

possibilities

unleash your imagination

The Mysterious Power of Hope

Among the many great qualities of the film *Shakespeare in Love* is the manner in which it delivers a promising lesson of hope. On several occasions in the film, one character will declare defeat, only to be calmly told by another, "Don't worry, it will all turn out in the end." The response to this calm assertion is always an exasperated, "How? How will it all turn out?" And the answer, with a shrug is, "I don't know. It's a mystery."

The lesson inherent in this exchange is one that is well known to me. One of my mother's favourite expressions has always been, "Things will turn out alright, if you let them." This is a woman who spent her childhood in the Great Depression. My grandfather worked odd jobs, and worked on and off for the railroad, often away for long stretches in order to support his family. By today's measures, my mom spent her formative years learning of some of life's most significant struggles, and one would expect my mother to pass on the bitter lessons of her youth, and encourage her children to save for the inevitable rainy day. But that's not what she learned from that experience, and certainly not what I learned by her example. Rather, she passed along the values of honest work, and family, the importance of applying one's resources to extracting the most out of life, and most significantly, the calming essence of hope.



Palm Desert, California

Hope is often mistakenly cast in a negative light. It's a last resort, the final path we crawl along when all other avenues have been exhausted. If we are at the stage of hoping, we've lost our desire to keep trying, or fail to see how trying could help.

In fact, I believe that hope is foundational to success and happiness. It's what allows us to take the first step, and the last. It's what causes us to venture into the unknown, and it's what ultimately gives us the patience to let the rewards of our efforts be realized, even when our confidence and belief have faded away.

My mom's spin on this phrase contains the nugget that makes it all work – "if we let it." The sad truth is, we often don't. We panic and "do something" when in fact, not doing something is the right thing. We quit on the one yard line. We capitulate, and sell out of our investments near the bottom.

We push on our relationships to the point of destruction. We force the square peg in the round hole. We mistakenly believe that our vision of the end result is the only acceptable outcome and cling to it like it was the last bit of oxygen on the planet.

There are times in every worthwhile endeavour when one has to let go. This requires a firm belief that the hard work is done, and the right decisions have been made. And it requires hope.

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possibilities

The Mysterious Powers of Hope (cont)

In this context, hope is different than faith. Faith is a belief in a specific outcome. Hope is an understanding that what will come to pass - be that what you set out to achieve, or something else altogether - will be the right thing. It is an understanding that one doesn't need to control every outcome, and that in fact sometimes, it's better if we don't. Hope in fact rests on faith in a power greater than our own.

For many of us, the events of the last six months have changed our future. The plans we laid and believed in have been altered, and for many the immediate goal is to move as quickly as possible back to the original plans. Unfortunately, a quick fix isn't possible. In truth, it's not even necessary.

During the past few months there have been many instances during meetings with clients that I have had to stop myself from saying, "Don't worry, it will all turn out alright." This isn't exactly what people want to hear from their financial advisor, is it. What people want to hear is that I have it all figured out. They want to know that I have "done the analysis," listened to the experts and formed a solid opinion of what is happening, and what will happen next. Most importantly, our clients want to know that I know what needs to be done. They would no doubt say to me in response to such a flippant remark, "How? How will things be alright?"

Well, it's a mystery. The fact is that no-one, including me, knows exactly what will happen next.

(For the sake of clarity, and to put any troubled minds at ease, I will add - I am diligently paying attention to what's going on, listening to experts, asking questions and forming opinions on appropriate strategies. But I'm not surprised when all of this work continually leads back to the same conclusions - build solid

portfolios, rebalance, add as possible, and otherwise leave them alone. In short, remain confident in the longer term.)

These are confirming times for pessimists. But, in the end, the optimists will once again win, as they always have. Generations before us have survived more than we presently fear, more than we could imagine, and lived wonderful lives full of love, mystery, growth, and hope. All of us can likely say without hesitation: "Twenty years ago, it would have been difficult to imagine the incredible life we have lived these past two decades." That is also true today.

