



- In This Issue -

Realty Check - US Situation
Seniors Celebrate - Insurance
On-Line Voting Tested
Value of Professional Advice
New Rules - Refiling Costs
When Bad News is Good News

Written by: Linda Cartier and John Lindsay

525-PLAN(7526) - www.financialdecisions.ca - plan@financialdecisions.ca

Realty Check: The American World Position



Canadians have coloured money, unlike the US where all bills are green, thereby the expression “greenback”. Regardless, the American dollar is what all other currencies **are measured** against. Our dollar rises and falls in relation to the US “greenback” and has had many **ups and downs** over the years as we all know. After several years at or over par our dollar is presently worth about **10% less** than US currency and could well fall further depending on a number of factors beyond our control.

Currency aside, there has always been concerns about the health of the United States economy and what the future might hold for our largest trading partner. The media has made **many predictions** about the decline of our neighbour’s place in the world, especially with the growth of emerging markets, particularly China, touted to be the new world power overtaking the US. Despite all the **doomsday predictions** the only country really growing in the world today is the US, and that is not likely to stop soon.

America has the largest population of younger people in the developed world, both home grown and immigrants. “**Echo boomers**” in their late 20’s and early 30’s are entering their consumption phase of life plus inheriting a bounty of wealth which will go into spending.

The American lifestyle attracts immigrants who are twice as likely to become entrepreneurs as the general population and contribute to the **economic development** of the country, creating jobs and increasing productivity.

Developing new oil and gas reserves has had a **dramatic impact** on world energy markets affecting Canada and the Middle East. Having to buy less energy contributes to self sufficiency and the “bottom line” significantly meaning less pressure on national debt to help the American budget.

The US develops 75 percent of all software written in the world which contributes to power both financially and politically. America is the **worlds largest exporter**, and in no danger of stepping down from this position in the foreseeable future.

Putting this in context with respect to your personal financial situation means investing where the **greatest possible gains** exist and that means looking south to hold at least a portion of your assets for growth and stability.

To feel secure regardless of any uncertainty over media negativity, have an **emergency fund** and **financial plan that we review regularly** to keep you focused and stay on track for what is key in your life.

Older Adult Day



John, as President of Friendly to Seniors - Sudbury and Vice Chair of the Sudbury Chapter of the Canadian Association of Retired Persons (CARP) presided on **Oct. 1st** at the National Seniors Day and the International Day of Older Persons recognition ceremony at city hall together with Benita Hart, CBC radio personality and Millie Facca, life time award winning volunteer.

Voting On-Line Test



Linda was featured in the Sudbury Star testing the new **on-line voting option** available in this years municipal election. It appears that a large number of voters will take advantage of this electronic means to cast their ballot in this important election. **Remember to vote.**

New Rule

Federal Govt regulations now dictate that we can no longer accept cash or even bank drafts from clients to invest in your accounts. We are only allowed to accept personal cheques for this purpose. We know this can be an inconvenience, but all financial institutions are required to comply and are measures, we are told, to prevent money laundering and help fight the war on terror.

Tax Adjustments

We are happy to make adjustments on tax returns, however due to the time and work involved in having to submit missing forms, making changes and/or retrieving information from other sources on your behalf, we find it necessary to charge a refiling fee of \$50.00 (\$56.50 including HST) to cover our costs. Please let us know if you have any questions or concerns.

Insurance Needs

Many of our clients are surprised that we can provide many of their insurance needs. As well as being an independent investment dealership we are **insurance brokers** and able to offer competitive rates on a wide selection of coverage including all forms of life insurance, critical illness, disability and mortgage insurance.

It is actually our **responsibility** to advise you of your need for insurance. Failing to do so could place us in a position of liability. So when we bring up the topic of insurance it is not, as some might suspect, to simply sell something of questionable need.

It is a requirement that, as financial planners, we have to “insure” that you are aware of the **need to be property protected** from what could be catastrophic losses, whether it be the loss of your home or earning potential due to loss of life or disability or illness. Insurance is an important part of any financial plan which might include insurance for estate preservation as well as protection, an every increasing use for insurance as the population ages.

If you have any questions with respect to your current protection call or e-mail at any time.

Professional Advise Value Confirmed

Virtually anyone can call themselves a financial planner, however recent survey results show the value of advise from those with recognized professional designations such as **Certified and Registered Financial Planners**, especially those who develop comprehensive financial plans for their clients.

Canadians who work with an accredited financial planner are **more likely** to report their financial affairs are on track and closer to achieving their life goals than those dealing with non-certified planners. They also report higher levels of emotional, financial and overall contentment over those who have engaged in limited planning.

Those individuals who engage in comprehensive financial planning feel **more confident** in reaching the discretionary goals they consider as important including annual vacations, money for “splurges” and enough money to live the life they want.

In recognition of **Financial Planning week in Canada** November 16th to 22nd we have available an interesting Financial Planning Future Questionnaire and Family Mission Statement. For your copy just send us an e-mail or call the office at 705-525-7526.

When Bad News is Good News

We have all heard the expression that there is a silver lining to every rain cloud and this is certainly true when applied to investing. A case in point is portfolio management, and as a good example **Edgepoint Wealth Management**, whose managers look upon the most recent “correction” in the market as an opportunity to buy great companies at reduced costs. Edgepoint portfolios, which many clients own, had **extra cash** from earnings on a number of investments that were bought out or merged this year. Now with the market trending downward there are **more attractive prices on quality companies** that will reap you rewards in the coming years.

Quality portfolio managers make money through wise analysis of companies with **good potential for growth**. As a recent example, Dresser Rand, earned 40 percent over the purchase price when merged after a holding period of just 13 months. Another better known company, **Tim Hortons**, a top holding in their Canadian portfolio since 2008, has been a steller performer and recently saw it increase by over 30 percent with the announced buy out by Burger King. To hold or sell will depend on a **number of factors** deciding whether the best earnings are to be had in the short or long term.

Leave the expertise of buying and selling to key portfolio mangers who **have the discipline** and true facts at their fingertips and stick to strict criteria on your behalf.

One thing that guarantees trouble is pulling your holdings out of the market when the media makes “bad news noise” as that is the sure way to lose your money. We saw before, during the worst of times, that sticking to the original plan is **the best way** to weather market turbulence and succeed at achieving your financial goals.

While we don’t pretend to have all the answers, **we do know** who the reputable portfolio managers are and how well they use these corrections to benefit you, our clients. You can always call us to discuss your situation in detail.