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## How are advancements in technology affecting us?

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Technology has made significant strides in the last few decades, and this month we have decided to discuss how technology has changed our lifestyles.

The technology stock price bubble that burst in 2000 did not stop quality technology companies from continuing to grow. While companies that did not have real assets or products are gone forever, many companies continued to innovate and have introduced products that drastically changed our lifestyle. The smartphone has likely been the biggest innovation, effectively replacing watches, pagers, phones, calculators, notebooks, calendars, cameras, game consoles, music devices – and the list keeps growing. Although the cost of a smartphone and the monthly user fees are not inexpensive, the productivity and convenience it provides far exceed the cost. This explains why smartphones have grown in popularity worldwide among all ages, rich and poor.

It is inevitable that technology will continue to impact our lives as improvements continue to be made. More people are shopping online, connecting with others through social media and communicating through messaging applications such as “WhatsApp.” Due to the economies of scale of technology, a large population can be served by one vendor globally. Take Facebook as an example – it has 11,966 employees and connects 1.55 billion people worldwide.<sup>1</sup> That is a ratio of 129,000 clients to one employee!

The amount of data a computer can store, compile and analyze has also increased. Most of us depend on search functions to find information and this is possible because of improvements in speed and efficiency. Computers can analyze vast numbers of records at a pace no human can match, and that speed is improving by the minute.

Thanks to technology, the roads are safer. Cars are lighter, and some are even capable of parking and driving themselves. Through radar and sensors, cars can communicate with each other in ways that human drivers cannot.

We are also living longer because of advancements in technology that have helped pharmaceutical companies better analyze human bodies and develop new drugs.

Advanced technology has many benefits, but it is also changing the types of jobs our world requires, affecting all industries, including the investment industry. There is no shortage of data and analysis that

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<sup>1</sup> Facebook corporate information, as of September 30, 2015.

come to us on a daily basis and technology helps us screen and analyze mass amounts of this information. It is important to note that although the human brain is also capable of processing large amounts of information, we are able to make better decisions with the help of technology. Those who embrace change and use technology wisely will remain competitive.

*Combined top 15 equity holdings as of October 31, 2015 of a representative balanced\* United Financial portfolio with alpha-style equity exposure:*

1. Manitoba Telecom Services	6. Teva Pharmaceutical	11. Alphabet Inc.
2. Altagas	7. Suncor Energy	12. Toronto-Dominion Bank
3. Atco	8. Resorttrust	13. Peugeot
4. CIBC	9. Alibaba	14. Canadian Natural Resources
5. E-L Financial	10. Loblaw Companies	15. Industrial Alliance

*Combined top 15 equity holdings as of October 31, 2015 of a representative balanced\* United Financial portfolio with value-style equity exposure:*

1. Toronto-Dominion Bank	6. American International	11. Boeing
2. Apple	7. Manulife Financial	12. Citigroup
3. Royal Bank of Canada	8. CIBC	13. GlaxoSmithKline
4. Microsoft	9. Alphabet Inc.	14. Visa
5. Bank of Nova Scotia	10. UnitedHealth Group	15. Diageo

\*Approximately 37% fixed-income, 7% enhanced income, 49% equities and 7% global real estate.

To see the top 15 holdings of the individual United Pools or of the United equity Alpha mandates, please visit the United Financial web page by right clicking on this link and selecting “open web link in browser”: <http://www.assante.com/wp/optima/financials.jsp#united15>.

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