

BERKSHIRE SECURITIES INC.
BERKSHIRE INSURANCE SERVICES INC.

FINANCIAL STRATEGIES FROM

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Canadian Dollar Up To \$1.10 vs. US Dollar

For investors holding existing US dollar investments, sit tight as many experts believe that the Canadian dollar will eventually fall back as low as 75 cents – but be patient, it may take three years or more. And our oil driven currency may go higher before falling back eventually.

On the flipside, never before has it been so enticing to invest in the US market. Whether purchasing US real estate or buying a basket of US stocks like General Electric, Johnson and Johnson, Apple, Proctor and Gamble, Walmart and more, some of the world's strongest companies can now be bought at a discount. Open a new US dollar account with us and take advantage of these deals now. The old adage is "buy low, sell high". Well, now's the time!

Volatile Stock Markets

For 2007, Canadian market is up 6%, US market is up 4.4%, United Kingdom is up 2.2% and Hong Kong is up 43.5%. Digging deeper however, the markets have been a wild ride: rising early in the year, falling deep over the summer, recovering somewhat and floundering lately. What should you do? Revisit how sound your investment plan is: is my asset mix suitable for me? Are my products mostly blue chip? Do I have good diversification? If the answers are "yes", then you are well positioned to weather the volatility and possibly add to positions that dip. Remember: the stock market has always come back from a fall.

- *Source: 1 Source: S&P/TSX Composite November 29, 2007
 2 Source: S&P500 Index November 29, 2007
 3 Source: Dow Jones United Kingdom, November 29, 2007
 4. Source: Hang Seng, Hong Kong November 29, 2007

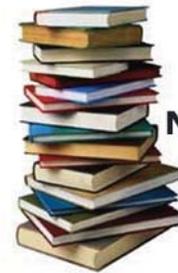


Year End Housekeeping

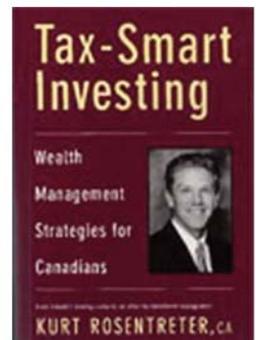
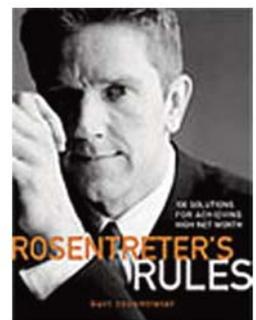
Plan to have all your financial loose ends taken care of by early December. Retirees age 72 or older with RRIF accounts must pay out their yearly minimum. Parents with RESP's for children's savings should plan to max-out their contributions of up to \$2,500 per child. For working Canadians with RRSP's check how much more you need to contribute to maximize your RRSP limit for 2007 – don't leave it until the February 2008 deadline. Also, if you are saving through an automated transfer each month, bump up your contributions now to be ready for 2008 higher limits. Email us at the office for help.

Federal Finance Minister's Recent Tax Breaks Announcement

Mr. Flaherty was recently handing out more tax savings gifts to us all. Here are the highlights of his announcements: GST cut to 5% effective January 1, 2008; increasing the tax free basic exemption to \$9,600 for 2007 and just over \$10,000 by 2009; reducing employment insurance contributions in 2008; cutting corporate and personal income taxes slightly. Stay tuned to see if he adds to these cuts in a Spring Budget.



**Kurt's
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Vehicles: Lease or Buy?

Leasing vehicles might be convenient, but it is rarely the best financial decision – even when it is zero financing. For a private vehicle it is often the buy-out price at the end that is the killer. For vehicles used in a business, spending more than \$30,000 to buy the vehicle means zero write-off on the excess. If you like to lease anyway, make sure to negotiate the purchase price on a pure cash basis first (don't even tell them you have a trade-in). Once you have the cash price, then explore the cost of loans and leasing to get a feel for the incremental cost. It may shock you.



Mortgage Rates on the Move-Should You Lock in?

Research has shown that historically you would have incurred the lowest total mortgage cost by staying with short term rate commitments. Today in Canada, our macro-economic situation is one where high inflation (e.g. gas prices) and strong employment and spending could warrant the Bank of Canada to raise interest rates to “cool off” the economy – they want managed growth only. Alternatively, many pundits are calling for rate cuts in order to bring our dollar down vs. the US dollar. So, with your mortgage, my advice is to stay short term: float with a variable rate.

Berkshire Purchased by Manulife Financial August 31st

The Canadian financial services industry has been full of consolidation in recent years (even banks want to merge!), and now Manulife and Berkshire have joined forces to create one of Canada's largest independent financial dealers. With our independence intact and our planning culture guaranteed, we have a bright future together of offering you even more products and services. Stay tuned for a possible name change in 2008!



Talk Radio Says You Need Critical Illness Insurance – Do you?

Critical illness insurance pays you a lump sum of money if you get one of up to 22 major diseases. Let's face facts: a cheque for \$250,000 may come in handy to pay for a liver transplant in Detroit or to pay for your daily living if you miss work for two years fighting cancer. In a world of endless money we would all likely buy this coverage. But, if you have to juggle your pay cheque between lifestyle, paying a mortgage, retirement savings, kids and more, critical illness insurance may not be practical. Final tip: make sure your disability insurance is top quality long before you start thinking about CI Insurance.



Joint Ownership and Having a Spouse/Partner

If you are in a relationship, do you have all of your assets in joint name or your name alone? Why? You may have your personal reasons, but let me talk tax for a moment. If you make a bank account or investment account or other assets jointly owned with a spouse/partner, you may have a deemed taxable disposition and may or may not have to split future income on the now jointly owned asset. Second, if properly structured, a jointly owned asset will pass more easily through your estate than other assets and also not be charged probate fees on your death. Third, you may want to get the opinion of a lawyer but chances are personal assets may be split in a divorce regardless of who's name is on it! But talk to a lawyer first on this one.

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