

Canadian Financial Planning Awards

Final Submission

Competitor: CDA201805

A Message to the Judges

Dear Judges:

When compiling my work for submitting I realized that due to the modular nature of my process, the complexity of this case, and additional information that is not captured in the documents, that it might be difficult to follow my process. To that end, I thought it best to assemble the materials into a single document with a narrative explaining the entire case. I hope it meets with your approval.

Our Process

New clients being onboard at my firm experience the following process:

1. **Assessment Call:** Prospects are initially contacted by phone where a discussion is had to assess if the client is a fit for our firm based on fit, assets and interest in our offering. If they are a fit we explain our fee structure and they are invited in for an engagement meeting.
2. **Engagement Meeting:** We meet with the prospect face to face and discuss their biggest financial concerns, our offering, the process and our fee structure (see below). If the prospect wishes to proceed, they leave with an engagement agreement, an invoice, our financial planning questionnaire, and CRA representative forms (to grant us access to tax information).
3. **Financial Planning:** Once we receive all of the above documents we begin work on the financial plan. We complete an exhaustive deep dive that seeks to understand, the client, their financial situation and their goals. From there we work to optimize the plan through the application of various strategies that help them reach their goals and maximize their net worth.
4. **Investment Management Review:** Once the plan has been accepted, an IPS meeting is held that makes recommendations regarding this client's investments. All recommendations are made in a goal based framework and follow the same modern portfolio theory basis. After the client accepts, forms are completed, assets are transferred and the investments are implemented.
5. **Risk Management Review:** We assess the client's exposure to nine different risks that could endanger their financial plan. We present a report that analyzes their exposure, the probability of the occurrence and makes recommendations of strategies or insurance to protect them from said risk. Any insurance agreed to is then applied for.
6. **Tax Planning Review:** This presentation educates the client as to how the tax system really works, reviews the tax planning done to date, and recommends additional strategies that may be of interest. If the client wishes to proceed with said strategies, they are implemented.
7. **Estate Planning Review:** The client's existing estate documents are reviewed and a discussion is had with the client as to if they remain appropriate. If changes need to be

made, a memorandum is drafted with our recommendations. Once the client agrees, a meeting is booked with an estate lawyer to compose new documents. In addition, the tax bill on the clients estate is reviewed and options for how to handle it are discussed and if need be implemented.

8. Progress Review: At least every 3-6 months, the client is met with to review the progress made on their plan. At the first progress review an updated plan with any changes made in the previous modules is delivered.
9. Plan Restart: The entire process is completed at least every 3 years or sooner if a major life event deems it necessary.

Further to the above, niche services are offered to business owners and executives. In the case of business owners (the subject of this case) we also offer corporate structure planning, executive and group compensation solutions, succession planning, and business owner wealth planning.

Our Fee Structure

Our fees break down as follows:

- First year planning fee: We charge an upfront fee of \$5,000 to all new clients on boarding in their first year withus. \$2,500 is due prior to work on the plan being started and the balance is due once the financial plan is delivered. This fee only applies in the first year.
- Investment Management Fee: We charge a percentage of assets to client's investment accounts. The fee is on a sliding scale and is disclosed prior to a any funds being invested.
- Insurance Commissions: Any insurance policies sold by the firm earn the standard commission for the sale of said product. The commission is disclosed to the client in advance of the application.
- Banking & Mortgage Referral Fees: Should the client use the services of our mortgage broker, we are entitled to a commission on any lending products placed.

Any professional referrals made **do not** pay the firm a referral fee. The client pays the professional directly and said compensation stays entirely with the professional.

We have a strict policy that the firm will not accept tickets, travel or any other form of gifts from the suppliers with whom we conduct business with. The only exception that we make is when our clients ask for support for charitable events. In those cases we will ask suppliers to support said events.

Client Profile

The clients, to whom I will refer to as John & Jane Doe, were referred to me by an existing client. Their current advisor offered no planning services and they were looking to make a move.

During the assessment call and engagement meeting I learned the following about the clients:

- John is an [REDACTED]
[REDACTED]
- [REDACTED]
- They had 4 children (currently all adults).
- [REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]

The clients goals are as follows:

- Retirement: The client has "no plans to retire" however would like to know he has the financial security to do so no later than age 70. Original estimates pegged the need at \$110,000/year but this was found to be inclusive of debt payments and housing costs that will be lowered by a downsizing. The goal was subsequently lowered to exclude debt payments and reflect reduced lifestyle needs.
- Debt Free: To be debt free as soon as possible.
- Car Purchases: To continue to purchase new cars every 4 years starting in 2022 (originally 2018, but that has passed now) for \$45,000/car until age 80.
- Support Children: [REDACTED]
[REDACTED]
[REDACTED]
- Tax Minimization: The clients are paying a greater than 53% marginal tax rate on their income. They would like to do what they can to minimize the impact of taxation.

Timeline

This plan did not follow our typical process from day one. The engagement came with many twists, turns, tax law changes, setbacks and surprises. As such, while the initial engagement and plan was completed in 2016, it has been updated several times and the plan that is being submitted is actually one that was completed in early April 2018. Given all of the changes and issue that arose, I thought it best to provide a brief timeline and details of the events that occurred to provide context and background. Note that implementation took far longer due to the clients lack of availability and issues that arose. The details are as follows.

