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P O R T F O L I O S T R A T E G I E S

c o r p o r a t i o n

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Random Thoughts

Forget about the people in your past... they didn't make it to your future for a reason!

-Unknown

The true measure of a man is how he treats someone who can do him absolutely no good.

-Ann Landers

"It isn't what you have, or who you are, or where you are, or what you are doing that makes you happy or unhappy. It is what you think about."

- Dale Carnegie



Did you know...

Canada had both a 25 dollar bill and a 500 dollar bill in 1935. The 25 dollar note was issued to commemorate the silver jubilee of King George V and the 500 dollar note was the carry-over from Dominion of Canada bank notes.

When flipping a coin, three times as many people are likely to guess 'heads' than 'tails'.

If you get your money out of a Hitachi ATM machine in Japan, it will be laundered. They briefly press the bills between rollers at high enough temperatures to kill most bacteria.

Pets play a major role in the lives of Canadians, with the pet industry topping \$8.9 billion a year.

Insurance for Estate Planning?

Whether you are starting a family, buying a home or ensuring continuity in business and estate planning, the purchase of life insurance can play an integral role. Typically, when the purchase of insurance is made, it is to cover a single need; cash available upon the death of the insured individual.

Another type of insurance is joint last-to-die. It is not as well known by Canadians, but there are many benefits to couples looking to build more estate value.

Joint last-to-die life insurance is based upon the life of two people, often husband and wife. It pays out a tax free death benefit when the last person has died – not the first person. Because benefits are paid only upon the second death, the cost of this type of insurance is much lower than single life insurance coverage.

If you own assets that will be taxable upon death then this type of insurance policy can be useful. Within the Tax Act of Canada there is an important provision called the spousal roll-over clause. This allows assets to roll-over to the surviving spouse with no tax consequences. However, upon the death of the last spouse, all taxes owing on these assets will become due.

Assets like:

- RRSPs or RRIFs
- shares in private or publicly traded companies

- revenue or vacation property
- significant business holdings

will all have capital gains taxes or income taxes owing on them when the last spouse dies. Estate depletion (as much as 40% - 50% depending upon the mix of assets) is a very real concern.

Joint last-to-die life insurance allows you to use some very powerful estate planning strategies to protect against these taxes and other estate planning needs, like:

- Paying for capital gains taxes
- Paying for an estate equalization of assets to children
- Flexibility in transfer of wealth to a younger generation
- Giving money to charity

Joint, Last-To-Die Life Insurance is one of the most effective and usually least expensive ways of ensuring that your beneficiaries will receive the **full** value of your estate upon the death of the last surviving spouse.

Congratulations to Ron Mcleod, the winner of our movie date night package.

Thank you to all of you who replied and commented on our newsletter

Keeping you informed:

Have you ever wondered who or what Portfolio Strategies Corporation is, and what they do?

Portfolio Strategies Corporation (PSC) is one of Canada's largest independent investment dealers, with head offices in Calgary and Toronto. Branch offices include Vancouver, Calgary, Edmonton, Lethbridge, Regina, Saskatoon, and Winnipeg. PSC is registered with the Mutual Fund Dealer's Association of Canada to buy or sell securities on behalf of clients and give advice about the purchase or sale of securities.

PSC and its associate companies manage over \$1.3 billion in assets for over 30,000 clients. This gives us at Advantage Financial, access to over 100 well researched and approved investment management firms. PSC also offers a national training network providing continuing education for our team.

This support gives us the ability to offer a myriad of balanced and conservative investment strategies that manage risk and help you achieve financial success.