Solutions

FOR FINANCIAL PLANNING

SHIFT HAPPENS

Making sense of a rapidly changing financial world

MK2908E 05/18

SPRING 2018

WHAT'S IN YOUR DIGITAL WALLET?

Experts estimate that by 2020, the average Canadian will accumulate, over a lifetime, more than $10,000 worth of assets stored online.[1]
Take Liza, for example. She's a 43-year-old marketer living in Calgary with a love of fashion, kitties and social media.

Her online digital assets include:

PAYPAL
$500

DRUG STORE
$485

DEPARTMENT STORE
$260

FREQUENT SHOPPING
$130

$44

$100

$25

$100

1,669
POINTS

1,300
POINTS

21,768
POINTS

VISA **$109**
CASH-BACK REWARD

BUSINESS: 371 EMAILS

PERSONAL: 528 EMAILS

1,885 PHOTOS | **20** VIDEOS

3,525 TWEETS

270 POSTS

500+ CONTACTS

614 POSTS

CAMERA ROLL
5,697
PHOTOS,
256
VIDEOS

LAPTOP / EXTERNAL DRIVE
32,746
PHOTOS AND VIDEOS

0
PHOTOS

3,238
SONGS

Most people are aware of the importance of creating an estate plan. However, fewer than half of Canadians over 45 who say digital assets are important to them have included them in their estate plans.[2] Why? Most have simply not considered their online assets as part of what they "own." To learn more, read the article on page 12 and fill in the accompanying worksheet to begin creating a plan for your digital belongings.

[1, 2] www.theglobeandmail.com/globe-investor/personal-finance/what-to-do-about-online-accounts-and-assets-after-death/article14024031
Infographic courtesy of Manulife.com/blog

HELPING YOU NAVIGATE CHANGE

IT'S FITTING THAT THE FIRST ISSUE OF *SOLUTIONS* I'm introducing as our new leader for Manulife Canada is all about managing through change.

Every day, each of us adapts to the unexpected – from simple things like traffic jams or last-minute meetings added to our schedule, to more impactful things like market changes that can drastically alter our future paths.

The articles in this issue focus on ways to help successfully manage changing financial realities. On page 26, our feature article speaks to the recent interest rate increases and includes strategies to help handle the impact. There is also a useful worksheet to help you calculate your household budget in the event interest rates continue to rise.

Over the past couple of years, exchange-traded funds (ETFs) have become increasingly popular with Canadian investors. On page 18, our article "The ABCs of ETFs" explains the basics: what ETFs are, how they work, and how they can help diversify a comprehensive investment portfolio.

We're helping to evolve the experience of not only buying insurance, but also owning insurance. No longer just part of a smart financial plan, insurance solutions are changing to keep up with Canadians' lifestyles. On page 22, we explain how these advancements can help you reach your health and lifestyle goals alongside your financial goals.

Knowing how to navigate the many market trends and financial solutions available can be daunting. But working with an advisor can not only help alleviate the stress on you, but also help you capitalize on the opportunities.

Until next time,

Mike Doughty

Mike Doughty
President & CEO
Manulife Canada

FEATURE

FINANCIAL MATTERS

WHAT'S INSIDE

SOLUTIONS FOR FINANCIAL PLANNING
SPRING 2018

IN EVERY ISSUE

BONUS: TEAR-OUT WORKSHEETS

Matters of fact

Potato and heart and liver, oh my! As the government prepares to update Canada's Food Guide in 2018, let's look back at how its recommendations for a healthy diet have evolved over the years.

1942 – WARTIME SCARCITY

During World War II, Canada was confronting the challenges of food scarcity and rationing. As a result, the first national food guide – "Canada's Official Food Rules" – was introduced. The rules recommended a potato each day, weekly servings of liver, heart or kidney, and boosting vitamin D with cod liver oil.

1961 – INTRODUCING MORE FLEXIBILITY

The 1961 edition was a "guide" rather than "rules" and was less prescriptive. "At least four slices of bread" became simply "bread." Liver was now something to be eaten "occasionally" instead of "frequently." And the daily potato recommendation disappeared.

1992 – ONE GUIDE DOES NOT FIT ALL

In this version, the guide's recommendations shifted from minimum requirements to broad ranges designed to accommodate different ages, sexes, sizes, levels of activity and conditions – for example, pregnancy and nursing.

2007 – FOOD DIVERSITY

The current guide, published in 2007, branched out to include increasingly popular foods such as quinoa, bulgur, legumes, kefir, tofu and fortified soy beverages.

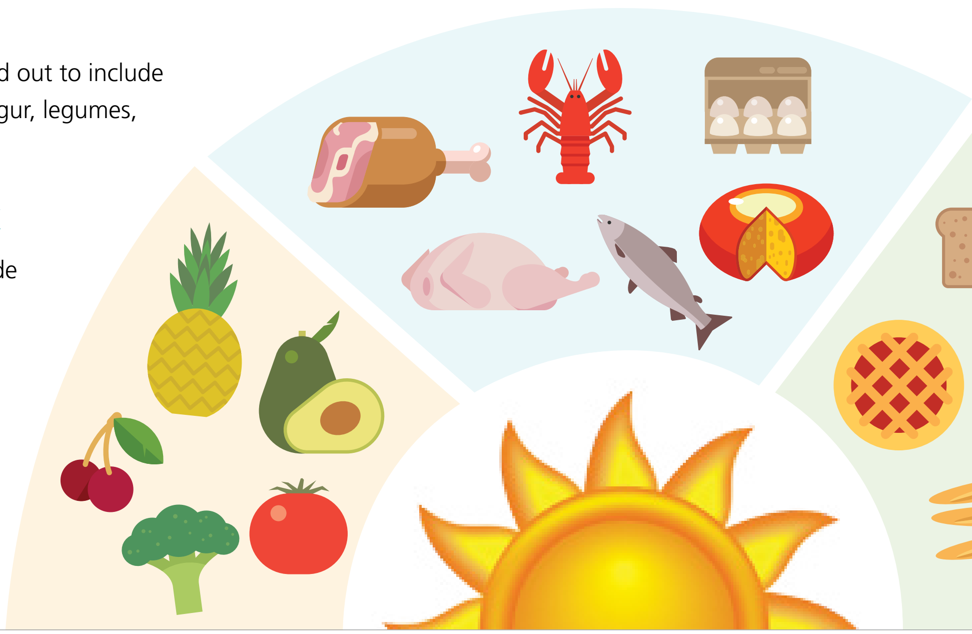
2007 – MOOSE MEAT AND BANNOCK

A specialized First Nations, Inuit and Métis guide includes traditional foods such as wild plants, game and bannock, as well as store-bought foods commonly available in remote communities. It's available in English, Inuktitut, Ojibwe, Plains Cree and Woods Cree.

TODAY

THERE'S AN APP FOR THAT!

With the My Food Guide web-based tool or mobile app, you can create a guide that's personalized to your age, sex and food preferences. Not a fan of asparagus or grapefruit? Leave them out of your recommended diet. Prefer lentils and hummus to chicken and beef? Add them in.



Source: www.canada.ca/en/health-canada/services/canada-food-guides.html

Remember *BodyBreak*?

Many Canadians can recall the iconic fitness commercials featuring windbreaker-clad Hal Johnson and Joanne McLeod. The two met at a gym and share a passion for leading a healthy lifestyle. Hal had been captain of his high school hockey, baseball, basketball and football teams and earned a business degree at the University of Colorado on a baseball scholarship. Joanne was a four-time national and seven-time provincial hurdle champion who had competed at track meets around the world.

The pair decided to put together a fitness show, paying for three pilot episodes with $4,000 of their own money. The first episode focused on golfing, and after Hal hit the ball, he reached back for his golf cart, which tipped and crashed to the ground. That happy accident turned into a trademark blunder that showed people Hal and Joanne weren't taking themselves too seriously. Their key message was, after all, "Keep fit and have fun!"

They shopped the pilots around to more than 40 organizations, all of which rejected the concept. Finally, they turned to ParticipACTION, which agreed to produce them. *BodyBreak* aired for the first time on CBC on April 28, 1989. ParticipACTION funded the first 65 90-second episodes, which ran on multiple television stations. In 1993, Hal and Joanne partnered with Health Canada to produce more 90-second television spots.

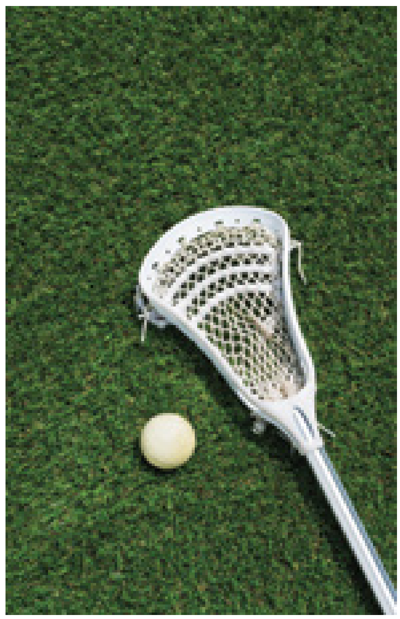
Since then, *BodyBreak* has become a syndicated radio show and a book, and Hal and Joanne married and had a daughter. They competed in *Amazing Race Canada*'s first season in 2013, and continue to promote healthy, active living through speaking engagements at companies, associations and universities. It's a good thing neither of them skipped their workout that day they first met at the gym.

