

LARA AUSTIN

MINDING MONEY

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Wealth Management
Dominion Securities



For the friends and clients
of Lara D. Austin,
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Looking back on a busy 2018

What happened to the past year? It seems like just yesterday I was organizing an Estate and Retirement series for the first few months of 2018, followed by fascinating *Be Kind to Those You Leave Behind* workshops in the spring. Summer entertained with a conference in Texas, and smoky days didn't stop us from enjoying mountain and ocean adventures in the Comox Valley.

This fall, we have been preoccupied with rocky markets sparked by mid-term elections south of the border, but, of course, we always make time to further our financial education. In early November, I attended a three-day Managed Money conference in Toronto—think of it as speed-dating for pension-style money managers! I admit, it will be a relief when this busy year is finished, yet we have grand plans for 2019.

We won't be unleashing details just yet, but suffice to say, we always aim to improve how we can help our clients make better choices and access more resources. We know markets will show a nasty side from time to time—and we want all investors to feel confident in the process and discipline we have through all market environments.

Wrapping up the year, I've included some photos of a few special events we participated in. I asked my colleagues to support me in a Habitat for Humanity Women Build event (p.4). Another bright spot: the opportunity to represent RBC Dominion Securities locally as part of the RBC Foundation, which gave a phenomenal \$50,000 to the North Island College Aboriginal Scholars program (p.3).

As we wind up the year with scheduled review meetings and year-end proactive tax work, please know we have pre-emptively reviewed account holdings for anything that needs immediate attention. Should you feel concerned about anything, we are only one comforting phone call away. If a family member or friend has been expressing discontent with their current advisory relationship, we do have a complimentary second opinion service—simply ask for our Discovery Package and we can send it off to you to forward on our behalf. They can contact us when they are ready.

We will be at your side in 2019, for whatever it brings your way. May you and your family enjoy good health and happiness.

Lara D. Austin

Help may only be a click away

It looks like Santa might need more elves this year! With Canada Post on rotating strikes at the time this was written, many clients may be wondering what they can accomplish online. DS Online is RBC's secure, 24-hour personal investment centre, which happens to have a few new, helpful features.

New for DS Online

For the 2019 tax year, DS Online users can download their own tax documents as they become available (T4RIF, T3s and T5s, Summary of Investment Income and Expenses, and Summary of Dispositions).

DS Online users can also use 2-Way Messaging to provide instructions in lieu of a manual paper-based signature. This is helpful for many transactions, including:

- updating contact information and addresses;
- requesting partial RRSP de-registrations or TFSA redemptions;
- moving funds between third party accounts;



RBC's elves have been adding new features to DS Online.



My associate advisor Una can help you set up RBC's secure, 24-hour personal investment centre, DS Online, so that you can switch between paper and e-statements, among other services—helpful when there are postal service disruptions.

- and convenience for clients who cannot commute to a branch.

What You Need to Know

1. Online users can choose to switch between paper and e-statements. This can be particularly convenient when travelling or during postal disruptions.
2. Those electing e-statements must log-in to their accounts at least once every 90 days. The Investment Regulatory Organization of Canada (IROC) requires investors to access their investment statements periodically.
3. DS Online can be accessed from a DS or Royal Bank portal. In the event that you bank with a bank other than RBC, we assign a client card number and you use the DS

portal.

4. DS Online provides access to quotes, research, news, and articles.

Our technology elves are working hard at more exciting upgrades for your DS Online experience. I've asked Santa for Skype-style calling and interactive meeting scheduling. You never know—all you have to do is walk down the aisle of Best Buy to see that technology is moving at the speed of a reindeer-drawn sleigh at dawn!

Una would be happy to help you set up DS Online and provide a personalized walkthrough if needed. She can be reached at 250-334-5604 (she may even be wearing an elf hat!).

