

Mike Robinson

From: Mike Robinson [mike@signaturefs.ccsend.com] on behalf of Mike Robinson [mike@signaturefs.ca]
Sent: April 21, 2009 9:34 AM
To: mike@signaturefs.ca
Subject: The Signature Line - is it a Bear Market Rally or are we into Recovery?



April 2009

The Signature Line

Your quarterly update on markets and the economy

This Quarter's Update

[Financial Planning for the Self-Employed](#)

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[Is that a light at the end of the tunnel?](#)

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Mike Robinson, the principal at Signature Financial Security, is someone that other financial professionals turn to for their own advice. Amongst our clientele Mike advises a Ph.D. in investment finance, an executive at the Alberta Securities Commission and a retired financial advisor.

For more information [about Mike](#) and to learn [The Signature Difference](#), please visit our website at www.signaturefs.ca.

Think Like an Insider!

The February 2008 edition of Alberta Venture magazine featured a great article

Dear Michael,

Spring seems to have sprung here in Alberta and if you ask me it's about time! It seemed to be a bit of a tough winter with a lot of snow, relatively cold and a bit too long!

It may be that things seemed more gloomy than usual due to all the negative news on the economy and capital markets. Throughout January and February every bit of news seemed worse than the last and culminated with the markets setting new lows on March 9.

But wait! Is that a light at the end of the tunnel? Low and behold, since setting new lows world markets have rallied significantly and the tide of investor sentiment seems to have turned. With markets advancing since their March 9 lows, and continuing through April so far, we are all left wondering if this is merely a bear market rally or have we found ourselves in the beginnings of recovery? Only time will tell for sure.

We dedicate this edition of The Signature Line to a look at what's happening in the economy that has given us so much hope as of late. Have a read through and if you have any questions or comments, please feel free to e-mail me or call us at any time.

I can be reached directly at (403) 226-0321 or mike@signaturefs.ca.

For more information about me and about the firm, please visit our website at www.signaturefs.ca.

Sincerely,

Mike Robinson

Financial Planning Specifically for Self-Employed Individuals

Back on April 15 Mike Robinson, principal of Signature Financial Security, hosted a discussion group with a select

outlining important considerations available to affluent investors that you might not hear about unless you are speaking with insiders. [Click here to link to the article.](#)

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number of interested business owners on how to create a proper and comprehensive financial plan for affluent and self-employed people. In case you missed it, [click here to review the material Mike presented, in PDF format.](#)

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As at April 20, 2009

Is that a Light at the end of the Tunnel?

After hitting new lows in early March, global stock markets launched an impressive spring revival, finishing the month well into positive territory -and it was about time! From March 9th to March 31st, Canada's S&P/TSX (measuring the Toronto stock market) rose 15% while the S&P 500 (measuring the New York stock market) advanced 18% and the MSCI EAFE (measuring international markets) rose 12%.

While year-to-date results remained negative at the end of the first quarter (even March's rally could not undo the damage of harsh sell-offs in January and February), the first signs of sustained market growth provided widespread relief for investors' threadbare psyche. After months of unrelenting market consternation, panic seems to be finally easing!

The catalyst for the March rally was a series of 'better than expected' economic data - not good data, just better than expected (a distinction more or less overlooked by weary investors hungry for any piece of positive news). Here are the highlights from those 'better than expected' results:

[U.S. housing](#) - We saw early signs that U.S. house prices may be stabilizing - an absolute pre-requisite for diminishing investor anxiety and allowing the economic recovery process to begin.

[Emerging market growth](#) - We saw some positive signs

that China's stimulus measures may be making progress. This bodes well for commodity-rich trading partners like Canada, as China's growth will be an important driver of commodity prices.

Easing credit markets - The announcement on March 19th of the U.S. quantitative easing strategy (i.e. to buy back Treasuries) helped to boost investor sentiment and turned out to be a real boon for bond markets.

In each of these areas we still have a long way to go but each are great steps in the right direction.

Not all the economic news seemed rosy in March however, and there remains significant economic challenges such as rising unemployment in both Canada and the U.S. And yet, for the moment, investors seemed willing to give policy makers the benefit of the doubt that the massive stimulus packages proposed will generate the desired results, and that maybe, just maybe, economic and market stabilization are now possibilities instead of just wishful thinking.

Spring Revival - Like a shot of 'Miracle-Gro' to early spring crocuses, the North American Financial sectors sprang into action after March 9th lows. U.S. Treasury Secretary Timothy Geithner finally provided more clarity around the plans to remove toxic assets from the banks. In order to get credit flowing again banks will first have to clear toxic assets from their balance sheets - helping to resolve at least some of the problems and gaps laid bare by this financial crisis.

That plan is a key step towards allowing all the other stimulus and bailout plans a fighting chance to work. And since stock markets tend to really dislike uncertainty (à la February market sell-off), this increased clarity greatly improved market sentiment.

What it meant for you - Finally, after continuing to see a downward trend through January and February, in March we had some positive returns and your investment accounts received a lift from the equities as well as the fixed income components. We still have a long way to go before we have fully recovered, but the boost we saw in March, and so far in April, will help us along that road.

What to expect now - Emotions are of the utmost importance to financial markets and the economy, and we all know that attitudes feed on themselves and gain momentum (whether it be to the positive or the negative). More than anything else, the March rally highlighted a change in sentiment rather than a change in economic realities. While the economic data continued to be weak, markets were able to rebound because investors were already depressed, were already pessimistic, and had

already anticipated (and priced in) the bad economic news. Bad news became expected news, and anything better than that was reason to celebrate.

We continue to see bad economic data, so even though investor sentiment appears to have turned positive, be prepared for some more volatility in the coming months and look for the markets to drop a bit as some of the economic numbers hit home. However, although we may see a bit of a drop, it just may be that we have come off our bottom and we might be starting the long and bumpy climb of recovery, rather than the elevator ride down the to bottom floor.

Long term investors who stuck with their plan, perhaps holding their breath through the market volatility of the last few financial quarters, were well rewarded for their patience in March and will continue to be rewarded over the coming months. Only hindsight will tell us if we are at the end of the bear market. There is no such thing as an 'all clear' sign when it comes to the economy, and no one is going to drop a flag to tell you when the next bull market is going to start. However, it does appear for the moment that we have marked a distinct turn in investor sentiment - from believing that the world is falling to pieces, to maybe, just maybe, the pieces are finally falling into place.

At times like this it is only natural to ask questions about your strategy and whether or not you are poised to take advantage of recovery. Please feel free to touch base with me via e-mail or phone as I'd be happy to answer any questions you may have with no obligation.

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Based in Calgary, Alberta, Signature Financial Security is a professional, independent wealth management and retirement planning firm that specializes in working with successful self-employed, and other affluent, individuals. The principal, Mike Robinson, established the firm following a successful period as a Private Wealth Counselor where he was an advisor to other financial planners working in the affluent market. He is an expert in creating comprehensive financial plans taking into consideration all unique factors of working with the affluent and self-employed.

Get to Know Signature Financial Security

Mike Robinson and Signature Financial Security know that



there needs to be a fit for you and your potential financial advisor. There has to be a fit for Signature as well. That's why Mike is committed to spending some time with you in person and in an informal setting, perhaps over coffee, to let you get to know him, and him you.

To see if Signature Financial Security might be a valuable financial asset for you, give Mike a call at (403) 226-0321 or drop him an email at mike@signaturefs.ca today. Additional information about Mike and the firm can be found on the website at www.signaturefs.ca.



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