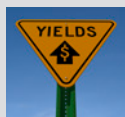
Global ETF assets pass \$3 trillion

The latest statistics on ETF assets illustrate just how much momentum the ETF sector has. According to London-based ETFGI, the global ETF industry topped the \$3 trillion threshold in April 2016 for the second time in its history; it originally passed that mark in May 2015. ETFGI's survey revealed there are 6,240 ETFs and ETNs worldwide with total assets surpassing \$3.07 trillion. The figure was taken from 277 providers from 51 countries, operating on 64 exchanges. ETFGI also reported that March was the strongest month for ETF growth in the first quarter of 2016.



Fidelity enters fast-growing smart beta segment

Fidelity has filed an application with the US Securities and Exchange Commission to enter the smart beta ETF market, the sector's fastest-growing segment. It won't be Fidelity's first foray into the ETF market – according to Bloomberg, Fidelity currently has 11 index ETFs containing around \$2.7 billion in assets, in addition to three actively managed bond ETFs that have \$450 million under management. Charlie Keller, a spokesman for Fidelity, commented that the move would bring the company in line with the rest of the industry.



Sphere Investments promises 30 ETFs

Toronto-based Sphere Investments entered Canada's ETF sector for the first time in April with the launch of four sustainable yield index products. Sphere says this initial lineup is just the beginning; the company has

promised that it will offer more than 30 products in the near future. It is expected that its next products will focus on low volatility, given difficult market conditions, as well as growth-based ETFs designed for any rally in the marketplace. Sphere hopes that factor-tilted smart beta ETFs will help differentiate it from competitors.



JPMorgan Chase introduces two new funds

JPMorgan Chase has introduced two new ETFs to the market. In April, the company expanded its product line-up with two currency-hedged funds: the JPMorgan Diversified Return Europe Currency Hedged Equity ETF, which is a hedged equivalent of the JPMorgan Diversified Return Europe Equity ETF, and the JPMorgan Diversified Return International Currency Hedged Equity ETF, a hedged equivalent of the JPMorgan Diversified Return International Equity ETF. Robert Deutsch, global head of ETFs for JP Morgan Asset Management, commented that the new products are well designed for the current marketplace.



Mackenzie gets into the ETF market

Mackenzie Investments has made its first foray into the ETF market with the launch of four ETFs. Jeff Carney, president and CEO of the Toronto-based company, said in a statement that the firm's entry into the market marked "a good day for Canadians who are seeking financial success." He went on to suggest that the ETFs will allow Mackenzie to deliver its asset management expertise to a broader audience and that the company will look to introduce many more products in the near future.

BlackRock expands iShares suite

The industry leader has extended its lineup in an attempt to give investors more flexibility

BlackRock Canada's iShares suite is without doubt one of the industry leaders in the ETF segment – and now it's undergoing an expansion. The company has launched three new funds: the iShares Edge MSCI Min Vol USA Index ETF (CAD-Hedged) (XMS), the iShares Edge MSCI Min Vol EAFE Index ETF (CAD-Hedged) (XML), and the iShares Edge MSCI Min Vol Global Index ETF (CAD-Hedged) (XMY). They are collectively launched under the brand iShares Edge and are all now available on the Toronto Stock Exchange.

BlackRock believes that its iShares Edge ETFs can capture the power of factors to help reduce risk or enhance returns – factors are broad, persistent drivers of returns across equities and other asset classes. New technologies and expanding data sources are allowing investors to access factors with ease.

According to Andrew Ang, head of factor investing strategies at BlackRock, the addition of the funds will offer investors greater flexibility while also helping to manage the potential impact of a strengthening Canadian dollar.

"While factor-based strategies are well-established investing concepts in portfolio management, advances in technology and data analytics have democratized the delivery of these investment solutions and made them more accessible to all investors,"



Ang says. “As we look to create more efficient and effective portfolios, it’s important for investors to take a step back and understand what ultimately drives returns. Part of what makes factors so powerful is their ability to reach across all asset classes and investment strategies and focus on the outcomes they are looking to achieve.”

“It’s important for investors to take a step back and understand what ultimately drives returns”

As volatility rises, investors have been looking to soften their risk profile; consequently, there have been strong inflows into the Canadian ETF industry – more than \$500 million entered minimum-volatility funds during the first quarter of the year. That figure blows away the total from the first quarter of last year by nearly 30%.

“Today, we are seeing strong demand for solutions that allow investors to express a view on currency to reduce volatility in their portfolios or achieve outperformance,” says Pat Chiefalo, head of iShares at BlackRock Canada. “For investors who are concerned about potential volatility in their portfolios, these new funds allow them to maintain exposures to equities for the long-term, while also providing additional flexibility to protect or benefit from fluctuations in the Canadian currency.”



Randy Cass
Founder and CEO
NEST WEALTH
ASSET MANAGEMENT

Years in the industry
20

Career highlight
The founding of Nest
Wealth in 2014

■ Q&A

The perfect simplicity of ETFs

● The global ETF market is now worth \$3 trillion – why do you think it’s enjoyed such a surge in popularity?

It’s funny you call \$3 trillion a surge in popularity. I think the better way of looking at it is why it hasn’t been more popular. ETFs are better products sold at a lower cost. Put that combination together in any other industry, and it’s game over ... yet in financial markets, at least in Canada, ETFs still represent less than 10% of the overall market compared with mutual funds.

● Do you use ETFs regularly within your clients’ portfolios?

ETFs are all we use at Nest Wealth. The objective data of passive, low-cost investing generating higher risk-adjusted returns for individual investors is just too all-encompassing to ignore. Trying to promise your clients outperformance with high-fee, actively managed mutual funds in Canada is like entering a boxing match with one hand tied behind your back.

● What’s your opinion on the recent uptake in interest in smart beta ETFs?

I understand there will always be a search for better-than-market returns, and low-cost, smart-beta ETFs are better than most ways to pursue that goal. However, let’s be honest – this is active management. Just because the portfolio strategy is being run by quantitative algorithms doesn’t mean it’s not making calls that are active. We used to manage portfolios with algorithms 15 years ago in the Quantitative Investment Group at the Ontario Teachers’ Pension Plan and nobody, for a second, thought we were passive. Calling some of these products smart beta is not only misleading, but entirely inaccurate.

● What are your thoughts on the use of ETFs by the new class of robo-advisors?

I think it’s the best combination of two things since peanut butter and jelly. At Nest Wealth, we merge the best products in the marketplace with the best technology available and now have an easy way for regular investors to have personalized, professionally constructed, diversified portfolios composed of low-cost ETFs. What’s more, they get these portfolios managed and rebalanced by professional portfolio managers using the same sophisticated math and formulas used by the largest and smartest institutional investors around.

● What does the future hold for ETFs?

I hope it doesn’t look a whole lot different than the present. The biggest risk we stand as an industry is trying to complicate something that is almost perfect in its simplicity. Give a man cheap, liquid market exposure, and you have accomplished great things.



ALTERNATIVE INVESTMENT UPDATE

Advisors can't ignore real assets

A growing need for resource stability is pushing real assets into the spotlight



Global population growth and increased consumption means the need for investment in resource stability is expanding on a daily basis. As such, financial advisors can no longer afford to ignore real assets.

"Advisors have often been concerned about the performance of real assets in a low-inflation, low-commodity price environment," says Michael Underhill, chief investment officer of Capital Investments, which serves

as a subadvisor on Sprott Asset Management's real asset funds. "Short-term performance of real assets can be depressed in such an environment, but the bigger picture remains global population growth and natural resource consumption in the long-term."

This alternative asset class often includes investments in infrastructure and real estate, and can also include commodities such as timber, agriculture, precious metals and

natural resources.

"Interest has been increasing among investors in recent years to expand from the traditional asset classes to construct a more diverse portfolio," Underhill says. "Real assets provide a broader diversification beyond traditional equity and fixed-income allocations with historically low correlation to stocks and bonds."

"Gold, for instance, has a long history of being an uncorrelated asset, and its benefit as a portfolio diversifier is highlighted in today's

"Interest has been increasing to expand from the traditional asset classes"

low-interest-rate environment," adds Paul Wong, senior portfolio manager of the Sprott Gold and Precious Minerals Fund. "As more central banks begin to adopt negative interest rate policies, gold becomes more attractive as the ultimate store of value."

Underhill points to commodity-influenced equities as strong performers in the current marketplace.

"Recent company balance sheet restructuring through non-core asset sales and reductions in capital expenditures, coupled with the recent rally, have provided companies with stronger commodity pricing and greater cash flows, and further strengthened their balance sheets," he says.

NEWS BRIEFS



Hedge fund assets take hit in first quarter

New data from Hedge Fund Research reveals that hedge funds suffered their worst quarter in seven years at the start of 2016. The firm found that more than \$15 billion was pulled out by investors; speculation is mounting that they were unhappy about the size of the fees charged in the sector, as well as comparatively weak returns. The total amount invested in hedge funds fell to \$2.86 trillion during the first quarter of 2016, marking the first time since 2009 that the sector has faced two successive quarters of net outflows.



Fengate completes real estate consolidation

Fengate Capital Management has announced the closing of two separate real estate transactions in the first quarter of 2016. Fengate acquired six income-producing industrial and office buildings, representing 530,000 square feet on 35 acres, located at QEW and Highway 403 in Oakville, Ontario. Together with the office building portfolio the company acquired in 2014, these acquisitions position Fengate as the leading real estate asset manager and investor in the QEW and Highway 403 area.



Rafael Tirado, CIM
Senior wealth advisor
TIRADO LALONDE
GROUP OF
SCOTIAMCLEOD®, A
DIVISION OF SCOTIA
CAPITAL INC.

Years in the industry
17

Career highlight

"My team's move to adopt a fee-based business model was a significant period in our careers. The transition enabled us to establish deeper relationships with our clients and focus on what really matters to them"

■ Q&A

Focus on emerging market debt

● Why is it important for advisors to look at alternative investments in the current marketplace?

We are facing a market where correlations between traditional asset classes are higher than ever. We have witnessed an enormous trend of large pension funds moving from 60/40 traditional asset class models toward direct ownership of infrastructure, private equity, hedge funds, etc.

Due to this reality, it has become increasingly important for advisors to incorporate a component of alternative strategies into a traditional asset allocation model, with the purpose of further diversification and improving a portfolio's risk-adjusted return. Alternative strategies rely primarily on alpha for generating returns. Market dislocations create opportunities that can be exploited by alternative strategies.

● Which emerging market do you think is particularly worth highlighting and why?

Rather than focusing on one specific emerging market [EM], we think there is great opportunity in EM debt. Today, 60% of EM debt is rated investment-grade. Over the past two decades, EM economies have improved their financial positioning in paying off debt.

Additionally, many EM nations have significantly larger foreign exchange reserves as a percentage of their short-term debt and foreign debt. Consequently, the credit quality of EM debt has improved as a result of these improved fundamentals. The opportunities in EM debt are extended when we consider the

diversification element. Historically, EM debt has low correlation with both US equity and US fixed income. Nonetheless, it is important to remember that not all EM debt represents the same risk and reward opportunity; proper due diligence is required to ensure the appropriate exposure is taken.

● Are there any innovative alternative income strategies you would recommend?

Partnering with an experienced institution in the alternative space is crucial. We favour relative value strategies in the global credit market space. We feel there are great opportunities in a strategy that seeks to capitalize on market mispricings within, and across, different credit markets.

● What are the pros and cons of alternative fixed-income strategies?

As traditional core fixed income fails to meet investors' requirements of positive real returns, we have seen significant investor demand for alternative strategies like PIMCO Monthly Income, which aims to solve an investment need – income, capital preservation – rather than offer the traditional bond beta exposure.

The primary pros of this strategy are real returns that are in line with investor expectations and the ability to move in and out of pockets of opportunity as markets change. The primary cons would be the increased credit risk relative to core fixed income composed of primarily provincial and federal government bonds, and a higher reliance on manager performance.



