EDITION 1 | 2023

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INVESTMENT RECAP FOR 2022 & A LOOK AHEAD TO 2023

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A simple conversation today can help you reach your goals tomorrow.

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Investment recap for 2022 & A look ahead to 2023

Myles Zyblock is a recognized North American strategist, regarded for his investment insights that blend finance and psychology to capture major inflection points in financial markets.

Myles has over 25 years of experience in guiding and advising on asset allocation for a diverse set of institutional and retail advisors globally. Myles joined Scotiabank in 2013 as the Chief Investment Strategist, working closely with the Investment Team. His experience spans multiple asset classes and geographic regions.

Myles Zyblock
Chief Investment Strategist
Scotia Global Asset Management

Three months into the new year and many of the same questions remain: Is inflation really under control? When will central banks stop raising interest rates? And how likely are we to see a recession?

INVESTMENT RECAP FOR 2022

This issue's article is more like a school report card summarizing the performance for the various financial market assets through the 2022 calendar year and then taking a look ahead for the Canadian economy in 2023.

So, how might the performance of the various asset classes in 2022 be summarized?
In a single word, bad. Highlights include the S&P 500's fourth largest calendar-year loss since 1940, a widespread decline in global equity prices, and nowhere to hide in bonds outside of one-to-three-month Treasury bills. Cryptocurrency was a complete disaster, with Bitcoin and many other digital currencies declining by at least 60%. Among the performance rarities were global energy stock prices rising almost 28%, despite the price of oil producing only small annual gains.[1]

It was a year driven by a trifecta of high starting valuations across the asset classes, unexpectedly strong consumer price inflation, and a pronounced global monetary tightening cycle (i.e., central banks raising interest rates).

War breaking out in the Ukraine and the subsequent energy crisis subsuming Europe did not help. Nor did worries about the global economy and corporate cash flow as the year progressed. The calendar closed with China abandoning its zero-COVID policy, a step which generated a surge in infections and mortality, leaving us with additional questions about the condition of their economic cycle.

Let's just say that 2022 did not provide investors with any favours.

Equity market performance

- Equity markets (i.e., stock markets) were down across the board for the world's major regions. The decline in valuations in response to rapidly rising capital costs (i.e., interest rates) accounted for most of these price declines.
- Despite the TSX's loss for the year, it found itself in the top half of index performers (helped by its big weight in energy stocks). In contrast, the S&P 500 was located nearer to the bottom of the performance ladder due in part to its heavy weighting in the Technology, Consumer Discretionary and Communication Services sectors, which performed poorly, relative to other sectors.

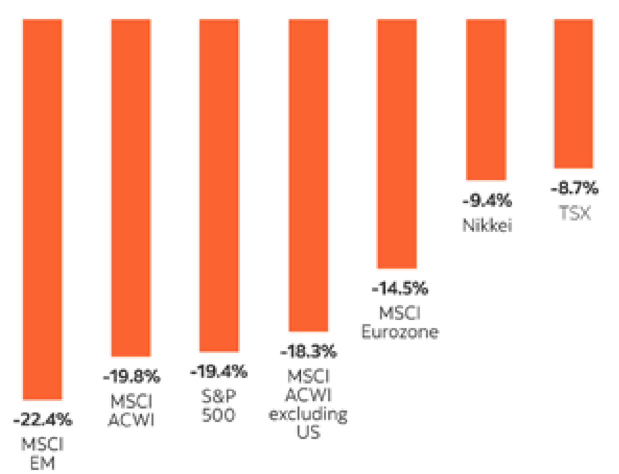
Fixed-income performance

- Bonds fared poorly right across the fixed-income landscape – from Canada and the U.S. to Europe and beyond. Longer-dated bonds (10-plus years) meaningfully underperformed the broad fixed-income benchmarks.

Stock markets: 2022 performance

Price returns in local currency

(As of December 31, 2022)

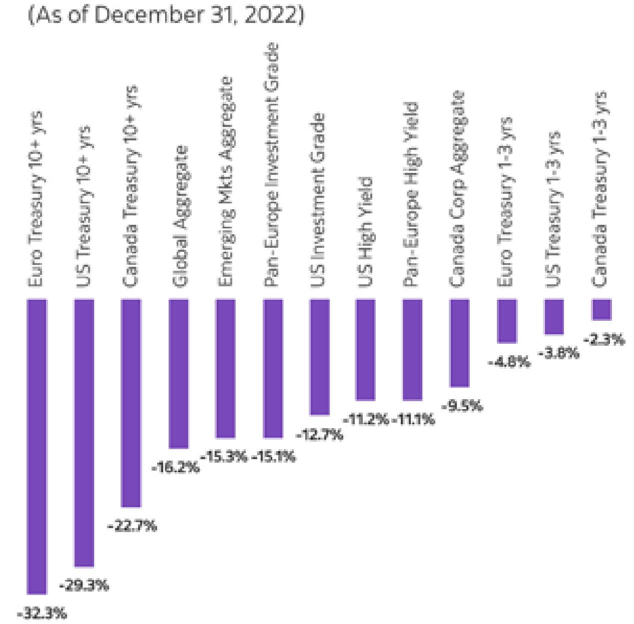


Source: 1832 Asset Management, Bloomberg

Types of bonds: 2022 performance

Local currency total returns

(As of December 31, 2022)



Source: 1832 Asset Management, Bloomberg, Bloomberg-Barclays

Asset performance: Stocks, bonds, commodities and more

- Scarcity is a fitting word to describe the return opportunities presented in 2022. Global stocks, bonds, and alternatives all generated losses to varying degrees. Simultaneous losses in all three asset classes has been an infrequent occurrence through the course of history, emphasizing just how difficult the investment environment had been over the prior year.
- The prices for commodities generated some tidy gains with agriculture and livestock generating most of the returns reported by the broad benchmarks. Most industrial metals struggled.

