

Activites galore at Branch 120

By Harry Archer

The mini bingo held last Saturday was a huge success and it is hoped to make this a monthly affair. More on this later.

There will be an open darts tournament held on February 12th, hosted by the Ladies' Auxiliary. Phone Monica at 873-8806 for more details.

On 13 February members are urged to enter the Sam Tennant in-house Cribbage Challenge. Registration starts at 1:30 p.m.

Also on 13 February we will be having a Valentine Dinner and Dance. Tickets \$8.00 are available at the bar.

On Saturday, 20 February, in-house euchre players will be attempting to win the "Dean S.

Legion Lines

Harley" Trophy. Games start at 1:30 p.m.

The Color Party open darts will be on February 26th.

The Air Cadets Dinner and Dance will be held on 27 February. See Joe Poirier for details.

The "Murray Ezeard" curling bonspiel will be held on 28 February at Acton. A total of 32 competitors, only \$10 fee, includes refreshments.

It is with deep regret that we mourn the passing of two of our members. Comrade Bill Kirk was buried last Thursday and comrade John Smith on Friday. Our sincere sympathies go to their families.

Car club draw for week 20 are as follows: #165, S. Lamarre; #407, A. Zilio; #362, The Five Lads; #238, J. Kenshead, Sr.; #262, J. Hare; #483, H.A.M.

Euchre results for February 5th - 1st, Gord Harley; 2nd, Phil Landry; 3rd, Glad Inglis; most lone hands, Lois Richardson.

Denny McCartney is progressing well and enjoying the company, so keep up the visits, guys. He is in Ward B9 at Georgetown Hospital.

Royal Canadian Legion, Branch 120 Ladies Auxiliary General meeting February 18 - 8 p.m. For information call 877-4991

Diversify by Investing Globally

By Michael Phillips

Successful investors agree that proper diversification is essential when designing a portfolio inside of a Self-Directed Registered Retirement Savings Plan. Diversification entails identifying appropriate investments that meet the individual's objectives and then deciding the amount of money that should be directed to each investment. Diversification helps to protect the investor by minimizing the risk an individual assumes when seeking higher rates of return. There are many different ways to diversify.

One way to diversify is to invest money in other countries. Investors refer to this as "Global Investing." With Canada representing approximately three percent of the world's wealth why be restricted to investing one hundred percent of RRSP assets in your own country. The fact is that Canadians are not restricted to investing their RRSP assets inside of Canada. Legislation in this country allows individuals to invest up to eighteen percent of their RRSP assets outside of the country in 1993. In fact, there are a few global investment vehicles available in Canada that are one hundred percent eligible as an investment inside an RRSP.

Global Strategy Financial Inc. offers a mutual fund consisting of foreign bonds which is 100% RRSP eligible. Global Strategy Diversified Bond Fund is the name of the fund and it is managed by Rothschild Asset Management Limited based in London, England.

The fund from time to time may hold Canadian bonds, although the Canadian bond market is just one of twenty bond markets that Rothschild's actually researches. It

is logical to assume that there are often better performing bond markets than Canada in a particular year. There will be many more occasions when other countries' bond markets will generate higher rates of return.

Global Strategy points out that in 1986, the Japanese bond market gave a total rate of return of 37% for a Canadian investor compared with 13% earned in Canadian bonds.

In 1987, it was the United Kingdom's turn to top 35% while Canada returned only 3%. In 1988, Australian bonds were the best performer. At 18%, the return was almost double that in Canada. In 1989, Canadian bonds were the place to be. In 1990 U.K. bonds again were strong with a 30% return. Canadian bonds did very well in 1991 and 1992.

By diversifying globally the investor takes advantage of higher returns in other countries as well as limiting his exposure to countries whose bond markets have not performed very well. Global Strategy goes on to say that an investor who is dependent upon opportunities in only one country's bond market is at a serious disadvantage compared to an investor who has the ability to participate in a large number of markets. By diversifying into international bond markets your portfolio could experience higher returns than Canadian bonds, as has been experienced in the recent past.

Rothschild believes the biggest gains in bonds in 1993 should be attained in Europe. They believe European interest rates will fall because inflation is very low and, in their opinion, going lower. Rothschild claims that it makes no sense to have interest rates at

around 10% when inflation is less than 3%, as is the case in France, or at around 4%, as in the United Kingdom. They compare this with the position in the United States where inflation is also between 3 and 4%, but interest rates are below 4%. The second point Rothschild states is that economic growth (which is very weak) and unemployment (which is very high) means that Europe is desperately in need of lower interest rates resulting in higher bond prices.

Interest rates are particularly high in Germany. Early in 1992 inflation rose to 4.75%. Rothschild believes that inflation is starting to decline in Germany and that within eighteen months German interest rates will be much lower than most people think.

The investor must realize that although the Global Strategy Diversified Bond Fund is a great way to invest in foreign bonds, it only represents one approach to Global investing. The percentage or weighing of foreign bonds within the RRSP is a decision that must be made by the individual. Each investor is unique. Each has his or her own interpretation of the word "diversification!"

There are many different ways to diversify. Global diversification makes a lot of sense. The world is changing. The '90s will be very different from the '80s. The world's borders are disappearing daily. Free trade is becoming a reality. New economies are forming. Mutual Fund Managers realize this and are investing in areas that they believe will offer greater opportunities to investors.

Consider diversifying for your retirement nest egg. The benefits to international opportunities are significant.

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