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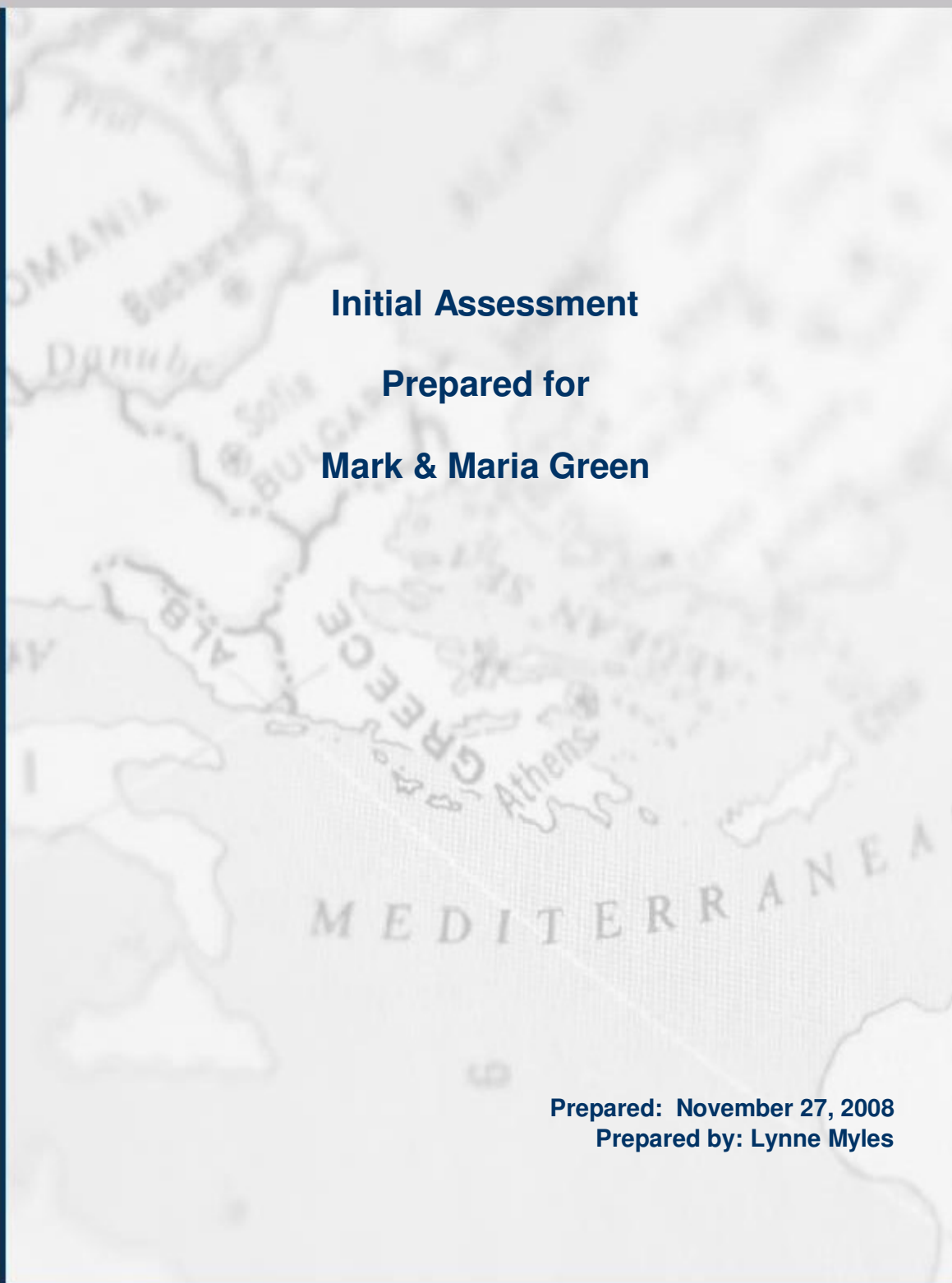
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Initial Assessment

Prepared for

Mark & Maria Green



Prepared: November 27, 2008
Prepared by: Lynne Myles



Introduction

This initial assessment is designed to help you evaluate your current financial position and your ability to achieve your objectives for the future.

