

# Deep Cove Acumen

Financial know-how from the heart of Deep Cove

Volume 1

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### Fee Based Planning

*SAE:* An unequalled and innovative planning program designed to aid in business, personal and financial decision-making; dedicated to all aspects of your life.

### Investment Planning

*Wealth Assure™*

An investment planning methodology; unique to your individual situation - to optimize and materialize your financial goals.

### Insurance Solutions

*Risk Assure™* - Quality Life, Disability, Critical Illness, Long-Term Care & Specialty Health insurance products from Canada's largest insurers.

### Opinions

*Afraid to Flush?* How can you tell when it is time to let go of fallen investments? A few pointers that can help you.



## Quality Service, Expert Advice

**Bernie Geiss**, CFP, FMA, RHU is an Investment Advisor. He holds the *Financial Management Advisor, Certified Financial Planner* and *Registered Health Underwriter* designations. Bernie opened his Deep Cove office in 1997. He is an avid mountain biker, runner and adventure racer. He currently sits on the Board of Directors of Crimestoppers of Greater Vancouver as the acting Treasurer. In 2001, Bernie was named Advisor of the Year for the British Columbia/Yukon region as selected by 14 prominent experts in the field of financial planning.

*"I am dedicated to providing a comprehensive approach to financial security and life style planning for all my clients"... Bernie Geiss*

Bernie's expertise is dealing with the following issues:

- Maximizing the benefits from your profession or business
- Retiring with financial security and purpose
- Managing insurable risks in your personal and business affairs
- Tax and lifestyle financial and estate planning
- Wealth creation and management using sound, tax smart investment principles



**Andy Yu**, B. Comm, CFP, CIM, is an Investment Advisor. He holds the *Certified Investment Manager* and *Certified Financial Planner* designations. Andy focuses on providing our clients with personalized investment management strategies based on their individual needs. He is a featured columnist in Vancouver Courier and Business In Vancouver. Outside of the office he is an avid volleyball player and captains two league championship teams.



**Alisen Brown** is our *Operations Manager* and continues to expand her knowledge in the area of computer sciences and graphic arts keeping us current with technology helping us to provide our clients with the best service possible.



**Cathy Dixon**, BBA, is our *Client Service Coordinator* and has completed her Canadian Securities Course. She is responsible for the administrative duties associated with our investment transactions and client services.

Our office is the home to the North Vancouver Branch of Berkshire Securities Inc., Sparhawk Financial Services Inc. and Strategic Advisory Experience Inc. Berkshire Securities Inc. is an independent investment dealer offering a range of registered and non-registered products and services including mutual funds, RRSPs, RRIFs, Group RRSPs, stocks, bonds, tax-assisted investments and other specialty investment products. Berkshire Securities Inc. is a member of the Investment Dealers Association of Canada (IDA) and the Canadian Investor Protection Fund (CIPF). Sparhawk Financial Services Inc. offers high quality insurance products from the top insurers in Canada. Strategic Advisory Experience Inc. is a fee-for-service planning program providing clients with full or segmented financial, insurance and investment plans.

We may be reached at 4322 Gallant Avenue, N. Vancouver, BC, V7G 1K8, Telephone: (604) 924-9152, Email: [info@saeccentral.com](mailto:info@saeccentral.com)

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# Fee Based Planning

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## The Strategic Advisory Experience™

by Alisen Brown

I recently talked with *Bernie Geiss* about his unique approach to financial planning: The Strategic Advisory Experience™ (SAE), the centrepiece of his practice. I wanted to know the origins of SAE, and how this program plays a key role in his business and lifestyle.

**Q.** *What is the Strategic Advisory Experience?*

**A.** It's a planning program that goes way beyond what we usually define as financial planning. It's holistic in the sense that it covers both personal and business issues. Basically, it's an eight-step process that helps me find out where the client is right now, where they'd like to be and how to get them there. The process covers three core areas of their lives. I call these core concepts the Butterfly Concept™, Perpetual Business™ and the Integrated

Advisory Board™.

