



INNOVA

Market Insights



EQUITY
Associates Inc.

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Interesting Links from Around the Web

Real Estate : [Calgary Home Prices to Drop 15%](#) : Financial Post
Society : [An Hereditary Meritocracy](#) : The Economist
Health : [8 Sick Remedies that Work - Scientifically](#) : YouTube

“True wisdom is knowing what you don't know” - Confucius

With the first month of 2015 already behind us, we look back at one of the best months in IWBs history! Despite a rocky start to the year, fund performance for the month was exceptional with several funds posting double-digit returns building on the momentum of important central bank expansionary policies. Most surprising of all, Stephen Poloz, the governor of the Bank of Canada cut interest rates 0.25% on January 21st. In turn, the banks parlayed this into a 0.15% cut in their posted prime rates, padding the consumers of variable rates lending products.

The strong fund performance in IWB portfolios was caused in large part by the drop in the Canadian Dollar against most world currencies, thus benefitting our globally over-weight portfolio. We are particularly pleased with the performance of our most recent addition, the RBC Emerging Market Dividend Fund, for which we laid the case in our October newsletter entitled “Emerging Markets Dividends”.

Despite this strong performance, we remain very cautious in allowing these strong returns to affect our macro-economic view of the markets. We still feel that the stock market is expensive in relative terms and are using this opportunity to increase cash positions in many portfolios, hoping to benefit from a drop in the markets in the near future to ‘Buy Low’.

I am reminded of the most important lesson in investment management, “Knowing that you don't know something is nearly as valuable as knowing it. The worst situation is thinking you know something when you don't.”

With this, we now turn to you for help in improving the way in which we serve you. We have posted a short 10-minute survey and would sincerely appreciate you taking the time to complete it. So much so, that we will be drawing 2x \$100 gift cards to a restaurant of the winner's choice, just for completing the survey.

To be entered into the draw, simply complete the survey at (www.InnovaWealth.ca/Survey.html) and email us at survey@inwb.ca.

We value every one of you as clients and sincerely appreciate your willingness to help us keep improving!