

Wealth Accumulation

This Session:

Presenting and Closing a Wealth Accumulation Sale

Goal:







To Present and Close the Sale of a Wealth Accumulation Product

Methods Presentation

Wealth Accumulation

METHODS
 Understanding Risk
 Building Wealth
 Proving What Matters Most

Main Menu

-  [Introduction To Planning Process](#)
-  [Life Insurance](#)
-  [Disability Insurance](#)
-  [Critical Illness Insurance](#)
-  [Long Term Care Insurance](#)
-  [Wealth Accumulation](#)

METHODS
 Understanding Risk
 Building Wealth
 Proving What Matters Most

Wealth Accumulation

- Concept
- Product Features

METHODS
 Understanding Risk
 Building Wealth
 Proving What Matters Most

Principles of Investing

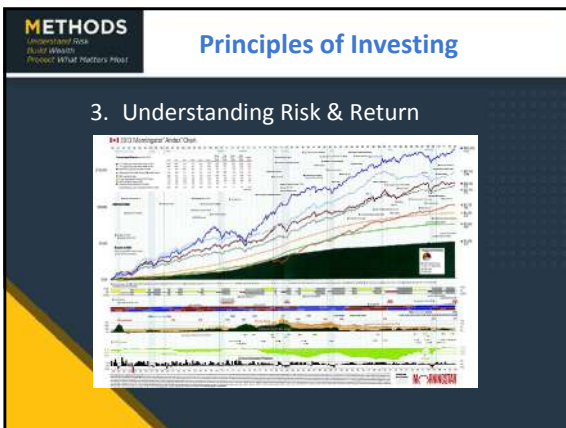
The 6 Principles of Investing

- ▶ Start today
- ▶ Reduce taxation/maximize grants
- ▶ Understand Risk & Return
- ▶ Invest systematically
- ▶ Diversify
- ▶ Rebalance















METHODS
Understand Risk
 Build Wealth
 Protect What Matters Most

Principles of Investing

5. Diversification/Asset Allocation

- ▶ Asset Classes
- ▶ Geographically
- ▶ Management Styles



METHODS
Understand Risk
 Build Wealth
 Protect What Matters Most

Principles of Investing

5. Diversification/Asset Allocation

Allocation questionnaire 

Which type of investor you are?

- ▶ Conservative investor
- ▶ Moderate investor
- ▶ Growth investor
- ▶ Aggressive Growth investor
- ▶ Maximum Growth investor




METHODS
Understand Risk
 Build Wealth
 Protect What Matters Most

Principles of Investing

6. Rebalancing

- ▶ Rebalancing is systematically selling high and buying low
- ▶ On a regular bases you reestablish the original asset mix by selling what has increased and reallocating to those funds which have decreased or grown at a slower pace
- ▶ This will result in better performance over the long term



Investment Type

Comparison

Between Mutual Funds & Segregated Fund

	Mutual Fund	Segregated Fund
EQUITY MARKET EXPOSURE	✓ Yes	✓ Yes
MATURITY GUARANTEE	No	✓ Yes
RESET FEATURE	No	✓ Yes
DEATH BENEFIT GUARANTEE	No	✓ Yes
ESTATE PLANNING BENEFITS	No	✓ Yes
CREDITOR PROTECTION	No	✓ Yes

Investor Profile Questionnaire

MPAT: METHODS

Date:

Signature:

Name:

1

Investment Goals

What is your investment horizon – when will you want to use your invested money?

- A. Under 3 years
- B. 3 – 5 years
- C. 6 – 10 years
- D. 11 – 15 years
- E. Over 16 years

2

What is our most important investment goal?

- A. I want my investments to be secure. I also need my investments to provide me with modest income now, or to fund a large expense within the next few years.
- B. I want my investments to provide a maximum amount of income now
- C. I want my investments to grow and I am less concerned about income. I am comfortable with moderate market fluctuations.
- D. I am more interested in having my investments grow over the long-term. I am comfortable with short-term return volatility.
- E. I want long-term aggressive growth and am willing to accept significant short-term market fluctuations.

3

Investor Knowledge

Which of the following would best describe your level of investment knowledge?

