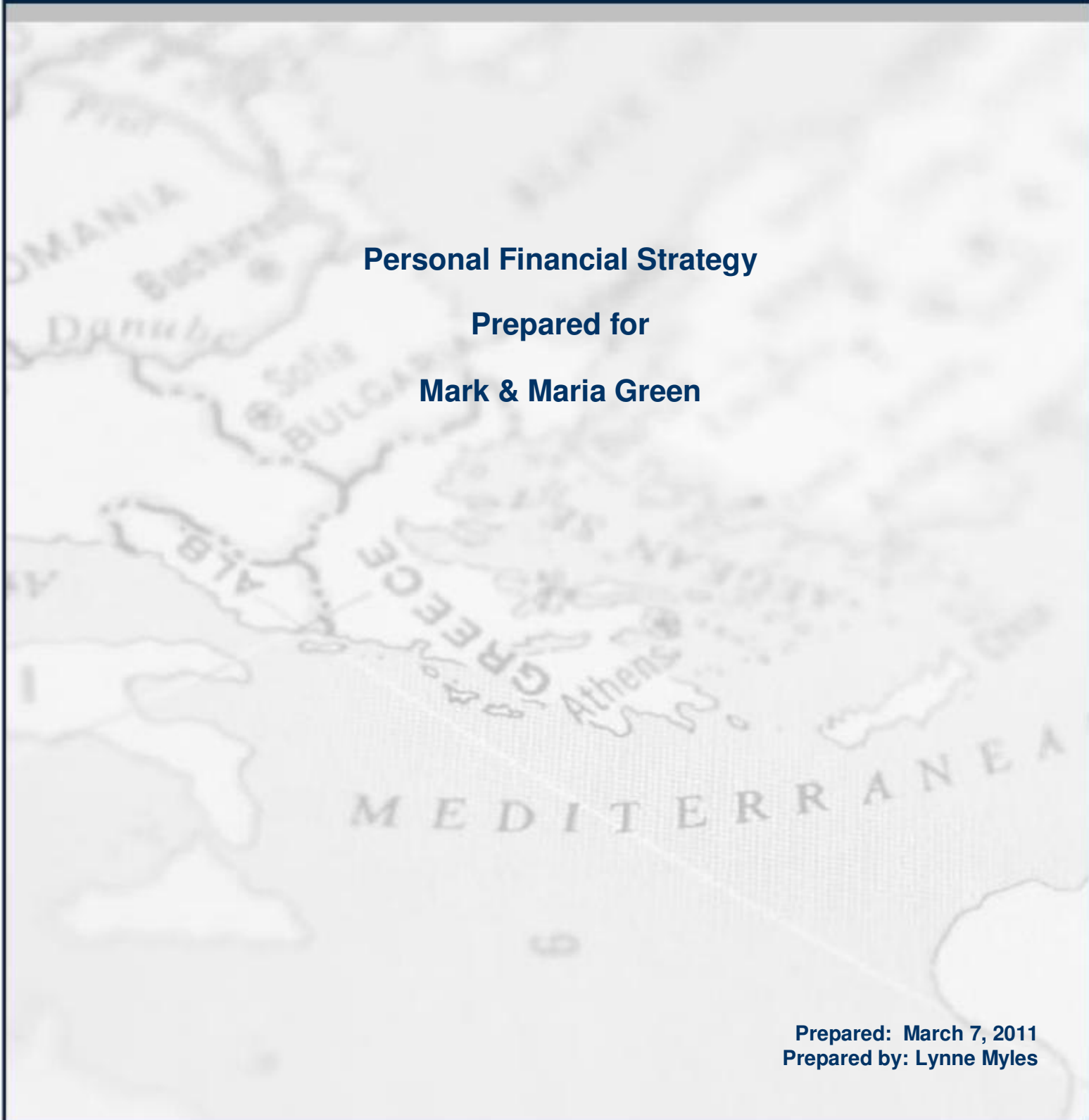




Personal Financial Strategy

Prepared for

Mark & Maria Green



Prepared: March 7, 2011
Prepared by: Lynne Myles



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Purpose for a Personal Financial Strategy

The purpose for having a Personal Financial Strategy is to provide you with a roadmap that identifies what you need to do to achieve all of your financial goals and objectives. Having this financial roadmap will help you make more informed *decisions* about what you spend, save, or invest. How important is making “more informed” decisions? This report will clearly illustrate that the decisions that you make today will indeed determine tomorrow’s destiny.

It is important to understand that this financial roadmap will not stay “current” forever. It will become outdated with changes in your goals and objectives, tax laws, and other personal economic circumstances. Thus, it is important to have your Personal Financial Strategy updated on a periodic basis.

This report has been prepared to assist in the analysis of your current financial position and to help you identify steps that you can take to assist you in achieving your personal financial goals and objectives. Although great care has been taken to ensure the accuracy of this report, it should be kept in mind that projections, by their very nature, are based on a variety of assumptions and as such it is likely that the actual results achieved will be somewhat different than illustrated. For this reason it is very important that you review your strategy on a regular basis to ensure its timeliness and relevance to your changing financial position.



Your Goals and Objectives

Your goals provide the basic framework for the development of your Personal Financial Strategy. These are the financial goals you have identified. They are expressed in today's dollars, after tax.

Retirement Age: You would like to be financially independent at Mark's age 55 and Maria's age 55.

Retirement Income: Your annual after tax Retirement Lifestyle objective is \$70,000 indexed for inflation of 3.0%.