Various asset classes: 2022 performance

Total returns used where available

(As of December 31, 2022)

Source: Bloomberg, 1832 Asset Management.

LOOKING AT CANADA IN 2023

Falling energy prices will weigh on TSX performance

- Crude oil prices are roughly 40% lower from their summer peak last year, while natural gas prices, as mentioned above, are over 60% lower. The direct impact will likely be on performance within the TSX's energy sector. While rising oil prices were a key reason for the overall Composite's outperformance among global peers last year, it will likely have the opposite effect should energy prices hold at the current, low levels, when performance is marked at 2023's year-end.

Housing losing momentum

- Housing starts ticked lower (as of the most recent reading) and have lost the upwards momentum that has been building up this year. According to a recent forecast released by the Canadian Real Estate Association, the average price of homes sold in Canada will fall nearly 6% on an annual basis but will bounce back modestly in 2024.[2]

Unemployment remains low

- The unemployment rate ticked lower and remains below pre-pandemic levels. The most recent reading stands at 5%.

Canadian unemployment rate

Source: 1832 Asset Management, Bloomberg.

The inflation picture

- According to Statistics Canada, the annual rate of inflation fell to 6.3% in December as consumers paid less for gasoline. While that's a marked decline from June's 8.1%, inflation remains well above the Bank of Canada's targeted inflation rate of 2%.

1 Source : Bloomberg L.P. and 1832 Asset Management L.P., January 1, 2023.

2 Source: https://financialpost.com/real-estate/home-price-forecast-crea-2023#:~:text=The%20average%20price%20of%20homes,the%20Canadian%20Real%20Estate%20Association

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ADVICE FOR GETTING THROUGH MARKET UPS AND DOWNS

Market volatility can be unsettling for even the most knowledgeable investor and could lead to impulsive investment decisions that may not align with your long-term financial goals.

Here are some fundamental principles to help you get through periods of increased market fluctuations.

- **Remain calm.** It's easy to let your emotions get the better of you during stressful times – investing is no different. Sitting on the sidelines or selling for the temporary relief of cash might cost you more in the long run.
- **Stay diversified.** Diversification is essential during periods of market stress. While by no means immune to market downturns, a well-diversified, professionally managed portfolio may experience less volatility in turbulent markets.
- **Be patient.** There's always uncertainty when investing in the markets, but market downturns don't last forever. While it could take some time, markets should recover, rewarding patient investors.
- **Stick to the plan.** Downturns come and go. A financial plan can provide the discipline to ride out the short-term market uncertainty. By recognizing short-term market uncertainty for what it is, you can help ensure that it doesn't derail your long-term investment success.

Focus on the things you can control, such as maintaining a long-term view, staying diversified and working with a Scotiabank advisor to determine the best course of action to help you stay on track to meet your financial goals. If you don't have a financial plan in place, contact a Scotiabank advisor today to develop a plan that makes sense for you.

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BUILDING A STRONG FOUNDATION FOR SUCCESS

Financial tips to guide you throughout the year

Now that 2022 is in the rear-view mirror and we are well into the new year, we've compiled a list of our top financial advice tips. Whether you've been able to continue on the path to achieving your financial goals – congratulations and continued success – or if your finances have been negatively impacted by inflation and rising interest rates, this list will outline some financial strategies to help you stay on track – or get back on track to financial well-being.

As we all know, when our finances are in good shape, we feel more confident about the future and our ability to handle life's unexpected challenges.

1. Map out your future with a financial plan

If you want to attain financial well-being, it's important that you have a financial plan. Think of a financial plan as your personal roadmap (providing you with a complete picture of your finances), clearly outlining your financial goals and the steps you need to take to achieve them. Your plan will include longer-term goals, such as saving for your children's education and retirement planning, as well as shorter-term goals, such as saving for a car or a home.

A financial plan gives you better control of your finances and peace of mind, knowing there are strategies in place to help keep you on track during both good and challenging times.

While everyone's plan will be unique to their specific goals, a financial plan is designed to help answer three fundamental questions:

1. Where are you now financially?
2. What would you like to achieve – both short and long term?
3. How will you get there?

Once you have a plan in place, it's important to revisit your plan regularly to confirm that you are still on track to meet your goals, or if adjustments should be made.

How long does it take to create a financial plan?

Here's some good news: Your initial meeting with a Scotiabank advisor should only take about an hour. This will provide them the opportunity to ask questions about your financial situation, go over your goals and identify any specific needs. While it may take a few meetings to put your plan into action, it's time well spent. With a financial plan in place, you'll be more confident knowing that you're in a better position to achieve your financial goals.

Reach out to a Scotiabank advisor or visit **scotiabank.com/book** to schedule an appointment.

Visit **scotiabank.com/adviceplus** for financial-planning tips and to view some examples of the information you'll receive in your plan.

2. Get a better handle on your finances by establishing a budget

As inflation continues to impact us all – from the grocery store and gas station to our utility bills – many of us are looking for ways to make sure our money goes as far as possible. By creating a budget to help track your spending and savings habits, you'll gain control of, and become more efficient with, your cash flow.

Your budget can be as basic or detailed as you like – whichever works best for you. The important thing is to set up a budget and reassess it at least semi-annually to ensure it's working to meet both your short- and long-term financial goals, or whenever you have a significant change in your income or expenses.