Venture capital fund closes after raising \$1.35 billion

An effort to encourage private investment into the Canadian venture capital industry has closed after raising more than \$1.35 billion. Private equity investor HarbourVest Partners told Reuters that its \$375 million fund is primarily dedicated to investments in venture capital funds that back Canadian companies. However, it was oversubscribed by the limited partners that account for two thirds of the fund. The fund was launched in 2013 as part of a plan by the Conservative government to attract private-sector funding for start-ups.



CPPIB makes investment in commodities giant

The Canada Pension Plan Investment Board has agreed to spend US\$2.5 billion to purchase a 40% stake in Glencore Agricultural Products, a division of Swiss-based commodities giant Glencore. Glencore is an enterprise with a global reach, primarily focusing on oilseeds, rice, pulses, sugar, cotton and grains. Its operations span Australia, South America, Europe and Canada and employ more than 12,000 people. According to a Canadian Press report, the purchase is expected to close in the second half of 2016.



Move to alternative investments 'inevitable'

Traditional portfolios have been challenged in the early part of 2016, and BMO Global Asset Management believes this will continue to drive investors toward alternatives. In a recent white paper, BMO outlined how a moderate-risk portfolio producing a return of 9.6% from 1981 to 2015 would be expected to produce just 4.5% in returns during the next 10 years. According to Kristina Kalebich, senior alternatives specialist at the company, "Investors will need to consider investments that utilize unique strategies."

INDUSTRY ICON

THE NEW STANDARD-BEARER

As chair of the CFA Institute's board of governors, **Beth Hamilton-Keen** is seeking a higher level of professional competency and ethics for the industry

GAINING THE esteem and respect of our peers is something we all aspire to in our professional lives, and 2015 proved to be particularly memorable on that front for Beth Hamilton-Keen. Not only was she selected as one of Canada's 100 Most Powerful Women by the Women's Executive Network, but the CFA Institute also came calling for her expertise when she was named chair of its board of governors last September.

The CFA Institute has more than 135,000 members worldwide across 150 countries or territories, so it's quite the accolade for Hamilton-Keen. Not surprisingly, she holds the organization and its remit in high regard, especially in these times of regulatory upheaval. As she explains, the many changes ongoing in the industry are entirely necessary.

"There are a number of changes that will make improvements right across the board," she says. "A good starting place is commissions; that is an archaic business model. It doesn't always align the clients' best interests with advisors."

In making the switch toward a fee-based system, she believes technology will allow the transition to play out much more smoothly.

"I think there is a lot of opportunity with Fintech to improve efficiency," she says. "If you think back to manual trading with pink and blue tickets, we have come a long way since then."

As the tools advisors use to do their jobs

continue to evolve, so too should the job itself, in Hamilton-Keen's view.

"Administrative work is not where advisors can add value for clients," she says. "They add value with trade effectiveness and efficiency using Fintech and the other technological advances."

As the international body that sets the bar for professional standards in the

members are all singing from the same song sheet as it relates to doing investment work for the benefit of clients first. Putting clients first is a core mantra of our organization."

The day job

Aside from Hamilton-Keen's work with the CFA Institute, there's also the not-so-small matter of her position as director of

"There are a number of changes that will make improvements right across the board. A good starting place is commissions; that is an archaic business model. It doesn't always align the clients' best interests with the advisors"

investment industry, the CFA Institute has been at the forefront of ridding the business of some of the unsavoury practices that were commonplace in the past. Its reach is truly global – and it's spreading away from the traditional financial centres of New York and London.

"We have a growing candidate base that is very multinational," Hamilton-Keen says. "This is the first year that candidates in China and India outnumber [those in] North America and Western Europe. That bodes well because our candidates and

investment counselling at independent firm Mawer Investment Management. Her clients range from ultra-high-net-worth individuals to families searching for solid investment opportunities in Canada or, more increasingly, abroad.

"Generally, when clients choose us, it's for our global equity approach," Hamilton-Keen says. "We take the approach of not being constrained by borders in looking to create the best portfolio for our clients. We look for companies that can give a return that is greater than the cost of capital,



PROFILE

Name: Beth Hamilton-Keen

Company: Mawer Investment Management/CFA Institute

Title: Director of investment counselling/chair of the board of governors

Years in the industry: 26

Career highlight: Being selected last year as one of the Women's Executive Network's 100 Most Powerful Women in Canada

INDUSTRY ICON

that we believe are trading below their intrinsic value, and companies that can weather economic cycles because we don't want to just trade in and out due to market movement."

Another important part of her business is the nonprofit sector. As she explains, dedication to one's client goes without saying, but in these cases, satisfaction with her work is enhanced.

"When you look globally, you can see that Canada is doing fairly well relative to other countries. It definitely still has an energy hangover ... but we are not any different from other countries that have a commodity base"

"There are two sub-segments of not-for-profit," she says. "One is traditional charities or community foundations that have [raised funds] and need that money managed for their long-term interests. That's an area we have consciously wanted to support in Canada; if we support them with their asset management, then they can continue to do more of their good work."

"The other side of not-for-profit," she continues, "is with the ultra-high-net-worth and family office segment where many families create their own foundations. That's so they can give back to the communities and causes they are supportive of. The same general principle applies there. If we can steward their assets, then they can do much more with their charitable work."

Economic outlook

While predicting the economy has become something of a fool's errand in recent times, there are signs that Canada could be headed for a sustained upward trajectory after a miserable 2015. Of course, giving the fragility of its recovery so far, there's still plenty of negative sentiment to go around too.

In her position at Mawer, identifying the companies that will fuel Canada's economy moving forward is a major part of Hamilton-Keen's job description – and she does see reasons for optimism.

"There are a number of sectors that are improving," she says. "The East is definitely catching more of the US economy's growth. When you look globally, you can see that Canada is doing fairly well relative to other

countries. It definitely still has an energy hangover, and that will be a drag, but we are not any different from other countries, like Australia, that have a commodity base. As much as energy and commodities have a significant impact on our stock market, from an economic base, there is diversity, certainly in Ontario, Quebec and much of the East."

That diversity is reflected in Hamilton-Keen's own portfolio, which follows some strict criteria on potential returns and good governance.

"Manufacturing certainly is one area that can lead domestic growth – businesses that are more diverse and less dependent on the cyclical aspect of things," she says. "We are cautious about financials, but in an interest-rate-increasing environment, we think insurance companies could do better. We'll wait and see, but if we have growth projections that lead to higher rates, then insurance companies can definitely do better. We like the more defensive companies, basic stuff like movie theatre chains with a good return on capital, good management and a good business model." **WP**

THE CFA INSTITUTE AT A GLANCE



WORLDWIDE PRESENCE

More than 135,000 members in 150 countries/territories



EDUCATION

More than 300 universities worldwide have incorporated the CFA program into their own academic programs



PROFESSIONS

Portfolio managers account for the highest proportion of members (22%), followed by research analysts (15%)



EMPLOYERS

JPMorgan Chase is the top employer of CFA candidates and charter holders, according to recent data

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COVER STORY: HOT LIST 2016

HOT LIST 2016

These 50 leading figures in Canadian wealth management have created plenty of headlines over the past year, and their stories reflect the industry's general realignment

IT'S BEEN a memorable 12 months since our last Hot List. The only thing predictable about the markets over the past year has been their unpredictability. But volatility can also provide windows of opportunity, and many on this year's Hot List have excelled in this environment.

The 50 men and women who made the cut this year exert considerable influence on the financial planning industry. That includes advisors and executives, of course, but also regulators, educators and government ministers, past and present. The past year has been far from plain sailing for many on the list, but all are notable for their ability to navigate such stormy seas.

The industry is changing rapidly; those who can adapt best to new regulatory pressures and harness the constant upgrades in technology will be the ones who shape the future of wealth management. How different will next year's Hot List look from this year's selection? It's an exciting thought.

NAME	PAGE	COMPANY
Anderson, Peter	34	CI Financial
Barker-Merz, Julie	31	BMO InvestorLine
Brown, Randy	38	Sun Life Financial
Bushell, Eric	40	Signature Global Asset Management
Chalifoux, Jean-François	38	SSQ Financial Group
Chapman, David	34	Bullion Management Group
Chilcott, Jordy	33	Dynamic Funds
Chung, Julia	38	JYC Financial
DaSilva, Manny	40	Association of Canadian Compliance Professionals
Daviau, Dan	36	Canaccord Genuity Group
Fisher, John	31	Bridgeport Asset Management
Flatt, Bruce	35	Brookfield Asset Management
Galpin, Charyl	36	BMO Nesbitt Burns
Guzman, Doug	38	Royal Bank of Canada
Halpern, Mark	32	WealthInsurance.com
Hamilton-Keen, Beth	38	CFA Institute
Hudson, Steve	28	Element Financial
Jensen, Maureen	26	Ontario Securities Commission
Jones, Catherine	25	Assante Wealth Management
Kapur, Aman	28	LSM Insurance
Konner, Lyle	41	Konner & Associates Financial Services
Leduc, Sylvain	34	Bank of Canada
Luft, Robert	33	Luft Financial
MacMillan, Thomas	25	Gluskin Sheff
Mitchell, Dennis	27	Sprott Asset Management
Moffat, Marcia	26	BlackRock Canada
Mohamed, Farah	41	G(irls)20
Morisset, Louis	40	Canadian Securities Administrators
Morneau, Bill	35	Government of Canada
Ning, Bobby	37	Financial Literacy Counsel
O'Reilly, Hugh	26	OPTrust
Oliver, Joe	34	Montreal Economic Institute
Pereira, Jason	40	Woodgate Financial
Pettipas, Cora	35	National Exempt Market Association
Prokopy, Ross	41	Raymond James
Pyper, David	39	Blair Franklin Capital Partners
Rafi, Saâd	35	Ontario Retirement Pension Plan
Ramza, Tim	36	Manulife
Rankin, Glen	31	Rankin Financial Planning
Rawlings, David	41	JPMorgan Chase Canada
Rebello, Renee	28	Life Coach Financial
Rosenberg, David	28	Gluskin Sheff
Salzer, Arthur	26	Northland Wealth Management
Scandiffio, David	30	CIBC Asset Management
Selfe, Neil	28	INFOR Financial Group
Virtue, Jim	41	PPI Solutions
Walsh, Daniel	34	BMO Life Assurance Company
Werry, James	25	Aston Hill Financial
Wilson, John	36	Sprott Asset Management
Wiseman, Mark	31	Canada Pension Plan Investment Board



CATHERINE JONES

Assante Wealth Management

When it comes to wealth management and safeguarding their financial future, the average person needs guidance. It's how advisors earn their living, after all, but even with a professional explaining the do's and don'ts of investing, it can be a lot to take in. Catherine Jones' e-book, *The Taxmaster*, released last year, is a comprehensive guide to wealth management for investors of all levels. Tackling such topics as "low-cost, Nobel Prize-winning strategies to build a 'rock solid' portfolio," and "how to leave a legacy for children or charity," the book is a great introduction to an often complex industry. In her day job, Jones, a Certified Divorce Financial Analyst, devotes herself to enhancing financial awareness and education for women, especially those in transition.

THOMAS MACMILLAN

Gluskin Sheff

Thomas MacMillan, the incoming CEO of Gluskin Sheff, has plenty on his plate as he takes over from Jeremy Freedman. The wealth management firm has been making headlines recently due to a legal dispute with its founders, Ira Gluskin and Gerald Sheff, who are seeking a combined \$185 million in post-retirement payments. (The firm maintains the amount should be closer to \$12.2 million.) MacMillan takes the reins on July 1 and will be tasked with heading the company as the arbitration process continues – and considering his 40-plus years of experience in the business, he's clearly capable of doing so.

JAMES WERRY

Aston Hill Financial

Soon after his appointment as CEO of Aston Hill in February, James Werry pointed out that the previous 12 months had probably been the most important year in the diversified asset management company's history. Werry was sought to oversee the expansion of the firm's retail business in its bid to become Canada's leading provider of liquid alternative mutual funds. Under Werry's guidance, the company also entered into an agreement to sell its brokerage business, Aston Hill Securities. In doing so, the firm hopes to better focus on its core business of retail mutual funds, closed-end funds, hedge funds and segregated institutional funds. As such, Werry's 34 years in the Canadian investment industry (with institutions like ScotiaMcLeod and Richardson GMP) will prove invaluable.

