

Merchant Of Hope & Prosperity (Jan 31, 2001)

"Where Client Goals Become Our Goals"

Timothy L Ross

Your Independent Financial Advisor

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www.timothyross.com Public Speaking Link

1. THE NUMBERS

Market closes for Wednesday, January 31, 2001:

DOW JONES: 10887.36 / +6.16 pts or +0.06% / YTD: +0.93%

S&P 500: 1366.02 / -7.71 pts or -0.56% / YTD: +3.46%

NASDAQ: 2772.93 / -65.42 pts or -2.30% / YTD: +12.24%

TSE 300: 9321.90 / -26.50 pts or -0.33% / YTD: +4.35%

Canadian Dollar Close: \$1.4989 Cdn or \$0.6671 US

FTSE100: 6297.50 / -37.00 pts or -0.71% / YTD: +1.21%

DAX: 6795.14 / +55.84 pts or +0.83% / YTD: +5.62%

CAC: 5998.49 / +81.34 pts or +1.37% / YTD: +1.22%

2. THE MARKETS

NASDAQ FALLS ON FED DISAPPOINTMENT: U.S. stocks ended the day mostly lower after the U.S. Federal Reserve cuts its key lending rate by 50 basis points, disappointing investors, who were hoping for a 75-basis-point reduction. The NASDAQ lost 65 points, about 2%, to close at 2,772, as software makers Microsoft, Adobe Systems and Peoplesoft all declined. The Dow Jones Industrial Average was flat today, gaining 6 points to close at 10,887. Retail shares gained after a Merrill Lynch analyst predicted the

sector will rally over the next two months.

TECH DECLINE HITS TSE: The Toronto Stock Exchange lost 26 points, about 0.28%, to 9,321. Major tech stocks, such as Nortel Networks, JDS Uniphase and Research in Motion were all down. Investors were selling off slightly after the Fed rate decision. Eight of the TSE's 14 sub-sectors closed higher. AGF Management closed down 26 cents at \$26.24 after reporting strong year-end figures. The TSE was shut down for 20 minutes late this afternoon, due to what officials described as a "trading engine" problem.

3.An Interview With Timothy L Ross

"One of Life's Great Goals"

" Interview with Timothy L Ross, Independent Financial Advisor @ 27 Apple Street Brockville, Ontario K6V 4X7. Branch Manager for the local office of Professional Investments "

"Q" Tim, as you know we are doing a project which features our readers grandchildren. As a financial advisor what concerns do you see grandparents having?

"A" There is basically 5 great life goals. I'll discuss only 3 of them today. First is **securing a comfortable retirement** that is fully funded, with no compromise in life-style, and no real concern about ever running out of money. Secondly, many feel the need and have a desire to **intervene in a meaningful way in the financial lives of their children**, either during their lifetimes or in the form of a legacy. **Education for our grandchildren is usually the third priority.** There has been numerous articles written about the rising cost of education. Even the government appears to have become concerned , improving the RESP program, and added some excellent tax credits. Industry experts predict that it will cost \$90,000 to fully fund a 4 year university program for a new born today.

"Q" Where is that kind of money going to come from?

"A" There are ways this can be funded. Historically we have recommended "In Trust Accounts". RESP's are gaining popularity because of the addition of the grant program, which can add up to \$400/yr in additional savings per child. Because of the many factors to be considered, one truly needs to **meet with their family's primary financial advisor** and discuss the options available and tailor fit a plan that best meets the family's budget, tax concerns, risk tolerance and capital requirements.

"Q" Why would a grandparent be more interested in helping out, isn't that the parents responsibility?

"A" Yes it is, but don't forget, there is basically no grants, and student loans are tougher to get. If you know anyone who is paying back student loans, just ask them if they are having an easy time of it. Additionally it is getting harder and harder for family's to make ends meet, and often that extra few dollars a month is just not there after everything else is taken care of. Also, let's not forget, **traditionally grandparents often had the role of educator, imparting wisdom to the younger generations.** A great deal of respect was given to our elders in the past, and I can see a return to this in the future.

"Q" What is it that gets some one to think seriously about their grandchildren's future?

"A" Our grandchildren are an extension of our hopes and dreams, extending beyond even those we had for our own children. For grandparents, there is a real fear that their sons and daughters are not as financially secure as they were. **Grandparents need to and should intervene** in many cases to ensure that their grandchildren will have at least the same chances that their own kids had, if not better. When my clients first think about their grandchildren's education, it is some times the attitude that little Susie is only 6 months old. We will get around to it some day. **They truly want to do something meaningful**. I often say that with investing, time is your friend but with planning, time is against you. The good book says that none of us are promised tomorrow, only today is for sure." **My best advice, act accordingly, the rest is commentary."**

4. E-Commerce

B2B Themes

Enablers of B2B are companies that engaged in the development, manufacture, distribution and sales of products, processes or services related to information technology, including the internet, e-commerce, business-to-business applications, telecommunications, computers or any other type of information technology. This includes companies that supply hardware, software, information or services to these companies and companies that the portfolio adviser believes would benefit from developments in the information technology industry. Some examples of these companies are ariba, commerce one, smartforce, and rational software.

*** Users of the Internet (or morphing) are companies that use the Internet to improve their efficiency. GE is a good example of a company that has leveraged the power of the Internet to gain a competitive advantage. These companies can benefit from the Internet in different ways. Examples:**

they can use the Internet as a distribution channel or they can utilize the Internet to communicate more effectively with their suppliers. Bank of New York, GE, Skandia, Home Depot . Obviously, many sectors are represented within these two themes.

Current position: Tech stocks have been beat up and their valuations are more attractive so we have a heavier allocation on the enablers. Regardless of a slowing economy, companies need to continue to invest in B2B to compete. Enablers will benefit from these activities. Morphing companies are more likely to see the benefit of these investments down the road. However, we own quality morphing companies that we expect to benefit substantially in the future. January 31, 2001 Vitamin B

5. Quotes

"I have probably purchased 50 'hot tips' in my career, maybe even more. When I put them all together, I know I am a net loser." -- Charles Schwab

We cannot control the tragic things that happen to us, but we can control the way we face up to them.

"Learn to help people with more than just their jobs: help

them with their lives."

Do it. Do it right. Do it right now

"A compassionate society is one which recognizes the great power of faith," Bush said last week. "We in government must not fear faith-based programs, we must welcome faith-based programs." President George W. Bush

6. Investment Tip of The Day

As an informed investor, you know that RRSPs are the best way to reach your retirement goals and realize tax savings. However, changing legislation and innovations in financial services means that you constantly have to update your knowledge. I can provide you with that knowledge. Call me for tips like how "clone" funds allow you to tap into growth in international equity markets but not exceed the 25% foreign content limit. I also have many other tips that I'd like to share with you. Ensuring that you make the best decisions for your RRSP is my role as your financial advisor. Let's take the time now and review your RRSP options without the deadline hanging over both our heads!

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"Timothy L. Ross, is an Independent Financial Advisor. He provides a full service financial plan for all his valued clients. If you have any questions about your family's goals he can be reached at 613-498-2207, 1-800-667-4662 or by email timross@recorder.ca or advisor@timothyross.com . Most of Mr. Ross's new clients are by referral, so ask your friends and find out why so many family's choose Timothy L Ross as their family's primary financial advisor."

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