

SEMINAR A ROUSING SUCCESS – YET AGAIN!

It was unanimous. All those who attended the recent seminars organized by D'Costa Financial Group were unanimous in their verdict – the event had success spelt all over it. Rather appropriate considering that 'Taste the fruits of success' was the theme of the seminar. And those who attended not only had plenty to taste but they also had plenty to chew on. As one of the speakers Transamerica General Manager Tom Kayser put it: "The food was delicious and I hope I get an opportunity to come back again next year."

Apart from the customary wide array of food, snacks, gifts and prizes that have become a hallmark of DFG's seminars, was the wide range of topics covered by the speakers. How to improve your financial health was the dominating factor and all the speakers gave eloquent and informative presentations. But you cannot enjoy the fruits of your financial success if you are not around to enjoy it and the only way you can do that is to safeguard

your health. And DFG had an answer for that as well. Kelly Smith of the Heart and Stroke Foundation spoke at length on how to recognize the symptoms of a heart attack or stroke and how to take prompt remedial steps. She was accompanied by Dr. Nasima Sultana who was at hand later on to speak to people on general health matters and how to reduce their risks of heart attack. Alternative medicine is proving to be more and more popular and fittingly there was an expert at hand in the form of Dr. Shalini Antao who took the audience through the evolution of the science and its applications.

"We were very pleased with the response and we have received very positive feedback in the form of letters and telephone calls from many of those who attended," said DFG President Francis D'Costa. "And we hope to make our next series even more bigger and better."

Striving to be the best always!

One of the reasons behind the phenomenal success of D'Costa Financial Group has been the burning desire of its founder and president Francis D'Costa to be the best in the field.

D'Costa revealed to the audience at the seminar how he had embarked on this journey of striving to be No.1 at all times.

"I was always good at Math and one day when I showed my report card to my mother with the 97 per cent marks, she asked me what happened to the other 3 per cent."

"That has always stuck with me throughout my life and I am never satisfied with being among the best ... I want to be the best."

"If you sit back and are content with your achievements, you will have reached a plateau and that will be the beginning of your downfall."

D'Costa said he was proud to be an insurance agent, because he had been able to make a difference in people's lives by allowing them to plan for their future after the death of the breadwinner or a loved one.

"Who is the first guy that people call when there is a death in the

family? The insurance agent of course."



He took the audience at the seminar through a comparison of two different types of investments — RRSPs and Universal life insurance-linked investments.

To emphasize the point, he showed them a recent article from expert Jerry White underlining the effectiveness of Universal Life and how more and more people are favouring this type of investment.

D'Costa said one of the keys to his success as an insurance agent was that he always stuck to the simple facts.

"I have always regarded my customers very highly because I realized right from the start that it is they who pay my bills."

"We have always prided ourselves on our high level of customer service and we will always strive to be the best."

...yet another top agent award from Transamerica, Toronto.

P.A.S.S. I.T. O.N.

One of the biggest obstacles to heart attack patients getting the right treatment is their own self-denial that they are having a problem, says *Heart and Stroke Foundation* co-ordinator **Kelly Smith**. "As much as 71 per cent of the people who are brought to the hospital with suspected heart attack will themselves deny that they are having a heart attack."

The Crown Prosecutor from the Attorney General's Office, who does a lot of volunteer work in her spare time, knows fully well the importance of getting a patient to the hospital in time. Her own father is alive and well today after having a quadruple by-pass because he was able to get to the hospital in time. "Do not worry about looking foolish in front of the doctors and nurses. You are paying taxes and you are entitled to see a doctor," she told the audience at the seminar.

"Fifty per cent of the damage occurs in the first two hours after the symptoms start developing so it is very important for the patient to get to the hospital in time," she said. The key to getting to hospital is recognizing the symptoms and for that the Heart and Stroke Foundation has come up with an acronym which literally also means – P.A.S.S. I.T. O.N. – get the message across to everyone. The acronym spelt out goes through the main symptoms that will help you determine whether you or a loved one is having a heart attack or about to have one.

