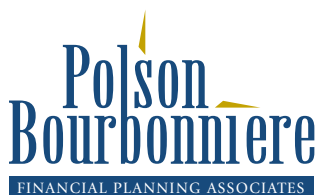




STRATEGY UPDATE

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Protecting yourself from Identity Theft by Lydia Bzowej



Lately we are hearing more about identity theft, the fastest growing crime in our society. But, what exactly is it?

Identity theft is the unauthorized collection and use of your personal information, usually for criminal purposes. The most important pieces of information that these thieves are looking for are your name, address, date of birth, social insurance number and mother's maiden name. With this information a thief can take over your financial accounts, open new bank accounts, transfer bank balances, and apply for loans and credit cards.

With so many fraudulent schemes in use today it may seem almost impossible to avoid becoming a victim. However there are a number of things that you can do to help protect yourself or at least recognize when you are the victim of identity theft:

- 1.** Check with the post office immediately if you notice that you have not received mail for a number of days, especially credit card and bank statements or your regular bills. It could be that your mail has been stolen or redirected to another address. Having a locked mailbox can help prevent against theft.
- 2.** Check your credit rating once a year with both Equifax Canada and TransUnion Canada. These reports will tell you what information has been requested on you in the past year, helping to identify if someone has your personal information.
- 3.** Never reply to any e-mail requesting personal information. This illegal practice is known as "phishing" and is commonly associated with fraudulent financial schemes. The e-mail looks authentic, and requests that you provide personal information. Remember: no bank will request information from you this way - especially since they already have this data!
- 4.** When shopping on the internet, ensure that the company you are dealing with is reputable. It is also a good idea to have a separate card for online shopping with a low credit limit in case the card is compromised.
- 5.** Check your bank and credit card statements thoroughly!! If you notice anything suspicious notify the company immediately.
- 6.** Always shred personal documents including pre-approved credit card applications.
- 7.** Always keep your important documents secure (such as your birth certificate, social insurance card and passport) and carry them with you only when necessary.

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Although there are countless schemes in place today the one that we are frequently asked about is "Title Fraud". This involves either the fraudulent transfer of the title on your home to someone else or having a large mortgage taken out on your property. When the mortgage payments are defaulted on, the bank forecloses on your home. Although this type of fraud is still limited in scope (about 10 cases in every 2.2 million real estate transactions every year) the magnitude of the loss is enormous.

Until recently, there was no protection in Ontario for a homeowner who was the victim of Title Fraud. Fortunately, the government recently introduced legislation ensuring that homeowners are not responsible for fraudulent mortgages taken out on their property. In addition, they have created an expedited process for title to be returned and for any necessary compensation to be arranged within 90 days.

Although there does not seem to be any foolproof method of protecting yourself from Title Fraud, if your home is mortgage-free then there is one option. A secured line of credit (collateral mortgage) on the property makes it more difficult for the thief as the line of credit would have to be discharged prior to changing title. The Manulife ONE line of credit is an easy way to accomplish this goal. The planners at Polson Bourbonniere would be happy to organize this for you.

If you think that you are the victim of identity theft there are a number of resources available to you including the RCMP website and The Office of the Privacy Commissioner of Canada. But first and foremost, report the crime to the police immediately. Also ensure that you have a copy of the police report for proof of theft when dealing with companies.

There will always be new ways to access information fraudulently but you can minimize the risk by being careful about how and to whom you give information.

Rest assured that we at Polson Bourbonniere Financial Planning Associates are vigilant about the security of your personal information.

We only ask for and retain information that we need to provide you with the best possible financial planning services. Your information is not shared with anyone else, unless you have granted your permission. We maintain your information in a secure environment, behind locked doors and on password-protected systems. We keep your information only as long as it is required and when it is no longer required, it is destroyed using appropriate safeguards.

Your personal information is accessed within Polson Bourbonniere on a need-to-know basis. All staff sign a Confidentiality agreement to ensure there is complete understanding of our standards around client confidentiality.

If you have any questions about our privacy practices or your own personal information, please ask your financial planner at your next visit.

RRIF Age Change

The March 2007 budget made recommendations to change the age at which individuals must convert from an RRSP to a RRIF or annuity. Previously, the age that the conversion must occur was 69, under the proposed budget that age changes to 71. This change has been introduced into legislation but has not yet been passed.

Your Polson Bourbonniere Financial Planner will be staying abreast of developments. Once the outcome is known, we will ensure that each client potentially affected by this change is provided with appropriate advice.

Now that you've filed your tax return

by Paul Bourbonniere



As another tax filing time ends, we are reminded that "tax efficiency", i.e. minimizing the tax paid on investment income, has real benefits to you as investors. Now is also a good time to remind ourselves of other investment truths:

Markets Work

Capital markets are not perfect and prices are not always right, but markets are so competitive that it is unlikely any investor can systematically profit from mistakes in the market at the expense of other investors.

The Plight of Picking Active Managers

There have been (and will be) managers that outperform the market, but it is difficult to identify them in advance. Manager picking is an activity that should be left to the pros. Hence why we have adopted the use of asset allocation portfolio programmes with companies such as SEI and ManuLife where there are rigorous processes in place to select, monitor, and replace money managers.