COVER STORY: HOT LIST 2016



MAUREEN JENSEN

Ontario Securities Commission

In choosing Maureen Jensen as the new chair of the Ontario Securities Commission, the regulator moved away from its traditional hiring process. While previous heads have mostly been lured from top positions on Bay Street or the legal profession, Jensen's appointment came after she served as an executive director for the OSC over the past five years. In doing so, she worked closely with her predecessor, Howard Wetston, which will make her much less likely to experience any growing pains with the role. That certainly appears to be the case – the OSC's first female chair has been quick to exert her influence, announcing plans to open a whistle-blower office this summer, offering payments as high as \$5 million for tips that lead to successful prosecutions for securities fraud.

MARCIA MOFFAT

BlackRock Canada

Coming into the top role at an industry-leading company is not without a unique set of challenges. Having assumed the position of managing director at BlackRock Canada last September, Marcia Moffat has since set out to consolidate and build on the firm's position as top dog for ETFs, most recently launching three new funds under the iShares Edge brand on the Toronto Stock Exchange. Although parent company BlackRock saw a 20% drop in profit during the first quarter of 2016, the ETF segment in Canada remains strong. Now Moffat, a former corporate lawyer, will need to ensure that her firm continues to maintain its position as the leading asset manager in the county.

HUGH O'REILLY

OPTrust

Mega pension fund OPTrust – a marriage of the Ontario Public Service Employees Union and the Government of Ontario – is moving toward limiting its liabilities over the next 12 months. Its board will soon vote whether to move its fixed-income and foreign-exchange portfolio, valued at close to \$9 billion, in-house by next year. The man behind that plan is president and CEO Hugh O'Reilly, who emphasizes that fixed-income assets will protect the fund from the vagaries of the markets. O'Reilly has publicly noted that OPTrust's priority is making sure that its long-term liabilities (i.e. benefits for its members) are properly funded down the line. While that may mean its short-term returns are limited, that's the price to pay, according to O'Reilly.



ARTHUR SALZER

Northland Wealth Management

Family comes first for Arthur Salzer and the firm he founded in 2011, Northland Wealth Management. In this case, that means providing families with advice that runs the full gamut of wealth management, including not only financial capital (investing, financial planning and business advisory), but also human capital (education, family governance and philanthropy). Using an ethos that wealth management should stretch across generations, Northland pledges to guide its clients along the right path to ensure their long-term future. That approach has proved fruitful – over the past five years, Salzer has seen his upstart firm emerge to become one of the nation's leading wealth advisors, jumping from \$187 million AUM in its introductory year to \$370 million by the end of 2015.

A professional headshot of Dennis Mitchell, a Black man with a grey beard and mustache, wearing a dark suit, a blue and white plaid shirt, and a red tie. He is looking directly at the camera with a slight smile. The background is a blurred office setting with blue and white tones.

DENNIS MITCHELL

Sprott Asset Management

It's been a year of transition for Dennis Mitchell. Leaving his position as chief investment officer and executive vice president of Sentry Investments after a decade with the firm made plenty of headlines last July, as did his decision to join Sprott Asset Management in September. The move was surprising to some, but Mitchell says the change has been very much for the better. "I have the chance to build a brand new franchise from the bottom up, so I'm excited about the challenge," he says. "My goal is to build a very strong North American and global franchise with Sprott. Goal number one is to deliver great performance with my funds, then accumulate capital into those funds."

Frequently the public face of Sentry during his 10-year tenure, Mitchell accumulated more than \$2 billion in assets, and oversaw more than \$18 billion in total assets for the firm. He hopes to emulate that success at Sprott, and has a clear idea of how to achieve his lofty goals. "I have a specific investment process that I call focus-business investing," he says. "Essentially what that comes down to is finding high-quality businesses that offer enough return for the risk that I'm taking. A high-quality business, for me, is one that offers strong returns on invested capital, strong recurring free cash flow and irreplaceable assets capitalized with low debt."

Speaking about recent conflicting economic forecasts from the Bank of Canada and the IMF, Mitchell stresses that the Canadian economy's health will always be at the mercy of international forces. "It will be difficult for the Canadian economy to accelerate forward as long as global growth remains weak," he says. "The global economy growing at 3% really doesn't auger well for Canadian GDP to reach that level. I think that we're set up properly, in that we have an accommodative monetary policy married to a stimulative fiscal policy. But without an acceleration in global growth, I cannot see the Canadian economy reaching its full potential."

As for the financial planning industry as a whole, Mitchell believes educating the general public about the investment process should be a national priority. "The best thing you can do for clients is to educate them," he says. "I don't understand why we take courses in high school in geography and history but none about financial planning and investment management. From the industry's standpoint, we need greater transparency, not just in fees and expenses, but in exactly what people own and why. We are making some progress, whether it's driven by the regulators or the firms themselves, but I really think it would behoove us if we had a better educated populace that understood investment management and financial planning."

COVER STORY: HOT LIST 2016

AMAN KAPUR

LSM Insurance

Originally from New Delhi, India, Aman Kapur spent time in Russia working for the world's largest steel company and earned his MBA at Heriot Watt University in Edinburgh before plying his trade in the Great White North for LSM Insurance. Kapur's advice comes from a life well-travelled and the experience that goes along with that – he can advise clients in five languages (English, Hindi, Urdu, Punjabi and Russian). His clients certainly seem to value his perspective: Kapur's own independent brokerage, Your Insurance Guy, has developed a reputation for its expertise and multicultural outlook.



RENEE REBELO

Life Coach Financial

As a single mom who also runs three businesses, Renee Rebelo is well-placed to offer advice to women on how to succeed in the business world. Her group, Savvy Livin' for Women, strives to educate, motivate and empower women to achieve a better work-life balance. She also organizes educational seminars for women, using her two-plus decades of experience in the industry to provide guidance on investments and financial planning. Then there's the day job at her firm Life Coach Financial, which she founded in 2008, as well as the Like-Minded Business Networkers group, which she formed in 2009 and now boasts more than 1,400 business members from Oakville to Niagara.

NEIL SELFE

INFOR Financial Group

With established independent firms going through hard times and smaller operators forced to shutter, Neil Selfe's decision to leave GMP Capital last April and form INFOR Financial Group could definitely be considered a brave move. Just past the firm's first anniversary, the risk appears to have paid off. Specializing in mergers and acquisitions, restructurings, and corporate finance, Selfe hopes to build the company as a dedicated advice center for investors. In the absence of scale, he has positioned the firm as the go-to for stellar guidance from a neutral source. The industry has already taken notice – last year, INFOR won an advisory position on Element Financial's \$8.6 billion acquisition of GE Capital's fleet management operations in North America, Australia and New Zealand.

STEVE HUDSON

Element Financial

The success of Element Financial over the past five M&A-filled years has been so great that the company is now set to divide its business into Element Fleet Management and Element Commercial Finance. Element CEO Steve Hudson will stick with what he knows best and head the commercial finance branch, which is scheduled to be in operation before year's end. Under his control will be Element's commercial and vendor finance business, as well as its aviation and rail asset management segment. The growth of the commercial finance arm (currently valued at \$7 billion) was key to the decision to split the company into two separate entities, and Bay Street veteran Hudson will be called upon to provide expertise for the company during this transition period.

DAVID ROSENBERG

Gluskin Sheff

In his "Breakfast with Dave" daily economic report, David Rosenberg provides invaluable insight to those with one eye on the markets, but not much of an idea as to where they might be headed. Rosenberg, Gluskin Sheff's chief economist and strategist, caused a bit of a stir recently when he was interviewed by Bloomberg TV Canada, where he predicted that Canada would lead the G7 nations in growth this year due to a weak loonie making domestic manufacturers much more competitive globally. Given that the loonie has gained on the greenback since then, that prediction may have to be tempered somewhat, but Canada's recovery, although slow, has indeed stayed on course moving into the summer months.



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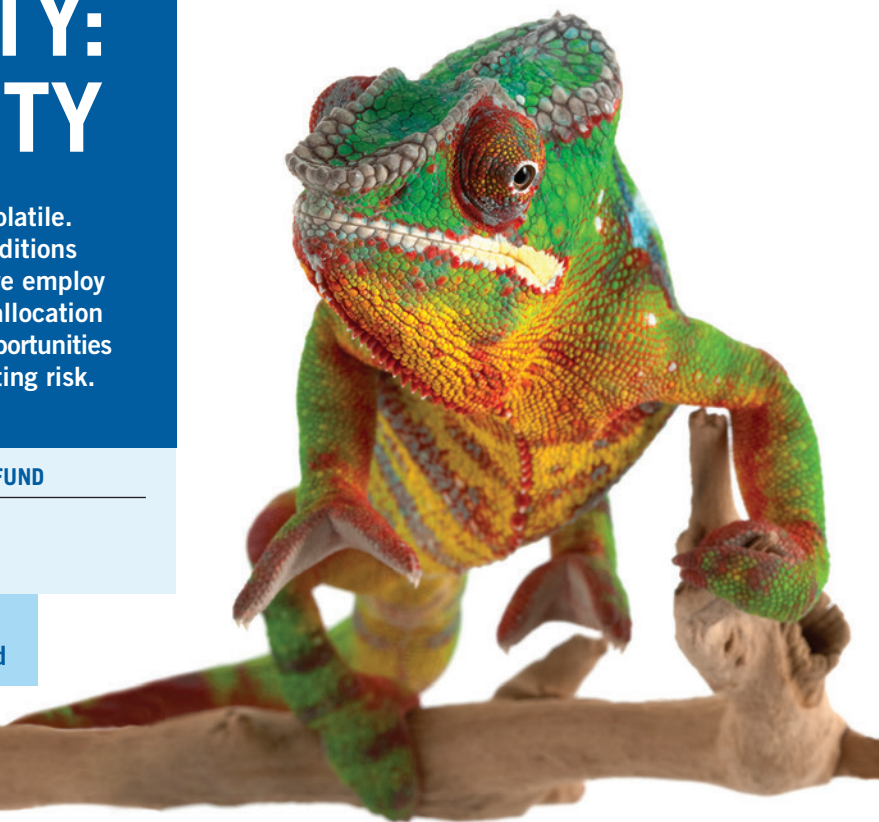
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DAVID SCANDIFFIO

CIBC Asset Management

One year into his term as CEO of CIBC Asset Management – a year when market volatility has caused plenty of consternation across the industry – David Scandiffio nevertheless is decidedly upbeat about the future. “Coming into the role, I wanted to have a clear understanding of the business and the clients, both from the retail level right up to institutional,” he says. “At CIBC, there’s real focus on the client and making sure we’re meeting their needs now and as things are changing in the market.”

Of course, being an advisor in this day and age is about moving with the times in a constantly changing industry. In Scandiffio’s view, those who can do so will be at the forefront, while those who can’t or won’t will mostly be left behind. Heading CIBC’s retail and institutional asset management business and its portfolio management team, Scandiffio clearly has to be on top of regulatory developments. “The industry is transforming rapidly, and with CRM2, transparency is the new normal,” he says. “Being a client-focused bank, transparency is very much engrained in our business, and we see this as a great opportunity. We need to focus on value for the client and delivering value. [For] those who understand CRM2 and understand creating value for the client, there’s a big opportunity to gain market share, whether it’s as an asset manager or an advisor.”

Prior to coming to CIBC, Scandiffio spent time at IA Clarington and Mackenzie Financial. Now part of one of Canada’s big five banks, he will have a key role to play as the industry continues to evolve over the coming years. “As an asset manager, we think it’s important to embrace transparency,” he says. “At CIBC Asset Management, that really means having a laser focus on how we add alpha from an investment standpoint for clients. For our advisor partners, we need to anticipate ways to support them as their business model changes – whether that’s the way they deliver their services or the economic model they use, if that’s a fee model or not. There is a fair bit of change happening, so it’s about focusing our priorities to make sure we’re in the best spot to help support our clients.”



