

Investment Insights

Summer is FINALLY here!

After months of clouds, rain and cold weather, summer has finally arrived. The weather may have calmed down, but what about the markets?

What exactly are we seeing these days? Volatile markets continue and we haven't stopped hearing about the turmoil in the US economy. Where does that leave us? All in all, we're still quite optimistic. Canada is such a wonderfully resource-rich country! Despite the fact that we're all feeling a crunch at the gas pumps, we need to keep in mind that high oil prices are great for our economy from an export perspective. But oil isn't all... we also have some of the world's largest fertilizer enterprises and gold producers.

Still, it's at times like these (and they happen every 4 or 5 years) that Morgan and I are so extremely glad that we've taken a step back from the markets and made a large-scale move to "balanced" funds. Has that ever been a great decision! Increasing fixed-income positions and decreasing stock market exposure has enabled us to smooth out the ride. Focusing on quality long-term positions will ensure that we participate in market upside.

What is a "balanced" or "asset allocation" fund? They're quite simply mutual funds that have both a bond and stock portion. The management teams that are responsible for the fund are given a "mandate" that is essentially a rulebook on where and in what they are able to invest. Balanced and asset allocation funds generally have a range where they must have a minimum of 30% in bonds at all times, up to a maximum of 70% while the rest is invested in equities.

While these types of funds have been doing a great job at holding their own, there are certainly a few things we've been avoiding. Like what, you say?? We are still staying clear of any direct investment in the US. We hear many people on the news and in the papers who are touting how "cheap" some US equities are looking and how attractive their valuations are. Well, we're just not buying it! Six months ago the newspapers thought US banks were starting to look like a great buy...they've since dropped another 18 – 30%, depending on the bank. The long and short of it is that we don't think the problems in the US are over.

Bottom line is, we're staying local! In fact, the TSX Composite Index is one of the top-performing global equity markets this year (others include Brazil, Mexico and Norway). It may seem difficult right now, but we are a lot better off than most of the planet! **We're going to continue to focus on quality investments and sticking to the long-term goals.**

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The Last Word

*True effectiveness requires
balance.*

- **Stephen R. Covey,**
author of
The 7 Habits of Highly Effective People

Karen's Administrative Solutions

Tree-free statements - they're now available ONLINE!

The moment you've all been waiting for! Monthly account statements and Annual Trading Summaries are now available via your Online Account Access. If you're registered for Online Access, and would like to start receiving your statements electronically, please follow these instructions:

- Log on to Scotia Online
- Click the "Investing" tab at the top
- Click the last subtitle under Document Services on the left side, which is Document Preferences
- This will pull up a page called "Investing Document Preferences"
- Below that you will see "My Accounts", and options on how you'd like to receive statements and annual trading summaries
- You can choose each account separately, or blanket them all with "Paperless" under the "Delivery Preference" tab

What's new?

Our website! Many of you have checked us out online at our new home:

www.financialpeaceofmind.ca

If you have yet to look, we encourage you to do so! This newsletter, market updates and upcoming events are all posted online – as well as a substantial library of articles that we thought might be of interest.

Would you rather receive your newsletter via email? Let us know – we'll make it happen!

Please email Karen at karen_stotz@scotiacapital.com

ScotiaMcLeod is proud to announce our involvement in representing one of the world's most important foundations in a Cross-Canada Travelling Tour remembering Canada's greatest hero:
Terry Fox.

For many years, the Fox family and the **Terry Fox Foundation** have been raising awareness to fund research for various cancers that affect millions of people. Recently, the Fox family located and repurchased the van that Terry, his friend Doug Alward and his brother, Darrel, used to mark the miles and support the run in the Summer of 1980. Through the availability of the van and ScotiaMcLeod's passion for fundraising, the Fox family is taking the original Marathon of Hope van across Canada.

You are invited...

In support of the **Terry Fox Foundation**, we would like to invite you, your family and friends to come out and remember **Terry Fox**.

Thursday, September 11th, 2008

ScotiaMcLeod White Rock – 1676 Martin Drive

12:00 – 2:00pm

Featuring Special Guest Speaker: **Darrell Fox**

See the original van, along with a museum of memories and artefacts from Terry's 1980 journey.

Important Upcoming Dates

August 2008

4 – BC Day, office is closed

5 – US Federal Reserve Announcement

September 2008

1 – Labour Day, office is closed

3 – Bank of Canada Interest Rate Announcement

4 – ScotiaMcLeod White Rock Charity Golf Tournament

11 – Terry Fox Tour of Hope Event

16 – US Federal Reserve Announcement

22 – First day of Autumn

October 2008

13 – Thanksgiving, office is closed

21 – Bank of Canada Interest Rate Announcement

28/29 – US Federal Reserve Announcement

The Butler / Laing Group

is looking for more clients like you!

Drawing on experts across the Scotiabank Group, we specialize in providing experienced investment advice, portfolio strategies and financial solutions.

If you know anyone who can benefit from our services, please let us know! We welcome the opportunity to assist them in reaching their financial goals.

