Personal Financial Plan

Prepared for:

Pete and Carrie Mitchell

918 Richmond Street
Toronto, Ontario
M5N 1V5

Prepared by:

Disclaimer

Personal Details

Date of Financial Analysis	Jan 1, 2006	
Start of Financial Analysis	Jan 1, 2006	
Plan Notes		

Annual Review Date:

Title	Mr.	Mrs.
First Name	Pete	Carrie
Middle Name		
Last Name	Mitchell	Mitchell
SIN	123-456-789	987-654-321
Date of Birth	Nov 24, 1960	Mar 30, 1962
Anticipated Retirement Age	60	58
Date of Retirement	Nov 24, 2020	Mar 29, 2020
Occupation	Pilot	Teacher
Employer / Company	RareAir	MacDonald H.S.

Address	918 Richmond Street		
City	Toronto		
	Ontario	Postal Code	M5N 1V5

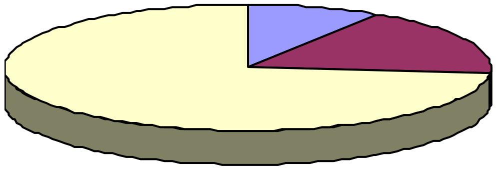
Home phone #	416 784 1456	416 784 1456
Business phone #		
Business fax #		
Mobile phone #		

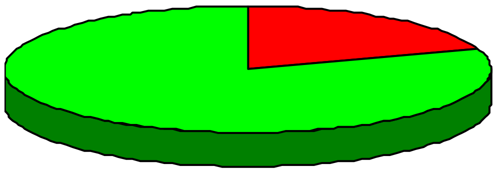
E-mail	mitchells@hotmail.com
Web Page	

Dependants	Date of Birth	Relationship
Jane	May 15, 1995	Daughter
Tony	Jan 25, 1997	Son

Financial Situation

Net Worth





Assets

Non-registered investments	55,000
RRSPs / Pensions	106,204
Real estate / Other assets	450,000
Total Assets	**611,204**

Liabilities

Principal residence mortgage	105,000
Other debts	15,000
Total Liabilities	**120,000**
Net Worth	**491,204**

Sources of Income / Lifestyle Needs	**Pete**	**Carrie**
Employment income	75,000	45,000
Pensions & Government benefits		
RRSP / RRIF		
Investment income	2,572	1,070
Other income		
Total Income	**77,572**	**46,070**
Tax & Government programs	16,418	10,394
After-tax income	**61,154**	**35,675**

Combined after-tax income	96,830
Debt service	15,600
Lifestyle needs	58,000
Disposable income	**23,230**

Retirement Objectives

Lifestyle needs in today's $	50,000	Plan to age	90
	Pete	**Carrie**	
Government benefits: CPP	Include CPP	Include CPP	
Government benefits: OAS	Include OAS	Include OAS	

Estate Planning	**Pete**	**Carrie**
Survivor income needs	43,500	43,500
Provide income to age	90	90
Final expenses / Bequests	25,000	25,000
Group life insurance	225,000	150,000
Other life insurance		

Priorities and Other Information

Risk Profile	Pete	Carrie
Non-registered investments	Moderate growth	Moderate growth
Registered investments	Moderate Aggressive	Moderate Aggressive
Investment knowledge	Fair	Fair

Suggested Allocation	Pete Non-reg.	Pete Registered	Carrie Non-reg.	Carrie Registered
Cash	0.00%	0.00%	0.00%	0.00%
Bonds: Canadian	30.00%	10.00%	30.00%	10.00%
Bonds: Foreign	10.00%	10.00%	10.00%	10.00%
Equity: Canadian	40.00%	60.00%	40.00%	60.00%
Equity: Foreign	20.00%	10.00%	20.00%	10.00%
U.S. Equity	0.00%	5.00%	0.00%	5.00%
Specialty	0.00%	5.00%	0.00%	5.00%

Areas of Concern

Will and trust planning	No	Education planning (RESP)	No
Estate planning	No	Income splitting / tax planning	No
Charitable giving	No	Major purchases	No
Dependant survivor income needs	No	Debt elimination / management	No
Investment allocation / Risk	No	Life insurance needs	No
Retirement income planning	No	Disability / critical illness insurance	No

Professional Advisors	Name & Address	Phone Number
Lawyer		
Accountant		
Investment advisor		
Life insurance agent		
Disability / CI insurance agent		
Property insurance agent		
Bank manager		
Trust officer		
Executor		

Documents Provided for Review

Will and trust documents	No	Investment / RRSP statements	No
Power of Attorney for Personal Care	No	Pension statements	No
Power of attorney for Property	No	Mortgage / Loan documents	No
Last years tax return	No	Insurance policies	No
Current tax assessment	No	Corporate financial statements	No

Other documents:

Assumptions

Income Tax Assumptions

The first year tax calculations are based on the current CRA T1 schedule.