Smith went on to explain:

P stands for paleness
A stands for anxiety, fear or denial
S stands for sweating
S stands for shortness of breath
I stands for indigestion, feeling of
T stands for tightness of the chest
O stands for overall weakness, fatigue
N stands for nausea

Kelly outlined that it could be a combination of some of the symptoms or one of them that indicate very clearly that a person is having a heart attack. And although 25 per cent of heart attack patients do not experience chest pain, it still is a very good indicator of the same. "Some patients have described it as a crushing pain, feeling of

heaviness like having someone sit on their chest, others describe it as a burning sensation," said Smith. "It is also very important to note that in case of those having a heart attack, the pain can spread from the chest to one or both of your arms, neck, jaw or shoulders – all these can be signs of a heart attack."

Smith underlined the chilling statistics that showed heart disease and stroke to be the No. 1 killer of Canadians – both men and women. "Heart disease and stroke accounts for more deaths, more than cancer, AIDS and traffic accidents all put together. She explained that a heart attack is caused by the lack of blood flow to the heart, caused by hardening of the arteries, and how a stroke is caused when blood does not flow to the brain. Among the non-lifestyle risk factors for heart attacks



Dr. Shalini Antao...

and strokes, she listed family history as one of the top ones. "If someone in your family has had a heart attack or a stroke before the age of 65, the chances are very high that you too can have a heart attack." Ethnicity also comes to play, with some communities being more at risk than others. "In Canada," said Smith, "First Nations people, Africans, and South Asians have been found to be more at risk for heart attacks." Diabetes is also another high-risk factor. "A man with diabetes is 2-3 times more likely to have a heart attack than one who doesn't have diabetes and in case of women it is



From left, Kelly Smith, Dr. Nasima Sultana and Bridget D'Costa, wife of DFG President

3-7 times." She called high blood pressure the "silent killer." "Not many of us are aware that 40 per cent of Canadians have high blood pressure. Over a period of time this can translate into problems with our blood vessels because of the strain of pumping more blood." Among the lifestyle changes Smith suggested was lowering the fat contents in what we eat so that cholesterol levels in our blood can be controlled.

"Smoking is also another extremely serious cause. Not many of you may be aware that apart from the lung and cancer diseases, smoking is responsible for 30 per cent of heart-attack related deaths in Canada," said Smith. "And not many are aware that inactivity can kill you. An inactive person is twice as likely to die of heart disease than an active person will. Physical inactivity is as harmful as smoking a pack of cigarettes a day."

Obesity is a growing problem among Canadians and also a contributing factor to heart attacks. "At least 25 per cent Canadian men and 44 per cent of Canadian women are overweight." "Undue stress can also become a cause though not necessarily by itself," said Smith.

"Remember that symptoms are different for different people. And one of the things to bear in mind is that symptoms of heart attacks can come and go. "So it is very important that if you or any of your loved ones are experiencing any of the symptoms, don't wait. Call 911 and get to a hospital as quickly as you can."

PROTECT YOUR MOST IMPORTANT ASSETS

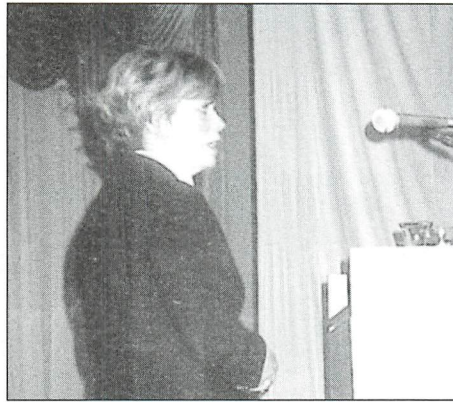
Critical illness insurance is a relatively new concept and has only been around in North America since the mid-90's, began **Margaret Smith-Armstrong**, administration manager at Canada Life.

"Put very simply, it is an insurance plan that pays you a tax-free lump sum benefit on diagnosis of a critical illness," said Smith-Armstrong, who has been consultant to insurance brokers for several years. It is a simple concept, there is nothing very complex about it," she reiterated. "It is just a way for you to provide protection for your most valuable assets – your physical health and your financial health. Critical illness is a life insurance payable while you are living, payable only to you and not your dependents. It is a one-time claim settlement, not based on disability insurance or on long term care payments."

