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Over the past 10 days I have started this a half-dozen times. I had some good ideas percolating in my head for many weeks, but since Sept. 11th every time I started writing I ran into the same brick wall. The context of everything has changed. And still, eleven days later, I can't find anything to say that is important enough to transcend some mention of these recent events.

So let's talk about it. And let's start with the question most people want to ask a financial advisor. What is the current outlook for financial markets? At the risk of appearing smug, let me answer that as I have answered that question against the background of every previous event or circumstance. I don't know. Quite literally, the short term, i.e. "current" outlook for markets is unknowable. It's easy to see what has happened, and it's human nature to extrapolate recent trends on a straight line leading either to unprecedented prosperity, or total bankruptcy. Neither has ever been true. (Interestingly, an article for this newsletter had already been established before Sept. 11th regarding our "investment philosophy", and I encourage you to read that.)

It's natural in times of great uncertainty to become increasingly anxious about our money. But money isn't the only cause of our anxiety and in fact in this particular instance, money may have been moved down the list a few notches. I have been touched by the number of clients I have spoken to (and others) who have said essentially

the same thing, "Money isn't as important as I thought it was." I haven't yet pointed out to anyone, but do so here without glee, that we have been promoting that posture for some time.

In the spirit of my philosophy, and indeed of this young newsletter we call "Possibilities", I struggle to find a way to be positive without sounding callous. In that vain I offer the words of Kahlil Gibran; words that have been playing in my mind for the past many days. In the *Prophet* he said "Your joy is your sorrow unmasked. And the selfsame well from which your laughter rises was oftentimes filled with your tears. And how else can it be? The deeper that sorrow carves into your well being, the more joy you can contain."

The fact is, in the depth of our despair we have also experienced and witnessed tremendous triumph. The fear that has gripped us has also caused us to rethink our priorities, and to reach out and grab hold of those we love, and those we should love. And the latter group is wide. In a world where one can live for years without knowing the neighbours across the street, we are suddenly helping our neighbours who live thousands of miles away. There is no escaping the effects of this tragedy. We are all in this together. We are all neighbours.

And while our perspective on some things is unalterably shattered, our perspective on others has suddenly become crystal clear. It's not surprising that many of the articles in this newsletter focus on family.

Perhaps to me the most damaging fear is the fear that we have lost control. So much of what we collectively and individually believe has been drawn into question. And suddenly the background of our future has a hue of hopelessness that causes us to wonder whether planning for that future has any value at all. I certainly believe that it does. In fact, I believe that eradicating this fear and wiping out the hint of hopelessness is the first step towards regaining our confidence, our freedom, and our happiness.

This is not an experience that we can eliminate. It isn't a stain that can be washed out. It is an experience that is now woven into the fabric of who we are. To be able to make it a part of that fabric, to accept it as part of our design, and to go on believing that we are in fact the designer and that in the end our lives will turn out as we imagine them - this is the essence of personal success.

Perhaps your list of "what's important to me" has changed since September 11, 2001. What's important now is that you act on your top priorities. And that you believe your future still belongs to you.

There are no doubt sunny days ahead. We will never forget, and forever be changed. But we can grow from all experiences. This one is no exception.

Bill

A Lesson from the Wise

At the wonderful, wise age of 90, my Grandma Wendy passed away peacefully this past March. My family and I had celebrated her 90 years of life just a few months earlier in November, 2000. Having been born to an upper-middle class family in Cheshire, England, and having spent the first 20 years of her married life in Guatemala, I can tell you that this woman had been blessed, she had suffered, she had seen, and she had lived. There is not a day goes by that I do not think of her and the lessons of life that she so patiently attempted to pass on. She was not an obvious teacher, but those who knew her could not help but learn from her example.

I will pass on one thought that she perhaps inadvertently imprinted on my mind. It's definitely not profound in its delivery, but when taken to heart the results can be.

Sitting at her kitchen table she quietly said, "Ah, you girls have so many things and so little time." She was referring to myself and my two sisters who are also working and raising families. We all have nice houses, cars, the latest gadgets in technology, etc. She could see that our wants and desires were outweighing our needs and that we were missing out on the one thing she valued most at this point in her life. Time.

It made me rethink my priorities, but initially at least it did not initiate any change. After all, there are responsibilities in life that just need to be attended to. The bills must be paid. Children are a priority that demand both our time and our attention. My time was spoken for.

What I have since unravelled from her words was the simple plea for balance. Of course she understood why we were busy, but she wanted us to know that when we balance our lives we find happiness in all the things that we value. We should still have nice things, even things that we don't really need, but never at the expense of something we value more. In essence, how we spend our money and our time should always be a reflection of what's most important to us.

Whether intentional or accidental, her words have had an impact. In fact, what is perhaps remarkable is that over time that impact is increasing, not diminishing. Her words have provided a framework within which I better understand who she was, how she lived, and how I might benefit from her living example.

Thanks Grandma.

