ISABEL OLIVEIRA WEALTH MANAGEMENT | RAYMOND JAMES®

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"OUR PRODUCT IS STEEL. OUR STRENGTH IS PEOPLE." Dofasco

Too often, we under appreciate the economic and social impact of some of our best corporate citizens. So perhaps it would be timely to give some recognition and moral support to a firm that has been dominant in the healthy growth of our community for over a hundred years.

I was having a phone conversation with a retired colleague in Vancouver just before the New Year, and I asked him how familiar he was with the Hamilton area, and he answered, "Well I can tell you about the infamy of the Hamilton Tiger Cats and I do know Dofasco's corporate slogan, "Our product is steel. Our strength is people. I have liked that slogan for years, in fact, a lot more than I ever liked Angelo Mosca or the Ti-Cats."

He was an old BC Lions fan and still hadn't forgiven Angelo Mosca for taking BC's Willy Fleming out of the 1963 Grey Cup final between the Ti-Cats and the BC Lions. As is only right from a Hamilton perspective, the Ti-Cats won, but apparently some hard feelings are still smouldering with some aged fans on the other side of the Rocky Mountains.

However, it is very interesting that a corporate slogan, which most of us simply accept as part of our local culture, acts as such a symbol of Hamilton and its industrial history throughout the country. The slogan was originally given birth to by the Hamilton-based firm Kelly Advertising. It is a bit of an overused term, but Kelly Advertising, also a long time company resident of Hamilton, essentially hit a home run when they developed this terminology back in the early 1970s.

The statement provides a clear corporate image and also reflects a corporate culture and attitude that has been recognized both nationally and internationally. Dofasco has been repeatedly named as one of Canada's top 100 employers by Maclean's magazine, most recently in 2015. Dofasco is the only steelmaker to receive this honour. Not bad for a company that has been around since 1912 in a rough tough competitive industry.

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"OUR PRODUCT IS STEEL. OUR STRENGTH IS PEOPLE." Dofasco continued

Over that 100 years or more, Dofasco has provided the fundamental income for many generations of Hamiltonian families and has helped to fund the secure retirement of numerous generations of employees. This is not a field in which too many long standing modern corporations can earn the same level of well-deserved accolades.

Despite increasing competition from offshore, particularly China with their state owned and theoretically non-profit government-owned companies, Dofasco has been able to consistently compete in an increasingly challenging market.

A large part of their success has been their attitude towards the future. They have shown a willingness to invest into research and new technology which has allowed the company to enhance their processes and upgrade their products. Over the last few years, keeping up with the times and competition has required a financial input of over $250 million dollars. With an estimated 40% of their production going to the auto industry, and that industry demanding stronger and lighter steel products, evolving technology has to be a primary concern in all production.

Fortunately, Dofasco has shown a commitment to meet the evolving technology challenges that virtually all modern companies must face to stay competitive and in existence. Without this corporate foresight, the world of technology will soon leave you looking for a phone booth with your Polaroid camera in hand and no pocket change.

Does this mean Dofasco will be around for at least another 100 years providing both meaningful careers and solid retirement foundations for the individuals who have made Dofasco their life work? I am sure all Hamiltonians would welcome this scenario. After all, their product may be steel but their strength is their people. Tough just like "King Kong Mosca."

A LITTLE PERSONAL SATISFACTION

There is no greater feeling of satisfaction than knowing that you have made the right decision.

As many of you are aware, I started out in this business as an administrative assistant in Toronto working for six stockbrokers at a time when there were no computers but paper trades. As I worked my way up the corporate ladder (taking 15 years to do so) and taking all the necessary courses and certifications, I had an entrepreneurial spirit. Once I reached certain goals I set new goals in my path. My latest goal was to have my own wealth management branch in my hometown of Hamilton.