**Q.** *How did you come to develop the Strategic Advisory Experience program?*

**A.** It was really just formalizing what I've done with my clients over the last 15 plus years. I have always focused on more than just the financial issues and felt the need to clearly define what I was doing so that I could deliver a consistent service. The result is the Strategic Advisory Experience™, a comprehensive program that offers a lot to my clients. And one they can purchase on a fee for service basis.

**Q.** *Why is the fee for service option important?*

**A.** A common assumption is that advisors who are compensated on a commission basis can't give objective advice. There's a basis for that belief—there does appear to be a built-in conflict of interest—but it's never been true in my case. What SAE does is eliminate that conflict. The actual planning is done in eight steps. I call this process the SAE 8 Step Plan & Path™. I'm

compensated by way of a fee for each of the steps my client completes and therefore compensation is built in to the plan, just as it is for a lawyer who drafts a will. Since I'm already compensated for my advice and expertise, there's no pressure on a client to buy a product or investment from me. I believe comprehensive fee-based planning, including issues other than just financial, is the way our industry is going. I think the SAE approach will be one of the templates for that future.

**Q.** *Why did you move your practice to Deep Cove?*

**A.** The SAE Program is not based on theory. It is a value-based approach to life planning that evolved from finding out what was important to me as well as to my clients. If I'm going to help clients find out what's important to them, I have to do the same for my family and myself. I found that it's important to me to work near home and work in an environment that inspires me to be creative and involved with my local community. Also, I have

an obligation to my clients to deliver my services in a professional manner and in an environment that allows them to feel comfortable when we talk about personal issues. I felt I couldn't achieve these objectives working in downtown Vancouver. Moving my offices to Deep Cove has been one of the best choices I've made in my professional life. My clients have told me how much they enjoy coming to Deep Cove rather than going into downtown Vancouver. I believe we've successfully brought one of the best services around to a neighbourly environment that supports the values my clients and I share.



*The Strategic Advisory Experience™ program is offered exclusively through Bernie Geiss at his Deep Cove office.  
bernie@sacentral.com*

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## Three Distinctive Programs Offered

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by Bernie Geiss

The SAE Program provides clients with full or segmented financial, insurance and investment plans. Choose from one of three proprietary fee based planning programs based on your specific needs and objectives. All three programs have flat rate fees to remove uncertainty with respect to costs and provide you with a plan you can

implement yourself or have us implement for you.

**I. Strategic Advisory Experience™** An award winning planning process that covers a wide variety of complex planning issues. SAE is the name given to a holistic, synergetic approach to business and personal decision-making. The 8 Step SAE Plan & Path™ program can assist you in putting your financial, business and personal affairs in order.

**II. Risk Assurance Strategies™** This five step program focuses on developing contemporary insurable risk strategies, to protect for the contingencies of death or disability of a family member or business associate. It involves the evaluation of insurance needs and exploration of solutions to fulfill your

needs.

**III. Wealth Assure Program™** A five step program specifically focused on investment accumulation and management the Wealth Assure Program™ includes a leading edge approach to cash flow planning called Monte Carlo Simulation, which tests your plan through various economic conditions and volatile markets.

*An award winning planning process that covers a wide variety of complex planning issues*

“Practically speaking, a Monte Carlo simulation would give you some insight into the probability of reaching your retirement goals based on the

mix of investments you hold.” *Rob Carrick, Globe and Mail* “Retirement planning incorporates many variables including tax and inflation. A plan therefore cannot be trusted if the plan itself has not been tested using Monte Carlo Simulation.” *Bernie Geiss* Each of the above fee based programs starts out with a no charge Relationship Review. You will be introduced to the SAE, WAP or RAS Plan & Path™ processes, standards and costs. Step One is about making sure we are the right combination of people to make your plan work.