Other Objectives: You have the following additional objectives:

Description	Goal	Currency	Inflation Rate	Start Year	End Year	Rank
David's Education	\$14,288	CAD	5.00%	2019	2022	1
Kitchen Renovations	\$20,000	CAD	3.00%	2012	2012	3
Roof on House	\$10,000	CAD	3.00%	2013	2013	2
Retirement Cruise	\$15,000	CAD	3.00%	2017	2017	5



Net Worth Statement

Assets	Mark	Maria	Other	Total
Personal Use Assets				
2010 Toyota Highlander	\$ 20,000.00	\$ 20,000.00	\$ 0.00	\$ 40,000.00
Residence	\$ 175,000.00	\$ 175,000.00	\$ 0.00	\$ 350,000.00
Total Personal Use Assets	\$ 195,000.00	\$ 195,000.00	\$ 0.00	\$ 390,000.00
Business/Other Assets				
Maria's Small Business	\$ 0.00	\$ 50,000.00	\$ 0.00	\$ 50,000.00
Total Business/Other Assets	\$ 0.00	\$ 50,000.00	\$ 0.00	\$ 50,000.00
Registered Investments				
Acuity Canadian Equity Class F	\$ 17,797.11	\$ 0.00	\$ 0.00	\$ 17,797.11
AGF US Value Class	\$ 6,831.07	\$ 0.00	\$ 0.00	\$ 6,831.07
AGF Traditional Balanced	\$ 13,427.55	\$ 0.00	\$ 0.00	\$ 13,427.55
Bond Portfolio	\$ 0.00	\$ 19,212.00	\$ 0.00	\$ 19,212.00
AlarmForce Industries Inc.	\$ 0.00	\$ 5,875.00	\$ 0.00	\$ 5,875.00
Royal Bank of Canada	\$ 0.00	\$ 5,445.49	\$ 0.00	\$ 5,445.49
AGF Canadian Bond	\$ 22,460.80	\$ 0.00	\$ 0.00	\$ 22,460.80
Acuity Pooled Canadian Balanced	\$ 6,570.94	\$ 6,570.94	\$ 0.00	\$ 13,141.89
Total Registered Investments	\$ 67,087.47	\$ 37,103.43	\$ 0.00	\$ 104,190.91
Non-Registered Investments				
Ethical Balanced Class F	\$ 5,187.97	\$ 0.00	\$ 0.00	\$ 5,187.97
Ethical Balanced Class F	\$ 0.00	\$ 5,187.97	\$ 0.00	\$ 5,187.97
AGF Global High Yield Bond	\$ 17,181.59	\$ 17,181.59	\$ 0.00	\$ 34,363.17
Fidelity Canadian Growth Company	\$ 9,489.41	\$ 9,489.41	\$ 0.00	\$ 18,978.82
AGF Canadian Money Market	\$ 6,166.00	\$ 6,166.00	\$ 0.00	\$ 12,332.00
AGF Canadian Asset Allocation	\$ 9,737.20	\$ 9,737.20	\$ 0.00	\$ 19,474.40
Desjardins Global Real Estate	\$ 7,492.63	\$ 7,492.63	\$ 0.00	\$ 14,985.26
Total Non-Registered Investments	\$ 55,254.79	\$ 55,254.79	\$ 0.00	\$ 110,509.59
Total Assets	\$ 317,342.27	\$ 337,358.23	\$ 0.00	\$ 654,700.49
Liabilities				
Personal Use Liabilities				
Car Loan - Toyota Canada	\$ 6,000.00	\$ 6,000.00	\$ 0.00	\$ 12,000.00
Residence Mortgage - CIBC	\$ 62,500.00	\$ 62,500.00	\$ 0.00	\$ 125,000.00
Total Personal Use Liabilities	\$ 68,500.00	\$ 68,500.00	\$ 0.00	\$ 137,000.00
Total Liabilities	\$ 68,500.00	\$ 68,500.00	\$ 0.00	\$ 137,000.00
Net Worth	\$ 248,842.27	\$ 268,858.23	\$ 0.00	\$ 517,700.49

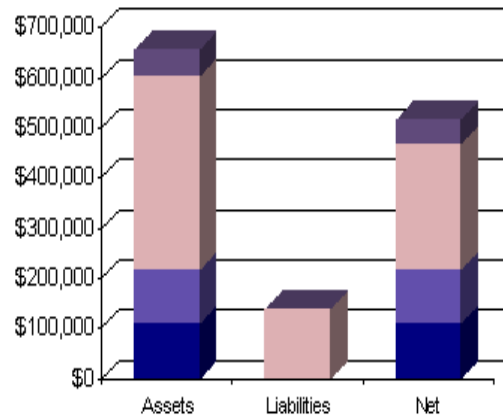
Net Worth Analysis

Your net worth statement measures your financial position at a specific point in time. It provides a benchmark from which you can measure your progress. Presently your net worth is \$517,700 comprised of \$654,700 of assets less \$137,000 of liabilities.



Net Investment Assets

While your net worth measures your progress overall, it will be the net investment assets that you accumulate that will determine your ability to fund your financial goals. Of your net worth, \$214,700 was identified as being your net investment assets. (Total investment assets minus investment liabilities.)