Source: www.bodybreak.com

ParticipACTION is back

Two "evenly matched" men jog along a trail. Then there's the reveal: one is a 30-year-old Canadian and the other is a 60-year-old Swede. Through television spots like that one, ParticipACTION got Canadians talking about physical fitness in the 1970s, 1980s and 1990s. The federally funded organization's media campaigns, educational materials, community-based mobilizations, surveys and reports made it a national brand. And now it's back. To celebrate Canada's 150^{th} birthday in 2017, ParticipACTION launched a 150 Play List: 150 uniquely Canadian activities to take part in, such as curling, basketball and lacrosse. The campaign featured digital badges, prizes and coast-to-coast events to encourage Canadians to get more active. Maybe we'll catch up to the Swedes!

Source: www.participaction.com



30 days to better finances

Do some financial spring cleaning with our one-month challenge.

WITH PLENTY OF PRIORITIES COMPETING FOR OUR ATTENTION, money matters can sometimes be pushed to the back of the shelf. But, just like an annual decluttering at home, getting our financial house in order can make a big difference to daily life.

Make a commitment to take our 30-day challenge and set out on your way to better financial housekeeping.

Examine your spending

Days 1 to 7: Track your everyday spending for the week. Include all the little things – coffee, meals, dry cleaning, etc. Consider using a tracking app or other online tools.

Day 8: Analyze your weekly spending. Are you willing to bring your lunch to work a few times a week or forgo that daily latte? Figure out how much you could save – and where else you might put that money.

Days 9 to 11: Add up your fixed monthly expenses (rent/mortgage, utilities, cable, Internet, phone, insurance, etc.), and take a deeper look. Are there areas where you can reduce costs? Inquire with your current provider or shop around for a better deal. Ditch the memberships or subscriptions that you don't use.

Day 12: Go through your banking transactions for the last month and note any fees. Can you reduce or eliminate them?

Day 13: Budget challenge! Limit yourself to spending no more than $10 today. Challenge your spouse, friends or family members to do the same, and compare your results.

Understand your debt

Days 14 to 16: Add up the total amount you owe, including car loans, student loans, and mortgage and credit card balances, and note the interest rates you're paying. Explore ways to reduce your debt and make a note to ask your advisor about strategies to manage your debt more effectively.

Day 17: Order a free copy of your credit report through TransUnion (www.transunion.ca) or Equifax (www.equifax.ca). See if there's anything you don't recognize and report it immediately.

Income and benefits

Day 18: Get to know your paycheque and payroll deductions (income tax, employment insurance, pension, etc.). Find out if you can participate in an automatic savings option, group Registered Retirement Savings Plan or another savings plan in which your employer matches employee contributions.

Day 19: Talk to your human resources department to review what's included in your employee benefits package. Check that you've submitted all of your eligible expense claims and that they've been paid. Don't forget to coordinate benefits with your spouse if you can.

Get organized

Day 20: You're just 10 days away from completing the challenge! Schedule a meeting with your advisor for next month to review your progress and discuss the next steps.

Day 21: Organize your important files (receipts, insurance policies, statements, tax returns). Create or update a document that lists the location of all your financial accounts and the contact details for your advisor, lawyer and accountant.

Day 22: Get and stay informed. Sign up to receive a personal finance newsletter or follow a personal finance expert on social media.

Savings and investments

Day 23: Gather your savings and investment statements. Total your investments and note their rates of return. Set these aside to review with your advisor.

Days 24 to 26: Make a list of all of your savings goals – a down payment on a home, a family vacation, your children's education and any others. Determine when you want to accomplish them, how much they will cost and how much you will need to put aside on a regular basis to be successful. Your advisor can recommend a savings plan or vehicle (for example, a Tax-Free Savings Account) to help you meet your goals and grow your savings faster.

Day 27: Budget challenge! Limit yourself to spending only cash today – no credit or debit cards.

Family matters

Day 28: Is there someone else who affects your finances, such as your partner, parent or child? It's time to have an honest conversation about money. Find a time and place with minimal distractions and begin the dialogue by sharing how you feel about your current financial situation.

Day 29: Take a moment to think about what would happen to your loved ones if you were injured or no longer around. Have you set up a will and power of attorney, or purchased life or disability insurance? These aren't pleasant thoughts, but they are important to consider. Make a note to talk to your advisor about how to best protect those close to you.

Day 30: Give yourself a pat on the back! This kind of in-depth examination of your finances is something too many Canadians put off for another day. You did it – and you're now on your way to better financial health. You'll also be better prepared for that upcoming conversation with your advisor, who will help you figure out the next steps towards achieving your financial goals. ■

Ready to retire? Ask your advisor these 9 questions.

As you get ready to stop working, your advisor can help make sure you're financially prepared.

YOU'VE BEEN WORKING and saving for this moment for most of your working life – now retirement is on the horizon. But you're not done planning yet. In fact, there's never been a more important time to talk to your advisor. Start with these nine questions:

1. CPP/QPP – now or later? The amount you receive from the Canada/Quebec Pension Plan partly depends on when you take it. At 60, you'll get less than if you wait until you're 65. Ask which option is right for you.

2. How should I withdraw from my RRSP? It's time to convert your Registered Retirement Savings Plan into an income stream. Ask when to make the jump, what assets you should hold and whether there are alternatives to a Registered Retirement Income Fund.

3. What about my pension? If you have a workplace pension, how much you get and how you draw on it depends on whether it's a defined contribution or defined benefit plan. Ask what you're entitled to and how it fits with your other sources of income.

4. Can income splitting help? The tax paid on your retirement income can make a big difference in your cash flow. Ask about how income splitting can help make your savings go further. Strategies include spousal RRSPs, pension splitting and CPP/QPP splitting.

5. What's the right level of investment risk? After you retire, your nest egg can still generate returns. Ask what level of investment risk is right for you, and how to help manage that risk while growing your assets once you're no longer working.

6. What if my savings aren't enough? Do you have enough to retire, and if not, what are your options? Delaying retirement by a few years, taking on a part-time job after you retire or renting out part of your home can all help boost your retirement income.

7. How do I handle debt in retirement? If you are approaching retirement with debt, ask your advisor about the best way to deal with it, whether it's through trimming expenses, downsizing your residence or streamlining your debt repayment plan.

8. Am I covered? Your current health and life insurance benefits may end once you leave your job. If so, find out what your options are for individual coverage.

9. What about my will? If you haven't reviewed your estate plan in a while, this could be a good time to do so. Make sure your will and power of attorney are up to date, and ask your advisor or legal representative about ways to prepare your estate to maximize tax efficiency. ■

Estate planning in the cyber age

How to manage your digital value.

WITH MORE AND MORE CANADIANS conducting their daily business online – from banking and business meetings to shopping and hailing a cab – it should be no surprise that digital assets are increasing. According to Deloitte Canada, the average Canadian has $1,000 to $2,000 in value stored online.[1] Deloitte estimates that by 2020, the average Canadian will accumulate $10,000 worth of digital assets over a lifetime.

Most people are aware of the importance of creating an estate plan that includes bank and investment accounts, real estate and other property. Digital assets are often overlooked but, as Canadians' digital wallets grow, these considerations will grow in importance. If left unaddressed, family members may find it difficult (or even impossible) to access your digital accounts and information, leading to possible financial costs, the loss of items with sentimental value and even identity theft.

That's why it is essential when creating an estate plan to outline instructions that grant a trusted person the power to access and handle your digital assets in the event of incapacity (during your lifetime) or upon death.

[1] www.theglobeandmail.com/globe-investor/personal-finance/what-to-do-about-online-accounts-and-assets-after-death/article14024031

WHAT IS A DIGITAL ASSET?

A digital asset is any information about you or created by you that exists in electronic form. These assets include a wide variety of accounts and information, which may or may not have a monetary value.

Hardware

Physical devices that hold data include laptops, smartphones, tablets, e-readers, digital cameras and digital music players. Hardware also encompasses any external hard drives, flash/USB drives, and SD cards or disks used for storage or backup.

Data

Consider all those files (documents, music, photos, videos, e-books) stored on your devices or in a cloud-based data storage account. In the case of a downloaded song or book, you've purchased only the licence to use it rather than purchased a copy outright. But other files – photographs, artwork, poetry, videos or any other intellectual property you have created – constitute part of your digital estate.

Email, websites and social media accounts

Your email and social media accounts contain a lot of information about you – personal details, contact lists, electronic messages and photographs. The contents may have sentimental value or might simply need to be closed after your death to prevent hacking or fraud. Websites, personal blogs and domain names, whether they produce income or not, should also be considered.

Accounts with stored value

Many Canadians hold virtual accounts that have stored financial value, such as PayPal and Bitcoin. Other accounts to remember include those associated with credits or rewards, such as loyalty programs, credit cards with cash-back rewards, gift cards, online shopping accounts and even video games.