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• **For a free SAE Step One Brochure please call our office at (604) 924-9152.** •  
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# Insurance Solutions

## Ask yourself this:

by Andy Yu

If your loved one was diagnosed with a treatable health problem or illness, what is the total waiting time before your provincial Medical Plan puts him or her into the hands of a medical specialist? 1 week, 8.5 weeks, 16.3 weeks or 20 weeks? The correct answer is 16.3 weeks. The higher incidence of age-related illnesses has increased waiting times by 25%. Are you willing to let your loved one wait weeks for treatment? If a specialist was available immediately in the U.S., could you afford it?

We are proud to provide our clients with access to the world's best medical care through innovative products and service providers. Here are three alternatives to meet your needs: Best Doctors, Critical Illness Recovery Plan and triAccess.



Direct access to Best Doctors® services for uninsured clients on preferred fee basis ...review, diagnosis, and evaluation of your illness by world-class medical specialists selected from the world's top 50,000 physicians.

FindBestDoc™ is an affordable, easy access service to help you find and access a Best Doctor. FindBestDoc can help you find not only the best care, but the best care based on location and specialty.

AcuMatch™, is Best Doctors unique link for individuals and corporations in need of complex or critical medical care. AcuMatch assigns you to a registered nurse advocate, specially trained to listen and help you find the best medical care you need. Our one-of-a-kind database of the recognized top doctors in their fields also serves in finding unrivaled medical care anywhere in the world.

BestCare™ Marketplace helps you find and access the top hospitals in the country, and then helps take the worry and guess work out of what you can expect to find there. You'll know in advance what hospital fees are likely to be for any given procedure, and what care and services are provided by which hospital.

## Critical Illness Recovery Plan

Critical Illness insurance that provides access to Best Doctors on a preferred fee basis plus lump sum funding for qualifying critical illnesses. Choose the amount of benefit based on your desired coverage level.



## FREE CD

An informative CD about the benefits Best Doctors can provide for you and your family.

Call (604)924-9152



TriAccess provides Information, Care and Funding of treatment costs up to \$5 Million (US\$) relating to virtually any disease or injury.

An innovative health care solution combining the medical access services of Best Doctors® and insurance funding through MultiNational Underwriters, worldwide

provider of medical insurance.

*Are you willing to let your loved one wait weeks for treatment?*

TriAccess arranges for travel and accommodations during the care and treatment of your illness at top medical facilities around the world.

## Risk Assurance Strategies™

## Tax Assisted Life Insurance Funding

by Bernie Geiss

My role as an insurance advisor has always been to find ways to keep my clients insurance expenses as low as possible while making sure that the insurance is appropriate for the intended application. Insurance strategies have continually evolved around the increasingly sophisticated policies that have come onto the market.

One of our strategies can minimize insurance costs, create tax credits and create positive cash flow over and above the cost of the insurance.

We provide access to an Insurance Credit Facility (ICF) for owners of select universal life insurance policies (issued after October 2001) to provide an attractive option for accessing the

tax-sheltered funds within a universal life insurance policy. This strategy offers some truly unique features and benefits in addition to the benefits of tax reduction.

"Tax Assisted Life Insurance" funding is suitable for individuals or businesses who have a high income, are looking for tax deductions to reduce taxable income, have permanent life insurance needs, as is normally the case in business and estate planning situations, and are risk averse when it comes to investing.

Please call our office, to find out if this approach is suitable to your personal or business affairs.



Sparhawk Financial Services Inc.

Located in our Gallant Avenue office, Sparhawk Financial Services Inc. is an insurance agency specializing in high quality Life, Disability, Critical Illness, Long-Term Care and Specialty Health insurance products from the largest insurers in Canada. As licensed life and health insurance agents we provide insurance analysis and products for personal, family and business applications. Telephone: (604)924-9152

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# Investment Planning

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## Afraid to flush?

