

## Second Quarter Update 2013

The first half of 2013 is over and the news is good. The Canadian markets are one of the only exceptions. Most markets in the world have been consistently outperforming our TSX. The U.S. has seen steady growth in many sectors including housing and jobs. As I said in my previous update Japan's markets have been soaring although significantly off their highs of the year. The same geopolitical issues are with us. The Korean situation seems to have cooled somewhat, as they sent an ambassador to China to smooth out relationships with their biggest ally.

Rising bond rates are the big news of this quarter. The 10 year U.S. bond has moved from about 1.6% interest yield to around 2.4%. This is a huge increase in a fairly short period of time. This affects bond fund returns due to the inverse relationship between interest rates and bond values (as interest rates rise, the value of bonds drop). Longer term GIC rates have already increased in the last 2 weeks. Another huge story is GOLD! Around 18 months to 2 years ago gold reached 1900 US/oz (some thought on its way to 3000 US/oz). It was not to be. We have seen a steady decline in the shiny yellow stuff to below 1200 US/oz. This affects the TSX returns significantly.

Our balanced portfolio returns are around 6-7% for the first 6 months of 2013. This is good news for our clients since we look for that kind of growth over an entire year.

	Market	Dec 31, 2012	Mar 28, 2013	Jun 28, 2013	YTD
Canada	TSX	12434	12750	12129	-2.50%
U.S.	DOW	13104	14578	14906	13.75%
U.S.	S&P 500	1426	1569	1606	12.60%
U.K.	FTSE	5898	6412	6215	5.40%
France	CAC	3641	3731	3739	2.70%
Germany	DAX	7612	7795	7959	4.60%
Japan	NIKKEI	10395	12336	13677	31.58%
Canadian \$		\$101	\$98.68	\$95.19	-5.75%
Oil (US\$)		\$92.00	97.20	96.54	4.90%

\*\* Source: CNN Money

### Did you know...

In Canada....

- Older adults do an average of 233 hours of volunteer work and donate an average of \$2,000 annually to charity.
- Older adults' unpaid caregiving is valued at \$3.8 billion per year
- Older adults spend four million hours providing unpaid child care each week. As well, 75,000 grandchildren live with their grandparents.

### In Addition...

- More than 500,000 older adults are employed and labour force participation for people aged 65 to 69 has doubled in the last decade.
- Older adults are less likely to spend their last days in a hospital, and the oldest (aged 85 and up) are the least likely of all age groups to spend their last days of life in a hospital.

\*Source "Changing how society thinks about senior citizens" – U of A article

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"Time passes unhindered. When we make mistakes, we cannot turn the clock back and try again. All we can do is use the present well."

~Dalai Lama

 **Manulife Securities**

| INVESTMENT SERVICES INC.

## Certified Financial Planner Designation

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There are more than 100,000 so-called “Financial Advisors” in Canada. However, only 17,500 have met the rigorous requirements of the CFP designation. I am pleased to inform our clients that my daughter Bridget recently completed her last exam toward this goal. All that remains between her and this designation is 1 more year of work experience.

In 2010 the FPSC initiated a new path to CFP certification involving coursework, multiple examinations, an additional year of work experience and an added Capstone Course. The program allows individuals to work toward the designation in stages and better prepares candidates for their roles as Certified Financial Planners by aligning them with the skills, knowledge and abilities expected of CFP professional.

The first step in the CFP certification process is completing the Core Curriculum. This consists of four separate courses that focus on specific aspects of Financial Planning. The second step is Examination Level 1. This is a 4 hour multiple choice exam, testing the candidates on all course material covered in the Core Curriculum. The third step is to complete the Capstone Course. This course consists of students creating a comprehensive financial plan for a fictitious couple. The next step is the Examination Level 2 and in order to complete this 6 hour written exam, 1 year of work experience is needed. Once the second exam is complete the candidate must complete the remainder of the 3 years work experience before they receive the Certified Financial Planner (CFP) status. Once designation is achieved Continuing Education credits are required on an annual basis.

Bridget began working toward this designation while attending university and continued when she began at Maude Financial in 2011. We have been negligent in formally welcoming Bridget to Maude Financial sooner. We wish to let our clients know that in addition to working toward her CFP designation she has spent a lifetime in the John Maude School of Finance! Bridget we wish you well as you pursue your career and trust that our clients, if they haven’t already done so, will benefit from your interest, knowledge, and education both formal and otherwise.

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**Are you interested in receiving our Quarterly Newsletter by e-mail? Send your request to [maudefin@incentre.net](mailto:maudefin@incentre.net). Please ensure that your full name is clearly marked on the e-mail.**

“Be happy with what you have and are, be generous with both, and you won’t have to hunt for happiness.” ~William Gladstone

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