



What is the Role of a Good Advisor?

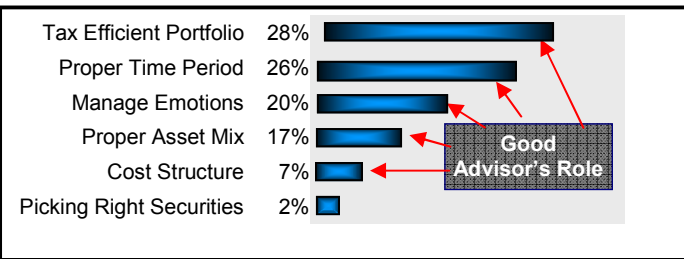
“Advisors who look after clients’ wealth are already in trouble. Surveys indicate that the better off are highly dissatisfied with the services provided by their private banks...The rich have become disillusioned with the people who look after their fortunes...The final straw came at the end of last year (2008) when the extent of the Madoff scandal was revealed...The old wealth-management system is not just broken, it has been broken and tossed away.

A survey of rich Americans by Harrison group found that 63% had lost faith in financial institutions...Putting performance to one side, another big issue for the financial industry is the quality of advice on offer, and whether it is sufficiently impartial...A lot of private banking has not been about advice but about pushing products. Wherever the rich clients are based, they are likely to have been chastened by the experience of the past 18 months.” *The Economist Magazine April 2009*

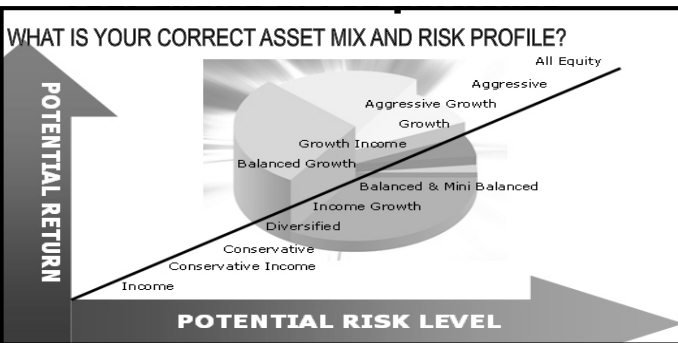
In priority to adhesive better returns:

- lower taxes .
- invest for the proper time period.
- control your emotions.
- make proper risk allocation.
- reduce your fees and trading costs.

GREATEST IMPACT ON TOTAL RETURNS



Lower taxes, proper investment time period, managing emotions, and the right mix (stocks, bonds, real estate, etc) are much more important than trying to pick the right securities.



**Financial Risk Taking
Tied to Testosterone**



Sigmund Freud believed that dare-devil stunts arise out of humans innate “death drive;” that dangerous activities make us feel more alive. A Harvard study, Evolution and Human Behaviour, was the first study to directly examine and find a relationship between testosterone and financial risk-taking. The study found higher levels of testosterone correlate with financial risk taking behaviour.

Evolution and Risk Taking



Many believe that evolution favoured risk takers. One theory is that part of our brain is still programmed for survival and risk taking based on the thesis “survival of the fittest.” One explanation is the release of endorphins in times of excitement. Endorphins enable us to balance the tremendous rush of adrenaline that flows into our bloodstreams during dangerous moments.

**De Thomas
Financial Corp**

**MANAGING MONEY IS A
VERY SERIOUS BUSINESS**

Who is your financial advisor?

- An insurance company
- A family member
- A brokerage firm
- A friend
- A bank
- Yourself

Tony De Thomas, BSc, CFP, RFP and a financial advisor with over 30 years of experience offers:

- Independent financial services &
- Independent financial products

De Thomas Financial Corp has:

- No greedy and overpaid CEOs and
- No need for government bailout

We believe that managing money is serious business. Options are numerous: sample offering of providers...





Good advisors only worry about things that they can control.

Possible Changes That May Affect Your Financial Plan.

If you answer yes to any question below, a possible financial review may be required.