Business-related digital assets

If you own or are a partner in a business, clear instructions on the treatment of business-related digital assets, such as email accounts, websites and business data, will help to ensure continuity after your death or upon any incapacity during your lifetime. If the business has any patents or other intellectual property (copyrighted materials or trademarks), these can constitute digital assets as well. Keep in mind that any power of attorney or will that you prepare should be consistent with other documents that govern your business relationship(s).

PLANNING FOR THE UNEXPECTED

Access to and control of digital assets should be addressed when considering incapacity planning. Planning for incapacity involves having a lawyer prepare a power of attorney document, which appoints a trusted person (often referred to as an "attorney" or "representative") to control your assets if you are unable to make financial decisions for yourself. The document should specifically state that your attorney/representative has the power to access, modify, delete, control and transfer your digital assets.

HOW TO GET STARTED

The first step to getting your digital estate in order is to take inventory. List all your digital assets and how to access them – the physical location or website associated with them, any account numbers or usernames, and your passwords (more on security considerations later).

Next, figure out what you want done with your digital assets. Should an email account be disabled? Are there photos to pass on to loved ones? You may want to consider transferring administrative rights to a website domain to someone else. Perhaps there is monetary value that needs to be distributed. An attorney/representative (in the event of incapacity during your lifetime) and a trustee (appointed pursuant to your will) should be assigned to manage your digital accounts according to your instructions. This could be the executor of your existing will, or you could ask a different person to handle your digital assets specifically. You may want to designate different people for different assets (for example, if you have both personal and business digital assets to be disbursed).

Finally, store these instructions in a secure place. At some point, passwords for your digital assets must be provided to your attorney/representative or trustee to allow them appropriate access. In some cases, website administrators may refuse access without the username and password. However, care needs to be taken to ensure passwords are secure. Keep sensitive information in a lock box or safety deposit box, with your lawyer or in another secure location. Passwords should not be included as part of your will because, if probated, they become public.

With so much taking place online, digital accounts and information need a place in the estate planning process. Speak to your advisor and a lawyer to help create a comprehensive estate plan that includes all your assets – digital and otherwise. ■

KEEPING PASSWORDS SAFE

A variety of applications are available to securely manage your passwords (for example, Dashlane, Sticky Password and LastPass). This may be an option to help keep it simple for you and your executor.

Source: www.pcmag.com/article2/0,2817,2407168,00.asp

Financial roadblocks

How emotions can create barriers to financial wellness.

IT MAY NOT SEEM IMMEDIATELY OBVIOUS, but financial wellness is a key element of our overall physical and mental health. When people feel financially well, they exercise more, eat more fruits and vegetables, and get health checkups more regularly. They tend to worry less about money. However, according to a recent study, 40 per cent of Canadians feel financially *unwell*. They are less knowledgeable about investments than their financially well peers, are less likely to feel prepared to deal with a financial emergency, and are highly unlikely to be on track to reaching their retirement goals.[1]

A follow-up study reveals that over half of individuals who seek professional help to deal with life issues also have financial challenges. However, only one-third of counsellors surveyed found that their clients saw a connection between their finances and other problems.[2]

[1] www.manulife.ca/content/dam/consumer-portal/documents/en/other/CS5156.pdf
[2] www.manulife.ca/content/dam/consumer-portal/documents/en/other/CS5709.pdf

It's difficult to talk about money issues. People who are financially unwell may have emotional barriers preventing them from gaining control over their finances. Those barriers – or feelings – include embarrassment, shame, fear and guilt. They may worry about being judged or stigmatized for their money problems.[3] And these emotions can keep them from dealing with their financial issues or seeking help.

Clearing the path to financial wellness

Money issues are not uncommon, nor are they an indication of failure. The same way individuals take steps to improve their physical health, they can take steps to improve their financial wellness. With the right support, Canadians can make progress towards better managing their money.

An advisor can provide guidance around budgeting, managing debt and investing. He or she can help with planning for retirement and preparing for financial emergencies. What's more, an advisor can help an individual stay on track and avoid the emotional roadblocks that can hinder success. Each step can bring a person closer to reaching financial health.

To create a plan specific to your goals, or if you have concerns about your financial situation, speak to your advisor. ■

UNDERSTANDING EMOTIONAL BIAS

Emotions influence the way people think and act when it comes to their money. When those emotions are negative, such as guilt or embarrassment, they can create barriers to achieving financial wellness. But that's not the only way emotions can affect finances.

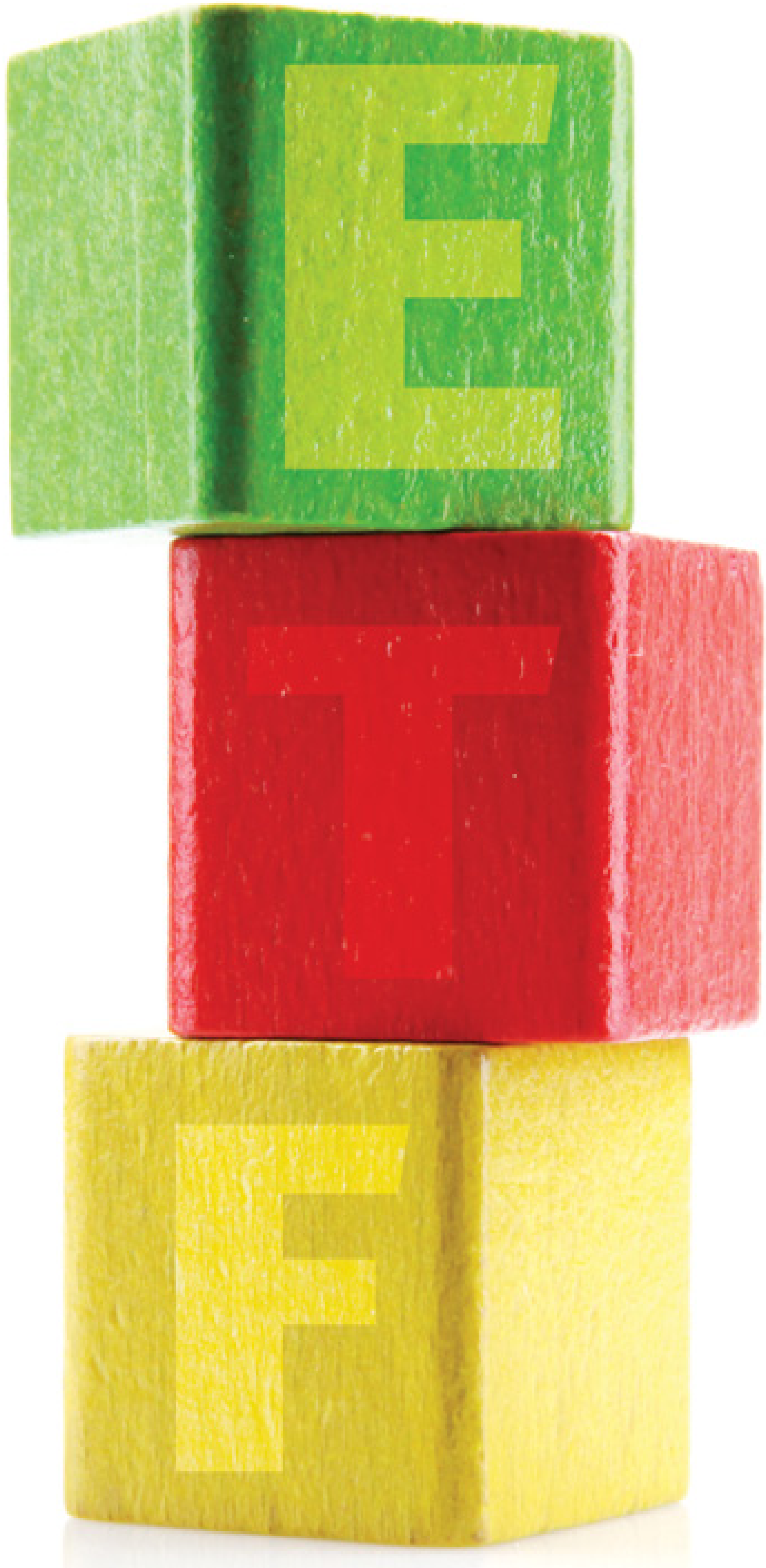
Emotional biases are subtle preconceptions that can have a big impact on goals like saving for retirement. Even seasoned investors can experience emotional bias. For example, if the stock market starts to drop, someone who gets the "jitters" and rushes to sell stocks is acting on emotion, not logic.

Here are four key emotional biases to watch out for:

- **Loss aversion**. No one likes to lose. In fact, people tend to feel the pain of losing more than the joy of gaining. Any investor who has watched the value of his or her investments drop and then sold at a low point has fallen prey to this bias.
- **Confirmation bias**. People are naturally drawn to information that agrees with their opinions or wants. That can become a concern if someone has too much stock in one company based solely on a good opinion of its products. As another example, employees may accumulate a lot of stock in the business they work for, instead of diversifying to balance their risk.
- **Recency bias**. This is the belief that what happened in the past will continue to happen. For example, investors might dive into a stock just as it peaks, simply because the stock performed well the year before.
- **Herd mentality**. This familiar thought process can take hold when investors don't want to be left out of a trend. But before joining the herd, think about whether it's the right investment for you, or the right time to jump in.