GLEN RANKIN

Rankin Financial Planning

As president of Rankin Financial Planning and a senior financial planning advisor with Assante Financial Management, Glen Rankin has built his name in investment, retirement and estate planning. With a string of designations, including CFP, CIM, FMA and FCSI, the resident of Truro, Nova Scotia, provides expert guidance to those planning for an uncertain future, following his ethos of reducing a client's exposure to specific risks such as inflation, interest rate changes, or political, market, or industry-specific risks. Speaking to *Wealth Professional* last September, he outlined why financial advisors should use planning horizons rather than average life expectancy to create retirement plans. "If you're wrong [using planning horizons], then they have too much money," he said, "whereas [if you use] life expectancy and you're wrong, they run out of money."

JOHN FISHER

Bridgeport Asset Management

While the Canadian economy is still struggling with oil's rapid descent, there are many advisors out there who weren't surprised by last year's calamity. John Fisher, the founder of Bridgeport Asset Management, was one of them – Bridgeport avoids investing in the oil & gas industry, preferring instead to focus on more stable sectors such as healthcare. Since founding Bridgeport in 2007 after making his name at Clairvest Group, Fisher has led the company from strength to strength by following an investment criteria that prioritizes predictable earnings, robust profit margins and a reliable return on invested capital.

JULIE BARKER-MERZ

BMO InvestorLine

As the advisory business continues its march into the digital realm and robo-advisors become less of a niche product, Julie Barker-Merz has been at the forefront of BMO's emergence in this area. Over the past three years as president of BMO InvestorLine, she has led the discount brokerage in its quest to become the top digital platform in Canada. As the first of the big five Canadian banks to offer robo-advisors, BMO has hung its hat on the evolution of the industry. The bank's online investing service, adviceDirect, in combination with SmartFolio (which provides BMO ETFs managed by BMO managers), provides additional evidence of the institution's clear commitment to innovation.



MARK WISEMAN

Canada Pension Plan Investment Board

As CEO of the \$282 billion CPP Investment Board, Mark Wiseman occupies the type of position where decisions can be far-reaching. While that pressure could be construed as a negative, it also provides the opportunity to try to improve Canada's economy in both the short- and long-term. To that end, Wiseman and the CPPIB recently joined a group of leading institutions at the World Economic Forum in Davos, Switzerland. There, they presented a new stock index that highlights companies with strong balance sheets and clear long-term strategies. In committing to invest \$2 billion in firms that track the index, the CPPIB and its partners gave a clear signal that companies would do well to eliminate their obsession with meeting quarterly targets in favour of a commitment to innovation and planning for the future.

COVER STORY: |

A portrait of Mark Halpern, a middle-aged man with dark hair and glasses, wearing a dark suit, white shirt, and a purple patterned tie. He is smiling slightly and looking towards the camera. The background is a neutral, light-colored wall.

MARK HALPERN

WealthInsurance.com

"The world out there knows what insurance is, but they don't really understand what it does," says Mark Halpern, the founder and CEO of WealthInsurance.com. "They are used to it being a grudge purchase, like car insurance or house insurance. We have to change that mindset."

Alongside his brother and business partner, Phil, Halpern launched the new firm in December 2015, and the timing, he says, couldn't have been better. "It's been a perfect storm for us to launch. There's a new tax regime in Ottawa that is defining 'high net worth' as someone making over \$200,000; in Ontario, they are looking to take 53.5% of people's investment returns. So there is a real sensitivity by people to reduce tax in any way."

The issue of tax avoidance has dominated headlines for the past month since the release of the Panama Papers. Every business and individual wants to reduce their tax liability, and Halpern explains how there are perfectly legal ways to do so in Canada. "People go to a lot of trouble to send money offshore, but that could lead to problems down the road," he says. "They don't realize that there are ways to do things in a safe and legal way in Canada. We wanted to create an awareness that there are very few tax shelters left in Canada. Life insurance is one of the few legal tax shelters left."

Halpern hopes to target high-end clients, a demographic he believes is being underserved in terms of insurance opportunities. "We wanted to create a wealth brand," he says. "We focus on getting people equity returns, but for fixed-income risk. The people I deal with are not those who need insurance for the traditional purposes. They want to keep large sums tax-exempt, so they buy insurance. We have clients who are in their 60s who are getting a 12% to 13% return on their money. These products have cash values, so if the people really need it, they can access that money on a tax-free basis using leverage."

Aside from the day-to-day running of his growing firm, Halpern also writes regular blogs about the industry on his own personal site, as well as a monthly column on tax and insurance estate planning for the *Tax Letter* publication.



ROBERT LUFT

Luft Financial

A portfolio manager of his own team at HollisWealth, Robert Luft shows civic pride for his hometown through the Vancouver Wealth Management Institute, which he founded. As part of the group, he offers regular advice on money matters to the City of Vancouver, the City of Burnaby, the City of West Vancouver, ICBC and the Vancouver Police Department. A graduate of Royal Roads Military College and Simon Fraser University, Luft puts his CFP to good use, leading the Luft Financial team in providing discretionary portfolio management, estate, insurance, tax, cash flow and retirement advice to a growing list of West Coast clients.

JORDY CHILCOTT

Dynamic Funds

In an environment where yields are far from where investors want them to be, interest rates are difficult to predict with any degree of certainty, and continued volatility in the markets is causing plenty of grey hairs, Dynamic Funds is not standing still. In January it launched the Dynamic Premium Bond Private Pool, which CEO Jordy Chilcott described as a product for investors interested in a "well-tested options-writing strategy that adds a unique element of diversification." Soon after came another new product, the Smart Volatility mutual fund, which is designed to anticipate and rebalance during periods of market volatility and, as a result, improve overall portfolio performance. Chilcott, now nine years into his tenure at Dynamic Funds, clearly has his finger of the pulse of an often capricious industry.



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COVER STORY: HOT LIST 2016



DAVID CHAPMAN

Bullion Management Group

Ontario-based Bullion Management Group is notable in that it is the first precious metals bullion management company in Canada to become an associate member of the London Bullion Market Association – and therefore its pedigree was already well established when David Chapman joined the company in February as the firm's chief economist. With more than 40 years to his name as a manager and dealer in money markets, foreign exchanges and financial derivative portfolios, he will guide BMG's investment strategy in a country where gold has become a hot-button issue.

In a recent article for Mining.com, Chapman outlined why the Bank of Canada's decision to sell off its entire gold reserve (making it the only G7 nation without at least 100 tons of gold in its official reserves) may be misguided. While the central bank contends it is "diversifying its portfolio by selling physical commodities and instead investing in financial assets that are easily tradeable and have deep markets of buyers and sellers," Chapman argues that while diversification is always a good idea, the idea of having no gold whatsoever will likely have malign consequences in the future.

JOE OLIVER

Montreal Economic Institute

Joe Oliver hasn't shied away from the spotlight since the Tories' election loss last October. Most recently, he railed against supply management in an op-ed in the *Financial Post*, claiming that the system creates "protectionist intrusion in the marketplace." Such views are a basic tenet of the Montreal Economic Institute, which Oliver joined this March as a distinguished senior fellow. His appointment was considered part of the pro-market think tank's bid to move into national prominence. Oliver, a former MP for Eglington-Lawrence and investment banker with Merrill Lynch, Nesbitt Thomson and First Marathon, has also brought his expertise to independent investment bank Origin Merchant Partners, where he now sits as chairman of its advisory board, tasked with providing guidance on government legislation and policies that affect business.



DANIEL WALSH

BMO Life Assurance

Daniel Walsh first joined BMO Life Assurance in 2007 as vice president of business development for Quebec and the Atlantic provinces; he's now doing the same job, but at a national level. Walsh certainly has the credentials to support his promotion – a degree in actuarial science from Laval University, a CFA designation and membership in the Association de la planification fiscale et financière. The division he oversees is the result of BMO's acquisition of AIG's Canadian life insurance business in 2009; it has since become one of the industry's top dogs. Upon announcing Walsh's promotion, BMO Life Assurance president and CEO Peter McCarthy said Walsh's leadership would help ensure that BMO remains a leader in the sector.

PETER ANDERSON

CI Financial

It's been an eventful start to the year for Peter Anderson. After previous stints as chief investment officer and chief executive officer at CI Investments, and as executive vice president at its parent company, CI Financial, Anderson was selected in February for the CEO position at CI Financial. Replacing Stephen MacPhail, who will retire in June after a 22-year career at CI, Anderson will return to the firm after a four-year absence. In his new role, Anderson will be tasked with keeping the firm – which boasts CI Investments, Assante Wealth Management, Stonegate Private Counsel and First Asset Capital Corp. under its umbrella – at the top of the Canadian wealth management business.

SYLVAIN LEDUC

Bank of Canada

As the incoming deputy governor of the Bank of Canada, Sylvain Leduc is responsible for overseeing the central bank's analysis and activities in safeguarding a stable financial system. In its quarterly Monetary Policy Report in April, the Bank revealed it was keeping its overnight interest rate at 0.5% and increasing its growth forecasts to 1.7% for this year and 2.3% for next, signalling that slight optimism is called for after a dismal 2015. Montreal-born Leduc, who takes the post after serving as vice president of microeconomic and macroeconomic research at the Federal Reserve Bank of San Francisco, will now have the responsibility for making sure the BoC makes the right moves to keep Canada's economy on track moving forward.



BRUCE FLATT

Brookfield Asset Management

"Buy land; they aren't making any more of it." Mark Twain's famous advice is a principle that has made Brookfield Asset Management, under the direction of Bruce Flatt, the company it is today. In the past year, Brookfield has made high-profile acquisitions of Canary Wharf in London's financial district, the Center Parcs resort chain in the UK, as well as an ongoing bid to take over Australian rail, port and terminal operator Asciano. Such ambition saw the Motley Fool recommend Brookfield as a 'forever stock.' Flatt, who has been the firm's CEO for 14 years, built his reputation on property, and it continues to be a highly lucrative source of revenue today. In April, Brookfield announced that it had accrued US\$9 billion in commitments for a private real estate fund as it responds to investors' demand for more real assets.

SAÄD RAFI

Ontario Retirement Pension Plan

When the host of a major sporting event delivers the facilities on time and within budget, it's almost unheard of – so when Saäd Rafi, CEO of last summer's hugely successful Pan Am/Parapan Games in Toronto, was able to achieve that feat, it clearly marked him as someone who could get things done. It wasn't much of a surprise, then, when the Ontario government tapped Rafi in January to head the independent Ontario Retirement Pension Plan Administration Corporation. As such, he will be tasked with overseeing the province's new savings scheme. The hole in Canada's pension provisions is a dilemma that needs immediate remedy; addressing the problem in the nation's most populated province will be another huge task for Rafi.

CORA PETTIPAS

National Exempt Markets Association

Last month, when the CSA revealed its plan to introduce a new harmonized report for exempt distribution, CSA chair Louis Morisset commented that "the prospectus-exempt market has seen tremendous growth in recent years." As vice president of the National Exempt Markets Association, Cora Pettipas has witnessed that growth firsthand. In operation since 2011, NEMA seeks to work alongside regulators to help shape the exempt market and increase both its efficiency and integrity. Pettipas not only serves as editor of the industry trade title *Exempt Edge Magazine*, charting developments in the exempt market and private equity, she's also one of Canada's representatives on the editorial team of *Financial Planet* magazine, ensuring that she will remain at the forefront of exempt markets.



BILL MORNEAU

Government of Canada

When Bill Morneau was appointed Minister of Finance last November, the consensus seemed to be that his ties to Bay Street would be a useful tool for the government as it moved forward with its agenda. But it hasn't exactly been smooth sailing for the former head of HR giant Morneau Shepell – deficit projections, a collapsing loonie, and the oil & gas shock have kept him plenty busy since coming into office. Now the issue of the day appears to be taxation, as the Panama Papers controversy has left a sour taste in the mouths of voters. Morneau has pledged to increase efforts to clamp down on those evading tax payments; accordingly, the government recently increased the budget for tax inspectors at the Canada Revenue Agency.

COVER STORY: HOT LIST 2016



JOHN WILSON

Sprott Asset Management

Sprott Asset Management built its name on gold, but with consistent bear markets right up until this year, having all your eggs in that particular basket wasn't advisable. John Wilson came into the fold in 2012 to change the firm's investment strategy and focus on assets apart from precious metals. For Wilson, the move toward alternative investments has been a key development, especially over the past year, as fixed income and securities have failed to offer the returns they once did. As market volatility continues to make things difficult for investors, Wilson's guidance in shifting the firm toward alternatives looks like a wise move.



