


Investing and Protecting Your Retirement Funds In A Time Of Crisis

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Discussion Overview



1. Past Pandemics
2. The Need to Diversify
3. Creditor Proof Your Assets
4. Investor Profile
5. Equities (Owning Shares)
6. Financial Planning
7. How Different Investments Have Been Impacted

The Need to Diversify



Diversify your business – entering into new markets or industries that your business doesn't currently operate in.

Diversify your net worth – most business owners have 95%+ of net worth in the business and their house – both are not liquid.

Diversify your investments - process of allocating capital in a way that reduces the exposure to any one particular asset or risk.

The Need to Diversify



Diversify your investments by:

1. **Asset Type** - Cash, Fixed Income, Equity, Real Estate
2. **Sector** - Financials, Natural Resources, Technology
3. **Asset Size** - Large & Small Companies
4. **Geography** - Canada, US, World
5. **Rebalance Regularly** – reallocate funds that have outgrown desired allocation

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CREATOR PROTECT YOUR ASSETS

Assets That Are Protected (Potentially**)

- RRSP/LIRA
- Pensions & Annuities
- Assets owned by a spouse
- Companies owned through a Family Trust
- Cash Value Life Insurance with a Preferred Beneficiary
- TFSA invested in a Segregated Fund with a Preferred Beneficiary
- Personal Non-Registered Investments in a Segregated Fund with a Preferred Beneficiary

Assets That Are *Not* Protected (Potentially)

- Your active business
- RESP
- TFSA not invested in a Segregated Fund
- Cash Value Life Insurance with Company as a Beneficiary
- Real Estate investments owned personally
- House
- Personal Non-Registered Investments not invested in a Segregated Fund