Your ability to maintain your lifestyle for the future and achieve any other objectives is determined by your investment capital and ongoing revenues. When evaluating your situation we need to consider what is achievable given your current position, and how we can attempt to make the most of the assets you have accumulated.



Financial Goals

You have identified 6 financial goals that have an effective cost today of \$2,336,823. This is the amount of additional money you would need in the bank today to fund all of these objectives. The following table lists your individual goals, when the financial outlay for each is expected to start and stop, and whether these outlays are to be indexed (cost increases each year).

- **Retirement Age:** You would like to be financially independent at Mark's age 55 and Maria's age 55.
- **Retirement Income:** Your annual Retirement Lifestyle objective is \$70,000 after tax, indexed to inflation of 3.0%.
- **Other Objectives:** You have the following additional objectives:

<u>Description</u>	<u>Goal</u>	<u>Currency</u>	<u>Inflation Rate</u>	<u>Start Year</u>	<u>End Year</u>	<u>Rank</u>
David's Education	\$14,288	CAD	3.00%	2010	2013	1
Kitchen Renovations	\$20,000	CAD	3.00%	2009	2009	3
Roof on House	\$10,000	CAD	3.00%	2010	2010	2
Retirement Cruise	\$15,000	CAD	3.00%	2015	2015	5

Recommendation

We can work with you to perform a detailed investment risk tolerance assessment in order to design a portfolio that's appropriate to your comfort with investment risk.

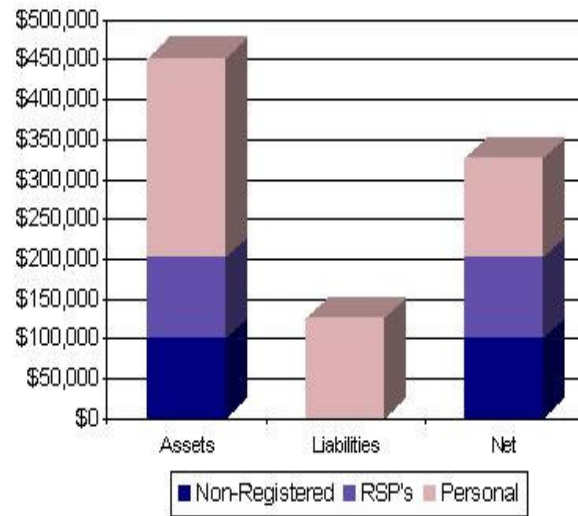
In addition, we can provide advice in other areas, such as budget and tax analysis, risk management, estate planning and comprehensive retirement planning.



Assets & Liabilities

Assets	Mark	Maria	Other	Total
Personal Use Assets				
Personal Residence	\$ 125,000	\$ 125,000	\$ 0	\$ 250,000
Total Personal Use Assets	\$ 125,000	\$ 125,000	\$ 0	\$ 250,000
Registered Investments				
AGF-Canadian Bond Fund	\$ 42,831	\$ 0	\$ 0	\$ 42,831
AGF-Canada Class	\$ 8,492	\$ 0	\$ 0	\$ 8,492
AIC-Money Market	\$ 10,000	\$ 0	\$ 0	\$ 10,000
Acuity-Pooled Canadian Balanced Fund	\$ 0	\$ 12,132	\$ 0	\$ 12,132
AGF-Canadian Bond Fund	\$ 0	\$ 17,868	\$ 0	\$ 17,868
Ethical-Balanced Fund Class F	\$ 0	\$ 0	\$ 8,655	\$ 8,655
Registered Education Savings	\$ 750	\$ 750	\$ 0	\$ 1,500
Total Registered Investments	\$ 62,074	\$ 30,750	\$ 8,655	\$ 101,480
Non-Registered Investments				
Dynamic-Focus + American Fund	\$ 6,492	\$ 6,492	\$ 0	\$ 12,984
Mackenzie-Ivy Enterprise Series M	\$ 5,045	\$ 5,045	\$ 0	\$ 10,090
Dynamic-Advantage Bond Fund	\$ 33,405	\$ 33,405	\$ 0	\$ 66,811
Clarington-Money Market Fund	\$ 5,000	\$ 5,000	\$ 0	\$ 10,000
Total Non-Registered Investments	\$ 49,942	\$ 49,942	\$ 0	\$ 99,885
Total Assets	\$ 237,017	\$ 205,692	\$ 8,655	\$ 451,365
Liabilities				
Personal Use Liabilities				
Residence Mortgage	\$ 62,500	\$ 62,500	\$ 0	\$ 125,000
Total Personal Use Liabilities	\$ 62,500	\$ 62,500	\$ 0	\$ 125,000
Total Liabilities	\$ 62,500	\$ 62,500	\$ 0	\$ 125,000
Net Worth	\$ 174,517	\$ 143,192	\$ 8,655	\$ 326,365

