1. **The Million Dollar Baby**
2. **Five Reasons to Avoid Indexing**
3. **Don't let your emotions get in the way**
4. **Fees on Segregated Funds**

1 **Travel insurance issues**

As we get ready for trips to a warmer climate travel insurance is a necessity. We all heard about the strange story of the Saskatchewan couple who had an early birth while on holidays in Hawaii. After the child spent 6 weeks in hospital they were presented with a bill of nearly $1 million dollars (US). Their travel insurance carrier declined the claim due to a pre-existing condition. While we will never hear how and if the matter is resolved don't let this put you off buying coverage when you travel. The travel insurance industry pays 97% of claims made. The only thing I would caution you about is answering the questions truthfully and fully. If referred to your doctor remember you need to go back to the insurer with the information. As you will expect there is a doctor opinion and an insurance opinion and insurance decision trumps. Also group coverage through work is weak for a number of reasons. It is a reimbursement policy. If I'm stuck in a hospital with a major bill I want my insurer dealing with the hospital not my wife for my release!

2 **Indexing has Issues**

Peter Hodson wrote in the National Post an insightful article about the issues with indexing. His 5 points were the TSX is too highly concentrated, includes a lot of bad companies (Bombardier?), there is survivor bias and sometimes good companies are excluded. Well worth reading the full article so here is the link. And yes a Waterloo guy! National Post Feb 14, 2015- Peter Hodson

3 **Emotions May Be the Biggest Enemy in Personal Investing**

There was an article in the Globe a couple of weeks ago about investor sentiment has the biggest adverse effect on self-managed portfolios. It featured Warren Buffet and building on his value investing philosophy. Mr. Buffet was quoted as saying, " Investing is not a complicated game but it is not easy . It is not an issue of high IQ , but rather an emotional stability and inner peace about the decisions you have made. If you are in the investment business and have an IQ of 150 points sell 30 points to someone". They also stated Fidelity Investments in the US found people who for whatever reason forgot they had an account outperformed the other accounts. Here is the link to the full story Globe and Mail Feb 15, 2015- Keep Calm and Carry on Investing

4 **Are investment Fees on segregated funds deductible**

Segregated funds are the insurance industry answer to mutual funds. They include some principal guarantees should death occur or if at the end of 10 years there is a loss of more than usually 25%, also some creditor protection. Expensive and of use only in specific situations the cost of investment advice is buried deep inside the fees. Unlike investment counselor fees which are clearly spelled out. CRA at a recent conference took offense to this and stated segregated funds are an insurance contract and no deduction can be claimed for advice. Ok, so we are now way past my tax knowledge and if you want a copy of the article I can send it to you.

Cheers.

Earle

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