January 2016 - Initial Engagement

The clients signed off on the engagement letter and provided all materials in early January 2018. Work began on the plan the following week.

January to March 2016 - Insurance Policy Sale & The 2016 Federal Budget

During the planning stage I came across a time sensitive planning opportunity. The clients had a pair of term to 100 Universal life policies that were personally owned that were issued in 2008. At the time, a tax planning opportunity existed where one could:

- Have their policies valued by an actuary.
- “Sell” the policies to their own corporation for fair market value. If the corporation had insufficient cash to pay for the policy, it could be done by way of a promissory note.
- Proceeds received would be tax free in this case, as there was no cash surrender value to these policies.
- The only downside was that the sale price of the policy would become the new ACB of the policy. This would be reduced over time, but if the client died early on, the higher ACB would reduce the policy CDA credit and the ability to pull the full policy proceeds out tax free.

This strategy had always been one that we in the planning community were fearful would be taken away in the future. Given it was the beginning of the year, and budgets typically come in the first few months of the year, I knew that if there was an opportunity here that I had to move fast. I quickly contacted an actuarial firm for a free quote. One week later they estimated that the policies would be valued at between \$650-750,000.

I contacted the client and walked them through the strategy. They were ecstatic to say the least and agreed to proceed as quickly as possible. As such I submitted all the required materials to change ownership of the policy in February. The transfer and sale went through on March 9th for a total value of \$717,124.58. I advised the client that the smart thing to do would be to continue to take income, but at a lower level, and spread the use of this amount owed to them over time. Doing so would result in them taking income only at lower levels of taxation and saving the loan for higher tax rates, thereby maximizing the tax savings over the life of the strategy.

On March 22nd, 2016 the federal governments budget ended this tax planning strategy. We had made it with only 13 days to spare. The only downside was that the adjustment to the CDA was now permanent. This was explained to the client and they were still happy with the strategy.

Late Summer 2016



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Remainder of 2016

The remainder of 2016 was a busy period for the client. While they managed to pay off all their credit card debt, a family member suffered a personal setback that required financial support from the clients. This required a revision of the plan. It also led to us not meeting to discuss investing for the rest of the year.

Early 2017

The Investment Management meeting was held. The clients were shown various investment options, one was selected and implemented.

Spring 2017

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Summer 2017

[REDACTED] is a mid sized accounting firm that utilizes technology to deliver ongoing virtual bookkeeping, accounting, and planning. They were an ideal choice due to the high level of support they provide. Currently, we hold joint web conference calls with the client every quarter to review their cashflow, tax planning, and financial planning needs. The client has really appreciated the hands on approach.

After that summer, the federal government announced plans to overhaul the taxation of corporations in Canada. The proposals would have had a devastating impact on the clients. I advised them to reach out to any MPs to whom they had access they have access to and to protest these changes. Nothing was done to update the plan at the time as there was no clear confirmation of what would actually be passed.

Fall 2017

I met with the client to complete the Risk Management Review. This was done and recommendations were made. The clients also informed me that they had decided to downsize their home and use the proceeds to pay off debt. This would have to be worked into a plan update, however I held off due to uncertainty about the changes to corporate taxation.

During this time the federal government backed down on two of the four provisions in their proposal. The remaining two: income splitting and passive income, were still on the table.

Late 2018

The federal government announced that it would make changes to income splitting effective 2018 that would prevent the clients from paying dividends to their adult children. Income splitting between each other from the corporation was still on the table as both worked in the company. As such, it was decided with the accountants that it made more sense to pay larger dividends to

the kids one last time rather than draw on the promissory note owed to them by the corp. As such the promissory note was not used.

Early 2018

[REDACTED]

On March 1st, 2018, the federal government announced its proposed changes to the taxation of passive income. The changes had little impact on the client.

April 2018

The financial planning software used to plan for this client was updated to reflect the tax changes and the most recent plan was created. This is the plan that has been submitted

The client's estate planning meeting has not happened yet. This will be completed following the reorganization of his shareholdings. An estate planning memorandum has been drafted and has been submitted for your consideration.

The Engagement Agreement

A redacted copy of the engagement agreement follows.

December 29, 2015

[REDACTED]
Dear: [REDACTED]

This engagement letter sets out the terms and conditions of our engagement.

1. Client

The client(s) for which we are engaged by this letter is/are [REDACTED] ("you"). We are not engaged by any related persons or corporations and we will only take instructions from you or such other person as you advise us in writing is authorized to instruct us on your behalf.

2. Planning Process Services

Woodgate Financial Inc. agrees to provide you with the following services ("**Planning Process Services**"), as part of our financial planning process:

(a) **Initial Consultation**

Your initial consultation will consist of a 60-90 minute meeting, which will provide an opportunity for you to learn about our services, and for us to understand more about your situation ("**Initial Consultation**"). At this meeting you will receive a package of new client file opening documents that require your review and signature.

(b) **Financial Plan**

A comprehensive analysis of your current financial situation in comparison to your personal goals, with recommendations on how to achieve those goals ("**Financial Plan**"). This process includes data collection, drafting the Financial Plan, revision and the presentation of your Financial Plan to you at our offices. A hard copy and an electronic file of your Financial Plan will be provided for your records.