In the final scenes of *Shakespeare in Love*, the first ever showing of Romeo and Juliet is about to be staged. The boy playing Juliet is suddenly stricken with a baritone voice and all appears lost. But in the audience awaits the true Juliet of the story and Shakespeare's forbidden love in the movie. She steps in to play Juliet opposite Shakespeare himself as Romeo and together they deliver a love story as only two people truly in love ever could. Naturally, the emotionally-charged production is a spectacular success.

In the words of the theatre, the play must go on. Or, as Thoreau said - "advance confidently in the direction of your dreams." Things will turn out alright, if you let them. And if you dare hope, things will turn out even better than you can imagine.

Bill

Great Minds, Great Thoughts

"It is not in the pursuit of happiness that we find fulfillment, it is in the happiness of pursuit."

Denis Waitley

"Nobody really cares if you're miserable, so you might as well be happy."

Cynthia Nelms

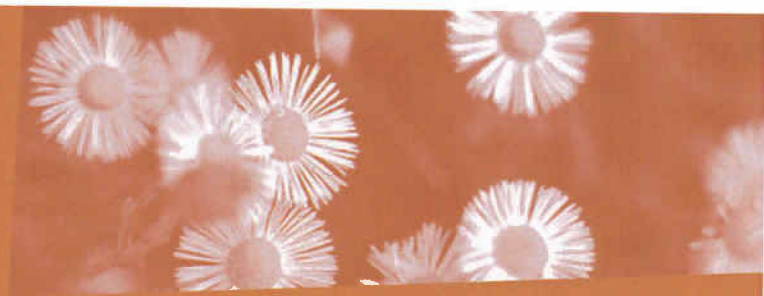
"Let your hook be always cast. In the pool where you least expect it, will be fish."

Ovid

"Most of the important things in the world have been accomplished by people who have kept on trying when there seemed to be no hope at all."

Dale Carnegie





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Tax Free Savings Account

With RRSP season behind us, many Canadian as now turning their attention to the Tax Free Savings Accounts, (TFSA) which launched on January 1st of this year. Here's a quick Q&A that follows a common thread of discussion.

Q: What's a TFSA?

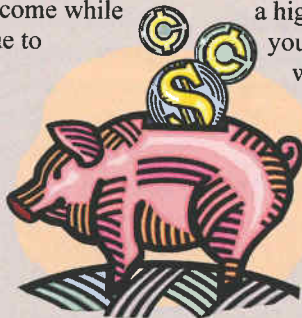
A: A TFSA is a registered investment account that along with the RRSP and RESP provide tax incentives to help Canadians save. Up to \$5,000 can be contributed to a TFSA this year (with new contribution room available in subsequent years), and all income earned inside the TFSA will not be subject to tax. Furthermore, withdrawals from a TFSA will be completely non-taxable.

Q: Should I use this instead of my RRSP?

A: Likely not. An RRSP contribution generates a tax deduction, but a contribution to a TFSA does not. If you expect your income in retirement to be lower than your income while working, the RRSP is a better long term vehicle due to this "head start."

Q: Then how should I use a TFSA?

A: The TFSA is perfect for short term savings such as saving for a house, a boat, a vacation, etc, or simply just keeping money on hand for emergencies. Withdrawals made in one year can be recontributed in later years, meaning you can use and reuse the TFSA to help you save. You may also want to use the TFSA for any investments that you expect to turnover quickly thus generating gains that would otherwise be taxable.



Q: I thought that Tax Free Savings Accounts could only be in bank account type products. You can invest in funds or stocks?

A: Yes. Any investment eligible for an RRSP is also eligible for a TFSA, so this includes a wide range of options. Keep in mind however, if you are saving for something short term, a high interest bank account may be your best choice.

Q: Can I contribute to my spouse's or child's TFSA?

A: Yes you can. In fact, the TFSA may be a valuable tool in income splitting with other family members as no attribution rules apply to income earned in a TFSA.

Q: Should I put funds into a TFSA or pay off debt?

