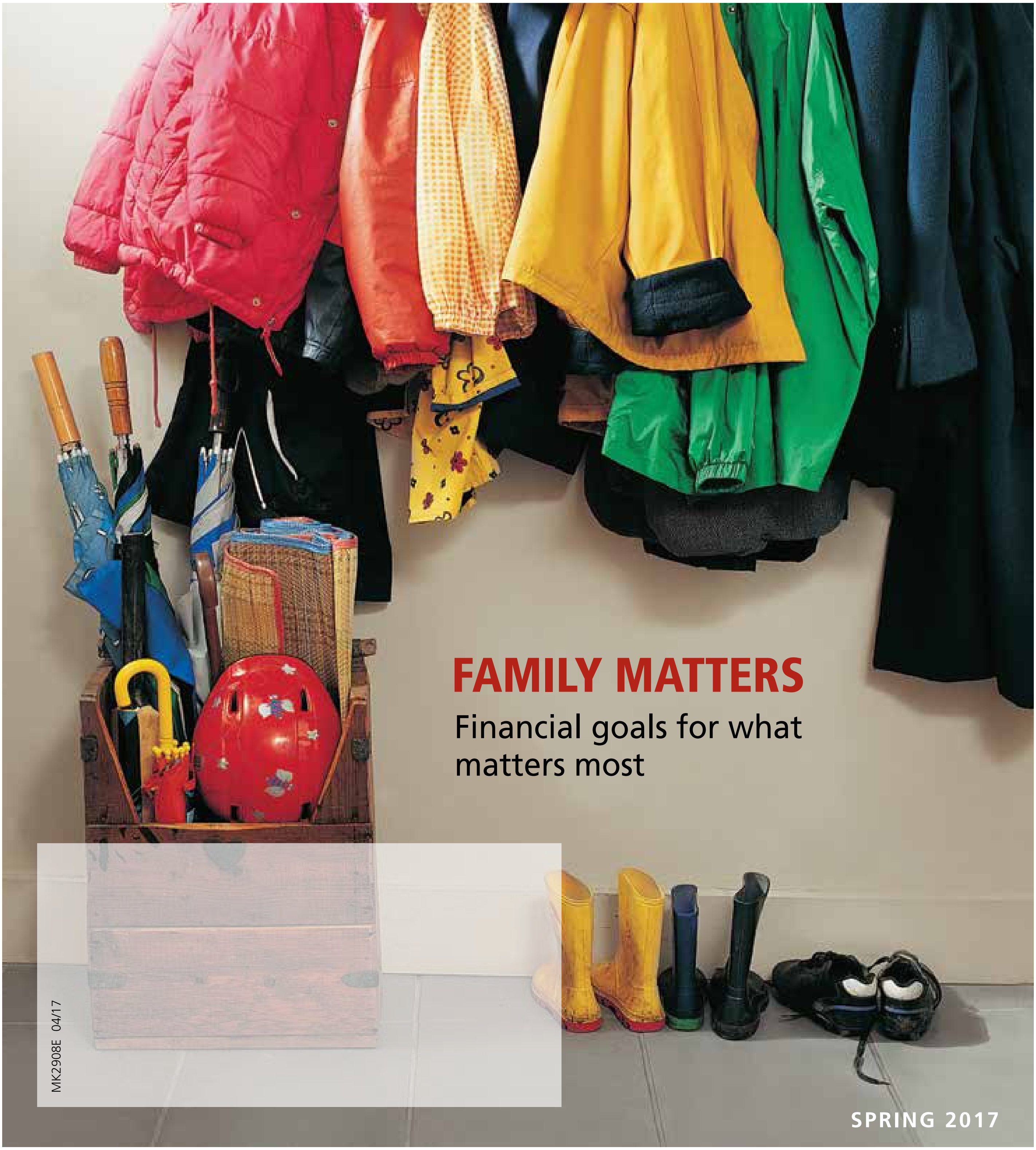
Solutions

FOR FINANCIAL PLANNING



FAMILY MATTERS

Financial goals for what matters most

MK2908E 04/17

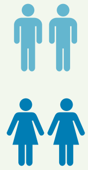
SPRING 2017

THERE ARE **9.4 MILLION** FAMILIES IN CANADA[1]

16% are single-parent families[2]

17% live common-law[2]

67% are married-couple families[2]



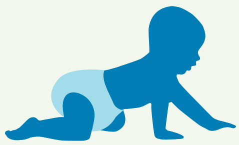
64,575
same-sex couple families[3]

"My emergency fund was spent trying to keep a roof over my daughter's head and food in her belly. I work, but it's expensive being a single parent." **M. M. VIA FACEBOOK**

363,000
multi-generational households[4]

53,000
"skip-generation" households, where grandparents are raising grandchildren[5]

1.9



The average number of children per family in **2011**[6]

$253,947
Average cost of raising a child from birth to age 18[7]

42%
of young adults aged **20 – 29** still live at home with their parents[8]

Over 2 million

Canadians are part of the "sandwich generation," providing care to an elderly family member while raising children[9]

"My emergency fund gave me the flexibility to leave my job, go back to my home province and be with my ailing mother." **D. D. VIA FACEBOOK**

Starting a family is a milestone that many Canadians look forward to, but it can have a big impact on finances. To learn more about how to get financially prepared, read the article on page 20, then speak with your advisor.

[1,2,3,4,5,6,8] www12.statcan.gc.ca/census-recensement/2011/as-sa/98-312-x/98-312-x2011003_1-eng.cfm [7] www.moneysense.ca/save/financial-planning/the-real-cost-of-raising-a-child/
[9] www.huffingtonpost.ca/andrea-love/surviving-sandwich-generation_b_9151744.html

PUTTING YOUR GOALS INTO FOCUS

BEFORE MY WIFE AND I WERE PARENTS, our financial goals were simpler. In fact, I did much of our planning and investing myself. But as children came along and our family grew, our needs changed, as did our goals. From a larger home to family vacations to our children's future education, there was more to manage. We realized that, not only did we not have the time, but we also needed a different approach to planning our finances – one that would meet our current objectives, but also evolve with our goals as they changed over the years.

That's when we turned to an advisor who reminded us of our ultimate goal – taking care of what's important to us. Our advisor was a big believer in letting goals lead our approach to planning and investing. This has kept the big picture in sight, and at the same time, allows us to periodically adjust our plan when our goals change. It is a flexible, agile approach that changes with us.

This issue of *Solutions* magazine discusses the financial planning involved with starting a family (“Starting a family?” p. 20). New parents have to think about RESPs, life insurance, updating wills, health and dental coverage, and funding post-secondary education – all while working to keep their retirement plans on track. In making decisions about managing money, it is also critical to understand the costs associated with investing (“What you need to know about mutual fund fees,” p. 8). It's a lot to navigate, and that's where good advice goes a long, long way.

Our advisor continues to help us to stay focused on our goals, supported by a flexible plan. I encourage you to think about your goals and to consider working with an advisor who not only understands them, but can develop an adjustable plan that allows you to achieve them.

Take care,

Paul Lorentz
Executive Vice-President and General Manager
Retail Markets
Manulife

FEATURE

FINANCIAL MATTERS

WHAT'S INSIDE

SOLUTIONS FOR FINANCIAL PLANNING
SPRING 2017

IN EVERY ISSUE

Matters of fact

Happy 150th birthday, Canada! The True North is celebrating a milestone. Here are some interesting facts about our country you may not be aware of.

A COUNTRY IS BORN

A century and a half ago, bells rang out across Ontario, Quebec, Nova Scotia and New Brunswick at midnight. It was July 1, 1867, and British North America had become the Dominion of Canada. Today Canada stretches across nearly 10 million square kilometres and is home to more than 35 million people.

A LONG HISTORY OF DEMOCRACY

It's longer than you'd think. The Iroquois Confederacy was North America's first democracy back in the mid-1300s.[2] It had a two-house legislature, with Seneca and Mohawk representatives meeting in one longhouse, Oneida and Cayuga representatives meeting in another, and Onondaga representatives breaking ties and using their veto power when necessary.[3]

PREPARED FOR POLAR BEAR ATTACKS

Where else do people leave cars unlocked in case a random stranger needs to take refuge from a polar bear? That's just what they do in Churchill, Manitoba – known as the polar bear capital of the world. That, and the provincial Polar Bear Alert program, are helping to keep both people and polar bears safe.[4]

LESS GRAVITY

Stretches of Canada around Hudson Bay have less gravity than other parts of the world. This may be because convection is dragging down the continental plate or because a melted ice sheet left the Earth indented there.[1] So, you may notice an extra spring in your step in the area.

HIGHWAYS FOR WILDLIFE Along the stretch of Trans-Canada Highway that runs through Banff National Park, there are 38 underpasses and six overpasses designed to connect habitats and keep wildlife safe.[5]

A SAFE HAVEN Canada has a reputation around the world for welcoming people in trouble, from African American slaves in the 19th century to Syrian refugees today. In 1986, the United Nations High Commissioner for Refugees awarded Canada the Nansen Refugee Award in recognition of the nation's outstanding treatment of asylum seekers.[6]

Flagging the maple leaf

The maple leaf, so strongly associated with Canada, has been the central feature of our flag since February 15, 1965. The process to give us a flag of our own – distinct from the Red Ensign (adapted from the British Merchant Marine's flag) or the Union Jack – began in 1960 when Lester B. Pearson took up the cause. The committee he established reviewed nearly 6,000 designs – a mix of proposals from a previous parliamentary flag committee spearheaded by William Lyon Mackenzie King, options gathered through the years by the Department of the Secretary of State, and new submissions from the public.