Cash Flow Statement

	Mark	Maria	\$/Month	\$/Yr
Cash Inflow				
Employment Income				
Salary	8,333	4,167	12,500	150,000
Investment Income				
Interest	194	194	388	4,658
Dividends	9	9	18	216
Total Inflows	8,536	4,369	12,906	154,874
Cash Outflow				
Family & Living				
Groceries	417	417	833	10,000
Clothing	208	208	417	5,000
Home Telephone	50	50	100	1,200
Internet Services	50	50	100	1,200
Cell Phones	63	63	125	1,500
Cable/Satellite TV and Radio	50	50	100	1,200
Housekeeping	42	42	83	1,000
Personal Care	100	100	200	2,400
Transportation				
Vehicle Payment	275	275	550	6,600
Gas/Oil	125	125	250	3,000
Repairs/Maintenance	104	104	208	2,500
Car Insurance	92	92	183	2,200
Public Transit/Parking	42	42	83	1,000
Accommodation				
Mortgage Payment	500	500	1,000	12,000
Property Taxes	158	158	317	3,800
Utilities (Heat/Hydro/Water)	150	150	300	3,600
Property Insurance	33	33	67	800
Miscellaneous Housing	100	100	200	2,400
Landscaping and Snow Removal	50	50	100	1,200
Personal Expenditures				
Insurance Premiums (Life, Disability, etc.)	6		6	75
Holidays/Vacations	250	250	500	6,000
Gifts	125	125	250	3,000
Entertainment/Dining Out	146	146	292	3,500
Club memberships/Dues	75	75	150	1,800
Cash/Pocket Money	100	100	200	2,400
Credit Card Payments	500	500	1,000	12,000
Miscellaneous Expenses	100	100	200	2,400
Hockey Expenses	104	104	208	2,500
Savings & Reinvestment				
RRSP Contributions	417	208	625	7,500
Other Savings	167	83	250	3,000
Education Savings	104	104	208	2,500
Reinvested Investment Income	203	203	406	4,874
Taxes				
Taxes Payable	2,211	762	2,973	35,676
Net Outflows	7,116	5,369	12,485	149,825
Unallocated Cash Flow			420	5,048

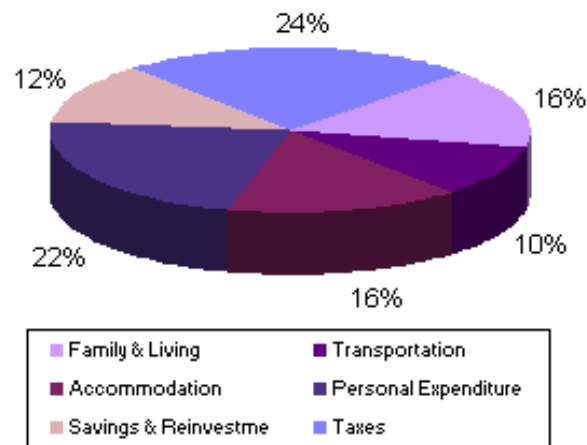


Cash Flow Savings Analysis

You have identified your current savings to be \$13,000 per annum. This represents 8.6% of your total family earned income of \$150,000.

Where Your Money Goes

This is a picture of where your money goes, based on how we have interpreted the information that you provided to us.





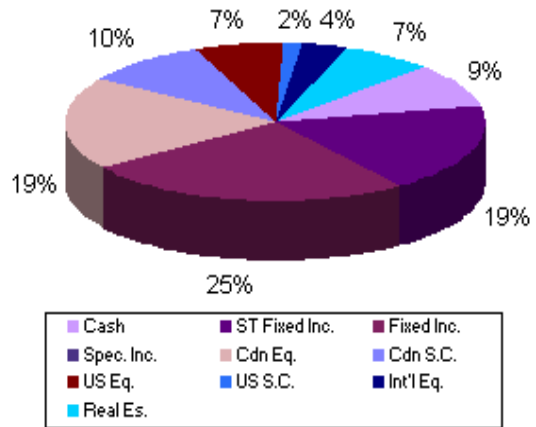
Asset Allocation

All Portfolios

Current Asset Allocation

Based on the information that you have provided, the current asset allocation for this portfolio is:

Cash	8.93%
Short-Term Fixed Income	18.53%
Fixed Income	25.26%
Canadian Equities	18.95%
Canadian Small Cap Equities	9.75%
US Equities	6.50%
US Small Cap Equities	1.59%
International Equities	3.61%
Real Estate	6.86%
Total	100.00%

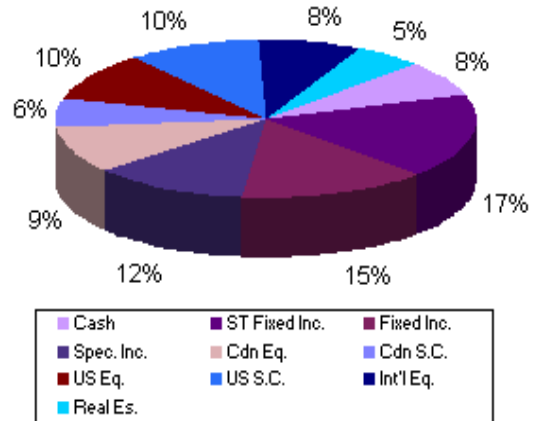


Long-Term Historical Return: 6.16%
Long-Term Historical Risk: 7.85%

Proposed Asset Allocation

This illustrates the combined asset allocation for all of your portfolios combined.

Cash	7.59%
Short-Term Fixed Income	17.20%
Fixed Income	14.68%
Special Income	11.88%
Canadian Equities	9.42%
Canadian Small Cap Equities	5.90%
US Equities	9.94%
US Small Cap Equities	10.43%
International Equities	7.65%
Real Estate	5.31%
Total	100.00%



Long-Term Historical Return: 6.72%
Long-Term Historical Risk: 8.84%



The Life Goals Analysis – What is it?

The Life Goals Analysis is a tool that allows you to identify if you are on track to achieve your personal goals and objectives. The analysis provides a snapshot, or bird's eye view of your entire future financial life. It identifies all anticipated sources of *income*, such as employment income, government and company pension plan benefits, investment income, as well as any special sources of money you may have identified.