Smith-Armstrong said one of the most important aspects of critical illness is that it does not cover life-threatening situations as much as it does life-altering situations. She clarified that the person receiving the tax-free funds had a choice of whatever he or she wanted to do with that money. "No insurance company can dictate to you what you should do with your money. You could use it pay off debts, replace lost income, seek alternative medical treatment. Or perhaps you need to adapt your home if you are now confined to a wheelchair, you may need to install a lift."

Most importantly, said Smith-Armstrong, it gives you the freedom to adapt to whatever circumstances have changed in your life. For example, if you had a heart attack brought about by the stress of your job, perhaps you do not want to return to that job and this payout will give you the chance to change your profession.

Smith Armstrong listed the 18 different conditions covered by critical illness under Canada Life's plans. "What is particularly significant to note is that the concept of critical illness was conceived not by an actuary, an insurance person or a sales person but by a heart surgeon." It was Dr. Marius Barnard who assisted



his brother Dr. Christian Barnard in the world's first heart transplant in 1967 who pioneered the concept. "Over the 70s and 80s, he performed a lot of heart surgeries and was saving a lot of lives, but he saw that many of those who were now alive were facing financial ruin. Dr Barnard realized and passionately believed that you need insurance not only because you are going to die but because you are going to live."

Smith-Armstrong took the audience at the seminar through an evolution of lifestyle from 1900s. She showed them how heart disease, cancer and strokes were only about 15 per cent of the major causes of death during that period when males live to an average age of 42 years and females 46 years. "We jump ahead about 100 years and we find that heart disease, cancer and strokes now account for about 70 per cent of the cause of death, but people's average lifespans have risen to 76(male) and 82(female) during that period. Advancement in science and improvements in medical technology has meant that we are now living longer now than before." said Smith-Armstrong. But we are also having to face other problems. One out of four people will have heart disease and one out of three will have cancer. Similarly with strokes. She underlined how our current health plans, both OHIP and employer, were facing major cuts all the time and would not be adequate for us to care for these future debilitating diseases.

"It is at such times that critical illness coverage can play a major role." She gave the testimony of a family where the

mother died of breast cancer at the age of 36 and the father died of his third heart attack at the age of 44, after going through tremendous financial hardships. "That would not have happened had they been covered by critical illness," she said. "One of the questions I always ask is – Would you rather have a heart attack and lose your house or would you have a heart attack and lose your mortgage?" "Everyone has fire insurance these days," continued Smith-Armstrong. "But remember that claims for fire are about 8 in a thousand. Whereas one in three persons will suffer from cancer and one in four persons will have a heart attack at some time in their life."

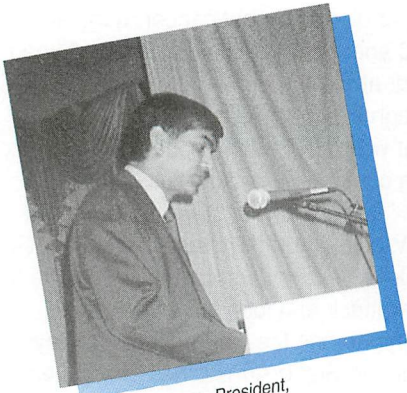
"I know what sort of coverage I would choose."

She said the only recourse for people who did not have any plans was to dip into their RRSPs and with the tax clawbacks from Revenue Canada for early withdrawals, it meant that they would lose a major portion of their planned retirement income. She said investing in a critical illness coverage plan was a win-win situation from all angles, but none more so than the return of premiums which was the plan's biggest selling point.

"If you develop one of the conditions which are listed under the coverage, you get the full lump sum payment covered under the plan," she said. "But if you are one of the lucky few who don't, the plan will refund all premiums paid to your beneficiary. In other words, what you are paying for your coverage is only the interest you would have earned on your money had you invested somewhere else which is a very minimal price to pay. No one can predict what will happen tomorrow, but if you create a situation to protect your financial well-being, you don't have to worry."

