



# QUARTERLY REPORT

SPRING 2012

## DAVE'S UPDATE

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The markets have started off 2012 strongly, resulting in most funds increasing substantially. It's great to see some positive gains, although I expect continued volatility for the rest of the year. I remain cautiously optimistic.

Don't be distracted from your goals by market volatility. Stock markets fluctuate. It's what they do. It's perfectly normal.

If your retirement plan calls for you to put aside \$500/mo, for example, you must continue to do this each and every month, through good markets and bad. If you stop your contributions because market fluctuations have made you nervous, then you will not achieve

your retirement goals—not because of the markets but because you stopped investing. Remember, you can't control the markets. You can only control how you react to them.

If it's been a few years since we reviewed your retirement plan, call me. We can update your plan and ensure that you are on track and focused on the end result.

P.S. If your friends or family members are concerned about their finances, have them come see me for a cup of coffee and a second opinion.

### QUARTERLY QUOTES

"A budget tells us what we can't afford, but it doesn't keep us from buying it."  
*William Feather*

"About the time we can make the ends meet, somebody moves the ends."  
*Herbert Hoover*

"Money can't buy happiness, but it will let you be unhappy in nice places."  
*Anonymous*

### Changes to Old Age Security (OAS)

The recent federal budget announced changes to OAS benefits. How will this affect you?

- ◆ If you were born before March 31/58 (i.e. currently 54 or older), then you are not affected. You will be able to apply for and receive OAS benefits starting at age 65.
- ◆ If you were born after Feb. 1/62 (i.e. under age 50), you must wait until you are age 67 before receiving any OAS benefits.
- ◆ If you were born between March 31/58 and Feb. 1/62, you fall into the phase-in period. The start of your OAS benefits will be delayed by anywhere from 1 month to 23 months.

The budget also made some other changes to the OAS system. Visit my website [www.davehutchinson.ca](http://www.davehutchinson.ca) for more details on all of the OAS changes and how they will affect you. There is also a handy reference chart to show you how you can offset the delay in OAS benefits and ensure your retirement plans aren't negatively affected.

### SAVE PAPER

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



## 10 BIG WASTES OF MONEY

Want to know how to accumulate cash in a hurry? Stop wasting it! Here are **10 big wastes of money** in no particular order:

**Insisting on brand loyalty.** Sure, we all have our brand favourites but often generic or store brand clones are very similar in quality, if not indistinguishable, and can save you at least 25 percent or more. Check them out and compare the difference.

**Buying from TV infomercials.** TV products are overpriced and they hardly ever turn out as depicted. Plus shipping and handling costs can be enormous. If you're still tempted to buy, most items are available at many retail stores, often at sale prices and you save the shipping charges.

**Failure to return items.** It doesn't fit right or the colour is wrong or it was just a plain mistake, but who has time to trek back to the store? You do. If you still have receipts, try to get a refund for all new items with tags or original packaging. At least get a store credit.

**Late fees.** Don't be a late payer. Late fees on credit card account, mortgages, car loans, property taxes – even library books and DVD rentals are extremely high. Record due dates in your planner and pay on time. If you do incur a late fee, call immediately. Most creditors will waive the fee if you have a good payment record.

**Overdraft fees.** A small slip-up can easily turn a \$5 burger into a \$40 overdraft fee. Even if your bank is happy to cover your mistakes you'll be not only charged a fee, but at least 21% interest until the OD is covered.

**Extended warranties.** Extended warranties are mostly profit for the retailer. Generally, if an item is going to fail, it will do so early on and the manufacturer's warranty will cover it.

**Paying for storage.** If you've got so much stuff that you need to pay to store it, you've got too much stuff. Period. Take the plunge and unload everything you don't use or need. Turn what you can into cash or give away still serviceable items to charities like Goodwill or the Salvation Army.

**Not taking advantage of available discounts.** Do you have a young driver in the family who is also a good student? You may qualify for a good student discount. Did you take a driver training course? Does your car have more than the basic safety equipment? Did you install a home protection system? Call your insurance agent for a review.

**Buying in bulk.** It's easy to get carried away when you walk through a warehouse club like Costco. Determine how much you really need and then consider the price. If it's more than you can reasonably use before the stuff turns stale, rotten or past expiration – or you just don't need it- you're throwing money down the drain. If you must buy in large quantities, invest in a vacuum sealing machine or a large freezer for storage.

**Not taking an employer's match.** If you're eligible for employer-matching RRSP or other savings plans and you're not signed up, you're turning down FREE money. It's like getting a 50 – 100% return on your money without any risk. How can you pass that up?

(www.boomerandecho.com)

## QUARTERLY QUIZ

1) If you had a billion dollars and could spend \$1 every second of every day, approximately how many years would it take to go broke?

a) 3 b) 13 c) 21 d) 31

2) If you invest \$300 every month at 7% interest, approximately how long would it take to save \$100,000 total?

a) 5 yr b) 10 yr c) 15 yr d) 20 yr

Everyone who contacts Carol with the correct answers by **June 15th, 2012** will have their names entered into a draw for a 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: Canadian \$2 bills ceased to be printed in 1996, and \$1000 bills in 2000.

Congratulations to Darren Lawless who won a copy of the book "The Wealthy Barber Returns" by David Chilton.

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