Based on the information that you have provided, your net worth is \$335,021 with a total of \$460,021 of assets and \$125,000 of liabilities.



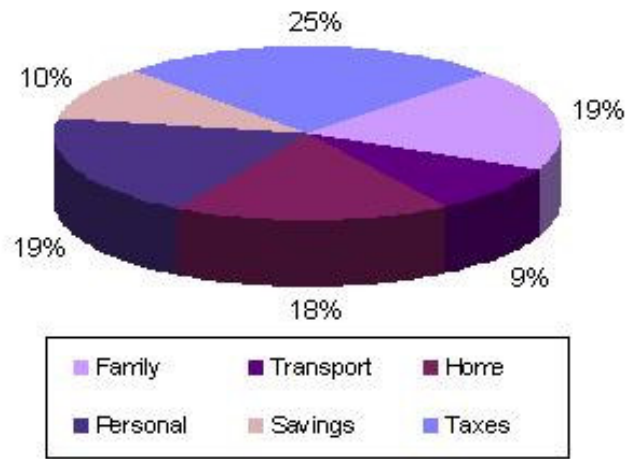


Cash Flow

The information you provided indicates that you have a total income of \$153,000, which includes all forms of income.

Mark's total tax liability in 2008 is estimated to be \$27,671. This is an average tax rate of 27.26%. Maria's tax liability has been estimated at \$9,837 for an average tax rate of 19.10%.

We can work with you to help reduce your taxes.





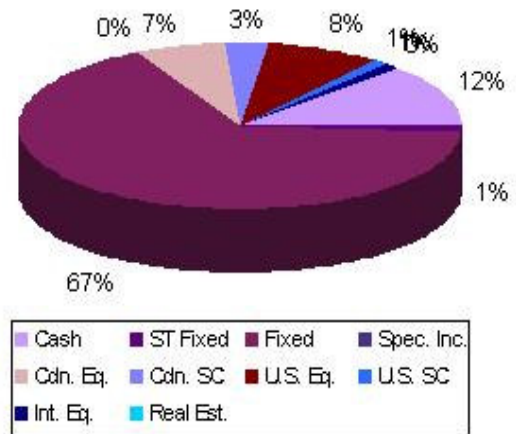
Portfolio Asset Allocation

Current Asset Allocation

A well-diversified portfolio, using asset classes in proportions designed to suit your attitude towards investment risk is the cornerstone of good investing. Each investment included in your portfolio must be part of an overall asset allocation strategy tailored to *your specific needs*.

Based on the information that you have provided, the current asset allocation of your portfolio is:

Cash	12.5%
Short Term Fixed	1.2%
Fixed Income	66.0%
Canadian Equities	6.6%
Canadian Small Cap Equities	3.1%
U.S. Equities	8.3%
U.S. Small Cap Equities	1.3%
International Equities	0.9%
Real Estate	0.1%
Total	100.0%



