

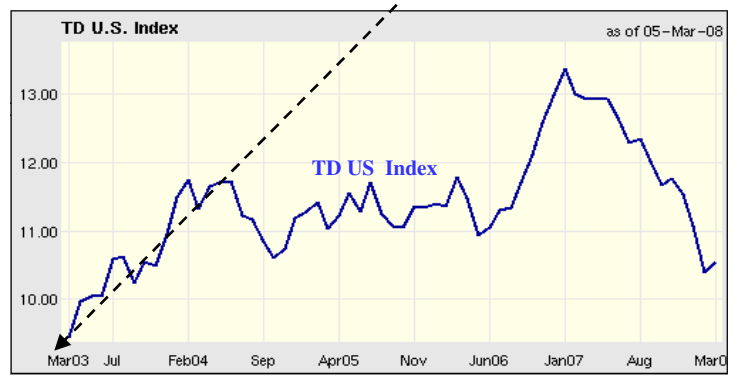
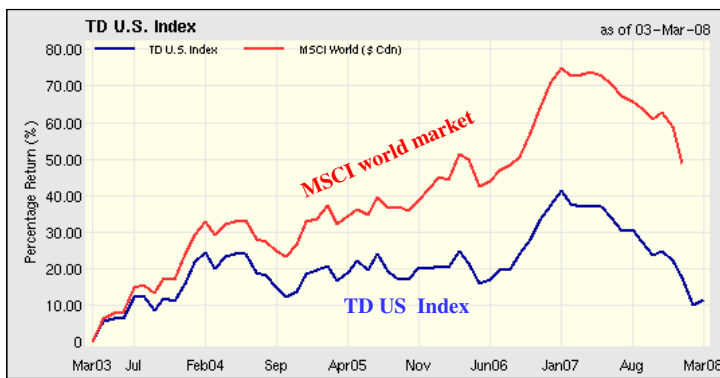


Important News: Poll ratings on President Bush's handling of the economy fell last week among the American voting public. Global investors' opinion of his stance toward Iraq dropped at least as much. With both of these constituencies turning nervous, stocks and the US dollar declined hard in a mutually reinforcing manner, dragging the stock gauges into the red for the young year. . . Perhaps as worrisome, many company conference calls feature grim talk of slim revenue growth opportunities. Companies such as AT&T, Caterpillar, McDonald's and Merrill Lynch all tempered their outlook for revenues this year - more proof of

how tough it is to manage in a low nominal growth economy, in which demand isn't strengthening much and prices are tough to increase. . . .

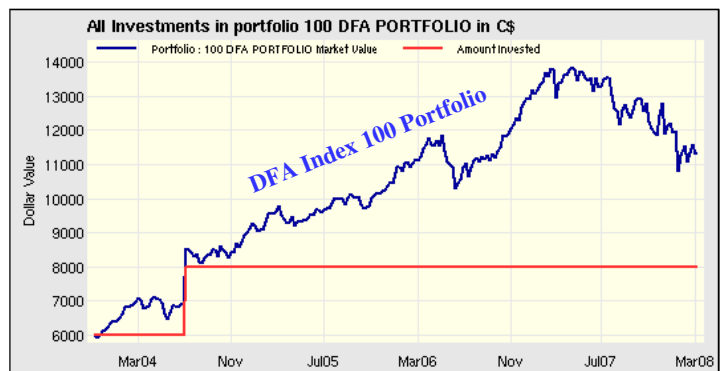
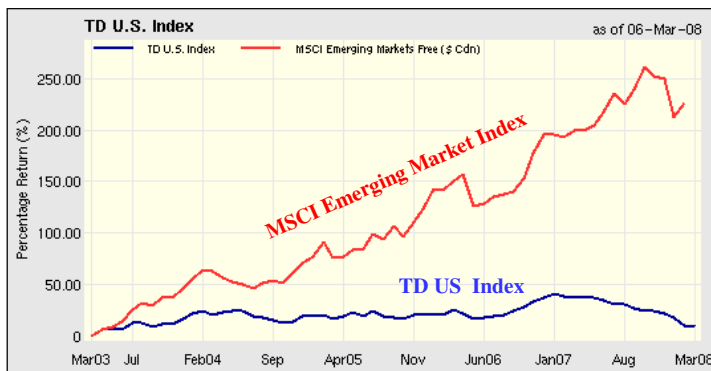
What is really interesting is that this quote was published not this year (2008) but in Barron's on January 27th, 2003.

Remember...
 "The more things seem to change,
 the more they remain the same."



☑ The MSCI (world) index actually had a good return showing an increase of over 50% since 2003. This result is almost 40% better than the growth from the U.S. stock market.

☑ The U.S markets actually performed ok after the quote but did produce poor results after 2007 once the sub-prime mess hit the market. Thankfully, growth in other markets around the world was much stronger than in the U.S.



