

the Rawling Report

Winter 2000-2001

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Supporting Entrepreneurs

Learning – a high priority for 2001

This year I'm looking forward to working with business owners and further development of my practice. I've made a commitment to travelling to Calgary, on a quarterly basis, and working with Scott Fithian, author of *Values Based Estate Planning, A Step by Step Approach to Wealth Transfer for Professional Advisors*. The knowledge I gain will help me better assist my clients with wealth management for their retirement needs and disbursement of their family and charitable legacies.

By assisting my clients in the best way possible to make educated choices for their future, they can avoid leaving their legacy to the government, via taxation. I look forward to

sharing the information I learn with all of you.

While I'm in Calgary, I'll also be taking part in a business-coaching program called *Truquest*. This is similar to the Toronto *Strategic Coach* program I participated in for five years. I feel it's so important to stop and see where you've been and look ahead to where you want to go. Ironically, it's tough to do as I get busier, but I find it's more important to do the busier I get.

I wish you all a profitable and exciting year in 2001 and look forward to sharing my newfound knowledge with you to benefit your needs.

*Happy New Year from
the Rawling Family*

Hugh, Dorli, Maddie & Ali.



Banff, Alberta, August 2000

5th Annual Las Vegas Business Owners Golf Trip

The 5th Annual Las Vegas Business Owners Golf Trip started on Sunday, November 5th and ended Thursday, November 9, 2000. In between there were plenty of good times at three golf courses, dinners, limo trips, some casino winnings and, of course, losses, topped off by the daily war stories in the outdoor hot tub following our golf games.

On this trip we discovered Mesquite, Nevada as the up-and-coming golf Mecca in America. It's eighty minutes northeast of Vegas and we found some exceptional golf courses. One new course, called Wolf Creek Golf Course, had just opened two-and-a-half weeks earlier and really showed what you can do with \$50 million US. The course uses the stunning mountainous typography that is similar to the neighbouring state of Arizona.

All of the pictures and more of this story are at my Web site. Go to <http://www.rawlingfinancial.com> and click on the Vegas icon to find out more.



The Vegas Warriors

Back row, left to right: John Newman, Doug Maus, Randy Hicks & Hugh Rawling. Front row, left to right: Chris Newman, Bob Maloley, Bob Keegan & Craig Henderson.

Investments: Mutual Fund or Segregated Fund?

Most people know what a mutual fund is, but what about segregated funds? Both are similar in that they have professional money managers looking after the investment which is placed in a variety of equity and fixed income funds. The difference is that segregated funds are only offered by life insurance companies and they carry the extra benefit of being insurance contracts.

One of those benefits is protection from creditors, in most circumstances, with a preferred beneficiary. A preferred beneficiary would be a spouse or child, for example. Most business owners are optimistic people and hope to never face bankruptcy. But why should they leave themselves exposed when this protection exists? Getting your money into a segregated fund early makes the creditor protection stronger.

We do get calls from people who are facing bankruptcy and want to transfer money into a segregated fund. This would become a bankruptcy court issue. I'm not a lawyer so I can't

comment on what might happen. But your protection looks better the longer you have been in a segregated fund and especially during the time when your finances were in good order.

Other features include guarantee of your capital in the event of death or maturity. The percentage protected can vary from company to company, but usually ranges from 75% to 100%. The better the guarantee, the higher the yearly management expense. This pushes up the cost from a similar mutual fund yearly cost. A person's need for protection should be balanced by their willingness to pay fees.

One other nice feature is that a segregated fund can have a named beneficiary who will receive the proceeds right away, without the expense of probate fees.

The deadline for your Year 2000 RRSP contribution is March 1st, 2001. Please give me a call so we can review what makes the most sense for your situation.

Visit us on the Internet at www.rawlingfinancial.com



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