Finance for Life™

Achieving Financial Success™

Finance for Life. Wealth for Living.™

CANFIN FINANCIAL GROUP
A qualified approach to wealth solutions

Canfin Financial Group,
Client Services Dept.

2829 Sherwood Heights Dr., Suite 102,
Oakville, ON L6J 7R7

For immediate service, contact your Canfin Advisor or,
Tel. 1-877-4-CANFIN
Fax. 905-829-0052
email: clientservices@canfin.com
web: www.canfin.com

Services we can provide through our Group of Companies

Investment Planning
Insurance Planning
Mortgage Planning
Tax Planning
Financial Planning
Estate Planning

Please do not hesitate to contact your advisor for a Confidential Financial Review.

CAPITALIZE TO MAXIMIZE YOUR FINANCIAL DESTINY

5 Secrets of investing for maximum portfolio growth

While there is no magic formula for successful investing, following these simple rules will keep you ahead of the game.

1. The future is now. Begin saving for retirement when you are young and you'll need to contribute less thanks to compound interest. You will also cultivate an early understanding and appreciation for investing which will serve you well down the road.

2. Diversify. Famous investment guru, Sir John Templeton, said, "To avoid having all your eggs in the wrong basket at the wrong time, every investor should diversify". Mutual funds provide an outstanding way to invest in a wide range of stocks with just one purchase. Owning just one fund is probably not enough. To be safe, hold at least two: one Canadian and one foreign. Check to see that each is diversified by geography and industry.

3. Go global. History has shown time and time again that a diversified global portfolio delivers higher returns with less volatility than its purely Canadian counterpart. Choose a fund that includes countries or regions that are safe and well established. Look for areas with low correlation to Canadian markets, such as Asia or France, which usually move independently.

4. Set investment goals and systematically rebalance quarterly. If one part of your portfolio has outperformed, re-evaluate things and bring them back in line. For example, you may have set your preferred asset mix at 60/40, (equities to bonds), and the equities have had a nice run. In this case, and on a quarterly basis upon review, go over your investment objectives. Where required, change your asset mix to keep in line with set objectives.

5. Stay on the course. Emotion and media-hype can obscure your investment vision. Understand your goals and stick with them. Don't buy something just because it is hot—that usually means it is too late. If markets

Continued on page 2...

Continued from page 1...

become volatile, try dollar-cost averaging to keep you on track. Enlist the help of a trusted financial advisor who can take care of the day-to-day details, and who can let you rest easy.

Financial Freedom:
FIXING YOUR MIX WITH EQUITY FUNDS

Make sure your money lasts a lifetime in order that it can provide an income for 20 to 30 years of retirement.

Before the last recession, when interest rates were higher than 10%, retirees relied on fixed income vehicles to generate an income to meet their needs. Today, however, the Government of Canada's 10-year bonds yield only about half as much! Who knows just how much lower that can go? For your immediate income needs, bonds and money market instruments provide a large amount of capital protection, and a moderate rate of income and/or growth. In today's low interest rate environment, including higher-risk investments, such as equity funds, is wise.

Equities give your money the potential to experience a capital gain enabling your investment portfolio to last a lifetime. What is your overall time frame? For any period greater than five years, equity funds may offer the best inflation fighting power. Diversified, broad-based portfolios investing in Canada or the United States, generally are the safest bets if there is a chance you may need to tap into your money earlier. Because these tend to be less volatile, there is less chance you will cash out during a dramatic swing downward.

If you are fairly certain you won't need to rely on the equity portion for some years to come, specialty funds can have their place. Country, region, or sector specific funds which can have prolonged downturns, and that could be financially devastating if you can't wait for things to turn around. Yet if you have over five years to invest, these funds may certainly be appropriate.

A good portfolio rule is to ensure you have sufficient cash flow for several years with the purchase of money market funds, bond funds, and other income generating instruments. With the remainder, invest in equity funds. Historically, over most time periods, equities have outperformed fixed income. While this does increase the overall risk, it helps your money to grow sufficiently to beat inflation and meet your retirement goals.

Maximize
HOTEL VACATION VALUE

When it comes to hotel accommodations you are likely to receive only what you pay for. It may be difficult to look at the room without the key. If one wants to inspect the room first, one should do it before completing the registration form. If you are promised compensation—a refund or a discount—get it in writing with names, room numbers and even photographs if the room is dirty or did not have the features advertised.

Be wary of claims you read in tourist brochures. Phone the hotel itself if you are counting on the availability of recreational facilities. Don't wait until you arrive to find out the spa is being renovated and the fitness club is still under construction.

Know what the hotel/resort rating system is in the country you are visiting. "First Class" may not be the highest ranking.

State specific requirements when making reservations. Most reputable managers will try to please their guests.

Ask for the name of the person booking the room for you and don't call at a time when the front desk is likely to be busy (first thing in the morning or mid-afternoon).

Are there discounts for weekend accommodation, seasonal rates or special offers for members of travel organizations such as CAA?

Before you make a long distance call or send a fax, find out what the charge will be. Use a long-distance calling card from a phone in the lobby if necessary. In some countries, you may even be charged for receiving a fax.

Ask about mandatory surcharges for services such as valet parking and fitness facilities you may never use.

It pays to be forewarned. With some advance planning you can reduce the chance of paying top prices for inferior accommodations.