

Money Matters

Stockbrokers can help in various ways

Depending on your financial objectives and your investment knowledge, there are a number of ways a stockbroker can be of assistance to you. If you are an experienced investor, know exactly what your investment goals are, how to achieve them and have the time to keep on top of your investments, you may prefer to deal with a discount broker where commissions on trades are lower than those charged by a full service brokers. Beware, however, that this is all you get. If, on the other hand, you are like the majority of investors who require advice, research and a professional to watch over their investments, you should turn to a stockbroker for guidance.

Stockbrokers, called Investment Executives at ScotiaMcLeod, do more than simply execute trades. They can help you determine your investment objectives and can advise you on how to achieve them. For example, if you are planning to finance a child's education or your own retirement, a broker can recommend specific investments plans and vehicles which can make your goal attainable.

Brokers can provide you with research on general topics such as the economy, interest rates, the stock and bond markets and also on specific investments which you may hold or be interested in. Brokers also provide free of charge, many administrative services which you might otherwise not have time for. A few examples of these are: supervision of account balances to ensure your money is working its hardest for you at all times, for example recommending that idle cash balances of \$5,000 or more be invested in high-earning Treasury Bills; providing detailed statements showing transactions; holdings and their market value; or depositing dividend and interest payments to your bank account on a monthly basis; providing safekeeping facilities for your securities.

Stockbrokers are also a source of many types of investment products. They generally offer a wide variety of products and are the source of some of the more innovative investment vehicles such as: bearer coupons and mortgage-backed securities. Stockbrokers can also give you access to new issues; new corporate financing vehicles which are priced attractively relative to market values and for which you do not pay commission. Most important, stockbrokers are an invaluable source of information and independent financial advice.

While brokers are not tax advisors, they can recommend investments to minimize your tax payable. They can also help with retirement planning, helping you invest to accumulate a nest egg

Brian Slessor
Dollars and Sense



that will provide for a comfortable retirement and then invest to ensure the regular income you need during the retirement years.

How does one go about choosing a stockbroker? Begin by selecting a firm. Browse through several financial publications where many of the firms advertise. Or check in the yellow pages under Investment Dealers. Choosing an individual stockbroker to help with your investments is very important. Your best solution is to meet several stockbrokers in person. You should interview two or three brokers. When interviewing, outline your financial needs and objectives. Ask what investments they would recommend for you. Do you agree? Will this broker keep your regularly supplied with information you require or call you if the market changes? Most important of all, do you think you can develop a rapport with this person? You should feel comfortable and confident. After all, this individual may have a large impact on your financial future.

Once you have chosen a broker and made your initial investments, you have begun what can be a long and rewarding relationship. Your broker will keep in touch with you to advise when it is appropriate to sell the investments you already own and to make recommendations on new opportunities as they become available. They will send you information on your request and many can put your name on a mailing list for a specific publication.

There are also some things you can do to make sure that your investment experience is both profitable and enjoyable. Firstly, be honest with yourself and your broker when discussing what you want to accomplish and how fast. You must also be realistic. If your objective is to double your money in a year with no risk to your capital, you have set unrealistic, inconsistent goals. However, doubling your money in five or six years, with a moderate degree of capital risk, is an achievable goal.

You must also give careful considerations to the amount of risk you can assume while still being able to sleep at night. Secondly, you should collect the basic facts

about your financial situation. If you don't know your tax bracket, simply figure out from last year's tax return what per cent of your gross income went for Provincial and Federal income taxes. Your broker can take it from there and can also assist you in determin-

ing your net worth. Net worth is a useful thing for you to know as it helps you grasp exactly what your real assets are, and also how liquid your current position is. These bits of information will help your broker tailor a plan suited to your needs.

For a free copy of "The Money Workshop" call 863-2825, collect. Brian Slessor is an Investment Executive with ScotiaMcLeod. Questions should be directed to Brian, who can be reached at 863-2825. (Call collect if outside Toronto).



Ministry of Revenue Ontario

TAX FACTS

Some Ontario Retail Sales Tax (RST) Changes You Should Know About

Recently, the Ministry of Revenue announced that the Province of Ontario will not charge Retail Sales Tax (RST) on the federal Goods and Services Tax (GST).

If you have paid RST on top of GST, you may receive a refund from your retailer.

The following changes became effective January 1, 1991:

- To offset some of the costs incurred by vendors as a result of the GST, the Ontario government is increasing the amount of compensation to vendors for the collection and remittance of RST.
- The RST audit and refund period has been increased from three to four years.
- The refund of RST on goods taken out of Ontario by tourists and on transient accommodation will be amended.

If you want to know more about these changes in the Retail Sales Tax Act, call your local RST office listed in the blue pages of your telephone book, or the Ministry of Revenue's multilingual Telephone Information Centre, toll-free:

Metro Toronto	965-8470
All Other Areas	1-800-263-7965
French Language Enquiries	1-800-668-5821
Telephone Device for the Deaf	1-800-263-7776

Pour des renseignements en français, composer le 1-800-668-5821.



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