There were beavers and stars, crowns and crosses – as well as many maple leaves. The three finalists were:

- The Pearson Pennant – Pearson's favourite – with three red maple leaves on a white background surrounded by two blue bars
- Our current design – with one red maple leaf (the leaf itself was refined later) on a white background surrounded by two red bars
- Our current design but with the addition of a Union Jack in the upper left and the French flag in the upper right

After much debate (see a hint of what went on behind the scenes in *Heritage Minutes: Flags*),[7] the committee agreed unanimously to adopt our current design. Six months of parliamentary debate later, we had our new national symbol – and February 15 is now known officially as National Flag of Canada Day.[8]

A bilingual anthem

In our bilingual country, it's fitting that "O Canada" was originally written in French. With lyrics by Sir Adolphe-Basile Routhier and music by Calixa Lavallée, it was first performed in Quebec City on June 24, 1880. The French words remain unchanged – though the original had two extra verses.

The English words, based largely on Robert Stanley Weir's 1908 version, have been amended over the years. Most recently, MP Mauril Bélanger's bill to change "in all thy sons command" to "in all of us command" has been referred to the Senate. Weir's version also included extra verses – one of which, fittingly, features the maple:

O Canada! Where pines and maples grow,
Great prairies spread and lordly rivers flow,
How dear to us thy broad domain,
From East to Western Sea;
Thou land of hope for all who toil!
Thou True North, strong and free!

[1] science.howstuffworks.com/environmental/earth/geophysics/missing-gravity.htm [2] www.lop.parl.gc.ca/About/Parliament/Education/ourcountryourparliament/html_booklet/confederation-e.html [3] www.ushistory.org/us/1d.asp [4] www.mnn.com/lifestyle/eco-tourism/stories/life-in-the-polar-bear-capital-of-the-world [5] www.pc.gc.ca/eng/pn-np/ab/banff/plan/transport/tch-rtc/passages-crossings/faq/10.aspx [6] ottawacitizen.com/news/politics/timeline-canadas-refugee-policy [7] www.youtube.com/watch?v=ikY7bMDVQTg [8] http://thecanadianencyclopedia.ca/en/article/flag-of-canada/


85%
15%
38%
25%
13%
24%

What you need to know about mutual fund fees

Understanding the cost of investing.

RECENTLY, THERE HAS BEEN a lot of marketplace chatter about mutual fund fees – what they are and how much they cost. You may have seen a crop of TV commercials that ask why they even exist in the first place. Raising questions is a good thing. The more investors know, the more empowered they are to get the value they seek from their portfolios.

This year, investment account statements have started providing more information on fees, but the new level of detail might raise more questions than it answers. If you are looking for clarity on what you're paying for (and getting in return), here is an overview of the industry players plus a mini-guide to fees.

Who's who

To understand the world of mutual funds, let's start with the different roles and how they work together.

Investor: An investor is anyone, such as yourself, who commits capital with the expectation of financial returns. You utilize investments such as mutual funds in the hopes of growing your money. About 40 per cent of Canadian households – from first-time investors to long-term savers –

rely on mutual funds to save for the future.[1] Mutual funds give you access to professionally managed, diversified portfolios of stocks, bonds and other securities on a scale that would be expensive and time-consuming for an individual investor to achieve.[2] Since many investors don't have the expertise to navigate through a growing range of options, they turn to an advisor.

Advisor: An advisor provides guidance and manages your portfolio to help you reach your financial goals. Once an advisor develops your financial plan, he or she works with a dealer firm to buy and sell securities for your portfolio.[3] Advisors are compensated in a number of ways, depending on the type of services and products they provide and the specifics of each particular investment situation. The best way to find out how your advisor is paid is to ask.

Dealer firm: Dealers sell mutual funds to investors, and may also maintain their investment accounts. Dealers may provide services either directly to you or through your advisor. Annually, your dealer will provide a statement that details the money they received from you over the previous year for these services. Additionally, your dealer firm works to ensure your advisor meets government rules and regulations.

Fund manager: A company that oversees securities. The fund manager oversees the operation of investment funds, including deciding which securities to purchase, and in what quantities, and when to buy and sell the securities. These decisions are based on the stated objective and strategy of the fund. An investment fund offers investors a wider selection of investment opportunities, management expertise and lower investment fees than investors could access on their own.[4]

A mini-guide to fees

Some fees listed in this year's more detailed account statements include:

Account charges – charges you pay to the dealer. Account charges are not new but some statements will now present them in two categories:[5]

- **Charges related to servicing your account** – charges for services provided to you by the dealer and/or your advisor. Program fees for fee-based accounts will be included here[6]
- **Transaction charges** – the commissions charged by the dealer, if any, for buying and selling stocks, bonds, ETFs or mutual funds for your account[6]

Compensation paid to dealers (often referred to as trailer fees) – what fund managers pay the dealer for ongoing service and advice provided to you by your advisor and the dealer. Dealer compensation is included in a mutual fund's management expenses. The management expense ratio (MER), which reflects the costs of operating and distributing a mutual fund, is expressed as a percentage of the fund's average total assets, e.g. 2.1 per cent. In the new reporting, however, you will be able to see the specific dollar amount that you, the investor, paid in trailer fees.

Your statement tells you the amount paid directly or indirectly through your account to the dealer firm, but it does not include the other costs reflected in the MER.

The infographic on the next page illustrates the costs involved with investing in mutual funds. It shows the fees you paid to your dealer, which are shown on your statement, and the services you received in exchange. It also shows the fees you paid to the fund manager, which are reflected in the MER, and the services that fund managers provide.

How can I learn more?

Your best source of information is always your advisor. He or she is your guide to how mutual funds work and what they cost. An informed investor is an empowered investor. Set yourself up for success and speak to your advisor about the cost and value of investing in mutual funds. ■

[1] www.ific.ca/en/pg/investor-centre-glossary/#M [2] www.investopedia.com/terms/m/mutualfund.asp [3] www.ific.ca/en/pg/investor-centre-glossary/#F [4] www.ific.ca/en/pg/investor-centre-glossary/#F
[5] www.ific.ca/wp-content/uploads/2016/06/Preparing-CRM2-Reports-for-Your-Clients-A-Guide-for-Dealers.pdf/14300/ [6] "Performance Report Client Guide," Manulife Securities, 2016.

VALUE FOR YOUR MUTUAL FUND FEES

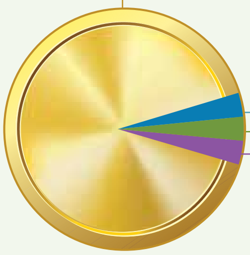
Your fees pay for services provided by:

FUND MANAGER

Your fund manager is the company that manages the mutual funds that you buy. They provide the following services.

- Sets the **strategy and goals** for a fund
- Chooses and monitors **experts who buy and sell** investments to match the fund's goals
- **Keeps records** for the fund and for all clients, including tax reporting
- Provides or arranges for **legal, accounting, audit and custodial services**, and ensures the fund meets regulatory requirements

YOUR MONEY – INVESTED TO GROW



- Fund manager fees
- Dealer fees
- Taxes

These three types of costs are reflected in the fund's management expense ratio (MER).

DEALER

The dealer firm is the firm where your advisor is registered. Some dealers charge an additional fee to you directly. Your dealer firm provides these services to you directly or through your advisor, and works to ensure your advisor meets government rules and regulations.

