SPRING 2021

Advice **Matters**

03

SHOULD YOU STAY OR SHOULD YOU GO:

ONE OF HOMEOWNERS' TOUGHEST DECISIONS

ScotiaAdvice+

Scotiabank®

Advice **Matters**

Presented by

ScotiaAdvice

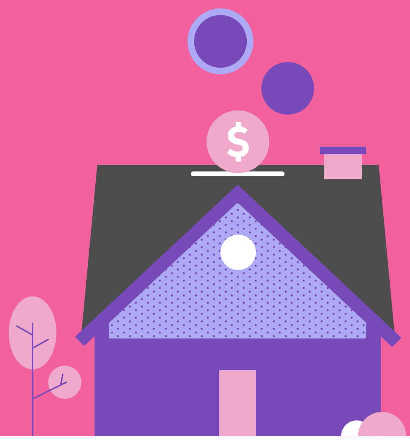
A simple conversation today can help you reach your goals tomorrow.

In this issue you'll find

Scotiabank®

Should you stay or should you go: One of homeowners' toughest decisions

This past year has seen many of our daily routines with family, friends and work turned upside down. Our homes have taken on an increased number of functions – it's now also become a school, office and gym.



With our homes being used in so many ways, many homeowners are wondering whether now is the time to renovate their living space to meet their new needs, or whether it's time to look for a new home to accommodate their family's additional living requirements. Ultimately, since we are spending much more time at home, we simply want our homes to be as comfortable as possible so that we can enjoy our time there.

Before you start on the path to renovating or moving, we've outlined some financial considerations to keep in mind.

RENOVATING

Since your home is likely your biggest asset, renovations can be a great way to increase your property value while making daily living more comfortable and enjoyable.
Before you start tearing down walls, think about the cost to renovate and consider these questions:

- What type of renovation are you taking on – is it small or major?
- How much money do you think you'll need – will the cost put a strain on your finances?
- Will you need funds up front or in stages as the job progresses?
- How long do you anticipate it will take to pay off any debt you accumulate? – it may be helpful to create a proposed repayment schedule.

If you're thinking about renovating your home, make an appointment with a Scotiabank Home Financing Advisor to discuss cost-effective options to finance your renovations – solutions like the **Scotia Total Equity Plan®** (STEP) lets you choose from a variety of Scotiabank credit products to meet your borrowing needs, all with one easy application.[1]

MOVING

There are many reasons you may want to move to a new home. Perhaps your family is growing or your children have left home and you no longer require as much space. Maybe the value of your home has risen, enabling you to consider a larger home, a better location or a house with more perks.

A major item for consideration is your current mortgage situation:

Are you mortgage free?

If the answer is "yes" and you decide to downsize, you could continue to be mortgage free and most likely reduce your overall housing costs. In addition, if you have money left over from the sale of your home, you can decide whether you may want to direct funds to other priorities, like saving for retirement or lending a helping hand to your children or another loved one.

HOW WILL YOU PAY FOR YOUR RENOVATIONS?

Some financing recommendations:

Less than $5,000
You may be able to pay with cash you have set aside or a credit card, provided you can easily pay the monthly balance or the full amount as soon as possible.

$10,000 to $20,000
Consider a line of credit as it is a more cost-effective way to get the financing you need, rather than taking cash advances on your credit card.

Over $20,000
For bigger projects, many homeowners use the home equity they've built up over time to help finance renovations.

If your current family situation requires you to move to a larger home – depending on the location of your new home – you could either continue to be mortgage free or you may need to take on a new mortgage. Review your financial plan with your advisor and determine if you can easily take on a mortgage and still meet your other financial goals.