Source: money.usnews.com/money/personal-finance/mutual-funds/articles/2015/05/26/7-behavioral-biases-that-may-hurt-your-investments

[3] www.manulife.ca/content/dam/consumer-portal/documents/en/other/CS5709.pdf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The ABCs of ETFs

Exploring the evolving world of exchange-traded funds.

MANY INVESTORS ARE LOOKING FOR DIVERSIFIED EXPOSURE to global markets. One solution is an actively managed mutual fund, in which a portfolio manager analyzes and selects individual securities (tradable financial assets like stocks or bonds) within a specific area of the market. Another option is a passively managed exchange-traded fund (ETF) that tracks an index representing a specific area of the market.

Recently, innovative solutions have emerged that combine some of the benefits, and help avoid some of the disadvantages, of each of these approaches. They're ETFs that incorporate elements of active management, and they have the potential to deliver market-beating growth within a lower-cost ETF structure.

What is an ETF?

First, let's take a step back and look at how a traditional, passively managed ETF works. ETFs were originally created to track indexes, which are statistical measures of change within the markets. So, for example, an ETF may hold a basket of securities that matches – and is regularly rebalanced to keep matching – the securities in the S&P/TSX Composite Index. These ETFs offer exposure to a well-defined market – in this case, Canadian equities. Their aim is not to outperform, but to deliver the same performance as the index, minus fees. Passively managed ETFs have low operational costs and don't require a lot of daily involvement by portfolio managers, so the fees charged are usually low.

A passively managed ETF may hold stocks, bonds, commodities, currencies, options or a blend of assets, depending on which index it is tracking. It's easy to buy and sell, since it trades on an exchange just like a stock. It's priced throughout the trading day, rather than only at the end of the trading day like a mutual fund. It can operate tax-efficiently because it's mirroring an index, and indexes don't change their composition very frequently. That means low turnover in the ETF, and fewer realized capital gains. It's also very transparent, with portfolio holdings available daily; in contrast, mutual funds may report their holdings monthly or quarterly.

It is important to reiterate, however, that a passively managed ETF doesn't attempt to beat market returns; its goal is simply to replicate them (minus a fee). In addition, indexes can get skewed towards companies trading at high (sometimes inflated) prices, and a passive approach can't correct for this.

Adding a dash (or more) of active management

Newer ETFs aim to outperform market returns and/or reduce risk, focusing on one of two strategies to achieve this:

- **Strategic beta ETFs** apply a set of rules, or factors, that may favour a specific type of security – for example, value, growth or low-volatility stocks; as a result, the weightings of securities in a strategic beta ETF portfolio may be quite different from the index
- **Actively managed ETFs** have a portfolio management team that selects individual securities, just like an actively managed mutual fund, but are structured as ETFs to take advantage of ETF features such as tax-efficiency and pricing throughout the trading day

Both of these ETF types give investors access to active portfolio management insights. It's worth keeping in mind that strategic beta ETFs – even those that use complex, multifactor approaches – often have lower management fees than actively managed ETFs. That's because they're more rules-based, with fewer day-to-day decisions being made by a portfolio management team.

Who can benefit from ETFs?

Because the universe of ETFs is so wide, with passively managed, strategic beta and actively managed options available, they can play many different roles in an investment portfolio. A broad-based ETF is designed to give an investor exposure to an entire market, and like a broad-based mutual fund, may form the foundation of a portfolio. More specialized ETFs, like more specialized mutual funds, can serve to add targeted exposure to specific areas of the market. Similarly, passively managed and more actively managed ETFs can help investors achieve different goals. Passive ETFs provide exposure to market returns, while strategic beta and active ETFs may seek to deliver market-beating performance and can help achieve goals such as reducing risk in a portfolio.

In general, ETFs of all types appeal to investors who are seeking:

- Diversification
- Lower fees
- Tax-efficiency
- Transparency

Keep in mind that the advantage of lower fees is amplified over time, so investors with a longer time horizon are in the best position to benefit from it.

Speak to your advisor about whether ETFs are a good fit for your financial goals. If they are, discuss the various choices to determine the type (or mix of types) of ETF that are most appropriate for you. ■

Commissions, management fees and expenses all may be associated with exchange-traded funds (ETFs). Investment objectives, risks, fees, expenses and other important information are contained in the prospectus, please read it before investing. ETFs are not guaranteed, their values change frequently and past performance may not be repeated.

Insurance – now with a healthy, fresh twist

Today's solutions are evolving to keep pace with Canadians' lifestyles.

FOR A LONG TIME, INSURANCE HAS BEEN REGARDED as simply part of a smart financial plan. Traditional products provide protection "just in case" – often purchased and then forgotten about – and certainly not what anyone would call fun or engaging. That's starting to change.

Innovative companies have designed new solutions to keep pace with a broader trend of encouraging healthy living, offering rewards and savings to help motivate people to achieve their health goals. By connecting insurance to day-to-day lifestyle decisions, these creative programs can make necessary protection feel much more relevant, tangible and even fun and engaging.

Encouraging healthy choices

More than two in three Canadians say they are making conscious efforts to achieve better health, according to a recent survey.[1] And those efforts extend beyond the usual habits of eating well and exercising regularly. Reflecting a more holistic attitude, 50 per cent are working on improving their work-life balance, and 70 per cent make it a priority to get enough sleep.

[1] www.nielsen.com/ca/en/insights/news/2017/healthy-habits-make-healthy-canadians.html

The more you do, the more you get out of these insurance programs – and that's empowering for your wallet *and* your body.

What's the biggest reason Canadians are adopting a healthier lifestyle? The largest number of the survey's respondents (68 per cent) say it's the prospect of preventing health issues in the future.

That's a goal many insurance providers share. It makes sense for them to encourage behaviours that prevent illness, and that's driving the move towards more health-conscious insurance solutions. How does that benefit you? Whether you're already engaged in a fitness program or just starting out, incentives that encourage good habits can help you stick to your plan – with long-term benefits for your health.

Making budgets go further

Younger Canadians, especially, often wonder if there's room in their budget for insurance. They may have many financial priorities – from paying down student debt, to buying homes, to saving for longer-term goals such as retirement. It can be hard to fit in healthy investments such as a gym membership or fitness tracker – let alone an insurance policy.

But if the purchase of an insurance policy includes discounts on a gym membership and fitness tracker, it can be easier to make the cost fit in a tight budget. And if that insurance policy also provides an opportunity to get recognized for tracked daily activities – from exercising to booking a dental appointment – it can be seamlessly integrated into overall efforts to achieve a healthy lifestyle.

Advancements in health and activity tracking technology have enabled financial service providers to integrate wellness and behaviour change with their products. Today this integration is available with even the simplest term life insurance products offering straightforward protection for as little as 10 years. The result is extra value packaged into what are already very cost-effective policies.

Track and go

Insurance programs that reward healthy living often begin with a lifestyle assessment. The next steps are to set goals, track activities using an activity tracker or smart phone, and earn points that may add up to savings on insurance and rewards from retailers.

For those sitting on the fence, wondering about whether they can afford the protection they need, the concept of leveraging good health habits to earn premium reductions and store discounts can be just the right push.

Speak to your advisor about integrating your financial and health goals – and taking more control over what you spend on insurance to protect your loved ones. ■

WEARABLE TECHNOLOGY CAN BOOST ACTIVITY LEVELS

It seems like a good idea: strap on an activity tracker and get moving. But do these devices motivate people to exercise more? A recent review[2] of the available research suggests that they do. The report states, "consumer wearable devices have been shown to increase physical activity and help users lose weight" – but acknowledges more studies are needed.

Wearable devices such as Apple Watch, Garmin Vivo and Fitbit can track steps, distance travelled and calories burned. Some have the ability to monitor users' heart rates, sleep patterns and active minutes throughout the day, provide reminders when it's time to get moving, and let users know how close they are to their goals. Many devices also have a built-in GPS so that users can trace their walking or running route. With that extra gentle nudge in the right direction, you may find yourself doing more that you expected to improve your health.

[2] www.ncbi.nlm.nih.gov/pmc/articles/PMC5395205

Money well spent

How to get the most bang for your buck in almost any situation.

WHETHER IT'S HIGH HOUSING AND GAS PRICES or your regular household bills, you may be feeling squeezed financially. You work hard for your money – and you want to spend it wisely.

That's why it pays to do a little legwork to ensure you're getting the best value for money. It may take a bit of time (something that very few people have in abundance), and requires that you ask the right questions (something that can seem a bit intimidating). But it can be done. Below, we've outlined a few key steps to help you ensure your purchase is worth every penny.

BE PREPARED

Assess your needs. Before you purchase that new product or service, figure out what you need and what features you require. For example, when shopping for a mobile phone, consider whether or not you need Canada-wide calling, or if you'll need roaming services for frequent travel outside the country.

CAVEAT EMPTOR (BUYER BEWARE)

Most of us like a good deal, but sometimes the price tag truly reflects a product's value. If a price sounds too good to be true, it probably is. For example, a used car that costs $5,000 might sound like a really good deal, but how much of a deal is it if you have to fork out thousands for repairs after only a few months? What about that "cashmere" sweater that cost $10? It's probably not cashmere, and pretty much guaranteed to unravel after the first wash.