(c) **Investment Management Review**

An analysis of your current investment plan and the development and presentation of your Investment Policy Statement ("**IPS**"). The IPS will outline your general investment goals and describe the strategies that the investment manager will employ to meet your objectives. Specific information on matters such as asset allocation, risk tolerance, and liquidity requirements will also be included. If you choose to engage our investment management services, we will facilitate implementation of the recommended strategy, and monitor the portfolio

[REDACTED]

on your behalf. A hard copy and an electronic file of your IPS will be provided for your records.

(d) **Risk Management Review**

An analysis of your financial and health risk. This includes a detailed account of your current insurance holdings, any weaknesses in your present strategy and recommendations on how to better protect your family. The results of your risk management review are presented to you, and a hard copy and an electronic file of our risk management strategy will be provided to you for your review. Upon your approval of proposed strategy, we will facilitate its application and implementation.

(e) **Tax Planning Review**

An analysis of your current tax situation. This presentation includes an information session on shelters and strategies applicable to your circumstances, and recommendations on how to potentially reduce your tax bill. We will guide you through the implementation alongside a qualified accountant should complex strategies need to be put in place. A hard copy and an electronic file of your tax planning review and our recommended strategies will be provided for your records.

(f) **Estate Planning Review**

A review of your estate documents (wills, powers of attorney and trust documents), in order to remind you of their contents, note any deficiencies, and make recommendations if necessary. Following this review, we will meet to discuss whether or not changes need to be made, and if so, we will guide you through the estate planning process alongside a qualified estate lawyer. We will also help you to develop an estate record keeper to facilitate the execution of your estate. Finally, we will meet with and provide educational information to your executors, trustees, guardians and beneficiaries.

Following completion of all of the Planning Process Services set out above, you will be provided with a binder containing clean copies of each deliverable provided as part of the Planning Process Services, including a copy of your Financial Plan, our accompanying recommendations and a review of our next steps.

3. Timeline for Implementation of Plan

The estimated time required on our part to complete your Financial Plan is between 12-27 hours. This will largely depend on the complexity of your case. Completion of the entire process may take between 6-12 months depending upon the speed at which the requested data is provided, the level of complexity of your case, the need for outside professionals and your availability to meet.

[REDACTED]

4. Planning Process Services Fees, Invoicing & Payment of Fees

(a) Private Clients: \$5,000 + HST

There will be no charge for the Initial Consultation but a \$2,500 + HST fee is payable by all new private clients upon our initial engagement before we provide any of the other Planning Process Services to you. The further \$2,500 + HST will become payable upon completion and delivery of your Financial Plan. This flat fee includes up to 20 hours of Planning Process Services but you will be billed at a rate of \$275/hour + HST for each hour after 20 hours of Planning Process Services you receive. Although, no additional fees will be charged without prior notification to you by [REDACTED]

(b) Invoicing & Payment of Fees

You hereby agree to make an initial payment in the amount of \$2,500 plus HST upon our engagement at the time of delivery to us of this engagement letter signed by you and an additional \$2,500 plus HST upon delivery of your Financial Plan. Invoices will then be delivered to you monthly for any on-going services provided to you by [REDACTED]. You hereby agree to pay all such invoices within 30 days of issuance. You also acknowledge and agree that overdue amounts will be subject to monthly interest in the amount of 0.50% of the overdue amount owing at any such time, which is equal to an annual interest rate on the overdue amounts of 6.17%.

5. Plan Review, Revision and Communication Services

Your general plan, including your Financial Plan, and your progress should be periodically reviewed; the following are minimum standards that you can expect from us. We pledge to make ourselves more available to you based upon your needs, and can be reached by phone or e-mail to discuss ongoing questions or concerns that you may have.

Our review and revision schedule is as follows:

In person meetings:	Annually (at a minimum)
Telephone call from us:	Quarterly
Investment account statements:	Quarterly
Conference calls:	Quarterly
E-Wealth newsletter:	Monthly
Ad hoc phone/email contact:	Whenever necessary
Personal financial website:	Set up on your behalf if investments are implemented by [REDACTED]
Timely alerts/breaking news:	Periodic email

[REDACTED]

6. Plan Review, Revision and Communication Services Fees & Associated Costs

If investments are implemented with [REDACTED] investment management fees cover the costs of meetings and telephone calls. Following the completion of all the Planning Process Services, including delivery of your Financial Plan, you will not be invoiced any further for such services from [REDACTED]. However, if investments are not implemented with [REDACTED] then you will be billed for all further services provided by [REDACTED] at the rate of \$275/hour and invoiced monthly as set out in this engagement letter.

7. Investment Management Services & Fees

Following completion of the Planning Process Services, including delivery of your Financial Plan, should you retain [REDACTED] to manage your investment portfolio, ongoing fees will be dependent upon recommended strategy and amount invested. All potential costs will be discussed during the investment management review.

8. Other

(a) Insurance Solutions

Should you retain [REDACTED] to implement insurance solutions, market standard compensation will be payable to [REDACTED] by the insurance provider.

(b) Other Professionals' Services

Your situation may require the referral to and retention of other professionals such as lawyers, accountants, actuaries, or trustees. You will be billed directly for services performed by these professionals.