The tax calculations beyond the first year of the projections are based on the current CRA T1 schedule with the following assumptions:

- Tax brackets and other income thresholds are indexed at inflation
- CPP & OAS benefits are indexed at inflation minus 2.00% (when included)

Estate tax is calculated at second death (with no tax triggered on first death), at the top marginal rate of 46.41%

The growth in non-sheltered investments is compounded after-tax at the following assumed marginal tax rates:

Pete	45.00%
Carrie	45.00%
Joint-owned	

Index Assumptions	Rate	Interest	Dividends	Capital Gain	Realized Gains
Inflation	3.00%				
Cash	4.00%				
Bonds: Canadian	6.00%	85.00%		15.00%	15.00%
Bonds: Foreign	7.00%	80.00%		20.00%	15.00%
Equity: Canadian	8.00%		10.00%	90.00%	10.00%
Equity: Foreign	9.00%		5.00%	95.00%	10.00%
U.S. Equity	9.00%			100.00%	5.00%
Specialty	9.00%			100.00%	5.00%

Portfolio Turnover	Non-registered	RRSP / RRIF		LRSP / MPP	
		Can.	For.	Can.	For.
Pete	10.00%	25.00%	5.00%	25.00%	5.00%
Carrie	10.00%	25.00%	5.00%		
Joint-owned					

The projected returns for the various investment portfolios are calculated based on each year's asset allocation and the assumed return for each asset class. All index rates shown, including the rates of portfolio turnover, are the rates used in the first year of the projections. The assumed rates used beyond the first year may be different. Refer to the Return Assumptions documents for complete details.

Investment savings	Non-registered	RRSP / RRIF	LRSP / MPP
Pete	Monthly, First Day	Annual, First Day	Annual, Last Day
Carrie	Monthly, Last Day	Annual, First Day	
Joint-owned			

Investment withdrawals	Non-registered	RRSP / RRIF	LRSP / MPP
Pete	Annual, First Day	Annual, First Day	Annual, First Day
Carrie	Annual, First Day	Annual, First Day	
Joint-owned			

Note: The assumed frequency and timing of all investment activity is material to projected results.

Goals & Objectives

It’s important that general financial objectives be broken down into specific, measurable, realistic and time-bound goals. Based on the information you provided, the following is a prioritized list of your individual goals:

- Provide for our children's education.
- Arrange our finances in such a way as to minimize income tax.
- Guarantee each other's financial security in the event of the other's death.
- Retire when Pete reaches 60 years of age.
- Accumulate sufficient assets for up to 30 years of retirement.
- Minimize taxes to our estate.
- Ensure that the cottage is kept within the family.

Potential Problems and/or Opportunities

Having analyzed your current financial situation and your stated goals, needs and priorities, the following problems and/or opportunities have been identified.

- Your current investment strategy and level of savings will probably not be sufficient to accumulate the assets necessary for you to be able to maintain your desired standard of living in retirement.
- You are paying more income tax in the higher tax brackets than you might otherwise have to, by not taking advantage of available income splitting strategies.
- You do not have sufficient life insurance to guarantee that either one of you would be able to maintain the desired standard of living in the event of the other's death.
- If Pete were to suffer a long term or permanent disability, you would have to significantly reduce your standard of living and possibly have to liquidate assets. This would in turn compromise your retirement income goals.

Recommendations and Strategies

This personal financial plan has been developed to offer suggestions as to how you might achieve your stated goals based on your current situation, needs, and priorities. Those recommendations are outlined below.

It's important that you understand the advantages, disadvantages, costs, risks and time sensitivity associated with each of the strategies outlined. It's also important that you realize the consequences of not taking action. Don't hesitate to ask should you have any questions.

- Change your asset allocation strategy to one that is more consistent with your risk profile, for all of your investment portfolios.
- Adopt a buy and hold strategy to maximize tax savings in non-registered investments.
- Maximize RRSP contributions, making annual deposits at the beginning of each year. Pete's contributions should be made to a spousal plan to take advantage of the income splitting opportunity in retirement.
- Carrie should do the non-registered investing so as to take advantage of the room projected to be available in the lower tax bracket.
- Invest all excess cashflow until retirement.
- Draw enough income from Carrie's RRSP in the early years of retirement to take full advantage of the bottom tax bracket.
- Access non-registered investments to supplement retirement income, before drawing on Pete's RRSPs.

Implementation and Monitoring

Once you've approved of the recommendations presented in this document, it's necessary to establish both how and when they'll be implemented. It's also important to decide on how often the financial plan should be reviewed, and what benchmarks will be used to measure success.

- Transfer RRSPs to new allocation.
- Maximize deposits to RRSPs by using non-registered savings.
- Move balance of non-registered to new allocation.
- Transfer RESP to new allocation and increase monthly deposits.
- Apply for changes to disability insurance.
- Apply for life insurance and arrange for medical.

Risk Tolerance

Suggested portfolio allocation based on risk tolerance

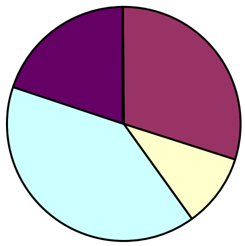
Prepared for: **Pete and Carrie Mitchell**
Prepared by:

Personal Risk Tolerance: Pete Mitchell

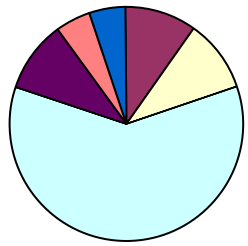
Suggested Asset Mix

- Cash & Equivalents
- Bonds: Canadian
- Bonds: Foreign
- Equity: Canadian
- Equity: Foreign
- U.S. Equity
- Specialty