Do your research. Doing your homework is the most critical step before any purchase. Check out different providers to see what the market price is, and whether competitors are offering any promotional deals. Special offers are often available, depending on the product, service and time of year. Big-screen televisions often go on sale right before the Super Bowl, for example, and most car companies have annual inventory clear-out sales with all sorts of incentives.

Determine your approach. Whether it's a new purchase or an attempt to modify an existing service, like an Internet/cable bundle for instance, set a goal. Approach your negotiation with a purpose, and have a list of your wants and needs at hand to refer to.

ASK THE RIGHT QUESTIONS

Inquire about your options. There may be options available that could add more value to your purchase. For example, your cable provider might let you try out a specialty channel for a couple of months free of charge if you are unsure you will use it. Or, in the case of your mobile phone or Internet service, your provider can help you examine your past usage and suggest a different service plan based on your actual needs.

Don't be afraid to ask for extras. Depending on the product or service, you can ask about extras. You may not get a reduction on your monthly gym membership fee, for example, but perhaps they'll throw in a free towel service. If you can't negotiate a lower price on a car, request that a navigation system be included with the purchase.

Be willing to walk away. Sometimes, a seller is just not able to meet your needs. If you're unhappy with the offer on the table, you may need to walk away. Your willingness to leave may result in your request being escalated to someone with more authority to offer a better deal. Or you may discover another company is able to accommodate you better. In any negotiation, be clear in what you're asking for, but don't forget to be respectful and calm, too.

STAY ON TRACK

Sometimes getting the best value for your money is more a matter of keeping on top of things. Review your regular bills and statements frequently to ensure you're being charged accurately, and pay attention to any new service plans or offers in the marketplace. Assess your car and home insurance policies annually to make sure they are up to date for your current needs.

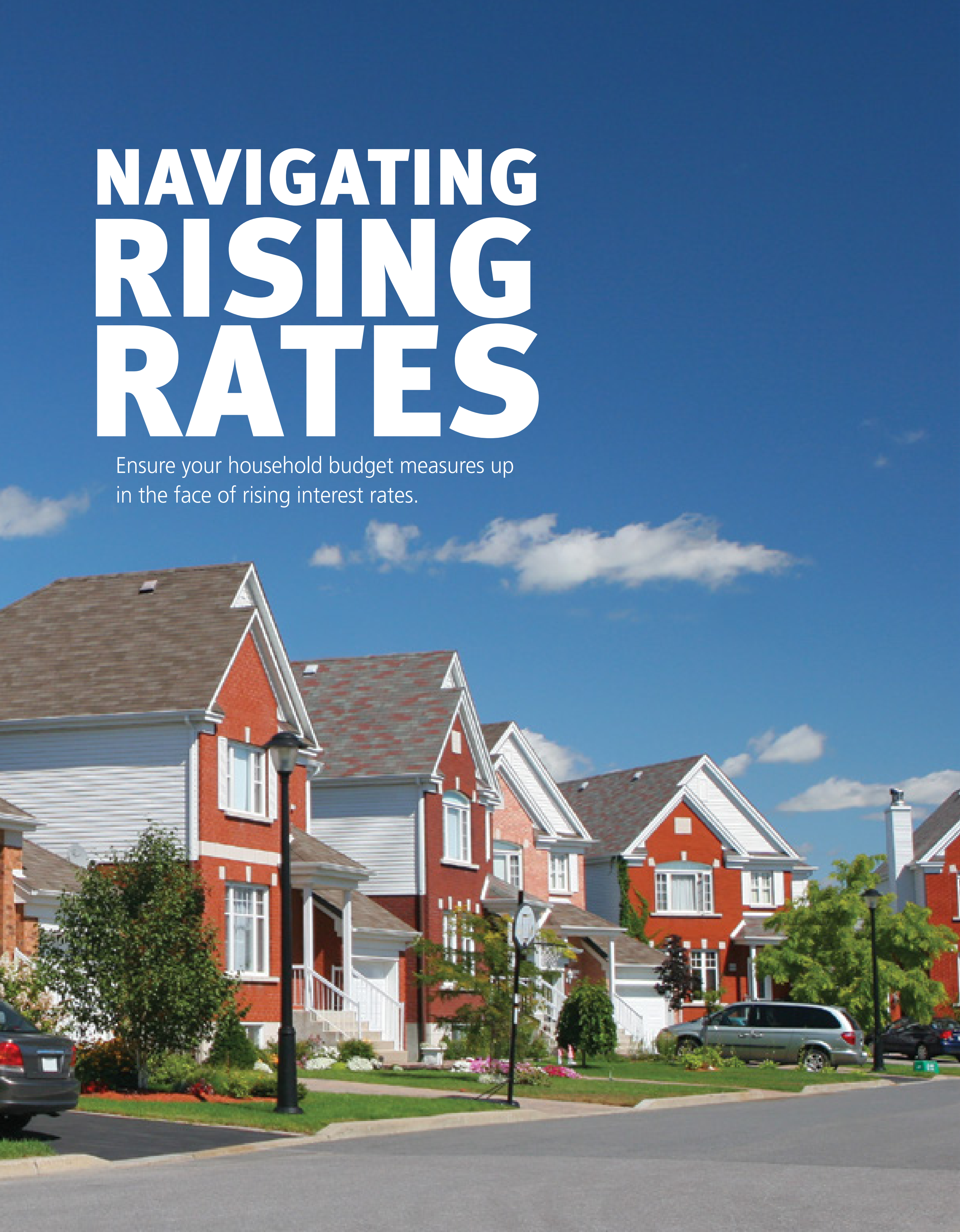
PUT MONEY SAVED TO WORK

By spending wisely and getting the best value for your money, you can gain more financial flexibility. Your advisor can help you take advantage of those everyday savings and put them to work to help you reach your longer-term goals. ■

FEATURE

NAVIGATING RISING RATES

Ensure your household budget measures up in the face of rising interest rates.



For years, interest rates in Canada have been at record lows allowing for affordable borrowing through mortgages, car loans and lines of credit. Many Canadians took advantage of the "sale" on debt to spend more, but recent interest rate hikes were a wake-up call for those carrying large debt loads. Here's what they mean – and how to prepare for potential future rate increases.

In 2017, after seven years of historically low interest rates, the Bank of Canada raised its key interest rates twice – from 0.50 per cent to 0.75 per cent in July, and then again to 1.00 per cent in September. These increases were followed by another hike to 1.25 per cent in January 2018.[1] Banks and financial institutions followed, and most prime lending rates rose incrementally from 2.70 per cent to 3.45 per cent.[2] Although interest rates are still relatively low, this sparked a flurry of discussion among financial experts. What will happen if rates rise a full percentage point? How about two? Are Canadians prepared for continued increases?

Research conducted by Manulife Bank suggests that many Canadians aren't in a position to absorb a significant interest rate increase. Seven in 10 Canadian homeowners say they could not manage a 10 per cent rise in their mortgage payments. And nearly one in four haven't had enough money to pay bills at least once in the past 12 months.[3]

Yet, Canadians have good intentions when it comes to debt – 64 per cent say that being debt-free is a top financial priority. And almost half of Canadians with debt succeeded in reducing their debt in the past year – though just 31 per cent met their debt reduction goals.[4]

Note: interest rate information accessed March 2018. Rates are accurate as of press time.

[1] www.bankofcanada.ca/core-functions/monetary-policy/key-interest-rate/

[2] www.cbc.ca/news/business/bank-of-canada-rate-decision-1.4490918

[3] www.manulife.com/Master-Article-Detail?content_id=a0Q5000000MeTilEAF&sAnalyticsPageInfoSiteSectionPath=News&lpos=0

[4] www.manulifebank.ca/debtresearch

MORTGAGES AT 20 PER CENT – IT REALLY HAPPENED!

For three memorable months in 1981 – August, September and October – the average interest rate for a five-year residential mortgage peaked above 20 per cent. But Canadian homeowners faced significantly higher rates than today's for much longer than that. That average rate didn't once dip below 10 per cent during the 18 years between September 1973 and November 1991. Good thing experts believe that we are unlikely to see a return to these rates anytime soon!

Source: www.bankofcanada.ca/wp-content/uploads/2010/09/selected_historical_v122497.pdf

Some smart strategies can help make your household finances more resilient, so you're ready to adapt to potentially rising interest rates. First, it's important to understand how higher rates may affect you.

THE IMPACT OF HIGHER RATES ON DEBT

The recent rate increases were predicted to add about $50 to $150 more per month for a household with a $480,000 variable rate mortgage.[5] The impact may, of course, be significantly higher or lower depending on the amount and structure of the debt. Canadians who have stretched to take on larger mortgages or increased their lines of credit may find that their household budgets have been greatly impacted by the interest rate increases.

Here's a more detailed look at the impact of a key interest rate increase on common types of debt.

Mortgages

Mortgages may have a variable rate or a fixed rate. Payments on a variable rate mortgage will rise almost immediately, as lenders react to changes in the key interest rate. Payments on a fixed rate mortgage won't change until renewal. It's important to note that if the fixed rate was set five or more years ago, it may actually be higher than current fixed rates. In that case, renewal could be an opportunity to reduce payments.