Here are two steps to help you establish a budget:

STEP 1

Calculate the total income you'll receive from all sources – for example, employment income, rental or investment income, support payments, pension etc.

STEP 2

List all your expenses and divide them into two categories:

- **Non-discretionary**, or mandatory costs, such as mortgage payments, rent, hydro, etc.
- **Discretionary**, or non-essential costs – such as eating out at restaurants, shopping, vacation travel etc. If funds are remaining after you've accounted for all your non-discretionary costs, prioritize your discretionary costs based on what is most important to you.

There are many benefits to creating and maintaining a budget:

- Allows you to objectively look at your needs versus your wants
- Helps you better meet short-term priorities, such as paying your monthly bills (like your mortgage, rent and utilities), while balancing expenses for the things you may want
- Helps you achieve longer-term goals (like buying a car or home, saving for a child's education or retirement)
- Helps identify areas where you may be overspending and helps you reallocate these funds toward more important savings goals
- Helps to create a more effective plan to pay off debts

Are you looking for a tool to help you establish your budget?

Check out **Scotia Smart Money** by Advice+, which you can find in the Advice+ tab of the latest version of the Scotia app.*

Scotia Smart Money gives you access to a variety of money-management tools, such as a budget feature that tracks your spending and tells you how you're doing on a monthly basis against the budget targets you've set up.

To learn more, visit **scotiabank.com/scotiasmartmoney**.

*To access Scotia Smart Money by Advice+, you must have an active personal banking retail product, have transacted at least once on your account within the preceding 6 months and have logged into the Scotia Mobile Banking App.

3. Try to pay down debt

Some Canadians may find themselves feeling the stress of existing debt, or new debt they've taken on in the current economic environment. Creating a plan that lists each of your debts and how you will manage repayment is an important first step. Knowing what options are available to help you pay down your debt more quickly is also key to establishing a sense of control over your finances during this difficult time.

Here are some strategies to help you speed up your debt repayment:

Restructure your debt

There are a few different ways to do this.

- **Switching to a lower interest-rate credit card:** Many credit cards have high interest rates. If you have credit card debt, you might want to see if there are options available with a lower interest rate, as this could save you money.
- **Consolidating your debt:** If you have multiple loans or credit cards, you may be able to combine them all under a new credit application to take advantage of a potentially lower annual interest rate and payment. This might be under a secured or unsecured line of credit – or even a new loan. This way you'll have one payment, which should alleviate a lot of stress.

Pick a debt-paying method

Consider one of these two methods to help pay down debt (but pick the one you feel will be faster or best suited to you).

- **The debt avalanche method:** This method focuses on paying off the debt with the highest interest rate first. After that's paid, you shift to the debt with the next highest interest rate and so on.
- **The debt snowball method:** The goal here is to start by paying off your smallest debt first. This can create a sense of accomplishment, so you can use that momentum to move on to the next debt. Many people find this method easier to stick to. Keep in mind, however, that you may end up paying more in interest depending on the amount of time it takes to pay off your larger debts with potentially higher interest rates.

If you are feeling overwhelmed by your debt, or want to learn more about options to pay off debt more effectively, reach out to a Scotiabank advisor to review your situation and help you find a solution that works best for you. You can visit **scotiabank.com/book** to schedule an appointment.

4. Pay yourself first automatically

Investing on a regular basis through Pre-Authorized Contributions (PACs) is a great way to easily and automatically build your savings for short- and long-term goals.

With a PAC, you simply choose the amount you want to contribute and how often – for instance, weekly, biweekly or monthly. Even small amounts saved regularly can add up over time. When your cash flow improves, you can then decide on how much you can increase your contribution.

To see how quickly your savings can grow, visit **scotiabank.com/PAC** and try out our interactive PAC video.

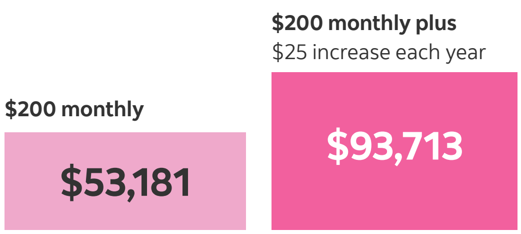
TWO WAYS TO MAXIMIZE YOUR PAC

Don't set it and forget it – increase your contribution when you can

Setting up automatic contributions helps puts you on the path to achieving your savings goals, but it's easy to forget to adjust your plan as your financial circumstances change. It's a great idea to revisit your PAC contributions on a regular basis – especially after major changes, like paying off student debt or landing a promotion. You'll be amazed by how much more you can save by increasing your contributions – even a little.

In the graph below, we look at an investor who contributes $200 monthly for 15 years versus the same investor increasing their monthly contribution by just $25 each year.

PAC contribution over 15 years



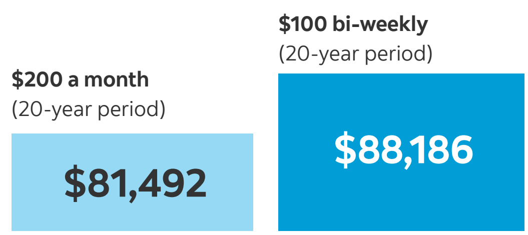
Over a 15-year period, the difference is over $40,000!

Make it bi-weekly and save even more

Changing your contribution from a monthly basis to bi-weekly can really make a difference. It's a small change, but the benefits can add up.

The example below underscores the savings advantage provided by bi-weekly contributions over a 20-year period.

