



Reality Cheque



January 2008

Create abundance from what you have regardless of how much money you start with.

Quick Facts

- The sub-prime lending refers to the less than ideal credit status of the borrower, not the interest rate on the loan.
- Sub-prime lending occurs for numerous products including mortgages, car loans and credit cards.
- In October 2007, the average hourly wage across Canada, for people paid an hourly wage, was \$19.29, up 0.4%. They averaged working 31 hours per week.
- The year-to-date earnings growth was 4.6% in Alberta, the highest increase across all of Canada.

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Conducting Your Future

As we let out a sigh of relief the toy commercials are over and music has returned to normal, peak RRSP season is right around the corner.

Once again we are faced with looking at the not so stellar returns in our RRSP portfolios and deciding what "more of the same" options to choose - if at all.

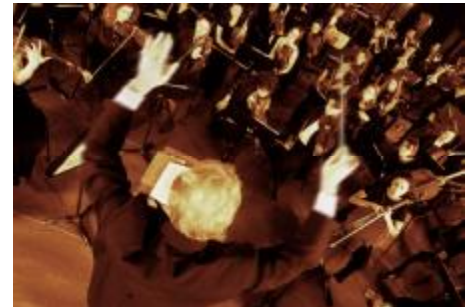
Fortunately there is an alternative you won't see advertised with full page ads in the newspapers or on the TV.

A self-directed RSP (SDRSP) places *you* in control of conducting *your* retirement portfolio along with giving you access to a wider variety of invest-

ment vehicles the banks and mutual fund companies won't offer.

Your choices expand beyond GICs and mutual funds into qualified stocks, precious metals, private Canadian companies, mortgages and several other options.

Many people shy away from SDRSPs because they are afraid of making bad choices. While some people make the decisions entirely on their own, others make decisions in consultation with experienced advisors. Whichever path you take, you are always in the driver's seat.



A SDRSP first or second mortgage is an attractive option for people who wish to diversify into real estate without the time and/or interest to invest.

The SDRSP mortgage must be registered on the property title and therefore secured by a tangible, appreciating asset you can drive by. As well, the SDRSP mortgage provides consistent, predictable returns you can bank on.

The Next Generation

Education Funds and Risk by Ryan Niessen

Many parents choose to put money aside in order to help pay for their children's post secondary education. RESP's are a popular choice and was the choice my parents made to help me.

I have recently taken over the responsibility of monitoring

my mutual fund and learned you need to follow them diligently. Otherwise a lot of money can be lost quickly due to the volatility in the market.

Tired of watching my supposedly conservative mutual fund bounce around every day, I decided to sell. A week later the fund took a massive drop in value that would have cost me over 10% in just one day.

Although gains can be made in mutual funds over the long term, as a student I would rather make 3.75% interest in a savings account than worry about losing a large chunk of my education fund, which I cannot afford at this point in my life.

My advice...pay attention to your investments!

Investing In Experience

from the desk of Debbie & Gary

Your financial plan should be as unique as your footprint. We all have a unique footprint based on our different past experiences and different paths into the future. So wouldn't it make sense to have a unique financial plan?

In the past we looked to a few financial planners to build our plan. They pulled numbers out of the air and plugged them into their fancy software programs with colorful charts.

Others have cookie cutter plans starting with mutual funds (the least risky?) then advancing to

stocks and income trusts.

Then there are the TV ads promoting portfolios that "automatically adjust over time"...how unique of a plan is that?

We realized *our dreams* were missing in *their plans* because most advisors don't look beyond the numbers. Their

advice and investment offerings are limited to selling investment products offered by the company they work for.

After years of lousy returns and losing much of the gains made, we realized we were in dire need of a new financial strategy. We needed to take charge ourselves! As we researched other investment strategies we realized there are many great opportunities but you will never find them if you don't look past the desk of your financial planner.

We challenge you to ask yourself... What are your dreams? Are you living your dreams now? What do you have to do to live the life of your dreams?

Then educate yourself on various investment options, build a financial plan unique to you and take the appropriate action that will allow you to reach your dreams sooner.



A Cashflow Moment

from Lorraine's game board

I've lost track of how many times I've played Cashflow over the past five years. I've also lost track of how many times I've learned something about myself and what beliefs I have about money and life in general.

A few years ago I remember playing Cashflow 101 at the University and finding myself once again faced with the same situation I was dealing

with in "real life". The intention I set for the game was to be smart and avoid going down that road. Yet there it was staring me in the face.

I knew I could chalk up the situation to being "just a game" but I chose to look deeper and really see

what beliefs were driving my decisions. My game, and life did a shift forward.

"Every accomplishment begins with a decision to try."

Playing Cashflow is a great way to re-experience your beliefs and behaviors around debt, risk tolerance, comfort zones, stress and much more.

By The Book

The Traveler's Gift by Andy Andrews - 2002, ISBN: 0-7852-6428-0

Don't be fooled by this quick read.

David Ponder's world is crashing down around him. Once a Fortune 500 exec now working for minimum wage, David is faced with finding medical help when his daughter becomes ill.



Embark on a journey with David as he travels through time after crashing his car on an icy road.

You will meet seven people, from great leaders to ordinary people, who faced life determining choices at critical moments of their lives.

The simplicity of their wisdom and the power of their seven decisions are a gift for you to create your most extraordinary life.