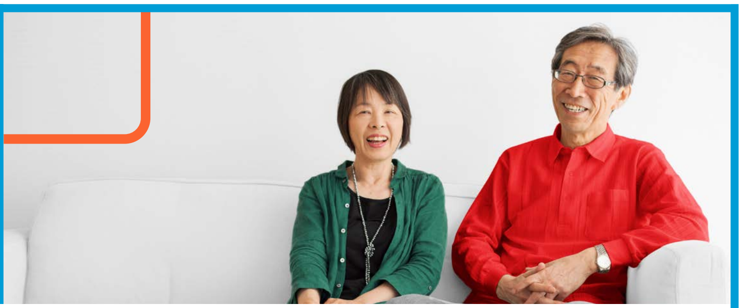
Do you have an outstanding balance on your mortgage?

If the answer is yes, you may be able to "port" your existing mortgage to the new home. "Porting" your mortgage means that you take your existing mortgage – along with its current interest rate and terms – from your current home to your new home. If you find, however, that you could get a lower interest rate, determine if it makes financial sense to pay the penalty for leaving your existing mortgage and applying for a new mortgage.

After doing your calculations, you may decide it makes sense financially to delay your move until the end of your mortgage term, or until you've built up more equity in your home.

Whether you currently hold a mortgage with Scotiabank or your mortgage is with another financial institution, a Scotiabank Home Financing Advisor can help review your options and recommend a borrowing solution to help you achieve your homeownership goals.

Unlock the equity in your home today for everything else in your life tomorrow.



The **Scotia Total Equity Plan® (STEP)** is a flexible borrowing plan tied to the equity in your home.

Whether it's a new home, renovation, your child's education, consolidating debt or preparing for the unexpected, STEP offers you access to a number of Scotiabank credit products (like mortgages, lines of credits, credit cards and more) to help you achieve your long- and short-term financial goals.

All it takes is one application[1] to access all the products and benefits under STEP. You can borrow up to 80% of the value of your home, including up to 65% under line of credit and other secured borrowing solutions.

Plus, if you select the STEP Automatic Limit Increase feature, as you pay down your mortgage, the credit limit on your ScotiaLine Personal Line of Credit or your STEP-Linked credit card will automatically increase.[2] Even when you are mortgage-free, you can continue to access your home equity with STEP.

To learn more about STEP, visit **scotiabank.com/STEP** or contact a Scotiabank advisor or **Home Financing Advisor**.

1 Subject to meeting Scotiabank's standard credit criteria residential mortgage standards and maximum permitted loan amounts. A new application may be required to add or change products under the STEP in some circumstances and if you request a change to the credit limits of your products, you may be asked to provide updated information and/or submit a new application. In some cases, a new mortgage registration may be required. Not all mortgage solutions may be eligible to be included as part of STEP. Additional restrictions and conditions may apply.

2 The credit limit increase will be applied as long as the designated ScotiaLine account or credit card has not reached its maximum borrowing limit and the total of all revolving credit accounts under the STEP has not reached 65% of the property's lending value. Other terms and conditions apply.

Home sweet home

How you can protect your biggest investment

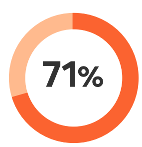
For most of us our homes are our biggest investment and – for at least a period of time – our biggest liability. Buying a home is a major financial commitment that might see you making payments for up to 30 years. It makes sense for us to do our best to protect our investment, and, ultimately, our families' future financial well-being and safety.

Ensuring that you and your family can weather financial hardship as a result of unexpected life events has always been important. This is especially true in the current environment, in which COVID-19 has us all reevaluating our financial situation to ensure our families are adequately protected.

Mortgage Protection Insurance is optional creditor insurance that can help make sure your family can remain in their home should you experience certain unforeseen life challenges. A sudden illness, disability or loss of life can put a substantial strain on a family's finances.

Making regular payments towards any debt may become difficult – particularly a mortgage, which is usually your biggest financial obligation. In general, with Mortgage Protection Insurance benefits paid go directly towards paying your mortgage debt, offering a helping hand during a financially stressful time.

