



The Lion's Roar

Summer 2001

❖ Quarterly Bulletin for the Clients and Friends of Networth Asset Management Inc. Canada ❖

Top Down and Wind in Your Hair

by Victor A. Didkowsky, CFP

Financial planning is like a great sports car. It portrays success, prestige and a fun-filled ride, but before you get carried away envisioning yourself hugging the curves along your favourite ocean or mountain side road, let's take a look under the hood. A few basic facts of life are required to make sure that your dreams come true, such as a suitable engine, transmission, rear end, frame, steering column, tires, gas and the list goes on.

What I primarily do is holistic financial planning (examining all facets of your life), but in addition to that, I also need to put in the components (the vehicle parts) that make your plan work. They include, but are not limited to:

- Life Insurance
- Disability Coverage
- Key Man Protection
- Business Overhead Coverage
- Buy/Sell Corporate Funding
- Executive Compensation Programs
- Critical Illness
- Extended Home or Facility Care
- Retirement Savings
- Non-Registered Savings
- Education Savings Plans
- Annuities
- Retirement Income Funds
- Discretionary Wealth Management, and the list goes on.

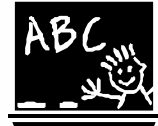
A few basic facts of life are required to make sure your dreams come true.

Since we are not tied to any one financial insti-

tution, life and disability provider, or Bank/Trust company, we can not only fill all of your planning needs, but also address the vehicles that are required to be put into place to let your hair down and enjoy the freedom and peace of mind that comes in knowing that your dreams are not only achievable, but sustainable. Remember, we do not want to be the biggest, just the very best to a select group of individuals who can truly appreciate the value that we bring into their lives.



A Child's View of Retirement



After Easter break, the teacher asked her small pupils how they spent their holiday. One little boy's reply went like this:

We always spend Easter with Grandma and Grandpa. They used to live here in a big brick house, but Grandpa got retarded and they moved to Arizona.

They live in a park with lots of other retarded people. They all live in tin huts. They ride tricycles that are too big for me. They all go to a building they call the wrecked hall, but it is fixed now.

My grandma used to bake cookies for me, but nobody cooks there. They all go to restaurants that are fast and have discounts.

When you come into the park there is doll house with a man sitting in it. He watches all day so they can't get out without him seeing them.

I guess that everybody forgets who they are because they all wear badges with their names on them.

Grandma says Grandpa worked hard all his life to earn his retardment. I wish that they would move back home, but I guess that the man in the doll house won't let them out.



Charitable Giving – Are You Asking The Right Questions?

As it appeared in the Calgary Herald, Leave A Legacy Supplement, May 16, 2001

Every day, thousands of people voice their concerns and questions in respect to wills, estate, tax and charitable giving. Why wouldn't they? These concerns are very important realities in each of our lives. To me, it seems that the older I get, the more I realize how my life has been blessed. I start to take note of how limited my time is to share those riches with family, friends, those less fortunate and the causes I truly believe in. It goes without saying that most of us would probably prefer to be loved, respected and admired while walking this earth. If I may be so bold to suggest as well, that if one kind word or remembrance of who we were and what we stood for was spoken afterwards, so much the better.

I would like to take you on a short journey and give you first hand insight into the world of charitable giving as seen through the eyes of an allied professional, specifically, that of a certified financial planner. So sit back, close your eyes (which could make it difficult to read this) and imagine the following made-in-Canada scenario. It's Saturday night. The Calgary Flames are playing and Mom and Dad are sitting at the kitchen table with the sound turned off, but keeping one eye on the tube, just in case. The kids, older now, have all gone out for the evening, and the two of them sit there enjoying a slice of home made apple pie and a cup of decaf.

"So Henry", pipes up Martha, "you mentioned that you want to give a gift to charity? I agree, sounds like a good idea to me as well. Just one thing, where do we start? Who do we talk to? And who can help us make this a reality?"

