



Supporting Financial Wellness In Volatile Times



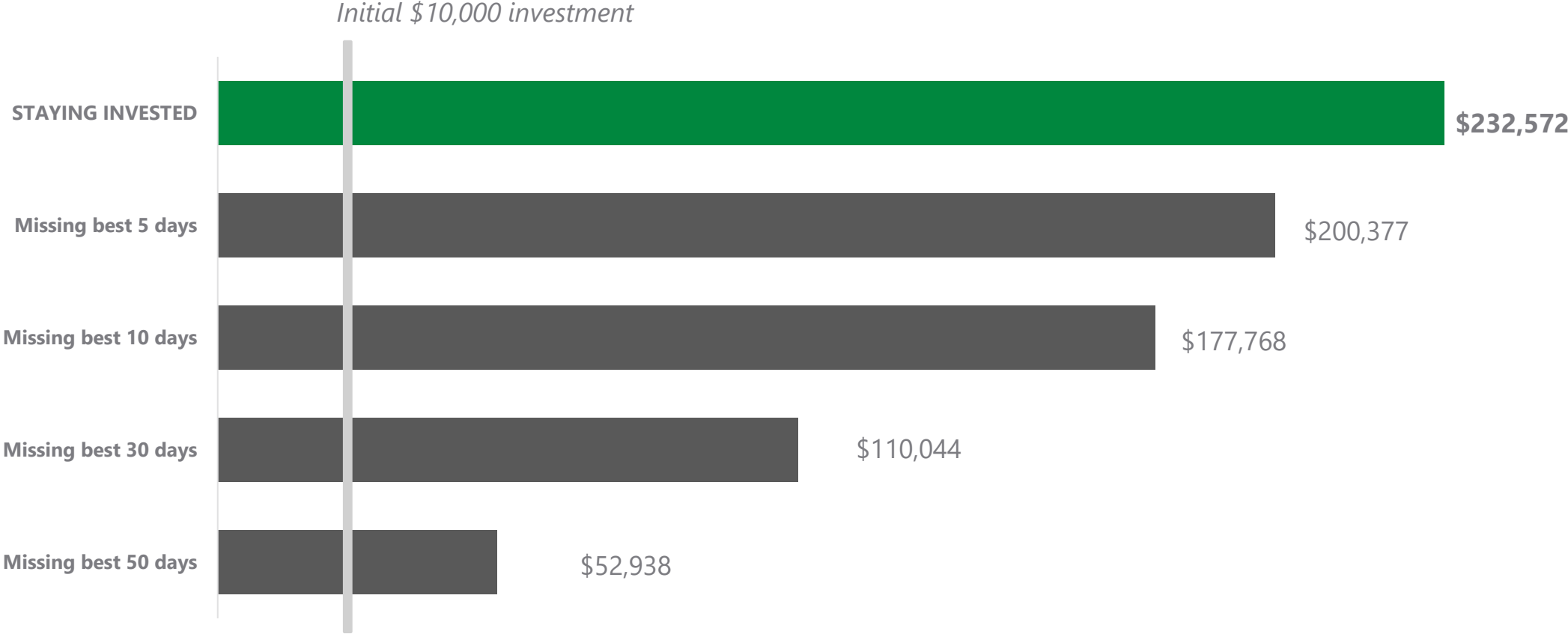
Market crisis and subsequent returns

Crisis	Market Low	Related Market Decline	Months to Recover	1 Year Later	2 Years Later
The Korean War	13-Jul-50	-14.0%	2	31.7%	49.7%
Cuban Missile Crisis	23-Oct-62	-26.4%	10	36.5%	59.2%
JFK Assassination	22-Nov-63	-2.8%	<1	23.9%	31.6%
1969 to 70 Market Break	26-May-70	-36.1%	21	43.7%	59.7%
1973 to 74 Market Break	06-Dec-74	-45.9%	67	33.5%	59.3%
1979 to 80 Oil Crisis	27-Mar-80	-17.1%	3	37.1%	14.0%
1987 Stock Market Crash	19-Oct-87	-33.2%	21	23.2%	54.4%
Desert Storm	11-Oct-90	-19.9%	4	29.1%	36.3%
Soviet Coup D'état Attempt	19-Aug-91	-3.6%	<1	11.1%	21.2%
Asian Financial Crisis	02-Apr-97	-8.1%	1	49.3%	72.5%
Dot-com Bubble crash	09-Oct-02	-49.1%	55	33.7%	44.5%
Sept 11 th	21-Sep-01	-11.6%	1	-12.5%	7.3%
Invasion of Iraq	11-Mar-03	-14.7%	2	38.2%	49.9%
North Korean Missile Test	17-Jul-06	-6.9%	2	25.5%	2.1%
Subprime Mortgage Crisis	09-Mar-09	-56.8%	47	68.6%	95.1%
US Debt Rating Downgrade	03-Oct-11	-19.4%	5	32.0%	52.2%
Crimea Annexation	03-Feb-14	-5.8%	<1	17.7%	9.8%
China Yuan Devaluation	11-Feb-16	-13.0%	3	26.6%	43.2%
2018 Global Recession Scare	24-Dec-18	-19.8%	4	37.1%	57.5%
COVID-19 Pandemic	23-Mar-20	-33.9%	4	74.8%	99.2%
Average		-21.9%	12.8	33.0%	45.9%

