

Wealth Advisors

**When we truly understand what really drives you,
when we understand your values and goals,
that's when we are at our best.**

Making a difference for you

After years of advice from their local banker, John (recently turned 71) and Margaret (currently 63) were referred to an advisor at Mercator Financial by a friend. John and Margaret have legal custody for two of their grandchildren which represents a significant financial obligation to them. So much so that Margaret continues to work full time and is unsure when she will be able to join her husband in retirement. John no longer works due to some health concerns. They have an outstanding mortgage on their home as well as a line of credit that they have amassed from raising these children over the past few years. Based on their payment streams they are on track to be debt free in ten years.

They currently have half of their investable assets at the local bank with the other half comprised of a defined contribution pension plan through Margaret's employer. As John turned 71 this year, he is obligated to convert his RRSP's into Registered Retirement Income Funds (RRIF's). During his last meeting with their banker they were advised to sell all of their market investments to purchase GIC's and the banker stressed that this was a good thing because they are guaranteed. The problem with this proposed strategy is that their banker paid little attention to any type of fundamental planning regarding their current cash flow or their expected cash flow upon Margaret's ultimate retirement date, leaving them with little advice on the negative affect that such low rates of return would have on their retirement projections.

Upon engaging a Wealth Advisor at Mercator Financial for perspective, they gained insight and clarity to the types of problems they would run into in the future by acting on their banker's recommendation. They were also able to get a better idea of how much longer Margaret would have to work in order to help pay down debt as fast as possible and devise strategies to do so. Their Wealth Advisor outlined that they
(continued on back cover)...

OUR SERVICES

- ✓ **Financial Planning**
- ✓ **Portfolio & Investment Solutions**
- ✓ **Retirement Solutions**
- ✓ **Estate Maximization**
- ✓ *** Risk Management:
- Life, Disability, Critical Illness**
(*Insurance products offered through Mercator Financial Inc.)

**"Year's end is neither an end
nor a beginning but a going
on, with all the wisdom that
experience can instill in us."**

~ Hal Borland

Best Wishes for 2012

 **Manulife Securities**

**INCORPORATED
INVESTMENT SERVICES INC.**



SECOND HALF COMMENTARY 2011

We write this newsletter reflecting on the year that was, as well as projecting into the year that is to come.

We can now generalize about a few things. Canadian Equity markets fell by 11.07% during 2011 with our dollar down 2.6% against the \$US. On the commodity side, Gold ended the year up 9.04% as did Crude Oil up 8.0%.

Provincially we are way past the BHP Billiton takeover concerns and are now looking for BHP Billiton to develop a potash mine. Premier Brad Wall returned to office with a sizeable majority and our population continues to grow while resources continue to be developed.

Regionally, prairie farmers will now get to decide whether they want to support the Canadian Wheat Board voluntarily or market their own grain. It will be interesting to see the results of this plebiscite.

Globally, Europe has presented a unique set of circumstances as their political leaders strive to hold the currency union together. We will all watch how this plays out as we hope for political and economic stability in Europe, the Far East and the Middle East.

What about the Middle East? If that situation deteriorates, how will the price of oil be affected? Will Canada continue to be looked on as a leader of fiscal responsibility and economic growth? What will economic growth

look like for India and China?

It has been said that year-end has often been the time for trend reversals. We can be certain of a nearly hysterical media and we look forward to shifts in investor psychology. There are often lessons learned from bumps and bruises and that is why we encourage our clients to work from a Financial Plan to fully grasp how market fluctuations create opportunities and warrant changes.

Here in Canada, more notably Western Canada, we are very fortunate to have a strong and growing economy. That being said, it is important to reflect on your own family situation to determine if you are living within your means. Are you working to eliminate debt and grow your investable assets, or are you like millions of other Canadians who have reached record levels of household debt due to their insatiable need to follow consumption trends? Heed the warnings of our Finance Minister and Bank of Canada Governor, get your debt under control and focus more on savings before interest rates begin to rise.

As we look ahead to 2012 our Mercator Wealth Advisors do so with the understanding that there is a bigger picture than today's headline news. Our undertaking for 2012 continues to be educating our clients on how the financial news of today will fit into their future plans.

We wish everyone a healthy and prosperous New Year!