And as a slide of actor Christopher Reeves in his wheelchair went up on the screen she concluded, "Even Superman was just a man."

SEMINAR A ROUND



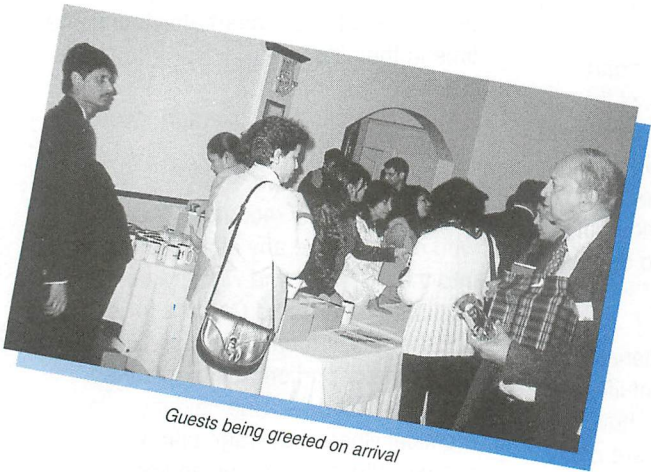
Edgar DeSouza, President, Leading Edge Financial Group



...with Lorraine Webb, immigration consultant, and Charles Gonsalves, accountant



One of the po



Guests being greeted on arrival



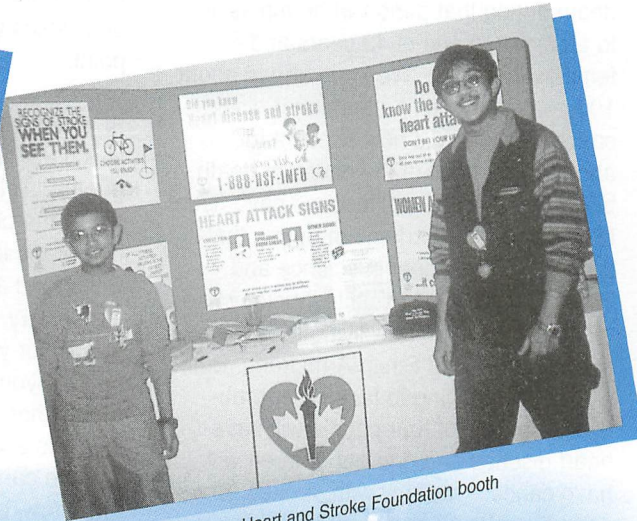
Picking up mementos



Sanjeed



Neil Kellock, critical illness presentation



Heart and Stroke Foundation booth



Bridget D'Costa with a prize winner

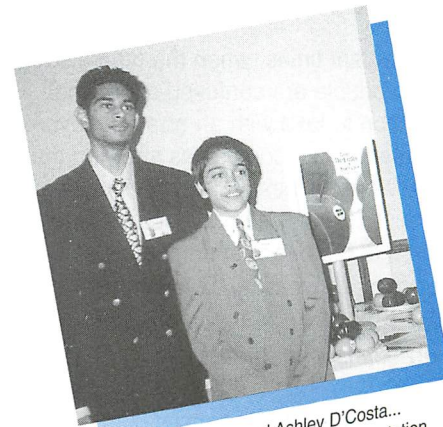
SING SUCCESS!



