

April 2023

McMillan Goode Beer Spring Newsletter



**NATIONAL BANK
FINANCIAL**
WEALTH MANAGEMENT

QUICK TAKES

- 🚩 Turmoil in American regional banks, but big 6 Canadian banks are financially sound
- 🚩 NBF clients are eligible for free chequing accounts and preferred mortgage rates
- 🚩 We value your feedback in client surveys; take a moment to tell us how you feel
- 🚩 Find out what factors are most important in determining your credit score
- 🚩 Final 2022 tax slips should be mailed or uploaded by the first week in April

CANADIAN INVESTOR PROTECTIONS

In light of the recent American banking concerns, we would like to take this opportunity to remind our clients about the safeguards in place against bank failures in Canada.

The Canadian Investor Protection Fund (CIPF) insures your investments against dealer insolvency at brokerage firms like National Bank Financial. Each of your account types are insured up to a maximum of \$1,000,000. For example, RRSPs, RRIFs, and LIFs are all grouped together and insured up to a combined \$1,000,000. Similarly, cash and margin accounts are grouped together with TFSA's and insured up to the maximum. Other account types include education accounts, trusts, corporate accounts, and more. See the CIPF website for a comprehensive breakdown.

The Canadian Deposit Insurance Corporation (CDIC) also insures your cash deposits at member firms (deposit taking banks). Up to \$100,000 per account type is insured. The structure of CDIC coverage across different account types is outlined in the table below.

Insured account type	Insured amount
You (in your name alone)	\$ 100,000 +
You and another (joint total)	\$ 100,000 +
Your savings in trust (for each beneficiary, includes RESP's)	\$ 100,000 +
Your tax free savings (TFSA)	\$ 100,000 +
Your retirement savings (RRSP)	\$ 100,000 +
Your retirement income (RRIF)	\$ 100,000 +
Your property taxes (for mortgaged properties)	\$ 100,000

For more details, you can visit each of these organizations' websites by clicking on the link: [CDIC](#), [CIPF](#).

ARE OUR BANKS HEALTHY?

Canadian banks are more diversified than the regional American banks that failed this year; Canadian banks are also more tightly regulated. We do not expect the issues south of the border to spread into our banking system.

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McMillan Goode Beer
WEALTH ADVISORY GROUP



Awards of Excellence 2022
McMillan Goode Beer
Award Winner for Wealth Management

British Columbia

WHAT FACTORS AFFECT YOUR CREDIT SCORE?

Different factors can affect your credit score, and each one shows your ability to manage credit. Here they are in order of importance (%):

- 1. Your payment habits (35%):** Your score will increase the more often you pay before the due date. Similarly, late payments will hurt your score.
- 2. Your use of available credit (30%):** To maintain a good credit score, you should try to use less than 30% of your available credit.
- 3. When you opened the account (15%):** An account that has been open for a long time will give lenders a clearer picture of your of your repayment habits.
- 4. The amount and type of debt (10%):** Having a variety of accounts, like a mortgage, credit card, or line of credit, can have a positive impact on your score. You should be sure to keep a good debt to income ratio.
- 5. The number of new credit applications (10%):** Making multiple credit card application in a short time is not advisable.

CLIENT EXPERIENCE SURVEYS

To better understand our client's needs we encourage you to respond to survey requests you might receive. Let us know how we can improve our service.

How does it work? Each quarter, a random subset of clients will be contacted and asked to complete a quick 6 - 11 question survey. Once finished you can choose to attach your name or remain anonymous. Finally, the feedback will be forwarded to your wealth advisor for review.

We hope to see your feedback in the next round of surveys!

ONE LAST CALL FOR TAX SLIPS

In our previous newsletter, we mentioned you could find capital gain/loss reports and foreign property reports in your NBF online access by clicking the "Documents" tab and then "Internal Reports". Most federal tax slips are available now, and should have been mailed out or uploaded to online access, depending on your preferences. If you have not received documents that you expect should have been delivered, please reach out as soon as possible. The deadline for filing your taxes is April 30.

If you do not have an online access login, or if you

forgot your password, please reach out to someone on the team directly instead of the general support line.

NBF CLIENTS GET PERSONAL BANKING PERKS

All National Bank Financial clients with more than \$250,000 in assets under management are eligible to receive the following benefits under the National Bank Wealth Management Banking Package:

- 1. Up to three free chequing accounts**
- 2. No annual fee World Elite Mastercard**
- 3. Best mortgage rates offered by the bank**
- 4. All-in-one HELOC, unsecured/secured lines of credit at prime rate**
- 5. Other exclusive offers**

For more information, reach out to your advisor, who can connect you with one of our bankers.

MARKET UPDATE

Stocks have come down slightly since their highs earlier in the year, but the market still shows signs of relative strength, even as US banks falter. Notably, Bitcoin surged as the market considered it a hedge against the banking system. We do not see Bitcoin or any other cryptocurrencies in the same light.

Interest rates continue to be one of the most important market drivers. The Bank of Canada has paused their rate increases, but the US Federal Reserve pushes forward. Historically, the Federal Reserve stops hiking rates only when cracks begin to emerge in the economy. Some fairly serious cracks made their way to the surface of the American banking system last month. We can, therefore, expect US interest rates to peak in the near future. If inflation continues to trend down, the bigger economic picture starts to look better. Still, we do not know the long term effects of significantly higher interest rates. Economic indicators have stayed surprisingly strong thus far, but a recession later this year or next year is still in the cards.

CLOSING REMARKS

Thank you for reading our April newsletter! We hope you have enjoyed the first few weeks of spring. If you would like to review your investment objectives, or discuss new goals or significant life changes with your Wealth Advisor, schedule a meeting online by clicking the red button, or reach out to your advisor directly.

[SCHEDULE A MEETING](#)

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I have prepared this report to the best of my judgment and professional experience to give you my thoughts on various financial aspects and considerations. The opinions expressed represent solely my informed opinions and may not reflect the views of NBF.

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