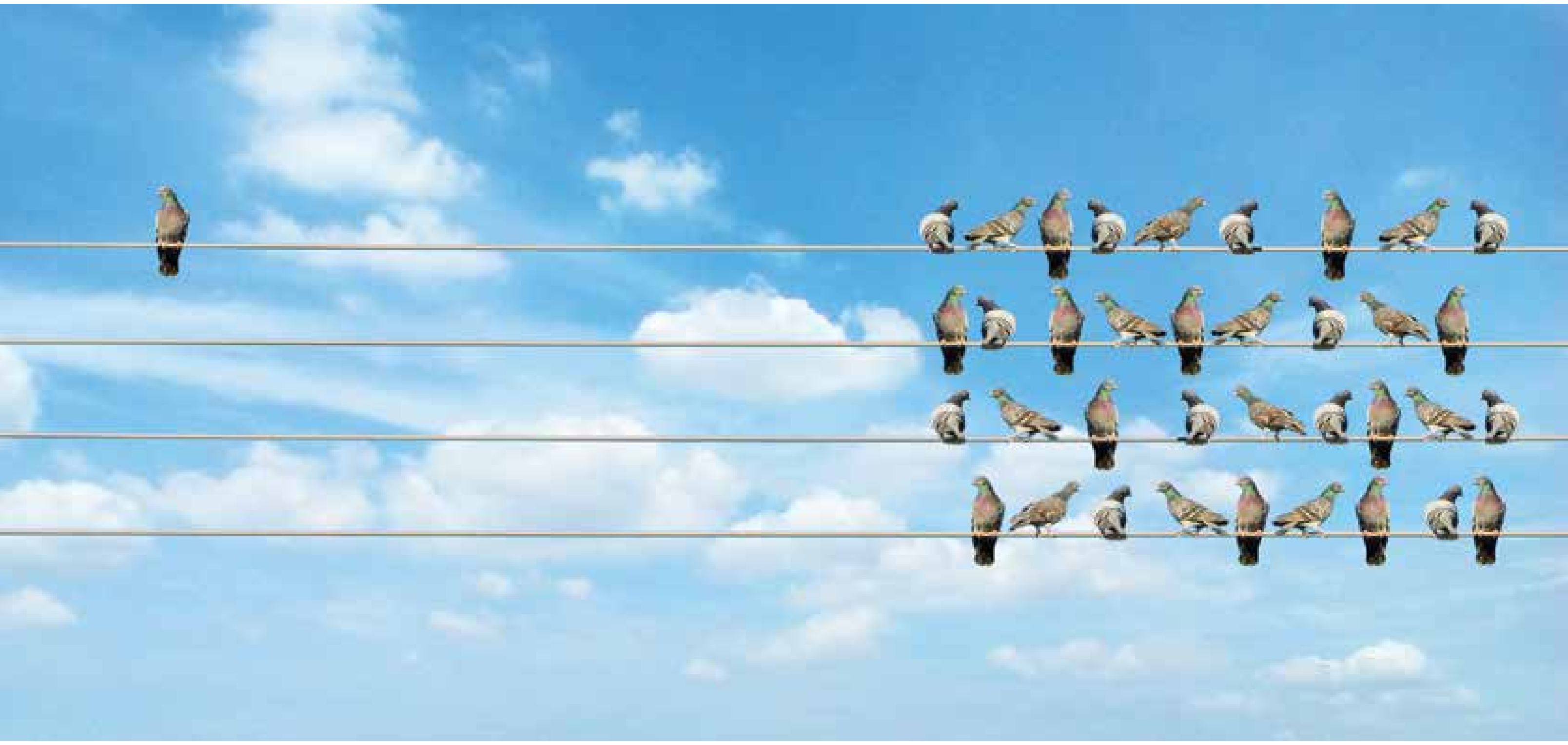
- Understands and reviews **your financial needs** and **how much risk** you are able to handle
- **Guides you** to build and maintain your financial plan
- Provides you with **information and access** to your account online
- **Buys/sells units** of a fund for you, based on your needs and ability to handle risk
- Delivers **account statements** and other information to you
- **Keeps detailed records** about your account

And for:

TAXES

GST or **HST** are charged on fees and services

Source: www.ific.ca/wp-content/uploads/2016/07/Infographic-Value-for-Your-Mutual-Fund-Fees.pdf/14577/



Serious sickness doesn't have to sideline finances

Younger people may need critical illness protection more than life insurance.

MOST 20- AND 30-SOMETHINGS may not think a lot about insurance. If you are young, healthy and low on savings, you may not feel that it is a priority, especially if you haven't started a family. But it could be important for you – and the kind of insurance that makes sense might be surprising.

Traditionally, the first policy many people buy is term life insurance. It's a straightforward, affordable solution that pays a tax-free lump sum to a beneficiary upon the death of the insured. But over the next few decades Canadians in their 20s and 30s are more likely to be diagnosed with – and survive – a critical illness than to die.

To help put this into perspective, a woman who is 30 and a non-smoker has a five per cent chance of dying before age 65 – but a 19 per cent chance of getting a critical illness. A man who is 30 and a non-smoker has a seven per cent chance of dying before age 65 – but a 27 per cent chance of getting a critical illness.[1]

If you do get sick and have to take time away from work to recover, the combination of lower income and higher costs due to unexpected medical bills can have a significant effect on finances and the ability to live your accustomed lifestyle. Plus, if your partner decides to take time away from work to help with care, this might further reduce household income.

What's at stake

Younger people are at the start of their careers. That likely means they are making less than they will later in life. Some may accept a lower salary in order to gain experience in a field they love. Others may take a step back to change directions and find a better career path.

For those who don't have much wiggle room in the budget, it's hard to absorb extra expenses associated with suffering from a critical illness. These expenses might include travelling for treatment, buying medication and equipment not covered by the provincial health plan, getting extra help around the house, or making homes and cars more accessible. It can all add up!

In addition, 20- and 30-somethings may not have had a chance to build up an emergency fund or substantial long-term savings. If the paycheques suddenly stop, the rent (or mortgage) still has to be paid, as do other bills. That money has to come from somewhere.

Picking a plan

Basic, affordable critical illness protection can help ease financial stresses at a time when a sick person's energy should be focused on getting better. The money can allow time and space to recover. Perhaps most importantly, it can provide flexibility to choose how long to take off before getting back to work and the daily routine.

How do you choose the right kind of policy? Many younger people start out with reasonably priced term critical illness insurance that covers them for a specific number of years. When the term is up, the policy can be renewed for another term. Prior to expiry, it can also be "switched" to a more permanent plan that provides lifelong coverage. Often, there's no need for additional underwriting – which means you can stay protected even if your health changes.

The dollar amount of protection depends on each individual's specific circumstances. How much income will you need while recovering? If you have a partner or loved one, will it allow him or her to also take time off work to help with caretaking? For those who have kids, will extra child care add to costs during this time?

Other factors should also be considered. Policies may cover different illnesses or offer extra benefits – such as reliable online health information, one-on-one telephone support or a medical second opinion service from top specialists at world-class hospitals. The insured often get access to these services as soon as they get coverage – which can make it easier to get credible information on symptoms, diagnosis and treatment.

Speak with an advisor

Talking to an advisor can help you decide if critical illness insurance is the right choice for you. If it is, you can also discuss the most appropriate plan for your situation. Critical illness insurance helps take the focus off finances and put it on what truly matters – getting better! ■

WHAT'S YOUR RISK?

In 2016, across all age groups:

- About **200,000** Canadians were diagnosed with cancer[2]
- About **50,000** Canadians were diagnosed with heart failure[3]

To calculate your risk of developing a critical illness, visit insureright.ca.

DID YOU KNOW?

Many critical illness policies allow you to add an optional feature that pays back premiums for those who stay healthy. Speak to your advisor about Return of Premium options.

[1] insureright.ca. Mortality probability based on the Canadian Institute of Actuaries' CIA9704 gender and smoker distinct mortality tables. Critical illness probability based on combined incidence rates for cancer ("New cases for ICD-03 primary sites of cancer: 2002–2007") and the Heart and Stroke Foundation of Canada ("The growing burden of heart disease and stroke in Canada, 2003").
[2] www.cancer.ca/en/cancer-information/cancer-101/cancer-statistics-at-a-glance/ [3] globalnews.ca/news/2490589/heart-failure-rates-rising-in-canada-heart-and-stroke-foundation/


90°
45°

Defeating fraud

High-tech and low-tech tips that work.

IT'S A HEADLINE THAT APPEARS all too often. Fraudsters posing as agents from the Canada Revenue Agency (CRA) call innocent Canadians saying they owe back taxes. The call sometimes includes a threat of arrest if they don't pay up. In 2015, 763 Canadians reported being defrauded by this scam, with losses totalling $2.5 million. These figures tell only part of the story, however, as the majority of victims do not file reports.[1]

Organized criminals are often the main perpetrators of financial crimes such as this scam, with the total cost to Canadians estimated at $5 billion annually.[2] Financial institutions, police and governments are fighting back with new technologies and public awareness. Here's how you can help protect yourself.

Telephone scams

You can't always be sure who's on the other end of the line, so exercise extreme caution with account numbers, passwords, social insurance numbers and other personal information. Along with the CRA scam, fraudsters have a repertoire of other schemes and often target the elderly. Beware of callers claiming they're:

- From your bank or the police, asking for your help in an investigation
- "Officials" informing you of a prize or lottery winning, and a fee required to collect your jackpot

[1] www.cbc.ca/news/canada/toronto/cra-scam-cellphones-1.3745193 [2] www.cisc.gc.ca/media/2014/2014-08-22-eng.htm

- Long-lost family members saying they're in trouble and need cash to get out of jail (or some other predicament)

If a caller tries to pressure you into buying, subscribing to or signing up for something, don't say yes until you've confirmed they're legit. The best advice if you feel you're being pressured? Hang up!

Protecting your cards

For decades, credit and debit cards were prone to fraud. With the advent of chip cards in Canada in 2008, counterfeiting plummeted 76 per cent.[3] Today, use of contactless cards, which only need to be tapped or waved in front of a merchant's reader, is growing. This method of payment for smaller purchases is fast, convenient and very secure.[4]

However, instances of "card not present" fraud, where card details have been stolen without obtaining the physical card, have risen.[5] To help keep your accounts safe:

- Avoid using birthdates, addresses, phone numbers or other easily guessed numbers for your personal identification number (PIN)
- Don't share or write down your PIN
- Check every statement for unusual transactions
- Shield your card from "shoulder surfers," who peek or use cameras to record PINs at automated banking machines and stores
- Never share your card number, expiry date and security code unless you're dealing with a reputable company and you've initiated the transaction
- If a card is lost or compromised, report it immediately

Cheque fraud

Even though cheque use is on the decline, nearly a billion cheques are still processed annually in Canada.[6] Security features such as foil stamping, micro printing and watermarks have defeated most cheque forging – but paper-based documents remain vulnerable to fraud and identify theft. If you use cheques, follow these tips:

- Store your cheques safely
- If you're issued a cheque, verify its security features (listed on the back). Even high-quality photocopiers can't duplicate them
- Accept cheques only from people or companies you know
- If you're selling an item, wait for the cheque to clear before handing over the goods

According to security experts, e-payments and online transfers are more secure than cheques or cash.[7] Remember, too, that you're generally liable for losses through cheque fraud, so consider going paperless with your financial transactions.