The analysis also identifies all anticipated *expenses*. This includes living or “lifestyle” expenses (both before and after retirement), income taxes, savings, your mortgage payments, expenses to educate your children and any one-time expenses you might predict, such as the purchase of a boat, cottage, kitchen renovation etc.

By identifying all sources of *income* and all *expenses* and recognizing the timing of each, we are able to identify any year when you will have a shortfall (more expenses than income). In these shortfall years, money in your Non-Registered investment portfolio is used to cover these shortfalls. If there are insufficient funds available in your Non-Registered portfolio to fill the shortfall in any given year, then the shortfall is “real”. When you have a shortfall that is “real”, you can only eliminate it by changing one of the variables that you can control. These controllable variables include:

- Saving more and spending less
- Reducing your taxes
- Improving the rate of return on your investment portfolio by changing your investment management strategy
- Reducing or eliminating one or more of your goals

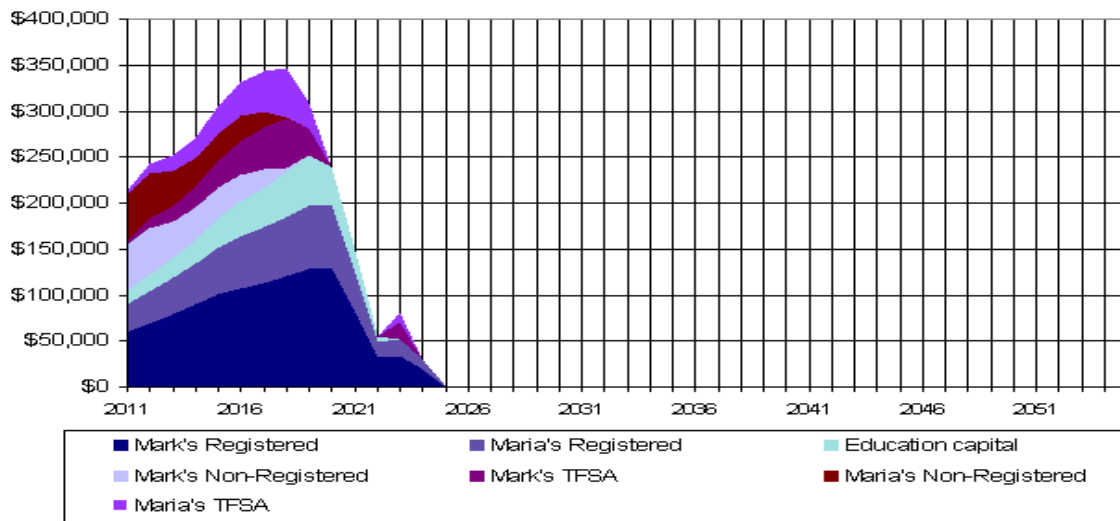
By making one or more of these changes, you can go from a *shortfall* to a *surplus*. Having a surplus (identified as an “Estate”) means that you would achieve all of your goals and objectives, with something left over at the end your planning horizon (age 90).



Life Goals Retirement Analysis – 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 6.16% pre-tax rate of return was used when doing the analysis because this is the expected rate of return for the existing asset allocation in your portfolio based on historical rates of return.

The analysis indicates that there is a projected capital shortfall of \$434,477. This means you would require this amount of additional money in the bank today to meet all your goals. The following graph illustrates how your savings, withdrawals and your expected rate of return will impact your investment capital over your lifetime.



Additional Monthly Indexed Savings Required

As mentioned above, you would need an additional \$434,477 in the bank today to eliminate all of your shortfalls in the future. This of course is not something that you can change; however, there are a number of controllable changes you can make that could eliminate this shortfall. One alternative that is within your control is to alter the amount of money that you save each year. The analysis identifies the additional amount you would need to save as being \$6,446 per month indexed to inflation, in order to meet all of your goals, assuming no changes to other factors. Your Personal Financial Strategy detailed in the next section will either confirm this level of savings or reduce the required savings by adjusting other things that are reasonably within your control.



Life Goals Retirement Analysis - Current Situation

	<u>\$ Per Year</u>	<u>Index Rate</u>	<u>From (Year)</u>	<u>Age</u>	<u>To (Year)</u>	<u>Age</u>	<u>Present Value</u>
INFLOWS							
Salaries, Pensions & Other Revenues							
Mark's Salary	100,000	3.00%	2011	50	2015	54	481,314
Mark's CPP/QPP	7,847	3.00%	2021	60	2051	90	152,641
Mark's OAS	6,204	3.00%	2026	65	2051	90	96,037
Maria's Salary	50,000	3.00%	2011	49	2016	54	286,073
Maria's CPP/QPP	7,847	3.00%	2022	60	2052	90	149,733
Maria's OAS	6,204	3.00%	2027	65	2052	90	94,207
Mark's Pension	25,000	3.00%	2016	55	2051	90	595,598
Mark's Inheritance	100,000		2022	61	2022	61	58,469
Maria's Small Business	59,703		2017	55	2017	55	44,551
Education Savings	500	3.00%	2011	50	2021	60	5,005
Life Insurance	25,000		2051	89	2051	89	3,551
Life Insurance	10,000		2052	90	2052	90	1,353
Total Salaries, Pensions & Other Revenues							<u>1,968,532</u>
Investment Income							
Mark's Investment Income							5,677
Mark's Dividend Income							1,817
Maria's Investment Income							5,313
Maria's Dividend Income							1,701
Total Investment Income							<u>14,508</u>
Withdrawals from Capital							
Mark's Registered Withdrawals			2019	58	2024	63	88,643
Maria's Registered Withdrawals			2019	57	2024	62	47,252
Education funds							46,039
Mark's Non-Registered Withdrawals							59,582
Mark's TFSA Withdrawals							50,049
Maria's Non-Registered Withdrawals							56,981
Maria's TFSA Withdrawals							45,788
Total Withdrawals From Capital							<u>394,335</u>
Total Income & Capital From All Sources							<u>2,377,374</u>
Taxes Payable							
Taxes Payable Mark							281,794
Taxes Payable Maria							72,588
Total Taxes Payable							<u>354,382</u>
<u>Net Inflows</u>							<u>2,022,992</u>
OUTFLOWS							
Savings							
Mark's RSP Savings	5,000		2011	50	2014	53	19,436
Maria's RSP Savings	2,500		2011	49	2015	53	12,033
Mark's Planned Open and TFSA Savings	2,000		2011	50	2014	53	7,774
Mark's Unplanned Other Savings							14,962
Maria's Planned Open and TFSA Savings	1,000		2011	50	2015	54	4,813
Maria's Unplanned Other Savings							10,449
Education savings	3,000		2011	50	2021	60	30,030
Mark's TFSA Savings							33,205
Maria's TFSA Savings							33,205
Total Savings							<u>165,907</u>

