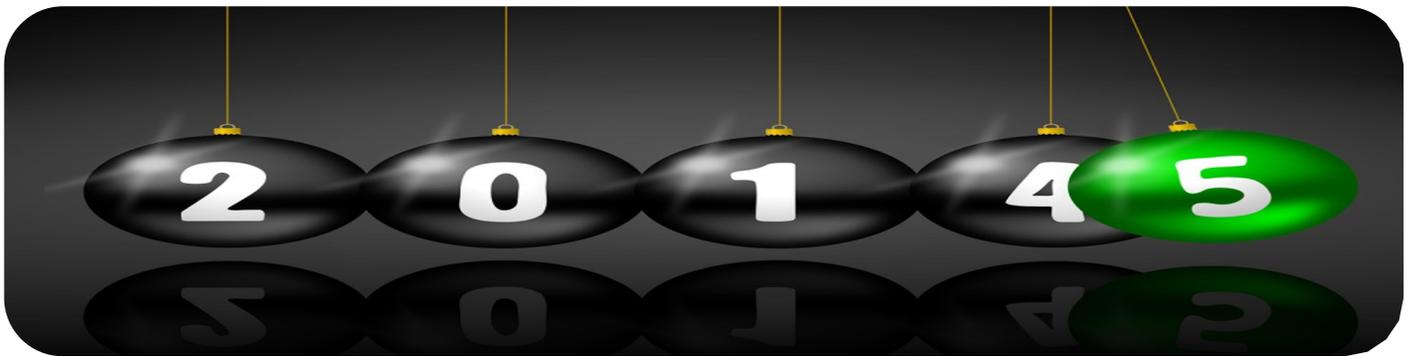


Fernhill Financial Corporation

The Fiscal Estate



A Message From The President

As I thought about 2014 and our progress over the past year, I began to reflect upon what makes us different. More importantly, I began to reflect on what intrinsic value we bring to you.

On the surface, most full-service financial firms offer investment advice, risk management and other services such as, tax and estate planning, and cash flow management. They offer comparable financial tools such as insurance and investment products to help achieve financial objectives. So what's below the surface? What it is that Fernhill does to create value?

One of the key factors that sets Fernhill apart is our dedication to due diligence. We pride ourselves on not only vetting the investment choices we recommend; we vet the people behind them. A recent example of this was a 2 day trip to Los Angeles, by Fernhill advisors, to meet key individuals with Capital Group. For those of you unfamiliar with this company, Capital Group is a privately-held firm that was founded during the Great Depression and has grown to now manage more than \$1.4 trillion for investors worldwide. The investment professionals we met at this Due Diligence Forum are notable in the industry for their years of experience and have a large portion of their personal net worth invested in the funds they manage. They travel frequently (with one manager stating his career has taken him "to the moon and back eight times") and build long-term relationships with the management teams of companies around the world in order to research and discover good investments for investors. Last year they visited 11,173 companies in 43 countries.

The primary purpose for engaging in these types of forums is to ensure that the "story" hasn't changed. We understand that the economic outlook will vary each year; sometimes it will look good, and other times it may look bleak. However, despite the economic issues we may be facing, we look to ensure that our strategic partners are adhering to their investment philosophy and continue to be "investment-led" institutions. Simply put, our investment approach has been successful because we don't look for home run hitters. We spend our resources identifying professional portfolio managers we believe can grow your assets over a reasonable length of time, irrespective of what happens in the economy, and who also put their own net worth on the line.

There are few firms and even fewer advisors that can attest to meeting with and vetting the professionals that are charged with the fiduciary care of their clients' money. I believe that while this is not the only way that we bring value, it is a fundamental approach that differentiates our clients' experience and creates intrinsic value.

Wishing you continued success in 2015.

Regards,

David B. Webb CFP
President

Inside this issue:

- Do you have a Power of Attorney?
- Talking to Parents about Money
- Maximizing Your Loyalty Program
- Mustard Seed Donations
- 2015 Tax Tips

Do You Have A Power of Attorney?

A power of attorney gives someone else the authority to make important decisions on your behalf. Here's why you may need one, and how to choose the right person for the job.

IT ISN'T AN EASY THING TO THINK ABOUT, but what if you couldn't make decisions about your finances or health care – either temporarily or permanently – because of an illness or accident? You would want someone to step in. Creating a power of attorney lets you choose that person and grant him or her, the appropriate authority.

When it comes to your finances, the solution is generally to establish an enduring or continuing power of attorney that appoints someone to manage some or all of your finances and property either as soon as you sign it or if you become mentally incapable of managing your own affairs. Your attorney does not become the owner of any of your assets. But, according to the limits you set, your attorney may be authorized to do everything from taking care of your banking and signing cheques to buying and selling real estate and buying consumer goods.



On the health care side, depending on your province or territory, you may be able to establish a power of attorney, personal or health directive, representation agreement or mandate that appoints someone to make nonfinancial decisions on your behalf – for example, helping to ensure that your end-of-life wishes with respect to medical interventions are met or choosing a long-term care facility for you.

Although both types are important components of a comprehensive financial plan, this article focuses on the power of attorney for finances.

