

It's 'business as usual' for us during the Winter Olympics

Despite our office's location in downtown Vancouver and road closures during the 2010 Olympic Games, Montridge will be open for "business as usual" – with a twist!

From February 12-26, 2010, Montridge will observe shortened business hours. Our staff will work both in the office and remotely to ensure our clients' needs are met.

For Montridge Financial Group: please contact us and forward any paperwork as per your usual routine. Working closely with couriers and Canada Post, we

will ensure paperwork and inquiries are managed in an efficient and timely manner.

For Montridge Investment Counsel: for best service, please send any e-mails to both shandi@montridge.com and andrea@montridge.com. You can also call the office and speak to Reception to be directed to the most appropriate person. For information about making RSP contributions during this period, please see the separate insert that came with this newsletter as it contains important information. 📧

Thank you for recommending Montridge Financial

We would like to thank all of you who have recommended Montridge over the years to those you know and work with. Referrals are – by far – the most exciting way to grow as a business. We appreciate the word-of-mouth assistance you've provided, and will be focusing in 2010 on furthering our referral network and incentives program, and growing your business – and ours.

Stay on top of what's happening and maintain your competitive edge. Our Quarterly Newsletter features information about products, business trends, the financial world, as well as what's new at Montridge.



MONTRIDGE®

MONTRIDGE FINANCIAL GROUP LTD.

MONTRIDGE INVESTMENT COUNSEL LTD.

www.montridge.com
info@montridge.com

Disclaimer

This newsletter is for general information only and is not intended to provide specific personalized advice including, without limitation, investment, financial, legal, accounting or tax advice. Any rate of return on investment or market valuation shown in this newsletter is used only to illustrate the effects of the compound growth rate or the historic market values and is not intended to reflect the returns on investment or future values of any stock exchange or index or the future values of any mutual fund or security. All information and opinions contained in this newsletter are obtained from various sources and are believed to be true and dependable, however, accuracy of content is not guaranteed and is not to be read or applied as professional advice.

MONTRIDGE Edge QUARTERLY



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FEATURE

Estate planning is easier than you think

By Dave Kraemer, Partner, CLU, ChFC, RHU

Estate planning – what is it exactly? Quite simply, estate planning is the process of planning the distribution of assets at death. Assuming that we accept this as one of many reasonable definitions of estate planning, let's break down the keywords:

- Process
- Planning
- Distribution
- Assets
- Chosen beneficiaries

The first part of a good estate plan will address the process, assets and beneficiary portions, while the execution of the plan will be determined by specific strategies around the issues of planning and distribution.

An effective process starts with assembling the correct professionals. We feel it is important to bring together a variety of experts, including but not limited to, a lawyer, an accountant, and a financial advisor, as specialized

advisors in these areas when required. If you don't know someone in these areas, ask a trusted financial advisor to assemble a team on your behalf.

Once the team has been put together, one person (usually the financial advisor) assists with the most important part of the entire process – your goals and objectives. Examples of questions that people often ponder at this stage are:

- Who exactly do I (or we) want to leave our estate to? (Hereafter the singular will also mean the plural)
- Is it important to me to be completely equal in my distributions or would it be more prudent to strive for fairness?
- What about charities that I feel passionate about?
- Have I thought of everyone or every organization that I really care about?

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"At Montridge, our commitment to excellence means sharing your vision and successfully exceeding your personal and professional financial goals. That's the Montridge edge."

MONTRIDGE®

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Vancouver: 604.682.1603
Toll-free: 1.866.682.1603
Facsimile: 604.682.1621

1200 – 1111 W. Hastings Street
Vancouver, B.C. V6E 2J3

www.montridge.com
info@montridge.com



Please note our new e-mail address

Our new e-mail address is news@montridge.com – we will use it to efficiently deliver industry-related items, bulletins, and newsletters directly to your inbox. To ensure you receive these items, please add this e-mail address to your list of friendly recipients in your spam filter.

We will continue to publish our Montridge Edge newsletter quarterly in paper format. However, should you wish to receive PDF versions instead of paper ones, please e-mail news@montridge.com with your request.

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Now that you have quantified your goals and objectives around your estate plans, the next question is: What are all of the assets that make up my estate? It is important at this stage to do a full inventory of assets. Depending upon who you decide to distribute certain assets to, there will be varying tax consequences.

As well, if you own a private company, it is important to consider your business assets very carefully. Ask yourself: How will the company pass to my heirs? Is this in fact what I want? What about my business partners and other shareholders? After my death, does my spouse really want to be in business with my partners? How will my spouse receive fair value for the business and in what form?

