PERLER FINANCIAL GROUP

WORLDSOURCE FINANCIAL MANAGEMENT INC.
MUTUAL FUND DEALER

Vested Interest

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MAIN FOCUS THIS QUARTER:

Proven strategies to improve your finances

The future you build today is the future you'll enjoy tomorrow

Source: Manulife Investments

Would you feel better knowing you were on track for your retirement and prepared for any emergency? And would it comfort you to know that, if you died unexpectedly, your family would be well taken care of?

Here are some strategies that can help you achieve your financial goals, no matter what your age or income level. They are simple, practical concepts that really work. Now is the time to take control of your finances and prepare for your future.

1. Know where you stand today – start with a budget
Where does the money go? Every good financial plan needs a budget that answers that question. Budgeting can help guide you towards good decisions when it comes to saving, spending and investing. The challenge is to find balance. Balancing a budget means figuring out how to spend less than you make to break the debt cycle.

Action: *Get into the habit of tracking your income and expenses. This will help you better understand your current financial situation.*

2. Get organized – be prepared for emergencies
Are all your personal and financial documents and information in order? Are your records easy to find? Is your family prepared?

It's important to keep your family's key financial and personal information organized and available, bringing together your personal records, investment statements, insurance policies, wills, powers of attorney and vital medical and legal information. Store everything in a safe and private location and make sure family members know where to find it. Consider keeping an up-to-date list of accounts, contracts and other important documents in a secure location outside your home – for example, in a safety deposit box.

Action: *Ask your advisor for a copy of Manulife Financial's personal and financial organizer, "Get organized," and complete it today.*

3. Protect your family from the unexpected – get adequate insurance
One of the most important things you can do to protect your family is to make sure you have adequate insurance for their needs.

INSIDE:

Visit me at www.frasermcdowell.com

My website is full of information, and is continually being updated every month. Be sure to view the tab on the left of the page labelled "Helpful Resources". If you have any comments or suggestions for the website, please be sure to contact me.

Don't Forget:

Important Deadlines for 2013

March 1, 2013:
RRSP Deadline for the tax year of 2012.

April 30, 2012:
Tax Deadline Payment to CRA of your balance owing for 2012 personal income tax is due April 30, 2013, for all personal income tax filers including the self-employed.

Proven strategies... cont'd.

Your RRSP Checklist

Source: MacKenzie Investments

1. If you haven't started saving, start now. It's never too late to invest in your future.
2. Invest early and often to take advantage of the "time value of money." Investing today will help you reap more tomorrow. Because your investments are allowed to compound tax deferred, there are significant advantages to investing early in the year or on a monthly basis.
3. Choose mutual funds and put your money in the hands of professionals who have the investment know-how to help you reach your retirement dreams.
4. Maximize your RRSP contribution to take advantage of your single greatest opportunity to save for retirement and defer taxes.
5. Don't always be too cautious and choose low-risk investments only. A diversified portfolio should include a variety of assets to minimize risk and maximize return.
6. Think long-term instead of letting short-term market volatility sway your investment decisions.
7. Take advantage of dollar-cost averaging with a pre-authorized chequing plan that spreads your mutual fund purchases over time and gives you greater long-term returns.
8. Consider an RRSP loan[1]. Visit mackenziefinancial.com/calculators and use our helpful retirement planning tools to determine your savings needs.
9. If you don't have the cash available, consider moving non-registered investments to your RRSP in kind.
10. Don't wait until the last minute to meet the March deadline – investment decisions shouldn't be rushed.

[1] Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

Insurance products ranging from life insurance to protection in case of disability or critical illness are available to suit your requirements and budget. New "combination insurance" combines different types of insurance in one package.

Action: *Ask your advisor which type of insurance might be best for you and your family, given your specific circumstances. Plus, learn about your options and how much insurance you may need by visiting InsureRight.ca*

4. Plan your legacy – create a will and estate plan

Every adult should have a will, but not everyone does. A will which is usually quick and easy to create with the help of a lawyer, generally sets out:

- Directions for the distribution of assets after your death
- The beneficiaries of the estate
- The executor(s) who will administer your estate
- Guardians for any minor children

Estate planning is the process of structuring your affairs to preserve wealth and plan for the orderly administration and distribution of your remaining assets according to your wishes. Good legal and financial advice can help relieve stress on your family and help your estate pay as little in taxes as possible.

