



Growing Knowledge

Managing the world's most important investments . . . yours!

Issue 64, first quarter 2018



Handling Your Life Savings More Responsibly

Investing long-term savings requires prudence and responsibility. To most people, this seems as intuitive as looking both ways before crossing a street. Yet, some still respond to the phrase *socially responsible investing* as if it refers to a recent, marginal concept associated with low investment returns. Not true.

conscientious companies perform better

A company acts responsibly by honestly disclosing its observance of environmental standards. A company acts prudently by appointing directors who reflect a variety of relevant perspectives. If a company also acts responsibly by integrating the protection of consumers into its products, then buying shares in that company could be more prudent than investing in companies that do not observe such environmental, social, and governance matters. Recognizing it as conducive to better long-term investment returns, pension plan investment managers increasingly favour this approach.

what pension managers prefer

The managers of the Canada Pension Plan focus on long-term sustainability. This focus

incorporates risk management through broad diversity. They aim always to invest in a smart mix of asset types with global geographic diversity. When assessing a particular company for investment, pension managers include such considerations as the balance of power between the CEO, chairman, and board of directors. When the CEO and chairman roles are held by separate people and the power of the board of directors balances theirs, then the company could be better structured for good governance and lower risk to investors. Actual investment returns prove this – in pension plans and in individual portfolios.

ethically good, financially wise

Responsible investment management requires a portfolio of diverse asset classes. Within each asset class, risk management requires selective diversity. Accordingly, just as pension managers prefer to invest in companies that follow good principles on environmental, social, and governance matters, so private investors can fare better by observing the same preferences. This involves seeking, for example, companies whose supply chain is free of suppliers whose

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Smile

“Grandchildren: The people who can get more from you than the taxman.”

Events

RSVP: Please call Annette at 250-657-2222

Special Event

Quarterly Market Update: Predictions for 2018

afternoon tea for men and women

date: Thursday January 25th

time: 2:30 to 4:00 PM

place: Sidney NBF boardroom

Women WISDOM + WEALTH

theme: Don't Be A Bag Lady!

date: Monday February 26th

time: 5:45 PM mingling; 6 to 7 PM presentation

place: TBA

We have prepared this commentary to give you my thoughts on various investment alternatives and considerations which may be relevant to your portfolio. Therefore, this report should be viewed as a reflection of our informed opinions rather than analyses produced by the Research Department of National Bank Financial. All information comes from sources believed to be reliable but its accuracy cannot be guaranteed. This newsletter is furnished on the basis and understanding that Viola VandeRuyt and NBF are under no liability whatsoever in respect thereof. It is for information only and is not to be construed as an offer or solicitation for the sale or purchase of securities.

Did You Know?

- The Canada Pension Plan Investment Board (CPPIB) has an investment-only mandate to maximize returns without undue risk.
- CPPIB decisions are not influenced by government direction; regional, social or economic development considerations; or any non-investment objectives.
- CPP assets are managed in the best interests of the 20 million CPP Fund contributors, strictly segregated from government funds.

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workers labour long hours in unsafe sweat shops. Prudent long-term investing might also exclude a company whose top executives receive excessive compensation. This is true in portfolios held by pensions and by private investors.

good returns, clean hands at the top

While it remains true that the greedy and unethical can get ahead financially, it is also true that the managers of large pension plans have been adopting socially responsible investing more and more in recent years. The Canada Pension Plan Investment Board, for example, publicly discloses its commitment to sustainable investing. It also reports impressive investment returns earned prudently and responsibly. As appropriate, individual investors can follow their lead and reap similar rewards.

let your knowledge grow

Please participate in your choice of our upcoming events, and bring along a friend. A call to chat with you or somebody you care about would also be welcome. ☺

Did You Know?

- If still working after age 65, you can delay receiving Old Age Security payments and get 0.6% more for every month you delay.
- You can register with Service Canada to receive your own CPP income projection.
- You can get a Retirement Income Projection or Full Financial Plan from us. Just ask.

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