...lar booths



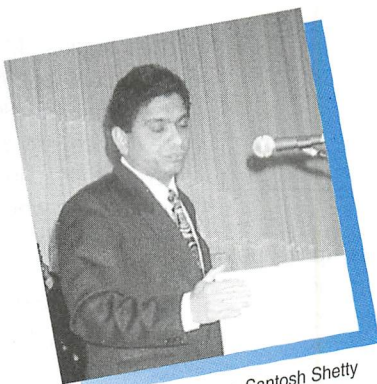
Exchanging pleasantries



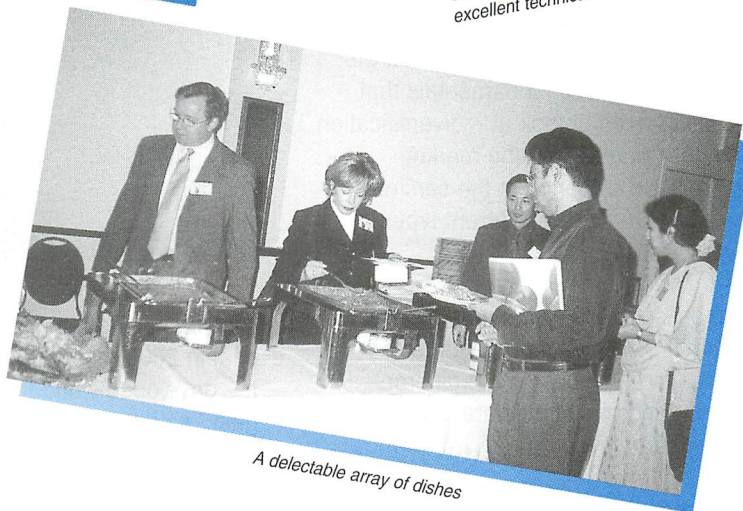
Sinclair, left, and Ashley D'Costa...
excellent technical video presentation