(c) [REDACTED]'s Referral Remuneration

With the exclusion of our mortgage/banking specialist, [REDACTED] does not receive remuneration for making referrals to outside specialists or professionals.

(d) [REDACTED] Gift & Inducement Policy

[REDACTED] does not accept gifts or other inducements (dinner, tickets to sporting events, etc.) from investment and insurance companies.

9. Services Not Being Provided

You hereby acknowledge and agree that you are hereby engaging [REDACTED] Inc. to provide the services specifically set forth in this engagement letter or as otherwise agreed to in writing and nothing in this engagement letter is intended to create duties or obligations of [REDACTED] except those expressly provided for herein.

[REDACTED]

10. Electronic Communications

During the course of our engagement, we may exchange electronic versions of documents and emails with you using commercially available software. Unfortunately, the available technology is vulnerable to attack by viruses and other destructive electronic programs. As a result while we have sought to take countermeasures, we cannot guarantee that all communications and documents will be virus free, and we make no warranty with respect to the security of any electronic communication between us and you hereby consent to our exchange of electronic communications, including confidential documents, unencrypted.

11. Termination of This Relationship

Both parties may choose to end this professional relationship at any time with written notice. At that time any accrued yet unpaid amount owing, including any hourly fees, will be invoiced and must be paid within 30 days.

12. Privacy & Confidentiality

We are committed to protecting the privacy, confidentiality, accuracy, and security of your personal information, so our collection, use and disclosure of your personal information will be subject to our Privacy Policy, which is enclosed.

13. Your Commitment & Obligations

(a) Disclosure

You agree to provide full and timely disclosure regarding any requested information or change in your financial situation.

(b) Meetings

You agree to make yourself available for meetings.

(c) Timely Communication

You agree to contact us in a timely fashion if you ever have questions or need clarification about any aspect of our work together.

14. Governing Law

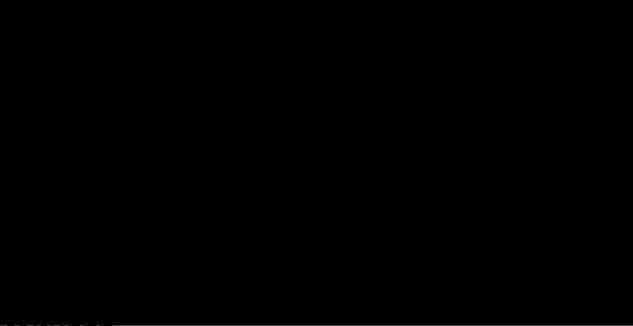
The terms of our engagement by you are governed by the laws of the Province of Ontario and the federal laws of Canada. Any dispute between us will be dealt with exclusively in the courts of the Province of Ontario and you agree to attorn to the jurisdiction of such courts.



Please confirm the terms of the engagement by signing and returning a copy to my attention.



We hereby ~~acknowledged~~ ^{acknowledged} and agree to the above terms of engagement:



Signed this 1 day of January, 2016.

Initials: M / WK

Policy Sale Valuation

The attached is a copy of the actuarial assessments for the sale of the issuance policies to their corporation.



Gordon B. Lang and Associates Inc.
1209 - 59th Avenue SE, Suite 260
Calgary, Alberta T2H 2P6

T. 403.249.1820 1.877.249.2999 F. 403.246.2431
www.gblinc.ca

Strictly Private & Confidential

March 18, 2016

[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]

Dear [Redacted]

Re: Sun Life Financial Policy No. [Redacted]

The above-mentioned Life Insurance Policy has been reviewed and a valuation has been prepared as at March 9, 2016. The principal features of this Policy are as follows:

Policy Date:	October 28, 2008
Calculation Date:	March 9, 2016
Death Benefit:	\$2,400,000
Coverage:	Universal Life Level Amount at Risk
[Redacted] Nearest at Issue:	50
Age Nearest at Calculation Date:	57
Current Rating:	100% Non-Smoker
Policy Fund:	\$1,016.84
Surrender Charge:	\$250.00
Cash Surrender Value:	\$766.84
Adjusted Cost Basis:	\$57,130.82
Policy Loan:	\$0.00
Level Monthly Cost:	\$1,181.67
Replacement Monthly Cost:	\$3,763.44

The relevant values of your Policy are as follows:

- | | |
|---------------------------------|-------------|
| 1) Cash Surrender Value: | \$766.84 |
| 2) Adjusted Cost Basis: | \$57,130.82 |

The transfer of a policy creates a deemed disposition resulting in a taxable income equal to the Cash Surrender Value less the Adjusted Cost Basis. Based on the information provided, the disposition would result in an estimated taxable income of \$0.00. Note this is just an estimate and does not constitute tax advice. Actual taxable information should be provided by the insurance company.

3) Fair Market Value of the Policy

The Fair Market Value of the Policy is equal to the present value of the difference between future costs for a replacement policy and the present value of costs for the existing policy plus the Policy Fund value.

The Fair Market Value of the Policy is as follows:

PV of replacement policy premiums	\$767,168.67
less PV future premiums	<u>240,881.66</u>
	\$526,287.01
plus Policy Fund	<u>1,016.84</u>
Fair Market Value	<u><u>\$527,303.85</u></u>

The present value calculation is based on the 9704 CIA Basic Male Non-Smoker Table at 100% of standard, discounted at a rate of 3.5% per annum compound.

