



Bob Unwin

# Successful Investor

*Helping people make smart decisions with their money*

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## *Economy Notes*

At the time of writing, the loonie had just climbed to within a penny of 80¢ US. It was expected to reach even higher as commodity prices remain firm and the US dollar buckles under a chronic current account deficit. In recent months, Canada's economy has been expected to outperform the US in growth. One result: Canada's TSX index outperforming its major US counterparts. Weaker growth in the US is expected to cause the Federal Reserve to take a breather from further policy tightening, less than half a year after it started increasing rates. ●

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## *A Tale for the Holidays: The Last Day of School*

“A lady named Jean Thompson stood in front of her fifth-grade class on the first day of school, and told her children a lie. Like most teachers, she told them that she loved them all the same, and that she would treat them all alike. But that was impossible, because there in front of her, slumped in his third row seat, was a little boy named Teddy Stoddard. Mrs. Thompson had watched Teddy the year before and noticed he didn't play well with the other children, that his clothes were unkempt, and that he constantly needed a bath.

It got to the point during the first few months that she would actually take delight in marking his papers with a broad red pen, marking bold Xs and then marking F at the top of the paper, biggest of all. Because Teddy was a sullen little boy, no one else seemed to enjoy him either.

The teachers always reviewed each child's record from previous years. Due to Teddy's unpleasantness, she put Teddy off till last. But when she opened his file, she was in for a surprise. His first grade teacher wrote, “Teddy is a bright, inquisitive child with a ready laugh. He does his work neatly and has good manners. He is a joy to be around.” His second grade teacher wrote, “Teddy is an excellent student and well liked by his classmates, but he is troubled

because his mother has a terminal illness and life at home must be a struggle.”

His third grade teacher wrote, “Teddy continues to work hard but his mother's death has been hard on him. He tries to do his best but his father doesn't show much interest. His home life will soon affect him if steps aren't taken.” Teddy's fourth grade teacher wrote, “Teddy is withdrawn and doesn't show much interest in school. He doesn't have many friends and sometimes sleeps in class. He is tardy and could become a problem.”

Now Mrs. Thompson knew what the problem was. But Christmas was coming fast, and she was very busy getting ready for the school play. On the last school day before the holidays began, she was suddenly forced to focus on Teddy Stoddard. Her children brought her presents in gay ribbons and bright paper, except Teddy's, which was clumsily wrapped in heavy brown grocery-bag paper.

Mrs. Thompson took pains to open it in the middle of the other presents. Some of the children laughed when she found a rhinestone bracelet with some of the stones missing and a bottle that was one-quarter full of cologne. She stifled the laughter by exclaiming how pretty the bracelet was, put it on, and dabbed some perfume behind the other wrist. ►

## The US, Gold, and Oil

The stock market and global economy have responded favourably to the US election. This may or may not be an indication of widespread satisfaction with the re-election of George W. Bush; it more likely reflects the resolution of uncertainty.

Because the turmoil in the Middle Eastern oil-producing countries continues, and because of the ongoing war in Iraq and Yasser Arafat's passing, oil prices are still high and seem likely to remain so for awhile. The oil market factors in an "uncertainty premium." Gold tends to rise for similar reasons: high US debt and war. ●

### A Tale for the Holidays... continued from page 1

At the end of the day, as the other children joyously raced from the room, Teddy stayed behind just long enough to say, "Mrs. Thompson, today you smelled just like my mom used to." As soon as Teddy left, Mrs. Thompson knelt by her desk and there, after the last day of school before Christmas, she cried for an hour.

On that very day, she quit teaching reading, writing and arithmetic. Instead, she began to teach *children*, with particular attention to Teddy. As she worked with him, his mind seemed to come alive. The more she encouraged him, the faster he responded. On days of important tests, Mrs. Thompson remembered to wear that cologne. By the end of the year, he had become one of the smartest children in the class and the "pet" of the teacher who had vowed to love all her children exactly the same.

A year later, she found a note under her door from Teddy, telling her that of all the teachers he'd had in elementary school, she was his favourite. Six years later she got another note. Teddy wrote that as he finished high school, third in his class, she

was still his favourite teacher of all time.

Four years later, a letter saying that while things had been tough at times, he'd stayed in school, stuck with it, and would soon graduate from college with the highest of honours. Then four years later another letter. Teddy explained that after he got his bachelor's degree, he has decided to go a little further, and now his name was a little longer – signed "Theodore F. Stoddard, M.D."

The story doesn't end there. You see, there was another letter that spring. Teddy said that he was to be married, he explained that his father had died a couple years before, and he was wondering... well, if Mrs. Thompson might agree to sit in the pew usually reserved for the mother of the groom. You'll have to decide for yourself whether or not she wore that bracelet, the one with several rhinestones missing. But I bet on that special day, Jean Thompson smelled just like, well, just like she smelled many years before on the last day of school before Christmas holidays began."

*Season's greetings everyone!* ●



## Food, Glorious Food!

### Brake for breakfast

In the rush to get the kids to school or ourselves to work, plenty of us skip breakfast. Or we grab a cup of coffee and a pastry and call that a meal. Unfortunately, we might be giving up a lot more than just breakfast, several studies suggest.

