

# Fernhill Financial Corporation

## The Fiscal Estate

"Life's challenges are not supposed to paralyze you, they're supposed to help you discover who you are." ~ Anonymous



### A Message From The President

If you were to ask someone to name a newsworthy event that occurred in 1994, they would probably struggle to meet the challenge. It was however, quite an eventful year. The North American Free Trade Agreement (NAFTA) came into effect, interest rates rose and bondholders lost more than \$1 trillion (the worst loss in the history of the bond market), Orange County, California plunged into bankruptcy and Wayne Gretzky set the NHL record with 802 goals scored.

There was another milestone event that occurred 20 years ago that's a little closer to home. After seven years in financial services, Deborah and I shared a belief that our industry was becoming too focused on sales and marketing. Instead, it needed to be focused on financial advice with sensible investment practices and effective risk management. The industry needed to get back to a principle based approach. With this strong conviction, we felt that our clients would be best served by a company that shared this view.

After searching for some time, we were unable to find an existing company that met our strict criteria. Therefore, we set out on our own and launched Fernhill Financial Corporation, a Mutual Fund Dealer and Insurance Broker, on March 23, 1994.

To ensure our ideals were upheld, we imposed a tenet that only those financial tools and solutions that we would recommend to our immediate family could be utilized. This principle has been enshrined in our corporate Code of Ethics since inception.

Twenty years later, we are incredibly proud to embrace these same values while continuing to provide you and your family with a sound, principled approach to your personal finances. This leads me to my final thought. None of this would have been possible without your support and probably most importantly, your trust. We are humbled by the trust and confidence you have placed in us along with the referrals you continue to provide.

Our journey together has been remarkable. The fundamentals of investing and protecting ones family never change and we look forward to a bright and successful future with all of you.

Sincerely,

David B. Webb  
President of Fernhill Financial

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- A message from the President
- "The Things We Leave Behind"
- Estate Planning Quiz
- Mustard Seed Donations
- 2014 Tax Tips

## The Things We Leave Behind

Don't let your stuff burden your loved ones after you die

By Laurence Gonzales

I spent much of the last year helping Carolyn with her stuff—the things she owned, the material possessions stored in her three-bedroom house in a suburb of Chicago. Carolyn and I have two grown daughters, and they helped too. Sometimes these helping sessions would be like a party. We would arrive early, bringing something from the bakery and something more for lunch. We would eat out on the deck in the sunshine under the umbrella, flowers in hanging baskets all around. Other times, when Carolyn wasn't feeling well enough to eat, we'd put on music, work quietly, and try to make her as comfortable as possible. Carolyn had ovarian cancer, and it wasn't likely to go away. We already knew this. Soon, everything in the house would become the property of our daughters. And they did not necessarily want a tax return from 1987 or even the brass angels that spun around, ringing bells, when the candles beneath them were lit.

When I was 17, I took it as an article of faith that you kept your high school yearbooks. But I have learned something in the last year: Your children do not want your high school yearbooks. Admit it: Unless you are from an East Coast dynasty of prep school loyalists, not even you want your high school yearbooks. Take a close look at those photos. They're out of focus, grainy, and the faces are smaller than postage stamps. Leaving them for your children to deal with is a curse, not a favor. They will feel compelled to save them. And then they'll leave them for *their* kids. Get rid of them.

The impulse is to call the kids, text the kids, email the kids, asking, "Should I throw out my marching band uniform from high school?" Or, "Do you want my baptismal gown?" But that is the wrong approach. Save them the hassle of making such decisions, whether you are dead or alive. When in doubt, throw it out. Unless you are Van Gogh or Bach, no one wants most of your stuff. You can't take it with you, but your kids can, and you will be a better parent if you don't let them. Give them what they can truly love and what they'll thank you for keeping. Great-grandmother's china? Someone might be able to use it. A baseball signed by Babe Ruth? You'll want to pass that on. The dried paints and easel from that phase you went through when you thought you were an artist? Throw them out.

Carolyn was a fabulous mother. As Amelia and Elena were going through her things, I heard Amelia

marvel at the birthday parties her mother had staged. Each year the girls chose a theme for their party, and Carolyn would execute it as if she were directing the Lyric Opera of Chicago. The Wizard of Oz party involved a giant pair of ruby slippers protruding from under a neighbors garage door, which the children found on their costumed procession along the yellow brick road (i.e., around the block). For the Nancy Drew party, she recruited a well-known Chicago actor to play the villain and steal all the presents. As Amelia sorted her mother's possessions, contemplating being a mother herself one day, she sighed: "Wow, she really set the bar high."

So when it came to deciding what to keep and what to—um—donate, it was painfully difficult. When the girls were little, Carolyn engineered elaborate interactions with the Tooth Fairy. The Tooth Fairy wrote long, tender notes, which the girls discovered in tiny gift boxes under their pillows upon waking. The girls in turn would write back to the Tooth Fairy, and a correspondence would develop that might continue all year as Carolyn ghost-wrote note after note in response. Carolyn also kept the teeth.. "Yuck," Elena said. They kept the notes and threw out the teeth.

