

RAWLING REPORT

WINTER 2002 • BROUGHT TO YOU BY

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RAWLING FINANCIAL INC.

ENTREPRENEURS

Retirement Planning Season *A few things to consider*

At At this time of year, I find myself speaking RRSP strategy with many of my clients. "What is the optimal amount I should contribute?" Firstly, the maximum allowable limit is 18% of your income to a maximum of \$13,500, whichever is less. To be able to deduct your RRSP contribution against 2001 income we have to have it done before March 1, 2002.

So what is an "optimal" amount to put away? It is a good exercise to look at your current marginal tax rate so you know what you'll be getting back from Revenue Canada as a result of the RRSP contribution that you invest. It makes sense to maximize your contribution without dropping you into the next tax bracket – which is factored at a lower rate. For example, if you earned "regular income" in Ontario in 2001 from \$61,631 to \$63,364 your marginal tax rate would be 39.4%. But – from \$63,365 to \$100,000 it's 43.4%. An RRSP contribution in the higher bracket results in a 4% larger rebate from Revenue Canada. If you only had so much to spend on RRSP's and really wanted to take a family trip – watching marginal tax rates can help you decide your RRSP contribution amount and the rest could be used for that trip. Remember if you don't use all of your available RRSP room you can carry it forward and use it

in a year say... when your income increases and you are looking for more RRSP deduction room.

At Rawling Financial we have Mutual Funds and Segregated Funds available as product solutions. Since we work with so many business owners we like to remind our clients that Segregated Funds having the potential of "creditor protection." Depending on a client's individual needs, seg. funds may have an advantage over mutual funds because of this feature.

Since life is busy, often a few bulleted points work well to profile some planning tips. Below is a list created in an advertisement for Caldwell Securities Ltd. in the Dec. 1, 2001, Financial Post. I felt it had some excellent points to consider.

In a world of confusion and negativity, investment success still rests on a few simple principles:

- Do not use a short time frame to define success or failure. Investing is a marathon not a 100-yard dash.
- Time in the market is more important than market timing.
- Quell your emotions before making investment decisions.
- Periods of difficulty, negativity and confusion usually represent long-term buying opportunities.
- Bull markets ignore bad news and bear markets ignore good news. In a negative environment, look for the underlying positives. Problems eventually get resolved.
- Invest in quality.
- Do not borrow to buy securities. Borrowing makes time your enemy and adds emotional pressure.
- Invest over a period of time to take advantage of price declines. A regular monthly investment program is ideal for accumulating wealth.
- Use a professional Investment Advisor who puts you first and to whom you can relate. This is your most important investment decision.

***"Have a great year in 2002
from the Rawling Family!"***



Hugh & Dorli with daughters Maddie, Alison on horseback in Kelowna, British Columbia.

Please give me a call 963-4400 or toll free 866-963-4400 if I can help you with your retirement planning.

— *Hugh Rawling*

Sixth Annual BOGBOG* Trip

Sunday, April 28th to Thursday, May 2nd, 2002.

The numbers add up:
**Five days, four nights, three rounds
of golf on three different courses...
Call Hugh for all the details...
book soon!**

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*Bunch Of Great Business
Owners Golfing



Qualicum Beach, B.C., August 1, 2001. Hugh took a break from building sandcastles with his kids to shake hands and hear what Stockwell Day had to say. Day quoted Winston Churchill's famous nine word speech he gave to a high school graduating class. "Never give up... repeated three times." Advice Day obviously has taken to heart.

Win free Hockey Hall of Fame tickets from Rawling Financial Inc.

Be one of the first five people to e-mail me at hugh@rawlingfinancial.com to win a pair of tickets to the Hockey Hall of Fame in Toronto. (They expire June 30, 2002.)



Visit us on the Internet at www.rawlingfinancial.com



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