Mail fraud

Since mail is still necessary in some cases, exercise caution, especially during tax season. That's when sensitive statements are sent out and scammers raid mailboxes to steal identities. It's a good idea to:

- Pick up your mail promptly
- Inform banks, utilities, your employer and any others who should be aware if you change your address
- Have Canada Post forward your mail if you move or hold it if you're away

Advances in security

Banks and financial institutions are constantly upgrading security measures to protect clients. Biometric identification is one of the newest methods being adopted in Canada and around the world. These systems analyze unique physical characteristics such as fingerprints and eye, vein and voice patterns to confirm identify with a high level of accuracy.

As new technologies are introduced, fraudsters will continue to update their methods of operation. But by being informed and remaining vigilant about your personal security, you can help stop fraud in its tracks. ■

This is the second article in the Solutions *series on protecting yourself against financial fraud. For information on how to keep your information safe online, check out "Prevent and protect" in the* Solutions *Winter 2016/17 issue.*

WHAT TO DO IF YOU'VE BEEN SCAMMED

- If it's credit card, debit card or cheque fraud, immediately contact your bank, financial institution or credit card company
- Report it to local police and to the Canadian Anti-Fraud Centre at 1-888-495-8501
- Call Equifax Canada at 1-800-465-7166 or TransUnion Canada at 1-877-525-3823 to issue a fraud alert

[3] www.cba.ca/credit-card-fraud [4] www.cba.ca/tap-to-pay-card-security-an-faq [5] cba.ca/Assets/CBA/Files/Article%20Category/PDF/misc-2015-paymentssecurity-whitepaper-en.pdf [6] www.cba.ca/cheques-what-you-need-to-know [7] www.cba.ca/protecting-yourself-from-cheque-fraud

The hometown advantage

Be a tourist in your own town and save big on your summer vacation.

WHAT ARE YOU DOING with your vacation time this summer? If a getaway isn't in the budget, a staycation can be a great way to get some much-needed downtime, without the hassle and expense of a big trip. Try these tips for enjoying a truly eye-opening break in your own backyard.

Start with a plan. Figure out what you'd enjoy doing and how much it will cost, then plot it against the time off you have. Since there won't be big-ticket expenses like airline tickets, you may discover you can take advantage of some activities that are normally out of your budget. Allow some flexibility in your schedule for spontaneity and for a few splurges, whether it's a day at the spa or a visit to a local theme park.

Finish your chores before you "leave." Tidy your home, buy groceries, put clean sheets on the bed. Then leave everything else until after your time off. Resist the temptation to do "just one load" or reorganize your closet. You're on vacation. Give yourself permission to have fun.

Unplug from work. Turn on your out-of-office notification and don't check in while you're off. But feel free to share your adventures with your colleagues on social media – that can be a big part of the fun, and you may get additional ideas on things to do in your area.

Discover where you live. Sometimes we can be unaware of opportunities for fun and exploration that are right under our noses. A little research can go a long way to discovering new restaurants, activities, events or attractions that you didn't know about before.

Do more of what you love. Are there activities close to home that you enjoy, but don't have enough time for during your regular work week? Take advantage of your time off to have lunch with a friend, take an extra fitness class or just stroll through the neighbourhood.

Take mini-trips. A night or two away from home can be as rejuvenating as a week away. Look for midweek stays when rates are lower and package deals are often available – for example, room plus breakfast and admission to an attraction.

A staycation is not only budget-conscious, but it can be a fun and relaxing way to escape the everyday grind – as long as you treat your time as a real holiday. So if you are looking to save some money and have time off coming your way, consider enjoying a vacation where you already are. ■

Benefits to an international investment passport

How investing globally can help reduce risk and increase investment opportunities.

INVESTORS TEND TO DISPLAY what is known as "home bias" – the tendency to stay focused on our own backyard.[1] Investing at home can be especially attractive to Canadians because of our relatively strong and stable economy. But are domestic investments always the right choice? Before putting too many eggs in one basket, consider the risks and rewards of where you choose to invest.

Investing too heavily in the Canadian economy

The Canadian economy, while probably most familiar to us, is relatively homogeneous. Three sectors – financials, energy and materials – make up nearly 70 per cent of the Canadian stock market.[2] This much concentration can potentially pose risks.

Picture the three sectors as pillars. If most of our economy rests on just three pillars, and one weakens, the entire structure wobbles, as recently demonstrated by Canada's oil industry. The oil crisis in 2015 affected

[1] insight.kellogg.northwestern.edu/article/theres_no_place_like_home [2] Morningstar Direct, October 31, 2016.

the entire Canadian economy, and the resulting downturn is far from over.[3]

The second limitation is that our economy is comparatively small on the global scale. Canada represents a little more than three per cent of the world's markets. Compare the 247 companies in the S&P/TSX Composite Index to the 2,470 in the MSCI All Country World Index.[4] Going beyond our borders provides access to more top companies in all sectors.

What does this mean in practical terms? Say an innovation in the auto and truck manufacturing sector catches an investor's eye. The world's largest auto and truck manufacturing companies are not in Canada, but in Japan and Germany.[5] To gain exposure to the latest developments in this sector, the investor should look beyond Canada's borders.

The upside potential of going global

Investing across the world makes us less vulnerable to the ups and downs of one country's economy. According to Todd Millay in Forbes, "Owning both domestic and international stocks reduces the overall volatility of the portfolio since they do not move in lockstep. This diversification improves the risk-adjusted returns of a stock portfolio."[6]

Emerging markets' rapid rate of growth is another reason to invest abroad. Chinese and Indian economies are typically growing much faster than their North American counterparts. Globalizing our portfolio gives us direct access to that growth.[7] Investors with global exposure could be in a position to benefit from a wider range of potential upsides.

That's the basic premise behind diversification – it helps reduce risk and increase investment opportunities. Going back to the pillar analogy, a global portfolio rests on dozens of pillars across multiple industries and geographies. If one or two pillars fail, the portfolio is still well supported by many others.

How much to invest?

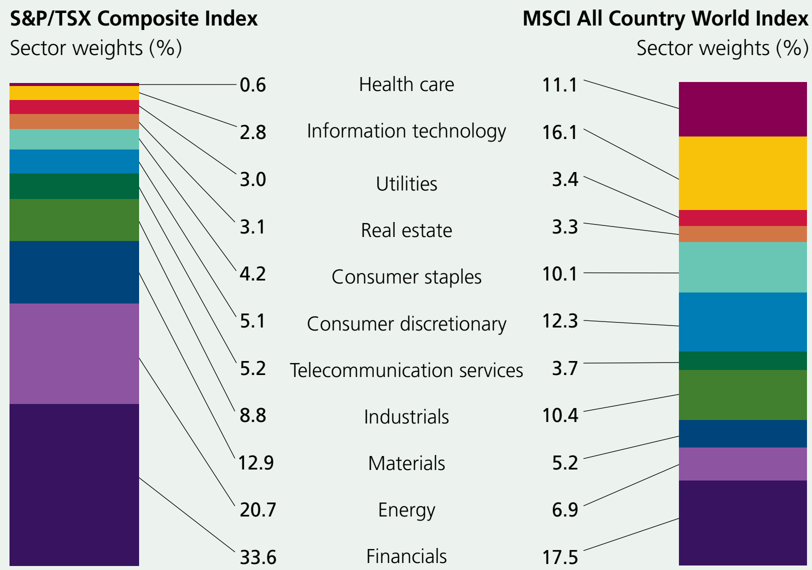
One theory of diversifying globally suggests investing domestically in proportion to your country's market capitalization versus the rest of the world.[8] This means that Canadians should be investing just over three per cent of our portfolios' equity portion in Canadian companies, and the rest globally. In more realistic terms, however, determining the right amount to allocate globally depends on an investor's time horizon, risk tolerance and financial goals.

Speak with an advisor

Regardless of where and how much Canadians invest, an advisor can make investment recommendations based on our individual life goals and risk profiles. No matter where we invest, success takes patience. It's a long journey, but good guidance can help us stay on the right path. ■

GLOBAL MARKETS ARE MORE DIVERSIFIED

The Canadian marketplace is highly concentrated in three sectors: financials, energy and materials. World markets are far more diversified, which helps reduce risk and provide access to investment opportunities that are not readily available within our own borders.



Sources: Morningstar Direct, October 31, 2016 and MSCI Inc., MSCI ACWI factsheet, October 31, 2016.

[3] www.macleans.ca/economy/economicanalysis/life-at-20-dollar-oil-nation-divided/ [4] S&P Dow Jones Indices LLC, S&P/TSX Composite Index Factsheet, October 31, 2016, ca.spindices.com/indices/equity/sp-tsx-composite-index/; MSCI Inc., MSCI All Country World Index, October 31, 2016., www.msci.com/documents/10199/8d97d244-4685-4200-a24c-3e2942e3adeb [5] www.forbes.com/global2000/list/ [6,7] www.forbes.com/sites/toddmillay/2016/02/10/think-strategically-invest-globally-2/#6c0a965079b2 [8] retirehappy.ca/how-much-should-you-invest-globally/

Starting a family?