Stock Exchange	Year to Date Dec 31, 2011
TSX (Toronto)	-11.07%
DOW (U.S.)	5.53%
S&P (U.S.)	0.00%
NASDAQ (U.S.)	-1.80%
CAC (France)	-16.95%
FTSE 100 (London)	-5.55%
DAX (Germany)	-14.69%
NIKKEI (Japan)	-17.34%
HANG SENG (Hong Kong)	-19.97%

CURRENT RATES *

(As of Dec. 31, 2011)

Term	GIC's	RSP's
1 year	1.85%	1.85%
2 Year	2.08%	2.08%
3 Year	2.22%	2.22%
4 Year	2.37%	2.37%
5 Year	2.71%	2.71%

* Rates subject to change

"Daily Interest" Account

1.75%

The Results & Headline News Makers

Stock Exchange	July 31 2011	Aug 31 2011	Sept 30 2011	Oct 31 2011	Nov 30 2011	Dec 31 2011
TSX (Toronto)	12,946	12,769	11,624	12,252	12,204	11,955
DOW (U.S.)	12,143	11,614	10,913	11,955	12,046	12,218
S&P (U.S.)	1,292	1,219	1,131	1,253	1,247	1,258
NASDAQ (U.S.)	2,756	2,579	2,415	2,684	2,620	2,605
CAC (France)	3,671	3,257	2,982	3,243	3,155	3,160
FTSE 100	5,815	5,395	5,128	5,644	5,505	5,572
DAX (Germany)	7,159	5,785	5,502	6,236	6,089	5,898
NIKKEI (Japan)	9,833	8,955	8,700	8,988	8,435	8,455
HANG SENG	22,440	20,535	17,592	19,865	17,989	18,434

⇒ **July 2011** - After 6 years of playing a major role in Afghanistan, Canadian Troops pull out of the volatile province of Kandahar.

⇒ **August 8, 2011** - U.S. credit rates downgraded by Standards & Poor's from AAA to AA. Investors nervous and worried about a possible recession; gold hits new high.

⇒ **September 11, 2011** - The world remembers 10 years ago...

⇒ **October 20, 2011** - Muammar Gaddafi-Libya's head of state since 1969 was captured by rebel forces and died the same day.

⇒ **November 7, 2011** - Swift Current's Brad Wall and Premier of Saskatchewan re-elected with majority government - 65% of popular vote, taking 49 of the 58 seats in the legislature.

⇒ **December 12 -13, 2011** - Bank of Canada governor, Mark Carney, warns Canadians they have too much household debt, something that poses a real threat to the economy should interest rates rise. Statistics Canada reported average household debt in Canada hit a record high of almost 153% to disposable income in the third quarter, a sizable jump from 150.7% the previous quarter.

Five Steps to Keep Your Investments on Track

Stock markets around the globe seem to have settled into a pattern of extreme swings that send investment portfolios surging one day and tumbling the next. This has left investors shell-shocked, dismayed and more than a little fearful of what comes next.

The bad news is that many market-watchers suggest these unruly markets are here to stay, at least for the next several years. Why? The sharp swings are being driven by widespread uncertainty about the excessive government debt loads in Europe and the U.S., and the general weakness in the global economy. It's anyone's guess as to when these problems will be resolved. And until they are, it's safe to assume more turbulence is on the way.

Here are five strategies that can help you be successful in all types of markets:

- (1) **Revisit your tolerance for risk:** Your risk tolerance tends to change over time. So, before you make any adjustments to your portfolio, you should reassess your ability to bear risk both financially and emotionally.
- (2) **Focus on the long term:** More than ever; it's crucial to stay focused on your long term goals. Remind yourself what you're investing for, and review your asset-allocation strategy to ensure it's still appropriate to help you achieve your goals.
- (3) **Check your emotions at the door:** This may be easier said than done. But ignoring your emotions is nonetheless a critical step in the process of building and maintaining a resilient portfolio.
- (4) **Get help:** Another way of ensuring your emotions aren't causing you to derail your financial plan inadvertently is to work with a professional. Even if you're well versed in the world of finance, your emotional attachment to your hard-earned savings can hamper your ability to make objective investment related decisions.
- (5) **Rebalance regularly:** As painful as it might be to see how much havoc market volatility has reeked on your investments, it's important to keep an eye on your portfolio. There is a good chance that market turbulence has thrown the allocation of assets in your portfolio off track. To steer your asset allocation back on track, it may be necessary to beef up some asset classes and trim others.