- Snapshots in time of significant negative international events from 1950 to April 30, 2022, and the subsequent change in market value from the stock market low in that calendar year to one and two years after.
- Source: Datastream and Bloomberg. Benchmark: S&P 500 Composite, US\$ return.



Stay the course during market ups and downs



This graph shows how missing the best days during a recovery can mean losing out on big gains. Consider \$10,000 invested on January 1, 1985.



Financial Stress is not a new phenomenon

This is why Canadians are so stressed out about money despite good economic times

NEWS LINKS | PERSONAL FINANCE COLUMNIST
POSTED: **APRIL 2011**
UPDATED: APRIL 2, 2011
[Read Full Article](#)

Half (48%) of Canadians are Less than \$200 Away Monthly From Being Financially Insolvent

SECTION: **One in Three (31%) Canadians Agree that Rising Interest Rates Could Push them Closer towards Bankruptcy**

16 February 2011 | [News & Perspectives](#)

More than half of Canadians \$200 away or less from missing bill payments: MNP

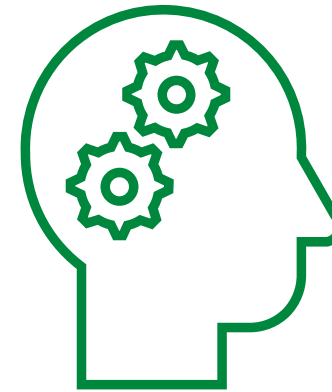
By Staff • The Canadian Press
Posted July 10, 2023 9:47 am



Stress casts as shadow

38%

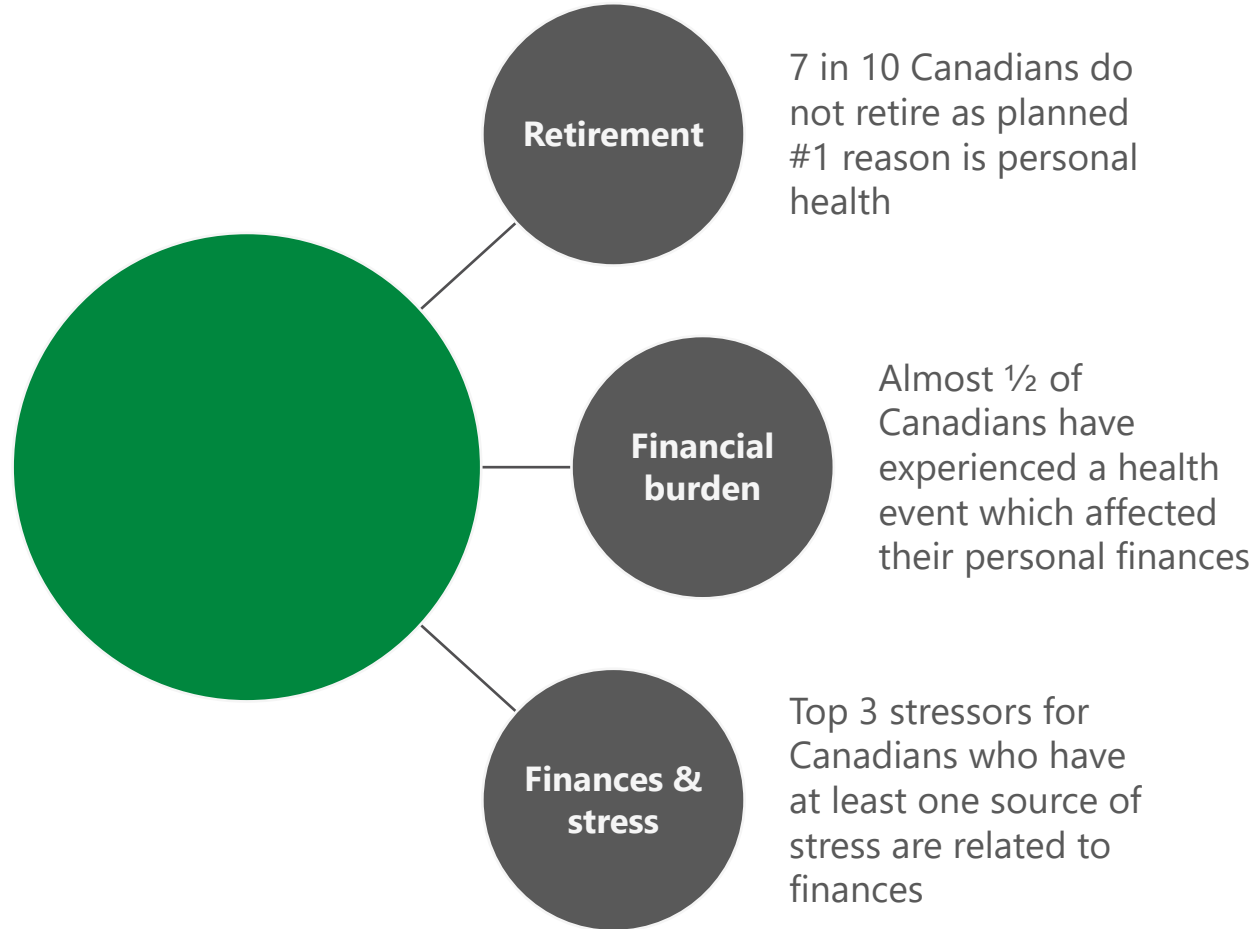
of Canadians say personal finances are their biggest source of stress