☑ The MSCI Emerging world index had a great run, showing an increase of over 200% since 2003. This result compensates for the poor returns from the U.S. markets.

Diversification
 ☑ The DFA index portfolio which includes Canadian, US, International, Real Estate and Emerging Market index funds produced a total return of 80% since May 2004. The extra performance was mainly due to having value index funds plus a portion in emerging market index funds in the portfolio.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Any indicated rates of return are the historical annual compounded total returns including changes in security value and reinvest-

ment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

In 1991, Berkshire Hathaway's Warren Buffet wrote about his investment views and about his stay-put behavior. His views are that the stock market serves as a relocation center at which money is moved from the active investor to the patient investor. Investors will one day realize that the more things seem to change, the more they remain the same. To be a good investor, you still require patience, buying low and selling high. Recessions will come and go and yet the majority of companies will continue to survive. The weak ones will always fail, that is just the way of capitalism. Read the following by ... Templeton:

Interview with Sir John Templeton

by Eleanor Laise April 2004 Smart Money

Q: In 1939 you bought \$100 worth of every New York Stock Exchange listed stock that was trading under \$1 per share. There were 104 names. Why did you do it?

John Templeton: I was sitting in my office at 30 Rockefeller Plaza in Manhattan when the news came out that Hitler had invaded Poland. During war, everything that was in surplus, and therefore unprofitable, becomes scarce and profitable. Three years later I had a profit on 100 out of the 104 stocks.

Q: What signs helped you see that the U.S. technology bubble was about to burst back in 2000?

John Templeton: If you want to have a better performance than the crowd, you must do things differently from the crowd. Help people. When people are desperately trying to sell, help them and buy. When people are desperately and enthusiastically trying to buy, help them and sell.

Q: Do you believe that no one should have more than 50 percent of his or her portfolio in a single country?

John Templeton: Yes. And no more than 25 percent in one industry. Diversify - do not put too much in any one thing

Q: Do you think there is a real estate bubble in the U.S.?

John Templeton: Yes. Real estate is very different from the stock market because it's so local and separate in terms of type. But in many locations and many types of real estate, prices are dangerously high right now. Just look at what it costs to rebuild. Right here in the Bahamas, I have recently seen people pay four or five times for a house what it would cost to rebuild.

Q: You've lived here in the Bahamas for 31 years. Why?

John Templeton: Yes I have. I've found my results for investment clients were far better here than when I had my office in 30 Rockefeller Plaza. When you're in Manhattan, it's much more difficult to go opposite to the crowd.

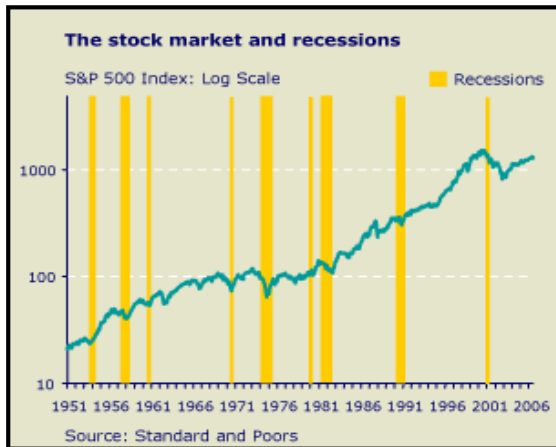
Q: So an influx of information has made life difficult for global value investors?

John Templeton: When I became an investment counselor, there were only 17 security analysts on earth. Now, in America alone, there are more than 32,000, and they do have an effect on prices by doing research on where to find bargains.

Note: Benjamin Graham said the same thing in 1976 when he said "in most situations, the advantage of security analysis has disappeared since his investment days in the 1920s and 1930s.

The IFA 70 Index Portfolio (description of portfolio below) held up well in past U.S. recessionary periods and the 12 months following.

Index Portfolio 70
19% Canada
8.0% Real Estate
27.5% US Market Value-Small-Core
24.25% International Value-Small-Core
4.25% Emerging Market
10.0% Fixed Income



U.S. Recession Period	Number of Months	IFA- 70 Return	Return After 12 months
Nov 1948 - Oct 1949	12 months	-2.5%	29.6%
July 1953 - May 1954	11 months	14.0%	3.5%
Aug 1975 - April 1980	10 months	-4.1%	28.1%
April 1960 - Feb 1961	11 months	13.1%	15.0%
Dec 1969 - Nov 1975	12 months	-10.6%	13.5%
Nov 1973 - Mar 1975	5 months	-7.4%	17.0%
Jan 1980 - July 1980	7 months	7.1%	21.5%
July 1981 - Nov 1982	17 months	5.4%	30.1%
July 1990 - Mar 1991	9 months	0.5%	13.4%
Mar 2001 - Nov 2001	9 months	0.5%	-3.3%

Canadian Value Indexing Outperforms

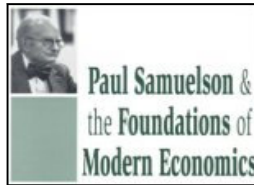
While the Canadian Index has had good results for the period 1998 - 2008, the Barra Canadian Value Index has produced even better results (except for the very short period between July 1999 - August 2000 (which again reinforces the idea of investors being patient). Value index investing over the long term outperformed the traditional index (note: the above sample index -70 Portfolio also slanted the portfolio to value indexing).