- A. Very limited (little to no knowledge)
- B. Basic (understand difference between stocks and bonds)
- C. Average (aware of different investment options and levels of risk)
- D. Extensive (thorough understanding of investment products and strategies)

4

Risk Tolerance

Please indicate which statement reflects your overall view on managing risk.

- A. I do not like risk and I am not prepared to expose my investments to any fluctuations in order to earn higher long-term returns.
- B. I am prepared to experience modest fluctuations in order to generate a higher long-term return.
- C. I am prepared to experience average fluctuations in order to achieve a higher long-term return.
- D. I want to maximize my long-term returns and am comfortable with significant fluctuations.

5 Investment Risk Profile

If you owned an investment that fell by 20% over a period of six to nine months, what would you do?

- A. Sell all of the remaining investment
- B. Sell a portion of the remaining investment
- C. Hold the investment and sell nothing
- D. Hold the investment and purchase more

6 The following portfolios show a best and worst range of return possible in any given year. Which portfolio would you be most likely to hold?

- A. Portfolio return range (-1% to 8%)
- B. Portfolio return range (-6% to 15%)
- C. Portfolio return range (-12% to 22%)

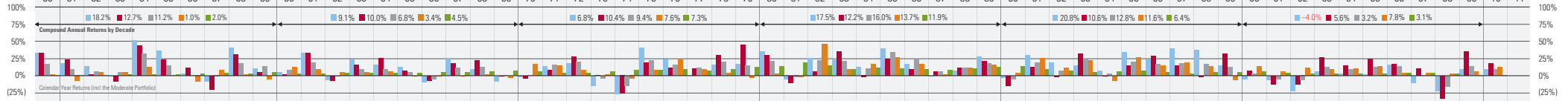
7 If you could increase your chances of improving your investment returns by taking more risk, would you be:

- A. Unlikely to take more risk
- B. Willing to take a little more risk with some of investments
- C. Willing to take a lot more risk with some of your investments
- D. Willing to take a lot more risk with all of your investments

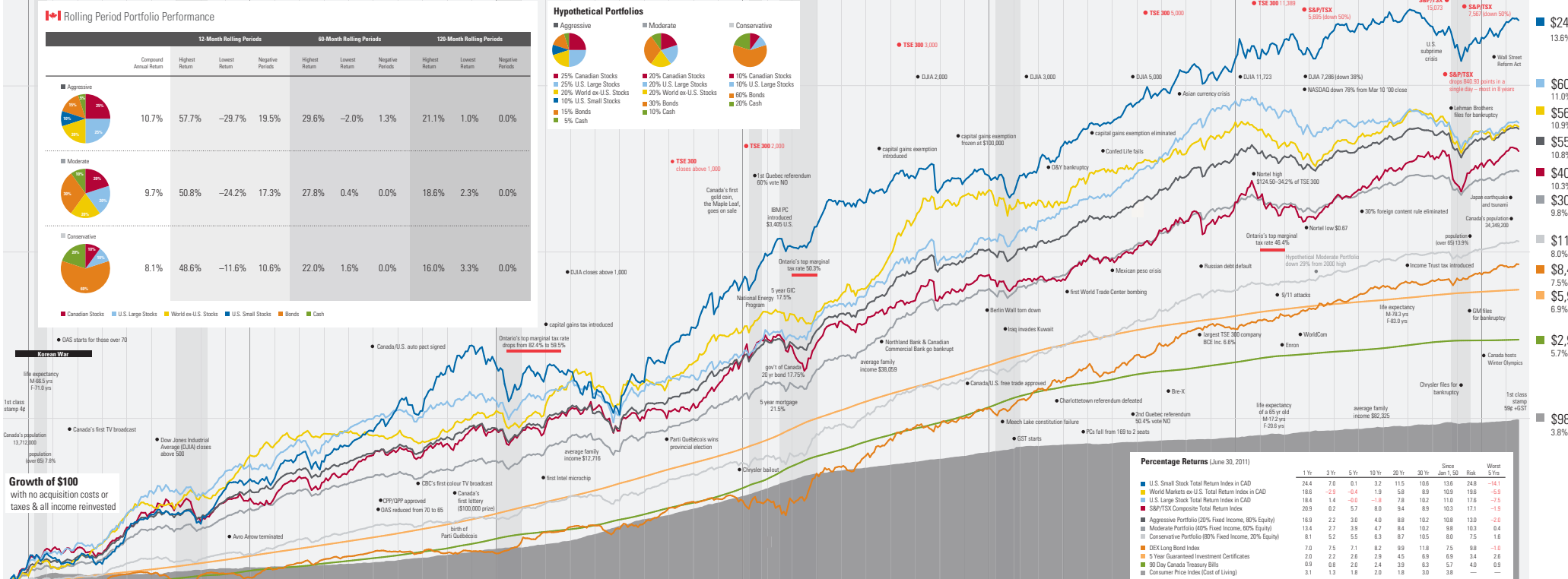
8 What type of investor are you?