Rising interest rates: great for GIC buyers, punitive for borrowers

Guaranteed Investment Certificate (GIC) investors have waited for this day for a long time and are rejoicing. While interest rates in Canada have averaged 5.89% from 1990 until 2018 (find a summary of the highs and lows at goo.gl/NxDe3k), it would seem that for more than 10 years we have been striving for the 2% line with little success. Finally, we have lift-off (the Bank of Canada raised its benchmark interest rate to 1.75% in late October, the third hike this year) and GIC buyers are celebrating.

Who isn't celebrating?

Investors. In addition to other market influences, like trade wars and mid-term elections, markets seem to be recalibrating to higher interest rates and inflation. Rising rates and inflation will likely add to the typical volatility that was missing for the most of 2017. As many high-quality companies have cash and funding to cover their debt obligations (as evidenced by share buyback programs), this shouldn't be an issue in the long run for high-quality portfolios, but it will affect smaller or more leveraged companies.

Debtors. For those with variable mortgages and lines of credit, a rising interest rate environment is something to be proactive about. Part of everyone's financial plan should also include advice around

the part of the balance sheet that includes debts or, in most cases, a mortgage.

When choosing the right mortgage, "best rates" are usually the main focus. However, other factors about the mortgage product should be looked at more closely. Mortgages are becoming more and more complex, and there is a heightened focus on regulatory qualifications that have an affect on how much you may be able to borrow.

Your mortgage is just as unique as your financial plan. I work with a specialist who can help you answer some typical questions, such as:

- Can I port my mortgage?
- Can I refinance and keep my rate?
- How can I help my adult child "get into" the real estate market?

I can think of many more questions—turn the page for a Q&A with my mortgage specialist over breakfast!

GIVING BACK



THE STRENGTH OF COLLABORATION—I asked my colleagues to support me at a Habitat for Humanity Women Build event. I'm so glad that many of them—both men and women—came out to show their support for local families. Us 'desk jobbers' worked hard laying gravel for a patio, prepping homes for dry walling, and insulating external walls. I will forever appreciate the skills and endurance of tradespeople! Habitat's Women Build program enables volunteers to work with the guidance of construction professionals to help improve the community we all share.

COMMUNITY

Coffee and eggs benny with my mortgage specialist

Lara: Do banks still pick their own mortgage bank rate?

John: Lara, you may be surprised to know that not all bank rates or “Bank Prime” are equal. While most banks do have the same rate for competition and ease of transparency for their clients, some have a different Bank Prime. When considering your options, this should be asked.

L: How does the math work on “breaking term with penalty”?

J: If you are considering paying a penalty to switch your mortgage to another lender or to pay it off earlier, consider: What am I getting for that fee? What are the other costs associated with the mortgage? What fees are being covered by the new lender? Depending on the reasons for doing this, your answers and tolerance for penalties will differ.

L: When should I look at resetting my mortgage rate?

J: Answers will vary depending on your personal situation ... The best advice I can



I prefer to talk mortgages over coffee.

give is to review your mortgage options when what you are hearing about rates becomes a concern to you. Or, when you are thinking of making any financial changes in your life, including buying or selling real estate. These are generally stressful times. I find a lot of stress can be eliminated if you go in with a well thought out plan and make sure you’ve reviewed all your options.

L: What are the next three rate announcement dates?

J: The next three Bank of Canada interest rate readings are Dec. 5, Jan. 9, and March 6. There are a total of eight readings a year.

If you would like to meet John and ask your own questions, I’d be happy to make an email introduction happen. Eggs benny optional!



EMPOWERING STUDENTS—I was honoured to be on hand when the RBC Foundation donated \$50,000 to the North Island College Aboriginal Scholars program, where we were treated to a drumming ceremony and presentation by Aboriginal elders. Participants in the Comox Valley program have the support of an Aboriginal education advisor and the Elders in Residence as part of a program that aims to be holistic and culturally-relevant. Learn more at goo.gl/MBg3FQ



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