Lines of credit

Most lines of credit, including home equity lines of credit, have a variable rate. Often, the lender only requires borrowers to pay the interest that is due each month – but these interest payments won't make a dent in the principal. If the variable interest rate rises, payments will rise, too.

[5] www.thestar.com/business/economy/2017/09/06/rising-interest-rates-a-warning-to-consumers-that-low-rates-arent-permanent.html

GOOD DEBT MANAGEMENT ADVICE GOES BEYOND RATES

It's more important than ever to find the best borrowing strategy for your needs. Your advisor can help you comparison shop and explain the features of each product – because the lowest rate is only one of the factors to consider. For example, an open-term mortgage may have a higher interest rate, but you can make pre-payments without penalty, which can help you pay off the mortgage faster. Your advisor can also help you decide if it makes sense to lock in some or all of your variable rate debt at a fixed rate while rates are still relatively low. Some flexible mortgages even allow you to combine fixed and variable rates within the same account, so you can have the best of both worlds.

Student loans

Student loans that have a variable rate will rise with increases in the key interest rate, making it more of a challenge to pay off. A student loan with a fixed rate won't rise; however, the risk is for those who are about to start making payments, generally required six months after finishing school, and who may have to lock in at a higher fixed rate.

Car loans

Car loans generally have fixed payments, but may come with either a variable or a fixed rate. For a variable rate car loan, payments will stay the same as the key interest rate rises, but the amortization period (the length of time before the loan is paid off) will stretch further into the future.

Credit cards

Most credit cards charge a fixed rate of interest, which won't change with the key interest rate. However, this may still be the most expensive loan for many Canadians. Those who carry a balance on their credit cards should consider paying off this type of debt first.

Run the numbers for your household

Earlier, we looked at the potential costs of recent interest rate increases. Now, let's look at the impact of a three per cent interest rate increase on a household with $278,748 in mortgage debt, a $6,000 personal loan, a $10,000 car loan and a $6,500 credit card balance:[6]

- A variable rate $278,748 mortgage rising to 6.1 from 3.1 per cent would cost $457 more each month
- A variable rate $6,000 personal loan rising to 7.75 from 4.75 per cent would cost $9 more each month
- A fixed rate $10,000 car loan and fixed rate $6,500 credit card balance, while not affected by a rate increase, would require the same payments from a depleted household budget

In this scenario, the additional monthly cost would be $466, or $5,592 per year. Even if interest rates rise just one per cent, the additional monthly cost would be $148, or $1,776 per year. Without a plan of action, many Canadians would find it difficult to manage an extra expense of that size.

[6] www.canada.ca/en/financial-consumer-agency/services/interest-rates-rise.html?wbdisable=true

Rising interest rates can be a gift to savers. As the key interest rate rises, so may the rate paid on savings accounts and Guaranteed Investment Certificates (GICs). People who are keeping an emergency fund or other short-term cash in a savings account and those preparing to roll maturing GICs into new GICs may benefit from rising interest rates.

Of course, those numbers aren't yours. We've included a worksheet that can help you calculate the impact of rising interest rates on your family. Complete it to see your additional annual cost under different scenarios. If it's clear that it will be difficult to make ends meet with an interest rate increase of one, two or three percentage points, consider strategies to strengthen your financial position.

Make your household finances more resilient

Overall, less debt means less vulnerability to interest rate increases. Consider strategies that can help you reduce what you owe by paying it down as fast as possible. One way is by consolidating higher-interest debts at a lower interest rate. Another is reducing expenses and putting that money towards debt repayment – trim or eliminate discretionary costs, or defer big expenses such as a home renovation.

Extra money from reducing expenses could also be directed towards building an emergency fund that will be there to help manage additional annual costs associated with rising rates.

Seeing in black and white what debt is costing you today, and what it could cost you if rates rise in the future, is great motivation to eliminate it. Talk to your advisor about creating a customized plan to reduce your household's debt. Moving towards debt freedom will put you in a stronger financial position whether interest rates rise or not. ■

NEW MORTGAGE RULES OR CANADIANS

As of January 1, 2018, all home buyers shopping for a new mortgage must undergo a "stress test" to ensure they will be able to pay the loan if interest rates rise. Borrowers will need to prove they can sustain payments on the higher of either the Bank of Canada five-year benchmark rate or the mortgage contractual rate plus two per cent.

Source: www.cbc.ca/news/business/osfi-mortgagerules-1.4358048

A PIECEWORK WORKFORCE?

The rise of the gig economy and its impact on your business.

WHEN READING THE WORD "GIG," the first thing that comes to mind might be a live musical performance. Within the labour market, however, this word is being used in a way that's increasingly relevant for many business owners – the gig economy. Characterized by short-term contracts and self-employment, the gig economy has been gaining ground across Canada and worldwide. According to a report from Randstad, "non-traditional" workers already account for 20 to 30 per cent of the Canadian workforce[1] and, while exact projections vary, one study noted they could reach 45 per cent by 2020.[2] Here's what that means for you.

A new work environment

The gig economy is defined as a labour market where there's a prevalence of freelance or temporary work and where companies tend to hire independent contractors rather than full-time employees.[3] Looking at decades past, this is a shift away from the traditional economy, in which full-time employment with salaries and benefits was the standard. With advancements in technology, marketplace changes, and shifts in population demographics, however, two key things have helped the gig economy thrive: 1) a need for some companies to change the way they conduct business in an effort to stay competitive, and 2) the growth of businesses founded on an on-demand work model (think online retail, ride-sharing services such as Uber, and short-term home rental sites such as Airbnb).

[1] content.randstad.ca/hubfs/workforce2025/Workforce-2025-Randstad-Part1.pdf
[2] camentor.qbcontent.com/content/uploads/2017/04/The-Rise-of-the-Self-Employed-Economy-in-Canada-eBook.pdf
[3] www.investopedia.com/terms/g/gig-economy.asp

For small business owners, it's important to understand how the gig economy works and the benefits or challenges it may present.

Possible plus-sides

- **Specialized skills**: Hiring a freelancer can fill a gap for specific project needs that current employees may not be able to fill. This type of work model can provide high-quality, skilled work for virtually all types of tasks.
- **Flexibility**: For businesses in a stage of growth or a seasonal high, bringing in additional help can boost productivity and ensure full-time employees don't get overwhelmed.
- **Cost-effectiveness**: Independent contractors can be less expensive than full-time workers, thanks to reduced employee-related costs such as matching payroll deductions and benefits. Additionally, tasks for a contract role may be able to be completed remotely, which means no need for additional office space or equipment.

Important considerations

- **Company culture**: Small businesses often place an emphasis on strong core values and an internal culture. Consider how contract workers can mesh with full-time staff.
- **Recruiting**: Finding the right contract employees can be just as challenging as hiring full-timers. Enlisting the help of an employment agency or reputable career website can help narrow the search for qualified candidates.
- **HR details**: It's crucial to understand what classifies someone as a contractor rather than a full-time employee to remain legally compliant. A human resources specialist can help clarify rules and regulations surrounding job duties, wages and hours worked to ensure fair treatment for all employees.
- **Protecting the business**: Once a worker is hired, ensure the appropriate documents are signed, such as a contract and confidentiality agreement.

Seek advice

If you're considering expanding your staff to include contract workers, speak to your advisor. He or she can help you weigh the opportunities for your business and connect you with support, such as a human resources specialist, that can make the process easier. ■

HELP WANTED

There are several websites and apps that help connect skilled freelance workers with potential employers. Check out:

Upwork (www.upwork.com)

Toptal (www.toptal.com)

RPSAV for French-speaking freelancers (rpsav.com)

RESPS – NOT JUST FOR KIDS

A Registered Education Savings Plan can be a smart investment strategy for adults.

WHEN MOST PEOPLE THINK OF REGISTERED EDUCATION SAVINGS PLANS (RESPS), they think of a savings vehicle to help fund a child's future college or university education. But savvy investors can benefit from the plan as well. In fact, self-funded RESPs can be a great investment for adults who are planning to go back to school, and they can even be used as an income-splitting tool.

How do they work?

By opening an individual RESP and naming yourself both the subscriber and the beneficiary, you can contribute up to $50,000 over the life of the plan. A variety of investments can be held in an RESP, including mutual funds and segregated fund contracts, and the investments can grow tax-free until you make a withdrawal. This is valuable if you don't have any contribution room in your Registered Retirement Savings Plan (RRSP) or Tax-Free Savings Account. However, an RESP has a limited life – it must be closed within 36 years of being opened.

Unlike RESPs for children, RESPs for adults are not eligible for government incentives such as the Canada Education Savings Grant.

Withdrawing funds

Contributions can be withdrawn from the RESP at any time, tax-free. Once you have enrolled in a post-secondary institution, you can begin receiving Education Assistance Payments (EAPs). An EAP is a payment made to the beneficiary from the RESP's accumulated investment earnings, as well as any applicable government incentives. The payments are taxed in the beneficiary's hands in the year of receipt. In order for a beneficiary to qualify for an EAP, he or she must be enrolled in a post-secondary level program at a qualifying educational institution for at least three consecutive weeks – and correspondence classes count. In addition, you would be eligible for the tuition tax credit.

Not going back to school?

