



3i Financial Investment Services Inc.
"Performance Drives Performance"

MARKET UPDATE NEWSLETTER

3rd Quarter - September 30, 2008

Consumer Corner

Prime rate at most financial institutions is at **4.75%**

The current Bank of Canada prime rate is **3.00%**

The following are some of the most competitive interest rates for deposit savings and chequing accounts:

Deposit Savings

- 1) Peoples Trust : **4.00%**
- 2) ICICI Bank : **3.40%**
- 3) Dundee Bank : **3.00%**

Chequing

- 1) State Bank of India : **3.40%**
- 2) Manulife Bank : **2.90%**
- 3) Dundee Wealth Bank : **2.00%**

Mortgage Rates (lowest rate)

1 Year	4.80%
2 Year	5.09%
3 Year	5.19%
4 Year	5.25%
5 Year	4.99%

* As of September 30, 2008

For further information and advice, please contact your licensed professional financial advisor:

3i Financial Group Inc.
Tel: (905) 326-5408
Fax: (905) 326-5405
email: info@3ifinancial.com

Never too Big to Fail

Global markets have been very volatile as of lately. Worsening credit and derivative problems have crippled many of the financial institutions around the globe. It is even more important now to remind and educate our readers about the diversification of their wealth and assets to weather this global uncertainty.

Do not be complacent with your assets. Take the initiative to protect them from all possible scenarios by using knowledge and tools which 3i Financial advisors have available to you. Here is a recap of what has transpired and the bailout that the US is planning to do or have done:

- Engineered bailout of Bear Sterns by the Federal Reserve
- Chapter 11 bankruptcy filing of Lehman Brothers
- Bailout of AIG with an initial loan of \$85 billion
- Insuring money market funds: \$50 billion
- Treasury buying mortgage-related assets: \$700 billion
- Treasury fortifying the Federal Reserve's balance sheet: 100 billion
- Bailout package of Fannie/Freddie: Potential cost of \$200-\$300 billion
- Federal Reserve's discount window (opening window borrowing to banks) - \$188 billion per day
- Number of FDIC Failed Banks thus far - 16
- Bailout of Washington Mutual
- Bailout of Wachovia

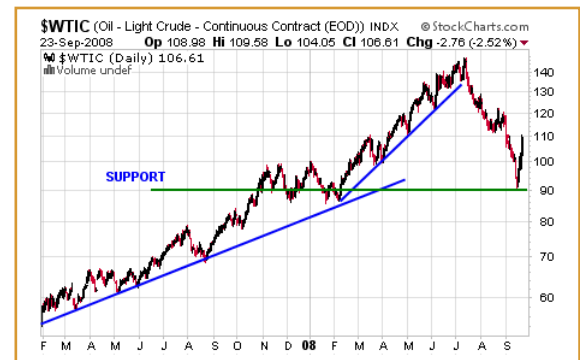
The list goes on and we expect more bad news and surprises to come.

So what can you do to protect your assets and wealth? Here are some suggestions you might want to consider:

- Try your best not to have over \$100,000.00 with any bank (Canada Deposit Insurance Corporation (CDIC) only insures up to \$100,000.00 per account holder if the bank goes under)
- Convert some of your wealth (10%) to physical gold bars and coins. This is to maintain and protect your purchasing power during times of uncertainty. There are many strong reasons and facts for why gold has gone from \$250 US an ounce to \$900 US an ounce during the past 7 years
- If you can avoid it, do not hold any investments and savings in U.S. Dollars
- Do not over leverage. At most, leverage to the amount of what you can pay off comfortably
- Maintain and park assets in strong currencies like the Canadian Dollar
- Portfolio asset allocation suggestion: 60% Cash, 30% Government of Canada Bonds, 10% Gold
- Mutual funds asset allocation suggestion: 60% Money Market Fund, 30% Canadian Bond Fund, 10% Canadian Income Fund



Housing Index



Oil - Light Crude - Continuous Contract Index



Usd Index

Tax-Free Savings Account (TFSA)

In the 2008 Federal Budget, the Government of Canada announced the creation of a new Tax-Free Savings Account (TFSA). Beginning in 2009, individuals residing in Canada, who are 18 years of age and older, can contribute up to \$5,000 per year to a TFSA where the holdings grow and earn income tax-free.

Eligibility

You can open a TFSA if you are an individual Canadian resident, aged 18 or older, and have a Social Insurance Number (SIN).

Contributions

You can contribute a maximum of \$5,000 per year to your TFSA (this annual contribution limit will be adjusted for inflation). Unlike your registered retirement savings plan (RRSP), individuals over age 71 can contribute to a TFSA.