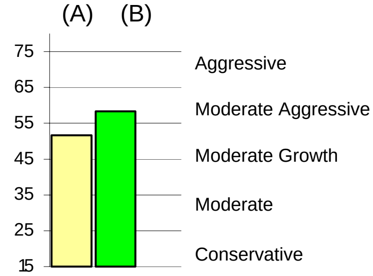
(A) Non-registered



(B) Registered



Risk Tolerance



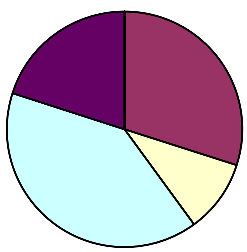
	Cash & Equivalents	Bonds Canadian	Bonds Foreign	Equity Canadian	Equity Foreign	U.S. Equity	Specialty
(A) Non-registered Allocation	0	30%	10%	40%	20%	0	0
(B) Registered Allocation	0	10%	10%	60%	10%	5%	5%

Personal Risk Tolerance: Carrie Mitchell

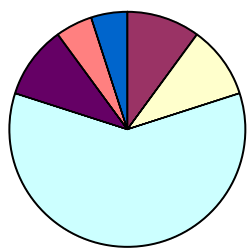
Suggested asset mix

- Cash & Equivalents
- Bonds: Canadian
- Bonds: Foreign
- Equity: Canadian
- Equity: Foreign
- U.S. Equity
- Specialty

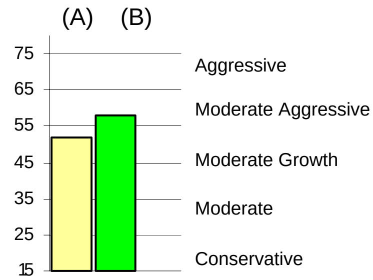
(A) Non-registered



(B) Registered



Risk Tolerance



	Cash & Equivalents	Bonds Canadian	Bonds Foreign	Equity Canadian	Equity Foreign	U.S. Equity	Specialty
(A) Non-registered Allocation	0	30%	10%	40%	20%	0	0
(B) Registered Allocation	0	10%	10%	60%	10%	5%	5%

Model Portfolios

	Cash & Equivalents	Bonds Canadian	Bonds Foreign	Equity Canadian	Equity Foreign	U.S. Equity	Specialty
Non-registered							
Conservative	60%	20%		20%			
Moderate	20%	30%	10%	40%			
Moderate Growth		30%	10%	40%	20%		
Moderate Aggressive		10%	10%	50%	20%	5%	5%
Aggressive				60%	30%	5%	5%
Registered							
Conservative	60%	20%		20%			
Moderate	20%	30%	10%	40%			
Moderate Growth		30%	10%	40%	20%		
Moderate Aggressive		10%	10%	60%	10%	5%	5%
Aggressive				70%	20%	5%	5%

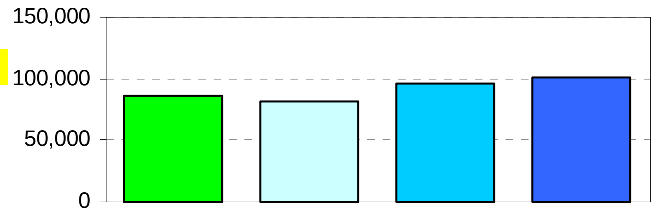
Retirement Capital Needs

Projected retirement income compared to lifestyle goals

Prepared for: **Pete and Carrie Mitchell**

Prepared by:

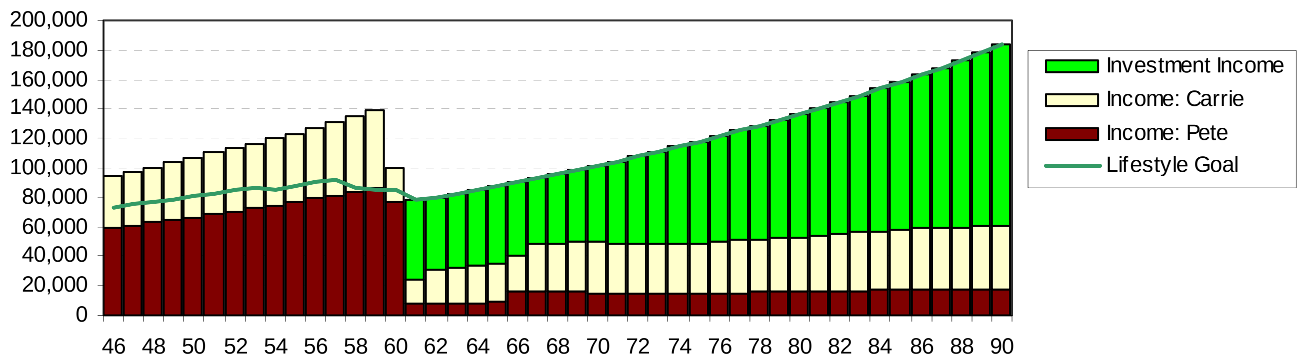
Lifestyle Needs	Lifestyle Goal	% of Goal
Lifestyle Goal	85,713	100%
Conservative	81,947	96%
Moderate	95,717	112%
Aggressive	101,392	118%



Retirement capital needs planning is the process of calculating the fixed after-tax income you expect to receive in retirement from sources such as pensions and government benefits, then comparing it to your retirement lifestyle goals. The difference is the amount that you must provide from investments such as RRSPs and other non-registered savings. Having done this you can then calculate the total capital that will be necessary based on different asset allocations and return assumptions. It is also possible to calculate the sort of income you may expect in the future based on your current savings and investment plans.

