

Year in Review, Market Commentary Executive Summary

Date: January 4, 2012

Dear friends,

A new year is upon us and it is a time to review the year left behind, and look forward to the year ahead. In anticipation of the coming annual review that we do for all clients, I thought it would be appropriate to provide you with comments and insights relating to portfolios and investments. Every client has unique attributes, goals and objectives, and time horizon. The comments in this summary are provided for better understanding my perception of financial markets, rather than indications of what to buy or sell. For a more detailed review, please read the full commentary located on our website.

As always, feel free to forward this summary and the detailed commentary to friends and family who may have interest or who desire investment insights, and require sound financial advice.

2011 has been a volatile year. I cannot remember a time in which markets have seen more ups and downs (volatility) and where the bigger picture has been lost amongst the many economic and political headwinds. Two terms that we have heard repeatedly during 2011 and expect to hear more of during 2012

- “Headwinds” refer to issues that push back economic growth (such as unemployment and political uncertainty)
- “Tailwinds” refer to issues that push forward economic growth (such as youthful demographics and lower tax rates)

2011 has provided a great many headwinds.

1. Political disunity and lack of leadership in the United States
2. Fiscal and political dysfunction in Europe (Greece, Italy, Spain, Portugal...)
3. The Arab Spring (Yemen, Egypt, Tunisia, Jordan, Libya, Syria)
4. Catastrophic events leading to economic and corporate distress (the Tsunami in Japan)
5. Inflation in the BRICs (Brazil, Russia, India, China) leading to economic slowdown

Page 1 of 2

John Tabet
Financial Advisor

www.wealth-by-design.ca
1388 Cornwall Road—Unit B
Oakville, ON L6J 7W5

Phone: 905-338-8343 x 230
Fax: 905-338-8042
E-mail: john.tabet@iagto.ca

John Tabet is a financial advisor licensed as a full-service securities broker as well as an insurance broker. John works with individuals and families to protect and grow wealth. With over 20 years of broad based experience in the financial services industry, John provides clients and investors with a unique perspective on investment management. John has been an independent financial advisor since 2001. The opinions and information shared in this article and series are those of John Tabet alone. They are for information purposes only, and do not construe financial advice.



January 2012

Affirmation of two key truths

1. We are investors. Long-term investors. We are not speculators, not traders, not market prognosticators.
2. Patience is one of the best traits of a successful investor

Three Realities for 2012

1. Bond yields are low and bond prices are high – flashing yellow signs that indicate a 30 Year bull market in bonds may have drawn to a close
2. In general, larger companies have been able to strengthen their financial picture, and are in better shape today than they were in 2008/2009.
3. The shoe is on the other foot now. Developing economies are in better position than developed economies to weather the current economic headwinds

Investment Insights for 2012

1. Don't avoid bonds or fixed income, but do not over-allocate to them
2. Canadian companies have performed well, and Canada continues to be an economic darling on the global stage, but US companies, particularly US Multi-National looks appetizing for the first time in 8 years
3. Global markets, particularly developing markets are of particular interest and value to the patient, long-term investor

John Tabet
Financial Advisor

www.wealth-by-design.ca
1388 Cornwall Road—Unit B
Oakville, ON L6J 7W5

Phone: 905-338-8343 x 230
Fax: 905-338-8042
E-mail: john.tabet@iagto.ca

John Tabet is a financial advisor licensed as a full-service securities broker as well as an insurance broker. John works with individuals and families to protect and grow wealth. With over 20 years of broad based experience in the financial services industry, John provides clients and investors with a unique perspective on investment management. John has been an independent financial advisor since 2001. The opinions and information shared in this article and series are those of John Tabet alone. They are for information purposes only, and do not construe financial advice.