“People with **health issues** are more likely to have **financial challenges**, and **stress levels** can also go through the roof – **this affects mental health.**”



Linking Health and Finances



The confidence gap

- Lack of tools and knowledge in financial decision making...
- Women are 'generally' less willing to take on risk²

¹Advisors Edge, Helping women reach their retirement goals, November 2019

²Investment Executive, Why women are less likely to invest than men, February 2022

FINRA, Female Investors Lag Behind Male Counterparts in Investment Knowledge and Confidence, March 2020



46%

46% of women say they lack sufficient knowledge about how much retirement income they would need¹



35%

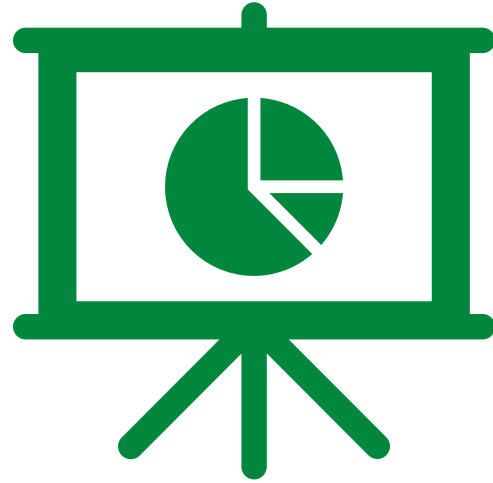
35% of women say they lack sufficient knowledge about how to select investments¹



32%

32% of women say they lack sufficient knowledge about government programs (CPP/QPP, OAS, etc.)¹





2023 Economic Stressors



What is inflation?



Inflation measures the rise in the cost of living (ie: food, shelter, clothing, transportation)

Annual inflation rate was below 3% from 1992 – 2021

It rose as high as 8% in 2022



Financial Wellness during Market Volatility

Consumer Price Index, major components and special aggregates, Canada - Not seasonally adjusted

[← Back to main article](#)