CHARYL GALPIN

BMO Nesbitt Burns

Canada's oldest bank also happens to be one of its most innovative – the Bank of Montreal became the first of the big five to start using robo-advisors in January with its SmartFolio system. Charyl Galpin, CEO of BMO Nesbitt Burns, has been clear on the merits of the shift, part of a concentrated effort to appeal to the tech-savvy but often time-poor millennial generation. Galpin first joined BMO in 1979 and has risen through the ranks within the institution ever since, taking the reins at Nesbitt Burns in 2014. Embracing the evolution of the industry has been key to her success, and leading the bank's investment arm has meant being one step ahead of those changes.

DAN DAVIAU

Canaccord Genuity Group

Things can change quickly in this business. Just ask Dan Daviau, who was celebrating his promotion to CEO of Canaccord Genuity last October. By February, his mood surely had darkened somewhat when it was revealed that the group had a quarterly loss of \$346 million – its worst result as a public company. As a result, dividends were cancelled for the quarter, and 125 people lost their jobs. Announcing the results, Daviau set a clear mandate for change: "The performance we're reporting today is not what we're accustomed to seeing for our industry or for our business," he said. "Our result does not reflect the vision we have for our company going forward." The considerable task before him now is to turn the firm's fortunes around and re-establish Canaccord Genuity as the leading independent mid-market investment bank and wealth management business.

TIM RAMZA

Manulife

Innovation is not just a buzzword to be applied whenever a company wants to talk up its plans for the future; rather, it is essential for survival, which is why Manulife made the decision last November to name Tim Ramza as its new chief innovation officer. A member of the group's executive team, his role will be to ensure that Manulife isn't left behind as he keeps an eye on disruptive trends in the industry. In his previous role as senior vice president of wealth management strategy and business development at John Hancock, Manulife's US arm, Ramza developed close ties with many start-up companies. He played a key role in Manulife's recent acquisition of San Francisco-based software provider Guide Financial, which uses behavioural finance data to assist financial advisors. Such innovation will be crucial for Manulife to maintain its status as a top global player moving forward.

BOBBY NING

Financial Literacy Counsel

As the founder of the BC-based Financial Literacy Counsel, Bobby Ning has strong feelings on the need for the general public to have a better grasp of finances. "We define financial literacy as having the knowledge, skills and confidence to make the right financial decisions," he says. "That's what we try to equip people with. Sometimes people don't want to think about their retirement because it's so far away; they're concerned with their today needs. So in our practice, we have to talk about both the future and today; it's a balance."

The Financial Literacy Counsel actually dates back to Ning's college days with his co-founder, Alphil Guilaran, at Simon Fraser University. "We started as a student club, the Financial Literacy Association – and this was before financial literacy became a buzzword," he says. "We saw there was a need there – people weren't educated about finance. As the business grew, we started to teach at private schools, at universities; we now teach employees at the health authority in British Columbia. Originally we wanted to focus on doctors, and we won a contract to give tax clinics to student doctors, and we continue to do so."

Ning's ethos of providing financial education alongside offering wealth, tax and estate management solutions for clients has served him well. "With our practice, we target professional people and business owners," he says. "The idea for our business came from the idea of having three generations in one room. We really believe that money is intergenerational. We noticed that people didn't understand how to manage money; they were spending it all and ending up in debt. Debt was a big issue back then, and it is even more so now. It is 'high debt worth' now rather than 'high net worth.'"

As the advisory world seems to be slowly moving away from the commission-based model that was its lifeblood for so long, its practitioners are in a clear transition period – this year more so than most. But Ning believes these changes will benefit all those concerned in the long run.

"We need to help customers understand what the fees they pay are actually for," he says. "CRM2 will be more work for advisors, but it will create stronger relationships with clients. We also need to increase the level of professionalism in the industry. The challenge is bringing out that level of professionalism that you see with accountants and lawyers – elevating everyone to a higher standard."



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JULIA CHUNG

JYC Financial

International Women's Day was particularly memorable for Julia Chung this year, as she marked the occasion by collaborating on an e-book, *Women & Money*. In it, Chung and co-authors Sandi Martin and Krysten Merriman call on their years of experience in financial planning to offer guidance to women on managing debt and creating wealth. Holding CFP, CLU and FEA designations, Chung is a fee-for-service financial planner with expertise in corporate, family and cross-border finance at the firm she founded, JYC Financial. Outside of JYC, the Vancouver resident manages to keep busy with Admin Slayer, the virtual business services company she co-founded, as well as acting as business editor for *Gazette and PowHerHouse* magazines.



JEAN-FRANÇOIS CHALIFOUX

SSQ Financial Group

Like many other firms, SSQ Financial built its name and reputation as a leader in the life insurance industry before expanding into wealth management. Having cleared \$10 billion in AUM some time ago, the company has its eye on expansion, and Jean-François Chalifoux will play a key role in that. Appointed last September to replace outgoing CEO René Hamel, Chalifoux has a wealth of experience in the wealth management industry, most recently with Desjardins Group. Pierre Genest, chairman of SSQ, heralded Chalifoux as a man with great expertise in the markets and an ability to drive innovation. As CEO, Chalifoux will seek to move the company forward in other key areas, principally its investment and real estate arms.

DOUG GUZMAN

Royal Bank of Canada

As group head of wealth management and insurance at Royal Bank of Canada, Doug Guzman is tasked with overseeing the institution's continued growth, both domestically and internationally. To achieve those goals, RBC obviously needs to stay ahead of the pack when it comes to using technology to enhance its business. The bank is clearly on the right track under Guzman's leadership, judging by its awards for Innovative Technology: Client Experience and Innovative Technology: Back Office Systems in the 2016 Euromoney Private Banking and Wealth Management Survey. Coming into the role in November last year after heading up RBC's global investment banking and capital markets divisions, Guzman continues to ensure that RBC's affluent and high-net-worth clients in Canada and abroad receive the best in financial services.

BETH HAMILTON-KEEN

CFA Institute

Beth Hamilton-Keen is chair of the board of governors for the CFA Institute, the global association for CFAs. Overseeing more than 135,000 members worldwide, stretching across 150 countries, is quite the responsibility – especially when you consider the economic climate and changing investment landscape the organization must adapt to. In her other role as director of investment counselling at Mawer Investment Management, Hamilton-Keen has frequently voiced her opinion that financial planning is in need of an overhaul to ensure that clients receive the right kind of advice. As such, she argues that moving away from the commission-based model is a step in the right direction toward creating better relationships between advisors and clients.

RANDY BROWN

Sun Life Financial

It's been a good year for Sun Life Financial and its Canadian business, and by appointing Randy Brown as chief investment officer in January, Sun Life hopes for more of the same as the company attempts further expansion on the world stage. Brown, who will oversee the investment operations of Sun Life in Canada and its general account, will be tasked with growing what has become a thriving business. Launched in 2014, Sun Life Investment Management now comprises the investment operations of Sun Life Assurance Company of Canada, Ryan Labs Asset Management, Prime Advisors, and Bentall Kennedy Group. The firm's base in Canada is among its biggest sources of revenue (\$14.6 billion in 2015), while AUM grew to \$153 billion, representing an 8% boost over 2014.

DAVID PYPER

Blair Franklin Capital Partners

While having the resources of a big bank at your disposal is nothing to sniff at, there's a lot to be said for going small and finding a niche. For advisory firm Blair Franklin Capital Partners, that highly lucrative niche happens to be M&As. According to managing partner David Pyper, the firm's major selling point is its independence.

"Probably our biggest presence is in financial services, and the reason for that is the fact that we're independent," he says. "We sold some mutual fund businesses in the last year, and when you're doing that, often the sellers want someone that isn't a potential buyer, so it rules out a lot of the banks."

One major deal was Corus Entertainment's \$2.65 billion acquisition of Shaw Media, completed on April 1. "That was one of the more high-profile M&As for us over the past year and was typical of what we do," Pyper says. "Shaw had some of the big banks advising them, but the board hired us to give a fairness opinion. Our big advantage is our independence. We have to know what we're doing and do really good work, of course, but we're generally hired when someone wants an independent voice."

While 2015 was far from a stellar year for the industry, and indeed the economy at large, the fact that Blair Franklin has carved out a niche for itself means work is never hard to come by. "In our world, we have done reasonably well the past number of years," Pyper says. "Our business has been pretty steady. We think there is a continued need for independent financial advisors, and we expect that to continue. The fact that independent brokers are weaker helps us also. It makes the banks stronger, so that increases the need for quality independent advisory firms."

Having made his way to Blair Franklin after holding key positions at ScotiaMcLeod, CIBC Wood Gundy and Scotia Capital, Pyper envisions a more challenging landscape for many advisors going forward.

"The big change in the advisory channel has been the demographic change as we move to an older society," he says. "Increasingly, more people are less about wealth accumulation and more about wealth consumption. There was a period of time when the wind was at the back of the advising industry, and there was really good growth in assets year-over-year. That allowed a lot of people to get into the industry and do really well. That demographic trend has shifted, and that means it's going to be more difficult and more competitive going forward."



COVER STORY: HOT LIST 2016



JASON PEREIRA

Woodgate Financial

Named one of *Wealth Professional's* Top 50 Advisors earlier this year, Jason Pereira is the go-to-guy for many in the media when they need an expert opinion about the financial industry. Considered by his colleagues as one of the sharpest minds in the business, Pereira has had a presence on Bay Street since 1997. After a decade in the industry, he founded Woodgate Financial Partners with partner James Collins, which later morphed into Woodgate Financial. The firm has built a pristine reputation as an advisory service for high-net-worth clients seeking financial, tax, estate and corporate wealth planning all under one roof. In 2015, Pereira's efforts earned him the 2015 Plan Plus Global Financial Planning Award for the Americas region.

MANNY DASILVA

Association of Canadian Compliance Professionals

With CRM2 set to take full effect this summer, it's sure to be a busy time for Manny DaSilva. As chair of the Association of Canadian Compliance Professionals [ACCP], he heads the organization during what is sure to be a formative year for the financial planning industry. Founded in 2000, the ACCP works closely with those involved in mutual funds and exempt markets to ensure they are complying with the proper regulations. Canada's regulatory system for securities has been criticized by some as being too fragmented – each province has its own body, so the role of the ACCP has proven crucial in making sure the proper rules and regulations are being followed across the country.

ERIC BUSHELL

Signature Global Asset Management

Eric Bushell was named Morningstar's Fund Manager of the Decade in 2010, and the years since have proved no less eventful. In his position as senior vice president of portfolio management and chief investment officer at Signature Global Asset Management, he leads a team responsible for managing more than \$50 billion in assets. That includes standouts like the \$7.8 billion Signature High Income Fund and the \$2 billion Signature Select Canadian Fund. The latter participated in the IPO of Ottawa-based e-commerce software maker Shopify in May 2015. This satisfied two goals for Bushell, who has stated his desire for the Signature group to find new Canadian enterprises with growth potential, in particular in the ever-growing e-commerce segment.

LOUIS MORISSET

Canadian Securities Administrators

After the global financial collapse of 2008, Canada's reputation on the international stage was enhanced. Its regulatory system, in particular, was held up as a major reason the economy here didn't quite plunge to the depths reached by many of its Western counterparts. For Louis Morisset, chairman of the Canadian Securities Administrators, it really is a case of not fixing what isn't broken. While the previous administration pushed for a federal Capital Markets Regulatory Authority, Morisset argues that the incumbent Liberals should consider how well the co-operative system for securities regulation has worked for Canada.

In his other guise as president and CEO of Quebec's Autorité des marchés financiers, Morisset recently made headlines as part of the agency's investigation into insider trading involving online gambling firm Amaya, and in particular its CEO David Baazov. Whether the AMF can actually get charges to stick remains to be seen, but its ability or failure to do so will undoubtedly send a strong signal regarding the regulatory proficiency of the current provincial-based system.