If you're over 21 and don't enroll at a qualifying post-secondary institution, and the plan has been open for more than 10 years, you can qualify for an Accumulated Income Payment (AIP). An AIP is a payment made from the investment earnings in the RESP; however, it does not include the original contributions, nor government grants where applicable.

Unlike the EAP, an AIP withdrawal is subject to a penalty tax of 20 per cent (12 per cent federal tax plus eight per cent provincial tax for residents of Quebec), in addition to regular income tax. It is also important to note that the RESP must be closed prior to March 1 of the year after the first AIP payment is made. If you have contribution room left, you can transfer up to $50,000 of AIPs into your RRSP or to a spousal RRSP. This will allow you to avoid the 20 per cent penalty tax, while generating a tax deduction from the contributions made to the RRSP.[1]

Using an RESP to split income

Those who do not attend a post-secondary institution can use the RESP to split income. If your spouse[2] is named as a joint subscriber to the RESP, and has contribution room left in his or her RRSP, the AIP can be transferred to your spouse's RRSP regardless of who made the contributions to the RESP. This is beneficial if one spouse is in a lower tax bracket, since the taxes paid when the funds are withdrawn will be lower.

Speak to your advisor

Whether you are interested in going back to school, looking for additional tax-deferred investment opportunities or thinking about income splitting, it might be worthwhile to consider an RESP. Speak with your advisor or tax specialist to find out if an RESP is right for your situation and your financial goals. ■

[1] To avoid the penalty tax, the AIP must be contributed to an RRSP or spousal RRSP in the same year it is received, or within the first 60 days of the following year, and must be deducted in the same year received.

[2] A spouse or common-law partner as defined by the Income Tax Act (Canada).

CRUISING THE BALTIC SEA

Explore fjords, forests and fortresses – and unpack only once.

THE BALTIC SEA LAPS THE SHORES OF NINE NORTHERN EUROPEAN COUNTRIES, including the Scandinavian nations, Russia and the Baltic states of Estonia, Latvia and Lithuania – which means that a cruise through these waters can provide great variety within a couple of weeks. Ports of call may include Oslo, Copenhagen, Stockholm, Helsinki, St. Petersburg, Tallinn, Riga and more[1] – cities steeped in history, with distinctive architecture, cultures and cuisines.

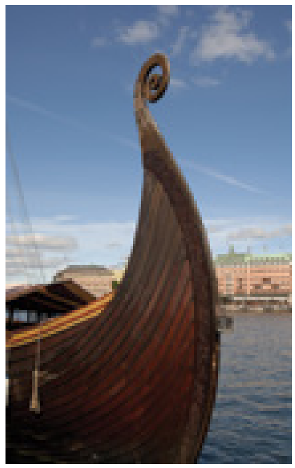
Then there's the region's spectacular beauty. The fjords are likely the Baltic Sea's most famous natural features – narrow but deep inlets carved by glaciers, with cliffs that soar high into the air. But a Baltic cruise may glide past plenty of other stunning scenery, including wild forests and parks with wind-sculpted trees, white sand beaches along the Baltic states' coasts, the shifting dunes of Lithuania's Curonian Spit and the chalk cliffs of Germany's Rügen Island.[2]

Here's what else you may encounter crossing waters that once splashed the Vikings, the trade guilds of the Hanseatic League, and the tsars.

Fine art and music

From world-renowned art galleries, theatres and museums to smaller, more specialized sites, the countries surrounding the Baltic Sea have plenty of culture on offer.

You could find yourself face to face with Edvard Munch's *The Scream* at Oslo's Munch Museum, Le Corbusier's *Two Women* at Helsinki's Ateneum Art Museum or Michelangelo's unfinished *Crouching Boy* at St. Petersburg's Hermitage Museum.[3]

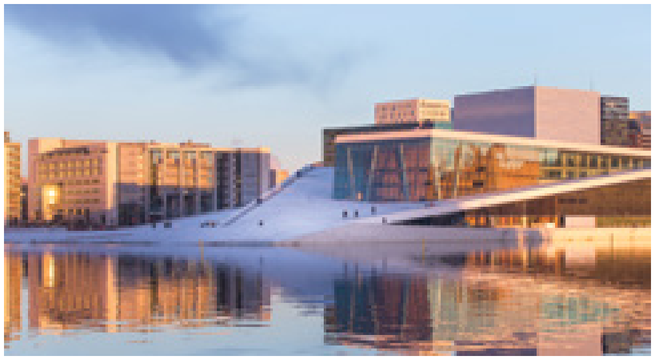


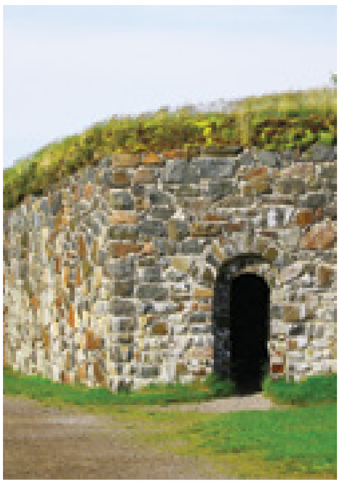
LEFT: Take in the sights as you cruise past ancient wonders.

TOP: Snap a photo of rocky islands in the fjords.

ABOVE: Marvel at Viking boats in Stockholm.

[1] www.cruisecritic.com/articles.cfm?ID=1341
[2] www.balticsea.travel/destination/nature
[3] munchmuseet.no/en; www.ateneum.fi/?attachment_id=5027&lang=en; saint-petersburg.guide/hermitage/michelangelo_crouching_boy





TOP LEFT: Commune with Hamlet at Kronborg Castle.

TOP UPPER-RIGHT: Take a guided tour of the Oslo Opera House – designed to resemble a floating glacier.

TOP LOWER-RIGHT: Stroll through Tivoli Gardens.

ABOVE: Explore Suomenlinna Fortress.

If port time allows, you could settle in for a performance by the Mariinsky Ballet, Royal Danish Orchestra or Norwegian National Opera. At the Oslo Opera House, you're actively encouraged to go for a walk on the roof and enjoy panoramic views of the fjord.[4] In Copenhagen's Tivoli Gardens, you can stroll through a garden of rhododendrons, azaleas and vintage cars before a "Jazzy Wednesday" or "Friday Rock" concert.[5]

Or perhaps you'd like to take to the stage yourself? Try singing along with Agnetha, Björn, Benny and Anni-Frid at Stockholm's interactive Abba The Museum.[6]

Grand palaces, fortresses and medieval towns

Many hundreds of years of architectural traditions still stand, in stone, brick and wood, around the Baltic Sea.

Both Oslo and Stockholm have royal palaces that are, to this day, home to royalty. St. Petersburg has the Winter Palace, once the tsars' main residence and now home to the Hermitage. On a Baltic Sea cruise, you may also see Elsinore's Kronborg Castle in Denmark, where Shakespeare imagined Hamlet lived, and Suomenlinna Fortress in Finland, a ferry ride away from Helsinki – both are UNESCO World Heritage sites.[7]

Other UNESCO sites are the historic centres of Tallinn and Riga. In Tallinn, you'll find a remarkably well-preserved medieval city, with a castle and cathedral on a limestone hill and winding, cobblestoned streets packed with merchants' houses, craftsmen's guilds, churches and monasteries.[8] In Riga, you can admire both the remains of the medieval town and what many say is Europe's best collection of art nouveau buildings.[9]

And how about the ships that sailed the Baltic Sea in years gone by? Don't miss the nearly fully intact 17th-century warship on display at Stockholm's Vasa Museum.

[4] www.visitnorway.com/places-to-go/eastern-norway/oslo/oslo-opera-house [5] www.tivoligardens.com/en [6] www.abbathemuseum.com/en
[7] whc.unesco.org/en/list/ [8] whc.unesco.org/en/list/822 [9] whc.unesco.org/en/list/852

At the time, the Vasa was the most heavily armed boat in the Baltic and perhaps the world – but it sank in 1628 on its maiden voyage, within sight of the shipyard where it was built. More than 300 years later, it was carefully raised from the depths and reconstructed.[10]

Experience white nights at sea

Baltic cruises generally run between May and September, but you can maximize the time you have to take gorgeous daytime photographs by travelling in June or July, when the sun sets later. You may even want to time your trip to reach St. Petersburg during the White Nights Festival, which culminates in late June with a pirate battle on the Neva River, fireworks and the arrival of a tall ship with scarlet sails.[11]

Whenever you go, you can build an onshore itinerary that matches your interests by mixing guided excursions with do-it-yourself explorations – and, because your hotel travels with you, you unpack only once. ■

TASTES OF THE BALTIC SEA

On your shore excursions, take the time to seek out the distinctive tastes of your ports of call. Try fenalår (slow-cured lamb) in Norway,[12] grønlangkål (stewed kale) in Denmark,[13] sill (pickled herring) in Sweden,[14] karjalanpiirakka (rye-crust pie) in Finland,[15] borscht (beet soup) in Russia[16] and kali (a fermented non-alcoholic drink) in Estonia.[17] Wash them down with aquavit in Scandinavia, a local beer in the Baltic states and, of course, vodka in Russia.

