

**CIRCULATION AND RESEARCH**

Keith Fulford, Circulation Director  
 Cindy Younan, Circulation Manager (maternity leave)  
 Tricia Benn, Director of Research  
 Elizabeth Hall, Senior Research Manager

Justin Graham, Senior Research Manager  
 Vinod Ramlakhan, Research Analyst  
 Sarah Gunn, Research Assistant

**EDITORIAL ADVISORY BOARD**

David Wm. Brown, Al G. Brown and Associates  
 David Christianson, Wellington West Total Wealth Management  
 Kathleen Clough, PwL Capital  
 John Horwood, Richardson Partners Financial Limited  
 Rebecca Horwood, Richardson Partners Financial Limited  
 Cynthia J. Kett, Stewart & Kett Financial Advisors Ltd.

Jim Rogers, Rogers Group Financial  
 Kurt Rosentreter, Berkshire Securities  
 Nancy Shewfelt, Wellington West Capital Inc.  
 Thane Stenner, Stenner Investment Partners, GMP Private Client  
 Lynne Triffon, T.E. Wealth  
 Terry Zive, Gordon & Zive

**ROGERS MEDIA INC.**

Anthony P. Viner, President and CEO

**ROGERS PUBLISHING LIMITED**

Brian Segal, President and CEO  
 John Milne, Senior Vice-President, Business & Professional Publishing Group  
 Marc Blondeau and Michael Fox, Senior Vice-Presidents  
 Immee Chee Wah and Patrick Renard, Vice-Presidents

**ADVISOR'S EDGE**

established 1998, is published by Rogers Publishing Limited, a division of Rogers Media Inc. *Advisor's Edge* subscriptions include 24 issues per year, consisting of 12 issues of *Advisor's Edge* in magazine format and 12 issues of *Advisor's Edge Report* in tabloid newspaper format.

Rogers Publishing Limited, One Mount Pleasant Rd., Toronto, Ontario M4Y 2Y5. Montreal office: 1200 avenue McGill College, Bureau 800, Montreal, Quebec H3B 4G7.

Subscription price per year: \$72 CDN; outside Canada per year: \$148 US; single copy price: \$15 CDN. ISSN 0703-7732.

Printed in Canada.

PM 40070230 R10969. Canada Post:

Please return undeliverable address blocks to:

Advisor's Edge,  
 P.O. Box 720, Station K,  
 Toronto, ON M4P 3J6.

E-mail: [returntoadv@ctstonecanada.com](mailto:returntoadv@ctstonecanada.com)

We acknowledge the assistance of the Government of Canada, through the Publications Assistance Program toward our mailing costs. Contents copyright © 2008 by Rogers Publishing Limited, may not be reprinted without permission.

*Advisor's Edge* receives unsolicited materials (including letters to the editor, press releases, promotional items and images) from time to time. *Advisor's Edge*, its affiliates and assignees may use, reproduce, publish, re-publish, distribute, store and archive such submissions in whole or in part in any form or medium whatsoever, without compensation of any sort.

PHILIP PORADO [philip.porado@advisor.rogers.com](mailto:philip.porado@advisor.rogers.com)



## PANIC ON LINE 2

Your clients are on a rollercoaster.  
 So, pick up the phone and help.

**BACK** in 2000, when the tech bubble was in the process of bursting, a source I was chatting with bemoaned the fact that so many of her broker colleagues were afraid to face their clients. The bulk of them, she said, were too young to have been in the business during the 1987 correction, and a few had literally taken to hiding under their desks to avoid talking with nervous clients. History repeats.

World equity markets have taken the long road to correction. It took the subprime mortgage debacle to lift the veil on a dirty little secret that's been obvious to sensible observers for years—U.S. home values are over-inflated and American consumers have been using phantom equity to cover purchases they can't afford. Not long after the crisis hit the newsstands, policymakers began discussing creation of funds to buy troubled mortgages, sharp cuts were made to interest rates—and more are expected—and a stimulus package was passed to try and stave off recession.

Such troubles for Canada's biggest trading partner have investors above the 49th Parallel legitimately concerned about the health of their portfolios. Prime-time sketch comedy shows, like *This Hour Has 22 Minutes* and *The Rick Mercer Report*, have added recession jokes and mercilessly spoofed some recent ads being run by the banks. While these comedians likely don't have economics degrees, the jokes reflect the public mood.

Another bad sign is that some business-TV talking heads are reminding viewers that price-to-earnings ratios "still aren't as high as they were during the lead-up to the tech bubble." When people effectively say, "It's not as bad as the last disaster," you need to assume your smarter clients are headed for the storm cellars.

In the face of what more realistic pundits are predicting, the best favour you can do for your clients is to resist spouting such nonsense, and perhaps even pre-empt investor inquiries. Call them before they call you. And when you get them on the line, talk straight. Tell clients they can expect some losses. As gains are erased, remind them at what price they bought each fund, or stock. If they remain in positive territory, make that clear. If they head into negative numbers, let them know it. But keep the losses in perspective so that they don't sell low. When the markets turn, they'll thank you. **AE**

**PORADO**