** Deposits in last 12 months & CRA Income Tax – 2 possible exceptions

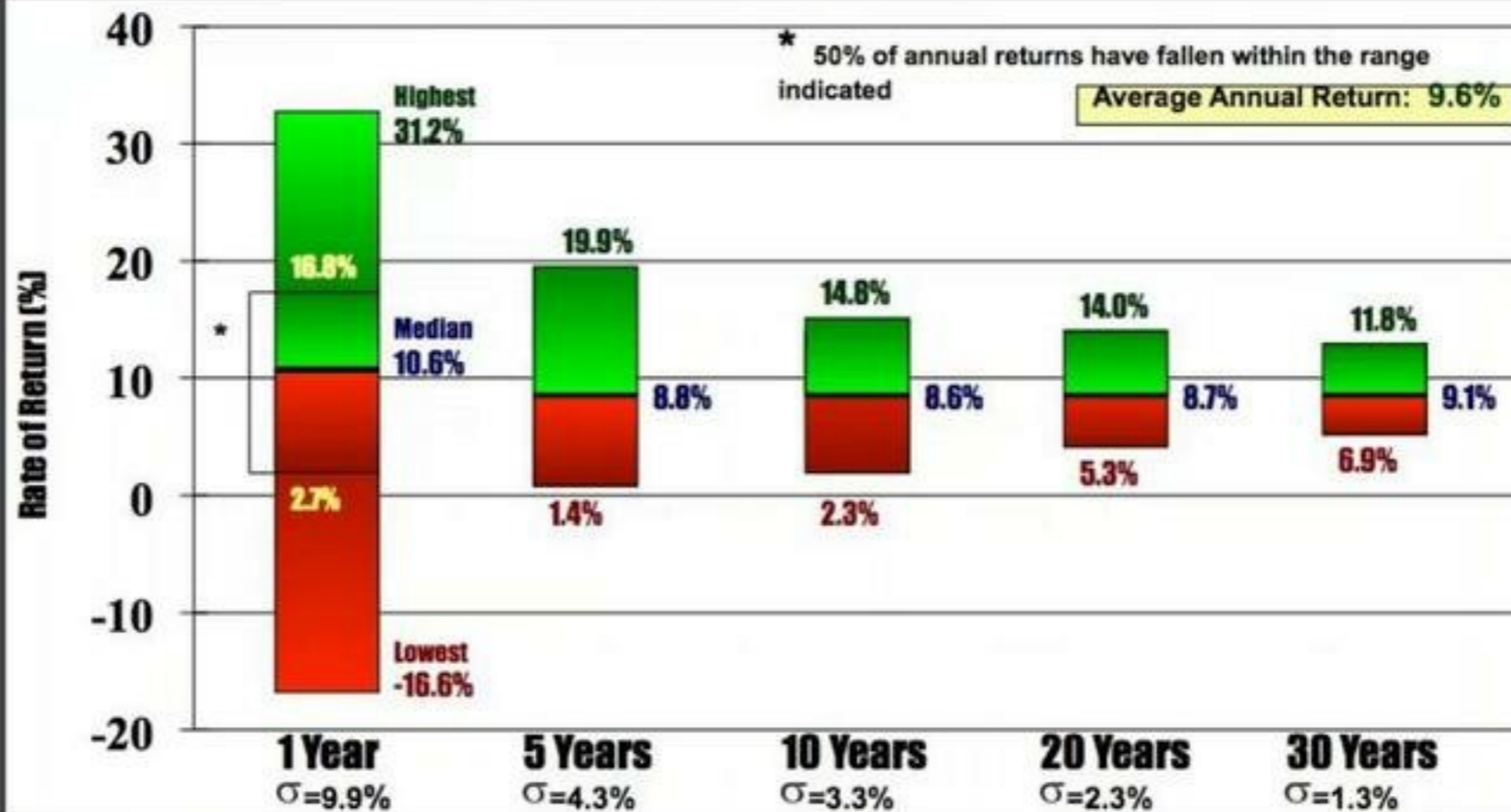


Investor Profile

- Risk Questionnaire
 - Reason for the Investment, Age, Income, Net Worth, Time Horizon, Attitude Towards Risk and understanding of volatility
- Investment Policy Statement (IPS)
 - Describes the general investment goals for a client
 - Describes the strategy the advisor should employ to meet the objectives
- Investment Portfolio
 - Investment portfolio to match the client's risk tolerance, time horizon and goals for the future



Asset Class Investment Volatility: 1937 – 2019



Occurrence of Negative Returns	1 Year	5 Years	10 Years	20 Years	30 Years
	18.3%	0.0%	0.0%	0.0%	0.0%

Asset Allocation : Balanced

Canadian Equity:	30.0%
Int'l Equity:	30.0%
Fixed Income:	40.0%

Each asset class is based on its associated index as follows:

Canadian Equity - S&P/TSX Total Return Index
 International Equity - S&P 500 Index (in C\$)
 Fixed Income - FTSE TMX Universe (Cda Long Bond Index pre 1990)

Equities (Owning Shares)



Reasons why people own equities

1. Increase in value over time
2. Dividend (profit) payments
3. Tax efficiency – lower tax rates on Dividends and Capital Gains

Consequences of owning equities

1. Volatility



Financial Planning – Will I Have Enough?



Cash Flow



Financial Planning – What Can I Do?



Retirement Options [®]

Option #1: Reduce Lifestyle

Estimated amount you will need to reduce your retirement lifestyle by: \$24,400.00

Planned Retirement Lifestyle: \$120,000.00

Attainable Retirement Lifestyle: \$95,600.00

Option #2: Work Longer

Estimated number of years you will need to continue working beyond your planned retirement age: 6

Planned Retirement Age: 60

Attainable Retirement Age: 66

Option #3: Earn More Return

Estimated increase to portfolio rate of return you will need to earn: 4.88 %

Portfolio Rate of Return: 4.38 %

Required Rate of Return: 9.25 %

Option #4: Liquidate Fixed Assets

Estimated amount of fixed assets you need to allocate to retirement capital: \$903,700.00

Projected Capital at Retirement: \$459,400.00

Required Capital at Retirement: \$1,363,100.00



How Different Investments Have Been Impacted



- Savings Accounts
- High Interest Savings Accounts
- GICs
- Bonds
- Equities
 - Share Price
 - Dividend Payment
- Real Estate
 - Property Value
 - Lease/Rental Income
- Your Business

Recap

1. Don't Panic (about your investments)
2. Diversify your *Net Worth*
3. Build up a reserve - personally & corporately (3 months minimum)
4. Do regular deposits to new investments
5. Reduce risk in portfolio the closer you get to needing the money
6. Protect your assets to the extent that you can and makes sense
7. Be aware of tax planning strategies
8. Have a written plan and update it regularly



Discussion