Good question Martha! When seeking advice from professionals, make sure that they are able to provide you with unbiased guidance, are experts in their specialized field and are fulfilling their moral, ethical and due diligence responsibility in order to best look after your requirements. Points that you should consider

from the onset in selecting your professional advisors are:

- Do they abide by a published code of conduct?
- Do they adhere to conflict of interest guidelines?
- Are they governed under rules of confidentiality?
- Is there an adherence to a published code of ethics?
- Are their actions overseen by a governing body, which has the power to deal with all types of issues?
- Do they have Professional Liability or Error and Omission Insurance coverage to safeguard you and the actions you take because of their counsel?
- Have they passed a stringent accreditation process?
- Do they continue to stay current with all the changes in their field?
- Are they actively involved in the field of specialization that you require assistance in?

Does charity not start and finish at home? This is certainly a personal choice, and there is no right or wrong answer. Making sure that the gift does not inadvertently create serious implications to the family's financial well-being is critical to achieve the placement of a successful gift. Which charity to support is usually decided by the donor, based on how their lives have been touched or assisted by a specific organization. Martha may also ask, "Henry, we aren't rich people, isn't charitable giving just for them?" Giving for most people comes from the heart, and no, you don't need to sell your house in order to give a gift that makes a difference.

"Martha", says Henry, "you bring up some great questions, but I think we need to start off by consulting our advisors to see what assistance or direction they can give us. After all, who knows our family's fears, dreams and realities better than they do?" "Alright Henry, I agree, but how hard is it to cut a cheque, leave a life insurance policy or gift some stock to our favorite charity?" "Probably not that hard Martha, but our advisor's role is to also ensure the charity is fulfilling its moral, ethical, legal and

corporate due diligence requirements as well." It should also be the advisor's role to work with the giver, and the charity to:

- Ensure our confidentiality.
- Review our family responsibilities.
- Circumvent any undue influence.
- Protect our interests.
- Protect the interests of the charity.
- Avoid conflict of interest situations.
- Properly structure the donation in the most beneficial manner.
- Review our total financial picture.
- Solidify the relationship between all parties.

All of this is done with one major goal in mind – to help Martha and Henry's dream come true. Additionally, it is to foster the win/win/win relationship between the donor, family and charity in order for the true value of the gift to be realized.

As a member of the Financial Planning Profession, it is my job to act as the quarterback and to assist my colleagues in the accounting, legal and fund raising professions, to ensure that your venture as the donor into the wonderful world of charitable giving is a happy and rewarding experience for not only yourself, but your family, the charity and those for whom the gift is intended.

Victor Didkowsky, CFP, is the Senior Financial Planner and Managing Partner of Networth Asset Management Inc., and is the Treasurer for the Southern Alberta Roundtable Chapter of the Canadian Association of Gift Planners.

Don't forget, every time you introduce us to someone who becomes a client, your name is entered for a dinner draw. We have the pleasure of awarding this symbol of our appreciation every quar-

This period's dinner draw winner was **Chris Hopkins**, who introduced us to **Mary McNair**. We welcome Mary to our practice and thank Chris for his continued support.
Bon Appetite!



How Financially Fit Are You?

Take a few minutes to check your fitness.

1. What percentage of people feel that money controls their loves?
47% 12% 65%
2. What percentage of people worry about a shortage of money in the future?
75% 45% 64%
3. If you earn \$5,000 gross per month, are 30 years old, and get an increase of 2% per year, by age 65, how much will you have earned?
\$1,342,207 \$3,430,455 \$5,419,218
4. In a group of people age 30, how many will suffer a disability lasting more than 90 days by age 65?
40% 18% 25%
5. 72% of all Canadians age 65 and over earn less than how much per year?
\$40,000 \$20,000 \$35,000
6. In Canada, what percent of the population **will not** be able to retire on at least 75% of their pre-retirement income?
85% 95% 75%
7. What percentage of women will at some point be totally responsible for their financial wellbeing?
50% 75% 90%
8. How many of those living in poverty are women?
75% 65% 85%
9. What percentage of all jobs created each year are done so in family-run businesses?
70% 50% 80%
10. What do 69% of businesses NOT have?
 - Contingency Disability Plans
 - Profit Sharing
 - Health Plan



Answers to Financial Fitness Quiz:

1. 47%, 2. 64%, 3. \$5,419,218, 4. 40%, 5. \$20,000, 6. 95%, 7. 90%, 8. 75%, 9. 80%, 10. contingency disability plans.

