

The Bottom Line

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" I've learned - You can do something in an instant that will give you heartache for a lifetime. "

Farewell and Hello!!

As reported previously, Ann has left on her epic journey through South and Central America and is now exploring the charms of Peru. Obviously, we were very sad to see Ann go and we all wish her well in her life's pursuits. Ann has promised to stay in touch via email and we will pass on the highlights to those of you who wish to follow her exploits.

As with everything in life, for every action there is an opposite and equal reaction, and while we are going to miss Ann, we are thrilled to introduce Kathy Berg to all of you. Kathy comes to us from Coast Capital (formerly Richmond Savings) and brings with her an impressive resume, in addition to her relevant work experience. Kathy is an exam away from earning her Certified Financial Planner (CFP) designation and has a familiar bubbly personality. Please feel free to introduce yourself to Kathy in the weeks and months ahead and we invite you to rely on Kathy as you once did Ann.

Income Planning

As the year winds down, (and won't most of us be glad to see this year in the rearview mirror, at least from an investment point of view!) those of you who have (or will) turn 69 this year need to convert your RRSP assets into an income vehicle before the end of the year. Generally speaking, you have two choices, convert to a Registered Retirement Income Fund (RRIF), or (its locked-in fund cousin, the Life Income Fund, LIF), or purchase an annuity.

Over the years, we have developed a number of sophisticated "retirement income planning" strategies and as it happens, we are considered leaders in this particular financial planning area. Those of you who are in the position of needing to convert to an income will be contacted in the weeks ahead, if we haven't touched base already. Those who wish to explore income options, even if you are not 69, please feel free to contact our office to arrange a time to meet.

HEADLINES!!

" The Anti-Gravity Economy - Are recessions a thing of the past?"

Future Search...Spring 2000

" Return of the Fat Years?"

Basic Points...November 20, 2001

" Coppock Says Buy" Global Insight...March 2002



" The Unfinished Recession"

The Economist...October 4, 2002

Headlines serve to sell newspapers - they do not, as the above examples clearly show, predict the future. One of the more disturbing headlines we recently saw said something along the lines of **"Bear market forces people to delay retirement."** We firmly believe that if you were in a position to retire in 2000, then you are most likely in a position to retire today. Current stock market declines have reduced RRSP and other savings plans, however, it is important to note that family net worth statements have been largely unaffected due to rises in real estate values. It is equally important to remember that all household assets combine to form the basis for a well executed retirement plan.

If you have delayed your retirement because of poor stock market performance, we should chat.

Group Financial Planning

The International Society of Certified Employee Benefit Specialists (ISCEBS), recently conducted a survey of American employers and found that an overwhelming majority (96%) of employers agree that "workers want and need financial planning and advice."

Further, 94% of respondents foresee an increase in financial planning benefits, with 17% saying they feel financial planning benefits will likely become a mainstream benefit similar to dental coverage.

These statistics are significant to us because for some years we have felt that financial planning is sorely needed

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as a benefit and in fact, we do provide basic financial planning advice to many of our Group retirement clients. We feel this is an area where there is enough demand to warrant an expansion of our services. We are exploring some options for providing individual financial planning on a group basis. Perhaps a retainer paid by an employer on a quarterly basis or a fixed fee per "plan" delivered. To gauge interest in this and all of our services, we are looking at hiring an organization to undertake a client satisfaction survey of our own. We expect that in the next 4 to 6 weeks, we will have contracted a third party to conduct such a survey. In any case, if and when you receive the material, please complete and return it. Thank you in advance!

Third Quarter Review

Well, what can be said here that hasn't been said everywhere else? The world stock markets continued to slide through the third quarter and with each passing day it looked like we hit rock bottom only to reach a new one a day or two later. When will this insanity stop?, you're probably asking. The headlines that say, "Never!", give us the best indication we are at the bottom. Just as you saw in the above headlines, the general feeling of optimism was so ingrained in the psyche of the world's investors in the year 2000 that many respected economists, market prognosticators and journalists believed the business cycle was dead and stock markets would continue to rise forever. We now know this was bunk - just as we know that those calling for negative stock market returns forever, are wrong too. That is not to say there are not some bumps left in the road yet. We believe that there is some room for markets to fall yet, but we also believe, riding out the downturn is the best strategy. The reason? Once out of the market, to make the decision to buy back amidst the headlines calling for the end of the world as we know it, this could be very, very, very difficult and possibly expensive in the long term.

Recognizing the folly of predictions and the extremely

sensitive environment we live in, we feel that in one year's time, markets will be higher than they are today. Compared to alternatives going forward for the next year, you will be better off leaving your market based investments as they are.

Why do we think this? Markets are at or below the levels they were at in 1997 - that's five years of value wiped away. Interest rates are low and will likely stay that way, encouraging consumers to keep spending. Jobs are expanding, both here and in the U.S. All the bad news appears to be out - Accounting scandals, war, terrorist attacks, slow economy, its all priced into the market (and ain't this a loaded question) - what more bad news can there be? The answer is deflation. While some prominent thinkers feel there is a risk of deflation, (which is much worse than inflation, by the way, think of the 30's) most people agree that the risk of deflation is relatively small. As a result, we feel that the markets have the ability to outperform other asset classes over the next year!

Name Change

As we noted earlier this year, Altara Securities and TWC have joined forces and we will soon be operating under the name TWC Securities Inc. Over the course of the next few months, you will begin to see the new name on your statement and our letterhead as the implementation phase runs its course.

IT IS IMPORTANT TO NOTE THAT THIS IS A NAME CHANGE ONLY AND IN NO WAY AFFECTS THE STATUS OF YOUR ACCOUNT.

It is also important to note that this name change only affects those of you with Altara Securities Inc. accounts. All other account holders will be unaffected by this name change.

We do anticipate that our new association with TWC will result in some improved computer capabilities that will allow us to better assist you with reaching your financial goals and objectives. That's the good news!

BOX SCORES

GIC Interest Rates

	Jul.	Aug.	Sep
1 Year	2.75	2.85	2.85
3 Year	3.90	3.35	3.25
5 Year	4.50	4.35	4.05

Average Trust Company Rates

Annualized Rates of Return

	1 Year	3 Year	5 Year
TSX	-8.07	-2.45	-1.08
S & P 500	-20.08	-10.33	1.15
SCMU Bond	8.52	7.85	6.78
EAFE *	-15.11	-12.35	-2.99

* Europe, Australia, & Far East Index

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Published By:

Member IDA

Chris Forman of Altara Securities

1310 - 925 West Georgia Street, Vancouver, B.C., V6C 3L2 Phone: 604-687-4587 or 1-800-518-4247, email: cforman@altara.net

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For mutual funds, consult a fund prospectus. Mutual funds are not guaranteed, values change frequently and past performance may not be repeated.

Investors will pay management fees, commissions and may experience gain or loss.