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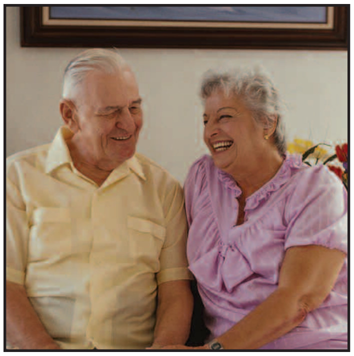
Please do not hesitate to contact your advisor for a Confidential Financial Review.



Caring for our AGING PARENTS

Parent care responsibilities increase over time. Here are some ways to meet current and future needs.

Parent care responsibilities increase over time. With sensitivity to their privacy and actual needs, here is how you may be able to offer your aging parents some suggestions and perhaps some help:

1. Organize their finances. Set up a joint bank account with your parent(s). Complete the bank's own power of attorney form. Review your parents investment portfolio with their financial advisor. Ensure that their bills are paid on time using duplicate cheques for future reference.

2. Prepare for a possible decline in health. The majority of seniors do not have a general power of attorney that allows another person to act on investment decisions for them. They may also need living wills. Consult a lawyer.

3. Find suitable living quarters. Evaluate your parents' current and future health and accommodation needs. Ask your parents where they want to live if unable to maintain the house or yard work. They may be expecting you to assess the options with them, for example: your home, a nursing home, a retirement home, or a long-term care facility. Special insurance now allows you to pre-fund certain amounts for both in-home and facility care.

4. Obtain the necessary assistance. There are service groups such as the Red Cross that provide canes, walkers, wheelchairs and transportation; or perhaps Meals on Wheels could provide meals. Depending on the province, health ministries subsidize equipment purchases and in-home health care.

5. Organize their estate. Advise your parents to update their wills and plan their estate to minimize taxes on important family assets with capital gains such as a business or cottage. The estate's tax liabilities on capital assets and RRSPs can be pre-funded by using life insurance. Business buy-sell agreements or an estate freeze may be necessary.

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Perhaps a living trust or a testamentary trust would be of benefit.

Planning Funeral Arrangements IN ADVANCE

A funeral can be pre-paid or pre-funded. Either will reduce the need for your survivors to make decisions at a difficult time.

When planning a funeral last minute, it may be difficult to think clearly. Therefore, pre-planning makes sense. Expenses can range from $5,000 to $15,000 or higher, depending on the funeral home and the services purchased such as:

- cremation or burial
- transfer of the body from a hospital, nursing home or another country
- embalming
- casket
- service in a funeral home or church

Pre-paying Funeral Expenses A funeral can be pre-paid and the funds held in trust (free of income tax up to a certain limit). Advise your executor of your plans and/or pre-payment to a funeral home in order to save both unnecessary funeral arrangements and expenses.

By taking care of your funeral in advance you:

- allow time for comparison and cost evaluation
- guard your survivors from the stress of making decisions while grieving

Pre-funding Funeral Expenses One of the best methods to pay for a funeral is to pre-fund as opposed to pre-pay. You can pre-fund the entire cost with a life insurance policy that pays out a tax-free benefit (usually within 30 days), without probate, at death.

Establish the price with the funeral home in a contract, as you will be deferring payment until the time of death. When you have an arrangement with a funeral home made in advance, or do not prepay a funeral the prices can be much higher and reduce the assets one may leave to heirs.

Planning to Divvy up Your Wealth

It is estimated that over the next 20 years, over two million baby boomers, now over the age of 55, will pass inheritances to their children amounting to $1 trillion. Add to that, an estimated $2 trillion worth of household assets that will need to be bequeathed. Those who inherit the money will, for the most part, be middle-aged and responsible. It is expected they will pay down their mortgages, invest for retirement, help their own children receive an education or buy a house, and some may take a well-deserved holiday.

As boomers age, they could begin giving their personal belongings such as a camera or a piece of art to their heirs. If financially able, they could begin gifting by helping a grandchild fund an education or by loaning money to a child to help them purchase a home (thus increasing their net worth). The upside to giving now is that one can see the positive use of their assets while they are alive.

To fairly disperse your remaining assets, make sure you have your will updated. If there will be significant capital gains tax due upon death (or upon the death of your spouse), hire a tax accountant to create an estate plan. Consider using life insurance to cover the tax that will eventually be due on your RRSPs/RRIFs and any capital gains on property such as a cottage or a business interest.