The Fair Market Value of the Policy as of March 9, 2016 is \$527,303.85.

The fair market valuation was based on information as provided by the insured and/or agent representing the insured; we have relied on this information in our calculations.

I hereby certify that, in my opinion, the assumptions made in this valuation letter and the methods employed are appropriate for the purposes of this valuation and are determined in accordance with the guidelines in Information Circular 89.3 (paragraphs 40 and 41) and specifically items (a) through (g) of paragraph 41. The Fair Market Value is calculated in accordance with the requirements of the Canada Revenue Agency for the purpose of determining the Fair Market Value. This valuation was based on the life insurance policy and has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada.

Yours truly,

Navaz Cassam FCIA, FSA, CERA
Senior Vice President & Chief Actuary

Enc.

Fair Market Valuation of Sun Life Financial Policy No. [REDACTED] the life of [REDACTED]

Policy data

Insurer: Sun Life Financial
 Policy number: [REDACTED]
 Date of issue: October 28, 2008
 Date of next premium: March 28, 2016
 ACB: \$57,130.82
 Cash Value: \$1,016.84
 Surrender Charge: \$250.00
 CSV (net of charge): \$766.84
 Policy Fund: \$1,016.84
 Policy Loan: \$0.00

Insured data

Insured: [REDACTED]
 Date of Birth: January 25, 1959
 Date of Calculation: March 9, 2016
 Age Nearest at select date: 50
 Select period start date: October 28, 2008
 Select period: 7
 Sex: Male
 Original mortality rating: 100% Non-Smoker
 Current mortality rating: 100% Non-Smoker

Calculation data

Interest rate: 3.50%
 Mortality table: CIA9704
 Age Nearest: 50 + [7]
 PV of new policy premiums \$767,168.67
 PV of future premiums - \$240,881.66
 Policy Loan - \$0.00
\$526,287.01
 Policy Fund + \$1,016.84
 Fair Market Value \$527,303.85

Comparable Policy

Policy type: Universal Life Level Amount at Risk
 Date of issue: March 9, 2016
 Date of next premium: March 9, 2016
 Premium Type: Level
 Premium: \$3,763.44
 Premium Frequency: Monthly

Existing Policy

Policy type: Universal Life Level Amount at Risk
 Date of issue: October 28, 2008
 Date of next premium: March 28, 2016
 Cost Type: Level
 Policy cost: \$1,181.67
 Cost frequency: Monthly