**Life Goals**

Current Lifestyle	101,324	3.00%	2011	50	2015	54	492,311
Retirement Lifestyle (After Tax)	70,000	3.00%	2016	55	2052	91	1,699,492
David's Education	14,288	5.00%	2019	58	2022	61	57,152
Kitchen Renovations	20,000	3.00%	2012	51	2012	51	19,619
Roof on House	10,000	3.00%	2013	52	2013	52	9,623
Retirement Cruise	15,000	3.00%	2017	56	2017	56	13,365

Total Life Goals**2,291,562****Total Outflows****2,457,469****Shortfall to Achieve Objectives****-434,477****Monthly indexed savings required to meet objectives \$****6,446**



Life Goals Retirement Strategy

After reviewing your overall financial position and considering your priorities, we have identified a strategy that will allow you to best meet your goals and objectives. The *revised* Life Goals Analysis illustrates the impact of adopting what we have recommended as your Personal Financial Strategy. The highlights are as follows:

Savings

	Current Situation			Your Strategy			Variance
	Amount	From Year	To Year	Amount	From Year	To Year	
Mark's Registered Savings	\$5,000	2011	2014	\$5,000	2011	2019	\$0
Maria's Registered Savings	\$2,500	2011	2015	\$2,500	2011	2019	\$0
Mark's Open Savings	\$2,000	2011	2014	\$2,000	2011	2014	\$0
Maria's Open Savings	\$1,000	2011	2015	\$6,000	2011	2015	\$5,000
Education Savings	\$3,000	2011	2021	\$3,000	2011	2021	\$0

Age of Retirement

	Current Situation	Your Strategy	Variance
Mark's Retirement Age	55	59	4
Maria's Retirement Age	55	58	3

Retirement Objectives

	Current Situation			Your Strategy			Variance
	Amount	From Year	To Year	Amount	From Year	To Year	
Retirement Lifestyle (After Tax)	\$70,000	2016	2052	\$65,000	2020	2052	\$-5,000

Other Objectives

	Current Situation			Your Strategy			Variance
	Amount	From Year	To Year	Amount	From Year	To Year	
David's Education	\$14,288	2019	2022	\$14,288	2019	2022	\$0
Kitchen Renovations	\$20,000	2012	2012	\$20,000	2012	2012	\$0
Roof on House	\$10,000	2013	2013	\$10,000	2013	2013	\$0
Retirement Cruise	\$15,000	2017	2017	\$0	2017	2017	\$-15,000

Portfolio Returns

	Current Situation			Your Strategy			Variance
	Amount	From Year	To Year	Amount	From Year	To Year	
Portfolio Rate of Return	6.05%	2011	2052	6.89%	2011	2052	0.84%

In cases where some of your objectives have either been reduced or totally eliminated in your strategy, we are not saying that you cannot achieve these objectives. What we are saying is that these objectives cannot be paid for from accumulated savings and either must be eliminated or financed through borrowings and those borrowings be repaid from your normal lifestyle. The key to remember is that any such borrowings cannot be allowed to interfere with your planned savings. Otherwise your strategy for long-term financial success will be compromised.

Based on the above strategy, there is a projected estate surplus of \$5,346 in today's dollars or \$41,496 in future dollars.