Quick fact



Canadians who have **credit protection insurance** on a **mortgage and/or home equity line of credit** said that without the insurance, they do not know how they and/or their family would be able to cope should an unexpected life event negatively impact them financially.[1]

1 The Canadian Association of Financial Institutions in Insurance (CAFII) commissioned national online survey of 1,003 adult Canadians who have Credit Protection Insurance on a mortgage and/or home equity line of credit. The survey was conducted from October 3 to 16, 2018 Pollara Strategic Insights.

There are usually 3 common coverage options available through Mortgage Protection Insurance.

1. Life

This coverage can help pay the outstanding balance on your mortgage if you pass away. A lump-sum payment goes directly to the mortgage lender to pay off the outstanding balance, helping to ease the financial strain on your loved ones during this difficult time, and allowing them to remain in their home.

Life coverage can complement other insurance you may have through your employer or private insurance to allow you to leave a larger financial safety net for your family. Your family may not need to tap into other insurance to pay off the mortgage, which could significantly deplete any insurance payout.

2. Critical Illness

This coverage can pay the outstanding balance on your mortgage if you are diagnosed with a covered critical illness. The critical illnesses covered typically include certain types of cancer, heart attack or stroke.

With this coverage option you can focus on getting better and not worrying about mortgage payments. If you have additional insurance through your employer or private insurance, you could then choose to use these funds for expenses associated with your recovery.

3. Disability

This coverage can take care of your monthly mortgage payments for a specified amount of time if you become disabled due to certain types of injury, disease or illness and are unable work.

Disability coverage allows you to focus on your recovery and not be concerned with finding money to meet your monthly mortgage payments.

What's the difference?

Mortgage Protection Insurance vs. **Mortgage Default Insurance**

While **Mortgage Protection Insurance** is optional creditor insurance that can help pay off your remaining mortgage balance or cover your mortgage payments in the event of a sudden illness, disability or loss of life, by law **Mortgage Default Insurance** is required when homebuyers are putting less than the 20% down payment typically needed to qualify for a conventional mortgage.

Mortgage Default Insurance protects lenders in the event a borrower is no longer able to make their mortgage payment.

Mortgage Protection Insurance can help protect your biggest investment and help ensure your loved ones can continue to enjoy their home because, when all is said and done, there's no place like home.

SNAPSHOT OF CANADIANS' MORTGAGES, FINANCES & HEALTH

Mortgages

- The average mortgage debt in late 2020 was just over $190,000[2]
- On average, mortgages are amortized over 22.2 years[3]
- 46% of Canadian households carry a mortgage[4]

Finances

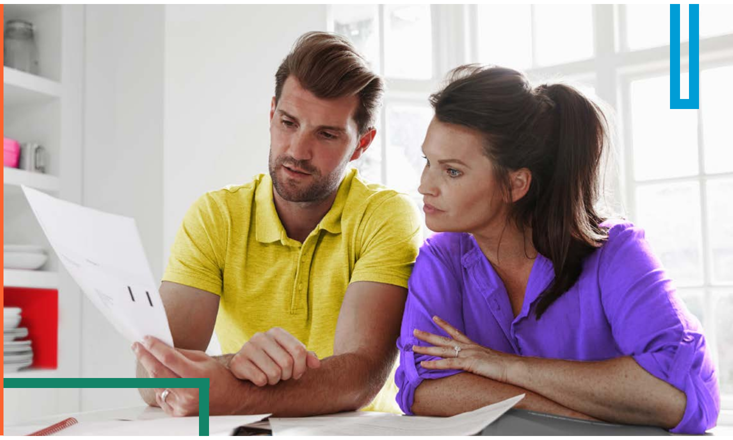
- 50% of Canadians don't have life insurance coverage[5]
- 48% say they're within $200 of not being able to cover their monthly bills[6]

Health

- 50% of Canadians who lose their homes blame illness or injury as the primary reason[7]
- Strokes are the leading cause of adult disability in Canada[8]

