

Real estate proves a winner for mortgage coach

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PAUL BRENT

SUE PIMENTO

AGE:52

OCCUPATION:

"Mortgage coach" and regional manager for mortgage broker Invis Inc.

INVESTMENT PERSONALITY

Creative and diversified. She and her spouse, Bonnie, have investments in the stock market, residential and commercial real estate, and limited partnerships. "Our goal is to invest in assets that will pay us dividends and help us reduce the amount of money we pay in income taxes," Ms. Pimento explained. "We try to take advantage of as many income tax deferral programs as possible. RRSPs and flow-through shares are two of our favourites."

INVESTMENT STRATEGY

"Our objective is to have no mortgage on our principal residence and as much as possible on all investment properties. This is because the interest on investment properties are tax deductible."

Ms. Pimento and her partner are also not averse to taking sophisticated approaches to retirement finance. "Recently, we had our financial planner set up a RRIF meltdown to finance purchasing shares in a Canadian company," she said. "We paid for the purchase with a secured line of credit and used the RRIF meltdown to service the [line of credit] payments." The strategy created a tax deduction for the line of credit interest, offsetting the meltdown portion of the RRIF, with no drain on cash flow.

PERFORMANCE STATISTICS

Five-year stock market returns have averaged between 10 and 12 per cent. "Our return in the stock market has been in the 10 per cent to 12 per cent range." Returns on limited partnerships have been in the 20-to-25-per-cent range, she said.

STOCKS HELD

"We have been investing in the stock market for the past 15 years and we have held stocks like Research In Motion, Home Depot, Disney and Toronto-Dominion Bank," Ms. Pimento said.

BEST MOVES

"Our best move was to buy a mixed-use commercial property" in Toronto's trendy Beaches neighbourhood. "Within a year, with some renovations, the property had appreciated by more than 50 per cent."

WORST MOVES

"Back in 2000 when day trading and penny stocks were popular I invested a few thousand dollars on a random tip from a friend," she recalled. "One of the companies whose sales were poised to 'go through the roof' was called SmartSales, the other one was LLG. I lost every penny, but I gained a valuable lesson about investing."

STAGES OF LIFE

"We are at the stage of our lives where our major investments are in place and we are content."

WHERE I GET MY IDEAS

"I like to read a lot and I like to read about money so I will often pick up books on strategies . . ."

INVESTING BIBLE

Rich Dad Poor Dad by Robert Kiyosaki and *Think and Grow Rich* by Napoleon Hill.

INVESTING HERO

"I love Robert Kiyosaki's concepts on assets versus liabilities. . ."