

A SOUND FINANCIAL PLAN

SUMMER 2014

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FINANCIAL SERVICES GROUP

Gary & Myrna Kwasnecha

A Note from Gary:

You may recall as part of my comments in our December 2013 newsletter a reference to “the little whitetail buck that made his way from across the street at the Leduc, Alberta Pool elevators to our new building site and then wandered away”. I have not seen him since that morning, but our new office has been visited by numerous clients since we re-located in November of 2013. Our team at FSG are all settled into the new building and environment. Our clients are enjoying the drive to Leduc and having brief visits with our support team and advisors. They are most impressed with the ease of parking and even more important, the free parking! As a result, they simply make money coming to see us.

On the economic front, Alberta continues to grow and prosper. The USA seems to be forging their way out of the financial crisis with their stock market heading higher each day. Even our TSX is at an all-time high. Interest rates continue to stay low as expected and will likely remain low for many years in the future. Money is cheap for borrowers and this is fueling the housing market and increasing consumer spending and confidence. Our clients, of all ages, are travelling more today than ever before. For the first time in a long time, our birth rate in Canada is on the rise - a “wow” factor for waiting grandparents.

At FSG we continue to promote reduction or elimination of debt, enhancing savings, and reducing risk using an emergency fund and the right type of insurance - life, disability or critical illness insurance. FSG continues to focus on our clients **PLAN**, whether the plan is to save for a house, accumulate for education or retirement, implementing a business succession strategy or an estate plan. We stress the importance of having a **will, enduring power of attorney and a directives letter**.

New challenges have been presented as many of our clients are now travelling to the USA for longer periods and purchasing second properties. There is pressure by the Canadian and US governments to track the time spent in each country and the “183 day rule” is often misunderstood. FATCA - Foreign Account Tax Compliance Act is alive and well with new rules as of July 1, 2014. As Canadians spend more time in the sun, they must pay attention to the rules, or face possible estate income tax or loss of provincial health care coverage.

Discussions regarding fee for service advisors and other types of fees that apply to financial products tend to be part of many client meetings, as clients look to become more involved with their financial plan and product selection.

Change is fast and here to stay! The more technical we seem to get the more paper and sometimes confusion we create. Our number one objective is to provide top level service for our clients.

We invite you to drop by our office as the coffee is always on and the parking is free. I wish you a wonderful summer and hope to see you soon.



“Assisting people to accumulate and protect their wealth since 1977...”



A Note from Scott- Walking the Walk

Happy Summer Everyone!

Erica and I are excited to welcome our first child, **Ben Peter Kwasnecha**, to the world. He was born on April 11th of this year and so far he has proven to be a huge joy in our life. I look forward to how he changes every day and every one I talk to reminds me to cherish every moment as they all "grow up way too fast!"

Over the years I've watched my dad, Gary, talk about the importance of planning, protecting your insurability and starting to save early. I am excited for the opportunity to take some of dad's advice when it comes to deciding on planning products available for Ben. I look forward to contributing to his Registered Education Savings Plan (RESP) to allow him to attend college, university or perhaps even a trade school. University costs have increased significantly (approximately 6% per year since 1990) and with the cutbacks in governments around Canada, I expect this trend to continue. The Government of Canada's Education Savings Grant will match \$0.20 for every \$1.00 we put into Ben's RESP (up to a maximum of \$500 per year in grants).

Protecting his future insurability by adding a Child Protection Rider to my term life insurance policy will guarantee the purchase of insurance in Ben's future without having to provide medical or lifestyle underwriting. I will also look at the possibility of instituting a Whole Life insurance plan for Ben. I know if I start this very early for him, the compounding of cash values inside the plan can reach significant values throughout his lifetime.

The last thing I want to look at for my son is a Critical Illness Insurance policy. Canada is very fortunate to be the only country in the world that has critical illness premiums that are GUARANTEED for the life of the contract. In many other countries, policies can increase/decrease every year. Much like a car or home insurance policy, you receive a renewal every year with your new premium rates and if your policies are anything like mine, they very rarely seem to decrease! Many experts in the life and critical illness insurance markets expect Canada will be moving towards this type of structure within the next 5 years, specifically for critical illness insurance.

I look forward to other opportunities to give Ben a great head start for his financial future.

A handwritten signature in black ink that reads "SCOTT" with a long horizontal line extending to the right.

"Assisting people to accumulate and protect their wealth since 1977..."