2 Source: 2020 Canada Mortgage and Housing Corporation (CMHC), Equifax and CMHC calculations, among newly originated mortgages.
3 Mortgage Professionals Canada Survey, Fall 2018.
4 Mortgage Professionals Canada - Annual State of the Residential Mortgage Market in Canada 2018.
5 Source: LIMRA Canadian Life Insurance Ownership Study – 2019 Person-Level Report.
6 Ipsos Survey https://www.ipsos.com/en-ca/news-polls/half-48-canadians-are-less-200-away-monthly-being-financially-insolvent
7 Life Insurance and Market Research Association, "Canadian Billion Dollar Baby Revisited: Sales Potential of the Underinsured Life Insurance Market" 2014.
8 Ontario Stroke Network http://www.ontariostrokenetwork.ca/wp content/uploads/2013/07/Final_Fact_Sheet_Stroke_Stats_3.pdf

Scotia Mortgage Protection is optional creditor insurance available exclusively for Scotia Mortgage account customers in Canada. During times of financial difficulty as a result of specific unexpected life events, it will help to maintain the home and lifestyle you've worked hard to build.



Scotia Mortgage Protection offers you three coverage options – **Life, Critical Illness and Disability.** In the case of **Loss of Life** or a specified **Critical Illness**, this coverage can pay off your outstanding mortgage balance or in the event of **Disability**, it can maintain your monthly mortgage payments.

- **Life** coverage can help pay the outstanding mortgage account balance, up to $1 million for all insured mortgage accounts combined, if you pass away.
- **Critical Illness** coverage can help pay the outstanding mortgage account balance, up to $500,000 for all your insured mortgage accounts combined, if you are diagnosed with a covered critical illness (e.g., heart attack, stroke or cancer).
- **Disability** coverage can help cover your mortgage account payments, if you become disabled and unable to work, up to $3,500 per month, for a maximum of 24 months per disability.

To learn more about Scotia Mortgage Protection and the coverage options that may work best for you, visit **scotiabank.com/mortgageprotection** and check out the helpful videos and tools available:

"What is Scotia Mortgage Protection?" video

"What's an insurance premium?" video
Find out what a Scotia Mortgage Protection premium is and how it's calculated.

Creditor Insurance Protection Planner at scotiabank.com/insurance
The Protection Planner Tool is designed to assist you in reviewing your financial situation and to help determine if optional Creditor Insurance Protection can help close gaps that may exist in your financial plan. If you have any questions about how to use the planner tool, please speak with a Scotiabank advisor.

The Bank of Nova Scotia is not an insurer and this is not an offer of insurance. Full details of these coverages are available in the certificates of insurance which are provided to the customer upon enrollment.
Scotia Mortgage Protection, Scotia Line of Credit Protection and Scotia Loan Protection are each underwritten by The Canada Life Assurance Company. Scotia Credit Card Protection is underwritten by Chubb Life Insurance Company of Canada.

RRSPs: No parking zone

Hopefully you met the Registered Retirement Savings Plan (RRSP) contribution deadline and were able to defer taxes on the money you contributed. While it's great that you're saving for retirement, it's important to remember not to leave your money sitting parked in cash.

What is "cash drag"?

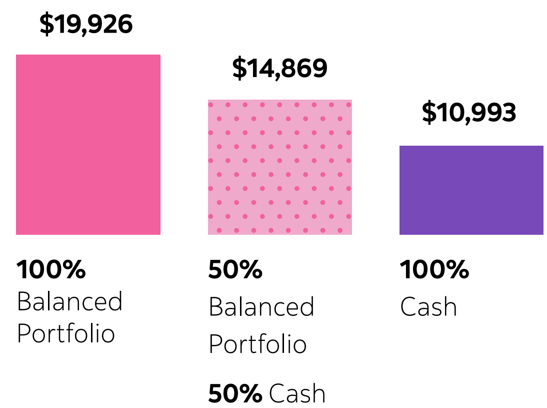
Investment portfolios holding a portion of assets in cash for a considerable amount of time can suffer from "cash drag", so named because the minimal returns provided by cash actually drag down overall performance.