JIM VIRTUE

PPI Solutions

As president and CEO of PPI Solutions, Jim Virtue sees lots of change coming for consumers – in their own lives and in the world around them. As such, he feels that innovative insurance products are key to ensuring that their financial plans are agile enough to adapt. The Alberta resident has seen firsthand the need for clients to be flexible as job losses continue to hit the province hard. Virtue believes clients need the control (contractually guaranteed) and the means to be able to change their insurance policies based on their own timing and circumstances. Together with his team at PPI, he is optimistic that life insurance will have increasing importance as a vehicle to help Baby Boomers transition their businesses and address ever more complex estate planning needs.

ROSS PROKOPY

Raymond James

A captain in the Main Battle Tank and Armoured Reconnaissance unit of the Canadian Forces, a Canadian Peacekeeping Service Medal, a NATO Stabilization Force Medal – Ross Prokopy's resume stands out from the crowd, to say the least, and that's without mentioning his MBA from the Yale School of Management. Now managing director of energy at Raymond James' investment team in Calgary, Prokopy oversees the firm's efforts in an industry that has had its fair share of strife over the past year. That puts him under pressure, no doubt, but given his previous roles, it's clearly nothing he can't handle. Now that the oil & gas industry is slowly starting to emerge from the abyss, Prokopy will be standing on the front lines in the oilpatch, ensuring that his firm is well placed to capitalize on a recovery in the energy sector.

LYLE KONNER

Konner & Associates Financial Services

As the founder and president of Konner & Associates Financial Services, Lyle Konner has developed a stellar reputation for looking out for his clients' best interests and making sure they can navigate the stormy waters ahead. The fact that his firm has been in operation since 1978 seems to confirm that. Most recently, Konner helped break down the relevant items from the 2016 federal budget for clients on his blog, including a change that will no longer let business owners transfer personal insurance policies to their business and receive the proceeds on a tax-free basis.



FARAH MOHAMED

G(irls)20

As the founder and CEO of G(irls)20, Farah Mohammed has developed a reputation both in Canada and abroad as a trailblazer for women's rights in the corridors of power. She has conversed with world leaders and heads of industry, bringing the message of her organization to international power brokers each year at the G20 summit. At this year's summit in China, G(irls)20 will again be present to remind global leaders of their commitment to create 100 million new jobs for women by 2025. Originally from Uganda (her family took refuge in Canada after being expelled from the country in 1972 by Idi Amin), Mohammed has since become a shining example of the successful immigrant experience. She will oversee the launch of G(irls)20's Bootcamp for Brains and Girls on Boards programs this summer, which aim to increase female participation in leadership positions.

DAVID RAWLINGS

JPMorgan Chase Canada

In a bumper year for mergers and acquisitions, JPMorgan Chase Canada stood ahead of the rest. Its role as lead advisor to General Electric for the sale of its finance assets was a key factor in the bank's pole position. As CEO, David Rawlings oversaw \$124 billion worth of deals involving Canadian firms last year, and so far this year has closed Suncor Energy's drawn-out takeover of Canadian Oil Sands. (Things didn't go so well with Canadian Pacific's attempted acquisition of US rail operator Norfolk Southern – CP finally gave up the ghost on that deal in April after a prolonged takeover bid.) The resources of international finance giant JPMorgan Chase certainly proved decisive last year as investors looked to international markets for assets.

A unified approach to global investing

Heather Arnold and **Michael Hasenstab**, the two co-lead portfolio managers of the Templeton Global Balanced Fund, reveal the inner workings of their investment vehicle

WP: What is the investment strategy on the equities side of the fund?

Heather Arnold: We work as a collective to look all over the world for cheap stocks. If a stock is trading at a fraction of its future earnings and cash flow power, we define it as attractive. We have a patient approach, which can be difficult because the markets are emotional and often short-term in their view. We use our valuation discipline to take advantage of volatile swings. We try to buy stocks when they're trading at a fraction of their intrinsic value and sell when they've been revalued to reflect their value. We do things with a five-year view. As bottom-up investors, we know our companies well, we're excited by our holdings, and we understand how we're going to make money in the stocks. We observe all of the macro elements that everyone else does, but we then translate these forces at the company level.

WP: What makes this approach unique compared to other balanced funds?

HA: We offer an approach to global investing that is truly differentiated. We felt there was

a vacuum in the marketplace, and we wanted to offer investors and advisors a fund that was managed to deliver a rich yield but with less volatility than they would normally get from an equity perspective.

We're not trying to mirror the benchmark, which benefits investors over time, because benchmarks are dominated by the stocks that have performed best. We buy stocks with a low price risk to build a portfolio of tomorrow's winners, rather than today's best performers, which are often yesterday's winners.

WP: What do you look for when selecting investments?

HA: We find growth stocks that are under a cloud, either because of the industry they're in or the country in which they're domiciled. We've also invested in a number of exploration production companies that have fantastic long-term growth profiles but are currently obscured by the collapse in oil prices.

Increasingly, we've been finding interesting companies in China with great long-term growth prospects, but again, the market is under a cloud of economic uncertainty. There

are also opportunities in banks at the moment. Low interest rates and regulatory risks have left banks with low valuations, the likes of which we haven't seen since the Great Depression.

WP: What are the benefits of having two teams of global equity and fixed-income investment experts together?

HA: The fund is a bargain because you're getting these two very different managers' experience at a blended price of one. Investors get managers in very different ends of the market who have a similar process: value-based, research-intensive and disciplined.

It results in a unique global process, which has performed well and will continue to





provide excellent returns. Canadian investors should remember that diversifying globally, and not focusing on your own backyard, opens up a world of opportunities. In these volatile, uncertain times, investors may be looking to expand their horizons outside of Canada, but may be unsure how to do so. This is a great fund for these investors. With one purchase, they get instant diversification across global equity and fixed-income markets. They also get the peace of mind that comes with the expertise of two globally recognized investment leaders.

WP: What is the strategy on the fixed-income side?

Michael Hasenstab: The global bond segment

of the strategy seeks to provide the best risk-adjusted returns across global fixed-income markets by pursuing opportunities in local-currency markets, credit markets and across global currencies. The strategy is unconstrained, meaning it is not limited by the constraints of a benchmark and can allocate to any positions in the global markets that present the best risk-adjusted returns. We look for opportunities in currencies where near-term pricing may be dislocated from longer-term underlying fundamentals.

WP: How do you identify investment opportunities?

MH: We build in-depth profiles of each country, particularly focusing on macro-economic conditions, political risks, and monetary and fiscal policies. Part of this research includes travelling to countries and meeting with senior policymakers to get a full assessment of the economic conditions and policy commitments. We use these macro-economic profiles to determine the potential investment values in the local-currency and credit markets. Primarily, we focus on investments that will develop over a two- to three-year horizon, or perhaps a bit longer in some cases. Many of the opportunities in global markets take time to develop and may require weathering short-term volatility as the longer-term investment thesis manifests over time.

WP: What has been the fund's approach regarding interest rates?

MH: On the whole, we have continued to position our strategies for rising rates by maintaining low portfolio duration and aiming at a negative correlation with US Treasury returns. We have also continued to actively seek select exposures that can offer positive real yields without taking undue interest-rate risk, favouring countries that have solid underlying fundamentals and prudent fiscal, monetary and financial policies.

WP: Can you provide an example of how the asset mix shifted to either take advantage of opportunities or steer clear of risks?

MH: We have adjusted our allocations for

various cycles in the fixed-income and equity markets, notably during major market shifts, such as the ones that occurred after the financial crisis in 2008. We have changed the overall mix of equities and fixed-income securities for those shifts in economic and technical cycles, as well as adjusted the mix of duration, credit and currency exposures within the fixed-income allocation.

During periods of economic recovery and strength, we may tactically increase the equity and credit allocations and look for currency opportunities. During downturns, we may use tactical positioning in duration exposures to benefit from declining yields and accommodative monetary policies.

WP: Currency is a hot topic for Canadians – how has recent volatility impacted management of the fund?

MH: Overall, we remain encouraged by a vast set of fundamentally attractive longer-term valuations across the global currency markets. Currently, we favour currencies in countries where inflation is picking up and growth remains healthy, yet the local currency remains fundamentally undervalued. A strengthening economy in the United States, along with the onset of higher US interest rates, may increasingly magnify the fundamental differences between healthy and vulnerable economies, potentially leading to a protraction of the respective currencies' appreciating or depreciating trends.

We anticipate that countries with relatively stronger fundamentals, such as Mexico, will be in a better position to raise interest rates, thus protecting against a loss in yield differential. However, countries with relatively weaker fundamentals, such as Turkey and South Africa, are likely to be negatively impacted by interest-rate hikes. We added to some of our strongest convictions in emerging market currency exposures during the periods of heightened volatility as valuations became increasingly attractive on a fundamental basis. Looking ahead, we expect currency appreciation against the US dollar in a select set of fundamentally undervalued emerging market currencies, notably Mexico, Indonesia and Malaysia. **WP**

ADVISOR PROFILE

Emerging opportunities

As he approaches three decades in the advisory business, **Scott Totten**, CIBC Wood Gundy's first vice president, is clear about where the best investment opportunities lie in the years to come

WHILE THE Canadian economy is showing some signs of a resurgence heading into the summer months, for Scott Totten, the real returns will be found farther afield – in particular, in India. The subcontinent and its huge population are primed for growth; while the IMF cut its recent global predictions, it maintained its stance that India would increase its GDP by 7.5% this year and next.

As such, Totten will be keeping a close eye on developments in New Delhi and Mumbai.

"We have done well in the developed markets, but going forward, the emerging markets will be a lot more attractive, especially India," he says. "I was at the Excel Funds Emerging Markets Symposium in Toronto, and Mahesh Patil did a wonderful job of promoting India."

The benefit of experience

Now approaching four years at CIBC Wood Gundy after moving on from previous stints at Richardson Greenshields and BMO Nesbitt Burns, Totten is clearly quite satisfied with his current advisory role.

"I love it here at Wood Gundy," he says. "It's the best firm I've ever been with. I'm a portfolio manager and a first vice president, and there's a lot of responsibility that goes along with that. I do discretionary trading on behalf of our clients, and we buy independent outside research. I know a lot of people in our industry don't want to spend

much money, but we are very happy to do that to help our clients achieve their goals."

And who are these investors? "Our average client would probably be around age 60 and either retired or semi-retired," Totten says. "They tend to be more conservative investors. We look on clients as our best friends, but they have to be a nice person; otherwise, we don't want them."

With close to 30 years of experience in the industry, Totten's cautious approach to investing is something he has developed exactly because it produces results.

"We have always run a very conservative and defensive portfolio, so almost every year our clients end up making money," he says. "Last year was less positive, and it's not overly positive this year either, but over the past 10 years, our models have around 14% [growth] per year. These are customized portfolios and very exclusive. We can build our own strategy, and it's very exclusive and proprietary."

Looking abroad

As the loonie hovers around 80 cents to the US dollar and the Bank of Canada increases its growth forecast for the domestic economy, one could be forgiven for feeling slight optimism about the Great White North. Totten acknowledges that things do seem to be improving at home, but for those seeking investment opportunities with high rates of return, emerging markets are undeniably the way to go.

"In Canada, I like the names that have high and growing dividends – so financials and consumer product names that have tax-friendly dividends," he says. "But for the next few years, there's going to be a lot of coupon-clipping, and I don't see a lot of growth here."

Here, or indeed in most developed nations, the world's emerging economies are sure to receive much more focus from savvy investors. Totten details the reasons why Canada's growth simply can't match up

INDIA: LAND OF OPPORTUNITY

While the IMF gave a slightly downcast projection on global growth in its report in April, the one bright spot was India. While downgrading the likes of China and Canada, the organization maintained its 7.5% growth prediction for India in 2016. As such, the subcontinent has eclipsed China as the fastest-growing large economy in the world. This has not gone unnoticed by Scott Totten.

"I think it is one of the true bright lights out there," he says. "It has 1.2 billion people, a young demographic and, in Modi, a pro-business prime minister. I think there is going to be huge amount of potential there over the next two decades."



– basically, the country is already too rich to match the growth rates in China or India.

