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Financial Matters

Giving the complete picture

to focus on your financial health

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**Don't keep
us a secret!**

If you know someone who could benefit from our services and would be interested in receiving our newsletter, let us know.
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When getting advice from any professional, identifying all of your resources and contributing factors is essential. For example, when you go to the doctor you naturally give her all of your medical history so she can treat you most effectively and help you stay physically healthy. It's also just as important that you give your advisor all of the information when talking about your financial health.

RITA AND HER MANY INVESTMENTS

Meet Rita, someone who didn't understand the value of providing her advisor with the complete picture. When Rita, 45, accepted her new job in human resources with a major automotive company, she was thrilled with the benefits package offered. Especially the savings program.

Now, not only did she have the pension from her old job with a steel manufacturer, she had a group RRSP consisting of mutual funds, and stock options from her new employer. Not to mention her universal life product with her insurance company, a bank account, two GICs, and an individual RRSP that she started nine months ago with her bank.

Rita thought she was set. After all, she'd always heard that diversification is the key to successful investing. And she'd worked hard to find a good advisor who understood her goals and investing personality. When Rita met with her advisor last year for her annual portfolio review, she didn't have her individual RRSP with the bank. And when she met with him for the current year's review she forgot to mention it, caught up in the excitement of telling him about her new job.

They sat down and discussed if there were any changes in Rita's goals and time horizons. Then the advisor adjusted Rita's investment strategy to incorporate her additional investments with her new employer.

INCOMPLETE INFORMATION = INCOMPLETE ADVICE

When Rita met with her advisor, she didn't realize that the investment strategy he developed was only as effective and as accurate as the information she gave him.

Based on all of her investments he might have helped her select another, more suitable insurance plan, introduced other investments better suited to her circumstances and needs, or consolidated some investments to eliminate duplication.

Even though Rita's advisor took her new employer investments into account, he would have made even more changes had he known about the individual RRSP. He would have found that Rita's investments were overdiversified, and that she simply had too many similar funds, both of which can have drawbacks.

HERE'S WHY

Having too many funds can potentially limit returns. Essentially you're spreading yourself too thin. By doing this, you're not allowing the assets in your portfolio to work for you. The impact of any gain from an individual investment will be marginal on your overall portfolio

- Ensure the funds you own are not too similar to one another. The goal should be to have enough variety for proper diversification, e.g. geographically, across asset classes and investments styles.

Your advisor can help you choose the right balance of funds to help achieve your financial goals

With too many different investments, proper asset allocation may become difficult to maintain. Regular monitoring is essential to the health of any financial plan as portfolios may need to be adjusted over time. The problem with having too many investments may be the costs of rebalancing. Buying and selling investments to maintain proper asset allocation is essential but has the potential to be costly to your portfolio

DRAWBACKS OF TOO MANY DIFFERENT INVESTMENT ACCOUNTS

1. Increased fees – Remember, for every account you have there's the potential for paying either an administrative or commission fee for each one. By consolidating some investments, your returns may increase simply because you're paying less in fees.

2. Difficult to monitor performance across all plans – If you have so many plans that it's difficult to look at your performance statement and keep track of which ones are contributing to returns, it may be time to consolidate. By consolidating, you receive one statement detailing all your investments, making it easier for you to monitor your portfolio and plan your financial future. It's also easier to avoid over-diversification.

3. Unclear inventory of assets leading to:

Duplication of investments – The Canadian marketplace is relatively small when compared with that of the U.S.; in fact, many Canadian equity funds are simple variations of the TSX. You may own 40 mutual funds but a closer evaluation may reveal that 30 of them may have very similar holdings.

Incomplete financial plans are created because of lack of information – There are many tactics your advisor can use to tailor your portfolio to your objectives. But without all of the information, there may be unforeseen shortcomings that he could not predict.

Estate planning problems – The issues surrounding estate planning can be complex, especially if there's a significant amount of wealth spread across several personal and business assets. And if any of your investments are not specifically identified in your will, the investments will be passed on to the residual beneficiaries of your estate which may not be in accordance with your wishes.

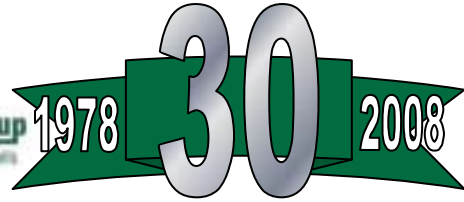
THE SIMPLE SOLUTION

Talk to your financial, tax and legal advisors. Avoiding all of the above problems and achieving your goals can be simple and likely won't require any extra work – just be sure to give your advisor your complete investment picture. Having all the information will help him/her focus on your overall financial health so that all aspects of your financial life are working smoothly.

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Did you know - we can help you with Travel Insurance



**Celebrating
30 Years**

Thank you for being part of our success!

It has been a pleasure to be a resource to all of you for the past 30 years and our full spectrum of financial services has benefited many of you.

If there is any area of Insurance or Estate Planning or Retirement and Investment Planning we can assist you or anyone you know with, please do not hesitate to call us.

Yes, we give second opinions!

Soulliere Financial Seminar Series

Join us for one of our retirement sessions
"Guarantee & Protect your retirement income"

**November 11, 12, 13 or
November 18, 19, 20**

TOPICS OF DISCUSSION

- How to make your retirement/investments worry-free.
- How to create peace of mind in these uncertain markets.
- You maximized your RRSP's – what's next?
- Make your mortgage interest tax deductible.
- Leverage other people's money to maximize wealth.
- Learn about Pat's 'Personal Success Formula'.

**Pick from
12noon or 4pm
each day**

Please call our office at 519-258-7676 #21 to reserve your seat at one of these informative presentations.

MAKING RRSPs WORK FOR YOU

RRSP tax deductions can be carried forward indefinitely, so it's important to take advantage of every contribution opportunity available before you close your RRSPs. A final-year RRSP contribution can be an important tool for lowering earned income in retirement and reducing the impact of any clawbacks on government benefits such as Old Age Security (OAS).

- If you have unused RRSP contribution room, you can make a lump-sum contribution before closing out your RRSP. The resulting tax deduction does not have to be used on that year's tax return. Instead, deductions can be used at any time in the future, whenever they are most advantageous for reducing your taxable earnings
- If you have no carry-forward RRSP contribution room, but have current-year earned income that will generate RRSP contribution room in the following year, consider a final December overcontribution before closing your RRSP. The penalty is only one per cent per month on any amounts in excess of \$2,000. The after-tax benefit on the overcontribution can outweigh the penalty.

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Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund's simplified prospectus before investing. Mutual fund securities are not guaranteed, their values change frequently and past performance may not be repeated.

The information contained in this newsletter provides general information and is not intended to be comprehensive investment, medical, financial or legal advice to any individual or business. We strongly recommend that any queries be directed to an appropriate professional advisor. If you have any questions or issues that have risen from reading this material, please call our office. We would be pleased to assist you.

Local Events

Oct 24

**Wines of the World
Roseland Rotary Club
Fogular Furlan**

Nov 7—16

**Windsor International
Film Festival**

Nov 16

**Jingle Bell Run
Essex**

Nov 22—23

**Olde Town Christmas
House Tour
Amherstburg**

Nov 22-Jan 4

**Fantasy of Lights
Kingsville**

Dec 6

**Santa Clause Parade
Windsor**

Dec 7

**Christmas
in the Country
John R. Park Homestead**

Dec 9

**Windsor Symphony
Windsor Armouries**

Dec 22

**Christmas Bird Count
Point Pelee National Park**

For more information on the above events, or to find out about more exciting events, visit:
www.citywindsor.ca