In the scenario that follows, we invested $10,000 in three different ways over a 10-year period: fully invested in a balanced portfolio; 50% in a balanced portfolio and 50% cash; and 100% parked in cash.

As the graphic below clearly shows, cash can be a real drag when it comes to your retirement portfolio. Not only will you be missing out on investment opportunities, your cash holdings may not even keep pace with inflation, leaving you with a negative real return.

CASH AND ITS LONG-TERM IMPACT ON YOUR PORTFOLIO[1]

Based on a $10,000 initial investment over a 10-year period
(January 2010 to December 2020)



Source: Morningstar
[1] The example is hypothetical and for illustrative purposes only. It is not possible to invest directly in an index. Assumes reinvestment of all income and no transaction costs or taxes. Value of investment calculated using a starting value of $10,000 and annual compounded returns from January 1, 2010 - December 31, 2020. Assumes investment in a balanced portfolio weighted 25% S&P/TSX Composite TR Index, 50% FTSE Canada Universe Bond Index, and 25% MSCI World GR Index. Cash is assumed to have been invested in FTSE Canada 91 Day T-Bill Index.

Commissions, trailing commissions, management fees and expenses may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed or insured by the Canada Deposit Insurance Corporation or any other government deposit insurer, their values change frequently and past performance may not be repeated.

"Saving for retirement is good. Investing for retirement is even better."

Would you like to avoid last-minute, lump-sum RRSP contributions?

With **Pre-Authorized Contributions (PAC)**, you can invest automatically and save. It's an easy and convenient way to start building up savings for retirement. You can choose how much money you'd like to save and how often.

Visit **scotiabank.com/preauthorizedcontributions** to try our interactive PAC video to see how your savings can grow.

How setting up a PAC benefits your investments

- Helps you stick to your plan
- Eliminates the guesswork of when to invest
- Takes advantage of potential compound growth
- Works with almost any budget

Talk to your Scotiabank advisor about how you can make the most of your RRSP contributions.

Downsizing for retirement: Less may be more

Your home is more than just a place to live. Homes provide a sense of stability, security and comfort. It's where you spend time with loved ones and where you create cherished memories.

As an increasing number of Canadians approach retirement, one of the most important questions they'll need to answer is, **"What should I do with my home?"** For most individuals, the decision about whether to downsize or not is as much an emotional undertaking as it is a practical one — so it requires careful consideration and planning.

It may be helpful to begin by looking at the bigger picture regarding your retirement and how you'd like to spend your golden years. Consider the following:

- The life expectancy in Canada for men is approximately **80 years** and **84 years** for women.[1]
- The average Canadian spends about two decades in retirement (it's about **23 years** for women, and approximately **19 years** for men).[2]
- As of January 2021, the average price of a home in Canada was **$621,525,** an increase of **22.8%** from one year earlier.[3]

Source:

[1] World Population Review, Life Expectancy by Country 2021, https://worldpopulationreview.com/countries/life-expectancy
[2] Organisation for Economic Co-operation and Development, 2018 data, stats.oecd.org/index.aspx?queryid=54758
[3] The Canadian Real Estate Association (CREA), as at January 2021, https://www.crea.ca/housing-market-stats/national-pricemap/

The information on the previous page is telling us:

- Canadians are likely to live longer and could spend many years in retirement, so your financial plan must be able to provide you with an adequate income stream to last for an extended period.
- The value of your home has likely increased considerably over the years and may represent a welcome source of long-term cash flow if you invest wisely.

DID YOU KNOW?

Here's when Canadians say they expect to retire from the workforce[4]

- **22%** Between **65** and **69**
- **16%** Between **60** and **64**
- **13%** Between **55** and **59**

Source:
[4] Scotiabank, Scotiabank Investment Poll, COVID-19 May 2020.

YOUR DOWNSIZING DECISION: WHAT'S INVOLVED?

Before you consider listing your home for sale, here are five questions to ask yourself when contemplating if you should downsize.