t	Age	q _t	I _x ⁽¹⁾	v _x ⁽¹⁾	D _x ⁽¹⁾	Premium ⁽²⁾	A*D _x /D ₀ ⁽³⁾	Age	q _t	I _x ⁽¹⁾	v _x ⁽¹⁾	D _x ⁽¹⁾	Premium ⁽²⁾	B*D _x /D ₀ ⁽³⁾
						(A)							(B)	
0	57	0.00235	998,922	0.9844	983,350	\$45,161.24	\$44,409.32	57	0.00235	998,922	0.9844	983,350	\$14,180.08	\$13,943.99
1	58	0.00277	996,383	0.9511	947,683	\$45,161.24	\$42,798.52	58	0.00277	996,383	0.9511	947,683	\$14,180.08	\$13,438.22
2	59	0.00329	993,385	0.9190	912,882	\$45,161.24	\$41,226.89	59	0.00329	993,385	0.9190	912,882	\$14,180.08	\$12,944.74
3	60	0.00392	989,830	0.8879	878,857	\$45,161.24	\$39,690.27	60	0.00392	989,830	0.8879	878,857	\$14,180.08	\$12,462.26
4	61	0.00466	985,615	0.8579	845,523	\$45,161.24	\$38,184.85	61	0.00466	985,615	0.8579	845,523	\$14,180.08	\$11,989.58
5	62	0.00554	980,625	0.8288	812,796	\$45,161.24	\$36,706.87	62	0.00554	980,625	0.8288	812,796	\$14,180.08	\$11,525.51
6	63	0.00655	974,738	0.8008	780,598	\$45,161.24	\$35,252.79	63	0.00655	974,738	0.8008	780,598	\$14,180.08	\$11,068.95
7	64	0.00772	967,832	0.7737	748,860	\$45,161.24	\$33,819.44	64	0.00772	967,832	0.7737	748,860	\$14,180.08	\$10,618.89
8	65	0.00906	959,766	0.7476	717,509	\$45,161.24	\$32,403.61	65	0.00906	959,766	0.7476	717,509	\$14,180.08	\$10,174.34
9	66	0.01028	950,535	0.7223	686,580	\$45,161.24	\$31,006.81	66	0.01028	950,535	0.7223	686,580	\$14,180.08	\$9,735.76
10	67	0.01162	940,181	0.6979	656,139	\$45,161.24	\$29,632.05	67	0.01162	940,181	0.6979	656,139	\$14,180.08	\$9,304.10
11	68	0.01308	928,628	0.6743	626,163	\$45,161.24	\$28,278.31	68	0.01308	928,628	0.6743	626,163	\$14,180.08	\$8,879.05
12	69	0.01467	915,806	0.6515	596,638	\$45,161.24	\$26,944.92	69	0.01467	915,806	0.6515	596,638	\$14,180.08	\$8,460.38
13	70	0.01637	901,659	0.6294	567,560	\$45,161.24	\$25,631.72	70	0.01637	901,659	0.6294	567,560	\$14,180.08	\$8,048.05
14	71	0.01821	886,141	0.6081	538,932	\$45,161.24	\$24,338.84	71	0.01821	886,141	0.6081	538,932	\$14,180.08	\$7,642.10
15	72	0.02017	869,210	0.5876	510,762	\$45,161.24	\$23,066.63	72	0.02017	869,210	0.5876	510,762	\$14,180.08	\$7,242.64
16	73	0.02227	850,844	0.5677	483,065	\$45,161.24	\$21,815.84	73	0.02227	850,844	0.5677	483,065	\$14,180.08	\$6,849.91
17	74	0.02450	831,030	0.5485	455,864	\$45,161.24	\$20,587.36	74	0.02450	831,030	0.5485	455,864	\$14,180.08	\$6,464.18
18	75	0.02687	809,770	0.5300	429,183	\$45,161.24	\$19,382.45	75	0.02687	809,770	0.5300	429,183	\$14,180.08	\$6,085.85
19	76	0.02938	787,084	0.5120	403,056	\$45,161.24	\$18,202.50	76	0.02938	787,084	0.5120	403,056	\$14,180.08	\$5,715.36
20	77	0.03204	763,005	0.4947	377,515	\$45,161.24	\$17,049.05	77	0.03204	763,005	0.4947	377,515	\$14,180.08	\$5,353.19
21	78	0.03484	737,584	0.4780	352,600	\$45,161.24	\$15,923.83	78	0.03484	737,584	0.4780	352,600	\$14,180.08	\$4,999.89
22	79	0.03778	710,899	0.4618	328,353	\$45,161.24	\$14,828.84	79	0.03778	710,899	0.4618	328,353	\$14,180.08	\$4,656.08
23	80	0.04088	683,037	0.4462	304,819	\$45,161.24	\$13,765.99	80	0.04088	683,037	0.4462	304,819	\$14,180.08	\$4,322.35
24	81	0.04572	653,610	0.4311	281,826	\$45,161.24	\$12,727.63	81	0.04572	653,610	0.4311	281,826	\$14,180.08	\$3,996.32
25	82	0.05276	621,633	0.4165	258,980	\$45,161.24	\$11,695.84	82	0.05276	621,633	0.4165	258,980	\$14,180.08	\$3,672.35
26	83	0.06101	586,504	0.4025	236,088	\$45,161.24	\$10,662.01	83	0.06101	586,504	0.4025	236,088	\$14,180.08	\$3,347.74
27	84	0.07064	548,157	0.3889	213,196	\$45,161.24	\$9,628.22	84	0.07064	548,157	0.3889	213,196	\$14,180.08	\$3,023.14
28	85	0.08181	506,660	0.3757	190,400	\$45,161.24	\$8,598.68	85	0.08181	506,660	0.3757	190,400	\$14,180.08	\$2,699.88
29	86	0.09480	462,233	0.3630	167,837	\$45,161.24	\$7,579.72	86	0.09480	462,233	0.3630	167,837	\$14,180.08	\$2,379.94
30	87	0.11000	415,241	0.3507	145,682	\$45,161.24	\$6,579.20	87	0.11000	415,241	0.3507	145,682	\$14,180.08	\$2,065.79
31	88	0.12768	366,258	0.3389	124,159	\$45,161.24	\$5,607.18	88	0.12768	366,258	0.3389	124,159	\$14,180.08	\$1,760.59
32	89	0.14781	316,184	0.3274	103,567	\$45,161.24	\$4,677.20	89	0.14781	316,184	0.3274	103,567	\$14,180.08	\$1,468.58
33	90	0.17056	266,231	0.3163	84,262	\$45,161.24	\$3,805.38	90	0.17056	266,231	0.3163	84,262	\$14,180.08	\$1,194.84
34	91	0.19212	218,269	0.3056	66,751	\$45,161.24	\$3,014.55	91	0.19212	218,269	0.3056	66,751	\$14,180.08	\$946.53
35	92	0.21222	174,392	0.2953	51,533	\$45,161.24	\$2,327.28	92	0.21222	174,392	0.2953	51,533	\$14,180.08	\$730.74
36	93	0.23433	135,683	0.2853	38,741	\$45,161.24	\$1,749.61	93	0.23433	135,683	0.2853	38,741	\$14,180.08	\$549.36
37	94	0.25783	102,489	0.2757	28,276	\$45,161.24	\$1,277.00	94	0.25783	102,489	0.2757	28,276	\$14,180.08	\$400.96
38	95	0.28183	74,991	0.2663	19,992	\$45,161.24	\$902.86	95	0.28183	74,991	0.2663	19,992	\$14,180.08	\$283.49
39	96	0.30583	53,075	0.2573	13,672	\$45,161.24	\$617.46	96	0.30583	53,075	0.2573	13,672	\$14,180.08	\$193.88
40	97	0.32983	36,294	0.2486	9,034	\$45,161.24	\$408.00	97	0.32983	36,294	0.2486	9,034	\$14,180.08	\$128.11
41	98	0.35383	23,950	0.2402	5,761	\$45,161.24	\$260.16	98	0.35383	23,950	0.2402	5,761	\$14,180.08	\$81.69
42	99	0.37783	10,933	0.2321	2,554	\$26,344.06	\$102.96	99	0.37783	10,933	0.2321	2,554	\$8,271.71	\$32.33
43	100	1.00000	0	0.2243	0	\$0.00	\$0.00	100	1.00000	0	0.2243	0	\$0.00	\$0.00
						<u>\$767,168.67</u>							<u>\$240,881.66</u>	