News & Views

Our website

www.networthassetmgt.com is starting to take shape. Some of the new things that you will find on it are:

- Financial calculators to do all sorts of useful calculations
- An insurance information screen
- You will now be able to view your portfolio from the comfort of your own home, office, car, etc. 24 hours a day, 7 days a week. In order to facilitate the safe transmission of your data, we have secured our own private 148 bit encrypted access porthole.

Timing is everything. . . what would happen if you were the world's worst market timer?

Market High Point	Cumulative Investment	Investment Value at year-end
August 25, 1987	\$10,000.00	\$7,211.40
November 1, 1988	\$20,000.00	\$17,051.61
October 9, 1989	\$30,000.00	\$30,731.85
June 12, 1990	\$40,000.00	\$37,232.24
August 28, 1991	\$50,000.00	\$57,120.92
December 21, 1992	\$60,000.00	\$76,045.36
December 29, 1993	\$70,000.00	\$94,473.50
December 28, 1994	\$80,000.00	\$108,093.81
December 13, 1995	\$90,000.00	\$150,325.36
December 27, 1996	\$100,000.00	\$190,924.38
December 5, 1997	\$110,000.00	\$268,655.00
December 29, 1998	\$120,000.00	\$368,395.97
December 23, 1999	\$130,000.00	\$421,749.14

Source: FMR Co. Returns for S&P 500 from January 1, 1987 to December 31, 1999. It is not possible to invest directly into an index. Past performance is no guarantee of future results.



Good Memories...

Easter to me is a very special time of year, even more so than just a truly significant religious celebration.

When I was growing up, my grandmother lived in Hillhurst, across the street from the Plaza Theatre on Kensington Road. A large apartment complex has long since replaced her tiny bungalow, and the homeless people have also moved down river.

I realize that I am dating myself, but even back then as it is today, Riley Park was and is, a wonderful place to spend time. It's even a perfect place to go Easter egg hunting amongst the flowers, shrubs and trees. Way back when, parents and grandparents seemed to have more time for their family, and were able to enjoy the little things in life. I really miss not living out those memories as I go through life!

This year, we were able to share a few hundred ceramic Easter baskets lovingly filled with chocolate and carefully wrapped up and

decorated with a ribbon, with some special children who may not have had the Easter Bunny visiting them. It gave me a great deal of pleasure and pride to make this gift possible on behalf of all of you, my dear friends, and clients. I have included some excerpts from a letter sent to me by Deborah Apps, Executive Director, Alberta Children's Hospital Foundation.



Dear Mr. Didkowsky,

On behalf of the Alberta Children's Hospital Foundation, I would like to take this opportunity to extend our sincere gratitude for your generous donation of the two boxes of Easter Ceramic Gift Packages

to the Alberta Children's Hospital. The generosity of this community and the thoughtfulness of people like you are simply overwhelming to us. However, it is the children who truly benefit from this kind of support.

Thank you for making children our number one priority!

We appreciate your consideration of the Alberta Children's Hospital Foundation and for helping the kids who visit the hospital have a more comfortable stay. Thank you for making children our number one priority!

I require your assistance. . .

What is it that I do so well that has earned your trust?

Of your most valued relationships, who else would also value that?



Just a reminder.

We have a library of some of the very best books and tapes on Personal Finance and Self Development, available to you on loan, at no cost, just give us a call.

Welcome and Thank you!

Welcome, to all of our new clients who have joined us since our last news bulletin. Thank you, to those of you that have mentioned our name to people that you know would benefit from our services, just as you have.

Your introductions, and trust in our abilities, mean a great deal to us.

Pass it on. . .

If you enjoy this publication and find it of value, possibly someone else you know may also appreciate receiving it. If that is the case, please give us a call and we would be happy to add them to our list.