The graph above compares your projected lifestyle goals in retirement with what you can realistically expect as a retirement lifestyle, assuming three sample asset allocations with varying degrees of risk. Depending on your current investment allocation and the level of risk you are prepared to accept, it may be necessary to adjust your planned lifestyle goals.

The chart below compares your future projected lifestyle needs to your after-tax fixed income from all sources. Also charted is the amount of after-tax income that you can expect to generate from your income producing assets such as RRSPs and other non-registered savings.



Any projected shortfall indicates a need for planning. As all available resources have already been considered in assessing the accumulation requirements however, there are few alternatives to consider. Today's lifestyle can be scaled back to free up additional capital for investment, or the lifestyle goal in retirement can be reduced to a level that can be supported by the projected accumulations.

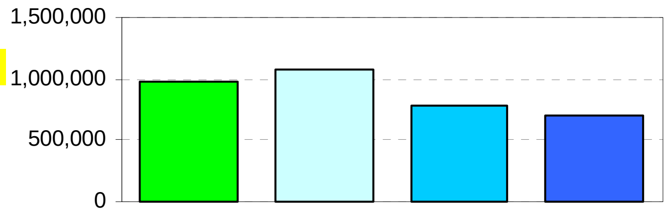
Alternatively, new planning strategies can be formulated to maximize returns on available resources in order to reach the accumulation target. Tax efficient investments and an appropriate asset allocation strategy can also help you to meet your retirement goals.

Retirement Capital Needs

Projected capital required at retirement compared to available capital

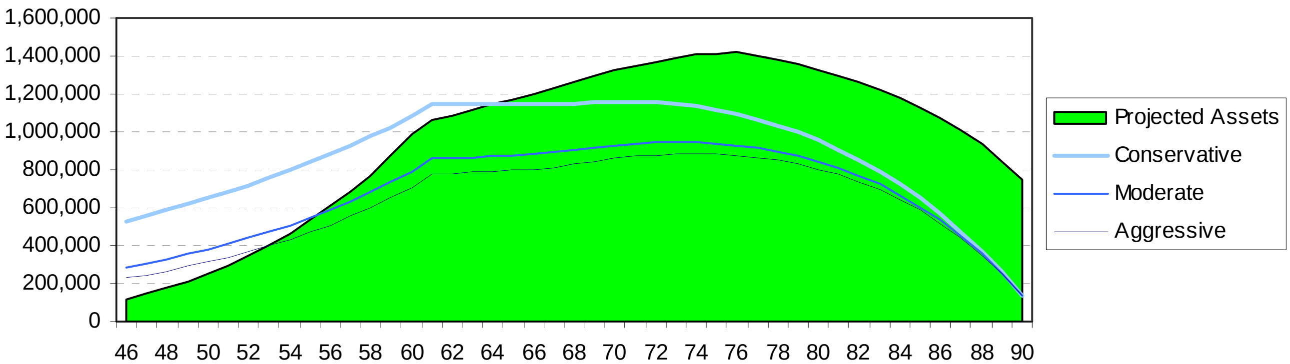
Prepared for: **Pete and Carrie Mitchell**
Prepared by:

Income Producing Assets	Amount	Return
Projected Assets	984,234	7.70%
Conservative	1,079,454	5.20%
Moderate	787,748	7.50%
Aggressive	704,093	8.40%



The chart above shows the amount of capital you will require in order to fund the retirement lifestyle you've indicated you wish to have. How your assets are allocated will determine how much money you will require at retirement – based on past performance, conservative investors will require a higher level of savings. The "projected assets" heading represents your assets as they are currently invested.

The chart below illustrates how different asset allocations would effect your ability to retire at a certain date. Each crossover point, which is where a line representing one of the three sample allocations meets the projected assets, indicates a point in time where accumulations should be sufficient to meet your goals assuming the investment strategy indicated by the line graph is employed. The more conservative the approach, the larger the pool of capital that will be required at retirement. Your investment strategy between now and retirement will dictate the annual savings level required to meet your goals.



With any retirement planning analysis, if there is an indication that you may not be able to meet your goals, there are generally only three courses of action you can take.

First you can choose to do nothing, this will ultimately force you to reduce your need for income in the future by working longer or spending less resulting in a lowering of planned lifestyle.

Second you can save more now, this will have an impact on your current standard of living forcing you to reduce what you are now spending on such things as entertainment, vacations and other discretionary items.

Third you can better manage your resources, this requires developing strategies for investment and taxes to maximize the future growth of your assets so you will have the capital necessary at your planned retirement date to provide you with the lifestyle you want.

Retirement Capital Needs

Projected capital required at retirement compared to available capital

Prepared for: **Pete and Carrie Mitchell**
Prepared by:

Year	Age	After-Tax Fixed Inc.	Lifestyle Needs	Retirement Deficiency	NPV of Retirement Deficiency Conservative	NPV of Retirement Deficiency Moderate	NPV of Retirement Deficiency Aggressive	Available Capital
1	46	93,974	73,600	0	530,864	286,199	227,625	115,000
2	47	97,058	75,340	0	558,469	307,664	246,746	143,361
3	48	100,366	77,132	0	587,510	330,739	267,472	175,443
4	49	103,777	78,978	0	618,060	355,545	289,940	211,536
5	50	107,194	80,880	0	650,199	382,211	314,295	252,010
6	51	110,713	82,838	0	684,010	410,876	340,696	297,148
7	52	113,830	84,855	0	719,578	441,692	369,314	347,361
8	53	116,515	86,066	0	756,996	474,819	400,336	402,462
9	54	120,012	85,473	0	796,360	510,430	433,965	463,084
10	55	123,616	87,677	0	837,771	548,713	470,418	532,477
11	56	127,468	89,947	0	881,335	589,866	509,933	608,503
12	57	130,708	92,286	0	927,164	634,106	552,767	685,158
13	58	134,593	87,069	0	975,377	681,664	599,200	770,399
14	59	138,584	85,175	0	1,026,096	732,789	649,532	870,869
15	60	99,972	85,713	(14,259)	1,079,454	787,748	704,093	984,234
16	61	24,709	77,898	53,189	1,149,844	861,088	777,495	1,067,983
17	62	30,451	80,235	49,784	1,146,567	862,601	779,736	1,088,993
18	63	32,619	82,642	50,023	1,147,114	868,221	786,159	1,115,274
19	64	33,159	85,122	51,962	1,147,359	873,933	792,793	1,143,546
20	65	35,163	87,675	52,513	1,145,043	877,500	797,409	1,172,182
21	66	41,086	90,306	49,220	1,143,525	882,251	803,330	1,203,010
22	67	48,123	93,015	44,892	1,145,010	890,442	812,831	1,228,667
23	68	49,180	95,805	46,625	1,152,564	905,239	829,123	1,260,933
24	69	49,596	98,679	49,084	1,158,163	918,797	844,435	1,293,003
25	70	49,794	101,640	51,846	1,161,160	930,480	858,140	1,324,109
26	71	48,325	104,689	56,364	1,161,069	939,795	869,753	1,351,241
27	72	48,444	107,830	59,385	1,155,688	944,522	877,055	1,373,109
28	73	49,010	111,064	62,055	1,146,478	946,055	881,422	1,391,612
29	74	48,259	114,396	66,137	1,133,654	944,569	883,021	1,407,867
30	75	49,062	117,828	68,766	1,115,056	937,863	879,646	1,413,263
31	76	49,837	121,363	71,526	1,092,463	927,627	872,960	1,416,543
32	77	50,702	125,004	74,302	1,065,482	913,411	862,500	1,399,923
33	78	51,556	128,754	77,198	1,033,928	894,958	847,992	1,380,269
34	79	52,424	132,617	80,193	997,409	871,795	828,939	1,357,133
35	80	53,313	136,595	83,282	955,520	843,426	804,816	1,330,256
36	81	54,225	140,693	86,468	907,874	809,350	775,087	1,299,362
37	82	55,157	144,914	89,757	854,059	769,027	739,170	1,264,160
38	83	56,083	149,261	93,178	793,628	721,862	696,418	1,224,335
39	84	57,039	153,739	96,700	726,046	667,151	646,067	1,179,426
40	85	58,018	158,351	100,334	650,819	604,206	587,355	1,128,992

Retirement Capital Needs

Projected capital required at retirement compared to available capital

Prepared for: **Pete and Carrie Mitchell**

Prepared by:

Year	Age	After-Tax Fixed Inc.	Lifestyle Needs	Retirement Deficiency	NPV of Retirement Deficiency Conservative	NPV of Retirement Deficiency Moderate	NPV of Retirement Deficiency Aggressive	Available Capital
41	86	58,802	163,102	104,299	567,417	532,276	519,448	1,072,590
42	87	59,281	167,995	108,714	475,000	450,275	441,160	1,007,291
43	88	59,929	173,035	113,106	372,601	356,946	351,118	932,118
44	89	60,668	178,226	117,557	259,727	251,468	248,363	847,175
45	90	61,447	183,573	122,125	135,764	132,860	131,757	752,273

Retirement Capital Needs

Projected annual savings verses retirement income

Prepared for: **Pete and Carrie Mitchell**
Prepared by:

		Deposit	Annual Savings Required			Reduction to Retirement Lifestyle		
Year	Age	(Withdrawal)	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive
1	46	19,347	35,106	17,879	13,074	0	0	0
2	47	20,686	37,159	18,208	12,881	0	0	0
3	48	22,217	39,312	18,384	12,460	0	0	0
4	49	23,807	41,571	18,357	11,744	0	0	0
5	50	25,346	43,940	18,053	10,638	0	0	0
6	51	26,934	46,431	17,379	9,020	0	0	0
7	52	28,039	49,052	16,189	6,698	0	0	0
8	53	29,498	51,889	14,348	3,477	0	0	0
9	54	33,630	54,958	11,514	(1,088)	0	0	0
10	55	35,084	57,840	6,655	(8,205)	0	0	0
11	56	37,492	60,897	(909)	(18,841)	0	0	0
12	57	38,292	65,823	(11,554)	(33,957)	0	0	0
13	58	47,548	71,822	(31,079)	(60,768)	0	0	0
14	59	53,640	77,253	(75,971)	(119,956)	0	0	0
15	60	29,312	83,044	(219,310)	(305,477)	3,766	(10,004)	(15,679)
16	61	(36,090)	0	0	0	3,331	(10,760)	(16,567)
17	62	(34,742)	0	0	0	2,414	(12,041)	(17,992)
18	63	(36,783)	0	0	0	1,377	(13,454)	(19,555)
19	64	(40,528)	0	0	0	170	(15,054)	(21,311)
20	65	(42,605)	0	0	0	(1,254)	(16,893)	(23,317)
21	66	(39,974)	0	0	0	(2,847)	(18,907)	(25,501)
22	67	(38,344)	0	0	0	(4,156)	(20,534)	(27,254)
23	68	(42,279)	0	0	0	(5,598)	(22,283)	(29,122)
24	69	(47,359)	0	0	0	(7,257)	(24,238)	(31,192)
25	70	(53,858)	0	0	0	(9,158)	(26,419)	(33,480)
26	71	(61,405)	0	0	0	(11,190)	(28,684)	(35,833)
27	72	(66,160)	0	0	0	(13,430)	(31,120)	(38,339)
28	73	(69,354)	0	0	0	(15,945)	(33,797)	(41,072)
29	74	(79,246)	0	0	0	(18,847)	(36,838)	(44,159)
30	75	(80,538)	0	0	0	(21,743)	(39,776)	(47,102)
31	76	(81,626)	0	0	0	(25,178)	(43,234)	(50,557)
32	77	(83,009)	0	0	0	(27,827)	(45,699)	(52,931)
33	78	(84,590)	0	0	0	(31,047)	(48,708)	(55,839)
34	79	(86,430)	0	0	0	(34,983)	(52,407)	(59,427)
35	80	(88,534)	0	0	0	(39,865)	(57,024)	(63,923)
36	81	(90,903)	0	0	0	(46,017)	(62,887)	(69,655)
37	82	(93,551)	0	0	0	(53,929)	(70,487)	(77,117)
38	83	(96,577)	0	0	0	(64,369)	(80,601)	(87,089)
39	84	(99,913)	0	0	0	(78,609)	(94,514)	(100,861)
40	85	(103,576)	0	0	0	(98,932)	(114,537)	(120,754)