Quairishi, right, presenting a gift



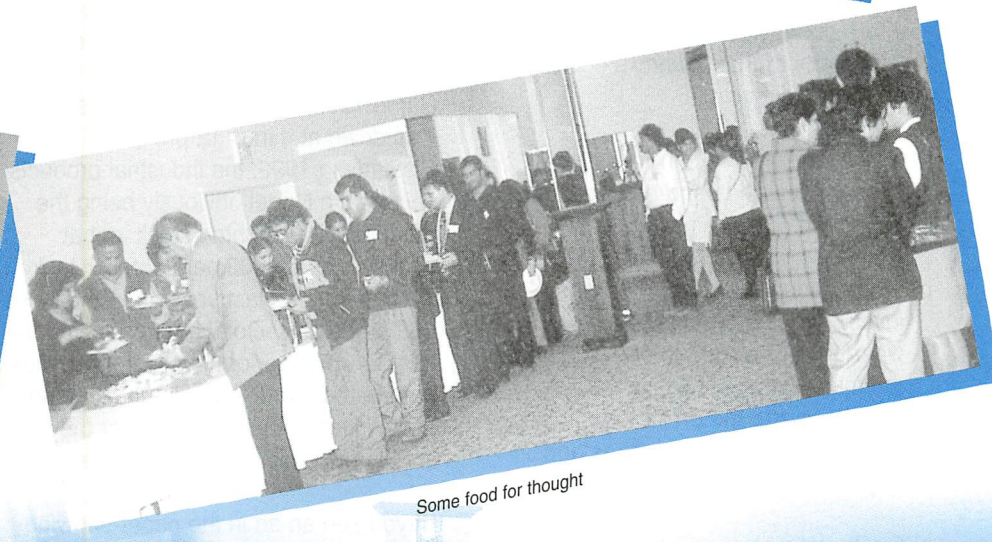
Seminar compere Santosh Shetty



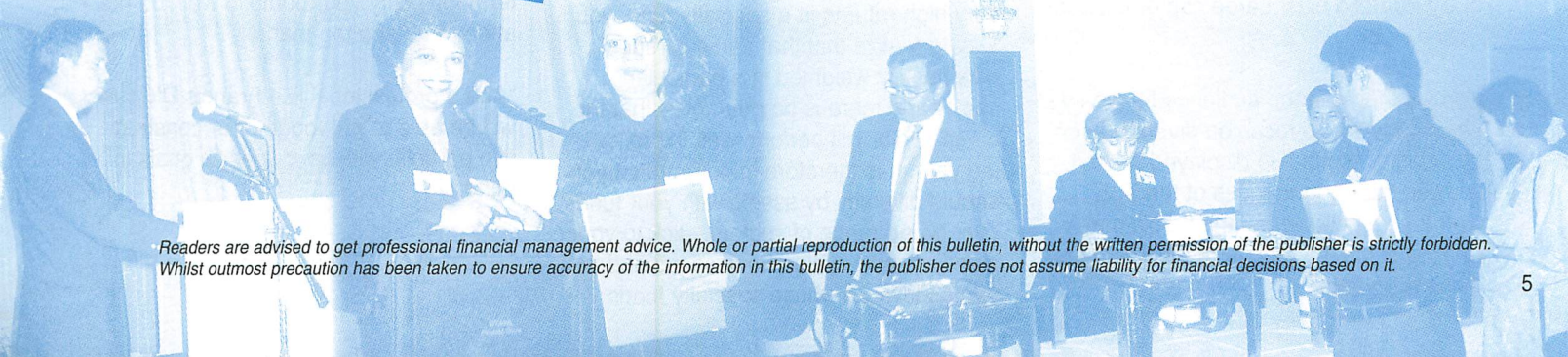
A delectable array of dishes



An attentive audience



Some food for thought



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KEYS TO SUCCESSFUL INVESTING

IT'S NOT TIMING THE MARKET, BUT TIME *IN* THE MARKET

In turbulent times, when the markets are down people are confused as to what direction to take with an array of advertisements from companies showing that they were the best in the previous year. At such times, the best recourse is to return to the basic fundamentals of successful investing, says **Walter Kordiuk**, an investment products consultant with *Canada Life*.

Kordiuk, a certified financial planner with a total of 15 years in the investment industry, has seen it all – the ups and downs — and he underlines that there are two very basic fundamentals that investors need to look at – diversification and not trying to time the market. He took the audience at the seminar through some of the different types of diversification:

- a) By asset class: What type of investor you are and what percentage of your investments you want in different categories for immediate high risk or long term low risk.
- b) By industry sector: Depending on which country you are investing in, on what parts of that country's economy you want to invest in.
- c) By international sector: Investing in different countries and broadening your base.
- d) By management styles: For those investing in segregate or mutual funds, where it is important to see whether the management styles of the fund managers and the projected returns match your own expectations and requirements.
- e) By Portfolio bias: Large cap or medium cap stocks.

Kordiuk then told the audience he would particularly like to focus on diversification by industry sector. He displayed a chart, showed the performances of the TSE over the last two years and below that a ranking of the 14 sectors of the TSE over those two years.



"As you can see, the TSE was up 6.2 per cent in 2000, one of the few markets in the developed world to show a positive gain," said Kordiuk.

"During that year, the top ranking sector was the financial sector, so if you had a fund heavily weighted towards the financial sector, you did very well last year. But in 1999, the financial services sector was down at minus 12 per cent. Similarly in 1999, the industrial products sector with Nortel obviously being the most heavily weighted stock in that sector, was up 102 per cent. But look what happened last year when the industrial products sector went from being the best to worst performing sector. Kordiuk hammered home the point that should show investors very clearly that they should not chase hot fund returns."

"If you see an ad in the paper showing very high returns in a specialty fund, you should realize that that particular fund was heavily weighted in a particular sector and there is no guarantee that the same sector will perform well the following year. It is therefore important that you should diversify by assets with your funds over broad range of sectors, stick to your plans, manage your expectations and if you do invest in those specialty funds

make sure your portfolio is balanced with different types of funds."

Kordiuk then went on to underline his second message i.e. how important it was for investors to make sure they do not get caught in the trap of trying to time the market. He outlined a study done by Yield Management Group for the *Money Sense* magazine, which did a comparison of four fictitious investors who invested the same amount of money — \$10,000 a year for 25 years in their RRSPs.

Mr. High always contributed, by bad luck or otherwise, whenever the market was at its highest. Miss Low on the other hand contributed when the market was at its lowest and she was able to get the best price. Mr. Year End contributed towards deadline and Miss Average contributed when the market was at its midpoint.

Kordiuk's chart showed how although there was a difference in eventual returns for all the three investors, the difference wasn't really that much.

"For example, Miss Low had the best results, she had \$1.9m of capital with her average rate of return around 13.06 per cent. On the other hand, Mr. High had \$1.6m with his average rate of return around 12.38 per cent."

"Thus, even at two different ends of the spectrum you see that there is not that much of difference. The lesson investors can learn from this is that over the long term, the key to creating wealth is contributing to a plan regularly irrespective of what the market is doing."