- A. You may be reaching retirement or simply prefer to take less risk. Security of capital is your biggest concern.
- B. You may be close to retirement or you may be looking for growth. You are willing to take a little more risk with some of your investments.

Question #	A	B	C	D	E	Your Points	Investment Risk Profile				
Q1	0	2	6	10	15		CONSERVATIVE (0 – 10) If you are a conservative investor, you consider investment losses in any given year to be unacceptable. You like your investments to offer security.	MODERATE (11 – 30) If you're moderate, this means you don't mind a little bit of fluctuation in your investment returns, but you would be uncomfortable with significant ups and downs.	BALANCED (31 – 55) As a balanced investor, you prefer a consistent growth pattern with few fluctuations.	GROWTH (56 – 75) If you are a growth investor, you are willing to take a higher risk with your money in order to achieve potentially higher returns.	AGGRESSIVE (76 or more) Aggressive investors want long-term growth and you understand that a loss in one year may be the price you have to pay to achieve longer term growth.
Q2	0	4	6	10	15						
Q3	0	2	3	5	-						
Q4	0	2	6	10	-						
Q5	0	4	6	10	-						
Q6	0	3	5	-	-						
Q7	0	4	7	10	-						
Q8	0	4	8	11	15						
Your Total Score:							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

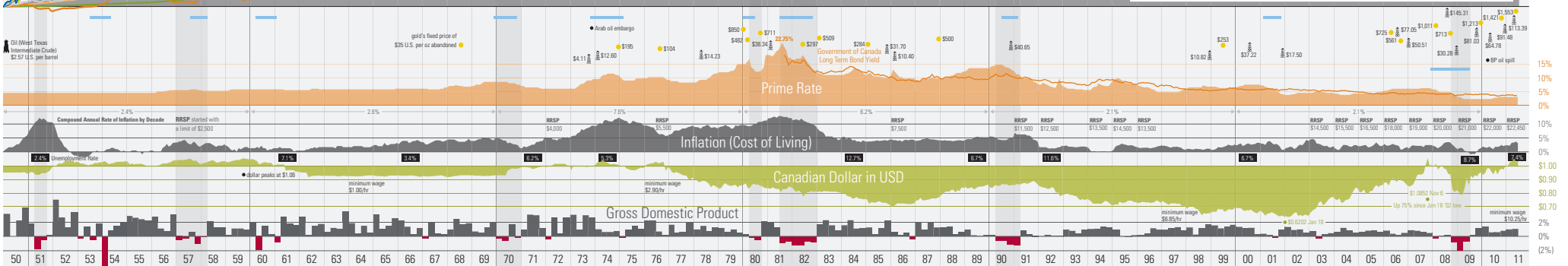


\$100,000
\$10,000
\$1,000
\$100



\$248,768
13.6%
\$60,150
11.0%
\$56,959
10.9%
\$55,242
10.8%
\$40,578
10.3%
\$30,706
9.8%
\$11,640
8.0%
\$8,473
7.5%
\$5,962
6.9%
\$2,984
5.7%
\$982
3.8%