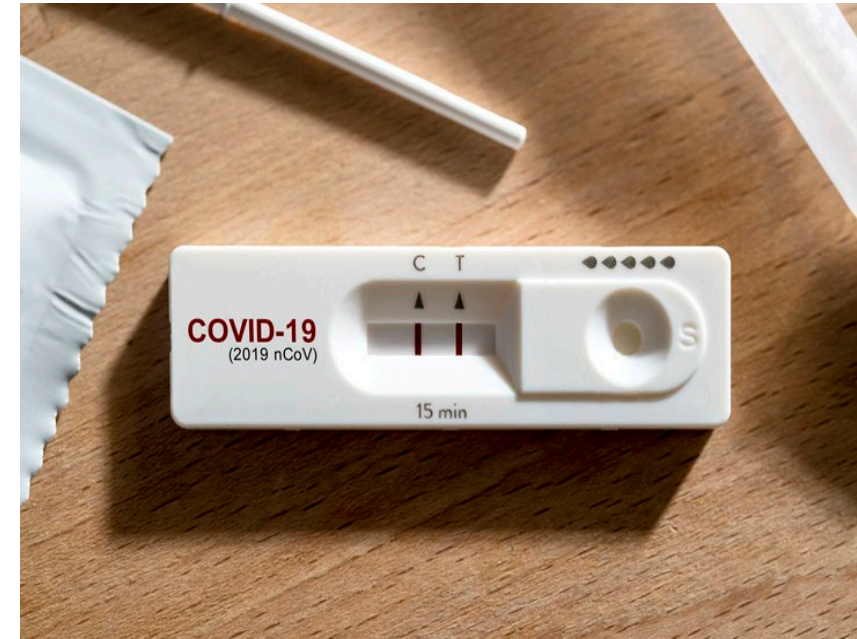
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Select columns

	Relative importance	August 2022	July 2023	August 2023	July to August 2023	August 2022 to August 2023
	1 2	(2002=100)	(2002=100)	(2002=100)	% change	% change
All-items	100.00	152.6	158.1	158.7	0.4	4.0
Food	16.65	173.5	185.5	185.3	-0.1	6.8
Shelter	28.34	164.1	172.6	174.0	0.8	6.0



Why did inflation increase?



The fallout of rising interest rates



Dream of homeownership still strong part of Canadian culture, despite challenges.



Employees have other priorities

blogTO

Allow Multi-Selection Select by Zones

Exact Floor and Stage layout is not available yet. Floor may be standing or seated and row and seat information may not include distance from stage.

Legend

- Available
- Unavailable

Section	Row	Price (each)	Quality
Section 511	Row 10	C\$1,882	Best
Section 500 LEVEL		C\$2,504	
Section 512	Row 32	C\$2,520	Great
Section 514	Row 29	C\$2,563	Great
Section 500 level	Row Pack	C\$2,601	



So what?

Group Retirement Plans & Financial Wellness



Improving employees' financial well-being can drive:

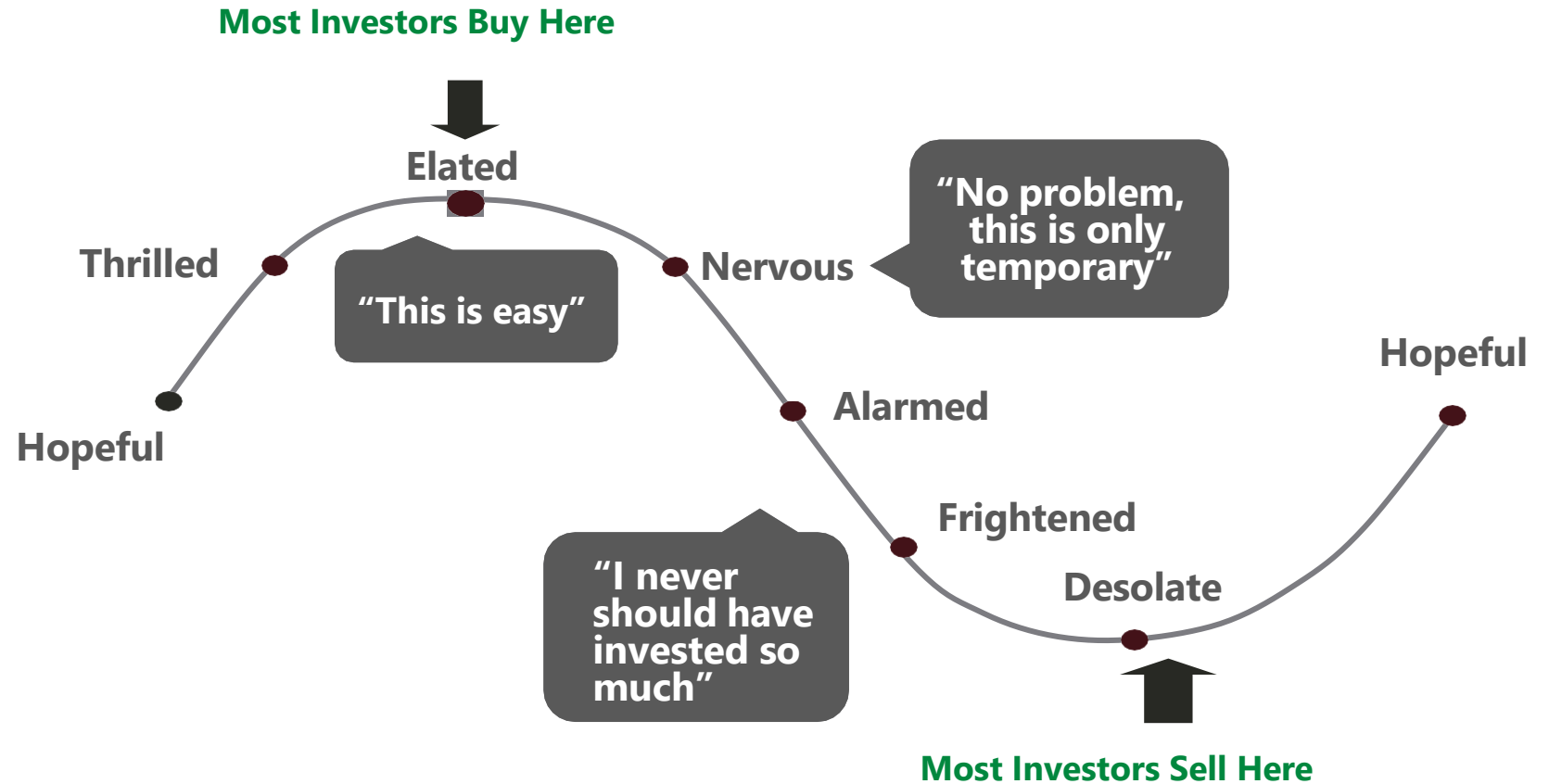
- Increased worker productivity (86%)³
- Desire to stay with their employer (86%)³
- Job satisfaction and engagement at work (84%)³
- Ability to focus (84%)³