Income has decreased	<input type="checkbox"/> Yes <input type="checkbox"/> No	You may need to increase your emergency savings - open up a high yield savings account to help weather the storm.
Income has increased	<input type="checkbox"/> Yes <input type="checkbox"/> No	Increase your monthly investment plans by same percentage (eg. if income increases 10%, increase monthly investing by 10%).
Expenses have increased	<input type="checkbox"/> Yes <input type="checkbox"/> No	You may need to prepare a new budget to see where expenses may be cut back in order to balance expenses with income.
Expenses have decreased	<input type="checkbox"/> Yes <input type="checkbox"/> No	Increase your monthly investing plan by same percentage as your expense decrease to avoid spending the extra cash.
Just got married	<input type="checkbox"/> Yes <input type="checkbox"/> No	Review your life insurance policy to cover your spouse. Review your will, your power of attorney and update if necessary.
Newly separated or divorced	<input type="checkbox"/> Yes <input type="checkbox"/> No	Review your life insurance policy if it is still needed. Review your will, your power of attorney and update if necessary.
Widowed	<input type="checkbox"/> Yes <input type="checkbox"/> No	Review your life insurance policy, your will, your power of attorney, your executor, your trustee and update if necessary.
Another family addition	<input type="checkbox"/> Yes <input type="checkbox"/> No	Review your life insurance policy, your will (who will be custodian of the child), and start an RESP.
Another family dependent is born	<input type="checkbox"/> Yes <input type="checkbox"/> No	Review your life insurance policy, your will (who will be custodian of the children). May need to start a family RESP plan.
Will be retiring soon	<input type="checkbox"/> Yes <input type="checkbox"/> No	Review your company pension, RRSPs, loss of any group benefits and make a sample pre-budget of retirement.
Will be age 65 this year	<input type="checkbox"/> Yes <input type="checkbox"/> No	Review if any pensions were bridged, apply for UIC, CPP, and for OAS, make sure to use the pension and age deduction.
Will be age 71 this year	<input type="checkbox"/> Yes <input type="checkbox"/> No	Review all group pension plans, RRSPs, LIRAs, RRIFs, LIFs and annuities.
Estate Planning	<input type="checkbox"/> Yes <input type="checkbox"/> No	Review charitable gifting, capital loss selling, possible asset distributions, executor and trustee.

Financial Planning

A good financial plan ensures that:

- there is emergency money.
- there is insurance coverage.
- debt is manageable.
- cash flow is positive (not negative).
- a portfolio suites investor's goals
- there is proper rebalancing
- there is children education funding
- retirement funding is adequate.
- estate planning is in place
- ...and that there is a written plan

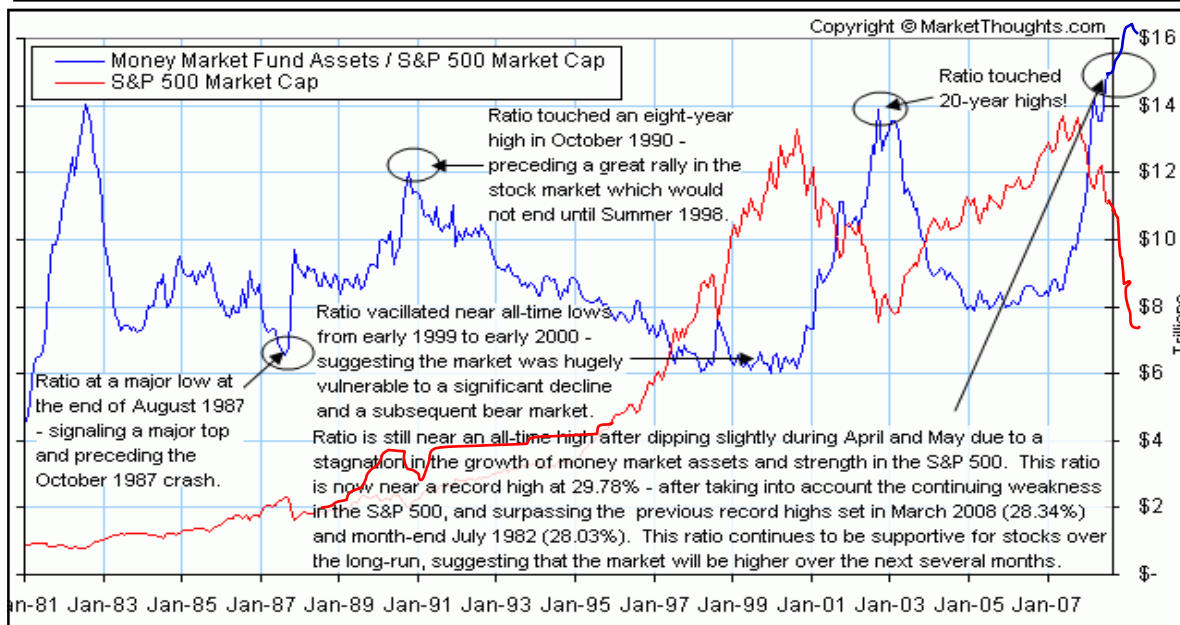
Investors with a written plan earn three times more than those with no written plan.

SIX MAJOR FINPLANCIAL PLANNING STEPS



A written financial plan ensures you stay on course!