A new addition can have a big impact on your finances. Help get financially ready with these five strategies.

Many parents

experience a moment when hope becomes reality. It may happen when you see the flicker of a heartbeat on an ultrasound screen. It may come when you get that long-awaited call from the adoption agency. You may feel it holding your child in your arms for the very first time. Whenever and however it comes, that reality can make your head spin.

How much will your life change? Do you have room in your home for the new member of your family? Have you properly childproofed the house? How much time should you take off work? With such a dizzying array of things to think about, it's not surprising that financial planning is often sidelined.

Yet starting a family can make financial planning more important than ever. Children are small, but they grow quickly and their many needs change constantly. Throughout the phases of your child's life, the family budget may have to absorb everything from child care to camp, strollers to sports equipment, and storybooks to post-secondary education.

A recent estimate put the average cost of raising a child from birth to age 18 in Canada at more than $250,000.[1] Fortunately, some simple financial planning can help you be prepared.

WHERE WILL THE MONEY COME FROM?

For many families, income may drop for a time after a new child arrives as one or both parents take time off work. Government programs can help to some extent.

You may be entitled to taxable maternity, paternity or parental benefits, administered through the federal Employment Insurance program or the Quebec Parental Insurance Plan.[2] These programs pay a portion of average insurable weekly earnings up to a set maximum. In addition to these benefits, you may receive the non-taxable Canada Child Benefit from birth until a child turns 18. It is based on the number of children in the family and family income.

Some organizations top up their employees' government benefits while they are on maternity and/or parental leave, to make up some or all of

[1] www.moneysense.ca/save/financial-planning/the-real-cost-of-raising-a-child [2] www.esdc.gc.ca/en/ei/maternity_parental/index.page; www.rqap.gouv.qc.ca/index_en.asp

the difference from their salary. Questions to ask your human resources department include:[3]

- Am I entitled to a top-up benefit?
- If so, what's the amount? How long will you pay it? Will you withhold income tax?
- Can I use vacation days and sick days to extend my paid time off?

If both parents qualify for a top-up for a period of time, you can consider splitting parental leave to get more weeks with a topped-up income.

Any other money needed to take time off with a child and cover the myriad associated costs will have to come from your savings, emergency fund or extended family.

FIVE FINANCIAL PLANNING STRATEGIES FOR EXPECTANT PARENTS

If you're planning to start a family or are celebrating a new pregnancy, there are strategies you can use to strengthen your financial position after your child arrives.

1. Practise living on a reduced income

Living on less income can be difficult enough without throwing in the extra expenses a child can bring. Calculate what you can expect to get from government programs and employer top-ups, and try living on that amount while you're still working. Stash what's left over in a dedicated fund for the costs associated with raising a child, or put it towards repaying debt.

2. Keep your retirement plans on track

Your employer may allow you to keep contributing to your workplace retirement plan throughout your leave. Especially if your employer provides a matching contribution, try to continue to make those contributions even if you have to reduce the amount. If you usually contribute to a personal Registered Retirement Savings Plan (RRSP), consider contributing to a Tax-Free Savings Account (TFSA) instead while your income is lower and the tax deduction for RRSP contributions isn't as valuable. However you prefer to save for the future, it's important to keep up the momentum.

3. Maintain your health and dental coverage

You may be able to maintain your existing health and dental benefits while you're on leave – get the details from your human resources department. If you can't, or if you don't have benefits, consider private health and dental insurance to protect yourself and your family. Should one of you need dental work, prescription drugs or physiotherapy, it's comforting to know you're covered.

[3] www.fcac-acfc.gc.ca/Eng/forConsumers/lifeEvents/havingChildren/Pages/Maternit-Congeacu.aspx

4. Protect your family with insurance and an up-to-date will

A dependant is just that – someone who depends on you. But what if you're not able to care for your child? Consider life, disability and critical illness insurance to help protect your family's lifestyle, and update your will to include a guardian and trustee (for more information, turn to page 26).

5. Start thinking about post-secondary education

It's never too early to start thinking about post-secondary education costs. As soon as you have your child's social insurance number, you can open a Registered Education Savings Plan (RESP) that establishes a dedicated funding pool for your child's education. The government matches 20 per cent of your contributions, up to a maximum of $500 per year and up to a lifetime maximum of $7,200 per child.[4] A child is eligible until the end of the year he or she turns 17 (some conditions apply for children age 15 and older).

SPEAK WITH YOUR ADVISOR

You're about to embark on the adventure of a lifetime. There's a lot you can't predict. But a well-thought-out, flexible financial plan can help minimize money stress so you can enjoy every moment. Start by filling out the attached worksheet – and then speak with your advisor about how to plan financially for your growing family. ■

WHEN SHOULD I APPLY FOR BENEFITS?

Apply as soon as possible after you stop working. For Employment Insurance (EI) benefits, apply online at www.esdc.gc.ca/en/ei/apply.page or in person at a Service Canada office. Note that there is a one-week waiting period between stopping work and starting to receive EI benefits. For Quebec Parental Insurance Plan benefits, apply online at www.rqap.gouv.qc.ca/services_en_ligne/faire_demande_prestations_en.asp. In Quebec, both parents need to apply.

WHAT GOVERNMENT DOCUMENTS DO I NEED FOR MY CHILD?

As soon as possible after the birth, apply for:

Birth certificate – apply to your province or territory

Health card – apply to your province or territory

Social insurance number – apply at www.canada.ca/en/employment-social-development/programs/sin/newborns.html

Also apply for child and family benefits, including the Canada Child Benefit. Your province may offer a unified application for all these documents and programs. Find more information at www.cra-arc.gc.ca/bnfts/menu-eng.html.

BENEFITS FOR NEW PARENTS – AT A GLANCE

New parents are eligible for government benefits when they bring home baby. Where you live will determine which benefits you are eligible for: benefits are administered by the federal Employment Insurance (EI) program, except in Quebec, where they are covered under the Quebec Parental Insurance Plan (QPIP). The table below gives a quick snapshot of benefits.

TYPE OF BENEFIT	WHERE	FOR WHOM	HOW LONG
Maternity (EI)	Canada (excl. Quebec)	Biological mothers	Up to 15 weeks
Maternity (QPIP)	Quebec	Biological mothers	Up to 18 weeks depending on plan chosen
Paternity	Quebec only	Biological fathers	Up to 5 weeks depending on plan chosen
Parental (EI)	Canada (excl. Quebec)	Biological or adoptive parents	Up to 35 weeks (can be shared between the parents)
Parental (QPIP)	Quebec	Biological parents	Up to 32 weeks depending on plan chosen (can be shared between the parents)
Adoption	Quebec only	Adoptive parents	Up to 37 weeks depending on plan chosen (can be shared between the parents)

Sources: www.esdc.gc.ca/en/ei/maternity_parental/index.page; www.rqap.gouv.qc.ca/index_en.asp.

CHOOSING A GUARDIAN FOR YOUR CHILD

Who will care for your child if you're unable to?

WELCOMING A NEW ADDITION into your family is joyous – and it comes with the tremendous responsibility of ensuring your child is well cared for through to adulthood. Managing that responsibility takes a lot of planning over the course of a child's life. And, while it may not feel like the most comfortable subject to think about, it's important to consider who would take on this responsibility if you were no longer able to.

If you are no longer in the picture and haven't named a guardian and trustee in your will, the courts will decide who will raise your child and manage any money you've left behind. To make sure you have a say, and to prevent arguments and costly court battles, it's a good idea to begin the conversation with your partner. Here are some key questions to think about.

Who is best suited to be your child's guardian?

Among family members and close friends, who shares your approach to parenting and your values? Who has a close bond with your child? Consider candidates who have the flexibility to add your child to their family and who live nearby, so your child won't have to move far from other family and friends. Make a list of the best candidates for guardian, and itemize the pros and cons.

Is your chosen guardian able and willing?

Once you've chosen a specific person or couple, it's time to discuss the possibility with them. Explain why you'd like to name them as a guardian, tell them your expectations and share some of your hopes and dreams for your child. Offer to answer any questions they have. Then, give them time to think it over. Agreeing to be a guardian should never be a snap decision.

How will you cover the costs of upbringing?

Accepting the responsibility to raise your child is commitment enough – you don't want to leave the guardian with a financial burden as well. Put a plan in place to cover your child's costs.

A Registered Education Savings Plan (RESP) is an excellent start to pay for post-secondary education. (Remember to name a successor subscriber, either in the RESP, if available, or in your will, to help ensure the continuance of the RESP.) Other savings can form part of your child's inheritance too. Are they sufficient to fund living expenses (orthodontics are expensive!), extracurricular costs (so is hockey equipment!) and other needs? If not, keep in mind you can top up the inheritance with life insurance.

The goal should be to provide more than enough, so the guardian never has to dip into his or her own savings to provide the opportunities you want your child to have.

Is someone else better suited to manage money for your child?

The best person to raise your child isn't necessarily the best person to make financial decisions about how to invest your child's assets. If your guardian isn't both knowledgeable and responsible about money, you can name a trustee to make investment decisions, manage property and distribute funds to the guardian to pay for your child's care.