Once you have identified your goals and objectives and also taken a complete inventory of your assets, it is now important to determine exactly when you would like your chosen beneficiaries to be able to access their

portion and under what terms. Some of the issues and questions that may arise at this stage are:

- Are there minor children involved? If so, what is the appropriate timeframe to give them access?
- Is it the same answer for all minor children (equal vs fair issue)?
- What about developmentally challenged children – is a different plan for them more suitable?
- What about a spouse from a previous marriage?

Once important questions and issues are identified and addressed, the difficult time-consuming part of the estate planning process is now complete – at least from your perspective! It is now up to your professional advisors to guide you through the appropriate planning and distribution strategies designed to maximize the portions going to your chosen beneficiaries while, at the same time, minimizing taxes and other fees.

Your advisors will likely use a variety of useful tools that will help you to plan your estate. Some of the more common tools and strategies used by financial professionals are wills, representation agreements, powers of attorney, life insurance, joint ownership of assets, gifting assets while alive, and trusts (both living, inter vivos trusts, and trusts that come into effect at death, testamentary trusts).

Not considering all of the above aspects of an estate plan could result in unnecessary costs and – more importantly – unintended results. If you have determined that some or all of these issues are important to you, Montridge Financial has the professionals that can guide you through this process. If you have any questions, please contact me at 604.682.1603, ext. 235.

Dave Kraemer provides financial planning services to our individual and corporate clients.

Montridge Investment Counsel Ltd. 2009: Q4 Market Edge

By Andrea Lee, CFA, Portfolio Manager

At the beginning of 2009, investors were nervous as they attempted to pierce the fog and determine if '09 was going to result in the continuation of the financial turmoil begun in 2008 or be a year for recovery. While markets did reach multi-year lows in early March, most performed very strongly in 2009. In fact, the TSX had its best annual gain since 1979, relieving investors who had stuck to their long-term investing plans.

2010 arrives with its own set of challenges and opportunities. Policymakers around the world will have to be very careful when withdrawing economic stimulus measures – measures which were likely responsible for a large part of the gains experienced in 2009. Rising interest rates and a reduced appetite for government debt will also influence markets. While the pace of market growth may slow or be range-bound for certain periods, the best opportunity of 2010 is likely to be in equities.

If you would like to speak about the markets or your situation, please contact your portfolio manager, Andrea Lee, at 604.682.1603 ext 236.

Andrea Lee is a Chartered Financial Analyst and manages portfolios for Montridge Investment Counsel Ltd.

Index Name	Region	Dec. 31, 2009 Close	Year-to-Date Performance (to Dec. 31/09)	Previous YTD Performance (to Sept. 30/09)
TSX Composite	Canada	11,722	30.43%	26.78%
S&P 500	USA	1,122	24.27%	17.03%
Dow Jones	USA	10,491	19.54%	10.66%
FTSE 100	UK	5,437	22.63%	15.78%
Nikkei 225	Japan	10,546	19.04%	14.38%
Hang Seng	Hong Kong	21,872	52.02%	46.65%
SENSEX	India	17,464	81.03%	77.53%

The Canadian dollar ended the year at \$0.95 USD.

2009 Tax Document Mailing Information

Document Name	Mailed No Later Than	Purpose of Form
RSP Contribution Receipts *	Mid-Jan. 2010 for contributions made from March 2 to Dec. 31, 2009. Receipts for contributions made in 2010 mailed weekly starting Jan. 15.	RSP contributions into individual and spousal registered accounts
T4 RSP/RRIF *	01-Mar-10	Withdrawals from RRSP or RRIF accounts
T3 **	31-Mar-10	Income Distribution and Return of Capital Distributions on mutual funds
T5 *	01-Mar-10	Dividend and Interest Income equal to or greater than \$50
Annual Trading Summaries *	01-Mar-10	Mailed with the T5

2009 Montridge Investment Counsel Tax Mailing

Fee Receipts for cash accounts	Mid-February	Lists investment management fees paid on cash accounts
Summary of Taxable Sells for 2009	Mid-February We recommend using this summary instead of the Annual Trading Summary from TD.	Used to help identify taxable transactions in cash accounts for capital gain and loss reporting

* Mailed by TD Waterhouse

** Mailed by respective mutual fund companies (Note: Clients who have signed up for WebBroker (online) access can view and print certain tax documents by accessing the eServices tab.)