

LIFE

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ON

A sampling of events significant to the financial world over the past 10 years.



THE

EDGE

1998

JUNE

- › The Canadian Securities Administration establishes the Mutual Fund Dealers Association to oversee dealer and registered advisor conduct.
- › *Advisor's Edge* debuts.

AUGUST

- › Meltdown of Long-Term Capital Management leads to enhanced scrutiny of hedge funds.

1999

- › Canada's largest insurance companies opt to demutualize and become shareholder-owned corporations.

MARCH

- › Canada's stock markets agree to divvy up the pie, with Montreal getting futures, Toronto equities, and Vancouver and Alberta small caps.

NOVEMBER

- › Alberta Stock Exchange and Vancouver Stock Exchange merge to become the Canadian Venture Exchange.

2000

FEBRUARY

- › Exchanges with tech-heavy listings report record averages. DIY investing is all the rage.
- › Budget chops capital gains inclusion rate to 66%.



MARCH & APRIL

- › The tech bubble begins to burst and a new phrase, "dot-bomb" starts being bandied about in trading circles.

JUNE

- › Declines in tech stock prices put a dent in day trading and do-it-yourself investing. The falloff also tests the strength of advisor-client relationships as nervous investors seek assurances.
- › The Proceeds of Crime (Money Laundering) and Terrorist Financing Act becomes law.
- › Mini-budget reduces capital gains inclusion rate to 50%.

2001

JANUARY

- › Same-sex couples must report as common-law partners for tax purposes.

FEBRUARY

- › Nortel catches up to the rest of the faltering tech stocks.

APRIL

- › Summit of the Americas participants reaffirm goal of creating world's largest free-trade zone.

SEPTEMBER

- › 9-11 Terrorist attacks strike at heart of the financial industry.

NOVEMBER

- › G-20 agree to cooperate on freezing terrorists' assets.
- › Enron goes bankrupt.
- › Canadian dollar hits its low point, 62.37 cents US.

2002

SEPTEMBER

- › Crude oil prices top \$30 US per barrel.

OCTOBER

- › Ontario Securities Commission issues "fair dealing" proposals that would break down the advisor-client relationship into three different models.
- › Bill Miller calls the bottom of the bear market.

2003

FEBRUARY

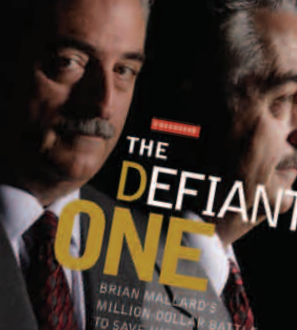
- › The Federal budget increases the small-business deduction limit to \$300,000 over four years, phases out of the federal capital tax over five years, and cuts corporate taxes for the resource sector.

MARCH

- › Legal vagaries surrounding income trusts spark many pension funds to avoid them.

MARCH-APRIL

- › Outbreak of the flu-like virus SARS harms the tourist and



film industries in Toronto and other cities.

JUNE

- › U.S. T-bills hit bottom with a 3.1% yield.

JULY

- › Provincial regulators say they'll work on a passport system to allow registered advisors and dealers to work in different markets without recertifying.

2003
JANUARY

- › Ontario Securities Commission puts its Fair Dealing Model out for comment.
- › Following a U.S. scandal involving late trading of mutual funds, Canadian regulators review practices here. They find no wrongdoing.

OCTOBER

- › Rising value of the Canadian dollar prompts talk of parity with the U.S. Concerns are raised about ability of Canadian companies to compete.

2004
JANUARY

- › Oil tops \$50 US per barrel.

FEBRUARY

- › The Ontario Securities Commission shuts down Portus

Alternative Asset Management. The Commission is criticized by advisors and clients alike for approving the Portus products for sale.

- › The Federal budget drops the foreign property rule and pushes RRSP limits to \$22,000.

APRIL

- › RBC proposes opening insurance offices adjacent to some bank branches.

JUNE

- › Canadian Bankers Association president, Ray Protti, says rules restricting the providing of insurance information inside bank branches should be changed.

AUGUST

- › Disputes over lumber tariffs lead to hints of trade war with the U.S.
- › Naval vessels visit the Arctic port of Churchill for the first time in 30 years to assert territorial claims over potential oil and mineral reserves.
- › Oil prices top \$70 US per barrel.

OCTOBER

- › Problems at Portus lead to industry calling for more transparency from hedge funds and other alternative investments providers.

2006
JANUARY

- › Conservatives win general elections, ending 12 years of Liberal government.

JUNE

- › A report by the Crawford Panel recommends the creation of a single national securities regulator. Industry reaction is tepid.

OCTOBER

- › Finance Minister Jim Flaherty surprises the industry by announcing changes to tax treatments for income trusts shortly after saying he'd leave the instruments alone.

2007
FEBRUARY

- › The CSA issues National Instrument 31-103, which aims to streamline and simplify the registration processes for the entire securities industry.

AUGUST

- › Wheat prices reach record levels.

SEPTEMBER

- › Canadian dollar hits parity with greenback.
- › Crude oil tops \$80 US per barrel.

OCTOBER

- › Deal struck with Israeli government to return former Portus executive to Toronto for trial.

2007
FEBRUARY

- › The Federal budget calls for creation of a Registered Disability Savings Plan.
- › Subprime mortgage market, and asset-backed commercial paper meltdowns hurt the fortunes of some Canadian financial institutions, but the biggest concerns remain the potential falloff of trade in the event of a U.S. recession.

MARCH

- › Impact of U.S. economic woes deepens in Ontario manufacturing sector.

APRIL

- › Finance Minister Flaherty asks the financial community to provide more disclosure about the products it sells.
- › After much discussion, the Investment Dealers Association formally proposes a Client Relationship Model to replace the Fair Dealing Model.

MAY

- › Oil tops \$130 US per barrel.
- › TSX completes merger with the Montreal Exchange.