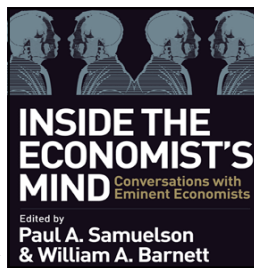
Paul Samuelson wrote: "***The stock market has forecasted 9 of the last 4 recessions.***"

Following comments made by [Carl Steidtmann](#), chief economist and director, Consumer Business, Deloitte Research

A Nobel Prize winner, Samuelson made economics comprehensible to a generation of college students. And yet, he is probably best known for the above quote on the inability of the stock market to forecast recessions with any precision.



After four years of strong economic growth, the recent stock market declines have the press once again breathlessly reporting on the possibility of a coming recession. But going back over the history of the stock market as economic forecaster what you find is that the stock market has a terrible record as economic forecaster.



Stock Market as a Forecast For Recessions

Prior to 1980, the stock market had a mixed record in forecasting recessions. It correctly anticipated the recessions of 1954, 1957, 1970 and 1974. At the same time, it also gave out several false recession readings. In 1962, fear of nuclear war with the Soviet Union over Cuba sent the stock market tumbling but the economy kept on growing. After 1980, the market's forecasting abilities seemed to deteriorate. The market declines in 1980, 1990 and 2000 all coincided with a recession rather than anticipated one.

2002 Profit Rebound

The 2002 market decline preceded the strongest and longest rebound in corporate profitability in the past 60 years. Since 1980, the combination of deregulation, globalization and increased investment in information technology has made the economy less cyclical. As a result, business expansions have an energizer bunny aspect to them. They just seem to go on and on and on.

Increased Volatility

At the same time, the stock market has become more volatile as an increase in hedge funds and derivatives has decoupled the actions of many market participants from the economic fundamentals of the market itself. This increased volatility requires "nerves of steel from investors."

About Carl Steidtmann

Based in New York, Carl Steidtmann is Deloitte Research's chief economist and a director of Consumer Business

David Swensen: "***It has been a time to worry even the savviest investors.***"

Following comments made by *By Geraldine Fabrikant*
New York Times Feb 2008

DAVID SWENSEN'S YALE PORTFOLIO*...	
Domestic equity	15%
Absolute return	26%
Foreign equity	15%
Private equity	15%
Real assets	19%
Fixed income	7%
Cash	4%

* Figures are for June

KISS - Keep It Simple, Stupid!

The credit markets have been in a crisis, the domestic U.S. stock market has been shaky and overseas markets haven't been much better. What should an individual investor do?

Don't try anything fancy.

Stick to a simple diversified portfolio, keep your costs down and rebalance periodically to keep your asset allocations in line with your long-term goals. *That is the advice of David F. Swensen*, who has run the #1 performing Yale University endowment fund since 1988. The endowment earned 28% in its last fiscal year, which ended June 30, 2007 beating all other college endowments.

For most people, he recommends a very basic approach:

- Use index funds, and stick to your long-term asset allocation - even when the markets are in tumult.
- Don't be distracted by market forecasts, he said. "You have to diversify against the collective ignorance. I think nobody is in a position to react to these big macro-issues. For every smart person on one side of the question, there is another smart person on the other side."
- For most individual investors, he said, copying the strategies of institutions like Yale is virtually impossible; big investors have access to arcane strategies that are beyond the reach of most people. "The only people who should get involved are sophisticated individuals who have significant resources and a highly qualified investment staff."
- Most people do not have the resources and time to pick market-beating private equity funds.

He proposes a typical portfolio of 30% domestic stocks, 15% foreign stocks, and 5% emerging-market stocks, as well as 20% in real estate funds or REITS and 15% each in Treasury bonds or TIPS. Though the real estate market has declined, don't try to time the market.

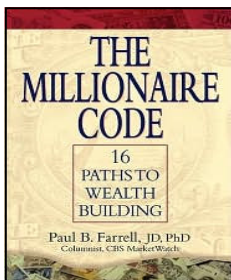
Suggested Allocation	
Domestic equity	30%
Foreign equity	15%
Emerging market	5%
Real estate (REITS)	20%
T. Bonds	15%
T. Cash	15%

He criticized the approach of [Jim Cramer](#), who encourages investors to trade stocks in strategies that Mr. Swensen says cost heavily in commissions and taxes:

"He takes something that is very serious and turns it into a game. If you want to have fun, go to [Disney World](#)." "If you pursue the sensible long-term policy, look at it over a 5 to 10 year period. Don't look every five months."