Kordiuk's conclusions: "Invest for the long term, diversify your portfolio well, do not attempt to time the market."

"And a professional like Francis D'Costa will be able to put together a constructive portfolio with your specific goals in mind."

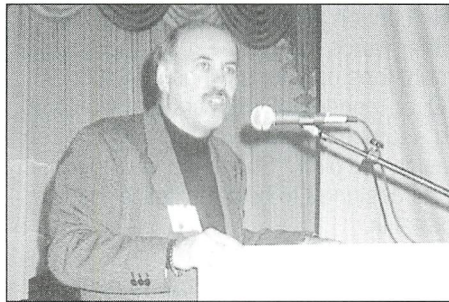
KNOWING YOUR ENTITLEMENTS IN AN ACCIDENT

The best thing you can do is to avoid being in a car accident, muses lawyer **Jayson Schwarz**. But if you are ever in one and you are going to be off work for some time, it is important to be aware of your rights and 'benefits'. Over a period of 23 years in the profession, Schwarz has practiced in the area of real estate transactions, corporate commercial transactions and personal injury litigation.

The first thing to do in the event of an accident where you have sustained personal injury is to call your insurance agent and inform him that you have been in an accident. "Tell him that you have been in an accident, that you may be injured." Under no circumstance should you tell him how you are feeling or give a personal statement over the phone.

He cautioned against using one of the hordes of paralegals flooding the market at present. Schwarz said, "don't be taken in by their promises, you get what you pay for, and it is important that you get the right type of advice on how to proceed with your claim." Paralegals are not even recognised by s391 of the Insurance Act as legally being able to deal with insurance litigation.

"Do yourself a favour and get yourself some good advice. Check out the lawyer that you intend to hire. Find out whether he is qualified in accident litigation, and if not find someone who is. Schwarz stated "You wouldn't hire a plumber to do electrical work so don't hire a real estate lawyer for accident litigation". Earlier, Schwarz had outlined to a rapt audience how Ontario's auto insurance pay-outs have been constantly evolving and changing and how claimants have to fight



for every dollar that they get with a pile of formalities and documentation to be completed for each claim. He said that despite the setbacks and its draconian and complicated nature favouring the insurance companies, the current legislation passed on November 1, 1996, has been 95 per cent effective.

He outlined how under the 'no-fault' insurance scheme in Ontario, you were entitled to accident benefits from your insurance company, irrespective of who caused the accident. "It does not matter whether it is your own fault or your neighbour's, whether it is a single-car collision or a multi-car collision. It does not matter whether you are driving your own or a rental car, as long as you are insured, your insurance company is responsible."

A person must have been working for 4 weeks before the accident or 26 out of the 52 weeks before the accident to make a claim for income replacement benefits. You are entitled to 80 per cent of your net income subject to a maximum of \$400 a week. "He advised the first people to see would be your disability insurance company if you have a disability insurance policy. Disability Insurance is first coverage and you would only be paid by the car insurer if after payment by a

disability carrier there is a shortfall on the 80%. You can claim for rehabilitation and medical benefits including prescription drugs, psychiatric counselling if needed and attendant care, if applicable" said Schwarz."

"If you are the primary caregiver for dependent adults or children under 16, you can claim up to \$250 per week for the first child or dependent and \$50 for every other child." On claims for pain and suffering, Schwarz clarified that injuries had to be of a serious and permanent nature. "If you break your arms and legs, you can't claim, because in time they are expected to heal. Even if you have your spleen ripped out, it is not considered permanent or life threatening enough to be considered for a claim as per a recent court ruling."

"In all such cases there is a \$15,000 deductible, so the claims have to be substantial to be really worth it. There still is however the availability for economic loss claims based on loss of future competitive advantage and loss of economic opportunity."

Schwarz ended his talks with a chilling reminder on the effects of not wearing a seat-belt as he outlined the case of a young child who went for a joy ride with his uncle, and was thrown through the windscreen in a collision. "That boy is not able to live a normal life today, all because his uncle was careless enough not to have him wear a seat belt."