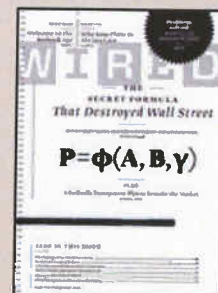
A: Most of the time, we will recommend that you pay off debt. This will certainly apply in instances where your intention is to use a high interest bank account as the investment in the TFSA. If your intention is to invest to achieve a higher return then it will probably make sense to invest the funds in the TFSA.

Q: Where do I go to open up a TFSA?

A: I love this type of question. Just call us. We can set one up for you in the appropriate place to achieve whatever goals you have.

Check it out!

Turns out there is someone specific we can blame for the current economic mess. His name is David Li, and according to an article in the March issue of *Wired Magazine*, his widely used formula for assessing risk is the reason the global financial industry dropped the ball of common sense. Pick up the magazine, or read the story at http://www.wired.com/techbiz/it/magazine/17-03/wp_quant.



Always Look on the Bright Side of Life (Insert whistling here)

*"Some things in life are bad
They can really make you mad
Other things just make you swear and curse
When you're chewing on life's gristle
Don't grumble, give a whistle
And this'll help things turn out for the best..."*

-Eric Idle (Monty Python),
From the film *Life of Brian*

I took my kids to a favourite deli of ours last week and ran into an old acquaintance of mine from high school back in Montreal. We struck up a pleasant conversation, each asking if the other had seen so-and-so lately, commenting on how young we looked for our age (some delusions are perfectly acceptable) and lamenting the recent collapse of the Habs, our childhood hockey idols. I then asked, quite innocently, "So, how are you?" He looked at me as if I had just landed from the planet Ignoramus. He went on and on about the woeful state of the economy, hands gesticulating wildly, filling me in on how the world was going to hell in a hand-basket, while his wife and children looked on, bored as stumps, as if they had heard this refrain many, many times before. Thankfully, his bill arrived, and he soon slumped away, leaving my kids to ask "What was that all about?" I shook my head, sighed, and surveyed the menu.

I won't deny that the current economic situation has a great many of us in a funk. There is no need to list all the factors contributing to our collective state of woe in this space; we all know very well what they are, thanks in large part to the omnipresent and overly zealous media. And therein lies a big part of the problem. Even in good times, the media displays a strong bias towards the negative. But when dark days descend, the machine generates an overwhelming quantity of doom and gloom, so much so that we can't help but feel vulnerable and afraid for our future.

*"If life seems jolly rotten
There's something you've forgotten
And that's to laugh and smile and dance and sing.
When you're feeling in the dumps
Don't be silly chumps
Just purse your lips and whistle—that's the thing."*

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The bulk of the economic troubles that have taken hold over the past year are beyond the control of the average citizen. While we cannot directly influence the outcome of global events, we do have control over how we react to them: we can sink into a state of despondence and despair, or we can choose to park the uncontrollable by the side of the road and seek out life's simple pleasures for diversion and comfort (many of which, if we were to put down the newspaper or turn off CNN, are right in front of us). After all, this too shall pass, so we might as well enjoy the ride.

Go to the zoo and have a staring contest with a monkey. Visit the driving range on a mild spring morning and hit a bucket of golf balls. Rent your favourite romantic movie and cuddle in the dark with your sweetheart, bags of popcorn between your knees. Finish writing that short story that you can't seem to find time for. Tell your children that you love them and watch them retch and then giggle. What have you got to lose?

*"For life is quite absurd
And death's the final word
You must always face the curtain with a bow.
Forget about your sin – give the audience a grin
Enjoy it – it's your last chance anyhow."*

Our younger son, Noah, is turning twelve in a few weeks. All kids possess qualities that, in the eyes of family and friends, make them special. Some may excel academically or at sports; others may display a sense of humour or wisdom that belies their years. Although, like his brother Ethan, Noah is blessed with many talents, his true gift is the ability to turn disappointment, frustration or sadness on its head, processing the negative and distilling the positive from it. We generally know that he has turned the trick when we hear the whistling, which floats throughout the house like a fresh breeze through an open window. It's his way of saying that all's right again in his world. When Noah whistles his happy tunes, he brings a smile to our faces. And we can all do with a little more of that.

*"Always look on the bright side of life...
Always look on the light side of life..."*

David