Action: *If you don't have a will, work with a lawyer to create one. Keep your will and estate plan current. Any time you experience a major life change, make sure you update your will so it continues to reflect your intentions.*

5. Reduce what you owe – become debt-free more quickly

Turn your dream of financial freedom into reality:

- Consolidate loans at one low rate
- Pay off debt, focusing on debts with the highest interest rate first
- Pay credit card bills in full each month
- Examine recent credit card bills – what are "needs" vs. "wants"?
- Consider an all-in-one account, which allows you to combine all your loans, savings and income into a single account

Action: *Use the ideas that best suit your personal situation to start actively reducing your debt today.*

6. Invest for the long term – reap the benefits of compound investment returns

When is the best time to start investing? As soon as possible, because the power of compound investment returns can help you achieve your long-term goals. Compound interest and/or compound investment returns arise when profits from an investment are added to the principal, so that from that moment on the profit that has been added also has the potential to earn additional profits.

Keep in mind you should start investing early, make investing a habit and stay invested. Also remember that mutual fund investing provides you with professional money management, diversification, choice, liquidity[1] and convenience.

Action: *Talk to your advisor about the specific investments that can best help you capture the benefits of compound investment returns.*

7. Balance your time horizon and risk tolerance – get asset allocation right

Asset allocation refers to the percentage of money you put in various asset classes, such as stocks, bonds or cash. The right asset allocation mix can potentially lower investment risk and increase returns. So how should you allocate your investments? The two most important considerations are your time horizon and your risk tolerance.

Action: *Discuss your time horizon and risk tolerance with your advisor, and then develop an asset allocation plan that works for you.*

8. Prepare for a long retirement – take advantage of Product Allocation strategies

Is your nest egg large enough to meet your needs, and will it last as long as you live? Can it keep up with the increasing cost of living and endure poor market conditions?

In retirement, you need to shift gears and start drawing an income from your savings. Product Allocation from ManulifeTM can help you create a sound retirement income plan. It's a strategy that places your retirement savings into a number of income-generating investment categories, in specific proportions that tap into unique guarantees and features to help achieve sustainable retirement income.

Action: *Before you retire, start thinking about the sources of guaranteed and non-guaranteed income that you expect to receive. As you approach and enter retirement, develop a retirement income plan with your advisor that incorporates Product Allocation.*

9. Buy low and sell high – use dollar-cost averaging
"Buy low and sell high" may be the best way to accumulate wealth. But what's the best way to "buy low"? Consider the dollar-cost averaging, where you invest a fixed dollar amount on a regular schedule – for example, using the same amount to buy mutual funds every month, regardless of the unit price. When you do this, you buy fewer units when prices are high and more units when prices are low.

Action: *Set up a Pre-Authorized Chequing (PAC) plan to make investing "automatic" and take advantage of dollar-cost averaging.*

10. Pay yourself first – contribute the maximum to retirement plans
Paying yourself first by maximizing retirement contributions ensures that your most important goal receives the funding it deserves. It's a matter of priorities. After you pay yourself first, you can budget for your other expenses.

Employer-sponsored retirement plans are a convenient way to save for retirement. They often offer:

- Pre-tax contributions – contributions are made before taxes offering a reduction in the amount of tax you pay now as well as providing saving opportunities
- Matching contributions – if you work for a company that offers matching contributions, take full advantage of them
- Tax deferral – tax benefits and compound growth make regular contributions grow faster than you might think
- Automated savings – saving regularly through an employer-sponsored pension plan or a Group Registered Retirement Savings Plan (RRSP) is one of the easiest and most convenient ways to save

Whether or not your employer offers a retirement savings plan, or if you're self-employed, your advisor can help you set up a systematic investment program. Your contributions can be automatically deducted from your bank account on a monthly basis.

