Cemetery vandalism trial delayed to May 30

The trial for two of three youths arrested for vandalizing the Stouffville Cemetery has been delayed until the end of May.

Last week, a Newmarket judge told the pair to report to his court on May 30 to answer vandalism charges.

Two months ago, a third youth was placed on probation and ordered him to pay restitution on one charge.

The Stouffville youths, all males, were 16 years old at the time of their arrest at the end of September 1995.

The trio was charged three weeks after police responded to a call to the local cemetery. There, they found 42 headstones had been toppled and broken. Also, flowers were trampled and beer bottles strewn about.

Under the Young Offenders Act, the youths cannot be identified.

Call us with your news tips: 640-2100

A VOLATILE MARKET: What Are The Risks?

Many of the world's markets have been enjoying extended periods of dynamic growth, including Canada, the U.S., and Hong Kong. The longer they continue to charge forward, the more investors worry about when it will end.

Although this fear is usually most prominent in the wake of record-setting gains, risk in one form or other is an inherent part of all investments, all the time. Here's a quick primer on what the major risks are, and what you can do to protect your investments.

Market risk

This type of risk, also known as volatility, refers to the odds that an investment's value will change as a result of swings in the market. This is the risk factor that investors fear the most, although it is probably not the most significant threat to their long-term financial well-being.

Markets move up and down all the time, and in most cases, it doesn't create negative long-term implications. Why not?

Consider this: The price of the average stock on the New York Stock exchange fluctuates 50% each year. And when these stocks are grouped together on an index or in a mutual fund, investors start to fret.

For example, most of us remember the so-called "crash" of 1987. In Canada, the value of the Toronto Stock Exchange 300 fell 31% between August and October. But what you may not remember is that the index still posted a gain of almost 6% over the year.

In 1994, the markets experienced what some analysts have called a "stealth correction," because no one noticed. In January of that year, the Dow fell by 10% on three separate occasions. But each time, it managed to bounce back up again before the end of the trading day. The moral of the story is: don't panic during volatile markets.

What you can do:

- Set up a regular investment plan. Over time, this can reduce the effect of market fluctuations and help lower the overall cost of building your portfolio.
- Maintain a well-diversified portfolio across asset classes and international markets.
- Remember that lower prices usually indicate a buying opportunity, not a signal to sell. Because when the markets do correct, you've only suffered a loss if you sold in the downturn.

Interest rate risk

Although it may seem illogical at first, when interest rates go up, the value of bond and mortgage funds tends to go down. When rates fall, these investments tend to increase in value.

Interest rate risk also affects investments like Guaranteed Investment Certificates (GICs). During a lengthy period of lower rates, like we're seeing now, these investments do not provide the returns that investors may be counting on.

What you can do:

- Stagger the maturity dates of your GICs, so that they don't all renew at the same time.
- Invest in your fixed-income funds on a regular basis to smooth out the bumps caused by changing interest rates.
- Maintain a portion of your portfolio in equities.

Currency risk

With your international investments, currency risk is the chance that the value of the Canadian dollar will change against the foreign currencies in your portfolio.

When buying international securities, a fund manager converts Canadian dollars into that country's currency. The cash is converted back into Canadian dollars when the investment is sold. If the value of our dollar has gone down against the foreign currency, the foreign cash will purchase more Canadian dollars, and the fund's returns go up. If our dollar has gone up, the foreign cash buys fewer Canadian dollars and the fund's returns go down.

What you can do:

- Diversify your international holdings over several countries to reduce your exposure to any one currency.
- Again, invest regularly to even out currency changes.
- If you are a very conservative and cautious investor, keep your international holdings to a minimum.

Inflation risk

This is probably the most serious threat to your long-term financial security. it is particularly onerous for those approaching, or in, retirement. Inflation, which is measured by the Consumer Price Index, reduces your purchasing power. It can, quiet literally, take money out of your pocket.

If inflation averages 4% over the next 20 years, an item costing $10 today will cost almost $22 in 20 years.

The irony of inflation risk is that the investments most vulnerable to inflation risk are those that appear to be the most secure, including GICs, money market funds, and other fixed-interest securities. If you buy a GIC paying 6% and inflation averages 3%, your real rate of return is a miserly 3%.

What you can do:

- Maintain a diversified portfolio that includes at least some growth-oriented investments, even if you are retired.
- If you are very cautious, consider dividend-paying stocks and mutual funds to offset inflation.
- If you are moderatly aggressive, increase your equity holdings, and consider equities from more than one sector. And spread those investments out over a number of different countries.
- If you are comfortable with more volatility, you could add gold or real estate to your equity mix through mutual funds that specialize in this sector.