Total U.S. Money Market Fund Assets / S&P 500 Market Cap 02- 2009



APRIL 2009 Globe & Mail - Picture, if you will, a mountain. But this isn't your typical mountain. Its slopes are made not of rock and stone, but of cash: bills and coins of all kinds, certificates of deposit, Treasury bills, money market mutual funds.

As extraordinary as the metaphor seems, it's not far from the truth. There is currently an enormous reserve of cash assets piling up around the world, as investors wait - for a catalyst, for an improving economy, for more certainty - before they invest in equities and high-yield bonds again.

This is a counterproductive strategy. The above graph compares the total assets invested in money market funds (essentially a proxy for cash) to the market capitalization of the broad-based S&P 500 stock market index.

Every time the bulls run on Wall Street, investors pull their money out of cash and put it into the market. Conversely, every time the bears hold dominion, investors pull their money out of stocks and put it into cash. The most cash tends to go in just before market peaks as investors chase performance. Conversely, the most cash goes out of the markets at lows.

In this way, the graph functions as a kind of "fear gauge." Looking at the far right of the graph, you can see how extreme the fear has been during the current downturn.

Simply put, there has never been another point in history where there has been such a dramatic shift in the ratio of cash to equities.

The ABOVE graph is one of the strongest arguments for a rebound in the stock market. You'll note that every time we've seen a similar mountain of cash holdings, there has been a market bottom. And it's easy to understand why. This record level of cash is currently generating perhaps a 1% to 2% return before tax. The money has to move off the mountain soon.

Will there be further volatility? Almost certainly. But it doesn't change the central thesis: There is no way investors with cash will be satisfied with the existing paltry returns. Or to return to our metaphor, money will come down from the mountain soon.

We are currently at an inflection point, a point where the market could experience a quick, dramatic turn for the better. High-net-worth individuals are starting to realize this, and they're entering the market before the majority of investors move their cash "off the mountain."

I believe this to be an important feature of the high-net-worth mind. At the end of the day, high-net-worth investors have a higher batting average than investors with more modest portfolios. They make the right investment moves more often, not because of their superior intelligence, but because of their superior temperament.

Over the years, I've noticed the following characteristics of successful high-net-worth investors.

- *They are contrarians. They are skeptical about following the crowd. They unearth opportunity sooner. They have trained their minds to identify and act upon business and investment opportunities quickly. When I show the graph to clients, the vast majority of them see the opportunity immediately.*
- *They think longer term. They don't think day to day, paycheck to paycheck. Right now, our clients are making investment decisions with a three - to five -year investment horizon in mind. They have more courage. They have the "stomach" for investing; they have the discipline and the nerve to take calculated, well-considered risks when there is appropriate reward.*

You can see how each of these characteristics has important implications in the context of the current market opportunity.

Want to diversify? Pick a number.

jheinzl@globeandmail.com May 13, 2009

It's one of the first things we're told as investors: If you want to make money and avoid big losses, you have to diversify, diversify, diversify. But how many stocks do you need? Five? Fifty? Five hundred? Is there such a thing as over diversification?

Before we answer these questions, which are the subject of some debate, let's review what diversification can - and cannot - accomplish.

Not a panacea

As investors learned the hard way during the credit crisis, when the stock market gets really grumpy, no amount of diversification is going to save you. That's because diversification doesn't protect against market - risk, which cuts across the whole world.

Diversification should have helped buffer losses in 2008 - **but it did not**. The only investment from the table below that did not lose money in 2008 was the government bond index which earned 4%.

- How often has this situation occurred in modern financial history? **Never**.

Emerging Market Index	-53%
EAFE Index	-43%
S&P 500 U.S. Index	-38%
REITs Real Estate Index	-37%
Russell 2000 U.S. Index	-36%
Commodities Index	-35%
TSX 60 Canada Index	-31%
Emerging M Bond Index	-26%
Barclay's High Yield U.S. Index	-25%
Barclays T. Bond Index	+4%

- How bad was the carnage in Oct 2008? Average loss of the asset classes above in Oct 2008 was -14%.
- Has so large an average monthly loss ever been seen before? **No**

Company or Industry Risk

Diversification does protect against the risk which is specific to individual companies or industries. By investing in a mixed bag of stocks and sectors, you spread your bets around, reducing the impact that any one stock or sector will have on your portfolio. By adding other asset classes such as real estate, bonds and commodities, you achieve even greater diversification.

How many stocks are enough?

Here's where the debate heats up. The legendary Ben Graham, in his 1949 book *The Intelligent Investor*, argued that a portfolio of just 10 to 30 stocks provides adequate diversification.