This approach can help to safeguard the legacy you've left behind. To avoid offending your chosen guardian, explain from the start that this is your plan and that you hope it will allow him or her to focus on bringing up your child without worrying about money.

What is your backup plan?

Situations change, and your first choice may become unavailable for any number of reasons – new family or work commitments, marital or financial difficulties, health concerns or age. For example, the child's grandparents may be healthy and active now, but they may not be able to take full-time care of your child five or 10 years down the road. Just in case, it's always a good idea to name alternative guardians.

Put your plan in writing

When you're ready, speak with your advisor and your lawyer. Your advisor can help you create a financial plan with provisions to pay your child's way to the age of majority. Your lawyer can help you put legal documents in order, including a will that officially appoints the guardian and trustee.

Remember, you're preparing for something that might happen, not something that will happen. Once the appropriate plans are in place, you can get back to enjoying life with your family. ■

THE ADVANTAGE OF EXPERT ADVICE

Put your business's best foot forward with the help of an advisor.

LIKE MOST SMALL BUSINESS OWNERS, you became your own boss for a reason. Perhaps you wanted more flexibility or independence, or simply more control over work and business decisions. But owning a business can be isolating and stressful, with all the decisions resting on your shoulders, not to mention the long hours. According to a recent study, 38 per cent of small business owners reported spending more hours at work than they had expected. This jumps up to 60 per cent for owners in the start-up phase.[1] It's a lot of pressure.

Unfortunately, many business owners try to make all the decisions themselves. A significant amount – 38 per cent – operate without the help of an advisor. This statistic climbs to 58 per cent for businesses that employ fewer than five people. But it doesn't have to be that way. In fact, it's a competitive advantage to reach out to experts who can help.[2]

Expert advice is particularly important during the early stages of a business, when just getting it off the ground can feel overwhelming. The first year is often the busiest, and it's also when most business owners purchase the majority of their financial products.[3] And yet, more than one-third make those purchases – important financial decisions that can have long-term implications for the business and the owner – without input from an advisor.[4]

[1] "2016 Manulife Small Business Research Report," p. 35. [2] Ibid., p. 33. [3,4] Ibid., p. 19.

In hindsight, many small business owners see the value of seeking an expert's advice in the early years. Owners were asked what they would recommend to themselves if they could go back in time to when they were starting out. Their top three responses were "make careful business decisions," "seek out assistance" and "better planning/research."[5] An advisor, someone with proven financial experience, can assist with all these goals. An advisor can provide insight and options with respect to financial products, arm you with knowledge, and offer referrals and recommendations for other experts who can help.

If possible, work with an advisor from the earliest stages of your business to help get it started on the right track. Whether you're looking at a line of credit to assist with cash flow, considering legal or liability insurance to protect your business and family, or investigating group benefits and pension plans to attract and retain the best employees, it's never too soon.

We spoke with the president of a small business about his journey and the advantage of working with an advisor. Read on to find out what he had to say.

A small business owner reflects on the importance of advice

Though he began Maestro Technologies with two of his colleagues well over two decades ago, president and product manager Robert Meunier still knows the value of getting good advice. The business has grown slowly and steadily, expanding from Quebec to other provinces and, more recently, into the United States. But as Maestro got bigger, it became more important to protect both the company and the partners' families.

"The challenge of having partners is to ensure that if something happens to you or something happens to the partners, that your families don't struggle with it," Robert explains. "We needed to put in place a partnership agreement and partner insurance."

They sought the guidance of an advisor, who not only helped them to create a partnership agreement but also assessed other aspects of the business that could benefit from a fresh look.

"Group insurance and pension plans, actually, are two things that are very important to attract employees and to retain them," Robert says. Even though Maestro had had group insurance for many years, "As you grow older, it becomes more important and you want to make sure it's been done correctly." Their advisor responded with a new group insurance plan, and helped each of the partners with his own personal financial needs.

Whether a business is well established like Maestro Technologies, a brand new start-up or one in a significant growth phase, outside advice and expertise can help owners make more informed business decisions and set their business up for greater success.

As Robert says, "I'm always careful financially. I want to be sure that we have the money to grow. This is something you really need to put in place. You do it correctly, and use professionals that have been doing it with other companies." ■

Watch the video Small business profiles *on the Manulife YouTube channel to hear more about Maestro's story*.

[5] Ibid., p. 32.

SHOULD I CONTRIBUTE TO A TFSA, AN RRSP, OR BOTH?

Determining the best approach.

THE DEBATE OVER WHETHER TO INVEST in a Registered Retirement Saving Plan (RRSP) or a Tax-Free Savings Account (TFSA) comes up every year. Both are excellent tools that allow you to shelter investments from taxes, and both have their place in a well-defined financial plan. Here are some factors to consider as you decide which type of account to save in.

Registered Retirement Saving Plan

RRSPs are generally used for saving for retirement. Contributions are tax-deductible and investments grow tax-free within the account. Both the contributions and investment earnings are taxable upon withdrawal, but the idea is that these withdrawals will happen after retirement, when your income and tax rate are expected to be lower than when you contributed. Withdrawals are included in income and affect eligibility for federal income-tested benefits and tax credits, such as child tax benefits and Old Age Security. Once you withdraw funds from your RRSP, the contribution room is gone for good, unless you do so through a program such as the Home Buyers' Plan or Lifelong Learning Plan.

Tax-Free Savings Account

TFSAs can be used to save for both retirement and shorter-term needs. Contributions are not tax-deductible, but investments grow tax-free inside the account. Amounts withdrawn from a TFSA are not subject to tax and will not affect eligibility for federal income-tested benefits and tax credits. Withdrawals are added back to your available TFSA contribution room in the following calendar year, so there is very little downside to using TFSA savings for mid-sized to large purchases.

Which is right for you?

Lower income

If you are in a low income tax bracket (for example, if you are a student or are on maternity leave), saving in a TFSA may be more advantageous than saving in an RRSP. The RRSP tax savings are less significant, and you may be in a higher tax bracket when you make withdrawals.

Middle income

If you are in a middle income tax bracket, there may not be a clear advantage to using one plan over the other. One strategy would be to contribute to your TFSA now and accumulate RRSP room to be used later, when you're in a higher tax bracket and can optimize the advantage of the tax benefits.

Higher income

If you are in a high tax bracket, you may want to consider using both types of plans. An RRSP may be a better option if your current tax rate is higher than you expect it to be when you withdraw your savings. You'll benefit from a tax deduction when you make your contribution, and withdrawals will be taxed at your lower future rate. You can also use the refund from your RRSP contribution to fund your TFSA.

Talk to your advisor

Whether to save in a TFSA, an RRSP or both may depend on your savings needs, your eligibility for income-tested benefits, and your current and expected future financial situation and income level. Your advisor can help determine the best tax-advantaged investment strategy to help you achieve your goals. ■

BUYING A HOME?

Both TFSAs and RRSPs can be ideal vehicles to save for a home. If you are a first-time homebuyer, you can withdraw up to $25,000 tax-free from your RRSP under the Home Buyers' Plan. If your spouse is also a first-time homebuyer, they can also withdraw up to $25,000 tax-free from their RRSP under this program. Money withdrawn under the Home Buyers' Plan must be paid back within 15 years, however. Any amount that you do not repay as scheduled is included in your income, and the room to recontribute to the RRSP is gone.

There are no conditions on withdrawals from a TFSA to purchase a home, and you don't need to be a first-time home buyer. The withdrawal is tax-free and is added back to your contribution room in the following calendar year.

COMPARISON OF SAVINGS OPTIONS

	Registered Retirement Saving Plan	Tax-Free Savings Account
Minimum age to own	No	Yes – age 18
Maximum age to own	Yes – end of year you turn age 71	No
Annual contribution limit	18% of your earned income from the previous year, up to a maximum amount (adjusted for certain pension amounts)	Dollar amount per year, indexed to inflation
Carry-forward of unused contribution room	Yes	Yes
Tax-deductible contribution	Yes	No
Monthly penalty on excess contributions	Yes – on excess at month-end. If excess is removed by the end of the month, penalty will not apply for that month	Yes – on the highest amount of excess at any time during the month[1]
Investment options	A variety of investments, such as stocks, bonds, GICs, mutual funds, segregated fund contracts, cash	A variety of investments, such as stocks, bonds, GICs, mutual funds, segregated fund contracts, cash
Tax-deferred/tax-free investment growth	Yes – tax-deferred	Yes – tax-free
Taxable on withdrawal	Yes – fully taxable	No – tax-free, except for growth after death if no successor holder
Withdrawals added to contribution room	No	Yes – but not until the following calendar year[2]
Withdrawals affect federal income-tested benefits and tax credits	Yes	No
Tax-deferred/tax-free transfer to spouse on death	Yes	Yes – if successor holder. Otherwise, value at date of death
Tax-deferred/tax-free transfer to second generation on death	No – fully taxable unless financially dependent	Yes – only investment income after date of death is taxable

[1] Any income attributed to deliberate overcontributions will be taxed at 100 per cent. [2] The withdrawal of amounts in respect of deliberate overcontributions, prohibited investments, non-qualified investments, asset transfer transactions and income related to those amounts does not create additional TFSA contribution room.

BUY A NEW HOME. WELCOME A NEW ADDITION.

Your mortgage. Your life. Make the most of both.