"Remember the seat belt law was not just created for the sake of it. It saves lives," he concluded.

SAVE NOW FOR YOUR CHILD'S FUTURE



A crisis is looming for Canadian students. With that single statement, **Stan Shoolman**, *Division Director of the Children's Education Trust*, ensured the attention of the audience at the seminar. "By the year 2018, the cost of a four-year university course may exceed \$120,000," said Shoolman. So how would a parent be able to afford to send a child to university? "There are three choices," he explained.

"The first would be to borrow the money each year or cash in your RRSP's which means that you will be paying a big amount in interest or tax and your retirement plans may never be able to recover from that setback." Shoolman said the second choice would be to let the children take care of it themselves. "Let them worry about it. Let them take out the loan."

continued next page...

"But most parents would not be happy with this choice. No one wants his or her child to begin their working lives with a big loan on their heads and leave them that sort of a legacy."

"The third choice, the one which I made 17 years ago," said Shoolman, "was to open an education savings plan, saving small amounts of money over time and letting it accumulate in a tax-free setup."

Shoolman said that his daughter was able to go to York University today "because 17 years ago, somebody visited me at my home and explained to me how I could start saving towards my daughter's education." He explained briefly how a RESP worked with the parents making contributions regularly over a period of time and the students receiving the money in the form of scholarship payments.

Shoolman then went on to show how the CESG (the Canadian Education Saving Grant) instituted by the government added big dollars to a savings plan. "From 1998, the government provides 20 per cent on all savings upto \$2000. In other words for every \$2000, the government tops up your savings by \$400. "Over a period of 18 years that works up to a total of \$7,200 which grows tax-free inside the plan." Shoolman said the plan was designed to help maximize the tax benefits.

"In the first year, the plan pays back all the savings to the parent. Now since the parent has made those savings from his after-tax income in the first place, that is returned to him without tax. In the second, third and fourth years, the investment income and the CESG grants and the income from that is made out in the student's name. At that time the student

has no income or little income and in any case the student has several tax write-offs for education so he ends up paying either no tax or very little tax on these scholarships."

Shoolman said one of the most appealing factors of the CESG was that parents who were not able to make a contribution one year were able to play "catch up" the following year.

"But don't leave it for too late, because unlike RRSP's you won't have the room to catch up in subsequent years."

"Just bear in mind that in 18 years, the cost of a university education will be \$ 62,000 for a student staying at home and \$127,000 away from home."

DOLLAR COST AVERAGING IN SIMPLE TERMS

Transamerica's National Sales manager
Steve Troupe went straight to the point in his presentation.

"Everyone knows that the best way to maximize returns on your investment is to buy when the units are low in cost and to sell when they are high," he said.

But Troupe said this universal and logical dictum was not followed with investors displaying some strange behaviour when the markets are volatile.

"When the market is up they buy and then when the markets start going down they get all jittery and do silly things like selling when it is very low. They have done exactly the opposite of what they set out to achieve, by buying high and selling low."

He reinforced his point by giving the example of a special sale on a particular item in a supermarket. "When it is selling



for 29 cents, you don't say I will wait for it to go up to 89 cents and buy it. You buy it when it is 29 cents and on sale. It is the same with the markets. When the stocks are down, it is just as if there is a sale on them and it is the best time to buy." Troupe took the audience through an illustration to explain the importance of regular and disciplined investing. He showed how \$100 invested over a 25-month period from January 1999 to January 2001 fared when it was linked to an index like the TSE index. The four

scenarios he displayed were flat market, rising market, falling market and real-life scenario with the market going up and down. "Remember that the first three scenarios are impossible. Markets can never behave continuously that way," he clarified. In the flat market scenario, the investment totalled \$2,500, in the rising market it totalled \$2,894, in the falling market \$2,140 and in the real life scenario \$2,809.

"As you can see," Troupe told the audience, there is not much of a difference between a market which is rising all the time and a real-life scenario. Regular investments is the simple name for a fancy term called dollar cost averaging," he said.

"You have to make regular investments whether the market is going up or down. Buy more when the market is down and less when the market is high."



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