

SEPTEMBER 2018



Tax Smart Retirement Funding?
Ross McShane Page 21



It Seemed Like A Good Idea At
The Time Richard Morrison Page 24

IN THIS ISSUE
BTSX
Then, Now, And In The Future
Page 8

CANADIAN

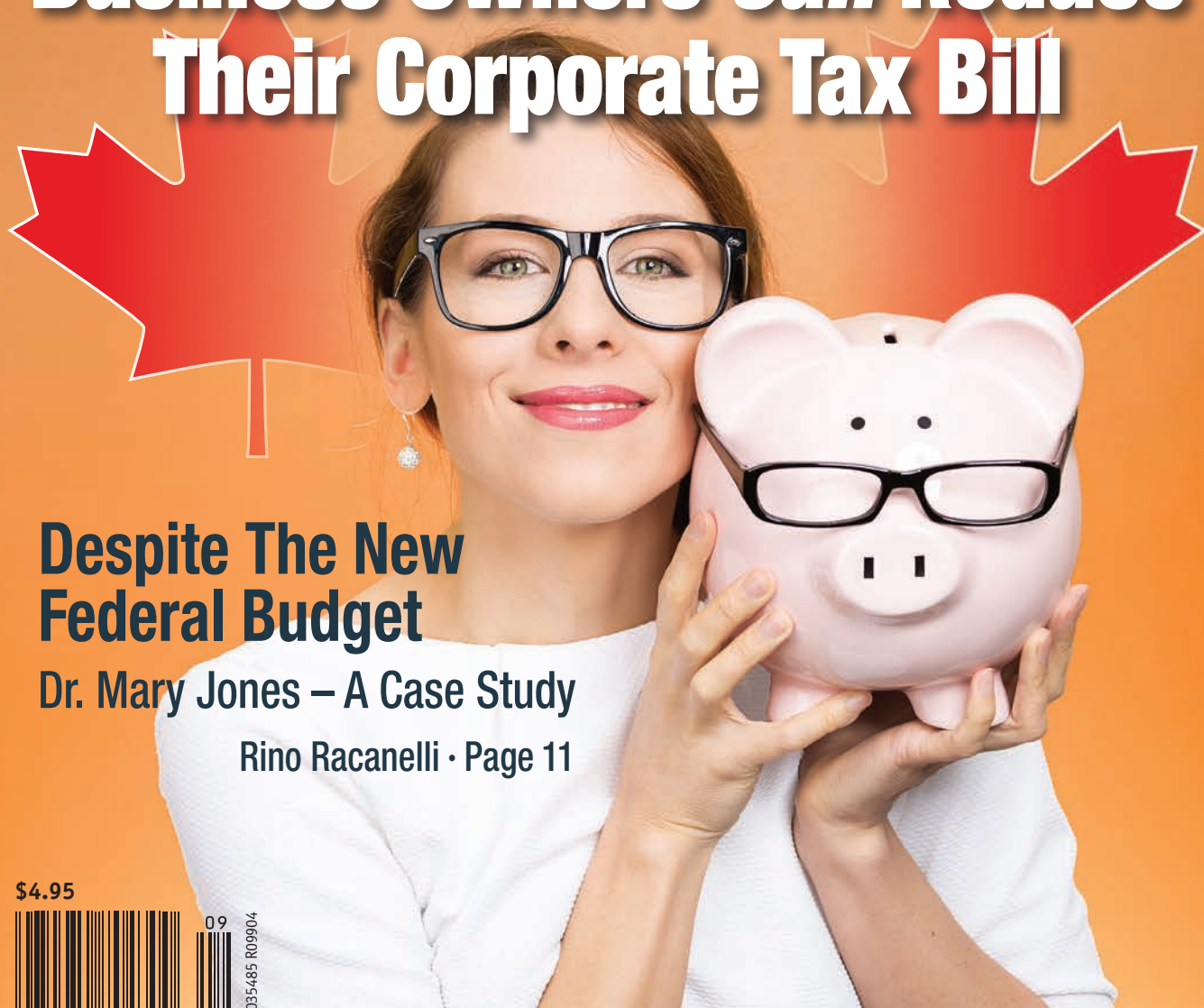
CANADIANMONEYSAVER.CA

MONEY

Independent Financial Advice For Everyday Use - Since 1981

SAVER

Business Owners *Can* Reduce Their Corporate Tax Bill



Despite The New
Federal Budget

Dr. Mary Jones – A Case Study

Rino Racanelli • Page 11

\$4.95



09

PM40035485 R09904

0 74470 70430 0

DIVIDEND & COMPANY NEWS • ETFS • TOP FUNDS • DRIPS • ASK THE EXPERTS



A Little Bit Of Financial Planning Knowledge Can Go A Long Way

John Kalos

Knowledge is power. When it comes to financial planning, not knowing enough can really hurt you in the long run. A good financial planner will educate their clients, showing the positives and negatives of every option they have and letting the client make an educated decision.

The most important fact to know about financial planning, which is often overlooked, is that it is based on many variables which change over time. These changes will affect your assets and the quality of your life. When variables (inflation, your capacity to save money, interest rates, the stock markets, etc...) change, your plan needs to change as well. Most people who have a financial plan never review it on a semi-annual or annual basis. After a couple of years, the plan is worthless.

Fees are another aspect that is overlooked. Potentially, there are many hidden fees in the various investments that are available. Commissions, trailing commissions, management fees, front-end fees, deferred sales charges, it can be very confusing and very expensive. You need to do your own research on this because there are many advisors who do not disclose the fees that the client must pay on a continuing basis.

Another key aspect of financial planning that you must know is your tolerance for risk. If you did not have investments during 2008-2009, it may be hard to know how you will react to the inevitable market fall. A financial planner must ask you questions that will give you a good idea of how tolerant you are to the ups and downs of the market.

Finally, avoid the trap that some investors fall into which is what I call, buy high and sell low. When the markets go down 20% and the media is saying “this time is different”, people start to panic, and many sell their investments. Then when the markets are flying, they go all in. Most advisors suggest not to sell anything when the markets are falling. I disagree. I wouldn't sell my stocks in my portfolio, I would actually buy more stocks by selling some of my very safe investments. And buy stocks which are at a discount. This is “buy low”. When the markets are at record level, as they are right now, I think it's important to start selling SOME of your expensive equities to buy safer investments.

John Kalos, CFP,Fin.Pl. is an independent Certified Financial Planner with Ironshield Financial Planning. He is also the founder of "Confessions of an Ex-Banker" Podcast.

Canadian MoneySaver FORUMS!

Are you looking for single share DRIPs, information on taxes, equities, or just savings in general?

Join our forums to get in contact with other like-minded *Canadian MoneySaver* subscribers.

Visit the forum link at www.canadianmoneysaver.ca/forums