“I think the developed markets will struggle for the next few years,” he says. “I don’t want to be too hard on the US, Canada and Europe, but the demographics are so

old. We have everything we need here; every family has two cars, for example, so they’re not going to buy another car. Then you look at India – the market penetration there is very low. It may be more volatile, but with better overall returns.” **WP**

ROUTE TO WOOD GUNDY



1905

Wood Gundy is formed, specializing in municipal and provincial bonds



1984

Scott Totten graduates from the University of Western Ontario



1988

CIBC acquires Wood Gundy



2012

Scott Totten joins the firm after working at BMO Nesbitt Burns



2016

CIBC Wood Gundy boasts 1,000 investment advisors across Canada

PTFs

A game-changing trading platform

A recently launched product, the platform-traded fund, is offering Canadian advisors a lower-cost option in fee-based markets

AS FINANCIAL markets across the world continue their shift to toward a fee-based investing model, Invesco's new investment vehicle uses a fresh process to deliver expertise in the field. Platform-traded funds [PTFs] offer investors a lower-cost option, but retain all of the benefits of other actively managed fund products. Designed exclusively for fee-based investors who work with either discretionary or non-discretionary advisors, PTFs are ultimately mutual funds that include aspects of exchange-traded funds [ETFs].

"There's a strong trend towards fee-based investing across the world – in the US, UK, Europe and Australia," says Peter Intraligi, president of Invesco Canada. "It was with an

eye on those trends that we introduced the PTF. We addressed the challenge of creating a high-quality, actively managed fund while managing to bring costs down. We wanted to do something creative that would give added benefits to our clients."

How it works

The new offering transacts and settles in the same way as listed securities or ETFs. PTFs do not trade on the stock exchange; rather, advisors buy and sell orders on their firm's securities trading systems throughout the day. Advisors can order PTFs in the same easy way they would an ETF or a stock, using a PTF ticker symbol. All PTF trades must be made in whole



units, as with ETFs.

At the end of every trading day, Invesco will either deliver fund units or payment to the account of the advisor's firm. "Unlike mutual funds, there is no minimum investment requirement," Intraligi says. PTFs also offer bulk orders for multiple accounts, which allows advisors to take a position across all of their discretionary client accounts. The no-minimum requirement means each of an advisor's clients can benefit from the reduced management fee.

PTF orders are filled using end-of-day net asset value [NAV], eliminating the possibility of bid-ask spreads, which can significantly increase the costs for active traders. Advisors are able to trade at NAV regardless of volume. PTFs fall under the same regulatory guidelines as ETFs and

"We addressed the challenge of creating a high-quality, actively managed fund while managing to bring costs down. We wanted to do something creative that would give added benefits to our clients"

Peter Intraligi, Invesco Canada



“There’s no incremental risk associated with PTFs. They are simply an alternative, more efficient way of accessing our investment funds”

Peter Intraligi, Invesco Canada

mutual funds and, rather than a replacement for those two counterparts, the new product is meant to serve as an alternative for investors who want to cut costs and maximize gains. “PTFs are not a new product,” Intraligi says. “They’re simply another series of mutual funds. A PTF offers investors another way to access our mutual funds vehicle.”

Mutual funds still have an important role to play, Intraligi adds. He uses the analogy of somebody making their morning commute to work: “Whether you drive, walk or take the subway, the destination is always the same. It’s the same with PTFs – they’re a series of mutual funds, but with approximately 25% to 30% lower management fees. The destination may be the same,

but for investors, the investment vehicle has been improved.”

It’s the streamlined delivery of funds that allows PTFs to offer significant cost savings compared to other fee-based investment vehicles. In order to allow deals to be made without the need for FundSERV, Invesco invested heavily in the research and development of a system that allows IIROC-licensed investment dealers to buy and sell PTFs. As well as providing cost savings, this method allows advisors to make bulk orders instead of individual investor requests. Invesco’s custodian, RBC Investor Services Trust, will continue its role of carrying out the delivery of fund units and fund shares.

What’s available

Currently, Invesco’s PTF offering consists of 28 existing Invesco funds, and the company is planning to add to the selection on an ongoing basis. PTFs enable investors to access equity funds, balanced funds and fixed-income funds through one platform.

“We wanted to create a low-cost investment vehicle that achieved above-average returns,” Intraligi explains. “There are other low-cost investment options, but they offer mediocre returns. It’s like a kid who is striving to get a C grade. All those vehicles want to achieve is average performance. Because PTFs cut costs so much, it increases the probability of gains for the investor.”

Intraligi says he’s noticed a trepidation among advisors when a new product is launched, so he advises industry players to get properly informed about PTFs before making any judgments. “There’s no incremental risk associated with PTFs,” he says. “They are simply an alternative, more efficient way of accessing our investment funds.”

Offering reduced costs, easy trading and operating at NAV, PTFs provide high-quality active management at a price that has, before now, only been available to institutional investors. “There are many other PTF-like solutions in research across the world, but Canada is the furthest ahead,” Intraligi says. “Advisors should talk to their dealers and get involved – they and their clients will benefit.” **WFP**

EXEMPT MARKETS



OPENING THE DOORS TO EXEMPT MARKETS

Now that they have access to platforms once only available to high-net-worth and accredited individuals, retail investors in Ontario have a great opportunity to inject some much-needed diversity into their portfolios

A RECENT policy change has enabled investors in Ontario to enter the once exclusive private capital markets. The loosened restrictions give small and medium-sized companies greater access to capital while providing a multitude of attractive opportunities for both investors and advisors.

Before the new offering memorandum went into effect on January 13, investors had to either have \$1 million of net financial assets, earn a gross income of \$200,000 a year (\$300,000 with a spouse) or have a net worth of more than \$5 million to take advantage of private capital markets. Now, individual retail investors can invest up to \$100,000 a year (or \$200,000 with a spouse) into exempt markets.

“With this policy change, we’re seeing a

“We’re seeing a trend across Canada of advisors looking to diversify their practices and add value for their clients by becoming registered to offer exempt market investments to their clients”

Darvin Zurfluh, Pinnacle Wealth Brokers

trend across Canada of advisors looking to diversify their practices and add value for their clients by becoming registered to offer exempt market investments to their clients,” explains Darvin Zurfluh, founder of Pinnacle Wealth Brokers. “To supplement their business incomes, advisors from the mutual fund

and insurance industries are transitioning to exempt markets.”

The role of exempt markets

Exempt market dealers and their dealing representatives or private market specialists can now offer investments with higher rates



of return over the long term. But gaining an awareness of private capital markets is imperative for any investor or advisor unfamiliar with the workings of the market.

“In the public market, investors and advisors get transparency and liquidity, whereas in the exempt market, you get a different type of return because your capital needs to be patient,” Zurfluh says. “For example, one of our issuer partners in the exempt market, Weslease, is able to pay a target return of 12% per year to utilize your capital. Weslease will use your investment for at least two years before it can be redeemed. So, you’re getting a premium for the lack of liquidity in the private capital markets.”

Because small and mid-size businesses

are finding it increasingly difficult to secure financing due to the crash in oil prices, Zurfluh believes it’s an ideal time for investors to get into the exempt markets. “A company like Weslease provides financing and funding for small and mid-size organizations, which enables them to grow and expand,” he says. “At a time when it’s more difficult to get bank loans, the private capital markets are adding value to the Canadian economy because they’re a shoulder to the banking and financing industry.”

Keith Talbot, president and owner of Weslease, which specializes in equipment lease financing, has seen growing numbers of Canadian companies being forced to seek alternative sources of funding. “There are more opportunities in the leasing space than

public markets. “Right now, about 70 cents of every dollar our clients invest is placed into a private capital market investment that is income-producing,” Zurfluh says. “At Pinnacle, we have approved a wide array of investments – some that are long-term buy-and-hold strategies, and others that put money into investors’ bank accounts immediately. Canadian investors have an appetite for income investment products that generate consistent cash flow.”

Having access to a platform that supports a mix of public and private investments is of great benefit to exempt market dealers and their clients, Zurfluh adds. “Our type of platform allows people to either increase or decrease their exposure into the private markets,” he says. “Organizations like the

“Right now, about 70 cents of every dollar our clients invest is placed into a private capital market investment that is income-producing”

Darvin Zurfluh, Pinnacle Wealth Brokers

ever before, because expanding companies need equipment,” he says. “Unlike the banks, we’re not as restricted in who we can and cannot lend to. That allows us to consider more opportunities.”

Unlike banks, which examine all aspects of an organization’s finances before financing equipment purchases, private leasing companies investigate how the new equipment fits the growth model of the organization. “Banks continue to pull back,” Talbot says, “but if you want to grow, you need more equipment. You know the equipment leasing space is growing when major leasing companies get involved.”

The benefits for investors

Stung by the two major market corrections of 2001 and 2009, investors have a reduced comfort level with the volatility of the

Ontario Teachers’ Pension Plan Board, Canada Pension Plan, Yale and Harvard have between 30% and 60% diversified into private investments, depending on the mandate of their fund. At Pinnacle, it’s about having the ability to create portfolios that are specific to individual requirements.”

Leaders in the exempt markets are seeing mutual fund representatives relinquish their licences in order to become registered in the private capital markets. In the lead-up to the implementation of CRM2, Pinnacle is receiving regular calls from advisors who are looking for ways to add more value for their clients. “Getting involved in the private capital markets is a way for advisors to give their clients that added value,” Zurfluh says. “It’s prudent for advisors in mutual funds or insurance to set themselves apart by getting registered in the private capital markets.” **WFP**

The key to creating shareable social media videos

Your social media video doesn't have to include babies, celebrities or dancing in order to become immensely popular, according to **Marcus Seeger**. Read on to find out how to lift your social media presence to greater heights



IT IS CLEAR that social media has grown rapidly over the last decade, and more recently, there has been a significant growth in social media video. YouTube is the leading social media video platform, but now Facebook has stepped up to compete, along with others such as Vine and Instagram.

Social media videos are typically shared across a single platform, but recent statistics from YouTube, revealing that 700 YouTube video links are shared on Twitter every minute, and that 500 years of YouTube videos are watched on Facebook every day, demonstrate the increasingly highly shareable nature of social media video across different platforms.

There are many reasons why someone will elect to hit 'share,' rather than simply like or comment on the video. They might want to be the first to share and be seen as having their 'finger on the pulse,' or perhaps gain kudos by association, or maybe sharing is coming from an altruistic perspective.

Almost half of video shares occur in the first three days after the video is posted, so it's critical to promote newly published videos as much as possible in those all-important early days. As Seth Godin says, you need to get early adopters actively

campaigning on your behalf to get the ball rolling.

When planning your content, it is extremely useful to look at audience profiling and determine what elements are most likely to result in the video being shared. What are your audience's preferences – do they like funny, cute, funky or inspiring? Much also depends on whom your audience is sharing the video with. Who are their friends, and who is in their network? What interests and passions do they share? Can you somehow tap into the zeitgeist?

One element popular videos have in common is that they hit emotions very hard. It's not enough for a funny video to make you smile – you need to be laughing loudly before you even think about sharing it.

Think about the videos you personally share on social media, and ask yourself why you shared them. This will help you gain insight into your own experiences, and that knowledge can help you identify triggers in others.

Here are five key strategies for creating popular shareable social media videos.

1 Educate your audience

The 'how-to' genre is often overlooked, but it offers significant opportunities to create popular shareable content. Typical how-to videos are not particularly complex to create and can offer a solid ROI, particularly if you focus on a topic that is in high demand. The popular 'life hack' sub-genre is a good example of a successful how-to niche.

A proven approach is to share significant insight and provide truly valuable content, as this is more likely to be shared. If you're concerned about protecting what you know, you must move on from this mindset and share some of your most valuable content if you are looking to create the type of video that will be popular.

By sharing your insider knowledge or 'secret sauce,' you have a good chance of standing out from the crowd.

2 Go for entertainment value

Video that entertains will, in most markets, have a higher chance of being

shared. Can you think of a funny angle on your industry, or perhaps a clever parody or spoof that can be turned into a video? While these types of videos will have more of a

Typical how-to videos are not particularly complex to create and can offer a solid ROI, particularly if you focus on a topic that is in high demand

hit-or-miss success rate, if they work, then they typically do very well.

But be prepared for an epic fail if it all turns pear-shaped – can your business (and your ego) handle this?