Source: 3 "The Future of Workplace Financial Well-Being" SoFi at Work and Workplace Intelligence (March 2022)



Logic vs. Emotion

*"The stock market is the story of cycles and of the human behaviour that is responsible for overreactions in both directions."
– Seth Klarman.*



The Power of Diversification: Asset Class Returns

2000 - 2019



Why diversification matters

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Annualized
Commodities	31.84	US REIT 12.35	Commodities 25.91	EM Equity 55.82	US REIT 33.16	EM Equity 34.00	US REIT 35.97	EM Equity 39.42	US Govt Bond 8.60	EM Equity 78.51	US REIT 28.07	US REIT 9.37	EM Equity 18.22	US Small Cap 39.09	US REIT 32.00	US REIT 4.48	US Small Cap 20.41	EM Equity 37.28	World Bond 2.06	US Growth 36.61	US REIT 11.12
US REIT	31.04	US Credit Bond 10.10	US Aggregate Bond 10.26	US Small Cap 47.38	EM Equity 25.55	Commodities 21.36	EM Equity 32.14	Commodities 16.23	World Bond 5.55	US Growth 37.08	US Small Cap 27.82	US Aggregate Bond 7.64	US Small Cap 18.20	US Growth 13.69	S&P 500 3.83	US Growth 3.38	US Value 18.75	US Growth 27.90	3-Month T-Bill 1.86	S&P 500 31.49	US Small Cap 9.12
US Aggregate Bond	11.63	US Govt Bond 8.63	US Credit Bond 8.54	International 39.42	International 20.38	International 14.47	International 25.71	International 12.44	US Aggregate Bond 5.24	US Small Cap 36.35	EM Equity 18.88	US Govt Bond 3.11	US Growth 77.9	S&P 500 32.39	US Growth 13.45	S&P 500 1.38	S&P 500 11.96	International 34.21	US Govt Bond 1.51	US Small Cap 25.86	US Value 7.56
US Value	10.16	US Aggregate Bond 8.44	US Govt Bond 7.87	US REIT 31.09	US Small Cap 20.01	US REIT 13.82	US Value 22.02	US Growth 12.41	3-Month T-Bill 1.80	International 33.67	US Growth 18.65	US Credit Bond 2.94	US REIT 7.12	US Value 32.09	US Value 11.93	US Credit Bond 1.15	Commodities 11.77	S&P 500 21.83	US Credit Bond 1.04	US Value 25.66	EM Equity 7.03
US Govt Bond	9.13	World Bond 6.31	World Bond 4.15	US Growth 31.25	US Value 16.35	60/40 Blend 7.63	S&P 500 15.79	60/40 Blend 9.54	US Credit Bond -1.06	US REIT 28.46	Commodities 16.83	S&P 500 2.11	International 16.41	International 21.02	US Small Cap 6.09	US Govt Bond 0.89	EM Equity 11.19	60/40 Blend 15.58	Alternatives 0.37	International 23.15	S&P 500 6.06
US Small Cap	8.67	3-Month T-Bill 4.09	US REIT 3.58	US Value 31.09	S&P 500 10.88	US Small Cap 7.48	US Small Cap 15.77	US Govt Bond 7.95	Alternatives -19.86	S&P 500 26.46	US Value 15.64	US Growth 1.59	S&P 500 16.00	60/40 Blend 14.28	US Aggregate Bond 5.97	World Bond 6.72	US Growth 15.36	US Small Cap 15.36	US Aggregate Bond 0.01	US REIT 23.10	US Growth 5.09
US Credit Bond	8.61	US Small Cap 3.22	Alternatives 3.57	S&P 500 28.68	60/40 Blend 10.27	US Value 7.15	60/40 Blend 14.20	Alternatives 7.68	60/40 Blend -22.74	60/40 Blend 22.41	S&P 500 15.06	World Bond 1.43	US Value 15.60	Alternatives 17.70	Alternatives 3.14	US Aggregate Bond 0.55	US REIT 6.68	US Value 14.86	US Growth -2.72	60/40 Blend 19.10	US Aggregate Bond 5.05
