

When we sent you the March 31 summary the federal budget had just been tabled bringing in some changes that could make a difference in your investment planning and on your tax return. These changes have now received Royal Assent and are coming into effect. To recap briefly the points that may be of significant interest to you are listed here below:

- Contribution limits for all registered retirement plans, including deferred profit-sharing plans, pension plans and money purchase plans are slated to rise to \$19,000 in 2007, increasing by \$1,000 each year until 2010, when they top out at \$22,000. Remember that the maximum you can contribute is limited to 18% of your earned income which may or may not come up to the maximum amount.
- The rule that kept Canadians from investing more than 30% of their registered assets in foreign securities has now been dropped completely. Now that the budget has passed, fund companies will be making adjustments to their product lines.
- Canada Deposit Insurance Corporation (CDIC) coverage of bank accounts, including GICs, has been increased from \$60,000 to \$100,000.
- The basic personal exemption rate on personal taxes rises to \$10,000 by 2009 from its 2004 taxation year level of \$8,150.

If you would like more information on how some of these changes apply to you, we would be pleased to sit down with you to discuss.

Enclosed please find your portfolio summary (summaries). You will not see any stocks, bonds or savings bonds reported here, however all mutual funds, segregated funds, GICs and cash accounts are reflected. Please review and let us know if you have any questions.

Best regards,

David D. Humes