Mr.. Graham said that adding more stocks produces only a marginal reduction in volatility.

Since then, several studies have produced similar results. A classic 1968 paper by professors J.L. Evans and S.H. Archer, for example, concluded that a portfolio of 10 randomly chosen stocks would have similar risk, as measured by standard deviation, to the market as a whole. More recently, studies have concluded that because of increasing volatility, a well-diversified portfolio should have 30 or more stocks.

The 15-stock 'myth'

Still, not everyone agrees that a few dozen stocks provide adequate diversification. "To be blunt, if you think that you can do an adequate job of minimizing portfolio risk with 15 or 30 stocks, then you are imperiling your financial future and the future of those who depend on you," **William Bernstein**, an investment adviser and author, said in a paper called *The 15-Stock Diversification Myth*.

Those are strong words. What's behind them? The problem with such a portfolio is that, although it reduces day-to-day volatility, it also dramatically increases the odds that you'll trail the market over the long term. Why? Because you'll be less likely to own the huge gainers - Mr. Bernstein calls them "superstocks" - that drive much of the market's returns. Think Dell or Wal-Mart.

He cites a study that, from 1980 to 2008, the top 25 per cent of U.S. stocks were responsible for *all* of the market's gains. The bottom 75 per cent of stocks actually posted a negative annual return over the same period.

So if you own just 15 or 30 stocks, "you've got a good chance of not getting one of those superstocks, and then you've lost the game," said Mr. Bernstein, author of *The Four Pillars of Investing*. What's an investor to do?

Well, you could spend every waking hour managing a portfolio of, say 5,000 stocks. Or you could take the simpler route and buy indices that track entire markets. "Theoretically, everybody in the world should own the world market portfolio," Mr. Bernstein said. It's hard to get more diversified than that (review table)

1980 - 2008	RETURN	If your portfolio is too narrow, you risk missing "superstocks" that drive most of the market's gains.
U.S. Stock Market	10.4%	
Minus TOP 10%	6.6%	
Minus TOP 25%	-2.1%	

Note: Figures are based on the University of Chicago's CRSP database of the total U.S. stock market.

CNN/THE GLOBE AND MAIL

SOURCE: DIMENSIONAL FUND ADVISORS



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De Thomas GIC BROKERS

Term Deposits/GICs: 1 to 6 years may 1 2009						
Financial Institution	Minimum Deposit	Term In Years				
		1	2	3	4	5
AGF Trust	5,000	.500	1.000	1.000	1.000	1.000
ATB Financial	1,000	.400	1.400	1.600	1.700	1.900
	500	.250	1.150	1.350	1.450	1.650
Achieva Financial	1,000	2.000	2.250	2.500	2.750	3.250
Alterna Bank	500	1.250	1.400	1.600	1.700	1.900
Alterna Savings	500	1.250	1.400	1.600	1.700	1.900
B2B Trust	1,000	.900	1.900	2.400	2.550	2.850
Bank Montreal Mtg.	1,000	.400	1.400	1.600	1.700	1.900
Bank West	5,000	1.000	1.750	2.000	2.250	2.500
Bank of Nova Scotia	1,000	.400	1.400	1.600	1.700	1.900
	500	.250	.950	1.350	1.450	1.650
Bk Nova Scotia Mtg.	1,000	.400	1.400	1.600	1.700	1.900
	500	.250	.950	1.350	1.450	1.650
CIBC	1,000	.150	1.150	1.350	1.450	1.650
CIBC Trust Corp.	1,000	.400	1.400	1.600	1.700	1.900
Caisses Desjardins	1,000	.400	1.400	1.600	1.800	2.000
	1,000	.200	1.150	1.350	1.550	1.750
Canada Life	1,000	1.500	2.500	3.000	3.250	3.250
Canadian Tire Bank	500	1.200	2.000	2.500	3.200	3.450
Canadian Western Bk	1,000	1.200	2.000	2.400	2.650	3.000
Canadian Western Tr	5,000	1.000	1.850	2.150	2.250	2.450
Citibank	1,000	.400	1.400	1.600	1.700	1.900
	5,000	.150	1.150	1.350	1.450	1.650
Citizens Bank of Cda	500	1.600	1.650	2.000	2.200	2.400
Coast Capital Savings	1,000	1.500	2.200	2.500	2.750	3.000
	1,000	1.000	-	-	-	-
Community Trust	1,000	1.050	1.750	2.250	2.350	2.550
Comtech Credit Union	15,000	1.500	2.000	2.100	2.200	3.050
Concentra Financial	1,000	.500	1.400	1.600	1.700	1.900
DUCA Financial Services	500	1.700	2.200	2.400	2.700	2.900
Desjardins Fin. Security	500	1.500	1.700	2.300	2.650	2.950
Dundee Bank of Canada	1,000	.600	2.000	2.400	2.800	3.100
	1,000	.400	-	-	-	-
Effort Trust	5,000	1.600	1.750	2.650	2.750	2.750
Empire Life	500	1.625	2.500	3.000	3.500	3.500
Equitable Life	500	1.750	2.900	3.250	3.500	3.700
Equitable Trust	5,000	1.710	2.310	2.350	2.700	3.000
Fiducie Desjardins	1,000	.400	1.400	1.600	1.800	2.000
First Calgary Savings	1,000	.400	1.400	1.600	1.700	1.900
FirstOntario Credit Un.	500	.750	1.500	1.700	1.800	2.000
General Bank of Canada	5,000	1.500	2.000	2.500	2.500	2.500
Great-West Life	500	1.750	2.750	3.250	3.500	3.500
	500	1.750	2.750	3.250	3.500	3.500
HSBC Bank Canada	1,000	.400	1.400	1.600	1.700	1.900
	1,000	.250	1.150	1.350	1.450	1.650