Action: *Learn about your employer-sponsored retirement plan, if you have one, and maximize your contributions and matching contributions from your company. Talk to your advisor about supplementing these savings, or replacing them if you don't have access to an employer-sponsored retirement plan, with a systematic investment program.*

11. Work with your advisor
According to a recent study, on average, households that have an advisor will have more assets than households that do not have an advisor.[2] Advisors are professionals who focus on building the right plans and combination of products for each of their clients, to reflect their individual goals and needs.

Action: *When financial advice is needed, turning to a professional should be your top priority.*

Implementing these simple strategies can help you achieve your financial goals.

[1]CIRANO Study 2012 – Econometric Models on the Value of Advice of a Financial Advisor,© Claude Montmarquette, Nathalie Viennot-Briot. CIRANO is an inter-university research center bringing together over 190 professor-researchers active in a variety of disciplines. Survey based on feedback received from 3,610 Canadian households. All participants were between the ages of 25 and 65 and had a least $1,000 in financial assets and a household income of less than $250,000.

2012 Movie Day a Huge Success!

Thank you, everyone, for attending the 2012 Movie Day. It was a huge success with hundreds of people in attendance. Thanks to your support for the food bank, 1,666 pounds of food was collected that day. That is a really good boost for the food bank at a time when they are looking to fill their stock for the winter.

TFSA:

If you are 18 years old or older and reside in Canada, you have an additional $5,500 in contribution room for 2013 in your TFSA (Tax Free Savings Account). If you haven't contributed in previous years, you will be able to carry forward the previous year contribution amount to this year. Canadians who have yet to contribute to their TFSA can now contribute a maximum of $25,500. Be sure to speak with Fraser McDowell to find out how much you are able to contribute to the Tax Free Savings Account this year.

Thank you!

A heartfelt thank you for your continued patronage and all your referrals. Your confidence in us is truly appreciated!

Build your RRSP: investing tips

Source: MacKenzie Investments

Start contributing early in the year
If you're like the typical Canadian, you probably wait until the "RRSP season" – the first two months of the year – to make your RRSP contribution. But coming up with the cash all at once can be difficult, especially for those who are still paying the holiday bills.

Instead, speak with your advisor about setting up a pre-authorized chequing plan (PAC). This simple investment strategy lets you purchase mutual fund securities on a periodic basis, such as weekly, monthly or quarterly, in a predetermined amount. Amounts as small as $50 per month are easily deducted from your personal bank account and invested in your RRSP.

Dollar cost averaging: An extra PAC plan benefit
By making regular contributions to your RRSP, it forces you to put saving ahead of spending. Over time, your savings will grow. When you invest a set amount of money each month, you can take advantage of a technique called "dollar cost averaging." With dollar cost averaging, you enter the market gradually, buying more shares when the price is low and fewer when the price is high.

During a bear market, many investors wait until there are clear signs that the bear is over before committing money, meaning they've lost a good portion of the recovery gains. And during a bull market, dollar cost averaging helps guard against buying at the top of the market when investments are at their most expensive.

Maximize your contribution
By contributing as much money to your RRSP as you're allowed, you could get a bigger tax refund and improve your chances of building a rewarding retirement. If you don't contribute your maximum amount, you can carry forward the unused RRSP contribution room, which allows you to contribute at a later date.

A world of opportunities
In 2005, the federal government removed the 30% limit on foreign content for registered plans allowing for greater global portfolio diversification. Canada represents only 3% of the world's stock market capitalization. With most of the world's investment opportunities outside of our borders, global investing lets you diversify across economies and markets and participate in growth around the world.

Borrowing to invest can make it easier*
An RRSP loan can work in your favour if you pay it off promptly and if your RRSP is earning a good rate of return. When used properly and conservatively, borrowing to invest is one of the most powerful tools that investors can use to build wealth. Generally speaking, you should have a long-term horizon, mid-to-higher income, a stable job and the ability to repay the loan and interest.

* Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

"Success in business requires training and discipline and hard work. But if you're not frightened by these things, the opportunities are just as great today as they ever were."
David Rockefeller

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