Retirement Capital Needs

Projected annual savings verses retirement income

Prepared for: **Pete and Carrie Mitchell**

Prepared by:

		Deposit	Annual Savings Required			Reduction to Retirement Lifestyle		
Year	Age	(Withdrawal)	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive
41	86	(108,084)	0	0	0	(129,916)	(145,303)	(151,426)
42	87	(115,473)	0	0	0	(181,494)	(196,861)	(202,971)
43	88	(121,283)	0	0	0	(284,555)	(300,521)	(306,865)
44	89	(126,696)	0	0	0	(594,150)	(613,482)	(621,165)
45	90	(132,069)	0	0	0	(623,543)	(637,896)	(643,679)

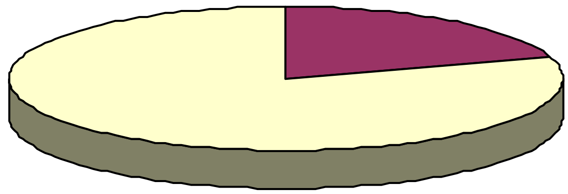
RRSP / RRIF

Projected investment values

Prepared for: **Pete Mitchell**
Prepared by:

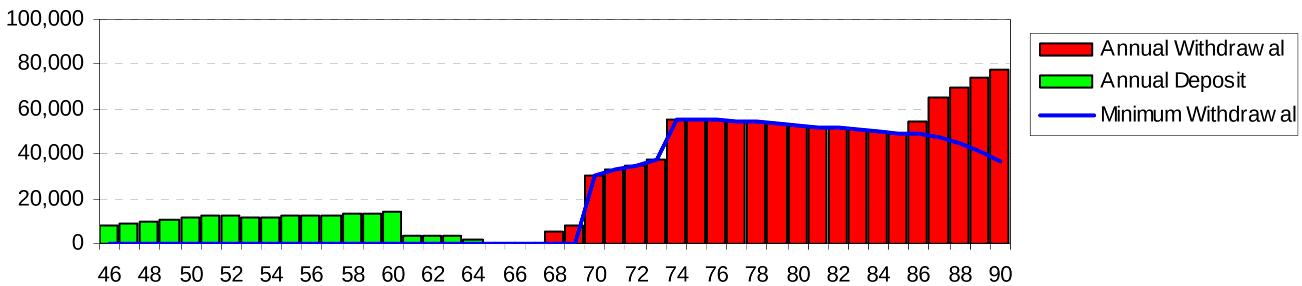
Investment Allocation

Cash:	0	0.00%
Bond:	4,000	20.00%
Equity:	16,000	80.00%
Total:	**20,000**	



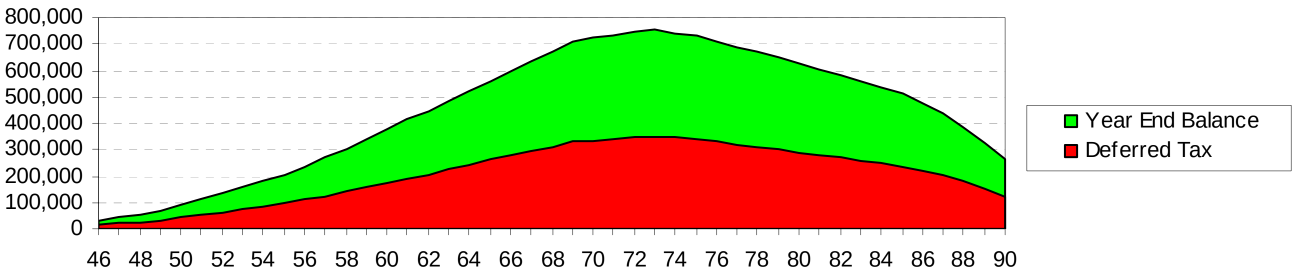
Registered Retirement Savings Plans (RRSPs) are one of the few (if not the last) tax shelters available to Canadians, and they should be used to the maximum extent possible. Not only do they offer an immediate tax deduction for amounts contributed into the plan, any money earned inside the plan is not taxed until it is withdrawn, presumable at retirement when one is in a lower tax bracket.