Monthly vs. bi-weekly contribution



Almost $7,000 more when saving on a bi-weekly basis.

For illustrative purposes only. These examples use a hypothetical rate of return of 5%, assume reinvestment of all income, compounded annually and do not include transaction costs, fees, or taxes. The examples do not reflect actual results or the returns or future value of an actual investment.

5. Start an emergency fund

Life is often filled with surprises, hopefully the good outweigh the bad. Unfortunately, when it comes to unforeseen events like job loss, illness or major home repairs, it's important to be financially prepared.

Unexpected expenses are inevitable, so an emergency fund should be part of your budget. If you set aside small amounts every pay period, you may not need to access your savings or borrow from your credit card if something does arise, like a major car repair. Many financial advisors suggest you save the equivalent of three to six months of living expenses to get you through a financial setback or job loss.

If you haven't been saving and want to start, or your savings aren't quite where you want them to be, review your discretionary (i.e., non-essential) expenses and, if possible, start cutting or reducing those costs to fund your emergency fund. Even small amounts saved regularly can add up over time – and you can get started with as little as $25 per month. If money is tight right now, try and start as soon as your family budget allows.

Make it easy on yourself by scheduling automatic deposits to your emergency fund through Pre-Authorized Contributions.

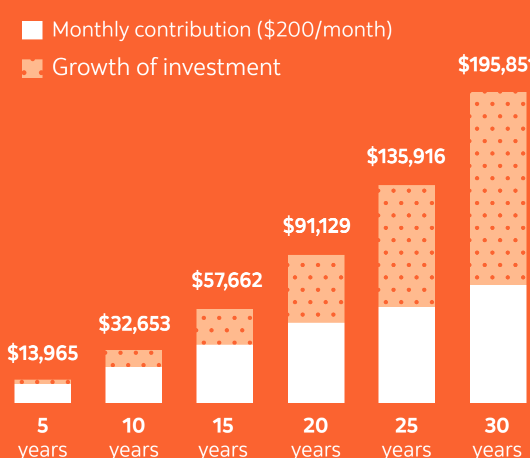
Visit **scotiabank.com/PAC** to learn more about PACs.

6. Start saving – it's never too early

Time is your biggest ally when it comes to saving. Once you start working and can set aside even a small amount each month, you can be well on your way to building savings for your short- and long-term financial goals. When it comes to saving for retirement in particular, the earlier you start, the better off you'll be because your money will have more time to benefit from **compound growth**.

LET'S TAKE A LOOK AT HOW COMPOUND GROWTH WORKS

$200 monthly contribution with an annual compound rate of return of 6%



For illustrative purposes only and is not intended to forecast future returns of any investment. Assumes a $200 investment at the beginning of each month. Annual compound rate of return is 6%.

As you set out on the path to saving and investing, you'll need to determine which products and/or investment strategies are right for you and your financial situation.

To determine the most appropriate savings and investing options, begin by asking yourself these three key questions:

- What are you saving or investing for?
- What is your time horizon to reach your goal?
- What is your risk tolerance?

When it comes to saving, it's easy to get sidetracked. A **Pre-Authorized Contribution** (PAC) allows you to make saving priority number one by ensuring you automatically make contributions

7. Keep calm during market volatility – and stay focused on the long term

No matter how experienced you are as an investor, recent spikes in market volatility may understandably prompt you to abandon your long-term plan and perhaps cash out and retreat to the sidelines. If this is the case, ask yourself if the market or economic events fueling the downturn changes your long-term goals.

As you consider your options, keep the following in mind:

Manage risk, don't avoid it

Consider finding a middle ground with an investment solution that offers a balanced approach to risk and return. Not surprisingly, reducing your exposure to riskier investments will help to lower the overall risk of your portfolio. But taken too far, you could increase

your exposure to other risks, such as longevity risk – the risk that you'll outlive your retirement savings. The key to long-term investment success is finding that balance between growing your savings in line with your needs while maintaining a mix of investments that doesn't exceed your tolerance for risk.

Put diversification to work

Often compared to not putting all your eggs in one basket, diversification is the process of spreading your money across a variety of investments – for example, stocks, bonds, cash – that don't all behave the same way during periods of market volatility. By including investments that react differently to certain market events – as one type of security falls, the other should rise – you can help lower the impact of market declines on your portfolio.

Invest automatically and take advantage of market ups and downs

Instead of fearing a market correction, consider viewing it as a buying opportunity. By contributing a fixed-dollar amount on a regular basis through a Pre-Authorized Contribution (PAC) plan, you can take advantage of market dips by purchasing more fund units when your dollar goes farther and, in turn, lowering your average cost.

Focus on the big picture

When looking at historical rates of return, don't focus solely on the upside. Although it's practically impossible to forecast when the next upward or downward spike in the market will take place, having a well-thought-out investment plan can help provide a sense of confidence that you can ride out the volatility.

Keeping an eye on your long-term strategy will ultimately help keep you invested during those occasional bumps in the road.

Working through some of your concerns, either on your own or with an advisor, can allow you to make informed investment choices, view your portfolio with more calm, and ultimately help keep you stay on track to meet your financial goals.

Learn about more financial strategies to help you make informed decisions

Visit the ScotiaAdvice+ Centre at **scotiabank.com/adviceplus**, where you'll find timely financial information, advice, tips and tools to help you become better off today and tomorrow. At Scotiabank, it's our goal to provide tailored and personalized advice so that you can reach your financial goals.

If you have any questions, reach out to a Scotiabank advisor or visit **scotiabank.com/book** to schedule an appointment.