Designed to meet your needs

Working with a lawyer, you can customize your power of attorney. It may be quite general or as specific as you need it to be. It may appoint a single person or more than one who act "jointly" (making decisions together) or "jointly and severally" (with the option of each making

decisions on his/her own). The key is that it makes it very clear who will make decisions on your behalf, and holds that person responsible for his/her actions under the law. The legal responsibilities of an attorney for finances may include complying with provincial or territorial legislation governing powers of attorney, day-to-day management of your assets, maintaining clear records, and following directions in the power of attorney document you create. Often, the attorney is entitled to compensation – this is something you should consider carefully ahead of time and spell out clearly in your power of attorney.

Choosing your attorney

How do you choose the right person to appoint? Because a power of attorney grants considerable authority, your attorney must be someone you trust. There are other characteristics to look for in an attorney for finances too, including:

- Minimum age required in your province or territory
- Demonstrated ability to manage finances and property responsibly
- Shared philosophy about money and investments
- Willingness to put your interests first
- Absence of financial or health issues that could interfere with his/her duties
- Availability in terms of time and geographic location
- Honesty, openness and reliability

Talk to the person or people you would like to appoint about the responsibilities of an attorney.

Then ask if, given their understanding of what's expected, they are willing to take on this important role. Consider naming a substitute attorney in case, for any reason, your first choice cannot act for you either when the power of attorney takes effect or at any point after that.

Staying up to date

As your life changes, take the time to regularly review your power of attorney. If you've moved to a different province or territory, do you need to create a new document? Does your power of attorney still reflect your wishes? Is the attorney you appointed still mentally capable and available?

Keep in mind that, while you are mentally capable, you can change or add attorneys or cancel your power of attorney altogether. When you make these kinds of changes, be sure to inform the financial institutions you work with.

*Article provided by Manulife's Solutions Magazine Winter 2014 Edition



Talking To Parents About Money

It can be one of the most difficult conversations to start - but it's also one of the most important. As parents get older, it's essential for their children to understand the investment, insurance and estate plans they have in place.



A **N OPEN APPROACH** can help identify and address any gaps in planning. In addition, a multigenerational perspective frequently enables implementation of more efficient and cost-effective strategies that benefit the entire family. Here are some ways to raise the topic and make the most of money conversations with your parents.

Open your books: Set the tone with a frank discussion of your own financial plans. Explain the work you are doing with your advisor to build wealth and protect your family. Describe why you've made this a priority in your life.

Emphasize the benefits: Tell your parents that you would like to become familiar with their financial plans to ensure that you are prepared - whatever happens.

Acknowledge discomfort: Don't be afraid to admit that you feel awkward talking about money, if you do. You might want to lighten the mood by pointing out that this discussion is easier than conversations you may have had with them as a teenager.

Don't judge: Whatever immediate thoughts you have about your parents' plans, be positive, not negative, in initial discussions. You don't want to shut down lines of communication before they're fully open.

Be patient: It may take time for your parents to feel comfortable sharing all the details of their financial plans with you. Be prepared to have a series of conversations over a period of some weeks or months.

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Are you using your loyalty program to its fullest potential?

Typically, when you book a trip or flight with points, you don't get extra points. But what if you could?

The next time you want to book a trip on points, charge the trip on your credit card instead and then apply the points to your credit card bill! This way you still offset the cost of the trip; however, you will now get points for the trip itself as you charged it on your card.

NB The MBNA Mastercard available through Fernhill allows for this to be done within its loyalty program. Be sure to check with your loyalty program to ensure you're able to apply your points directly to your credit card bill.



Thank You For Your Donations!

This past holiday season, Fernhill Financial once again accepted non-perishable donations for the Mustard Seed. We delivered all of the donations on December 24th, just in time for Christmas!

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



Continuation from page 3...

Offer a referral: If your parents aren't working with an advisor, point out the benefits of an objective, professional opinion. Offer to put them in touch with an advisor.

Involve other family members: How soon you ask other family members - such as siblings – to join the conversation depends a lot on family dynamics, aptitudes and interests. While this process may be complicated by geographic distance, it can help to prevent resentment and family disputes later in your parents' lives.

Fine-tune your plan: Understanding what strategies your parents may or may not have to manage costly risks - from requiring long-term care to running out of money in retirement - can help you prepare for expenses you may be expected to finance. It is always better to anticipate than to manage unexpected costs on the fly.

*Article provided by Manulife's Solutions Magazine Fall 2014 Edition

2015 Tax Tips

2015 Federal Tax Brackets

First \$44,701	Bottom
\$44,702 - \$89,401	Middle
\$89,402- \$138,586	Top
\$138,587+	Over-the-Top

Monday March 2, 2015 is the deadline for 2014 RRSP contributions.

2014 RRSP contribution room limit is \$24,270.

TFSA contribution room limit for 2015 is \$5,500.

Reminder: Capital Gain/Loss Summaries are normally found on your Year-End Statements from the fund companies. These are good to keep for tax time!

If you have not provided us with a copy of your 2013 NOA, please feel free to send us a copy or bring it to your next meeting.

Do you recognize this person?



There are many considerations and decisions to make when it comes to financial planning. Sometimes it can feel like an endless journey of twists and turns with no direction.

We have successfully guided many people through this journey and continue to provide direction to many others.

We prefer to work almost exclusively by referral and consider them to be the consummate recognition of the work we've done with you.

If there is someone you think could benefit from meeting with us, as we hope you have, we would love to meet them.



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