

# News & Views

Spring 2011

We are in the midst of a deep freeze as we write this newsletter – here's hoping that when you receive it we will all be basking in the sun!!

This weather reminds us of the market meltdown of late 2008 to early 2009 – nothing but bad news and the prospect of it going on forever! But time passed and the markets improved and the feelings of desperation and uncertainty have gone. Or have they?

The news is certainly filled with concern, especially if you have friends or family in North Africa or other areas that have been ruled by dictators. Many parts of the world are experiencing the uprising of their repressed citizens and it is amazing to witness. These dictatorial regimes have been propped up, in part, by Western democracies in order to try to secure peace in unstable parts of the world or to



secure the supply of oil. As investors, we have to be cognizant of how these events will affect our investments. What are the risks to our portfolios in a time of oil supply crisis and the potential for international military intervention. How will the new Governments manage the oil reserves of countries like Libya, Iran, Egypt, Syria, etc. Who will the new Governments be?

**Here is a sample of the questions we have been asked by clients in the past few weeks.**

What should our portfolios be invested in – gold, oil, food production, bank stocks, cash, .... ???

If oil flow is disrupted in parts of the Middle East, will that have a positive effect on the price of oil?

How will that oil price impact the value of our Canadian Oil Sands investments?

What do you think of the value of real estate in Calgary? Edmonton?

What about interest rates?

What will happen to inflation? Will that cause another global recession? If it costs more to make cars, household appliances, clothing, will we stop buying these things? What about food prices, travel costs?

**Here are some of our answers.**

A higher oil price is good for some investments and bad for others. One thing for sure is that you want to have your portfolio designed to take advantage of the areas of the market that will perform well in this uncertainty. You don't want to have too much in **one** area of the economy – such as only in real estate, gold, bonds, technology, oil or cash.

Diversification is, and has always been, the key.

Don't make investment decisions by looking in the rear view mirror (past performance).

Organize your portfolio so that you are protected in the short term against unexpected loss of things like your job, a health crisis, family crisis.

We can help you organize your portfolio. That is our role. Please contact us with any questions.

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### **Raising the Retirement age – good or bad idea?**

A “new” magazine called “Zoomer” is targeted primarily to people 50Plus (actually that is what it

used to be called!) It has been completely revamped and offers really good articles and opinions on retirement and issues surrounding the business of getting older.

Moses Znaimer <http://www.mosesznaimer.com> became the editor of this magazine when he turned 65. Besides the fact that he was the founder of MuchMusic, he is a visionary and a leader who helped guide the media and entertainment business for the past 40 years. He is passionate about working, and he believes that retirees have a huge amount to offer to society by continuing to “work at something”. This is beneficial for mental, physical and emotional health, not to mention financial health. For example, it is much easier to fund vacations and trips in retirement with “Earned” income rather than “Saved” income.

Another benefit to “working” is keeping the brain active. We are sure most people know of someone who is experiencing dementia or Alzheimer's or other aging diseases. There is a lot of research being done to help people to slow the onset of

these diseases. We understand that many clients are experiencing family related issues around end of life and caring for aging parents. Also, many clients are planning for their own care needs. **We would like to offer some information sessions** regarding choices for your own health planning or someone in your life that needs assistance. Let us know if you are interested in attending an upcoming session.

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In this newsletter we include a great magazine called Solutions – it has an excellent article around pensions, debt financing and debt reduction. Also included is a handy tax and estate guide, and information on how Long Term Care insurance can help protect your investments.

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### **Too true!**

"Experience is the name everyone gives to their mistakes."

*-Oscar Wilde*

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Thank you for the trust you place in us! All the best!

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