



NEWSLETTER

SEPTEMBER/OCTOBER 2009

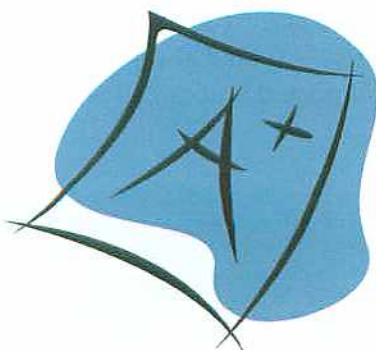
Canada Expected to Move up in Economic Ranking as Other Countries Slip

Canada is expected to move up in the ranking of international economic performance in 2009 and 2010—in part because other countries have been harder hit by the global recession—according to the Conference Board's How Canada Performs – Economy Forecast 2010.

After obtaining a low “B” grade and an 11th place ranking out of 17 comparator countries in 2008, Canada is expected to move up to 5th spot in 2010—narrowly missing an “A” grade.

This is the first time that the Conference Board has used its How Canada Performs framework to forecast future report card performance.

“Canada is expected to weather the global recession better than most of its peers, which is a credit to its stable financial sector and a relatively healthier economic position upon entering the downturn,” said Glen Hodgson, Senior Vice-President and Chief Economist. “But achieving a *higher rank* because other countries are falling farther is not the basis for sustainable prosperity. Some of Canada’s fundamentals, such as labour productivity, remain weaker than those of the global leaders.”



According to the report card, which is based on the recent OECD Economic Outlook, Canada's relative ranking is

expected to improve on five indicators:

- GDP growth
- unemployment rate
- employment growth
- inward Foreign Direct Investment (FDI) performance index
- outward FDI performance index

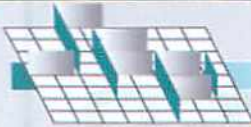
Despite substantial movement among the 17 countries, the top and bottom positions are not expected to change between 2008 and 2010.

Norway is expected to retain first place in the Economy ranking in both 2009 and 2010. Norway's economy has been more resilient than most, and it is partly protected from current economic conditions by its large petroleum sector.

At the bottom of the rankings, Ireland is forecast to remain in 17th place on overall economic performance in 2009 and 2010. With its economy reeling from the global economic crisis and a meltdown in its domestic property market and construction sector, Ireland fell from first place in 2007 to last place in 2008. Irish income per capita, which improved from 17th place in 1996 to 3rd place a decade later, is forecast to fall to 7th place in 2010.

In addition to Canada, Belgium and the United States are forecast to move up over the next two years. After being hard-hit in both 2008 and 2009, the U.S. is forecast to move from 8th position in 2008 to 3rd position in 2010. The U.S. is the only comparator country that is not expected to have additional decline in employment next year.

The United Kingdom is among *the countries* expected to fall sharply in overall economic



SNIPPER
FINANCIAL
PLANNING

NEWSLETTER

SEPTEMBER/OCTOBER 2009

performance between 2008 and 2010. The financial crisis has had a severe effect on U.K. credit markets and housing prices, leading to a contraction in consumer spending and business investment. The Netherlands and Switzerland are also expected to fall sharply in the ranking.

How Canada Performs is the Conference Board's annual benchmarking analysis, which the Board has conducted since 1996. The Conference Board assesses Canada's performance against leading countries in the domains of Economy, Health, Society, Innovation, Environment, and Education and Skills.

Fund Investors Get More Good News

Mutual fund fans recently received a torrent of good news. August was another month of stellar returns and a new report by Standard and Poor's shows actively managed Canadian equity funds have outperformed index tracking products over the last year.

"A string of positive housing data helped underpin strength in real estate equities for August. Results of new and existing U.S. home sales outpaced expectations as buyers took advantage of government tax credits and deep discounts in the fore-closure market to help pare existing inventory and create pricing pressure in the sector," says Neal Brandon, fund analyst for Morningstar Canada.

The European Equity category was up 7.3%, based on solid gains in the domestic stock markets of France, Germany and the United Kingdom. An

additional 2.1% pullback of the Canadian dollar against the euro also helped increase returns. "Unexpected reports of second-quarter GDP growth in Germany and France contributed to renewed optimism in the Eurozone, as the region's two largest economies officially marked an end to the painful recession," Brandon says.



The S&P 500 Index gained 3.6%, while the U.S. dollar appreciated by 1.6% versus the loonie. The strength of Europe and the United States also benefited broader equity fund categories: the Global Small/Mid Cap Equity, International Equity, and Global Equity fund indices gained 5.9%, 5.6% and 3.9%, respectively.