Carolyn liked to take photographs. She liked to take a lot of photographs. I volunteered, for the sake of our daughters' sanity, to store all of her photographs on my pool table in the basement. There they sit as I write this,

towering several feet high and 4 1/2 by 9 feet in area. Here is a piece of advice that you can bind to your soul with hoops of steel: Never photograph a church. Not even Notre-Dame. Your children do not want a photograph of any church on earth. Also: Never photograph an animal in a zoo. Not ever.

Throw away your old tax returns, your canceled cheques from long ago. If you break a piece of pottery, toss that too, unless it was thrown by Picasso. All of your homework and notebooks from high school and college? Recycle. No one, not even you, will ever read any of it. Letters from early boyfriends or girlfriends? Bonfire of the vanities.

Elena and Amelia and I began working through Carolyn's stuff just after Christmas of 2012, when she was still robust and able to participate in the process. She had a lot of books, and we presented her with each one, saying, "Do you want to keep this?"

*continue on page 4...*





**How confident are you about your estate plan? Take this small quiz and find out!**

	Yes	No
I am confident that my assets and property will go to the right people.	<input type="radio"/>	<input type="radio"/>
If I am unable to make a decision due to absence, injury or sickness, I have someone that is able to make those decisions for me.	<input type="radio"/>	<input type="radio"/>
Should anything happen to me (and my spouse), the kids will be looked after and cared for.	<input type="radio"/>	<input type="radio"/>
All of my records are held in a safe place and I have told someone where and how to find them.	<input type="radio"/>	<input type="radio"/>
I am confident that all of the beneficiaries on my accounts are accurate and up-to-date.	<input type="radio"/>	<input type="radio"/>
I have a current and accurate Will, Power of Attorney and Power of Personal Care.	<input type="radio"/>	<input type="radio"/>
I have recently reviewed my Will, Power of Attorney and Power of Personal Care.	<input type="radio"/>	<input type="radio"/>

If you have answered "No" to any of these questions, perhaps it's time to have a conversation about your estate plan. Having a current and effective estate plan is similar to de-cluttering your home for the benefit of your loved ones (see [The Things We Leave Behind](#) - pg. 2).

Contact your Fernhill Advisor today to schedule a review of your estate plan.

**Fernhill's Case-Lot Christmas was another success!**

This past holiday season, Fernhill Financial once again accepted non-perishable donations for the Mustard Seed. We matched every donation and included 3 turkeys in our delivery to the Mustard Seed on December 20th.



Thank you to our clients who dropped off their donations. It was greatly appreciated and we look forward to doing it again next year!



Continuation from page 2....

"Ruskin," she'd muse. "I love Ruskin. You have to keep Ruskin."

She told my wife, Debbie, to look under her bed. There Debbie found armloads of expensive silk flowers, which now glorify the spaces in our house.

Elena and Amelia and I, along with Elena's 14-month-old son, Emmett, were at Carolyn's side on 23 April 2013, when she passed away. For a few days everyone was busy with the funeral and then the monumental party at the Lincoln park Conservatory in Chicago with a live band and food and drink and all her friends and family, dancing through the jungle of tropical plants.

We continued sorting her stuff in her absence throughout the spring and summer, with three—and sometimes four, five or six—people working nearly every day, it took more than half a year to put all of her stuff in its place—donate, bequeath, divide, or simply throw out. And it was often painful to make

those decisions. We really did agonize over the brass angels.

Far up in your attic or deep in your basement, there is likely a lodestone of material possessions that keeps you revolving in your orbit around it. It is your stuff. And when you pass from this earth, as all of us must, your children will come in and find their hearts twice rent from losing you and from inheriting your stuff. They don't want to let you go, and yet, cruelly, they have been forced to do so. And then your stuff becomes your proxy, and they do want to let it go, but it pains them to do so because, well, you kept it, so it must mean something important. You see the dilemma?

What is life but time spent on earth? You can give your children the gift of time and therefore more of their own lives. The time you spend going through your own stuff is time they will not have to spend doing it.

\*Article provided by The Rotarian November 2013 Edition. National Magazine Award-winning writer Laurence Gonzales' new book, *House of Pain: New and Selected Essays*, was released in October 2013.

## 2014 Tax Tips

### 2014 Tax Brackets

First \$43,953 .....Bottom  
 \$43,954 - \$87,907 .....Middle  
 \$87,908 - \$136,270 .....Top  
 \$136,271+ .....Over-the-Top

**Monday March 3, 2014** is the deadline for 2013 RRSP contributions.

2013 RRSP contribution room limit is \$23,820.

TFSA contribution room limit for 2014 is \$5,500.

Thank you to all those clients that have given us a copy of the 2012 Notice of Assessment they received from CRA once their taxes had been completed.

If you have not provided us with a copy of your 2012 NOA, please feel free to send us a copy or bring it to your next meeting.



This past summer, David & Deborah had the privilege of going to New York to attend a Due Diligence conference and meet some of the Manulife Financial money managers we use. It was a whirlwind week for them, but they enjoyed every minute of it, including the New York Stock Exchange and all the people they got to meet.

They also went to LA to attend a conference for CI Investments and met with many more money managers.

In the last 15 months David & Deborah have personally met with every key money manager Fernhill uses and recommends.

Left: Photo of David and Deborah at the New York Stock Exchange in New York City



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If you would like another copy or think a friend may be interested in an article, please let us know and we'll gladly send one!