Term Deposits/GICs: 1 to 6 years may 1 2009						
Financial Institution	Minimum De-posit	Term In Years				
		1	2	3	4	5
Home Trust Company	5,000	1.600	2.200	2.650	3.000	3.250
ICICI Bank Canada	1,000	2.000	2.750	3.250	3.350	3.600
	1,000	1.850	2.500	3.000	3.000	3.500
ING Direct	1	1.500	2.250	2.500	2.750	3.100
Key Savings + Credit U.	1,000	.500	1.400	1.600	1.700	1.900
	1,000	.000	.900	1.100	1.200	1.400
Korea Exchange Bank	3,500	1.600	2.200	2.500	2.750	3.100
Lambton Financial C.U.	500	1.250	2.250	2.400	2.600	2.800
Laurentian Bank Canada	1,000	.400	1.400	1.600	1.800	2.000
	1,000	.150	1.150	1.350	1.550	1.750
Laurentienne Trust	1,000	.400	1.400	1.600	1.800	2.000
League Svgs & Mortgage	500	.400	1.400	1.600	1.700	1.900
Libro Financial Group	1,000	1.100	1.950	2.100	2.350	2.600
London Life	10,000	1.750	2.750	3.250	3.500	3.500
M.R.S. Trust	2,500	1.450	2.200	2.500	2.750	2.950
MAXA Financial	500	2.350	2.600	2.850	3.250	3.500
MCAN Mortgage Corp.	5,000	1.750	1.950	2.000	2.000	2.000
Manulife Bank	2,500	1.550	2.150	2.450	2.750	3.000
Manulife Investments	5,000	1.500	2.250	3.000	3.400	3.500
National Bank	1,000	.400	1.400	1.600	1.800	2.000
	1,000	.150	1.150	1.350	1.550	1.750
Outlook Financial	1,000	2.100	2.350	2.600	2.850	3.350
PACE Savings & Credit Un	1,000	.500	1.400	1.600	1.700	1.900
Pacific & Western Bank	1,000	1.450	2.100	2.400	2.500	3.000
Parama Credit Union	1,000	1.500	2.000	2.250	2.500	2.850
	500	.850	1.200	1.500	1.750	2.000
Peace Hills Trust	1,000	1.250	2.100	2.650	2.950	3.150
Peoples Trust	5,000	1.250	1.750	2.000	2.000	2.000
President's Choice Fin'l	500	1.200	1.900	2.000	2.400	2.700
Promutuel Capital	1,000	1.250	1.850	1.950	2.200	2.600
ResMor Trust	1,000	1.950	2.300	2.900	3.000	3.100
Royal Bank of Canada	1,000	.400	1.500	1.600	1.700	1.900
	1,000	.150	1.250	1.350	1.450	1.650
Servus Credit Union	1,000	.450	1.450	1.650	1.750	1.950
So-Use Credit Union	1,000	1.200	1.350	1.750	2.000	2.500
Standard Life	1,000	1.600	2.100	2.600	2.825	3.025
	1,000	1.350	1.850	2.350	2.575	2.775
State Bank of India (C)	2,000	2.100	2.800	3.300	3.300	3.600
	2,000	1.850	2.550	3.050	3.050	3.350
Steinbach Credit Union	500	2.150	2.400	2.650	3.050	3.300
T-D Mortgage	1,000	.400	1.400	1.600	1.700	1.900
Transamerica Life Canada	1,000	.650	1.700	1.950	2.200	2.450