We understand that being an investor over the last number years has not been easy. We know adjustments need to be made from time to time based on some events that can put a change to your current path. But using these strategies can keep you focused and ensure you are successful in achieving your goals in life. Another thing to consider is reviewing the types of products that are now available as there may be a better fit for you and your family and they may help you rest easy in times of uncertainty.



Managing Life Events - Should you be worried?

Everyday people wake up and start their daily routines of eat, work and play. Sometimes we wake up with excitement knowing some special life event is taking place, a wedding, a birth, a family holiday to create memories that will last a lifetime. Then there are those days when you wake up and in the blink of an eye a life event happened that you didn't see coming. Those events are the ones that change a person's life in a manner that can be very hard to comprehend.

Should you be worried? If you were involved in an accident that left you out of work and taking physiotherapy would your work benefits be enough to sustain your daily life requirements? Could you cover your mortgage and other bills or would the unforeseen event cause you to dip into your retirement savings account causing an adjustment to your future goals and dreams?

The reality is, life changing events happen every day and people can ask the same question to each life altering shift. How prepared am I to deal with an illness, disability or death? Plus, if sleep is being lost because the thought of having a policy to cover each life altering change seems too costly then you can rest easy.

Manulife has a comprehensive insurance solution that will protect you and your loved ones against the financial implica-

tions of disability, critical illness and death all bundled into one plan. It can also be a more affordable option to owning three stand alone products.

The risks are real and to be forward thinking during your working years is crucial to maintaining your personal goals and dreams.

To find out more about a 3 in 1 innovative solution product called Synergy, call your Mercator Financial Wealth Advisor to learn more about the all in one package.

- ONE application
- ONE underwriting process
- ONE amount to pay
- ONE plan to manage

One call that could help keep you on track when a change in your path happens, help you sleep better and give you the protection you need to protect the ONE thing that matters most - Your family.

**Wealth Advisors -
Making a difference for you (continued from page 1)**

would need to achieve a six percent year over year rate of return until life expectancy (a far cry from the two percent, five year GIC's would provide that the banker had recommended), and would have to use all of their equity in their home in order to achieve the "retirement" that they have in mind. With these projections in hand, John and Margaret are now in a better position to make decisions on the types of investments (and associated risks) that they must consider in order to live the life they envisage.

At Mercator Financial, we pride ourselves on the ability to look at the entire picture and to offer opinions and recommendations based on all relevant information. We set ourselves apart from our competitors because we have the expertise to illustrate how financial decisions can impact ones future. We cannot control investment performance, but we can better manage client expectations with the help of a comprehensive long term financial plan.

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All individuals and content in this story are real, the names and a few details have been changed to protect our client's identity. Consent has been obtained to use their story as they do not want others to fall victim to a situation that can negatively impact their financial future.

We thank them for allowing Mercator Financial to share this compelling Wealth Awakening story.



Life is about more than money

A New Year! A time when people make resolutions or start something new and different. One could start a diet, a new exercise routine, a class, or try something to bring more meaning and purpose to your daily routine.

If you are looking for an excellent way to spend your spare time, volunteering could be a great opportunity to show community support and also bring meaning to your life. If you would like to volunteer contact local groups that interest you or check out www.getvolunteering.ca for some ideas. Volunteer Canada, the national umbrella group for 2,000 local volunteer centers, has partnered with Manulife Financial to build an online tool to help match people with suitable volunteer opportunities based on interest, skills and availability.

Mercator Financial prides itself on the volunteer efforts and hours that our staff give to organizations and charities in our community. We realize the vital role volunteering plays in the community and we are committed to improving the quality of life by inspiring individuals to give back.

Mercator Financial's goal for 2012 is to remain in the spirit of giving. We will continue to reach out to, and raise awareness for, local organizations. Listen to Magic 97 radio for our "Charity Spotlight Moments" and watch for us at local community events.

"Life is a gift, and it offers us the privilege, opportunity and responsibility to give something back by becoming more."

~Anthony Robbins

REMINDER



2012 is a Leap Year

Last day of RRSP Season is February 29th!

Coming this Spring Retirement Income - Lifestyle Symposium

Watch our website for details on an event that will complement Barry LaValley's Lifestyle workshops that were held in 2011.



"Awaken Your Wealth"

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