Life Goals Retirement Strategy

	<u>\$ Per Year</u>	<u>Index Rate</u>	<u>From (Year)</u>	<u>Age</u>	<u>To (Year)</u>	<u>Age</u>	<u>Present Value</u>
INFLOWS							
Salaries, Pensions & Other Revenues							
Mark's Salary	100,000	3.00%	2011	50	2019	58	834,389
Mark's CPP/QPP	7,847	3.00%	2021	60	2051	90	152,641
Mark's OAS	6,204	3.00%	2026	65	2051	90	96,037
Maria's Salary	50,000	3.00%	2011	49	2019	57	417,195
Maria's CPP/QPP	7,847	3.00%	2022	60	2052	90	149,733
Maria's OAS	6,204	3.00%	2027	65	2052	90	94,207
Mark's Pension	27,061	3.00%	2020	59	2051	90	549,150
Mark's Inheritance	100,000		2022	61	2022	61	58,469
Maria's Small Business	85,122		2020	58	2020	58	54,871
Education Savings	500	3.00%	2011	50	2021	60	5,005
Life Insurance	25,000		2051	89	2051	89	3,551
Life Insurance	10,000		2052	90	2052	90	1,353
Total Salaries, Pensions & Other Revenues							<u>2,416,600</u>
Investment Income							
Mark's Investment Income							20,572
Mark's Dividend Income							2,986
Maria's Investment Income							9,156
Maria's Dividend Income							1,329
Total Investment Income							<u>34,043</u>
Withdrawals from Capital							
Mark's Registered Withdrawals			2033	72	2050	89	127,282
Maria's Registered Withdrawals			2034	72	2052	90	111,650
Education funds							47,107
Mark's Non-Registered Withdrawals							125,827
Mark's TFSA Withdrawals							84,916
Maria's Non-Registered Withdrawals							68,667
Maria's TFSA Withdrawals							72,306
Total Withdrawals From Capital							<u>637,755</u>
Total Income & Capital From All Sources							<u>3,088,398</u>
Taxes Payable							
Taxes Payable Mark							397,256
Taxes Payable Maria							116,779
Total Taxes Payable							<u>514,035</u>
<u>Net Inflows</u>							<u>2,574,364</u>
OUTFLOWS							
Savings							
Mark's RSP Savings	5,000		2011	50	2019	58	41,719
Maria's RSP Savings	2,500		2011	49	2019	57	20,860
Mark's Planned Open and TFSA Savings	7,000		2011	50	2019	58	49,494
Mark's Unplanned Other Savings							37,867
Maria's Planned Open and TFSA Savings	1,000		2011	50	2015	54	4,813
Maria's Unplanned Other Savings							24,147
Education savings	3,000		2011	50	2021	60	30,030
Mark's TFSA Savings							62,017
Maria's TFSA Savings							46,911
Total Savings							<u>317,858</u>



Life Goals

Current Lifestyle	96,324	3.00%	2011	50	2019	58	816,165
Retirement Lifestyle (After Tax)	65,000	3.00%	2020	59	2052	91	1,348,601
David's Education	14,288	5.00%	2019	58	2022	61	57,152
Kitchen Renovations	20,000	3.00%	2012	51	2012	51	19,619
Roof on House	10,000	3.00%	2013	52	2013	52	9,623
Total Life Goals							<u>2,251,159</u>