Coping with inflation and staying on track financially

The negative impact that inflation has on your savings over time is an ever-present, but often overlooked risk when investing. While the impact of inflation on your investments isn't usually felt in the short term, its impact can slowly erode the purchasing power of your long-term savings.

As the price of goods and services increases over time, a higher amount of savings is required to maintain the same level of purchasing power in the future (e.g., retirement).

No one can completely avoid the effects of inflation. However, a sound investment strategy as part of your financial plan can help you maintain your purchasing power and standard of living in retirement.

Scotiabank offers a wide range of **portfolio solutions** that are built to navigate a variety of market conditions, including periods of rising inflation, and align with your risk tolerance and long-term return expectations. Reach out to a Scotiabank advisor or visit **scotiabank.com/book** to schedule an appointment.

Five tips to keep in mind as you review your portfolio performance statements

With inflation, rising interest rates and uncertainty created by the war in Ukraine, stock and bond markets definitely struggled throughout 2022. While this year's returns have been uneven so far, it's important to maintain a long-term perspective on your investing goals.

Keep these **five tips** in mind as you assess your portfolio performance statements.

1. Understand that a loss on paper is not the same as an actual financial loss.

You won't realize an actual loss unless you sell your investments. While rising interest rates and recession concerns suggest volatility may continue for some time, it's comforting to know that markets have a history of recovering from similar setbacks and have gone on to higher highs.

2. Look at your portfolio objectively.

Has the current climate changed your retirement goals or timeline? If retiring is still a long way off and you don't need access to your savings, staying the course is often the best approach.

3. Focus on your time horizon and not on this moment in time.

Retirement typically spans several decades, offering time for the economy, markets and your portfolio to recover. Selling now may limit your ability to participate in future gains and could impact when you can comfortably retire – or how much sustainable cash flow your portfolio can generate during your retirement years.

4. **Control what you can and take the uncertainty out of when to invest with pre-authorized contributions (PACs).**

Instead of fearing market declines, consider viewing them as a buying opportunity. Investing in regular increments with a PAC plan not only helps to eliminate the guesswork of when to buy, it's a convenient and simple way for you to save without even thinking about it. Visit **scotiabank.com/PAC** and try out our interactive PAC video.

5. **Regularly review your financial plan** to ensure it continues to meet your needs and reflects your personal circumstances. Your financial plan helps to ensure that you're prepared for the unexpected and focused on the long term, which in turn empowers you to see beyond the ups and downs of market volatility. If you don't have one, a Scotiabank advisor can help set one up.

Questions or concerns?

Reach out to your Scotiabank advisor

After a difficult year like we saw in 2022, you might be wondering if your investment portfolio is on pace to meet your goals (whether that's retiring comfortably or buying a home, for example) and how your portfolio has performed after considering market conditions and other factors, such as inflation and taxes.

It may make sense to perform a portfolio checkup once or twice a year – after you've had a chance to review your performance statements. You'll also want to revisit your investment goals as you experience life changes, like the birth of a child, a change in marital status, a new job, or perhaps a move to a new city.

That's where your Scotiabank advisor comes in. Scheduling a portfolio checkup with your advisor will provide critical insights into your investment performance and help guide your investment decisions. If you discover that your portfolio is on track to meet your goals, that's great. However, if it's not, your advisor can help you understand why and recommend adjustments to help keep you on track.

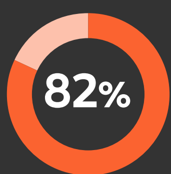
Your portfolio performance review:
It all starts with a simple conversation

Whether you need to make adjustments to your investment portfolio or simply want to review certain goals, your Scotiabank advisor can work with you to ensure you're on track to achieve your financial goals.

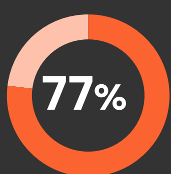
Reach out to your Scotiabank advisor or visit **scotiabank.com/book** to schedule an appointment.

DID YOU KNOW?

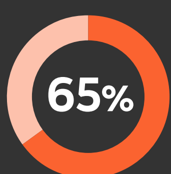
According to recent Scotiabank research on Canadians working with a Financial Advisor:[1]



Are confident in the advice they receive from their advisor



Feel optimistic about the future of their finances after speaking with their advisor



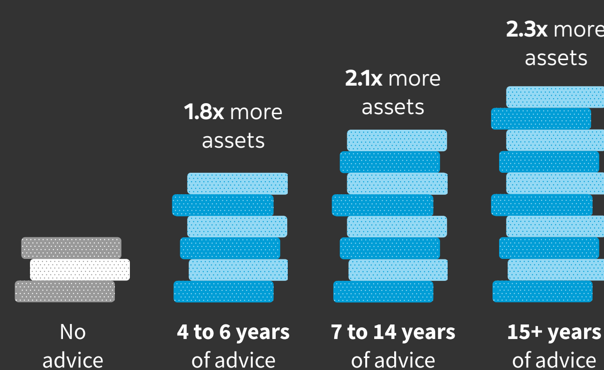
Indicate their advisor is proactive in reaching out, not just when they ask for advice

Working with a financial advisor helps you increase your wealth

Research has shown that households working with a financial advisor accumulate more assets than those that don't – and the longer they work with an advisor, the more their savings will grow.[2]

Let's have a closer look

Versus non-advised households, the average household with a financial advisor accumulated:

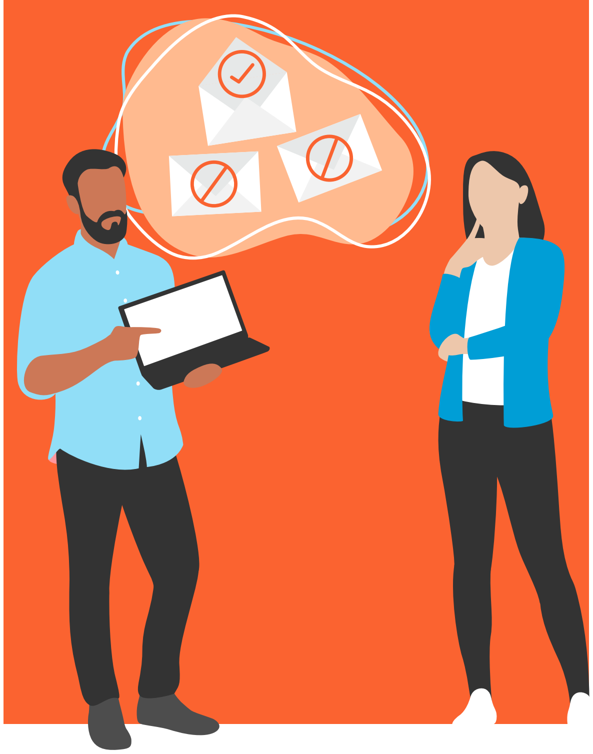


Sources:

[1] Scotiabank Investment Poll 2022.
[2] More on the Value of Financial Advisors, Claude Montmarquette, Alexandre Prud'Homme, CIRANO 2020.

Beware of these common scams to steal your money and personal information

Learn what to watch out for and what to do



With cyberfraud incidents on the rise and fraudsters waging sophisticated attacks through phone, text, and email, it's important to recognize the warning signs that someone is trying to scam you.

QUICK FACTS

The impact of fraud in 2022 from the Canadian Anti-Fraud Centre

Reports of fraud

90,137

Victims of fraud

56,352

Lost to fraud

$530 million

Source:
Government of Canada, Canadian Anti-Fraud Centre, as of December 31, 2022: https://antifraudcentre-centreantifraude.ca/index-eng.htm

We've identified the most common scams that fraudsters are currently using to steal your money and personal information.

Five common scams that target your personal information

What is it	What to do	How to report if you are a Scotiabank customer
1. PHISHING AND SMISHING		
• **Phishing** is a form of fraud where cyber criminals use emails to trick you into providing personal or sensitive information that can be used for fraudulent purposes. You may be asked to disclose confidential financial and personal information, like passwords, credit card numbers, access codes, or tax identification numbers. • Emails tend to look authentic, featuring corporate logos and layouts similar to those used by institutions for legitimate communications. Some fraudsters also use fake (spoofed) email addresses that appear to be sent from authentic organizations. • **Smishing** is similar to phishing, except that fraudsters will send scam messages through text (SMS) to your mobile phone.	• If you're suspicious of the email you received, never respond to it, open attachments, or select links from institutions (even if reputable) or unknown senders asking for personal or financial information. • Never call a phone number that appears in a suspected phishing or smishing message and never respond to the message itself. Often, phishing emails and text messages will include fake contact information that will redirect you back to the fraudsters.	• If you've received a fraudulent email, please forward it to **phishing@scotiabank.com**. • If you've entered personal information after selecting a link or suspect fraudulent behaviour, please call us immediately at **1-866-625-0561**. • **Always remember that Scotiabank will never send you unsolicited emails or text messages asking for confidential information, such as your password, PIN, Access Code, credit card, and account numbers. We will never ask you to validate or restore your account access through email or pop-up windows.**

