



The Lion's Roar

Fall 2002

❖ Quarterly Bulletin for the Clients and Friends of Networth Asset Management Inc. Canada ❖

There Is A Time For All Seasons, So Let's Play Ball!

by Victor Didkowsky, CFP

Just as in nature where the universe dictates when the seasons should come and go, so it is in the wealth management universe.

As you know, I believe in buying quality assets, having a well diversified portfolio that provides the shock absorbers to keep you from bouncing around too much, avoiding making decisions based on emotion (95% of your success is determined by that). It also goes without saying, have a plan so that you know where you are going. Buy, hold and prosper has become a well-publicized tag line, and for the most part, I agree with that. However, the reality is that the market presents to its players various playing fields. Some of those fields (periods of time) are better suited for the slow and steady buy and hold players, while at other times the more agile active trading players seem to do better. With all of this volatility and the probability that we may not yet be finished with it for another year or two (depending on wars, Kyoto, corporate scandals and other surprises) it may well be the time that active trading players or alternative strategies should enter into your portfolio.

It's very sad that I can add between 300-3000 basis points in additional value to your portfolio (100-200 is considered excellent), but still we are not making money. Long-term, we obviously have structured a great base for systematic wealth creation and preservation. However in the short-term, it would be nice to see some positive numbers on the page.

First and foremost, those of you who heeded my words last winter and this spring when I spoke about BDC (Business Development Corporation) Managed Future Offerings have lots to celebrate; try returns up to 24.9%!

You may say, **that's great, but at what risk? None.** The Government of Canada guarantees the principal and a minimum rate of

return. The additional upside is you actually get what the pooled contracts return to the investors, which has averaged more than 12% annually over the last forty-five years. Another added benefit is that there is no direct correlation to the stock market. Therefore, it is a great addition to any portfolio. Very large pension funds and mammoth corporate investors have used these instruments for hundreds of years to smooth out their returns. Now you can also participate in them for as little as a couple thousand dollars, thanks to the cooperation of our government (they had to come up with something good at some point), the Business Development Corporation (a Crown lending corporation) and Tricycle Asset Management (the future contract experts).

A second idea you may want to consider is a unique pooled hedge fund offering from Mackenzie Financial. It has only been around since January 2, 2001, but over that short-term span has outperformed the S & P 500 in Canadian dollars by 32.1% and the TSX (the old TSE) by almost 28% net of all fees and expenses. The investment style, principles and instruments have been around for ever almost, but once again up to a year and a half ago it was a very risky arena to play in and required a great deal of expertise and money.

The one thing I especially like about this unique vehicle is that it will give us exposure to a multiple of alternative investment vehicles and strategies including, but not limited to, shorting stocks, various arbitrage, event driven and global macro strategies. As you know, I never make any recommendations until I can convince myself that it is sound, works in real life and is a good complement for your portfolio.

Both of these strategies gravitate towards reducing volatility, adding to portfolio performance, and allowing us, on a systematic and methodical basis, to participate as more agile and active trading players. I believe it is in their court that we will be playing for the next few years.

Please give me a call at 244-7400 so we can discuss the suitability of these alternative investment options for you and how they may impact your portfolio.

Protection from the odds

Health, wealth and happiness is what we all want, but without health your wealth quickly vanishes as well as your happiness.

One in four Canadians suffer from some sort of cardiovascular disease and one in three will develop life-threatening cancer. Seventy five thousand (75,000) people will have a heart attack **every year**. One hundred and twenty five thousand (125,000) new cancer cases are recorded **every year**.

With medical advancements 75% of all stroke victims survive. That's great, but the problem is the high financial cost of survival. Where is the money going to come from?

Will your survival become your tomb of poverty and will it drag down your family as well?

Marcus Barnard, brother of Christian Barnard the famous South Africa heart transplant surgeon, pioneered "critical illness" risk protection. Critical illness is a living benefit. It provides a one-time lump sum payment to look after you, your family, and your dignity. Did you know that the average age for a claimant is 41 . . . so young.

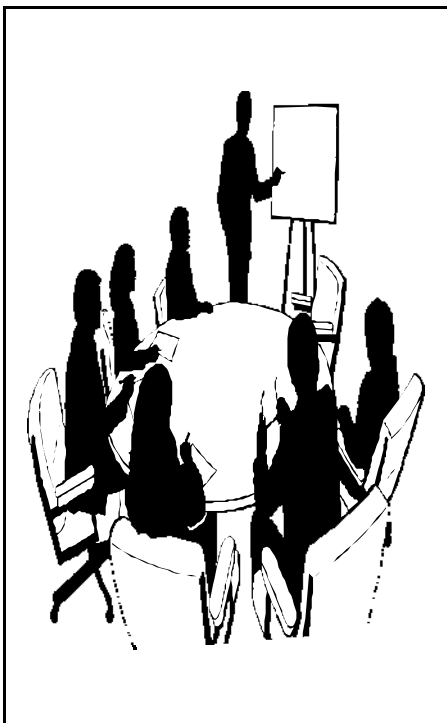
Choice, dignity and freedom is what money represents to most of us, call me to find out more.