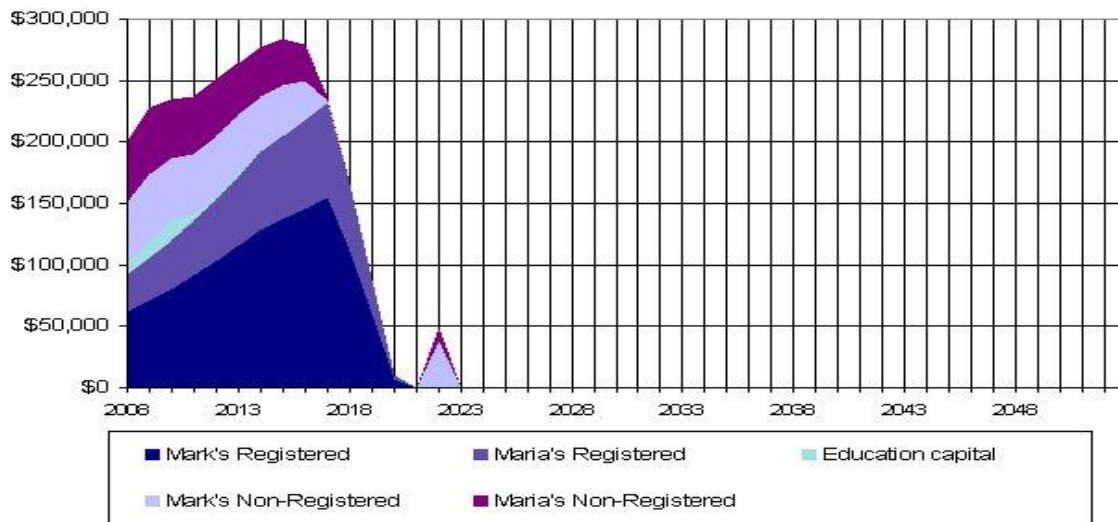
Long-Term Historical Return: 6.33%
Long-Term Historical Risk: 7.16%



Life Goals Analysis – Your Current Situation

The Life Goals Analysis – Current Situation is a snapshot of your entire financial life assuming you make no changes in your current financial behaviour. This means that you continue to spend and save as you have in the past and you maintain an investment strategy consistent with how your assets are currently invested. A 6.33% pre-tax rate of return was used when doing the analysis because this is the expected rate of return for your existing asset allocation in your portfolio based on historical rates of return.

The analysis indicates that there is a projected capital shortfall of \$451,723. This means you would require this amount of additional money in the bank today to meet all your goals. The following graph illustrates the impact your savings, withdrawals and expected long-term rate of return will have on your investment capital over your lifetime.



Target Retirement Income	\$70,000
Projected Rate of Return	6.33%
Inflation Assumption	3.00%



Needs on Death or Disability

Risk Management requires that we look at what would happen in the event of either of your deaths or disabilities. This analysis is done using information you provided to us about your income, expenditures, assets and insurance coverage.

- In the event of Mark's death there is a capital shortfall of \$507,228.
- In the event of Maria's death there is a capital shortfall of \$61,364.
- Our analysis indicates that in the event of Mark's long-term disability, you require an additional \$2,734 each month. This assumes after tax income with cost of living increases.
- Our analysis indicates that in the event of Maria's long-term disability, you require an additional \$372 each month. This assumes after tax income with cost of living increases.



Action Plan Checklist

When	Who	What	Date Complete
Now	Lynne Mark Maria	Life Goals on Retirement Based on our calculations you have a capital shortfall of \$451,723. This means you would require an additional \$451,723 in the bank today to meet all of your objectives. We need to work together to identify a strategy to eliminate this shortfall.	
Now	Lynne Mark Maria	Risk Management – Needs on Death <ul style="list-style-type: none">• In the event of Mark's death there is a capital shortfall of \$507,228. We need to work together to identify the appropriate type of life insurance coverage needed to eliminate this shortfall.•• In the event of Maria's death there is a capital shortfall of \$61,364. We need to work together to identify the appropriate type of life insurance coverage needed to eliminate this shortfall.	
Now	Lynne Mark Maria	Risk Management – Needs on Disability <ul style="list-style-type: none">• In the event of Mark's disability there is a shortfall of \$2,734 per month.• In the event of Maria's disability there is a shortfall of \$372 per month. We need to determine if sufficient coverage can be acquired to eliminate this shortfall.	