(1) Figures are the average of 12 monthly amounts and will not precisely match qt figures. Period x represents the average from t to (t + 1).
 (2) Premium shown is the sum of monthly amounts which may not be equal to the annual equivalent.
 (3) These figures are exact calculations and will not precisely match calculations that use average figures from (2).



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Strictly Private & Confidential

March 18, 2016

[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]

Dear [Redacted]:

Re: Sun Life Financial Policy No. [Redacted]

The above-mentioned Life Insurance Policy has been reviewed and a valuation has been prepared as at March 10, 2016. The principal features of this Policy are as follows:

Policy Date:	October 28, 2008
Calculation Date:	March 10, 2016
Death Benefit:	\$1,000,000
Coverage:	Universal Life Level Amount at Risk
Age Nearest at Issue:	47
Age Nearest at Calculation Date:	54
Current Rating:	100% Non-Smoker
Policy Fund:	\$464.11
Surrender Charge:	\$250.00
Cash Surrender Value:	\$214.11
Adjusted Cost Basis:	\$14,104.50
Policy Loan:	\$0.00
Level Monthly Cost:	\$289.54
Replacement Monthly Cost:	\$1,114.18

The relevant values of your Policy are as follows:

1) Cash Surrender Value:	\$214.11
2) Adjusted Cost Basis:	\$14,104.50

The transfer of a policy creates a deemed disposition resulting in a taxable income equal to the Cash Surrender Value less the Adjusted Cost Basis. Based on the information provided, the disposition would result in an estimated taxable income of \$0.00. Note this is just an estimate and does not constitute tax advice. Actual taxable information should be provided by the insurance company.

3) Fair Market Value of the Policy

The Fair Market Value of the Policy is equal to the present value of the difference between future costs for a replacement policy and the present value of costs for the existing policy plus the Policy Fund value.

The Fair Market Value of the Policy is as follows:

PV of replacement policy premiums	\$255,841.75
less PV future premiums	<u>66,485.13</u>
	\$189,356.62
plus Policy Fund	<u>464.11</u>
Fair Market Value	<u><u>\$189,820.73</u></u>

The present value calculation is based on the 9704 CIA Basic Female Non-Smoker Table at 100% of standard, discounted at a rate of 3.5% per annum compound.

The Fair Market Value of the Policy as of March 10, 2016 is \$189,820.73.

The fair market valuation was based on information as provided by the insured and/or agent representing the insured; we have relied on this information in our calculations.

I hereby certify that, in my opinion, the assumptions made in this valuation letter and the methods employed are appropriate for the purposes of this valuation and are determined in accordance with the guidelines in Information Circular 89.3 (paragraphs 40 and 41) and specifically items (a) through (g) of paragraph 41. The Fair Market Value is calculated in accordance with the requirements of the Canada Revenue Agency for the purpose of determining the Fair Market Value. This valuation was based on the life insurance policy and has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada.

Yours truly,

Navaz Cassam FCIA, FSA, CERA
Senior Vice President & Chief Actuary

Enc.

Fair Market Valuation of Sun Life Financial Policy No. [REDACTED]

Policy data

Insurer: Sun Life Financial
 Policy number: [REDACTED]
 Date of issue: October 28, 2008
 Date of next premium: March 28, 2016
 ACB: \$14,104.50
 Cash Value: \$464.11
 Surrender Charge: \$250.00
 CSV (net of charge): \$214.11
 Policy Fund: \$464.11
 Policy Loan: \$0.00

Insured data

Insured: [REDACTED]
 Date of Birth: December 26, 1961
 Date of Calculation: March 10, 2016
 Age Nearest at select date: 47
 Select period start date: October 28, 2008
 Select period: 7
 Sex: Female
 Original mortality rating: 100% Non-Smoker
 Current mortality rating: 100% Non-Smoker

Calculation data

Interest rate: 3.50%
 Mortality table: CIA9704
 Age Nearest: 47 + [7]
 PV of new policy premiums \$255,841.75
 PV of future premiums - \$66,485.13
 Policy Loan - \$189,356.62
 Policy Fund + \$464.11
Fair Market Value \$189,820.73

Comparable Policy

Policy type: Universal Life Level Amount at Risk
 Date of issue: March 10, 2016
 Date of next premium: March 10, 2016
 Premium Type: Level
 Premium: \$1,114.18
 Premium Frequency: Monthly

Existing Policy

Policy type: Universal Life Level Amount at Risk
 Date of issue: October 28, 2008
 Date of next premium: March 28, 2016
 Cost Type: Level
 Policy cost: \$289.54
 Cost frequency: Monthly

