



QUARTERLY REPORT

DECEMBER 2012

DAVE'S UPDATE

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Make a Difference.

Have you given any thought to Socially Responsible Investing (SRI)? Being socially responsible or ethical with your investment choices is something that appeals to a growing number of Canadians. But just what does this mean and how can you participate in this growing trend?

First, you need to decide what "ethical" means to you. Then you need to choose your investments so that they align with your ideals. Fortunately there are a number of mutual funds available to make this easier. Each SRI fund company has their own rules that they follow. Most will exclude companies involved in tobacco, weapons or nuclear power. Some have

other screening processes. And some will also try to become active investors and work to encourage companies to change their practices and become more environmentally, socially, or ethically aware.

If you want to explore SRI contact me to set up a meeting. In the meantime, you might want to take a look at some websites. Here are a few to get you started:

www.ethicalfunds.com

http://www.agf.com/static/en/products_services/47630.html

QUARTERLY QUOTES

"A business that makes nothing but money is a poor business."

Henry Ford

"There are people who have money and people who are rich."

Coco Chanel

"In investing, what is comfortable is rarely profitable."

Robert Arnott

SAVING TIPS

It only takes spending \$27.40 a day to fritter away \$10,000 per year. Here are some ideas for saving some of that easily.

- 1) Stop buying bottled water. Even at \$1.00 a bottle, a family of four can easily go through \$1500 annually. Use tap water in reusable bottles, for a total cost of about \$1 for the year.
- 2) Cook at home. Three lunches (at \$8 each) and one family meal out (at \$50) every week adds up to over \$3800 annually. Cut that back to one lunch a week and one family dinner a month, and save approximately \$2800 over a year.
- 3) Pump up your tires. If you are driving on underinflated tires, it takes more energy to keep them rolling, using as much as an extra 5% in gas. If you spend \$50 per week in gas, that can add up to a savings of \$130 a year just by checking your tire pressure now and then.

SAVE PAPER

If you would prefer to receive an electronic copy of this newsletter, please contact Carol at: carol@panoramawealth.ca



TFSA LIMITS

TFSA limits are increasing to \$5500 for 2013.
The lifetime TFSA contribution limit will be \$25,500 in 2013

RRSP LIMITS AND DEADLINE

RRSP limit for 2012 is \$22,970
RRSP limit for 2013 is \$23,820
2012 Contribution Deadline is March 1, 2013

THE FISCAL CLIFF

What is it? From Wikipedia: "In the United States, the fiscal cliff is a term used to refer to the economic effects that could result from tax increases, spending cuts and a corresponding reduction in the US budget deficit beginning in 2013 if existing laws are not changed by the end of 2012. The deficit—the difference between what the government takes in and what it spends—is expected to be reduced by roughly half beginning in the first days of 2013. This sharp decrease in the deficit in such a short period of time is known as the fiscal cliff."

How will this all be sorted out? No one really knows at this point. The Republicans and Democrats are trying to negotiate various alternatives. The likely solution will be some form of compromise with an extension of some of the tax cuts and spending programs. Other tax cuts and spending will end. This will minimize the negative effects on the US economy.

Will this affect my investments? Long-term, probably not. But in the short-term, there will likely be some market volatility. The markets could potentially drop if investors don't like the solution that the politicians come up with. This would create a good buying opportunity early in 2013, just in time for your RRSP contributions.

If you would like more information on the Fiscal Cliff, let me know. I can send you commentary from a number of investment managers. They give their thoughts on the risks and potential opportunities. (www.wikipedia.com)

QUARTERLY QUIZ

A bat and a ball cost \$1.10 in total. The bat costs \$1 more than the ball. How much does the ball cost?

Everyone who contacts Carol with the correct answers by **Jan 15th, 2013** will have their names entered into a draw for a \$25 gift coupon to **The Three Tarts Bakery** which is located in the Westboro area of Ottawa.

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The correct answers to the last quarterly quiz:

- 1) If you spent \$1 every second of every day, it would take you approximately 31 years to spend \$1 billion.
- 2) It would take 15 years to save \$100,000 if you invested \$300 every month at 7% interest.

Sadly, nobody contacted me with correct answers to the last quiz.

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