Want to Know How To Get Rich? Write a “How To Get Rich Book”

By Paul B Farrell, Marketwatch Feb 2008



The only way to get rich from a get rich book is to write one says writer Paul B Farrell. In Canada we have a perfect example of that with the best seller from author David Chilton, who wrote the book “The Wealthy Barber.”

But does that mean that you should stop reading financial books like “The Millionaire Code” or “Get Rich in Real estate” or “Smart Stock Trading?”

Our answer is... yes!

Maybe, once in a while take a quick peek. Then, put the book back at the bottom of your book shelf, underneath your other stuff like Travelogues, National Geographic's, or Martha Stewart's Recipes. Why? The truth is, unless your stock tips really are divine revelations, reading “how to get rich” books are dangerous to your financial health because they contradict one another. They waste your time and get you all excited. Plus it takes away from your real source of possible wealth, being as good as you can at your own job.

The following comments have been repeated over the years but by putting them all together again, it may just help you stay focused and on the right course:

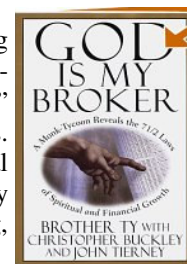
- 1) *If you spend more than 15 minutes a year worrying about your investments, you have wasted 12 minutes* (Peter Lynch).
- 2) *Millionaires devote less than three hours a month to their personal finances. That is six minutes a day.* (Ric Edelman). Ric is a #1 New York Times best-selling author. His five books on personal finance include Ordinary People, Extraordinary Wealth; The New Rules of Money; Discover the Wealth Within You; What You Need to Do Now; and the personal finance classic, The Truth About Money.
- 3) *Stop playing the markets. The more you trade, the less you earn. Transaction costs, income tax and bad decisions will kill returns* (Professors Odean and Barber).
- 4) *Focus on making money by working, not by investing. If you are fortunate enough to select the ideal vocation (job), you can win, and win big-time. The really brilliant multimillion-*

aires are those who selected the ideal vocation they loved (Microsoft, Goggle, Wal-Mart, Apple, Martha Stewart, RIM, etc). Get it? Do what you love to do and do it well. Money will follow (George Stanley)

- 5) *Millionaires do not watch business on cable TV, read financial news or obsessively track their portfolios. Why not? They do not have the time as they are busy working making money. They find the topic incredibly boring. They realize that no one has a clue as to what people are talking about* (Edelman).
- 6) *A strong case can be made that the people who do not obsessively follow business news do much better, if only because they avoid the avalanche of information that's continually produced by the markets and the media* (Edelman).

Bears vs Bulls!

Book titles need to be controversial or shocking in order to get people's attention but ... we recently found a book titled “God is My Broker,” hovering all over the other financial books. Now that is a catchy title. In most financial books, the information on investing is very repetitive, biased, myopic, misleading, boring, recycled info, or blatant pitches.



Faith and Hope

And yet, faith and hope are always present. After all, if Benjamin Graham, John Templeton, Warren Buffet, Bob Krembil, Ben Millar, Peter Lynch, can (or did) do it then why not you?

The above is like saying just because people like Bobby Hull, Gordie Howe, Rocket Richard, Wayne Gretzky, were great hockey superstars, then why can't you be one?

Playing Golf

Nothing could seem easier than hitting a golf ball with a stick. You do not have to be really fast, or big or strong and yet how many Tiger Woods are there? Investing is like golf. Great winners come along once in a while, they are patient and understand that investing is not about getting a hole in one but about having the best score after 18 holes.

A GOOD FINANCIAL PLAN SHOULD INCLUDE:

- Cash management: income and expense budgeting
- Investing: safe and aggressive investments
- Insurance: life, disability and critical illness coverage
- Education: RESP plans and ITF accounts
- Income tax: tax preparation and tax planning
- Estate: wills, power of attorney and probate
- Good Financial planning includes: All of the above

Give us a call at 905 731 9800

De Thomas Financial Corp (investment planning)

De Thomas Tax Planners (tax planning)

De Thomas Insurance Agency Ltd. (insurance planning)

INFORMATION NEEDED FOR A GOOD FINANCIAL REVIEW

- Income tax return
- Income tax notice of Assessment
- Employee benefit book
- Pension plan statements
- Group RRSP plan statements
- Group benefits (life, disability, etc)
- Personal life insurance policies
- Bank savings-investment statements
- Mortgage-loan statements
- RRSP, RRIF, ANNUITY statements
- Non-RRSP statements
- Wills, Power of attorney and... lots of questions!