Total Outflows

2,569,017

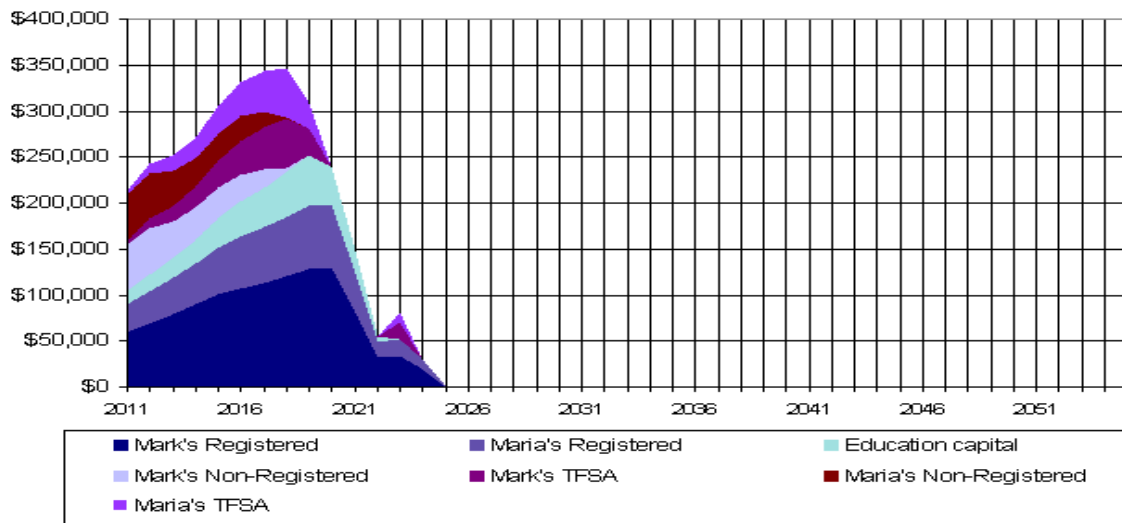
Estate Surplus

5,346

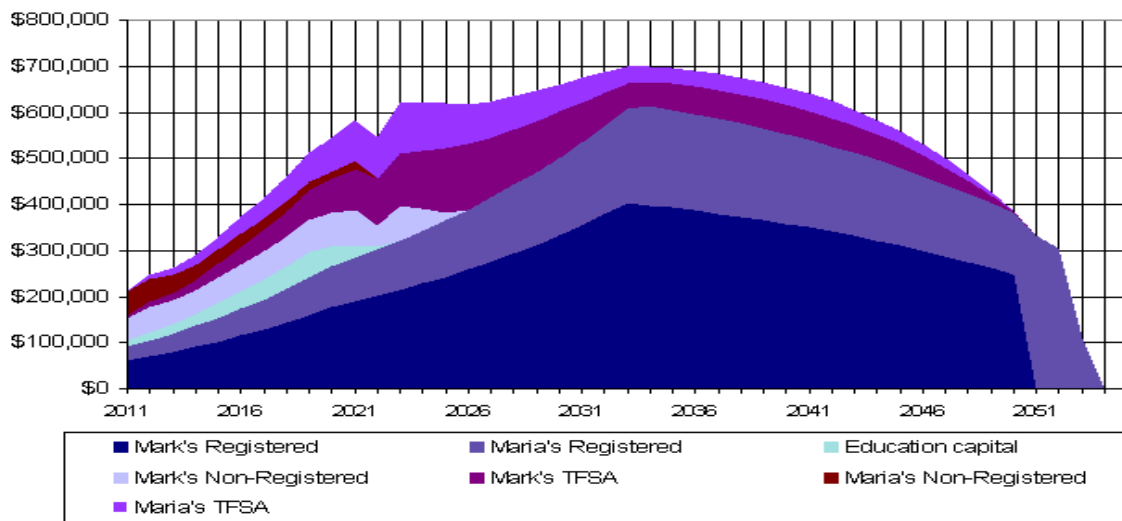


Before and After – A Comparison of Results

Results Before the Implementation of your Personal Financial Strategy – To allow you to clearly identify the benefits of your Personal Financial Strategy, here is another look at the projected results of your current behaviour. If you did nothing different, you would have a capital shortfall of \$434,477. This graph is the same as the one we looked at before. It illustrates how your savings, withdrawals and your expected rate of return will impact your investment capital over your lifetime.



Results After the Implementation of your Personal Financial Strategy – Now let's look at the same graph, but this time, see how the implementation of your Personal Financial Strategy impacts your results. Compare the graph below with the one above. We have gone from a shortfall of \$434,477 to a surplus of \$5,346 in today's dollars or \$41,496 in future dollars.



This comparison clearly identifies the impact your Personal Financial Strategy has on your investment capital over your lifetime. Relatively modest changes in your behaviour can reap very significant benefits that can dramatically enhance your future financial destiny.



Needs on Death

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

- In the event of Mark's death there is a shortfall of \$671,248.
- In the event of Maria's death there is a shortfall of \$213,594.

Needs on Disability

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

- Our analysis indicates that in the event of Mark's long-term disability, you require an additional \$2,832 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 \$305 each month. This assumes after tax income with cost of living increases.



Planning Assumptions

This Personal Financial Strategy is a long-term document that recognizes all aspects of your financial situation, both now and in the future. Consequently, it is necessary to make a number of assumptions about the future so that we can identify the long-term impact your investment and other decisions will have on your situation. The following are some of the key assumptions that we have made in doing our calculations.

Inflation

The performance of most investments is significantly influenced by a number of economic factors, one very significant one being inflation. Your goals and objectives also will be impacted by future inflation rates. For this reason, it is necessary to identify an expected inflation factor. In your case we have used an assumed inflation rate of 3.0% throughout this report unless otherwise identified.

Portfolio Returns

The long-term average returns used for projecting portfolio performance, are based on historical real rates of return for each asset class. When we say “real” rates of return, this means that we take the historical return for each asset class and subtract the historical inflation for the same time period. We then take your inflation assumption of 3.0% as identified above and add this to the real rates of return to get a forward looking projected return. These long-term average returns are based on appropriate benchmarks for each asset class using 59 years of history where data is available.

Asset Class	Benchmark
Cash	91-Day T-Bill Index (1)
Short-Term Fixed Income	DEX Short Term Bond Index (2)
Fixed Income	DEX Universe Bond Index
Special Income	50% Canadian Dividend and 50% Income Trust (3)
Canadian Equities	S&P/TSX Total Return
Canadian Small Cap Equities	S&P/TSX Small Cap Total Return (4)
US Equities	S&P 500 Composite Total Return Index \$Cdn
US Small Cap Equities	Russell 2000 US Small Cap Index \$Cdn (5)
International Equities	MSCI EAFE Total Return Index \$Cdn (6)
Real Estate	Globe Real Estate Peer Index (7)

1) Cash return reduced by 1%.

2) Short Term Fixed data from 1966.

3) Canadian Dividends 1976 - 1985. 50% Canadian Dividend and 50% Canadian Income Trust from 1986.

4) Canadian Small Cap data from 1987.

5) US Small Cap data from 1979.

6) International Equities data from 1972.

7) Russell/Morguard Property Index (1950 - 1998). Globe Real Estate Peer Index from 1999.

While past investment performance is no guarantee of future performance, history does give us insight into how asset classes behave over long periods of time. That is why we use these benchmarks as the basis for projecting future investment performance. Note also that in your case we have reduced the projected returns by 0.7% in order to be more conservative in any projections done.



Action Plan Checklist

The development of a Personal Financial Strategy is an important step in changing your financial destiny. However, only the implementation of that strategy will bring the desired results. This Action Plan Checklist is designed to provide you with a series of steps that will ensure that your strategy becomes a reality. This checklist will also be the tool that will determine when we need to meet to deal with the various action steps. If at any time you have a question or concern about any of the actions we are scheduled to take, or feel that there is some action that has not been identified, please be sure to bring this to my attention.