3 Engage with a story

Storytelling is so incredibly powerful because it's built into our DNA. If you go back hundreds of thousands of years to early mankind, we used to communicate knowledge through storytelling. Today's digital campfire hasn't really changed all that much, and videos that have strong narratives are predisposed to being shared with friends, peers and beyond.

Is there an element of your business or product that has a strong story behind it that would engage your audience enough to make them 'tell the world'?

Keep in mind that the key to a good story is to be authentic. Certainly don't pretend that the story is something that it's not, because online audiences are very media-savvy and will notice right away if your story is a fake.

And remember to make your story entertaining. It is a wonderful opportunity to put some thought into your script. Make it the best that it can be. Your audience will appreciate it, and you will benefit from the results.

4 Become crystal clear on outcomes

Don't be daunted when you see videos with millions of views or thousands of shares; instead, be inspired. You must have courage, because until you publish your video, you will not know how it will be received.

It's important to set goals and determine how to measure ROI. You will need to set your own standards to measure the success of your video. For a small business startup, just 100 shares might well offer unmeasurable business opportunities if the right people watch the video. What does success look like for your video?

5 Be remarkable

A video that stands out by going against the grain of audience expectations is often a recipe for success. The 2014 #likeagirl campaign from Always is a good example of developing a theme in a direction that is not immediately predictable. It also picks up on strategies 2, 3 and 4 outlined above. (Watch it at youtu.be/XjQBJWYDTs.)

If you want people to share your video, it needs to be unique in some way. The 'same old, same old' content quickly gets stale and simply will not be shared.

Creating shareable social videos is perhaps more challenging today, as there is simply an avalanche of content, and audiences don't have the time to consume even a fraction of it. We are experiencing 'content shock,' which is why Facebook filters out the majority of possible content and serves only what is most likely to be of interest to us.

Your challenge is to create original, authentic, entertaining videos that inspire your audience to hit that magical 'share' button. It's a challenge worth aspiring to, as the benefits of a popular social media video that is highly shareable can be extremely profitable. **WP**

Marcus Seeger is the number-one Amazon bestselling author of *Video Marketing for Profit: 14 Proven Strategies for Accelerated Business Growth*. Seeger is managing director of the video marketing and production agency Video Experts.



FEEDBACK

Feedback is broken

Providing feedback is vital to improving performance, yet many people receive it – and deliver it – poorly. **Georgia Murch** explains how to create a culture of feedback that is beneficial to the employee and the company as a whole

MOST ORGANIZATIONS and individuals understand the value and power of giving and receiving feedback. We are aware it builds trust and respect between our employees, customers and stakeholders. We know that great conversations lead to better outcomes and therefore productivity and profit. So we send our people to a training program in the hope they will come back a changed person. Yet we find that our people – and, if we are honest, ourselves – still avoid feedback or handle it poorly.

The history of feedback

The concept of ‘performance management’ was introduced about 60 years ago as a means to determine the wages of an employee based on their performance. It was used to drive behaviours to generate specific outcomes. When employees were solely driven by financial rewards, this tended to work well.

In the late 1980s, not all employees felt rewarded, nor motivated by financial gain alone; many were driven by learning and the development of their skills. From here, performance management started moving into more frequent monitoring and reviews with a focus on regular feedback outside the formal review process.

As organizations put more regular conversations into the mix, there was a notable improvement in productivity and employee engagement when the conversations were handled well. In fact, the Corporate Leadership Council tells us that when informal feedback is delivered well, it can improve productivity by nearly 40%. Now that’s pretty compelling.

We are now seeing an emerging trend

in high-performing organizations where all employees, not just the leaders, are being taught how to give great feedback and also how to receive feedback with equal candour and grace. Organizations that do this are in their ‘feedback flow.’

But there are far too few that are gaining this as their competitive edge. Many are still running training programs in isolation in the hope that it will develop their people and create a new organization, which is as likely as going to the gym once and expecting a body transformation. When done well, it is a start – and a good one – but a start alone nevertheless. Nelson Jackson was onto it when he said, “I do not believe you can do today’s job with yesterday’s methods and be in business tomorrow.”

So, why aren’t all organizations focusing on improving the feedback skills of their people? In a challenging economy, it’s getting harder to justify training without proving the value, both to the individual and the organ-

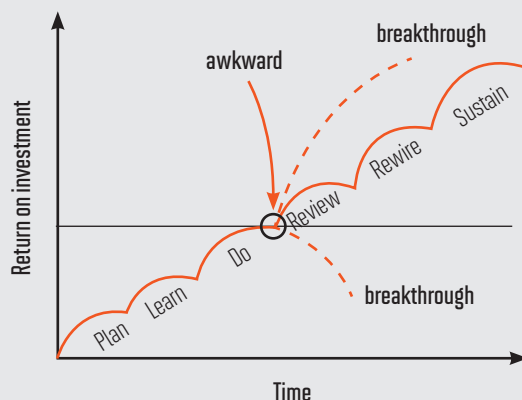
ization. This is not as difficult as you might think, but it does require planning upfront to understand what you want to improve and how to measure it.

Another challenge can be getting traction after the training. It can be difficult to keep the momentum up when people are either not motivated or not supported to embed what they have learned. Unless we make people accountable to implement what they have learned, it is likely to be forgotten. We also need to make it inspiring to do so. We want people to know they are gaining time, not wasting it, by focusing on improving.

Training alone is not enough to drive change

We need to get comfortable with pushing through the awkwardness of changing habits and processes to move to a breakthrough in the capability of people and to create improved cultures. Otherwise we have a breakdown and go back to old styles, which

STEPS TO CREATING A SUSTAINABLE CULTURE





often don't serve us or the business. Many of my clients tell me that they understand the need to push through the awkwardness, but they are not quite sure how to do this. If we want the change to be sustainable and improve over time, then we should consider all the elements to creating a remarkable feedback culture. The following is a high-level guide that takes all of those elements into account.

STEP 1 Plan

This phase is about setting the foundations for a successful rollout. What are the objectives? How do we know the program will address what we need? How can this be measured? Consider qualitative and quantitative measurements. What is the communication strategy? Who are the key stakeholders? Consider pilot programs to test the design.

STEP 2 Learn

For the training component to be successful, you need more than just great design. Hire remarkable facilitators and trainers. Make sure they suit your culture. Consider what methods outside the workshop you have to embed such as coaching, mentoring, online tools, etc. Make the learning highly engaging and heavily pragmatic.

STEP 3 Do

It's make or break time. Set up systems and processes where people are accountable to deliver on what they have learned. In my space, it is about having the tough conversations. Create lots of space, in and out of the initial training, for practice. Create the right conditions, and this will help people move from awkward to an outcome. If we don't, then the return on investment is lost.

STEP 4 Review

Too many times, we implement without measurement. Based on the foundations we set in the planning phase, we should consistently measure progress. Then report back to engage people and the business. We also set up 'remembering rhymes' so people are able to easily recall what they learned and put this into place.

STEP 5 Rewire

We need to understand what's working and what's not and then tweak the implementation and change direction if required. There is no point pushing something that is not at its optimum. In particular, we can do an 'appreciate inquiry' to understand what's working well and amplify it across the business.

STEP 6 Sustain

We shouldn't make the mistake of thinking we've made it and then drop all of our good work. While sustaining suggests a holding pattern, it still requires careful planning to keep people motivated and supported to be the change they seek.

If we really want to create cultures of feedback, we need to put in place a program to embed the learning. Too often I see organizations miss this opportunity to improve their return on investment, on the dollars spent and time allocated, after the initial training – then wonder why people are not being the change they are looking for.

Changing habits does not happen overnight. It is a planned and considered approach. And it's not as complicated as we think. When we get clever about how to embed the learning, the change then becomes effortless and the culture is able to self-sustain. **WP**

Georgia Murch is an expert in teaching individuals how to have tough conversations and create feedback cultures in organizations. She is the author of Fixing Feedback and a highly engaging speaker. Visit www.georgiamurch.com or email georgia@georgiamurch.com.



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FOOTBALL TO FINANCE

Former football player **Dennis Mitchell** has been on an upward trajectory ever since he landed in the financial industry



2015
MOVES TO
SPROTT

Last year, Mitchell joined Sprott Asset Management as a senior vice president and senior portfolio manager to continue to drive the firm's evolution

"I enjoy the business-building aspects of investment management almost as much as I enjoy managing money. The ex-football player in me loves building high-performing teams and going into battle with teammates. At Sprott, I've been given the opportunity to build exactly what I want, how I want, with whom I want. Once I've done that, we'll see about the Bahamas!"

Mitchell landed an associate position in a rotational program at RBC called the Graduate Leadership Program, where he spent time in banking, insurance, asset management and equity research

"My goal was to stay in asset management, [but] it didn't happen; I wasn't ready. But I was getting closer to my ultimate goal"

2003
MOVES THE BALL
DOWN THE FIELD



1999
HAS A REAWAKENING

After reading *Buffettology*, a tell-all about Warren Buffett's investment methods, Mitchell discovered his new passion in life

"I had lacked purpose ever since a knee injury ended my football career. *Buffettology* opened my eyes to the world of investment management and gave my life purpose and direction. That book changed my life"

Dennis Mitchell chose Laurier because it offered entrance to the business school during the first year and had a great co-op program. It also didn't hurt that it was close to home and had a nationally ranked football team

"Laurier was awesome – a small school in the quintessential university town. I made lifelong friends there and learned some valuable lessons about myself"

1994
STUDIES
BUSINESS AT
WILFRID LAURIER
UNIVERSITY

2005
LANDS A RESEARCH
ANALYST POSITION

Six years after changing course, Mitchell finally landed his first 'buy-side' role as a research analyst at Sentry Investments, covering Canadian real estate and infrastructure equities

"My team and I built strong real estate, infrastructure and global equity franchises and raised billions of dollars of capital. My team understood that you had to deliver in all areas of investment management – performance, asset-gathering and relationships – in order to build a quality franchise"



2002
UPENDS HIS LIFE

Mitchell decided to quit his 'dream job' at Scotiabank to pursue his newfound passion, launching his life into a bit of a whirlwind

"I got married to a woman with two kids, bought a house and two cars, and quit my job – then we got pregnant. I did my MBA at York University and studied for my CFA ... simultaneously. No pressure, no diamonds"



1998
JOINS SCOTIABANK AS
A PERSONAL BANKING
OFFICER



After graduating, Mitchell realized a lifelong dream when he landed an entry-level position at Canada's most international bank

"I had wanted to work at a bank ever since they started publishing bank CEO salaries in the paper. I figured I would manage a bank branch in the Bahamas before coming back and taking over the whole bank! The experience serving clients on the front line built important soft skills that I still use to this day"



FINDING ZEN

Steve Hawkins discovered a welcome respite from Bay Street off the coast of Newfoundland

THERE'S NO express lane at the grocery store in Twillingate, a small island town off the northeast coast of Newfoundland, making it the perfect escape from the hustle and bustle of Bay Street for Steve Hawkins, co-CEO of Horizons ETFs Management.

"It's the type of place where everyone knows everyone, and a trip to the grocery store for a single item could take over an hour with everyone you run into," Hawkins says.

The end of July has become his family's favourite time of year to travel to Twillingate. Along with spotting icebergs and whales, they enjoy the local hospitality during one of

Newfoundland's largest and longest-running folk festivals – the Fish, Fun and Folk Festival.

"Being on the ocean with your loved ones has a wonderful calming effect that you just don't ever get in Toronto's concrete jungle," Hawkins says.

While his Blackberry is never totally silent, Hawkins says travelling to Newfoundland ultimately helps him be a better leader. "In pursuing a strong work-life balance, I've had to learn to be a better delegator, something that does not come easily to me," he says. "To be a good company leader, you have to focus on the bigger picture and trust your people with the little details."

40

Weight, in pounds, of the largest fish Hawkins has caught on Twillingate

18

Weight, in ounces, of Hawkins' Norwegian stainless steel cod jig

170

Number of years the Hawkins family has resided on Twillingate

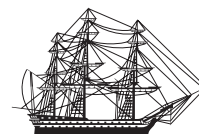


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