THE BUTLER / LAING GROUP

SPRING 2008

Investment Insights

Getting back to investing basics: A 6-step program

Successful investing takes time and discipline and unfortunately, when markets are volatile, many investors can get off track. At times like these it's best to get back to basics. By following the six principles below, we believe that you can improve your long-term investment success.

1. Have a plan and stick to it

Successful investing requires a game plan and the discipline to stick to it. Your plan will prevent you from taking on more risk than you should when markets are rising, and will help you make appropriate decisions when the world appears to be falling apart

2. Be diversified and balanced

Don't put all of your eggs in one basket. With a well-balanced portfolio that includes stocks, bonds and cash, you can reap the benefits that each of these assets has to offer. Diversification can improve return and reduce risk.

3. Think long-term

With today's higher volatility levels, long-term thinking is more important than ever. Intra-day swings of five percent or more can make you feel like you're missing major opportunities to enhance returns. But evidence shows that trying to time the market just doesn't work.

4. Buy and retain quality

The best way to avoid pitfalls is to focus on quality. Financial stability and strength of profits, dividend growth and a strong management team are some of the things that you should be looking for.

5. Stick with winners and sell losers

It's human nature to sell winning investments and pat ourselves on the back, while hanging on to losers and hoping for the best. You'll probably have better results with a disciplined strategy that accepts losses when they happen and doesn't sell winners too early.

6. Review, reassess, rebalance

Monitoring your investment portfolio is just as important as creating it in the first place. Capital markets change, and so will your objectives and risk profile with wealth and age. Making the necessary adjustments will ensure that you're headed in the right direction.

As always, we are keeping a constant eye on the state of the markets and the investments that our clients own. If you ever have questions surrounding your portfolio, our door is always open!

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The Last Word

If we had no winter, the spring would not be so pleasant. If we did not sometimes taste adversity, prosperity would not be so welcome.

- **Anne Bradstreet (1612-1672)**

Karen's Administrative Solutions

Didn't receive a monthly statement? Have no fear!

If for some reason there is no activity in an account over the course of the month, only a quarterly statement will be generated in March, June, September and December.

Activity includes any sell, buy or mutual fund switch, as well as things like interest and dividend payments.

If you'd like to know your month-end account value when you haven't received a statement, please let me know and I'll be happy to send you a portfolio report.

What's new?

Many of you have already had the pleasure of speaking with, or meeting **Karen Stotz**, our new Administrative Associate. Karen comes to us with over 20 years of experience in the industry and her wealth of knowledge is a huge asset to our team. If you haven't already spoken with her, please call to say hello!

We have new titles! ScotiaMcLeod has made the move to "rename" our title. We used to be Investment Executives and now we are **Wealth Advisors**. This move was made to highlight all of the planning and services that we provide – certainly far in excess of *just* investments!

Ever heard of an Estate Bond?

While registered assets, such as those within RRSPs, RRIFs and pension plans allow for immediate tax deductions and tax-deferred savings for retirement, any withdrawals are fully taxed as income at your marginal tax rate.

Furthermore, any income or growth from most non-registered investments such as mutual funds, stocks, bonds and real estate will be taxable to some extent, either as it is earned, or upon the sale of the asset.

Upon death, you are deemed to have sold all of your assets at fair market value for tax purposes (your entire RRIF/RRSP will be income, capital gains are crystallized on second properties and investment portfolios), which can result in some significant tax liabilities for your estate.

Many people have significant registered assets and vacation properties that will create a large tax bill upon death. But where will the tax money come from?

1. The sale of assets – something will have to be sold in order to create the cash required to pay the government.
2. An insurance policy "Estate Bond" – put in place to pay out a lump sum upon the owner's death, which will enable the estate taxes to be settled without the sale of any assets.

Often an approximate tax liability can be calculated in advance in order to minimize estate tax and maximize the amount of wealth that is transferred to the next generation.

Want more info? **Call us for a free copy of our Estate Planning Guide or to set up an Estate review.**

Important Upcoming Dates

May 2008

11 – Mother's Day

19 – Victoria Day, office is closed

June 2008

10 – Bank of Canada Interest Rate Announcement

15 – Father's Day

20 – First day of SUMMER!!!

24/25 – US Federal Reserve Announcement

July 2008

1 – Canada Day, office is closed

15 – Bank of Canada Interest Rate Announcement