Repositioning your portfolio for safety and growth



by Bernie Geiss

*"Those companies that lead the parade into the last mania and subsequently break significantly do not assume a leadership role for over a decade,"* says Fred Sturm, B. Comm, CFA, a Senior Vice President of Mackenzie Financial Corporation.

Everyone that I talk to about investing share some common concerns. They worry if their investments will provide the returns that they need to meet their retirement objectives. Investors are unsure as to whether or not their current portfolio is the right mix of asset classes such as bonds and equities or specifically if the investments they hold offer the best opportunity to make up lost ground or to keep their existing capital safe from further erosion.

I recently spoke to Jonathan Wellum and asked him about reallocation timing. Jonathan Wellum is the Vice President, Chief Investment Officer and Portfolio Manager for AIC Limited, and an award winning Canadian Money Manager. Jonathan says, *"The best time is always now. It is always a good time to make sure that you have the best investments that you can have in your portfolio whether the market is high, low or in between."*

A common point of investment wisdom is that you won't always

get your money back the same way that you lost it. I often use the term "Buy and Hold" when describing our investment philosophy and most people will agree to the underlying principle; one should not worry about short-term volatility and should wait for investments to recover in accordance with the natural cycles of the market. More often than not however, this gem of wisdom is applied to every investment regardless of the underlying quality of the investment and therefore becomes an obstacle in objectively evaluating the intrinsic value of an investment portfolio. Many investors become complacent when they have sustained heavy losses by simply repeating the "Buy and Hold" mantra to themselves with the hope of a sudden and dramatic recovery of their investment holdings.

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*'The best time  
is always now'*

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There is nothing wrong with leaving a portfolio as is – if it is made up of the best quality investments that can be purchased. Tax costs need to be taken into consideration of course. With tax in mind the best time to change a non-registered portfolio is when the markets are down rather than when they are up.

In closing, there are three main principles that I would like to convey. 1) Take the Bull (or Bear) by the horns - There is no time like the present to evaluate your portfolio. 2) Buy and Hold only works when you are holding good quality assets. 3) Don't let losses stand in the way of making needed changes to your portfolio. Denial is not an effective investment philosophy for creating wealth.

## Wealth Assure™

### Fee Based Investment Management Options

Berkshire Securities Inc. offers several investment management options oriented towards sophisticated investors. Two of the options provide investment management on an annual percentage fee basis.

The investor does not incur any commission charges on the sale or purchase of securities or mutual funds while avoiding the restrictions and deferred charges associated with back-end load mutual funds.

One of the advantages of paying for investment management on a fee basis is that the fee is based on the entire account value regardless of the type of investments held. This unbiased approach means you are assured that your investment advisor is making recommendations based on your best interest and not on the desire to generate commissions or higher management fees associated with any particular asset class or investment type. No commissions are generated on trades so there is no incentive to "churn your account" to generate commissions for the advisor. The asset-based

approach rewards your advisor for conserving and growing your portfolio rather than for simply making trades. Fees may be tax deductible.

#### Option 1: WRAP Accounts

For investors with \$150,000 or more of investable assets. It is an investment account which can be a blend of asset types and classes all WRAPed into a single account. All Investment selections are made in consultation between the advisor and the investor. Mutual funds purchased inside this type of account have reduced management fees.

Option 2: AIC Private Portfolio Counsel (PPC) is for investors with combined investable assets of \$500,000 or more. PPC offers full discretionary management to investors who would prefer having one of Canada's top investment managers manage their accounts without the need to be involved in the investment selection process. The fund manager purchases individual securities on behalf of the client and manages the account portfolio according to the client's investment objectives.

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## Tax Smart Investing

A book by  
Tim Cestnick

Call (604)924-9152 to receive your free copy

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*Tim is best known for his column "Tax Matters" appearing regularly in the Globe and Mail. He has written the best-sellers Winning The Tax Game and edited Taxes for Canadians for Dummies. In addition to print media, Tim is a regular contributor and on-air personality on CBC's NewsWorld.*