TOP: View the impressive halls and art collections of the Hermitage Museum (Winter Palace).

ABOVE: Channel your inner knight at the medieval towers in Tallinn.

[10] www.vasamuseet.se/en [11] www.lonelyplanet.com/russia/st-petersburg/travel-tips-and-articles/white-nights-and-warm-days-summer-in-st-petersburg/40625c8c-8a11-5710-a052-1479d277f823
[12] www.balticseaculinary.com/countries/NOR [13] denmark.dk/en/lifestyle/food-drink/danish-specialities [14] sweden.se/culture-traditions/10-things-to-know-about-swedish-food
[15] www.balticseaculinary.com/countries/FIN [16] flavorverse.com/18-russian-foods-you-need-to-eat-once [17] www.visitestonia.com/en/why-estonia/top-10-unique-estonian-foods-to-try

CREATE YOUR OWN BACKYARD HAVEN

Dress up your deck or patio without breaking the bank.

AH, SUMMER. WARM RAYS BECKON CANADIANS TO LEAVE their cold-weather dens and celebrate being outdoors. But if your backyard leaves something to be desired, you may be less eager to head outside. Fret not – here are some budget-friendly ways to transform your outdoor space into an enjoyable, relaxing retreat.

PLANTS AND PLANTERS

Few things are more cheerful than a garden in full bloom. For a low-maintenance garden, choose hardy shrubs and perennials – they come back year after year. Pay attention to the plants' sun and shade requirements, blooming months, and size at maturity, and position them accordingly. Add a few pots filled with flowers for bright pops of colour.

Cost-saving tip

Ask friends and neighbours for cuttings or visit your local horticultural society before paying full price at a nursery.

LIGHTING

Outdoor lighting creates a cozy ambiance when night falls. String lights from trees or fences, position a few tiki torches or add some solar-powered lights to flowerbeds or along pathways. Candles and lanterns spaced throughout can add a romantic touch at very little cost.

Cost-saving tip

Create your own tin lanterns – wash and remove labels from food cans, punch holes in a pretty pattern and pop in a candle.

PERENNIAL FAVOURITES

Try these easy-to-grow flowering plants for a garden that will make your neighbours green with envy.

Veronica – These spiked blue, pink, purple or white flowers are a favourite of bees.

Pincushion flower – Tiny, sun-loving perennials are ideal for garden borders.

Hosta – Their many varieties include flowering and non-flowering. They grow to a large size and can be easily divided, so they are extra budget-friendly.

Black-eyed Susan – These yellow beauties are extremely low maintenance and bloom for up to three months in the summer.

Yarrow – Butterflies love these colourful flowers that spread easily.

Source: www.thestar.com/life/homes/2017/03/25/top-8-best-flowering-plants-for-your-garden.html

FURNITURE

There's no need to spend thousands of dollars on fancy backyard sectionals. Revive outdoor chairs and tables with a fresh coat of paint, or purchase furniture second-hand. If buying new, choose pieces that require assembly, or wait until the end of the season when retailers are selling off stock.

Cost-saving tip

Cushions and pillows can bring new life to an old deck chair or lounger. Make your own with inexpensive fabric, or repurpose old tablecloths or placemats – apply some weatherproofing spray and you've got a custom look that can stand up to the elements.

DECK AND PATIO

This is where the bulk of your budget will go, so take some time to carefully plan your layout and compare prices of materials. For patios, consider using less expensive crushed rock and gravel instead of stone pavers for a more casual surface underfoot. If you opt for traditional pavers, consider unusual placement to cut down on the material needed – large stones interspersed with a soft ground cover, for example, for a relaxed lawn/patio combination. If your deck is structurally sound but in need of a facelift, spend a little on an all-weather rug, or try stencilling or staining the boards.

Cost-saving tip

Poured concrete can be an inexpensive and maintenance-friendly choice for patios. Elevate the look with concrete stamping, which can mimic the natural texture of flagstones or cobblestones at a fraction of the price.

GO VERTICAL

Draw the eye up by adding elements of height to your space. Consider a trellis, pergola or outdoor curtains to help define spaces and add privacy and shade. Welcome wildlife to your yard with birdhouses and feeders suspended from trees. Or create a vertical garden by hanging containers of succulents, flowers or herbs on a fence or empty wall.

Cost-saving tip

Shop around for deals on materials at lumber salvage centres, or catch the sales at your local home supply store.

DIY DÉCOR

Plenty of everyday items can be upcycled into interesting pieces for your space. Pictures, mirrors or scrap materials can make interesting art. Old tires can be made into planters, and discarded tins can be brought back to life as condiment holders, storage containers or vases.

Cost-saving tip

Scour flea markets, garage sales and antique stores for unique finds.

Once your backyard transformation is complete, all that's left to do is to sit back and enjoy your own private paradise. ■

Sources: www.bhg.com/home-improvement/porch/outdoor-rooms/cheap-backyard-ideas
www.porch.com/advice/15-easy-ways-to-get-your-outdoor-living-space-ready-for-summer
freshome.com/cheap-landscaping-ideas
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BLACK RICE RAINBOW SALAD

Makes 4–6 portions

Black rice, also known as forbidden rice, is an ancient grain that is gaining popularity. It contains more protein, fibre and antioxidants than other types of rice, making it an excellent choice for healthy eating. It is usually available in health food and bulk stores, as well as many supermarkets.

This salad provides a beautiful blend of colours and textures. Mix and match your vegetables to evolve with the seasons or to incorporate your favourites. A perfect choice for potlucks or barbeques, this salad goes well with grilled fish or shrimp.

Ingredients

Salad

1 cup black rice (swap in wild rice or a grain like quinoa if black rice is not available)
1 cup edamame out of the shell (find in your freezer aisle)
1 cup grape/cherry tomatoes (multi-coloured if available)
4 green onions, thinly sliced
1 red, yellow or orange pepper, chopped
½ cup red onion, diced
½ cup cashews
1 cup cilantro, chopped, reserve ¼ cup for garnish

Dressing

¼ cup lime juice (2–3 limes)
2 tbsp. rice wine vinegar
2 tbsp. olive oil
1 clove garlic, finely minced
1 tbsp. honey or sweetener of your choice
A dash of sriracha, or hot sauce of your choice (optional)
Salt, to taste

Directions

1. Prepare the rice as directed. Once cooked, set aside to cool in a large bowl.
2. Whisk the dressing ingredients in a small bowl. Adjust the flavour, salt and spice levels to your liking.
3. Once the rice is cooled, add the edamame, tomatoes, green onions, pepper, red onion, ¾ cup of cilantro and dressing to the large bowl and toss to combine. Garnish with cilantro and cashews. Serve.

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

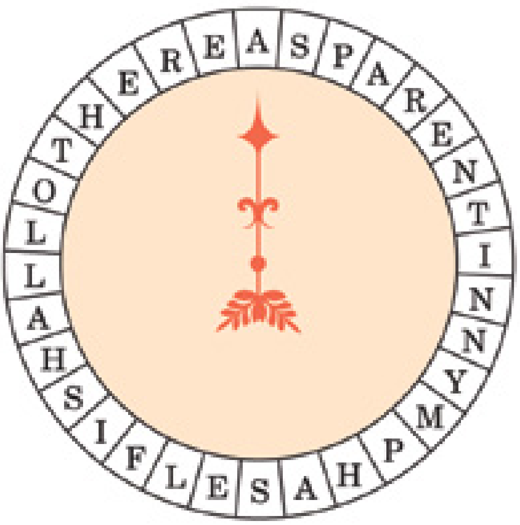
		5	2					4
9				3	7			6
	8			9			2	7
		6			1	8		
		1	9	7	4	3		
		7	3			4		
5	2			6			4	
7			8	5				3
1					2	6		

SUDOKU

To solve the puzzle, enter digits from 1 to 9 in the blank spaces. Every row, every column and every 3 x 3 square must contain one of each digit. Try to do it without peeking, but if you need help the solution is below.

ANSWER

6	7	5	2	1	8	9	3	4
9	1	2	4	3	7	5	8	6
4	8	3	6	9	5	1	2	7
3	4	6	5	2	1	8	7	9
8	5	1	9	7	4	3	6	2
2	9	7	3	8	6	4	5	1
5	2	9	1	6	3	7	4	8
7	6	4	8	5	9	2	1	3
1	3	8	7	4	2	6	9	5



WORD WHEEL

Starting with the "A" at the arrow, see how many everyday words of three or more letters you can find going clockwise. Don't skip over any letters. For example, if you saw the letters C, A, R, E, D, you would form five words: CAR, CARE, CARED, ARE, RED. We found 31 words.

ANSWER

asp, spa, spar, spare, par, pare, parent, are, rent, tin, tinny, inn, nymph, phase, has, self, selfish, elf, elfish, fish, shall, shallot, hall, all, allot, lot, other, the, there, her, here.


Manulife
Vitality
10:09
VITALITY
You pay $0
Bravo! You reduced your next Apple Watch payment to $0.
WATCH
SERIES 3
DO MORE.
GET MORE.
Get Apple Watch.
Get Active.
Get Rewarded.
As a Manulife *Vitality* member you can get Apple Watch from just $17* and fund the balance by tracking your daily activity.
Manulife.ca/Vitality