1. How will downsizing affect your living expenses?

To determine the financial impact of downsizing, evaluate your expenses. Common expenses for homeowners include property taxes, maintenance, repairs, renovations, insurance, home security and utilities. Make a list of your common expenses – both monthly and annual – and their estimated cost. Next, create a similar list estimating what your new expenses could be – potentially eliminating some – if you downsize. For example, if you move to a new neighbourhood with all amenities in walking distance and a good public transportation system, you may decide you no longer need a car. If this is the case, you could see a decrease in expenses as you can eliminate car insurance, gas and regular maintenance costs.

Keep in mind that if you move to a smaller house, you may not always see a significant decrease in expenses. Moving to a condo might be a trade-off as well, since a potential reduction in property taxes and other costs may be offset by new condo fees.

2. Does your current home fit your retirement lifestyle?

Devote some time to thinking about your retirement lifestyle, as that will impact whether it makes sense to move or stay. For instance, if you expect to travel often or reside in a warmer location during the winter, you might not want to leave your house unoccupied for long stretches (or have to make arrangements for others to check on it). If your home has several floors, could that pose a problem if you develop mobility issues? Do you have a special connection with your community and neighbours that you want (and expect) to continue in retirement? Think about the potential benefits and drawbacks of staying in your current home.

3. How much space do you really need?

If you're an empty nester, is it practical to live in a larger house, or should you downsize your living space? Will you be able to continue with regular chores, keeping your home clean and in good repair during your retirement years? It's important to think about how you will use your space in retirement. Do you expect to entertain often or have family and friends to visit, either short- or long-term. If you decide to downsize, you'll need to declutter and streamline your belongings to accommodate the reduced living space.

4. Are you planning to help the next generation financially?

Perhaps you want to provide financial support to your children or grandchildren by helping them make a down payment for their own home or assisting with their education costs. Consider whether this would be possible without selling your current home.

5. How will downsizing impact your overall retirement goals?

While downsizing is primarily a lifestyle decision, it will also affect your finances and, ultimately, your retirement. Before making a decision, it's a good idea to review your current financial plan with your advisor to clarify your housing goals and evaluate the financial impacts the various options could have on your income in retirement.

Deciding if you should downsize your home in retirement involves many financial factors, lifestyle choices and emotional considerations. Regardless of what you decide, make sure to incorporate downsizing as part of your overall financial plan so that you can look forward to a comfortable retirement, no matter where you decide to live.

Speak with a Scotiabank advisor today to discuss the impact downsizing may have on your retirement.

If you are approaching retirement or in retirement, visit the **Scotia Advice+ Centre** at **scotiabank.com/retirement** for timely financial articles, tips and tools.

The value of trust

Nicole Frew is EVP and Chief Compliance Officer for Scotiabank. In her role, Nicole leads the Bank's Global Compliance function to ensure we are doing the right thing wherever we do business and we are meeting the increasing expectations of all our customers.

Advice Matters had the opportunity to sit down with Nicole and talk about the role compliance plays in keeping the Bank safe, the impact of the global pandemic and the important role trust plays in sustaining strong customer relationships.

Nicole Frew
Executive Vice President
and Chief Compliance Officer,
Scotiabank

Nicole, your team is responsible for Scotiabank's Code of Conduct. Tell us a little about conduct and the role it plays in keeping customers safe.

Our Code of Conduct is much more than a document. It's a promise upheld by every Scotiabank employee; one we make to our customers, to the communities which we're privileged to serve, to our fellow Scotiabankers and to our regulators. This is our ethical benchmark and every Scotiabanker is expected to live the values, behaviours, and expectations set out in our Code. Our customers trust us to do the right thing. When we talk about safeguarding that trust, our Code of Conduct is our playbook. We are invested in living up to these principles, both in letter and in spirit, because doing the right thing is not a tick-the-box exercise. It's what we are focused on 365 days a year.

You assumed the role of Chief Compliance Officer for Scotiabank in September 2020. Tell us a little bit about your experience to date and the role that the compliance team plays.