World Bond	7.64	Alternatives 3.18	3-Month T-Bill 1.70	Commodities 23.93	Commodities 9.15	US Growth 5.65	US Growth 9.56	US Aggregate Bond 6.97	US Value -35.58	US Value 20.58	60/40 Blend 9.57	US Value 0.63	60/40 Blend 10.03	US Credit Bond 1.47	60/40 Blend 2.56	Alternatives 0.37	60/40 Blend 6.59	Alternatives 4.12	US REIT -4.22	EM Equity 18.90	60/40 Blend 4.86
3-Month T-Bill	5.96	US Value -1.80	EM Equity -4.17	60/40 Blend 22.07	US Growth 8.34	Alternatives 5.13	Alternatives 9.21	World Bond 6.04	Commodities -35.65	Commodities 18.91	International 8.95	3-Month T-Bill 0.08	US Credit Bond 5.90	US REIT 1.22	US Credit Bond 1.92	3-Month T-Bill 0.03	International 2.75	US REIT 3.76	S&P 500 -4.38	US Aggregate Bond 8.72	US Credit Bond 4.53
Alternatives	5.77	EM Equity -2.62	60/40 Blend 8.13	Alternatives 9.01	Alternatives 5.83	S&P 500 4.51	US Credit Bond 4.99	US Credit Bond 5.97	US Small Cap -36.20	US Credit Bond 12.97	US Aggregate Bond 6.54	US Small Cap -2.75	Alternatives 4.22	World Bond 0.76	US Govt Bond 1.14	60/40 Blend 3.47	US Credit Bond 2.73	US Aggregate Bond 3.54	60/40 Blend -5.34	Commodities 7.69	International 3.52
60/40 Blend	5.89	60/40 Blend -5.97	International 15.80	US Credit Bond 6.01	US Aggregate Bond 4.34	3-Month T-Bill 3.00	3-Month T-Bill 4.76	S&P 500 5.49	S&P 500 -37.00	Alternatives 9.65	US Credit Bond 5.35	Alternatives -3.55	US Aggregate Bond 4.21	3-Month T-Bill 0.05	World Bond 0.96	US Value -2.19	US Aggregate Bond 2.65	US Credit Bond 2.36	US Value -7.95	US Credit Bond 6.70	US Govt Bond 3.43
S&P 500	-9.10	S&P 500 -11.89	US Value -15.93	US Aggregate Bond 4.10	US Credit Bond 2.65	World Bond 2.52	World Bond 4.34	3-Month T-Bill 4.74	US Growth -38.42	US Aggregate Bond 5.93	Alternatives 5.07	60/40 Blend -4.11	World Bond 1.36	US Govt Bond -0.07	3-Month T-Bill 0.03	International -3.04	Alternatives 1.89	Commodities 1.70	US Small Cap -10.99	Alternatives 5.91	Alternatives 3.14
International	13.37	Commodities -19.51	US Small Cap -18.37	US Govt Bond 2.23	World Bond 1.83	US Aggregate Bond 2.43	US Aggregate Bond 4.33	US Small Cap 1.20	US REIT -39.20	World Bond 2.06	US Govt Bond 3.63	International -12.21	US Govt Bond 1.03	US Aggregate Bond -2.02	EM Equity -2.19	US Small Cap -4.06	World Bond 1.18	World Bond 0.92	Commodities -11.25	US Govt Bond 4.20	World Bond 2.82
US Growth	25.52	US Growth -20.66	S&P 500 -22.10	World Bond 1.88	US Govt Bond 1.52	US Credit Bond 1.47	US Govt Bond 4.01	US Value -0.62	International -43.56	US Govt Bond 0.86	World Bond 1.35	Commodities -13.32	3-Month T-Bill 0.07	EM Equity -2.60	International -4.32	EM Equity -14.92	US Govt Bond 1.02	3-Month T-Bill 0.84	International -14.09	World Bond 3.28	3-Month T-Bill 1.69
EM Equity	30.83	International -21.40	US Growth -27.49	3-Month T-Bill 1.07	3-Month T-Bill 1.24	US Govt Bond 1.46	Commodities 2.07	US REIT -17.55	EM Equity -53.33	3-Month T-Bill 0.16	3-Month T-Bill 0.13	EM Equity -18.42	Commodities -1.06	Commodities -9.52	Commodities -17.01	Commodities -24.66	3-Month T-Bill 0.27	EM Equity -14.58	3-Month T-Bill 2.25	3-Month T-Bill 1.03	Commodities 1.03