When	Who	What	Date Complete																												
Now	Lynne Mark Maria	Concurrence with Strategy – Your Personal Financial Strategy will form the basis on which decisions will be based in the future, thus it is important that you concur on all aspects of the strategy as described in this document.																													
Mth/Year	Lynne Mark Maria	<p>Proposed Asset Allocation – Based on your Investment Management Strategy, begin to reposition your existing assets based on the following asset allocation:</p> <table> <tr><td>Cash</td><td>7.59%</td></tr> <tr><td>Short-Term Fixed Income</td><td>17.20%</td></tr> <tr><td>Fixed Income</td><td>14.68%</td></tr> <tr><td>Special Income</td><td>11.88%</td></tr> <tr><td>Canadian Equities</td><td>9.42%</td></tr> <tr><td>Canadian Small Cap Equities</td><td>5.90%</td></tr> <tr><td>US Equities</td><td>9.94%</td></tr> <tr><td>US Small Cap Equities</td><td>10.43%</td></tr> <tr><td>International Equities</td><td>7.65%</td></tr> <tr><td>Real Estate</td><td>5.31%</td></tr> <tr><td>Total</td><td>100.00%</td></tr> </table>	Cash	7.59%	Short-Term Fixed Income	17.20%	Fixed Income	14.68%	Special Income	11.88%	Canadian Equities	9.42%	Canadian Small Cap Equities	5.90%	US Equities	9.94%	US Small Cap Equities	10.43%	International Equities	7.65%	Real Estate	5.31%	Total	100.00%							
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Mth/Year	Lynne Mark Maria	<p>Planned Savings – Structure your savings as follows:</p> <table> <thead> <tr> <th>Description</th> <th>Existing Savings</th> <th>New Savings</th> <th>Total Savings</th> </tr> </thead> <tbody> <tr><td>Mark's Registered Savings</td><td>\$5,000</td><td>\$0</td><td>\$5,000</td></tr> <tr><td>Maria's Registered Savings</td><td>\$2,500</td><td>\$0</td><td>\$2,500</td></tr> <tr><td>Mark's Open Savings</td><td>\$2,000</td><td>\$0</td><td>\$2,000</td></tr> <tr><td>Maria's Open Savings</td><td>\$1,000</td><td>\$5,000</td><td>\$6,000</td></tr> <tr><td>Education Savings</td><td>\$2,500</td><td>\$0</td><td>\$2,500</td></tr> <tr><td>Totals</td><td>\$13,000</td><td>\$5,000</td><td>\$18,000</td></tr> </tbody> </table>	Description	Existing Savings	New Savings	Total Savings	Mark's Registered Savings	\$5,000	\$0	\$5,000	Maria's Registered Savings	\$2,500	\$0	\$2,500	Mark's Open Savings	\$2,000	\$0	\$2,000	Maria's Open Savings	\$1,000	\$5,000	\$6,000	Education Savings	\$2,500	\$0	\$2,500	Totals	\$13,000	\$5,000	\$18,000	
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Mth/Year	Lynne Mark Maria	Additional Future Savings – You currently have a mortgage on your residence, which under your current mortgage terms, will be paid off in 20. Once this mortgage is paid off, re-direct your former payments into open savings in 's name.																													
Mth/Year	Lynne Mark Maria	Additional Future Savings and Accelerating your Mortgage Pay down – You currently have a mortgage on your residence, which under your current mortgage terms, will be paid off in 20. Starting this year, index your payments by 3.0% each year. This will allow you to pay off your mortgage X years sooner (2000). Once this mortgage is paid off, re-direct your former payments into open savings in 's name.																													
Now	Lynne Mark Maria	<p>Needs on Death</p> <p>In the event of Mark's death there is a capital shortfall of \$671,248. We need to work together to identify the appropriate type of life insurance coverage needed to eliminate this shortfall.</p> <p>In the event of Maria's death there is a capital shortfall of \$213,594. We need to work together to identify the appropriate type of life insurance coverage needed to eliminate this shortfall.</p>																													



When	Who	What	Date Complete
Now	Lynne Mark Maria	<p>Needs on Disability</p> <p>In the event of Mark's disability there is a shortfall of \$2,832 per month. We need to determine if sufficient coverage can be acquired to eliminate this shortfall.</p> <p>In the event of Maria's disability there is a shortfall of \$305 per month. We need to determine if sufficient coverage can be acquired to eliminate this shortfall.</p>	
Mth/Year	Lynne Mark Maria	<p>Estate Planning Review – Given your situation, it is important for you to engage us to do an Estate Planning Review for you. This review would include a review of your wills and powers of attorney (property and personal care). Such a review would also identify any estate liabilities that would result on second death.</p> <p>In order to do this review, we would need to obtain further information about your estate goals and also would need to have access to your wills and powers of attorney.</p>	
Mth/Year	Lynne Mark Maria	<p>Critical Illness Review – With today's health care environment, this type of coverage can protect against potential exposure to increased medical expenses and give you the option to obtain time sensitive medical treatment as needed vs. being added to a waiting list and having to hope that treatment is available when you need it.</p> <p>We feel that it would be beneficial for you to engage us to research what options may be available to you.</p>	
Mth/Year	Lynne Mark Maria	<p>Long Term Care Review – A review of your options in the event that you require long term care at some point in the future would be very worthwhile. The issue to consider is the impact on your lifestyle and the capital erosion to your estate that could occur should you be unable to care for yourself due to a prolonged physical illness, disability or cognitive disorder (Alzheimer's).</p> <p>We feel that it would be beneficial for you to engage us to research what options may be available to you.</p>	
Mth/Year	Mark Maria	Assessment of our Advisory Services	
Mth/Year	Lynne Mark Maria	Portfolio Review date	
Mth/Year	Lynne Mark Maria	Summary Review of Personal Financial Strategy and Action Plan Update	



Our Commitment to You

We view our commitment to develop a Personal Financial Strategy for you as being the beginning of what we hope is a long-term mutually beneficial relationship. But, we have learned from years of experience that just developing the strategy really means nothing, unless it is implemented. Implementing the strategy means a *change* in some things that you are currently doing. Many people we work with do not like making changes. Yet, without change, nothing really happens. Our mutual efforts to develop a Personal Financial Strategy for you would be wasted.

For this reason, we will assist you in any way we can to help you embrace the changes that we agree need to be made by following up with you on the implementation of your Action Plan on a disciplined basis. That is our commitment to you. All we ask of you is to accept your part of what is really a joint responsibility, by taking the required actions in a timely manner.