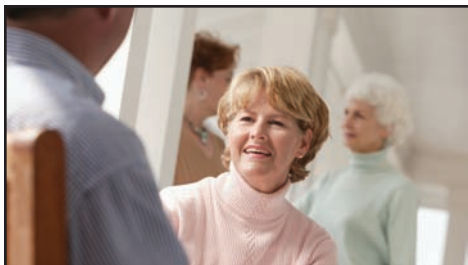




Practical Wealth Creation Ideas

...for Simplified Financial Success™

Financium.com



Where to live WHEN YOU RETIRE

What is on your retirement wish list? New hobbies? Beach-combing? Returning to university? Indulging the grandkids? Working part-time? Should you keep your present house or buy something smaller?

Consider Remaining In Your Present House Family, friends and former colleagues—a whole support network—probably live nearby. You could spend more time with your grandchildren.

Is the mortgage paid off? Are there liens against the house or major repair bills looming? Can you afford the property taxes on a reduced income?

You can supplement your retirement income using the equity in your home (by way of a loan, leveraged purchase of mutual funds, or a reverse mortgage). Your home may also increase in value.

Consider Downsizing Smaller homes are easier to maintain, clean, and are cheaper to heat. By downsizing, you free up some of your equity in your former home.

Sale Leaseback You stay, but take out all your equity by selling and arranging to rent the house from an investor.

What to do if You're ROBBED ON VACATION

Pickpockets and purse snatchers seek easy targets. Don't help them. If you must carry cash while on holiday, conceal it in a money belt or pouch hidden under your clothing. Better still, carry plastic or traveller's cheques. You can cancel lost or stolen credit cards immediately using toll-free numbers and order temporary replacements. If you use traveller's cheques, list the numbers and denominations. Keep one list with you, but separate from the cheques. Leave a second list at home.

Carry only what you must. Most good hotels offer guest safes for jewelry, important documents, extra cash, and credit cards. Always wear your room key while you swim. Don't leave valuables unguarded on a beach or by a pool. Report thefts to the hotel management, tour operator, and police. Record what happened, where and when. Photograph evidence of break-ins. Get names and phone numbers of witnesses. This helps speed insurance claims.

If you are robbed, it is often possible for someone at home to wire you emergency cash via American Express or another credit card company. You may need extra theft insurance coverage. Talk to your travel agent.

Allocating INVESTMENT ASSETS

Affecting both risk and return, asset allocation is the procedure of apportioning investments among various categories of assets such as: cash equivalents, stock, and fixed-income securities (including government and corporate bonds).

Some managers of "asset allocation funds" practice the discipline of allocating assets, buying and selling the securities (such as stocks, bonds, and money market securities) held by the fund. Their mandate is to reduce risk, while maximizing the gains of the unit holders.

The manager makes investment decisions for you. The purchase and sale of the mutual fund's assets are timed and made proportionately according to their analysis of the upcoming market trends. Theoretically, these decisions, made after careful analysis of potential future market conditions, can buffer against declining stock and bond prices. For example, the manager has the flexibility to move into safe money market instruments temporarily if a market downturn is expected. This creates an opportunity to continually look for and move assets into better-performing markets. Making informed asset allocation decisions could provide better returns and reduce risk. The key benefit to asset allocation (as with all mutual funds), is that intelligent, professional fund managers make the decisions for you. Your financial advisor can answer your questions and help you determine if an asset allocation fund is right for you at this time.