Tracey Hough

Children of Abundance

Given the recent world events, I wonder what we should teach our children about human nature and how much of the "real world" should we expose them to? These are particularly difficult questions for parents who have young children. Do my kids (ages 6 and 4) really know how good they have it or is that something they will learn to appreciate later in life? My wife, Lynn and I often remind them not to take things for granted, yet the age of innocence is still alive and well in our household, I suspect most households, and it feels good, safe and nurturing.

With the technological advancements in telecommunications (a.k.a. CNN), world events are brought to our homes in an instant. Obviously, certain images are not appropriate for children (even some adults) yet without comparison how do you begin to appreciate what you have?

In the movie, **Traffic**, the good Mexican policeman, Javier, wanted to build a baseball diamond for the children of Tijuana. The diamond offered hope and diversion from the real world of drug trafficking, murder and betrayal. The policeman knew he was trapped in a dark world and he alone couldn't change it, but maybe a few children from his community could grow up and live a different reality. Build it and they will come.

Contrast this to Afghanistan (without prejudice) where soccer fields have been turned into firing ranges for executing criminals, prostitutes and all others who do not succumb to the rules of a fundamentalist regime. Where is the hope for these children? Should we tell our kids about these cruelties? Probably not, but we should remind our children and ourselves how lucky we are to have freedom of choice and an abundance of opportunities.

So, what do we expose our kids to? For a start, how about education, sports and other team activities, and family. Not just scholastic education but education about respect for our diverse world and how we are all connected in the web of life. How every action affects someone, somewhere, somehow. Sports and activities to keep healthy and to learn cooperation and teamwork. Church and family activities to build a sense of belonging, community and understanding of each other.

Each of us can create or destroy the world around us. It is time to strengthen and build our communities. We must teach our children well for they will be our next leaders and role models. It begins at home.

Tad Gacich

Our investment philosophy

It has not gone unnoticed by some individuals that our newsletter is relatively devoid (often completely devoid) of any discussion about markets and money. It may be further noted that we rarely (if ever) send out to clients any materials with respect to the same. It might be concluded that we are either reluctant to share our views and opinions about current and future economic conditions, or that we are simply ignoring a responsibility. Neither of these is true. In fact, what we are doing is following our own investment philosophy, which we briefly share with you now.

Almost without exception, our investment clients have worked through a complete financial plan with one of our advisors. This, we believe, is an essential first step in developing an investment strategy. The financial plan will help us distinguish between short-term and long-term investments, and provide us with insight into other important issues such as investment personality, and expected return targets.

We strongly believe that money earmarked as "short term", usually under 5 years, should not be invested with any risk attached. That usually means it will be in money market funds, cash, short term GICs, or other such instruments. Money that is designated as "long-term", at least 5 years and preferably 10, should be invested based on an asset allocation model and using funds that we intend to hold for the duration.

History repeatedly and consistently shows that moving investments in an attempt to time markets, or chase hot managers or sectors, reduces return while simultaneously increasing stress. In looking for the opposite, higher returns with lower stress, clearly the best strategy is to "buy and hold". This strategy of course is easy to follow when markets are rising and difficult when markets are falling.

In an attempt to make it easier in hard times, we construct portfolios of carefully chosen managed funds, with sufficient diversification across geography, management style and asset groups to reduce "volatility".

Then, all that remains to be done is nothing. That's right, nothing. (Other than of course continuing to contribute as the plan dictates). This means the "news" about who thinks the market is going up or down, and which managers are hot, and which sectors are moving the fastest, is not only irrelevant, but rather annoying, and distracting. We know you have access to this kind of information, and some of you no doubt absorb it, but we don't want to find ourselves guilty of sending you information that in the end will form no basis for decision making. The decision making tool is your financial plan. End of story.

This may make our job seem rather trivial and unimportant. "Any idiot can do nothing", some would say. Perhaps. But most don't. In fact quite often doing nothing is the hardest thing of all. And much of what we do in terms of education and communication is designed to make it easier. We know that for many of our clients it's working.

If you have comments, concerns, or questions about this or any other aspect of how we handle business here at Bell Financial, we hope that you will call us and arrange a time to meet. We are more than happy, at any time, to offer our opinions, our advice, and our support.



Great Minds, Great Thoughts:

While everything around me is ever changing, ever dying, there is underlying that change a living power that is changeless, that holds all together, that creates, dissolves and recreates.

*For I can see
in the midst of death - Life persists,
in the midst of untruth - Truth persists,
in the midst of darkness - Light persists.*

Mohandas K. Gandhi

The Wisdom of the Child

You know, recent world events have left most of us a bit depressed. Terrorist attacks, the real threat of war, the fallout of paranoia and prejudice, an economy sliding into recession...it's getting tougher to get out of bed in the morning with joy in our hearts. Life has become one big CNN bulletin, and the news isn't getting any better. But I've discovered a secret weapon that can lighten our load and put the spring back in our step. Most of us already possess this secret weapon, and those who don't can get one. It has the power to heal our wounds, lift our spirits, offer us hope, make us laugh and see what is good. Of course I'm referring to our children.