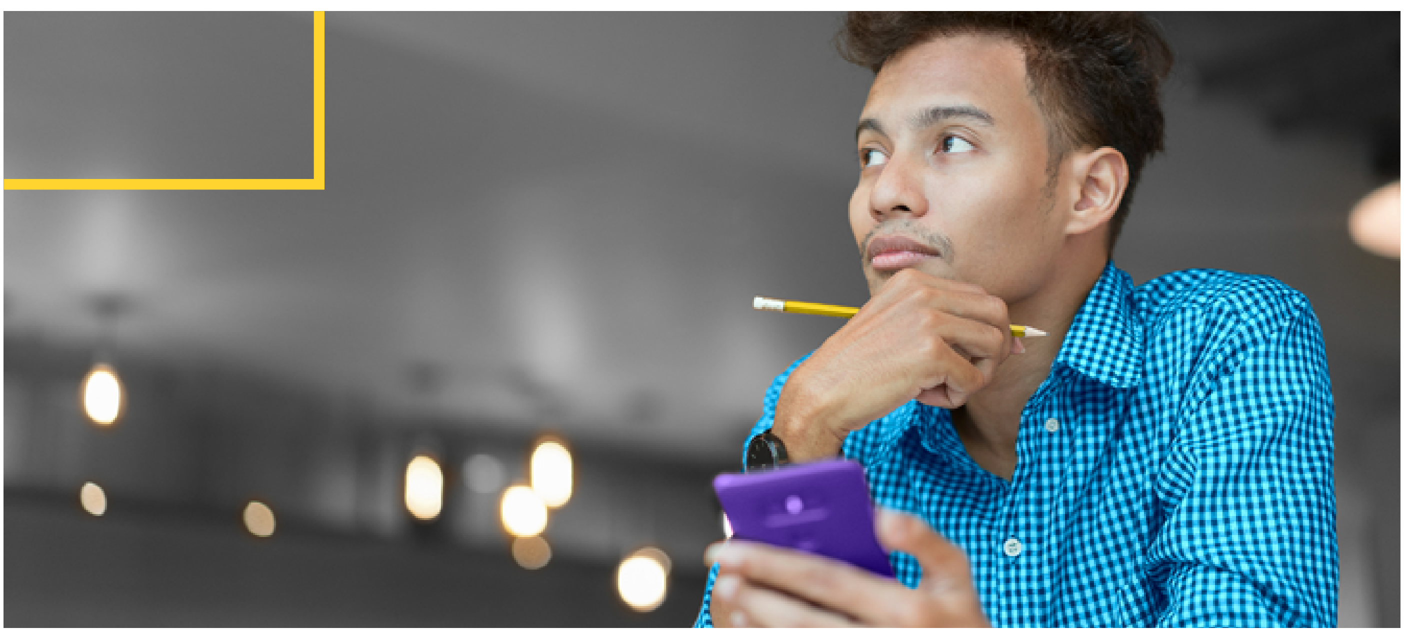
What is it	What to do	How to report if you are a Scotiabank customer
2. FAKE WEBSITES AND ONLINE SHOPPING FRAUD		
• These types of scams involve directing victims to fake websites, often online shopping websites, through the use of fake emails and online ads that offer deals that are too good to be true. • Unlike legitimate sites, once you make a purchase or enter your personal and credit card information, you won't receive your item or win a contest, and fraudsters will now have access to your personal and financial information. • At first glance, these types of scams are difficult to recognize because scammers use a technique called **pagejacking** to create convincing fraudulent websites. • Pagejacking is when scammers illegally copy legitimate website content to then use on their fake website, making a convincing duplicate of the real website.	• Be wary of websites that are poorly designed, have broken links, aren't secure (http), or don't include proper contact information. • If the price of an item or the opportunity presented seems way too good to be true, don't select the link provided until you've researched the price of other retailers. • Instead of selecting a link in a text message or email, use a search engine like Google to search for the company's legitimate website and find the deal you're looking for. • You can also use the email or phone number listed on their website to contact the company to validate the offer.	• If you believe you've been impacted by online fraud, immediately call us at **1-866-625-0561**. • Make sure to also report all shopping scams to your local police department.

What is it	What to do	How to report if you are a Scotiabank customer
3. FAKE MOBILE APPS		
• An increasing number of retailers and service providers require or encourage you to download a mobile application to make a purchase. • However, there are many fraudulent apps that trick you into sharing your private information for malicious purposes. These can also include fake versions of social media or communication apps, such as WhatsApp or Facebook.	• If you're ever in doubt about whether an app is legitimate, use a search engine like Google to search for the company website. You can either send an email or call the company directly using the contact information listed on their website to verify the legitimacy of the app. • Remember to only download apps from trusted sources, like the App Store or Google Play.	• If you ever find an app impersonating an official Scotiabank related app, send the information to **phishing@scotiabank.com**.
4. PHONE FRAUD (VISHING)		
• In this scenario, scam artists are known to pose as representatives from government agencies, local police services, legitimate financial institutions, and other types of companies in an attempt to defraud customers. • Phone fraud is commonly referred to as **vishing**. The term comes from "voice" and "phishing." Vishing uses telephone communications in combination with email or the internet to steal information and money from unsuspecting consumers.	• If you aren't sure about the organization or person calling, verify the contact number and call back. • If the caller sounds threatening or is urging you to hurry, it's safe to assume it's a scam. • Never give out personal or financial information over the phone. • If you believe the fraudster poses a risk to your personal safety, call your local police.	• If you aren't sure whether it's really Scotiabank calling, hang up and call **1-866-625-0561** and report it to us.

What is it	What to do	How to report if you are a Scotiabank customer
5. MAIL FRAUD		
• With the popularity of email and the internet, we often forget about the postal system. • The most common type of mail fraud is when you're asked to send money and/or personal information and receive nothing in return – for example, get-rich-quick schemes, fake charity solicitations asking for donations, and prize winnings that require you to pay an administrative fee or shipping expenses.	• Remember that you should never provide your personal information in a reply envelope or include cheques or cash unless you have positively verified the source. • If you are receiving bills via mail, protect yourself by moving to paperless billing and record-keeping.	• Report fraudulent mail related to Scotiabank by calling **1-866-625-0561**.

How to report if you're not a Scotiabank customer

- If you are not a Scotiabank customer and you believe that you have been a victim of fraud, call your local anti-fraud centre. For Canadian citizens, contact the Canadian Anti-Fraud Centre (CAFC) at **1-888-495-8501**, or visit the **CAFC reporting page** for more information.
- Check out "Essential websites @ a glance" on page 25.



Four common scams that target your money

What is it	What to do	How to report if you are a Scotiabank customer
1. JOB SCAM		
• People behind job scams eagerly recruit new hires, making the interview process appear professional and legitimate. • Once the candidate has been accepted for the position, the fraudster will ask for personal information, including your tax identification number, driver's license or passport, and banking information.	• If you find a job posting from a job search website, check if the company has a legitimate website and has the same posting on their site. • When in doubt, reject the job offer and search for opportunities on company websites that you know and trust. • Never accept cheques or payment before you start working.	• Call us immediately at **1-866-625-0561** and report it to your local anti-fraud centre.
2. CHEQUE SCAM		
• Fraudsters will send you a cheque or draft to purchase an item you're trying to sell online, but they'll send you a larger amount than your asking price. • They'll claim the extra money is to cover shipping or customs fees that you must send to a third party or simply that they sent the wrong amount by accident. • Fraudsters will then ask you to deposit their cheque and refund them the balance. These deposits are usually fraudulent and result in you losing both your items and hard-earned money.	• Be instantly cautious when someone offers to pay more than your listed price on an ad. • If you notice that the potential buyer is acting suspicious, immediately stop talking to them and keep a record of your conversations.	• Call us immediately at **1-866-625-0561** if you receive money from an unknown individual or company and are asked to forward it elsewhere.