The one thing everyone should know is that as a customer of Scotiabank, you have a global team of passionate and dedicated professionals to serve you, and that includes our compliance team. We operate in over 30 countries globally, and I'm honored to be part of this fantastic team! When customers think of a bank, they're probably not thinking about compliance, but it's worth noting that a healthy compliance program is an important foundation for a healthy bank. We see the trust of our customers, communities, regulators, shareholders and employees as our most valued asset. Every Scotiabank employee – all 90,000 of us! – plays a role in safeguarding that trust, meaning compliance is one of the largest team sports you can play.

Doing the right thing and putting our customers and communities first is what's driven our success for 189 years. We are committed to ensuring customers have peace of mind when they bank with us.

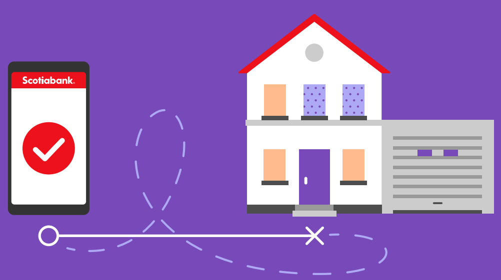
The impact of COVID-19 has been seen and felt globally. What's the one thing Scotiabank's customers should know about how the Bank has responded to the pandemic?

2020 was a challenging year on many fronts. All of us have been affected by the pandemic, and Scotiabankers are no exception, so we understand the significant stress that our customers might be under. First and foremost, they should know that we're here for them. Since the pandemic began, Scotiabankers have worked tirelessly to deliver relief programs and innovative solutions to meet our customers' changing needs. We've talked to our customers and listened firsthand to what they need. We've also worked in lockstep with regulators to understand how to support people the right way while navigating these extraordinary circumstances. The pandemic has been an important chance for us to lean in and really think about the ways we can enable our customers to see through and "bounce-forward" from the challenges of COVID-19.

Finally, trust seems to be a big part of our world. What does it mean for you?

Trust is our foundation. It's intangible and it's priceless. It's perhaps the single most important factor in our continued success. When customers bank with us, it's not just about a product or transaction or a service. They're putting their faith in us. It's up to us to be at the forefront of changing expectations. A good example is developing ethical standards for how we collect and protect customer data. We need to prove that we can safeguard that information because companies don't get second chances. As we've seen, trust is also fragile – and it takes a long time to rebuild. No organization is perfect. It's about how we respond and make things right. Every interaction we have is an opportunity for us to strengthen trust and enrich our relationship with our customers and our communities, and our promise is to try and always get it right.

Scotiabank eHOME



YOUR ONE-STOP MORTGAGE HUB AT YOUR FINGERTIPS

When buying a home, your to-do list is fairly full and can seem overwhelming. One of the most important items on the list is choosing a mortgage that's right for you.

With the convenient Scotiabank eHOME online mortgage hub, you can be pre-approved, search for your dream home through REALTOR.ca®[1] and get mortgage approval **all in one place, all online**.

Scotiabank eHOME offers you a number of benefits:

Exclusive online offers

You will have access to preferred mortgage rates under the **Scotia Total Equity Plan®**. Plus, you can save up to **$300** in appraisal fees.[2]

Simple and secure

You can complete your application online securely, when and where you want. No branch visit is required.[3]

Help when you need it

If you have any questions during the process, our mortgage specialists will be there to help.

Real-time updates

You'll always know the status of your application as we'll keep you informed with real-time updates at every step of the home buying journey.

Source:

[1] The trademarks REALTOR®, REALTORS®, and the REALTOR® logo are controlled by CREA and identify real estate professionals who are members of CREA.
[2] Scotiabank will waive up to $300 to cover the costs of an appraisal ordered or approved by Scotiabank. The appraisal fee offer is available for new home purchases only and does not apply to refinance transactions.
[3] You are required to meet with the lawyer who is completing the purchase of your home to sign documents and obtain the keys.

