



UNION SECURITIES LTD.

INFORMED INVESTOR

FOURTH QUARTER AND 2009 YEAR REVIEW

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With 2009 passing into the history books as one for the ages, it remains to be seen whether 2010 will follow in its footsteps or set a different course. 2009 was marked by the plunge in equity markets at the beginning of the year followed by one of the best, post recession rallies in decades that had many market pundits scratching their heads. Despite continuing job losses which pushed US unemployment to over 10%, the stock market, as measured by the broad-based S&P 500, surged ahead to post a 64.8% gain from its trough in March to its year-end close although the year-over-year return was a still respectable 23.5%.

With hindsight, economists are in agreement that the measures taken by the Obama administration and the US Federal Reserve restored faith in the US banking system and pumped much needed funds into the economy. With the US economy safely back from the brink, the talk among economists and policy analysts is now about how to shut off the taps without jeopardizing the still fragile

recovery. Although there are signs of growth, consumer spending is still subdued while home prices remain depressed. Plus, most economists are calling the real unemployment rate to be in the mid-teens as many individuals have stopped looking or are mired in low paying, part-time or temporary jobs. With so many people out of work, the now fearful consumer is unlikely to be the driver of the economy that it once was in the past.

In addition, there is a growing fear that the debt burden of the US government resulting from the massive spending program, the soon to be passed healthcare legislation and existing social programs will imperil the country's future ability to be a global powerhouse.

The need to raise hundreds of billions of dollars to finance these costs has sparked a jump in the gold price as investors fear a return to inflation and a devaluation of the US dollar.

Despite these concerns, the equity markets generated strong returns. In summary, the fourth quarter was marked by healthy gains as the Dow Jones rose 7.4%,

2009 Q4 PERFORMANCE

Table with 2 columns: Index Name and Percentage Change. Rows include Dow Jones (+7.4%), S&P 500 (+5.5%), NASDAQ Comp. (+6.9%), S&P/TSX Comp. (+3.1%), and TSX Venture (+19.1%).

2009 YTD PERFORMANCE

Table with 2 columns: Index Name and Percentage Change. Rows include Dow Jones (+18.8%), S&P 500 (+23.5%), NASDAQ Comp. (+43.9%), S&P/TSX Comp. (+30.7%), and TSX Venture (+90.8%).

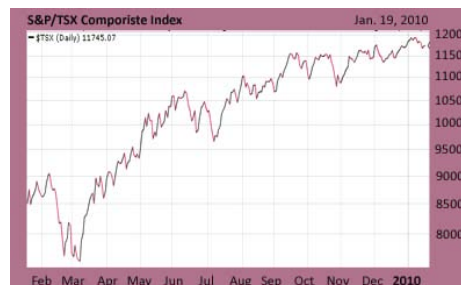
RRSP's

RRSP season is now in full swing. Please contact your investment advisor to make a contribution. The deadline this year is Monday, March 1, 2010.

the S&P 500 advanced 5.5% and the NASDAQ Composite climbed 6.9%. For the year-to-date, the Dow Jones increased 18.8% while the S&P 500 moved ahead 23.5% and the NASDAQ Composite jumped 43.9%. The relative under-performance of the Dow Jones can be attributed to the weighting of the beaten up financial stocks.

In Canada, the S&P/TSX Composite index rose a tepid 3.1% in Q4 but a more healthy 30.7% for

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in Q4 but a more healthy 30.7% for the year. However, the big winners were the junior resource stocks as measured by the TSX Venture Composite index which gained 19.1% in the fourth quarter and a

stellar 90.8% in 2009. During the year, the market became more receptive to financing mineral and energy exploration programs as the level of public and private offerings grew. With commodity

prices holding steady or rising in the case of precious metals, the outlook for Canadian junior resource plays is encouraging.

Registered Accounts: RRSP's, RRIF's and TFSA's

With the introduction of Tax Free Savings Accounts ("TFSAs"), Union clients can now take advantage of a full range of self-directed registered accounts including RRSP's ("Registered

Retired Savings Plans"), RRIF's ("Registered Retirement Income Funds") and TFSAs. Clients can choose to open the plan that makes the most sense for their investment objectives. Below is

a brief description of the features of each plan. Please contact your investment advisor for more information or to discuss how each plan may fit your investment needs.

Plan	Purpose	Contribution	Features	Investments
RRSP	Savings plan for retirement	Maximum of 18% of last year's earned income or \$22,000 in 2010 which is deductible from income for tax purposes	Income and capital gains are not taxable within an RRSP until withdrawn as income	Stocks, bonds, mutual funds, GIC's, ETF's
RRIF	Investment plan to receive a roll-over from an RRSP when investor becomes 71 years of age	No contributions into a RRIF	Income and capital gains are not taxable within RRIF and stipulated annual withdrawals are required which are taxable	Same
TFSA	Investment Plan	\$5,000 per year on a cumulative basis; not tax deductible	All income and capital gains are not taxable in the plan or upon withdrawal	Same

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