A Little Known Fact

Do you realize that you have a **Board of Advisors**, comprised of people such as yourself acting as the rudder and guiding the direction of the Network Asset Management practice? Each of these individuals brings a wealth of knowledge, experience and talent. The common thread is that they are all clients, in addition to being friends. Each has a keen interest in the direction that the practice takes and in ensuring its success. Over the years we have examined, developed, modified and debated such topics as our web site, internet presence, security, reporting, accountability, adding value, services provided, practice management, methodology, marketing, development, growth, positioning and the list goes on.

"No man is so foolish but he may sometimes give another good counsel, and no man is so wise that he may not easily err if he takes no other counsel than his own. He that is taught only by himself has a fool for a master."
Ben Johnson



Meet Our Board of Advisors:

Barry Bergos

Barry is a senior executive in the oil and gas industry and has been in the geophysical industry for over 25 years.

Why I choose to be on the Network Asset Management Advisory Board?

I was very honored to be asked by Victor to be a part of the Advisory Board. The Advisory Board is a great idea that allows a focus group of clients to help Network Asset Management achieve its goals while maintaining the core reason for the success it has achieved so far.

Bob Fought

Bob is president and co-owner of Northern Edge Solutions Inc. and has been involved in the IT industry for 20 years.

Why I choose to be on the Network Asset Management Advisory Board?

The Advisory Board of Network allows me the opportunity to provide input to what I believe is something unique to the Financial Planning industry. As a business owner I applaud Victor's approach in taking input from an Advisory Board. It makes good business sense!

Julie Gibson

Julie has been an active realtor with Re/Max in Calgary for over 16 years. The primary focus of her business is residential sales, including condos and small revenue properties.

Why I choose to be on the Network Asset Management Advisory Board?

When asked to sit on the Advisory Board for Network Asset Management, I felt it was both a compliment and privilege. I have had an active business relationship with Victor for the past 7 years and am genuinely interested in seeing his practice grow and prosper. I hope to contribute in a worthwhile manner offering constructive feedback and input. This is a win/win experience and I am grateful for the opportunity to participate.

Leo Donlevy

Leo is an Instructor in Entrepreneurship

and has specific responsibility for the field experience component of the MBA program at the University of Calgary.

Why I choose to be on the Network Asset Management Advisory Board?

I joined the Advisory Board to act as a sounding board for current and new initiatives and activities of Network.

Dr. Oliver David

Oliver graduated from the University of Alberta in 1990 and has been practicing family medicine in Forest Lawn since that time. He is the past president of the Calgary Medical Society, and had served as president for three years. He is married to Deanne and has three children, Xavier, Elyse and Conrad.

Why I choose to be on the Network Asset Management Advisory Board?

I have been involved with the Advisory Board since its inception. It has provided me an opportunity to contribute my ideas and to give feedback on the direction that the practice is taking. In addition to that, it has provided the opportunity for me to meet various people across a spectrum of different professions. I truly enjoy and value my participation on the Network Advisory Board.

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Dinner Draw Winners

Don't forget, every time that you introduce us to someone who becomes a client, your name is entered for a dinner draw. We have the pleasure of awarding this symbol of our appreciation every quarter.

Congratulations!

This period's dinner draw winners were **Jennifer Winter** and **Nick Holyome**, who referred us to **Mark Gillespie** and **Stacey Brown**.

We welcome Mark and Stacey to our practice and thank Jennifer and Nick for their continued support.

Bon Appetit!

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Tim Nugent

Tim is a consultant in the IT industry and has been involved in that sector for the last fourteen years. Most of that time has been with small entrepreneurial companies, helping to build them from under 10 people to mid sized 100+ person companies.

Why I choose to be on the Network Asset Management Advisory Board?

I joined the Network Asset Management Advisory Board to contribute my thoughts on the direction of the firm. I see this practice as a small community of folks with a desire to build themselves a future, with the help of strong financial management. I want to be active in that community, creating a foundation to help people see a vision of successful dreams through both investment and risk management.

Mark Verhelst

Mark is a manager at KPMG Consulting in their Utilities practice. His specialty is implementing solutions for clients in the areas of customer information and billing, workforce management, and meter data management.

Why I choose to be on the Network Asset Management Advisory Board?

I rely on Network Asset Management to advise and recommend investment options that are tailored specific to my retirement plans. Victor has done an excellent job doing that, but he continually strives to improve himself and the service he provides to me and his other clients. As a member of the Advisory Board I can help Victor by informing him of the types of services and care that his clients want and expect.

Paul Lauzon

Paul is a Vice-President with Ipsos-Reid (formerly the Angus Reid Group) and has been with the company for 5 years. He has been in the market research industry for more than 12 years, working at many levels including the federal government (Parks Canada), airline industry (Canadian Airlines), and now as a supplier of market research.

Why I choose to be on the Network Asset Management Advisory Board?

It was great to be asked to be part of this board. I have known Victor for many years and have the utmost respect for him and how he conducts his practice. My goal for being on the board falls in nicely with one of my life philosophies of "making things happen". I hope that by being a sounding board for ideas and suggestions I can add value to Victor's firm, and therefore add value to the professional relationship I have with Victor.

