HollisWealth®

# "Staying Abreast of Changing Times"

*In our last release we discussed governments 'Negative Interest Rate Policy (NIRP)' as being the new abnormal. It's almost strange to say; – "The New Abnormal!"*

**Are You Diversified Properly?**

One synonym for abnormal is bizarre, but it's true, (until recently) never have-we-ever seen negative interest rates for depositing money into a bank. So, we ask a question, "If Central Banks are starting to pay negative interest rates meaning savers are paying to place money in a bank will that policy come to North America? What should an investor do?" Should they ask, "What's next?" That's not the overriding question! The dominant question to ask, "Are we ready for it, and how can we help you prepare?"

Our goal today is to give you insight into the future, to open avenues of thought, to give ideas that may be needed to help you secure your retirement, perhaps thoughts to invest and save for your future and how to overcome barriers to financial success, but first let's refresh ourselves as to what NIRP means:

Negative interest Rates http://www.bloombergview.com/quicktake/negative-interest-rates

We also identified (in our last release) changes in the world – and most of us would say, "What a mess," and we can qualify a mess as being; -- a failure, monstrosity, shambles, turmoil, or maybe hodgepodge but; -- we cannot think that way -- why?

If failure means this world lacks competence or potential – and that (as a world) we are failures where will we go from here? Do we wake-up one morning and say; "Our world's a failure. Let's throw in the towel." I don't think so, but what should we say? Why not say, "Let's make ourselves aware of changing conditions, **keep abreast of the changing times**, and then keep on adapting …"

How about saying upon arising…

"This world is getting very challenging, we're going to have to put people in place who are trained to meet the financial challenges of this era, and everything is out there to help us, we can benefit from another's abilities in managing financial assets."

If it's challenging for people today, do we think it is not challenging for professionals working in that field? The challenges don't go away because they are experts – not at all, quite the contrary, the challenges are exactly what professional managers are trained to take on; -- sometimes the bizarre! By just identifying the bizarre (we wish) that would mean all bizarre things would just all go away – but it doesn't work that way, does it?

It may not work just this simple but in reality those who identify the problem have a greater chance of finding a solution. And perhaps better said, -- the quality of the solutions people come up with will be in direct proportion to the quality of the description of the problem they're trying to solve.

Do you see what this message is saying? Read it again, in a paraphrased way, it is saying; "Professional Active Managers are there to identify the problems, they have a greater chance of finding a solution, their solutions' to the problems are in direct proportion to their knowledge." This is where diversification comes in – different managers offer different opinions and different styles and it's our desire to bring too you multiple solutions for different problems.

We learn lessons over the years and when it comes to earning money many have learned there is only two sources of money; – people at work and money at work, now many will say, "Well there's always welfare, Old Age Pension and CPP," and yes we agree but that is still money at work. Someone once said, "What about robbing a bank," and someone replied, "That's man at work." Hey, there's always mum and dad, or a hidden wealthy aunt for an inheritance, but we cannot count on that because their lives' are getting expensive as well. And, of course, there's still the Lotto – but more than 50% of the population are now relying on a Lotto (someone has to lose).

But look at it from an Active Professional Managers position – is he or she asking, "Now let's see earning money – we need a government pension, and we need an inheritance, and we need to win a Lotto, and." Nah that's not what they say. When they awake in the morning they don't have guarantees, or government programs, or tickets on Lotto's – what do they have? They have challenges, changes, people working with them, they have computers, buildings, skills, and years of experience, and so on.

So, let's identify (again) the number one problem – "Money at Work." Yes, I am going to say, "Our number one problem today is money at work." Not just your money or my money or the people down the streets money but money in the general sense of the word – and it's a worldwide problem.

When debt rises money at work isn't working for savings anymore! It's working for repayment -- "IF!" Why do we say, "IF?" Because when debt is so high and repayment and interest is taking the air out of an economy money isn't working. How do we know money is not working for savings anymore? Well let's look at a clue – *Negative Interest Rate Policy.*

Look at the World Wide Debt by copying the link here -

World Wide Debt    http://www.nationaldebtclocks.org

On February 22, 2016 the world debt was at $59,669,439,427,921.00 (that's $59 trillion) this is what the world governments owe, what we refer to as Public Debt. Does it matter? After all, world governments owe a great deal of their money to their own citizens not to the Martians. We say it matters and the rising total is important for two reasons:

- First, when debt rises faster than economic output (as it has been doing in recent years), higher government debt implies more government interference in the economy and higher taxes in the future.

- Second, debt must be rolled over at regular intervals. This creates a recurring competition by governments and those countries fail, as various euro-zone governments have done, and they are plunged into crisis and those plunges can affect all of us.

Do you recall this paragraph in our last release?

*If a professional manager was an emotional manager I doubt we would be too excited with his returns. Think! Two professional managers both watching interest rates, world news, world happenings, and the stock market dipping – one's buying with both hands and the other selling into a panic. So it's not just communication and possibly overload but also how we deal with what we know.*

Do you recall the paragraph that led up to the above paragraph?

*This next word should blow your mind – it's very likely the most overused transmission of ideas in the world today! It's the two-way process of reaching mutual understanding, in which participants not only exchange information, news, ideas and feelings (emotions) but also create and share meaning. What is this word? Do you have it, does our office have it, can we get more, do we want more of it? Truth is – we all have too darn much!*

***Communication!***

Yes, we said that.

How bold of us to say, **"We all need to communicate more in a world of chaos?" Pretty bold, a little bold, not bold at all, -- perhaps not bold enough.**

We are in a period of low interest rates — now, possibly even negative interest rates — and for a very-long time. Are you prepared? How do you prepare?

Have we ever heard the statement, **"The high cost of investor behavior!"** We will be writing about that in a follow up Newsletter – but (remember) human behavior is not created in a vacuum, and we will be looking at it in an open context together with government behavior, interest rate behavior, spending behavior and debt behavior.

Think of it this way, we hear comments from time to time, for example; – "Human Behavior and Interest Rates," – so, let's give people a break, -- what do they mean human behavior? What about those governments and those financial institutions? Do you suppose their actions have anything to do with our human behavior?

So, we need to communicate – we enjoy your calls, we enjoy our meetings and we enjoy working with you our clients during any period and especially a period of change. Our expectations' for 2016 are not high – but just as we worked with you through the oil crisis and we didn't follow that trend, and we worked our clients through the Canadian dollar crisis helping clients along with a lot less-discomfort, so we are working carefully through the currency and low interest rates environment that are uncharacteristic for all of us.

There are tools and there are challenges and we're thankful to have the expertise of men and women highly educated in the field of finance to assist us.

So, we must say, we must diversify.

We are working with two platforms; – **Summit** or **Portfolio Manager**, and we are introducing newly developed products, and this summer working diligently to get to all our clients through phone or a face to face meeting.

We look into the future for opportunities – we want our clients to have the best we can deliver (as always) and if a given a tougher year, which may or may not happen we want to be prepared.

Call us if you have questions, and/or we will be calling all clients as we can.

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