What is it	What to do	How to report if you are a Scotiabank customer
3. VACATION SCAM		
• This type of scam occurs when a fraudster hacks your email to send a request for money to your friends and family. • The email states that all your belongings were stolen while on vacation and asks the recipient to transfer money as soon as possible.	• If you receive an email asking for money urgently from a friend or family member, try contacting them using a line of communication you've previously used to confirm if they're indeed on vacation or in need of funds. • Make sure not to reply to the email before you confirm with the actual friend or family member. Save a copy of the fraudulent email to have a point of reference for future attacks.	• If you have already transferred funds, you should also call us at **1-866-625-0561** and report it. • Finally, contact your family and friends to advise them that your email may have been hacked.
4. ROMANCE SCAM		
• A romance scam is a fraud scheme, generally done through social media or an online dating platform, where a scammer fakes romantic interest and develops a "relationship" with that person, ultimately scamming them for money. • Seniors and teenagers/young adults in particular are at high risk of being preyed upon in this way.	• If you suspect you may have fallen for a romance scam, stop all contact immediately. Never delete any messages and keep them for recordkeeping.	• Call us immediately at **1-866-625-0561** to report the incident and to put a stop to any outstanding payments, as well as any other financial institution you may have a compromised account with. • Provide your local police with as much information as possible. • Additionally, file a report with your local Anti-Fraud Centre. For Canadian citizens, contact the Canadian Anti-Fraud Centre (CAFC) at **1-888-495-8501**, or visit the **CAFC reporting page** for more information.

How to report if you're not a Scotiabank customer

- If you are not a Scotiabank customer and you believe that you have been a victim of fraud, call your local anti-fraud centre. For Canadian citizens, contact the Canadian Anti-Fraud Centre (CAFC) at **1-888-495-8501**, or visit the **CAFC reporting page** for more information.
- Check out "Essential websites @ a glance" on page 25.

Scotiabank's cybersecurity and fraud hub

Visit our **cybersecurity and fraud hub** on scotiabank.com to learn more about how we protect you and how to keep your personal and financial information safe.

If you think you're being scammed, you can try our **Scam Identifier Tool** to find out what red flags to watch for.

Scam Identifier Tool

- E-mail
- Text message
- Website
- Mobile app
- Letter
- Phone call
- Person or organization online

Essential websites @ a glance

Scotiabank Resources:

- Cybersecurity and fraud hub
- Advice+ Cybersecurity and Fraud articles

For additional information on cybersecurity and fraud prevention best practices, please visit these **Canadian government websites**.

Canadian Anti-Fraud Centre (CAFC)

Visit the CAFC website to learn more about fraud and identity theft and both past and current scams affecting Canadians.

Learn what steps to take if you suspect you may be or have been a target of fraud at Reporting Economic Crime Online.

Canadian Centre for Cybersecurity (Cyber Centre)

As Canada's authority on cyber security, the Cyber Centre offers access to expert advice, guidance, services, and support to mitigate and respond to cyber security events.

Get Cyber Safe

Learn more about cyber security and the simple steps you can take to protect yourself online with Get Cyber Safe, Canada's national public awareness campaign.

Retirement facts and figures @ a glance

THE POPULATION[1]

Age range at which Canadians say they expect to retire from the workforce

22%	17%	10%
Between **65** and **69**	Between **60** and **64**	Between **55** and **59**

Life expectancy in Canada[2]

The life expectancy in Canada for men is **81 years** and **85 years** for women. Longer life expectancy means that people need to fund longer retirements.

Men
81
years

Women
85
years

DOLLARS AND CENTS[3]

Primary funding sources for those preparing for retirement:

24%	Personal employer sponsored pension plan
22%	Government pension programs
14%	Personal savings held in RRSP/RRIF

The average amount Canadians expect to need to fund their ideal retirement

Approximately
$841,327

62%	25%	13%
Less than **$1 MM**	**$1 MM** to **$1.9 MM**	**$2 MM** or more

MOST IMPORTANT FINANCIAL PRIORITIES[4]

51%
Saving for long-term goals (e.g., retirement)

16%
Paying down debt

16%
Managing day-to-day cash flow and expenses

HOW CANADIANS APPROACH SAVING & INVESTING[5]

57% — **Balanced approach**
More than ½ make the most of their money today and in the future.

28% — **Plan for the future**
Over ¼ take a "plan ahead" approach whereby they are saving/investing now so they can live comfortably in the future.

15% — **Live in the moment**
More than 1 in 10 are living in the moment, spending their money while they can.

THE MOST FREQUENTLY HELD INVESTMENT PRODUCTS AMONG CANADIAN INVESTORS[6]

61% — **Mutual funds**

44% — **Stocks**

40% — **Fixed income/ interest-bearing investments** (e.g. bonds, GICs)

32% — **Cash deposits**

21% — **Exchange-traded funds (ETFs)**

8% — **Real estate** (other than primary residence)

Sources:
1, 3, 5 Scotiabank Investment Poll 2022
2 2022 World Population Review
https://worldpopulationreview.com/country-rankings/life-expectancy-by-country
4, 6 Scotiabank, Scotia Global Asset Management Investor Sentiment Research, January 2023.

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