## INVESTOR

COPYWRIGHT C 1991 by Garry W. Beckman, B.A.

According to a 1989
"Financial Post" poll,
the Friday, 13 October stock market debacle of that year made three out of every four Canadians apprehensive about investing in stocks. That was two years ago!

The 1987 stock market crash is roughly 1,500 days in the past. The October of 1991 was hyped with a forboding gloom. If investors were looking for a wall of worry, it was not hard to find.

Public information plays the theme that the small investor is at great disadvantage with respect to share ownership in today's investment environment. What results would demonstrated be if pollsters could accurately query seasoned or serious investors?

Perhaps inadequate leadership and media headlining have the better of us. In my professional experience, a small percentage of investors continually express concerns of some nature. Many of them are victims of frequent misinformation and distortions that immobilize them from investment action.

When we allow ourselves to be convinced that risk is uncontrollable we usually invest for the short term. Parking cash is easy. However, it takes effort to locate sound value. In the process, the task of properly managing risk is abandoned.



uncertain In an Canadians environment, refrain from ownership. "Investing" --- as lenders debt in various is instruments the tendency. seductive One of the dominant forms of such investments in Canada is the guaranteed certificate. investment It locks money at fixed rates into fixed terms of maturity. The word "guarantee" seems to imply that GICs are without risk.

On the other hand, by avoiding the ownership of national companies Canadians do themselves their nation disservice. Other, willing investors become the owners and, consequently, the controllers of large parts of the nation's economic infrastructure. By not shareholders of being Canadian companies by neglecting to encourage our nation's young, income earning adults to do so, Canadians lose out on the opportunities to earn excellent returns on their investment dollars.

As noted, the stock market is frequently portrayed as risky business. Indeed, some parts are. However, don't succumb to misconceptions and half-truths. That will prevent you from participating and sharing in the capital growth that share ownership offers.

An unappreciated aspect of share ownership is that others can be working for you. This is a simple form of leverage that makes possible the growth of your capital.

Share ownership offers a two-fold impact. First, a share offers growth. Secondly, many companies pay dividends to their shareholders. Some companies have remarkable track records of annual dividend increases.

An investor should not isolate herself or himself from participation in excellent returns that stocks can deliver; based on historical market returns.

If one can discipline one's self to invest in "value" companies over

diversify one's portfolio; and, to reinvest dividends, one will be pleasantly surprised how worth grows. You will also be able to get a good night's sleep; night after night! Canadian companies Many are in good financial shape. Some corporations acted on the lessons from heady inflationary the of the late '70s time early '80s. and Most managements took drastic redefine measures to corporate strategies and strengthen balance sheets. Such responsible corporate managment is to be lauded. Current federal tax legislation favours investment in Canadian

to

time;

adequately

public companies. Why? dividend income Because than costly less is interest income at tax time thanks to the Federal Credit. Dividend Tax With interest rates in decline, dividend income is even more attractive.

Share ownership can offer excellent earning opportunities --- even today. Long term capital appreciation is desirable and possible. The ability to buy and sell shares every day that the market exchanges are open for business provides essential liquidity. Tax advantages are a plus.

You should consider the inclusion of quality shares in your investment portfolio. Your Financial Advisor can assist with recommendations appropriate to your needs.

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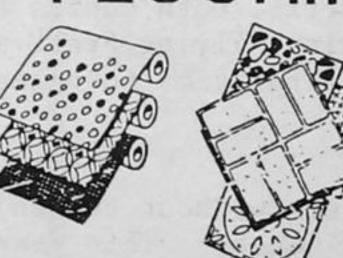
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