After working in the Burlington branch for three years, I decided that my office situation did not meet my goal and therefore I started to look for an office in Hamilton. There was always an issue with parking which was compounded by a long set of stairs up to the office. Both concerns were an unnecessary challenge for most clients and a real hardship for many of my elderly clients. An elevator and private parking would have helped, but both were outside my ability to influence.

Today it is a pleasure to survey what we have accomplished with our new location. Our parking is not only available, but dedicated to our clients. There's now only a small handful of stairs required to reach our bright and spacious offices, and any noises we hear is a result of the activity generated by the rebirth of an up and coming neighbourhood – some might even call the area trendy.

I personally am very proud of our new offices and am particularly appreciative of the monumental efforts of our family, friends and clients.

We would welcome you to come and visit this new location and to share with us the enjoyment of a very satisfying accomplishment. Not bad for a girl who grew up in northeast Hamilton.

As a reminder, our contact information is:

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FINDING STRENGTH IN RETIREMENT

Without question, if you spend a lifetime working to support your family and to giving any off springs a sound base to get their lives off on the right track, you deserve a comfortable and secure retirement.

If you have always had your "nose down and butt up" like so many people during their working lives, you may not have had the time to seek out the most in depth financial guidance. This is very common circumstance among hard working people whether they be factory workers or business owners. Hopefully we want to retire only once and generally have no desire to be drawn back into the work force unless the choice is ours. So as one time retirees, we need to have confidence in our financial retirement decisions.

Those decisions should be based on four factors:

- Understanding what you have and how to generate the most benefit from those resources
- Understanding what you need to do to provide and secure a lifetime income to your family
- Understanding all your options and the risks involved
- Understanding the quality of advice you receive on your retirement income

1. Understanding what you have:

   Before you actually set the date for your retirement, it is really necessary to get a good overview of the resources you will rely on to give you that comfortable lifestyle that retirement should represent. This also requires some forward thinking because circumstances have a way of changing. For example, children may return home while they develop their own resources, parents sometimes require support or you may find the family home is just too big for your new lifestyle. These are all potential considerations that may tax your resources. Therefore planning is imperative.

2. Understanding what you need:

   Developing a clear vision of your future needs is essential to making any kind of workable course of action. It is essential to start defining exactly how you envision your retirement. The first priority always has to be your income stream and what that income stream can support. If your plan is to play golf every day or purchase a retirement property in a warmer climate, this will deplete your assets in 10 years, there has to be a plan B. You can influence that income stream, but again this requires more planning and better knowledge.

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FINDING STRENGTH IN RETIREMENT continued

3. Understanding your options and the risks involved:

   Retirement income does not need to be static. However, increased income will generally mean structuring yourself in a more risk tolerant environment. For instance, investing in mutual funds will generally give you a better return than an annuity. However, there can be more variability in a mutual fund portfolio. A skilled adviser can develop a portfolio that moderates this impact. They can also structure a portfolio that is a combination of set returns and variable returns. Often this will utilize the consistency of an annuity with the upward potential of an investment portfolio. In all cases, a qualified financial adviser can assist you.

4. Understanding the quality of the advice you receive on your retirement income:

   Much of the advice that you may act on for retirement is irreversible. Consequently, you must be fully confident in the individual who is offering you investment advice and financial structuring. Is that person still going to be active in assisting you 20 years from now? Will they be readily available when circumstances change or will you be referred to an 800 number for the next available consultant? Do they have the appropriate qualifications – both investing and insurance?

   Personal relationships and knowledge are very important in the financial field, so you want to get it right the first time. Never be afraid to ask someone for a referral and always ask why that person. Someone’s sister in law or a daughter just getting started in the business, may not be the best choice. Ask the adviser for some references. After all this is your business and your retirement.

Retirement is meant to be a time with a little less stress, so do your homework long before that time comes about. With retirement well-being, procrastination will cost you money.