Source: Morningstar Direct and www.hedgefundresearch.com

Diversification seeks to improve performance by spreading your investment dollars into various asset classes to add balance to your portfolio. Using this methodology, however, does not guarantee a profit or protection from loss in a declining market. Past performance does not guarantee future results. Investors cannot invest directly in an index. Actual performance for client accounts will differ. Please see disclosure on the following page titled "Periodic Table of Asset Class and Sector Returns."

Annualized returns from 2000 through 2019. Annualized return: is calculated as a geometric average to show what an investment would earn over a period of time if the annual return was compounded.

Source: www.investopedia.com

Please see disclosure on the following page for a description of the 60/40 Blend and additional information.

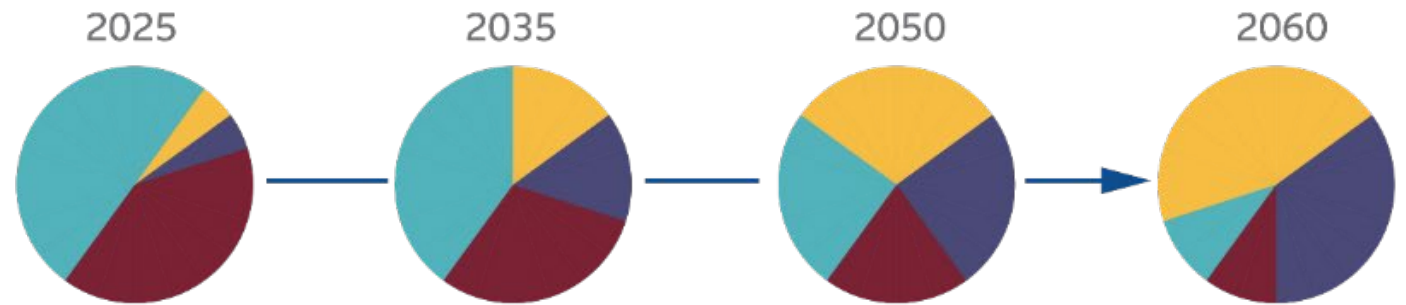


How Retirement Date Funds help employees with diversification

You only need one fund per product



Here's what the 2060 fund might look like in



Invests in a mix of fund types

Riskier funds

- Canadian equities
- Foreign equities

Lower risk funds

- Fixed income (Bonds)
- Cash and money market

*Note: Portfolio mixes are for illustration purposes only, and do not represent actual allocation of funds
May not include all funds available in the Target Date series*



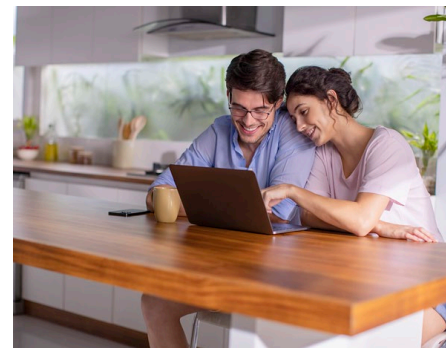
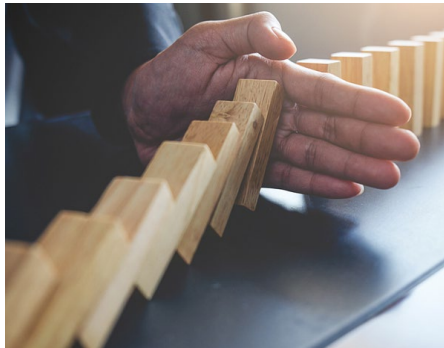
Consider additional product offerings