If you don't contribute the maximum amount in a particular year, you will be able to carry forward your unused contribution room and contribute it in future years. There is no limit on either the amount of contribution room that can be carried forward or on the number of years the amount can be carried forward.

Withdrawals

- You can withdraw funds from your TFSA at any time and for any purpose.
- Funds withdrawn from your TFSA will not affect federal income-tested benefits or credits (e.g. Child Tax Benefit, Guaranteed Income Supplement, Old Age Security benefits, Age credit, Goods and Services Tax credit).
- The amount you withdraw from your TFSA will be added to your unused contribution room so that the funds withdrawn can be put back into a TFSA in a subsequent year.

Taxation

- You will not be taxed on any income or capital gains earned on your investments in your TFSA and you will not be taxed on any funds withdrawn from your TFSA.
- Contributions to your TFSA will not be tax deductible.
- Interest on funds borrowed to contribute to a TFSA will not be deductible.
- Excess contributions will be subject to a penalty tax.

Holdings

Qualifying investments for a TFSA include: guaranteed investment certificates (GICs), mutual funds, publicly traded securities, government and corporate bonds.

For more detailed information, visit the Government of Canada's Tax-Free Savings Account information page at www.cra-arc.gc.ca/gncy/bdgt/2008/txfr-eng.html

3i Financial Investment Services will be brokering the Tax-Free Savings Account in 2009.

We will provide more details as we get closer to the launch date of the Tax-Free Savings Account.



PRODUCT SHOWCASE

Manulife Canadian Core Fund

As of August 31, 2008



PAT MCHUGH
Vice President and Senior Portfolio Manager,
MFC Global Investment Management.
A recipient of 2007 Lipper Award for Canadian Equity (Pure) Fund category

FUND FACTS

Date of inception October 2002
Assets under management \$346.4 million

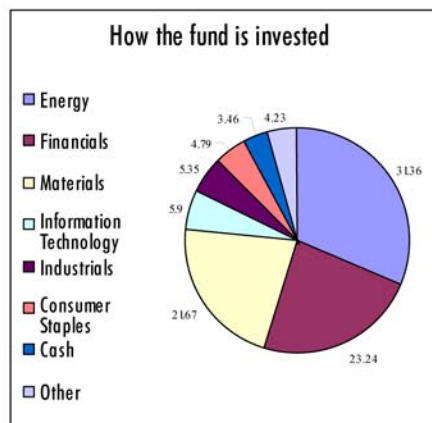
Fund Codes FE: EPL554 Series F: EPL654
LL: EPL754 Elite: EPL854
DSC: EPL454

CALENDAR YEAR RETURNS (%)

2007	2006	2005	2004	2003
13.3	14.9	25.2	16.9	21.3

ANNUAL COMPOUND RETURNS (%)

	1 Year	3 Year	5 Year	Since Inception
Manulife Canadian Core Fund	-3.9	9.9	15.7	15.1



INVESTMENT OBJECTIVE

To provide a long-term capital growth by investing primarily in equity securities of large, established Canadian companies and Canadian securities that offer potential for capital growth.

VOLATILITY METER



Low (1) High (25)

Based on 3 year standard deviation from Globefund.com

TOP HOLDINGS	%
Potash Corp. of Saskatchewan	8.6
EnCana Corp.	6.0
Agrium	4.9
Research In Motion	4.9
TD Bank	4.7
Royal Bank of Canada	4.5
Bank of Nova Scotia	4.5
Nexen Inc.	4.4
Suncor Energy	4.3
National Bank of Canada	3.8
Total	50.5

SOURCE:

CTVglobemedia Publishing Inc. As at July 31, 2008

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rate(s) of return is (are) the historical annual compounded total return(s) including changes in (share or unit) value and reinvestment of all (dividends or distributions) and does (do) not take into account sales, redemption, distribution or optional changes or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The rate of return or mathematical table shown) is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of (the mutual fund or asset allocation service) or returns on investment (in the mutual fund or from the use of the asset allocation service. Manulife Funds are managed by Manulife Mutual Funds, a division of Elliott & Page Limited.

1 Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns (except for figures of one year or less, which are simple total returns) including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

2 Percentages will fluctuate over the life of the Fund as the market value of each issuer changes. The manager may change the percentage range in some or all of the sectors if such change is in the best interests of the unitholders.

DISCLAIMER - This newsletter was prepared by 3i Financial Group Inc. as a resource for clients, subscribers, and advisors. While the information is from sources believed reliable, neither the information nor the forecast shall be taken as a representation for which 3i Financial Group or any of their representatives incur any responsibility.