Market Timing Is Risky

Following decades of empirical investigation of capital markets by literally thousands of financial economists, there is no widely accepted and conclusive evidence that market timing works. A successful timing strategy requires three correct decisions: when to get in, when to get out, and when to get back in. The success rate required to beat a buy-and-hold strategy is unattainable for most investors.

There Is No Crystal Ball . . . and You Don't Need One!

At the root of all forms of active management is some sort of forecast, but the future is by definition unknowable. Although no one can predict the future, you don't need to in order to have a successful investment experience as long

as you have the appropriate portfolio for your age and stage in life.

Diversification Is Key

It goes without saying that risk and return are related. Diversification is the closest thing there is to a free lunch. Proper diversification increases the likelihood of earning expected returns and may reduce risk by eliminating risks you are not paid for taking.

Bring Discipline to the Process

Capital markets are "noisy", e.g. there is lots of financial "propaganda" out there; but in the face of that noise, investors must maintain their discipline and stick to a long-term investment strategy in order to have a successful investment experience that captures capital market rates of return. Some studies conclude that individual investors underperform the market by as much as 5%, likely due to a lack of discipline that results in chasing hot stocks or hot funds or by timing markets.

Know Thyself

Investors often exhibit behavioural biases that can lead to poor investment decisions. Behavioural psychologists tell us that overconfidence, mental accounting, searching for patterns, hindsight, regret, and fear are cognitive biases and emotions that investors exhibit. As advisors we can help overcome these in order to promote both wealth and well-being!

Costs Matter

All investors in aggregate form the market. Therefore, it must be the case that the average investor earns the market rate of return less fees and expenses. Managing costs (management fees, operating costs, trading costs, taxes, etc.) allows investors to capture more of the capital market return that is there for the taking. Keeping costs down puts the odds of success in your favour.



You & Us

PB Financial's People Page – featuring Clients and Staff

You – Paul Sanderson



Meet Paul Sanderson – entertainment lawyer by day and blues musician by night. “A fixed and focused destination, nothing else would do” describes the determination that ensured Paul would not stray far from his love of the arts when choosing his day job.

Paul is the heart of Sanderson Entertainment Law. He has provided legal services for the last 25 years to music and arts law clients concerning their specific contractual and legal matters. Paul also teaches at the Metalworks Institute of Sound & Music Production, providing education on such areas as Entertainment Agreements, Contractual and Legal Aspects of Live Show Production, and Intellectual Property. He is the author of two ground breaking legal publications, namely, “Musicians and the Law in Canada”, now in its 3rd edition, published by Carswell Legal Publications, and “Artist Agreements”, a book of contract precedents for visual and multi-media artists, published by CARFAC Ontario.

When not wearing his legal hat, Paul can be found performing with Blue Room, a blues band he formed 10 years ago, which performs mostly original music. Blue Room have performed at The Silver Dollar, The Rex and the Beaches Jazz Festival, among other venues and have been on the bill with artists such as John Hammond, Buddy Guy and BB King. They have recorded and released three CD's and their music has obtained airplay on over 40 radio stations worldwide, including the CBC and Q107 in Canada. Paul plays guitar, writes and contributes background vocals to Blue Room.

Paul is also a member of the Scarborough Arts Council and has exhibited his award winning photography in both solo and group shows, and is a published poet, who is a full member of The League of Canadian Poets.

He is married to fellow lawyer Cassandra and is a proud dad to budding musician and martial artist, 10-year-old Jesse.

While Paul may be planning for a Worry-Free Retirement™ – the fact is that he's having far too good a time to retire at all!

Us – Linda Greco



Many of you know the voice, if not the face, of Linda Greco. Linda joined Anne on the front desk in September as a part-time receptionist and administrative assistant.

Linda joined Polson Bourbonniere following a few years as a stay-at-home mom to her boys, Matthew and Tyler. During that time, Linda kept extra-busy doing volunteer work at the Grace Hospital and donating many hours to her boys' school publishing their annual yearbooks (everything from photography to design, layout, and writing)!

Prior to her time at home, Linda worked for the Hospitals of Ontario Pension Plan (HOOPP) for over 20 years. She enjoyed many positions during that time, including a stint as a Money Market Trader. Her most enjoyable role there was managing the securities lending programme - despite the hectic pace and constant deadlines! While with HOOPP, she completed the Canadian Securities Course (CSC) and the Canadian Investment Finance Course. She also graded papers for the Canadian Securities Institute on a part-time basis.

At present, Linda has one course left in order to complete her Certificate as a Legal Assistant. Once she finishes her Corporate Law class, she will graduate In December 2007

Linda enjoys spending her free time with her husband Nick and two teenage sons, as well as gardening, reading and photography. And since she's taking the summer off, she'll get lots of time to catch up on some of her favourite things!

So, we'll soon be singing See You in September to Linda! But we know the summer will fly by and she'll be back before we know it!

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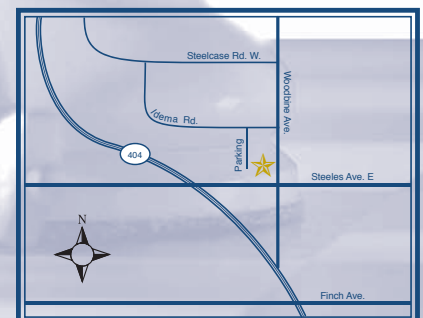
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