### Nourish your day

In findings published in the April 1999 Journal of the American College of Nutrition, researchers looked at what

1,108 French volunteers served up for their morning meal. People who ate a hearty breakfast containing more than one-quarter of their daily calories consumed less fat and more carbohydrates during the day than people who skimped on food in the morning. Breakfast eaters took in more essential vitamins and minerals, plus they generally had lower cholesterol levels, associated with reduced risk of heart disease. That's healthier. ●

[Source: WebMD.com]

# SMART New Year's Resolutions

For many, the new year is time to start thinking of New Year's resolutions. To some, making resolutions is like a game. For those who want to fulfil them, here are some things to keep in mind.

To be effective, New Year's resolutions should be set like any other goal. The following five elements of goal setting can help you set and achieve them.

## specific

Your resolution should be specific. For example, don't resolve simply to be more active, but to jog for twenty minutes three times a week.

## measurable

There must be some form of measurability in your resolution, so that you know when you have reached your goal, and so that you can mark off milestones. For example, instead of resolving to lose weight, set a goal to become slimmer by twenty pounds. Celebrate each time you shed five pounds, since it brings you closer to your final goal.

## achievable

During the final days of December or the early days of January, some people feel ambitious about changing their habits. In this ambition, they might believe that they will be equally ambitious throughout the coming year. As many have learned the hard way, this is often not the case. Resolve

what's achievable, and build into your resolution the possibility to beat your goal. So, if you resolve to quit smoking by April, it should be feasible to quit then – even sooner.

## realistic

If you set unrealistic goals for yourself, you set yourself up for disappointment when you don't reach them. One mistake people often make is going cold turkey. If you resolve to watch less television, don't simply resolve to stop watching television if you usually watch five hours a day and have done so habitually for years. Rather, resolve to reduce your TV watching to four hours per day in the first month, three hours in the second, and so on.

## time-bound

Many people mistake this element for a deadline. Of course, it can be, as in the example of quitting smoking. It's more often less a deadline than a change in habit. Instead of resolving to meditate every day, set a goal to meditate for twenty minutes every day. The important thing is to have an aspect of time built in to the resolution. This also makes measurability easier.

## think of others

Once you have made a resolution that meets the criteria above, be sure to think of others around you and how they will be affected by the change. Remember, there's no shame in asking for help. •

## Admin Notes

You think a gallon of gas is expensive? Check out these prices:

Lipton Iced Tea 16 oz./\$1.19  
**\$9.52 per gallon**

Vicks NyQuil 16 oz./\$8.35  
**\$178.13 per gallon**

Evian Water© 9 oz./\$1.49  
**\$21.19 per gallon**

\$21.19 for water! And the buyers don't even know the source. So, the next time you're at the pump, be glad your car doesn't run on water, Iced Tea, or NyQuil! •

[US dollars, US gallons, universal humour]

## Rosemary Smyth Administrative Associate

Rosemary has over 8 years of investment industry experience. Over the last few years, she has continued her education and acquired an MBA from Royal Roads. In addition, she has obtained the Canadian Investment Manager designation (CIM) and is a Fellow of the Canadian Securities Institute. As our administrative expert, Rosemary delivers a first class client experience. •



## *Kudos for Bob*

*“Thank you so much for the card and winning ticket. It was very thoughtful and entirely unexpected. Thank you so much. P.S. If you are ever out this way, stop in, have a drink, and see what you have accomplished for us. Thanks again.”*

– Gwen, Business Manager

If you would like to share your client experience, we would love to hear from you! •

*We wish you a wonderful and prosperous 2005 – and a good stock market!*

– Bob, Kate and Rosie



## *A Holiday Ritual Revealed*

Every Christmas Eve, when Bob's children were young, Bob used to wait for them to fall asleep, then sneak into their rooms and hang stockings full of goodies on the end of their beds. For a few years, this worked. Bob was simply up late Christmas Eve putting gifts under the tree and hanging stockings before going to bed.

However, there was a one year when his son stayed awake late into the night. Bob snuck into his son's room and saw that the boy was awake, so he went back to his own room. He came back a short time later, but his son still hadn't fallen asleep. After trying this a few times, Bob decided he would set an alarm so that he could get some sleep, but still have time to hang the stockings before the children woke up in the morning.

After sleeping for a short while and waking up with the alarm, Bob again stole into his son's room to find him still awake. Bob went back to his room, reset the alarm for a short time later, then went back into his son's room to find the young boy still awake. Bob only got small snatches of sleep between alarms. His son, who stayed awake all night, apparently got none.

Bob learned to just go to sleep, having set the alarm for the early morning, then go hang the stockings before dawn. On the second year of doing it this way, Bob was in his son's room, hanging his stocking, when the boy woke up and caught him in the act.

Knowing that there was no way to explain what his son had seen, Bob said, "Okay; now you know I've been doing this. This is part of what I do every Christmas – hang a stocking on the end of your bed so that when you and your sister wake up, you have toys to play with and treats to eat while your mother and I try to steal a few extra minutes of sleep." Bob didn't tell how long he had been hanging his children's stockings, hoping to allow part of the illusion of Santa to stay alive in the imagination.

Having made this admission, Bob then said, "Look, I want us both to go back to sleep. Let's make a deal, though: Please don't tell your sister."

Can you guess what happened? That's right; Bob's son told his little sister that it was Dad who hung the stockings every year. Both were delighted. •

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