The Financial Services Group Savings Plan

Financial Services Group offers **Manulife Group Savings Plans** for individual clients as well as for employers to set up for their employees. As you can see below, this plan offers many benefits that may not be available through other saving or investment accounts. There are many different investment options for group savings plans such as Non-Registered, Tax Free Savings Accounts and Registered Retirement Savings Plans. The Financial Services Group Savings Plan has 75 funds available for your portfolio.

Benefits of the FSG Group Savings Plan:

No minimum deposits- Start your investment with as little or as much money as you want.

Easy continued savings- Choose to make lump-sum payments or arrange for the easy monthly pre-authorized chequing (PAC) option. (PAC is available for TFSA and RRSPs only).

Transfer between investments- Transfer investment options free up to four times per calendar year via paper. Unlimited transfers can be done easily online or over the phone.

Creditor protection and beneficiary designation for estate planning- Take comfort in knowing a proper beneficiary is named. Protect your hard earned personal investments from creditors. Insurance based investments provide an inexpensive means to safe guard your family's wealth.

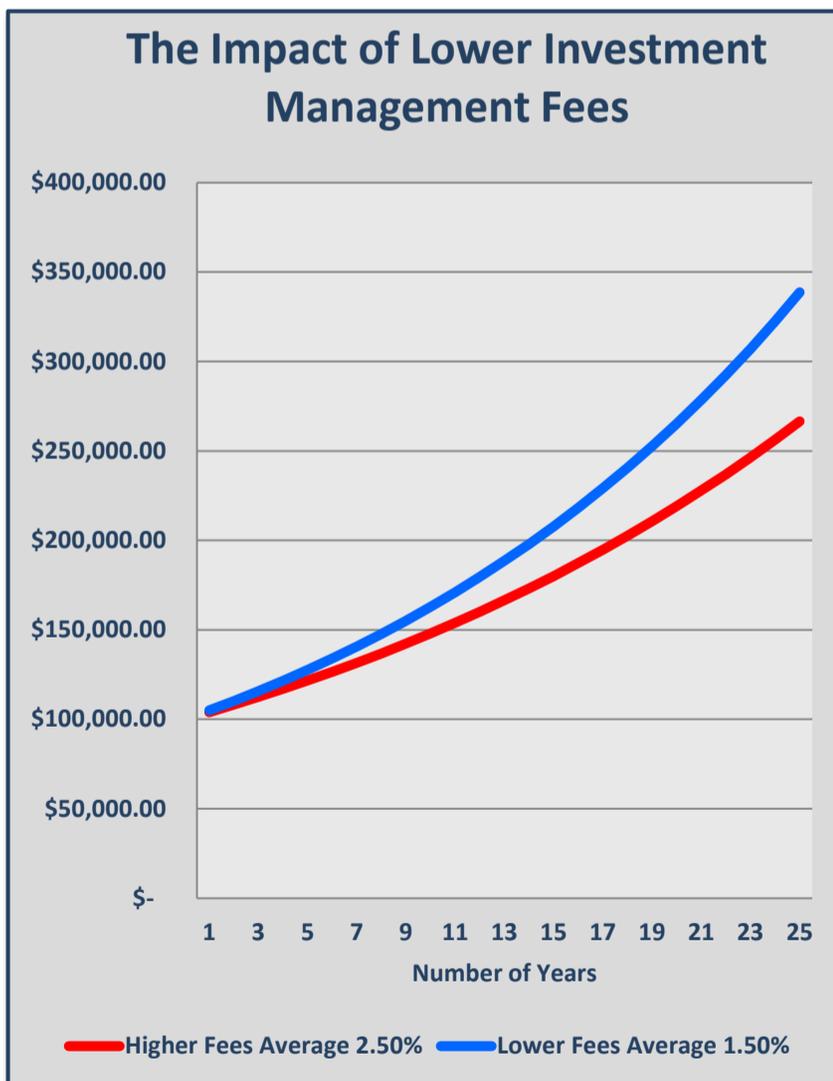
Member reward program- Benefit from access to lower Investment Management Fees and higher interest rates based on your personal account balance.

Secure website and telephone account access- Not only can FSG answer any questions you have about your account; you can also manage your account and investments via the secure member website.