In order to maximize the value of your RRSPs you should contribute the maximum allowable each year and make each year's contribution as early in the year as possible. Ultimate accumulations also depend on how well you manage your portfolio of investments. A self-directed RRSP allows you to choose from a wide variety of investments and also take advantage of potentially lucrative foreign markets.



A RRIF offers the maximum flexibility in retirement income planning, as it allows you to maintain control over the investments held as well as the opportunity to control the level of income. You can start a RRIF at any age, but once started there is a minimum amount which must be taken into income each year. Your RRSPs must be matured no later than the year in which you turn 69, allowing you to delay the receipt of income until your age 70 if you wanted to.

Although this can sometimes be advantageous, you should remember that RRSPs were designed to produce income. They are not intended to be used as an estate planning tool. Tax eventually must be paid on all RRSPs, either during retirement as the funds are drawn for income, or ultimately in the estate. Although RRSPs may be rolled over to a spouse at death, when the surviving spouse dies all remaining balances become fully taxable as income in the year of death.



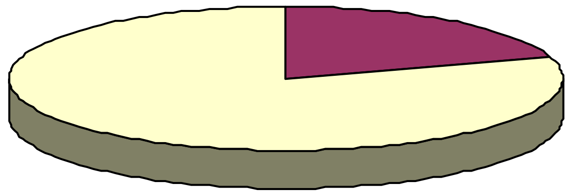
RRSP / RRIF

Projected investment values

Prepared for: **Carrie Mitchell**
Prepared by:

Investment Allocation

Cash:	0	0.00%
Bond:	5,000	20.00%
Equity:	20,000	80.00%
Total:	**25,000**	



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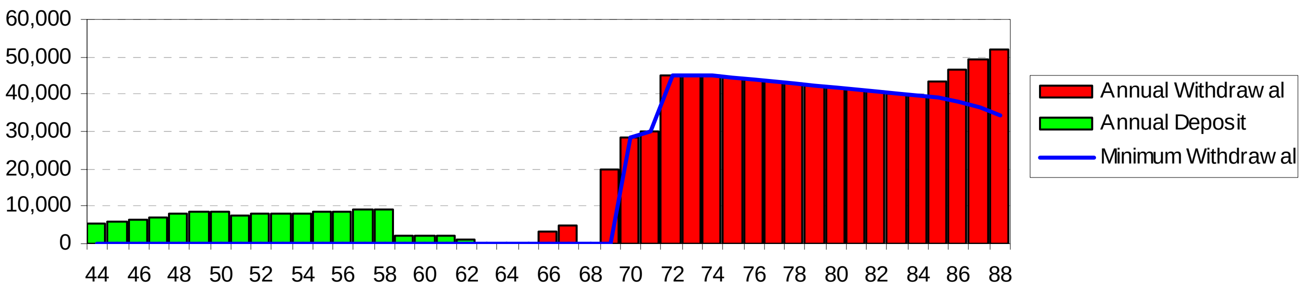

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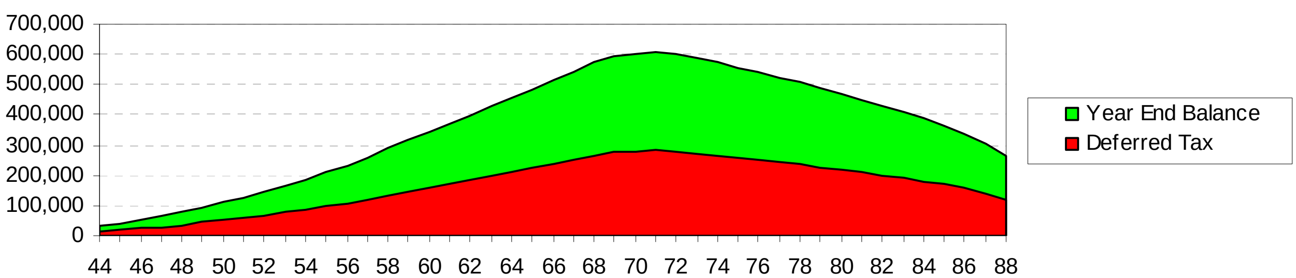


Non-registered Investments

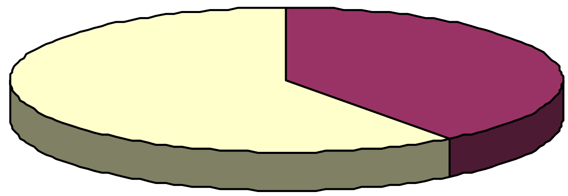
Projected investment values

Prepared for: **Pete Mitchell**

Prepared by:

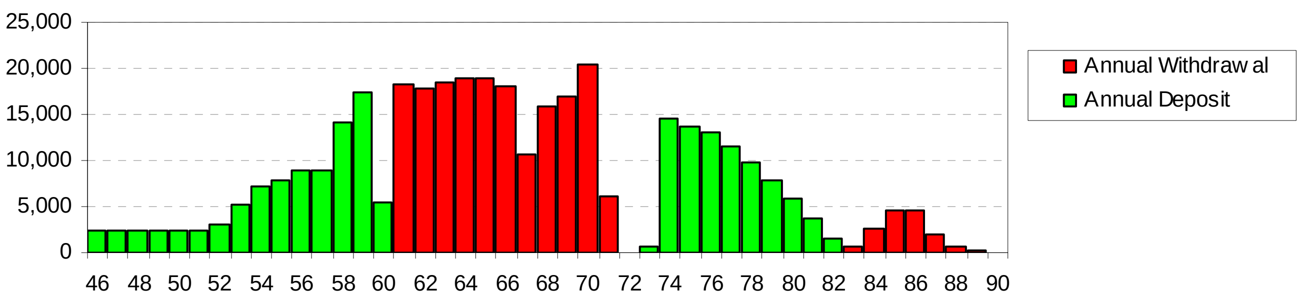
Investment Allocation

Cash:	0	0.00%
Bond:	12,000	40.00%
Equity:	18,000	60.00%
Total:	**30,000**	



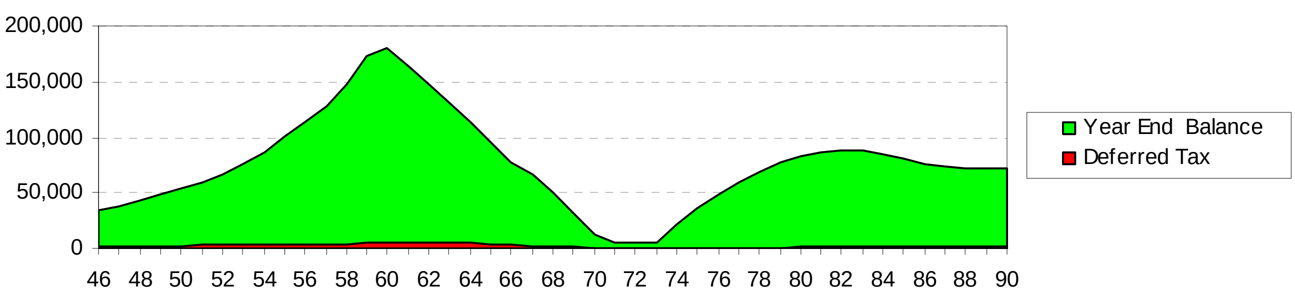
Diversification is an important element in any investment strategy, as it can help to reduce exposure to risk. A good investment plan should provide the best possible return for the degree of risk you are willing to assume. It must be kept in mind however, that there are different kinds of risk. Market risk or volatility is not the only kind of risk. There is also the risk of declining interest rates as well as the potential for erosion of purchasing power due to inflation. Your investment plan must also take into account tax considerations. Certain types of investment returns are fully taxed at an investor's top marginal rate, while other types of return feature significant tax advantages:

Interest is fully taxable each year at your top marginal rate.
Dividends are taxable as received, but those from Canadian companies are eligible for preferred tax treatment through the Dividend Tax Credit.
Capital Gains are only 50% taxable when realized. In the case of mutual funds, a percentage of gains must usually be reported each year even if shares are not disposed of, due to investment turnover within the fund.



The key to maximizing the growth of your investment portfolios is to strike the right balance between using tax efficient investments to your advantage and maintaining the right asset allocation relevant to your risk profile, accumulation requirements, and life cycle. Your asset allocation needs will change over time, and periodic realignments of a portfolio can force taxable gains.

The following graph offers an overview of how your position is likely to develop in the future based on your present investment strategy, including your current asset mix and plans for saving and investing.



Non-registered Investments

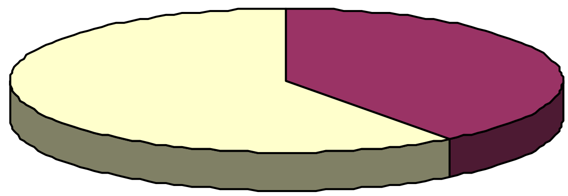
Projected investment values

Prepared for: **Carrie Mitchell**

Prepared by:

Investment Allocation

Cash:	0	0.00%
Bond:	10,000	40.00%
Equity:	15,000	60.00%
Total:	**25,000**	



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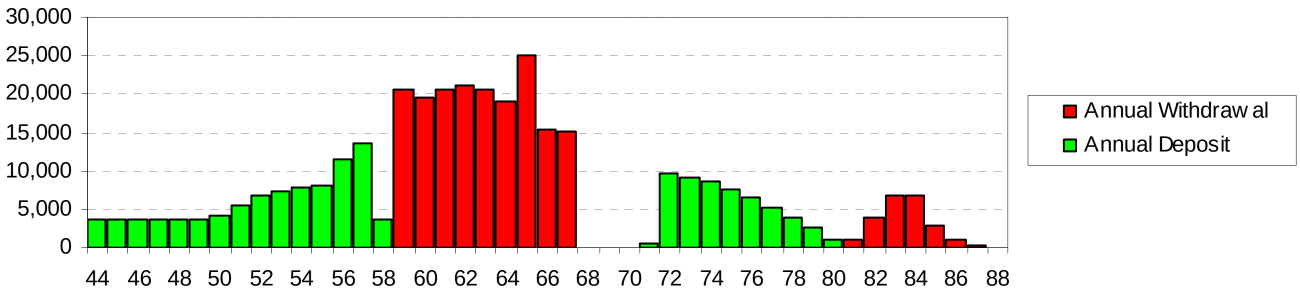

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