Manulife One is an innovative all-in-one mortgage, line of credit and bank account. It could help simplify your banking and give you the flexibility to choose what's right for you. From home renovations, to taking parental leave, to paying for a post-secondary education and enjoying life as an empty nester, Manulife One provides the freedom to achieve your financial goals and live your dreams.

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ALL ABOARD!

Travelling through the Rockies by train.

FOR JOHN A. MACDONALD, completing the construction of a railway to Canada's west coast in 1885 was a national dream. It was also the fulfillment of a promise our first prime minister made when British Columbia joined Confederation in 1871.[1] The Canadian Pacific Railway quickly became a vital transportation and economic link between east and west. For travellers today, a train trip through the Rockies remains a quintessentially Canadian experience.

LEFT: Train travel gets you up close and personal with spectacular scenery.

TOP: Watch an ever-changing landscape pass by your window.

ABOVE: Keep an eye out for moose and other wildlife.

It's about the journey as well as the destination

Trains have come a long way from the steam-powered locomotives that rattled across the country in the late 19th century, but there is still a certain romance about travelling by rail. In a high-speed, jet-setting world, train travel offers a chance to breathe, gaze out the window and enjoy the sights along the way. You can savour chef-prepared regional specialties and Canadian wines while travelling along parallel tracks into the mountains. After sleeping in a private cabin on a cozy fold-out bed, you can enjoy the unique experience of showering on a moving train. Musical acts and presentations are offered in the glass-topped carriages and lounges. Then there's the view: grain fields and lakes, waterfalls and snow-capped peaks, along with possible sightings of elk, deer, moose, bears, wolves, eagles and hawks. It's one of the best ways to get a sense of how vast Canada is – and how beautiful.

[1] www.thecanadianencyclopedia.ca/en/article/canadian-pacific-railway

TOP LEFT: The Banff Springs Hotel is luxury with a view.

TOP RIGHT: The spectacular Columbia Icefield straddles the Continental Divide.

ABOVE: Taste reds and whites in B.C.'s newest wine region near Kamloops.

Taking the scenic route

Via Rail's *The Canadian* speeds across 4,466 kilometres between Toronto and Vancouver in four nights and three days,[2] or you can book a trip with western stops such as Jasper and Kamloops. Some highlights of Jasper are hiking through wildflower-strewn Tonquin Valley, canoeing on Pyramid Lake and stargazing in the "dark sky preserve" of Jasper National Park.[3] In Kamloops, attractions include local farms, wine trails and 13 distinctive golf courses. Visitors in late October can witness the spectacular Adams River sockeye salmon run nearby.[4]

Via isn't the only choice. Rocky Mountaineer offers a wide range of train trips geared specifically to sightseers. Explore cosmopolitan Vancouver – go whale-watching during the day and catch the symphony at night.[5] Then take one of several circle journeys, beginning and ending in Vancouver, that mix train and bus travel. Some of them cross the Columbia Icefield between Jasper and Lake Louise and also give you time to explore high-altitude towns like Banff. Rocky Mountaineer is another route that offers a ride along the "First Passage to the West," which includes the location of the Canadian Pacific Railway's last spike. It passes the frothy Kicking Horse River, plunges through the Spiral Tunnels and crosses the Continental Divide.[6]

There's one more rail route to consider. In addition to an Edmonton–Jasper–Kamloops–Vancouver itinerary, Via offers a Jasper–Prince George–Prince Rupert route. Prince George boasts many of the trappings of a much bigger city – fine dining, upscale boutiques, museums and art galleries – but minutes away are pristine forests, lakes,

[2] www.viarail.ca/en/explore-our-destinations/trains/rockies-and-pacific/toronto-vancouver-canadian [3] www.jasper.travel/things-to-do/
[4] www.tourismkamloops.com/ [5] www.tourismvancouver.com/activities [6] www.rockymountaineer.com/train-routes/first-passage-west

rivers and waterfalls.[7] In Prince Rupert, on British Columbia's northwest coast, visitors can stay in a floating lodge, hike past the ruins of ancient First Nations villages, fish for salmon and halibut, and say a safe hello to a bear at the Khutzeymateen Grizzly Sanctuary.[8]

Themed day trips

A mix of themed day train trips are also on offer in Alberta and British Columbia.[9] Alberta Prairie Railway Excursions runs five- to six-hour trips on board a vintage steam- or diesel-powered train; you may get to puzzle your way through a murder mystery, and many of their family-friendly trips have a good chance of a train robbery.[10] In British Columbia, Kettle Valley Steam Railway has a 90-minute trip powered by a century-old steam locomotive that runs through the Okanagan Valley and across Trout Creek Bridge, about 74 metres above the floor of the canyon – also, coincidentally, with the option of a train robbery.[11]

An adventure for all seasons

Not all train trips are available year-round – Rocky Mountaineer operates only between April and October – but Via's routes, including *The Canadian*, run through the winter. One of the advantages of train travel is the ability to see breathtaking winter wonderlands, spring buds, summer greenery or fall colours – all from a comfortable seat inside. So pick your favourite season, and then book a ticket to ride Canada's nation-building rails. ■

TOP LEFT: Vancouver's Gastown is a picturesque place to start or end your journey.

TOP LEFT AT BOTTOM: Step back in time on the Kettle Valley Steam Railway's steam locomotive.

TOP RIGHT: Nineteenth-century explorer James Hector was reportedly kicked by his packhorse near here, giving Kicking Horse River its name.

ABOVE: Visit between April and October and you have a chance to spot a whale on a day trip out of Vancouver.

[7] www.tourismpg.com/our-story [8] visitprincerupert.com/itineraries/weekend-trip/ [9] www.travelalberta.com/ca/things-to-do/attractions-entertainment/train-travel/; www.hellobc.com/british-columbia/transportation-maps/train.aspx. [10] www.absteamtrain.com/ [11] www.kettlevalleyrail.org

THE FRESH-AIR BRAIN CURE

How going outside can change the way we think.

IN THE FIRST HALF OF THE TWENTIETH CENTURY, the "fresh-air cure" was the hot wellness trend. In fact, an entire branch of medicine was dedicated to studying how different climates influence health. During the tuberculosis epidemic, patients were shipped to sanatoria tucked deep in the Laurentians.[1] Doctors believed clean, country air and walks through pine forests would heal infected lungs.

With the advent of penicillin, the fresh-air cure fell out of favour, but now it is once again on the cutting edge of health care. Instead of studying the impact of nature on the lungs, however, scientists have shifted their focus to another organ: the brain.

According to the studies described below, being in nature offers rewards beyond decreasing stress and replenishing mental energy. Being in nature can actually change the way we think.

Three ways going outside affects our brains

1. Discourages rumination

We know that a walk outside clears the head, but why? Stanford University researchers found that it reduces activity in the part of "the brain responsible for obsessive negative thought – or rumination.[2]

[1] commons.lib.jmu.edu/cgi/viewcontent.cgi?article=1281&context=master201019 [2] news.stanford.edu/2015/06/30/hiking-mental-health-063015

And it's not just the exercise. In the Stanford experiment, two groups of participants went on walks. One walked along a highway, the other through a grassland. The brain scans of the grassland group were noticeably different than those of the highway group.

Being in nature makes us less likely to dwell on what's going wrong with our day, our fears and anxieties. In fact, seeing greenery prevents our brain from doing that *on a physical level*. If our negative thoughts are getting out of hand, "walk it off" is good advice – but "walk it off in a garden" is even better advice.

2. Boosts concentration

Being in nature restores our capacity to concentrate. Gazing at a lake or mountain range is like detox for our brains. A study by Uppsala University in Sweden revealed that participants who spent a short time in a nature preserve performed better on detail-oriented tasks than participants who walked through the city or relaxed indoors.[3]

Think of the great outdoors as an attention-span enhancer. In fact, spending time outside can mirror the effects of meditation. And we don't have to plan a hike or a trip to the beach to reap the rewards. Any natural space can do the trick.

3. Sharpens memory

A University of Michigan study revealed that participants who walked around an arboretum performed 20 per cent better on a memory test than participants who walked down a city street. Simply looking at photos of landscapes can also help. When our minds start to wander, a picture of a forest might be as effective as the real thing.[4]

In all the studies, a walk surrounded by grass or trees was enough to positively affect the brain. Whether it's to decrease rumination or to improve concentration and memory, experiencing the mental health benefits of being outdoors is usually a matter of just getting out the door. Hiking for miles or spending hours in the wilderness – or in a sanatorium in the mountains – is unnecessary. Even a small amount of green space can be restorative. The fresh air cure for the brain is as easy as a walk in the park. Literally. ■

TIPS FOR INCREASING FRESH-AIR TIME

Being in nature doesn't have to be complicated. We just need to get out there to breathe in the benefits. Here are a few quick get-outside strategies:

Make it a routine. Regularly schedule Saturday as the day for a hike or a bike ride. Over time, you will build a habit.

Be a kid. Fly a kite. Start a game of tag. Try skateboarding. Build a sand castle. Just go outside and play.

Take workouts outside. Don't limit exercise to the gym. Go for a run in an interesting location. Try an outdoor boot camp. Go paddleboarding, rollerblading, or kayaking.

Get everyone involved. Invite friends to come along. Time outdoors can be an opportunity for socializing.

Multi-task. Long conference call? Head outside with your cellphone, and walk and talk at the same time.