On the Canadian equities side, small-capitalization stocks significantly outperformed their large-cap counterparts.

The Canadian Focused Equity and Canadian Equity fund indices eked out gains of 1.4% and 0.7%, respectively. The three largest sectors of the S&P/TSX Composite Index — financial services, energy, and material — all posted "subdued" returns last month.



SNIPPER
FINANCIAL
PLANNING

NEWSLETTER

SEPTEMBER/OCTOBER 2009

GUEST SPOT

TODAY – PEGGY CAMERON

The Power of Goal setting

Studies have shown that in society today, 3% of the population is independently wealthy, 10% are reasonably well off, 60% live from pay cheque to pay cheque and 27% are on Social Assistance. *What is the Difference??*

The top 3% have specific written goals, the next 10% have goals in mind, the next 60% have few goals other than earning a living, raising the children, paying off the mortgage and buying RRSPs. Obviously, the bottom 27% do not have any goals at all.

The Power of Goal Setting 2

In a study conducted on students in the 1979 Harvard University MBS programme, the students were asked, "Have you set clear, written goals for your future and made plans to accomplish them?"

The results were very interesting.

Three percent of the students had written goals and plans; 13 percent had goals, three percent of the class who had goals were earning, on average, twice as much as the 84 percent who had no goals at all.

And what about the three percent who had clear, written goals? They were earning, on average, **ten times as much as the other 97 percent put together.**

A PENNY DOUBLED FOR A MONTH...

If you were offered \$1,000,000 (one million dollars) right now, or a penny a day, doubled each day for on month (31 days), which would you choose?

Unless you've read this illustration before, like most people, you'll probably choose the right-now million. But you'd be making the wrong choice. One penny, doubled every day for a month adds up to \$10,737,418...and 24 cents. Compound interest. Doubling. Geometric growth. It all adds up – and that's YOUR SLIGHT EDGE.

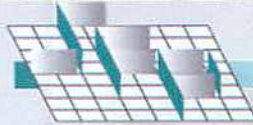
Margaret (Peggy) Cameron CFP, RFP, MBA is a financial planner and success coach with Cameron Leadership Development Inc. in Ottawa.

Halloween Advice From A Dentist About Dental Decay And Sweets

*By Kyung M. Song
Seattle Times health reporter*

Here's Halloween advice from a dentist, if not a dietician: Let your kids eat their sugary booty in one sitting.

Dental decay is on the rise again among U.S. preschoolers, and frequent treats may be one culprit. But the amount of starchy, sticky foods children eat may matter less than how often they eat them. That's because enamel-eroding acids linger in the mouth for 20 minutes after each snack session. So allowing your little prince or princess to devour her Halloween haul instead of doling it out piecemeal is a lesser evil "from the



SNIPPER
FINANCIAL
PLANNING

NEWSLETTER

SEPTEMBER/OCTOBER 2009



point of view of cavities," said Dr. Joel Berg, chair of the paediatric-dentistry department at the University of Washington.

And what would Berg say about kids polishing off their

entire Halloween haul tonight if he were a dietician instead of a dentist?

"I wouldn't recommend it," he said.



Halloween Recipe

Creepy Witches' Fingers

(Collected by Bert Christensen, Toronto, Ontario)

Yield: 5 dozen

- 1 cup Butter, softened
- 1 cup Icing sugar (powdered sugar)
- 1 Egg
- 1 tsp Almond extract
- 1 tsp Vanilla
- 2 2/3 cups Flour
- 1 tsp Baking powder*
- 1 tsp Salt
- 3/4 cup Almonds, whole blanched
- 1 Tube red decorator gel

Gross everyone out with these creepy cookies.



In bowl, beat together butter, sugar, egg, almond extract and vanilla. Beat in flour, baking soda*, and salt. Cover and refrigerate 30 minutes.

Working with

one quarter of the dough at a time and keeping remainder refrigerated, roll heaping teaspoonful of dough into finger shape for each cookie. Press almond firmly into 1 end for nail. Squeeze in centre to create knuckle shape. Using paring knife, make slashes in several places to form knuckle.

Place on lightly greased baking sheets; bake in 325F (160C) oven for 20-25 minutes or until pale golden. Let cool for 3 minutes. Lift up almond; squeeze red decorator gel onto nail bed and press almond back in place, so gel oozes out from underneath. You can also make slashes in the finger and fill them with "blood."

Remove from baking sheets and let cool on racks.

Repeat with remaining dough.