

Reality Cheque

May 2008

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

Quick Facts

- The current overnight rate dropped 5 basis points to 3% Banks followed suit dropping their prime rate to 4.75%.
- BOC's inflation-control target rate is 1-3% and aims for 2% for long term predictability of inflation.
- Projected economic growth for Canada has been revised to 1.4% in 2008, 2.4% in 2009 and 3.3% in 2010.
- Banks make more money from fixed rate mortgages than variable rate mortgages. Watch for banks to offer incentives for taking long term fixed rate mortgages.

Stay current with the Reality Cheque

Receive your issue effortlessly every month by subscribing at:
www.glo-mar-vpc.com/newsletter.html
 or
www.maliroo.com

Inside this issue:

<i>Investing In Experience</i>	2
<i>Chequing In</i>	2
<i>By The Book</i>	2
<i>Diving Into Due Diligence</i>	3
<i>What's That?</i>	3
<i>Time For Fun</i>	3
<i>Cashflow Game Nights</i>	4
<i>Catching Up</i>	4

The "Shuns" Have It

Inflation, recession, depression, deflation - four little "shun" words perfect for attention grabbing headlines as well as creating a lot of fear based panic in the uninformed investor.

The fact is, like everything else, the economy has its ups and downs in cycles.

Inflation is defined by rising price levels and increased money supply. There is more money to spend but you can buy less with what you have.

Recession and depression are two types of deflation. Recession is a decline in economic output (real GDP) for 6 or more consecutive months. Depression is a prolonged and deep recession. There

tends to be less money to spend but you can buy more with what you have.

While "the R-word" makes for good headlines these days, it's important to look at what the numbers are saying.



February 2008 GDP numbers were released at the end of April. During the last 12 months GDP was up 1.5%. While the overall GDP fell .02% in February,

some industry sectors had increases in GDP.

For Canada to be officially in a recession, GDP must decline each month until July 2008. This is about the time frame the Bank of Canada recently forecasted the economy to turn around.

Another telling figure is how often recessions occur. Between 1962 and 2007 Canada has been in a recession 8% of the time while the US has been in one 13% of the time.

Take the time to compare your local / provincial economy and its main industries against the national averages. You'll have a much better picture of where you stand and what actions to take.

The Next Generation

Get A Head Start With Your Moo-lah by Jenaya Niessen (age 11)

An easy way to get a good financial start at a young age is to set up four jars (save, spend, invest and donate). As you get spare change, allowance, or money earned, divide it up between the four jars and watch your money grow.

The "Save" jar is for saving a large amount of money to buy a generally large item or items. The "Spend" jar is for spending money at the moment or sometime soon on smaller items. The "Invest" jar is for putting your money somewhere for it to grow for you instead of you working for it. And last but definitely not the least; the "Donate" jar is for donating

spare change to a favorite charity.

Robert Kiyosaki, the author of the "Rich Dad, Poor Dad" books promotes doing this. A money pig, cow or football with these four slots can be bought at:

http://www.msgen.com/sembled/products_kids.html

Investing In Experience

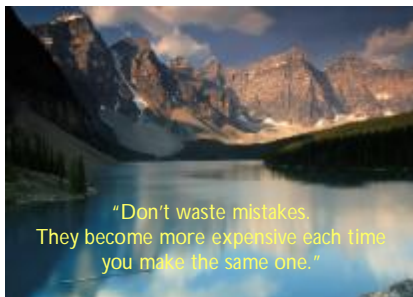
from the desk of Debbie & Gary

Surrounding ourselves with like minded people with positive attitudes has improved the enjoyment, learning and success in our lives.

Consider if the people you spend most of your time with are a positive or negative influence on your life or a bit of both.

A person's words and expression influence our thoughts and feelings.

Who would you rather spend your time with? A person who constantly talks about negatives like



illness or "lack of" or is unsupportive and negative towards your dreams and goals, implying "you can't do that". Or, a person who brings insight, positivity, and is supportive of your dreams and goals.

We can and should make a conscious effort to choose who we spend our time with...and that is with like minded people who are encouraging and supportive. Networking with others on a similar journey but further along the path can provide insight and learning.

With those people who

bring "a bit of both", we have come to realize that it is a matter of understanding that some topics are better not discussed in their presence. Control the conversation topics and understand that their thinking is "theirs" and not mine. Don't let them drag you down. Occasionally, you have to be able to shrug it off or even better put a positive twist on what they portray as negative.

Whether you want to run a marathon or build a financial empire, your thoughts and feelings will be a factor in your level of success. Make life easier and happier by choosing to spend your time with people who offer a positive perspective.

Chequing In

Before too long many more thoughts will turn into day dreams of lazy summer days, gardening or fun in the sun. There's even a stock investing rhyme that helps brokers take time off:

*Sell in May and go away;
Don't come back 'till St Leger's Day*

Knowing how routines and schedules can fly out the window during the summer we've decided a summer

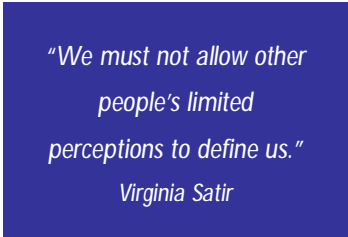
break for the Cashflow Game Nights would be best.

May 28 (Okotoks) and June 13 (Calgary) are the last Cashflow games before the summer break. Games Nights will return in September.

You will also receive a July / August summer

issue of Reality Cheque around the end of July.