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CURRENT MARKET OBSERVATIONS

The world has entered a period of greater political uncertainty. The impact on global economic growth and business performance, however, has been mixed so far. The U.S. economy will likely see a modest upside from stronger business confidence and possibly some tax relief later in 2017, but this is not the only possible scenario in the outlook. Europe and Japan are also experiencing, somewhat surprisingly, stronger internal growth changes.

The Global Economic Outlook projects a 2.9 percent global growth for 2017– which is higher from earlier projections. For the medium term, there are no signs yet that policy changes will raise the trend for the next five or ten years. While business needs to stay focused on strengthening qualitative growth factors, such as technology, innovation, and skills, possible disruptive forces from trade and immigration policies create substantial downside risk around the medium-term growth outlook.

United States. The U.S. economic outlook is healthy according to the key economic indicators. The most critical indicator is gross domestic product (GDP) which measures the nation's production output. The GDP rate is expected to remain between the 2 percent to 3 percent which is considered ideal. The unemployment rate is expected to drop to 4.5 percent in 2017 and beyond. That's better than the 4.7 percent rate in 2016, and the Fed's 6.7 percent target. But Federal Reserve Chair Janet Yellen has commented that a lot of workers are part-time and would prefer full-time work.

The Federal Reserve raised interest rates to .50 percent in December 2015 and again in December 2016 to 0.75 percent. It expects to raise the rate to 1.5 percent in 2017, 2 percent in 2018 and 3 percent in 2019.

US Manufacturing data indicates a 3 percent growth rate in 2017 is a strong possibility

Canada. Canada’s economy unexpectedly stalled in February as manufacturing and production in other goods producing sectors shrank during the month. The real estate sector, which expanded 0.5 per cent, had its best one-month gain since 2015 as housing in Toronto soared. Canada’s housing sector, particularly in Toronto, has become both the main driver of growth and one of the biggest sources of uncertainty amid concern the gains aren’t sustainable.

After averaging 0.5 per cent growth in the three months to January, the Canadian economy took a breather in February. While this might worry some, the prior pace was unsustainable and some reimbursement is reasonable. Indeed, with GDP up 2.5 per cent year over year, the best in two years, the economy remains headed in the right direction. The key issues that can derail the momentum growth is our trade issues with the US which are uncertain at this point and/or the mortgage market.

- **Emerging Markets.** Emerging-market stocks advanced in the first three months of 2017, with the MSCI Emerging Markets Index up 11.4%, recording the strongest first-quarter performance since 2012. Firm economic data in Asia and diminished concerns over potential US trade policy helped lift emerging-market equities.

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CURRENT MARKET OBSERVATIONS continued

Emerging-market currencies generally gained against the US dollar over the quarter, as declining confidence in the ability of the US government to stimulate growth or impose trade sanctions led investors to adopt a weaker view on the US dollar. Even in regions that are still going through adjustment and rebalancing, we are seeing improved visibility and increasing signs of healthy underlying economic conditions such as low debt, stabilizing commodity markets, reduced currency volatility and improving consumer confidence.

- **Commodities.** Oil prices were in a consolidation mode over the past couple of days as the market and the traders continue to search for direction in the lack of any essential news that would drive the prices one way or the other. The increase in production is tending to push the prices down while the hope that the production cut deal would last for the year is helping to hold up the oil prices.

  Over the weekend there was the news of further missile testing by North Korea which seemed to infuriate Trump even more. Already, he had been railing against North Korea but this time, it seemed to have little effect on the gold prices as this increase in risk failed to get in new buyers for gold.

Overall, the global economic growth trend remains positive. As such, I am positioning accounts towards an equity bias. While I still believe that fixed income (bonds) are necessary in accounts to protect accounts against volatility and any downside pressures that may arise. As stronger growth also leads to higher inflation and interest rates, I have been reducing holdings in bonds and bond-like equities such as real estate investment trusts and telecommunications stocks as a result. As I review accounts daily I will be in touch if any rebalancing is warranted.

If you have any questions regarding your accounts or my thoughts on the current economic markets please do not hesitate to contact me.