Children have the innate capacity to see the good in all things. When I arrive home, frustrated that my golf game was washed out by a thunderstorm, my boys rush to greet me, asking if I had seen the double rainbow. When we get lost driving through a strange town, our kids wonder if a McDonald's might appear around the next corner and save us. The empty field we've just walked through isn't empty after all: they've counted and mentally catalogued seventeen different animals, insects and plants. Life is so full of wondrous possibilities. They're always there; it just takes an uncluttered mind to see them.

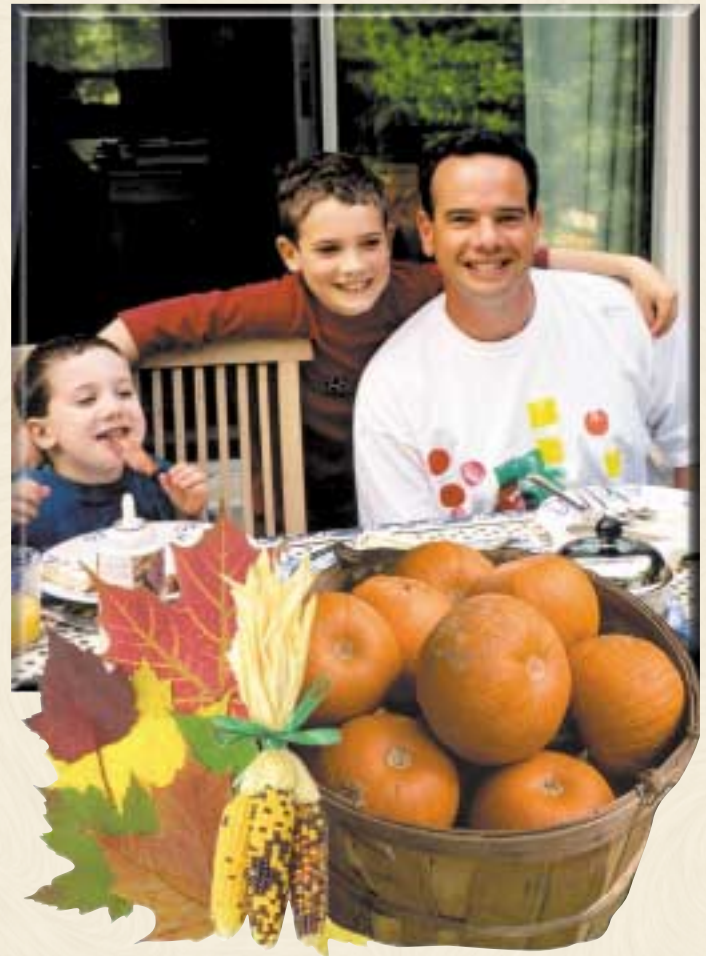
Sometimes we make our world far more complicated than it needs to be. Our days are filled with rules that create order but rob us of the ability to see things from a fresh perspective. These self-imposed routines can become so entrenched that we can't see any other way to behave. A child, on the other hand, is not shackled by routine. If he grows tired of drawing people with two eyes he'll simply give them four, or more. Once in a while (but not often enough), our family will challenge the status quo and have a "Yes Day": all requests, within reason, that are usually accompanied by a "no" answer will instead be granted. Watch T.V. before homework is done? Sure. Eat ice cream before supper? Of course you may. Stay up late on a school night? Why not? Surprisingly, I think I get even more of a kick from breaking the rules than the kids do. We need to have a Yes Day for adults.

Children possess the ability to think and reason with a sense of clarity that is startling. About a week ago, our four year old ("four-and-a-calf, Daddy", he'd correct me) asked his mum why those men crashed the airplanes into the buildings. He had just posed the one question the entire world was struggling to answer. After a moment's hesitation, Elizabeth replied that although most people are good people who do good things, there are some bad people who do bad things. He thought and thought, and said, "I don't think they were bad men; I think they were good men with bad ideas". Wow. Now, perhaps some may not agree with our son's point of view, but at a time when the world and its leaders are entrenching their views of right and wrong and good and evil, how could we at least not *want* to share in his belief?

It is the clarity of thought, unburdened by what has come before, that makes a child's logic so appealing. For example, who would dispute that the actions of the terrorists and their accomplices were bad? Killing is universally a sin and a crime, and must be punished. It is only when we declare *people* to be "bad" or "evil" that we create a chasm that cannot be bridged.

When horrific events like those of September 11th cloud our minds and fill our hearts with despair, when our emotions are overwhelmed with grief for those suffering and with bloodlust for the perpetrators, when the routine of our daily lives seems trivial and pointless, this is the time that we must reach for our children, hold them, listen to them, and believe as they do that people are good even if their ideas are sometimes bad.

David Frank



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