MAUDE FINANCIAL INC.

Quarterly Update

Tax-Free Savings Account Contribution Limit Increase

As of January 1, 2013 the annual TFSA contribution limit has been increased to **$5500**. The total TFSA contribution room is now **$25,500** for those who were age 18 or older in 2009. We strongly encourage our clients to take advantage of the Tax-Free Savings Account for short term and long term saving.

2012 Year in Review

2012 is over and what a year it was! We saw political upheaval in Syria, the threat of an Iranian nuclear bomb, more European debt scares, natural disasters like Hurricane Sandy and another U.S. Election.

It seems that there are always momentous things to worry about in the world. The danger for investors is in trying to predict how all of those things will affect stock and bond markets.

2012 is a prime example of big worries and big earnings. People seem to forget that geopolitical crises can move markets in the short run but earnings are what move them in the long run and earnings were great! Most portfolios were up 6.0-9.0% depending on the asset mix.

Canada was the laggard again (similar to 2011). The US, European and Asian markets were all strong.

The moral of this story is 'do NOT try to outguess the markets'. Make sure you are in an appropriate portfolio mix for your risk tolerance then try to relax and let the fund managers do their jobs.

	Market	Dec 31, 2011	Dec 31, 2012	YTD
Canada	TSX	11955	12434	4.00%
U.S.	DOW	12212	13104	7.30%
U.S.	S&P 500	1258	1426	13.40%
U.K.	FTSE	5572	5898	5.90%
France	CAC	3160	3641	15.20%
Germany	DAX	5898	7612	29.00%
Japan	NIKKEI	8455	10395	22.90%
Canadian $		$98.07 US	$100.81	2.80%
Oil (US$)		99.66	92.00	-7.70%

*** Source: CNN Money*

The test of our progress is not whether we add more to the abundance of those who have much it is whether we provide enough for those who have little. ~Franklin D. Roosevelt

Did you know…

When you buy a home with a down payment of less than 20% you **must pay** for mortgage default insurance from Canada Mortgage and Housing Corporation (CMHC). This insurance is non-refundable and is designed to protect your mortgage company, not you. The premium for CMHC "insurance" is calculated as a percentage of your total mortgage amount.

In Addition…

If your downpayment is between 5%-9.99%, the insurance fee is 2.75% of your mortgage. If your downpayment is between 10%-14.99%, the fee is 2% of the mortgage amount. For a down payment of 15%-19.99% the fee is 1.75% of your mortgage.

That means on a $350,000 mortgage with a 10% downpayment, the insurance fee would be $7000. To avoid these fees make sure your down payment is 20%!

Maude Financial Inc.
5116 – 50 Avenue
Wetaskiwin, AB T9A 0S6
Tel: (780) 352-8111
Fax: (780) 361-0334
Toll free: 1-877-352-8111
maudefin@incentre.net

Mortgage insurance that protects you and your family – not your bank

Mortgage insurance is a critical part of any financial plan but are you getting the protection you need? When you take out a mortgage, it may seem convenient to purchase mortgage insurance through your lender. But before you do, consider the significant differences between the mortgage insurance offered by most lenders and purchasing your own life insurance and critical illness through a licensed advisor.

With mortgage insurance purchased from most lenders…

1. You are not the beneficiary. With most lenders' mortgage insurance plans, the benefit that's payable at death goes directly to the lender to pay the mortgage – the lender is the beneficiary.
   When you own the policy, the benefit is paid out to you or your beneficiaries and can be used where and when it is needed most.
2. You don't own the policy. When you purchase mortgage insurance from most lenders, you are part of a group policy that is owned by the lender.
   When you purchase your own life or critical illness insurance, you own the policy – so you are in control, not the lender.
3. Your premiums can increase at any time. The premiums and benefits are not usually guaranteed with lenders' mortgage insurance plans. The lender can increase the premiums and change the terms and conditions of the policy at any time.
   When you purchase your own policy, the terms and conditions of the policy can never be changed and, depending on the plan you buy, the premiums are guaranteed.
4. The benefit decreases but your premium remains the same. Most lenders allow you to purchase only the amount of coverage equal to the mortgage. As your mortgage decreases, so does the benefit, but your premium remains the same.
   When you purchase your own policy, your coverage isn't tied to your mortgage. Your coverage amount remains constant. The coverage will remain in place until you cancel your policy or your term expires.

It is important to consider your options. Make sure your coverage works for you, not your bank. For more information on mortgage life insurance please contact our office.

Are you interested in receiving our Quarterly Newsletter by e-mail? Send your request to maudefin@incentre.net**. Please ensure that your full name is clearly marked on the e-mail.**

"Nobody made a greater mistake than he who did nothing because he could do only a little"
~Edmund Burke