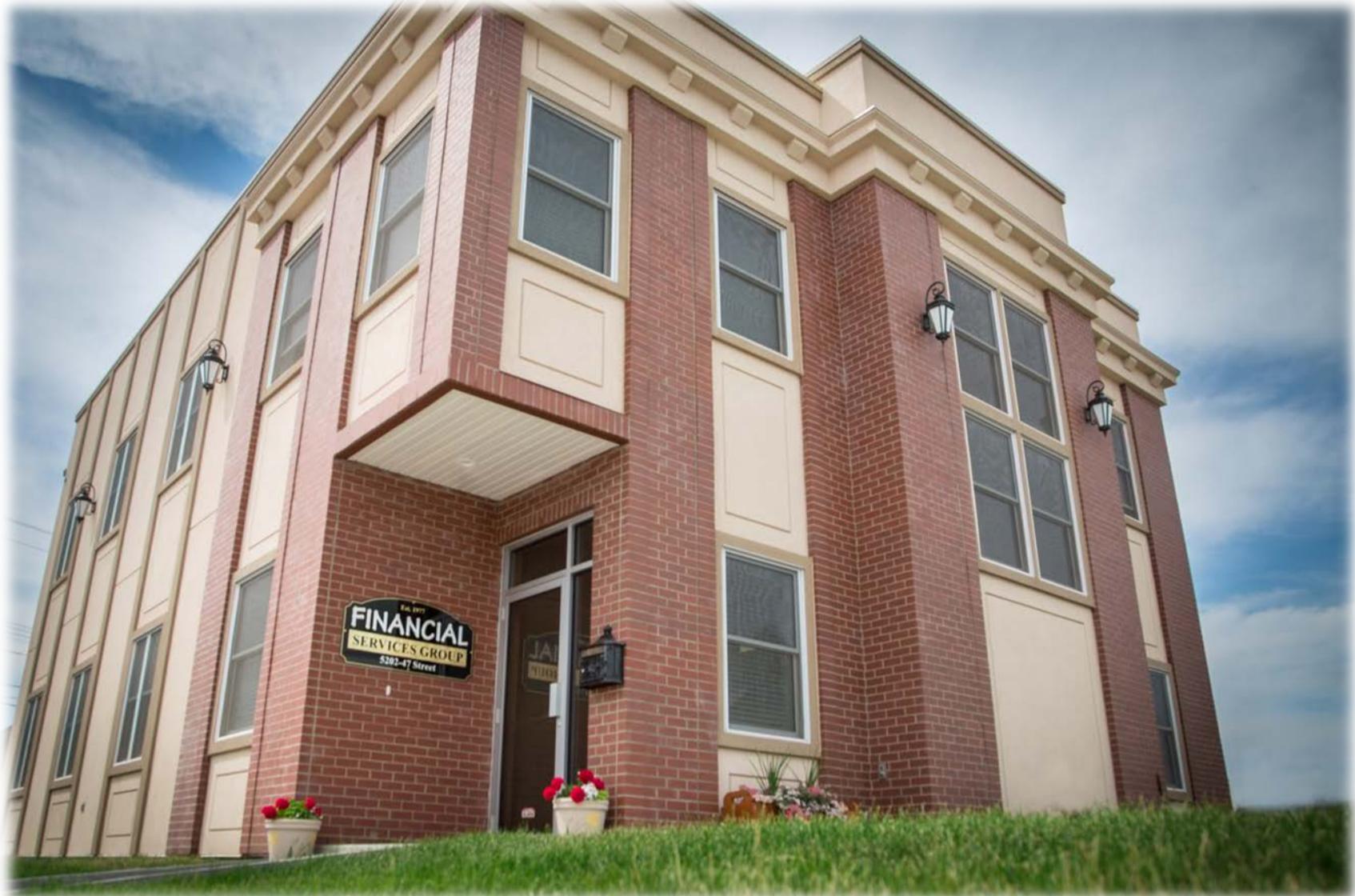
Easy to read statements- Manulife's member statements provide updates on your savings and include tips and reminder to help you build an effective retirement savings plan.

The Steps Retirement Program- helps you set a retirement income goal, create a plan to achieve it, and then track your progress- all online.

Lower investment management fees- Lower IMFs leave more of your savings in your account growing for you.



Our New Office



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Visit us on Facebook:

www.facebook.com/FinancialServicesGroup

DID YOU KNOW

- One in three Canadians will develop a life-threatening cancer.
- One in two heart attack victims are under 65 years old.
- Each year 50,000 Canadians suffer a stroke. Of all stroke victims, 75% will be left with a disability.

Critical illness insurance can help you overcome financial burdens associated with serious illnesses or conditions. Read the enclosed critical illness flyer for more information.