	1 Yr	3 Yr	5 Yr	10 Yr	20 Yr	30 Yr	Since Jan 1, 50	Best 5 Yrs	Worst 5 Yrs
U.S. Small Stock Total Return Index in CAD	24.4	7.0	6.1	2.2	11.5	10.8	13.0	24.9	-14.1
World Markets ex U.S. Total Return Index in CAD	18.6	-2.0	-0.4	1.9	5.8	8.9	10.9	19.6	-5.9
U.S. Large Stock Total Return Index in CAD	18.4	1.4	-0.1	-1.8	7.8	10.2	11.0	17.6	-7.5
S&P/TSX Composite Total Return Index	20.9	0.2	5.7	6.0	9.4	8.9	10.3	17.1	-1.9
Aggressive Portfolio (20% Fixed Income, 80% Equity)	18.6	2.2	3.0	4.0	8.8	10.7	10.8	13.0	-2.0
Moderate Portfolio (40% Fixed Income, 60% Equity)	19.4	2.7	3.9	4.7	8.4	10.2	9.8	10.3	0.4
Conservative Portfolio (80% Fixed Income, 20% Equity)	8.1	5.2	5.5	6.3	6.7	10.5	8.0	7.5	1.6
D&D Long Bond Index	7.0	7.5	7.1	8.2	9.9	11.8	7.5	9.8	-1.0
5 Year Guaranteed Investment Certificates	2.0	2.2	2.8	2.9	4.5	6.9	6.9	3.4	2.6
90 Day Canada Treasury Bills	0.9	0.8	2.0	2.4	2.9	6.3	5.7	4.0	0.9
Consumer Price Index (Cost of Living)	3.1	1.3	1.8	2.0	1.8	3.0	3.8	—	—



Hypothetical value of \$100 invested at the beginning of 1950. Assumes reinvestment of income and no transaction costs or taxes. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. Past performance is no guarantee of future results. Government bonds and Treasury bills are guaranteed by the full faith and credit of the Canadian government as to the timely payment of principal and interest, while stocks are not guaranteed and have been more volatile than the other asset classes. Furthermore, small stocks are more volatile than large stocks and are subject to significant price fluctuations, business risks, and are thinly traded. International investments involve special risks such as fluctuations in currency, foreign taxation, economic and political risks, liquidity risks, and differences in accounting and financial standards. Canadian returns are defined as two or more consecutive quarters of negative GDP growth, while U.S. recession data is from the National Bureau of Economic Research (NBER). Gold prices are from the London Bullion Market Association and represent the London P.M. daily closing price per pure ounce. Oil and oil prices quoted in U.S. dollars. Hypothetical portfolios were created for illustrative purposes only. They are neither a recommendation, nor actual portfolios. All income was reinvested and the portfolio was rebalanced every 12 months. Returns are compound annual returns, and risk is calculated as the standard deviation of calendar year returns. The worst 5 year calculations are of 67 rolling 60 month periods. Source: U.S. Small Stock—represented by the IRI capitalization weights of stocks on the NYSE for 1950-1991 and the performance of the Dimensional Fund Advisors, Inc. U.S. Micro Cap Portfolio thereafter; World Markets ex U.S.—Global Financial Data for 1950-1989 and Morgan Stanley Capital International MSCI World ex U.S. Index thereafter; U.S. Large Stock—represented by the Standard and Poor's 500 index thereafter; the S&P 500 index thereafter; the S&P 500 index thereafter, which is an unmanaged group of securities and considered to be representative of the U.S. stock market in general; S&P/TSX Composite—Canadian Financial Markets Research Center for 1950-1990 and Standard and Poor's/TSX Composite Index total return series thereafter, which replaced the TSX 300 Total Return Index on May 1, 2002; D&D Long Bond Index—IC Bond, a business unit of TD, Inc.; 5 Year Guaranteed Investment Certificates—Bank of Canada; 90 Day Canada Treasury Bills—Bank of Canada; Consumer Price Index—Statistics Canada; Gross Domestic Product—Bank of Canada for 1950-1990 and Statistics Canada thereafter (the second quarter 2011 GDP value is an average analysts' estimate); Canadian Dollar in U.S. Dollars—Bank of Canada; Prime Rate—Bank of Canada; Government of Canada Long Term Bond Yield—Bank of Canada; a contractor is defined by a time period when the stock market value declined from its peak by 20% or more. Expression measures the recovery of the index from the bottom of a contraction to its previous peak and the subsequent performance of the index until it reaches the next peak level before another 20% decline. ©2011 Morningstar. All Rights Reserved.



Put RBC Select Guaranteed Investment Portfolios sheets here