[3] www.businessinsider.com/boost-concentration-and-memory-by-going-outside-2014-8 [4] www.spring.org.uk/2009/01/memory-improved-20-by-nature-walk.php

STRESS-BUSTING, YOUR OWN WAY

Relaxation techniques for every personality.

STRESS AFFECTS EVERYBODY DIFFERENTLY – while one person might sleep less, another person might need more rest. Some people have trouble concentrating, while others become laser-focused. Each of us responds uniquely when the pressure mounts. As a result, we all need individualized coping strategies. There is no one-size-fits-all solution. A technique's success depends on how well it fits your personality.

Take a moment to reflect on who you are: Are you sensitive to overstimulation? Do you recharge from spending time alone? Or does being around people energize you? If something is bothering you, would you rather vent about it or be distracted from it? When it comes to easing tension, there is no "right" way – only one that is effective and works for you. Below are suggested techniques for four personality types.

Always moving – and you like it that way

The very idea of sitting still and breathing deeply makes you antsy. To help manage stress, consider an active, aerobic exercise like running or dancing. The endorphins released by exercise can ward off anxiety, boost self-esteem and improve sleep, all of which contribute to reducing stress.[1]

[1] www.webmd.com/depression/guide/exercise-depression

If you'd prefer a more low-impact activity, tai chi is easy on the joints and increases flexibility. Tai chi has been described as "meditation in motion" and is commonly used for stress reduction. Yoga might also work – it combines the chill-out factor of meditation coupled with constant motion to keep things interesting.[2]

Taking on others' burdens

Perhaps you would describe yourself as more of a nurturer – which is wonderful, but it can also mean carrying your own stress along with everyone else's. You may find a solitary, tranquil activity best for relaxing. Meditation is not only calming, but some studies suggest that practising daily can actually alter your neural pathways and better enable you to process stress.[3] A quiet walk in the woods or gardening can also give you a break and allow you to focus on yourself. Researchers have found that outdoor activities create a sense of "being away" that can contribute to stress reduction.[4]

Solving problems

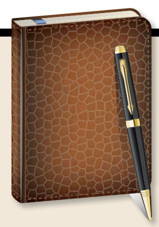
If you're a natural problem-solver, it might stress you out just to know you're not managing your stress as well as you would like to. Consider adding aerobic exercise to your daily routine as well as making some changes to your diet. Swiss chard and other leafy greens are excellent sources of magnesium, which can help balance cortisol, the body's stress hormone. Avocados and bananas are packed with potassium, which can lower blood pressure. Omega-3 fats in fish like salmon can help manage adrenalin levels, while small portions of dark chocolate can lower stress hormones and release serotonin, the "feel good" hormone.[5]

Where is my "me time"?

As any introvert knows, there's nothing as stressful as prolonged time with a crowd with no chance to recharge. A great stress management solution is setting aside time to be completely peaceful. Find a time that you can be unreachable, except in case of emergencies. Turn off your phone. Schedule a break in your calendar if you need to, and stick to it. Use this time for hobbies that centre you. Do you feel calmer after listening to music? Watching TV? Reading a book? Whatever does the trick – this is *your* time.

In the end, the best stress-busting technique is the one that you actually use, and you are more likely to use one that comes naturally. Your doctor can also provide valuable guidance and ensure these tips support your overall health. ■

PUT PEN TO PAPER



Journaling may be an effective decompression strategy if you have a lot on your mind. Writing can be a way to create order out of a chaotic day, or an outlet for negative thoughts. Also, seeing your problems written out can inspire you to brainstorm solutions. The University of Rochester Medical Center recommends using journaling as a tool to prioritize problems and concerns, as well as an opportunity to practise positive self-talk.[6] Try setting a timer for five minutes and let the ink flow.

[2] www.mayoclinic.org/healthy-lifestyle/stress-management/in-depth/yoga/art-20044733 [3] www.webmd.com/balance/guide/blissing-out-10-relaxation-techniques-reduce-stress-spot [4] www.theatlantic.com/health/archive/2015/06/how-walking-in-nature-prevents-depression/397172/ [5] www.foodnetwork.com/healthy/photos/top-10-foods-for-stress-relief.html [6] www.urmc.rochester.edu/encyclopedia/content.aspx?ContentTypeID=1&ContentID=4552

EAT WELL – THE CANADIAN WAY

Celebrate our nation's 150th birthday with these two quick and easy recipes that are sure to satisfy any palate.

Maple glazed salmon

What could be more Canadian than salmon and maple syrup?

Ingredients

4 salmon fillets
1/4 cup maple syrup
4 tsp. grainy mustard
4 tsp. soy sauce (or tamari sauce if you're gluten-free)

Directions

1. In a small bowl, combine maple syrup, mustard and soy sauce.
2. Arrange the salmon on a foil or parchment-lined baking sheet. Spoon the glaze over the fish.
3. Bake at 425°F (220°C) until the fish flakes easily, about 12–15 minutes.

Serves 4
Prep time: 5 minutes
Cooking time: 15 minutes

Apple fennel salad with mustard vinaigrette

Fennel can be a strong flavour for many palates. This salad can be eaten raw, but sautéing the fennel makes for a delicious warm salad that mellows the anise flavour.

Ingredients for the dressing

1 tbsp. maple syrup (or honey)
2 tsp. fresh lemon juice
1 tsp. Dijon mustard
2 tbsp. extra-virgin olive oil
Salt and pepper, to taste

Ingredients for the salad

1 bulb of fennel, thinly sliced, reserve the green tips as garnish
1 tbsp. olive oil
1 green apple, cut into matchsticks
1/4 cup of hemp seed hearts or chopped walnuts or pecans
1/4 cup dried cranberries

Directions

1. Combine all dressing ingredients in a small bowl. Add salt and pepper to your liking. Set aside.
2. Heat 1 tbsp. of olive oil in a medium-large pan over medium heat. Add the fennel and sauté for 5–7 minutes, stirring regularly until softened and the edges are slightly browned. Remove from heat.
3. Combine the fennel with the apple and cranberries in a salad bowl. Toss the mixture with dressing and top with the hemp seed hearts and fennel tops. Enjoy!

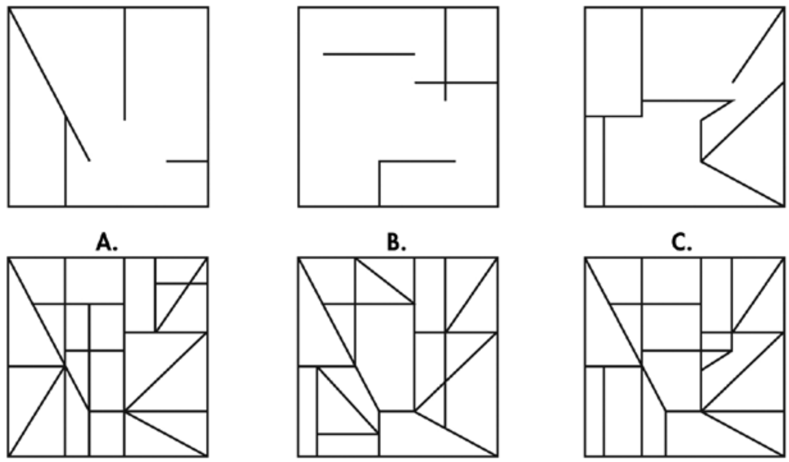
Serves 4
Non-cook/prep time: 25 minutes
Cooking time: 7 minutes

These recipes were provided courtesy of a wellness consultant from Tri Fit Inc. (www.trifit.com).

OVERLAY

When you overlay the three diagrams in the top row, which of the three lettered diagrams, A, B, or C, will be formed?

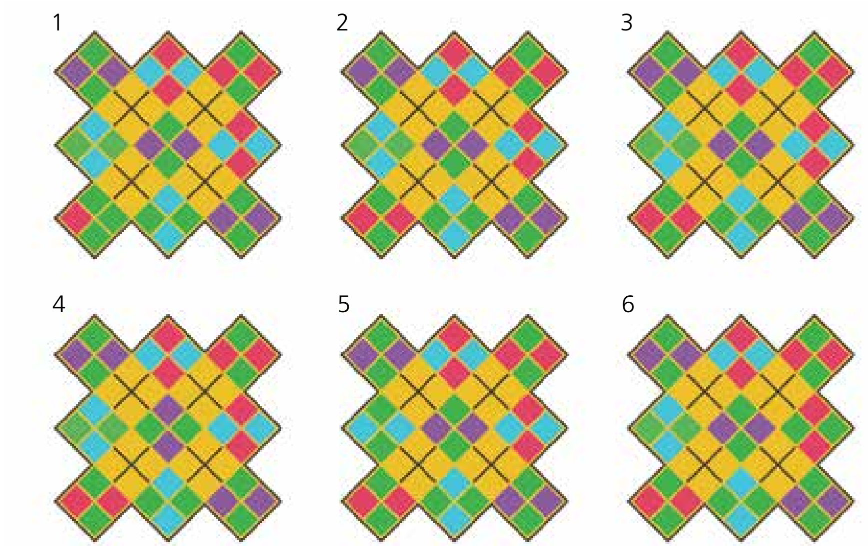
ANSWER: DIAGRAM C



TWO OF A KIND

Which two of the six designs are identical?

ANSWER: MATCH IS 2 AND 3.

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