The Traveler's Gift is one trip that may very well change the direction of your life.

www.andyandrews.com

Diving into Due Diligence

Doppler or Boom Ripple Effect

The impacts from an economic or real estate boom act much like a pebble dropped in a pond. The effects tend to radiate outwards beyond the centre, and in some cases for some distance.

On a macro level, towns surrounding a city experiencing a boom in real estate prices will see a delayed boom in their values.

On a micro level, neighborhoods surrounding an area undergoing re-



newal will see a delayed boom in prices as well. This ripple effect can even occur around a couple of streets that are undergoing housing improvements.

The ripple effect is the intersection of two factors. While the boom area is experiencing high prices, the surrounding areas are in demand for their still affordable housing.

People living in these surrounding areas believe their area will boom next so they ask more for their properties.

Higher demand meets with higher prices.

Real estate in boom areas is said to be retail pricing while real estate in surrounding areas is at wholesale pricing.

You can buy at wholesale prices by leveraging the Doppler effect. First identify boom areas and then analyze the surrounding areas for strong fundamentals using your due diligence criteria.

Let the speculators enter first into a ripple area and assume the risk. Once the higher prices take hold it's time for you, the sophisticated long term investor, to move in.

What's That?

Wealth Ratio

We all dream of the day when we don't *have* to work but may instead *choose* to work. So how do you know when you've "escaped the rat race" and achieved financial freedom?

Wealth Ratio is a simple calculation used to measure where you are and your progress towards financial independence.

Your Wealth Ratio is calculated as follows:

$$WR = \frac{\text{total passive income}^*}{\text{total expenses}^*}$$

*ensure you use the same time period for both passive income and expenses

Now that you have a Wealth Ratio, what does it mean:

WR < 1 - your expenses still exceed your passive income

WR = 1 - you've just escaped the rat race. Congratulations!

WR > 1 - you have more than enough passive income to cover your expenses

Happy calculating!

"Wisdom is not in words; Wisdom is meaning within words."
Kahlil Gibran

Time For Fun

Did you know:

It's never too cold to snow, but the colder it becomes, the less snowfall there is.

During a January 1962 Chinook, the temperature in Pincher Creek AB rose from -19C to +22C in one hour (Environment Canada)



Brain Teasers

a) What is a unique characteristic of the number 8,549,176,320?

b) What gets larger the more you take away?

c) What goes on the table and is cut

but never eaten?

- see answers next month -

What made the guitar so angry?
She was tired of being picked on.

December's Answers:
a) the moon b) 63 c) silence

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*Transforming dreams ...
into extraordinary lives.*

Lorraine Watson & Bonnie Duckett

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MALIROO PROPERTIES INC.



Dreams Become

Reality...

One Property At A Time

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This newsletter is researched and presented in good faith without any warranty or liability for any erroneous, incomplete or misleading information. Seek independent professional advice for your investment decisions.

Cashflow Game Nights

Come out and have a fun night playing your way onto the Fast Track ... where your money works hard for you instead of you working hard for your money.

Okotoks

(doors open 6:15pm)

Crystal Shores Beach House - 403 Milligan Drive

- January 23, 2008 6:30pm - 9:30pm
- February 27, 2008 6:30pm - 9:30pm
- March 2008 - TBA 6:30pm - 9:30pm

RSVP to vpcinfo@glommar-vpc.com or register at the Beach House: 995-1358

Calgary

(doors open 6:45pm)

Willow Ridge Community Centre - 680 Acadia Dr SE

- January 11, 2008 7:00pm - 10:00pm
- February 8, 2008 7:00pm - 10:00pm
- March 14, 2008 7:00pm - 10:00pm

RSVP if possible to vpcinfo@glommar-vpc.com

Please remember to bring a calculator, pencil, eraser and paper.

Join our courtesy Game Night reminder service at:

www.glommar-vpc.com/event_schedule.html

or www.maliroo.com

Catching Up



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Bonnie & Lorraine

The past several months have been unknowingly busy that the end of December felt like olden times for both of us.

When the "Christmas Break" came along we felt like we had just finished our last final exam and collapsed into slow motion. Fortunately we didn't get the usual cold that came as part of the package.

We just didn't move very far for several days.

I suppose we shouldn't admit to watching "The Sound of Music" three times in one week or "Miracle on 34th Street" across two sittings on different channels.

Now we're a week into the new year already and things are revving back up again. Most encouraging are the comments from so many people about how excited they are feeling about 2008 and the changes or movement they are seeing already. We can't wait to see what the rest of the year has in store for everyone!

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Deb & Gary

We enjoyed a very peaceful Christmas with our family.

The winter air was refreshing skating on the pond Christmas Day and then we enjoyed turkey dinner with family.

The kids spent two days snowboarding at Nakiska

while Gary and I sipped hot chocolate in the lounge reflecting on our achievements and the highlights of 2007. We also built dreams and goals for 2008. Recognizing even the smallest accomplishment is a good exercise and brings feelings of gratitude for all that we are blessed with.

Family members were in a serious accident over the holidays but miraculously escaped with minor injuries. Always treasure your time with family and friends!

Start the New Year by embracing your loved ones, showing thanks and appreciation to those close to you, and include spending quality time with those you care about on the top of your list of goals for 2008.