RESP

FHSA

TFSA

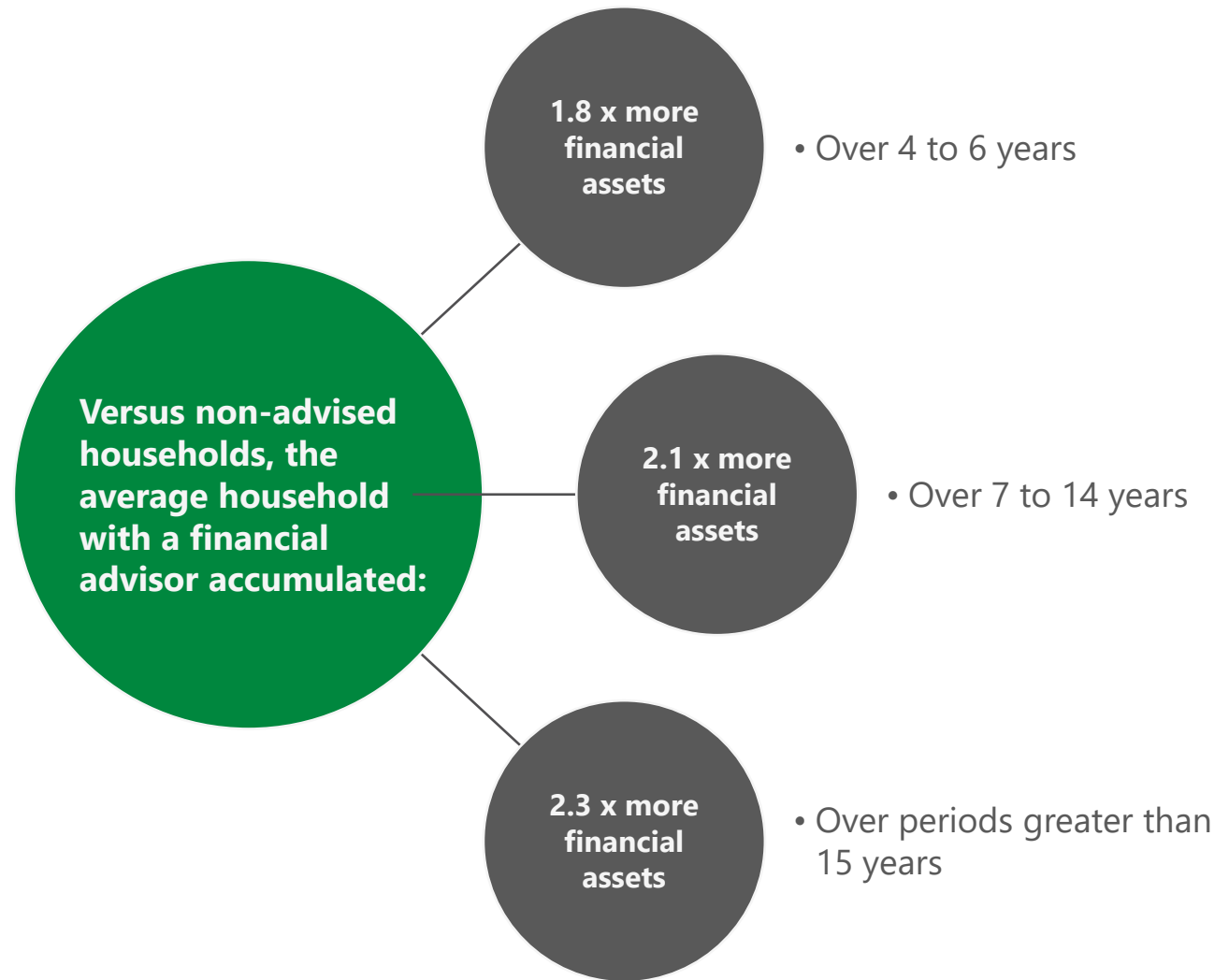
Student
Debt
Repayment



The Value of advice?

When it comes to advice, the numbers don't lie

Working with a financial advisor helps increase your wealth.





Make Sense

*Guiding you towards
your financial future*



formerly called Financial Coaching

We help you:

- Understand your company savings plan
- Enroll or make changes to your account
- Invest according to your personal goals



For more information or to book an appointment, contact us by phone at **1-866-345-8256** or email at **makesense@cowangroup.ca**.

Please include your company name and the best time to call in your message.