We love hearing the success stories and answering your questions. If you would like to celebrate your successes with other readers, please do share. And keep the questions coming!!



By The Book

"Built To Last" by James C Collins & Jerry I Porras - 2002, ISBN-10: 0-06-051640-2 (pbk)

In this follow up to "Good To Great", Collins delves into the question of what makes an organization succeed for generations.



Collins uncovers the key differences transforming a successful organization into one that is visionary and multi-generational.

And his results reveal a few surprises going against conventional business school wisdom.

The good news for all of us is that the keys to making a visionary company can be learned by anyone and applied to any level of organization - large or small

companies, non-profits, governments, and even one's personal life.

Even better, "Built To Last" goes into the level of detail needed to apply the key principles to your own organization and jump into the business of visionary work.

[Building Your Company's Vision](#)

Diving into Due Diligence

Renewal or Gentrification

Some of the best opportunities for finding properties under market value are where you would least expect to look - the poorer, run down, older neighborhoods (and towns) with sometimes tarnished reputations.

The potential in these areas often goes uninvestigated because we would never want to live there ourselves. We've put on emotional blinders that outside investors don't have.



But these older communities tend to have what the newer areas don't ... larger lots, mature landscaping, schools and easier access to business centres.

You can identify an area undergoing renewal or gentrification by watching for tell-tale signs such as

- in-fills begin to appear
- old warehouses turn into trendy lofts
- neighborhood groups want to "take back the neighborhood"

- homes and yards are being renovated so there's a mix of old and renewed
- the home owner and tenant profile is shifting to a higher income bracket

Once again, the speculative investor will be first into the area while the fundamental investor ensures the gentrification is well underway.

One way to tell the renewal process has taken hold is to drive around the area and see what activity is going on. Take special note of the vehicles as a clue to the income profile being attracted.

Patience is a must to invest in these areas. Rents and tenants will improve slowly over time in line with the profile of the whole neighborhood.

What's That?

Average, Mean, Mode, Median & Range

Looking beyond the average can lead to above average results so you need to be clear on what information you are analyzing.

For a given a set of numbers, the mean is what we commonly know as the *average* ... add up all the numbers and divide by the number of

data points.

The **median** is the middle number of a sorted list so half the values are above the median and half are below.

Mode is the number that appears most frequently in the set. If no number is repeated there is no mode.

Range is the difference between the largest value and the smallest.

Ex: H\$ = {230,000, 425,000, 199,000, 1,375,000, 176,000, 425,000, 210,000}

Mean: 434,285.71
Median: 230,000
Mode: 425,000
Range: 1,199,000

"The limits of my language are the limits of my mind. All I know is what I have words for."
Ludwig Wittgenstein

Time For Fun

Did you know:

Tides are caused by both the moon and the sun although the moon has a much stronger gravitational pull.

The last total lunar eclipse was February 21, 2008. The next one will be



December 21, 2010. (Wikipedia)

Brain Teasers

- How many letters are in the alphabet?
- What grows in the winter, dies in the summer and grows roots upwards?

c) How can it be that the horse on a 20 foot rope drank from the water pond 30 feet away?

- see answers next month -

April's Answers:

- The Sound of Music
- your name
- 21

GLOMAR VPC INC.



*Transforming dreams ...
into extraordinary lives.*

Lorraine Watson & Bonnie Duckett

vpc@glommar-group.com

www.glommar-vpc.com

MALIROO PROPERTIES INC.



*Dreams Become
Reality ...
One Property at a Time!*

Debbie & Gary Niessen

mpi@maliroo.com

www.maliroo.com

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

- May 28, 2008 6:30pm - 9:30pm
- summer break
- September 2008 - TBA 6:30pm - 9:30pm

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

Calgary (doors open 6:30pm)
Willow Ridge Community Centre - 680 Acadia Dr SE

- May 9, 2008 7:00pm - 10:00pm
- June 13, 2008 7:00pm - 10:00pm
- summer break

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

GLOMAR VPC INC.



Bonnie & Lorraine

Winter seems to be slipping out the back door - albeit not quietly - and attention has turned to most things spring.

The yard just finished being power raked with a quick round of fertilizer just as the flakes of snow began to fall. As the snow melted the grass sure looked green!

We did our part in the town's spring clean up initiatives by taking advantage of the free landfill fees. With the garage emptied of the large recyclables we have a fighting chance of organizing the rest of the space over the coming months.

When not engrossed in work we'll be busy giving the upstairs a fresh coat of paint (Inukshuk) and updating the casings and baseboard before the summer heat sets in.

And then of course there is the refereeing of the thankfully-not-too-frequent fights between the cats as the pecking order is being re-established with the newest feline addition to the family.

MALIROO PROPERTIES INC.



Deb & Gary

The students will be vacating our Lethbridge rental property at the end of April. Planning and shopping for freshening up the house for the next tenants is in full swing. With Ryan off to Australia for the next semester we have decided to implement a new marketing strategy and rent the entire

home to a family instead of students.

Deb attended a real estate seminar on the telltale signs of marijuana grow-ops and meth labs when inspecting your rental property or purchasing a property.

Deb's mom and her twin sister celebrated a milestone birthday and we surprised them with a houseful of friends and family to honor the occasion.

Figure skating is coming to an end and we are very proud of Jenaya's accomplishments this season.

I have been busy getting the Malibus ready for the show & shine season and have taken each of them for a cruise in between the April snowstorms!