There is a more extensive write up on each of these individuals on our web site www.networkassetmgt.com under the "Who We Are" section specifically, our Board of Advisors. Please take a moment to familiarize yourself with your representatives. If you would like to find out more about how you can get involved please give me a call at 244-7400.

To each and every one of these volunteers our sincere and heartfelt thank you. Because of your support, direction, and encouragement our practice continues to grow and serve the needs of our extended family in making their dreams a reality.

RRSP Season Is Fast Approaching And The Markets Are On Sale

By February the best sales for this year could have come and gone. If you have not been taking advantage of the buying opportunities on a monthly basis, then at least take advantage of them now before the **last minute club drives up the market**. Interest rates are low and great companies are deeply discounted.... maybe it's time for that catch up loan. (We can arrange that)

Remember, buying low and selling high is a good strategy! Call me today at 244-7400.

News & Views

Are you stressed?

It may well be the world we live in, but there are ways to reduce your stress level.

1. Identify the source of stress
 - Avoid, alter or accept it
 - Most stress comes from dealing with people
2. Be physically active
 - When exercising, your body releases endorphins which relax you
3. Take a laugh break
 - Read the funnies before you read the front page of the paper
4. Share your feelings
 - Talk to people and express your emotions
5. Take time for yourself
 - Schedule some personal time every day
6. Fill your body with premium fuel
 - Alcohol, caffeine, sugar, fats, and tobacco all stress out our bodies even more
7. Vacation
 - Unwind, rest your body and mind
8. Learn and use relaxation techniques
 - Deep breathing, meditation, yoga or stretching will all assist in keeping your body and spirit well toned
9. Enjoy your pet
 - It will bring down your blood pressure
10. Ask for professional help
 - It's a sign of inner strength, not weakness

A holistic life plan incorporates finance, health, family, spirituality and self-awareness into a well-balanced approach towards life. Remember this prayer.

God grant me the serenity to accept the things I cannot change; courage to change the things I can, and the wisdom to know the difference.

Sources: Heart and Stroke Foundation of Canada
Canadian Mental Health Association
National Mental Health Association



Mortgage Broker- What We Really Do

Just as you hire a Financial Planner to be an integral part of your retirement planning, choosing investment strategies, or insurance solutions, a mortgage professional supports you through an entire mortgage transaction. The mortgage broker acts as a key liaison between you, the client, and the lender. We represent our clients by negotiating with a large base of lenders for the best rates and products that fit specific circumstances and client's desires.

Service is the name of the game. You want to find a mortgage professional who will offer you highly personalized service, efficiency and convenience. Mortgage Brokerage services are available for purchase, renewals and refinances. We also have a wide range of products for those individuals that don't fit neatly into "bank's" lending criteria. More specifically, we assist those who are self employed, have little or no down payment, or those who have had past credit problems. A mortgage broker's services are available to everyone.

Over time we have all had dealings with one bank or another. For many consumers this can be a daunting experience- fear of judgment, fear of rejection, and fear of having to go through this process again and again. Using a Mortgage Broker eliminates the frustration and fear from the mortgage process. We are responsible for the client's mortgage application from beginning to end. This is of great benefit to all parties, as we are familiar with the needs of the client, the realtor, the builder, and the lender.

When the time comes to arrange your mortgage, make the call guaranteed to save you money and time. You will receive knowledgeable and professional service, and the best part is that the lender usually pays the services of a mortgage professional.

Heather Skaper
Invis Financial Group
(403) 220-9391
hskaper@shaw.ca

Building Our Practice By Client Referrals

We have made a fundamental change in how our practice operates. As of the beginning of the year we decided that we would only accept new clients who have been referred to us by an existing client. In making that decision, it has allowed us to focus all of our efforts on meeting your needs and that has led to your proven success during these uncertain and illogical times.

You have experienced first hand the value of having a relationship with a trusted advisor. Let me ask you, of those individuals who you care for the most that maybe are lost, trying to wing it on their own, or are scared, maybe embarrassed to ask for help, who would you like to have benefit from a client centered, trust based relationship such as what you enjoy with me. Please get their permission, then call us with their phone number and we will contact them to see if we can truly be of assistance.



*I require your
assistance. . .*

What is it that I do so well that has earned your trust?

Of your most valued relationships, who else would also value that?



Just a reminder.

We have a library of some of the very best books and tapes on Personal Finance and Self Development, available to you on loan, at no cost, just give us a call.

*Welcome and
Thank you!*

Welcome, to all of our new clients who have joined us since our last news bulletin. Thank you, to those of you that have mentioned our name to people that you know would benefit from our services, just as you have.

Your introductions, and trust in our abilities, mean a great deal to us.

Pass it on. . .

If you enjoy this publication and find it of value, possibly someone else you know may also appreciate receiving it. If that is the case, please give us a call and we would be happy to add them to our list or simply click "Send To A Friend" on our website.

NETWORTH
Asset Management Inc.

330 Eleventh Avenue North East
Calgary Alberta Canada T2E 0Z1
www.networthassetmgt.com

tel: 403.244.7400
fax: 403.244.8276
info@networthassetmgt.com

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