Here's your step-by-step guide on how Scotiabank eHOME works:

1. Understand what you can afford

You can quickly determine how much you can afford for your home purchase by using our "**What can I afford mortgage calculator**".

2. Get pre-approved in minutes[4]

You'll answer a few standard questions – such as what you own and your employment and income details. Once all the information has been entered and you've been pre-approved, in minutes you'll be able to download your pre-approval letter, which indicates the estimated mortgage amount you qualify for. We'll guarantee your interest rate and term for 120 days.

If you've already made an offer on a property and don't require a pre-approval, you can simply submit your mortgage application along with a copy of your purchase agreement, securely online.

3. Find your new home

Once you're pre-approved, you can start searching for your home using Scotiabank eHOME's direct access to REALTOR.ca. When you've found a home, you can then proceed to complete a mortgage application, at which time you'll be asked to provide basic details about your new home and to upload your purchase and sale agreement, and a mortgage specialist will take it from there.

Source:

[4] All mortgage applications are subject to meeting Scotiabank's standard credit criteria, residential mortgage standards and maximum permitted loan amounts.

4. Real-time updates

You can track the status of your application in real time and know the instant you're approved. There's no need to visit the branch. The only in-person visit required is with your lawyer to sign the applicable documents and to collect your house keys.

5. It's moving day

Now it's time to celebrate as you move into your new home.

If you have any questions about navigating through Scotiabank eHOME, please visit **scotiabank.com/eHOME** or give us a call at 1-888-444-9240. Visit **scotiabank.com** for these additional tools and videos to help you on your home-buying journey:

Mortgage videos

- Be mortgage-free faster
- Small changes, big difference
- Diversify your mortgage
- Scotia Total Equity Plan®

Mortgage-free faster calculator

Find out how much you can save by experimenting with different payment scenarios.

MARKET RECAP

U.S. President Biden signed the $1.9 trillion American Rescue Plan into law

After previously being approved by both the Senate and the House of Representatives, President Biden signed the bill into law. The American Rescue Plan will send aid to millions of Americans still struggling from the economic impacts of the COVID-19 pandemic. The stimulus will provide $1,400 direct payments to people making up to $75,000 annually, in addition to providing aid for state and local governments. There is also $14 billion for vaccine distribution, and $130 billion to assist with the safe reopening of elementary, middle, and high schools. Distribution of the funds began immediately.

Jerome Powell reiterated the U.S. Federal Reserve's plan for continued low interest rates

Although the bond market started to price in expectations of a rapid economic recovery in the first quarter of 2021, Federal Reserve (Fed) Chair Jerome Powell stated that the Fed will not raise interest rates until there is tangible evidence that the U.S. economy has fully recovered from the COVID-19 pandemic. Powell suggested that rising bond yields are a sign of confidence that the economy is on the path to recovery. With many Americans still unemployed compared to the pre-pandemic level, the Fed willing to overshoot its 2% inflation target to ensure most Americans participate in the recovery. Market expectations for inflation are now at the highest level since 2014.

Massive cargo ship blocked Suez Canal

The *Ever Given*, a Panama-flagged ship that carries cargo between Asia and Europe, ran aground in the Suez Canal in March. The ship blocked the passageway, disrupting a major shipping route and supply chains around the world. Each day the Suez Canal is closed disrupts an estimated US$9 billion of goods that would normally pass through the canal. Dredgers, tugboats and backhoes worked to free the enormous cargo ship, and eventually freed it after six days. The event caused problems for global supply chains in the near term, and also highlighted the vulnerabilities of key infrastructure needed for global trade.

MARKET PERFORMANCE

Q1 Total Returns in Canadian (CAD) currency as at March 31, 2021

-5.0%
FTSE Canada Universe Bond Index

3.6%
MSCI World Index

8.1%
S&P/TSX Composite Index

1.0%
MSCI Emerging Markets Index

4.7%
S&P 500 Index

Source: Morningstar

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