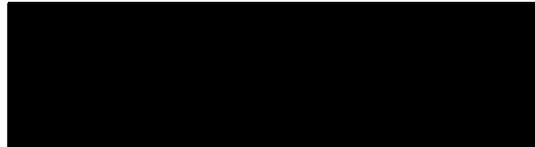
t	Age	q _t	I _x ⁽¹⁾	v _x ⁽¹⁾	D _x ⁽¹⁾	Premium ⁽²⁾	A*D _x /D ₀ ⁽³⁾	Age	q _t	I _x ⁽¹⁾	v _x ⁽¹⁾	D _x ⁽¹⁾	Premium ⁽²⁾	B*D _x /D ₀ ⁽³⁾
						(A)							(B)	
0	54	0.00145	999,335	0.9844	983,754	\$13,370.20	\$13,152.99	54	0.00145	999,335	0.9844	983,754	\$3,474.49	\$3,418.04
1	55	0.00166	997,790	0.9511	949,018	\$13,370.20	\$12,688.56	55	0.00166	997,790	0.9511	949,018	\$3,474.49	\$3,297.35
2	56	0.00191	996,019	0.9190	915,299	\$13,370.20	\$12,237.73	56	0.00191	996,019	0.9190	915,299	\$3,474.49	\$3,180.20
3	57	0.00219	993,989	0.8879	882,545	\$13,370.20	\$11,799.81	57	0.00219	993,989	0.8879	882,545	\$3,474.49	\$3,066.39
4	58	0.00253	991,658	0.8579	850,701	\$13,370.20	\$11,374.05	58	0.00253	991,658	0.8579	850,701	\$3,474.49	\$2,955.75
5	59	0.00292	988,971	0.8288	819,708	\$13,370.20	\$10,959.66	59	0.00292	988,971	0.8288	819,708	\$3,474.49	\$2,848.07
6	60	0.00337	985,880	0.8008	789,514	\$13,370.20	\$10,555.96	60	0.00337	985,880	0.8008	789,514	\$3,474.49	\$2,743.16
7	61	0.00387	982,332	0.7737	760,071	\$13,370.20	\$10,162.30	61	0.00387	982,332	0.7737	760,071	\$3,474.49	\$2,640.86
8	62	0.00446	978,264	0.7476	731,329	\$13,370.20	\$9,778.01	62	0.00446	978,264	0.7476	731,329	\$3,474.49	\$2,540.99
9	63	0.00505	973,637	0.7223	703,257	\$13,370.20	\$9,402.68	63	0.00505	973,637	0.7223	703,257	\$3,474.49	\$2,443.46
10	64	0.00573	968,417	0.6979	675,833	\$13,370.20	\$9,036.03	64	0.00573	968,417	0.6979	675,833	\$3,474.49	\$2,348.18
11	65	0.00647	962,540	0.6743	649,018	\$13,370.20	\$8,677.49	65	0.00647	962,540	0.6743	649,018	\$3,474.49	\$2,255.00
12	66	0.00727	955,960	0.6515	622,785	\$13,370.20	\$8,326.76	66	0.00727	955,960	0.6515	622,785	\$3,474.49	\$2,163.86
13	67	0.00814	948,629	0.6294	597,112	\$13,370.20	\$7,983.50	67	0.00814	948,629	0.6294	597,112	\$3,474.49	\$2,074.66
14	68	0.00905	940,512	0.6081	571,985	\$13,370.20	\$7,647.55	68	0.00905	940,512	0.6081	571,985	\$3,474.49	\$1,987.35
15	69	0.01001	931,587	0.5876	547,399	\$13,370.20	\$7,318.84	69	0.01001	931,587	0.5876	547,399	\$3,474.49	\$1,901.93
16	70	0.01102	921,831	0.5677	523,351	\$13,370.20	\$6,997.31	70	0.01102	921,831	0.5677	523,351	\$3,474.49	\$1,818.38
17	71	0.01206	911,234	0.5485	499,842	\$13,370.20	\$6,682.99	71	0.01206	911,234	0.5485	499,842	\$3,474.49	\$1,736.70
18	72	0.01314	899,795	0.5300	476,878	\$13,370.20	\$6,375.95	72	0.01314	899,795	0.5300	476,878	\$3,474.49	\$1,656.91
19	73	0.01425	887,515	0.5120	454,465	\$13,370.20	\$6,076.28	73	0.01425	887,515	0.5120	454,465	\$3,474.49	\$1,579.03
20	74	0.01539	874,405	0.4947	432,612	\$13,370.20	\$5,784.11	74	0.01539	874,405	0.4947	432,612	\$3,474.49	\$1,503.11
21	75	0.01655	860,484	0.4780	411,329	\$13,370.20	\$5,499.56	75	0.01655	860,484	0.4780	411,329	\$3,474.49	\$1,429.16
22	76	0.01774	845,775	0.4618	390,628	\$13,370.20	\$5,222.77	76	0.01774	845,775	0.4618	390,628	\$3,474.49	\$1,357.23
23	77	0.01894	830,307	0.4462	370,517	\$13,370.20	\$4,953.88	77	0.01894	830,307	0.4462	370,517	\$3,474.49	\$1,287.36
24	78	0.02017	814,115	0.4311	351,007	\$13,370.20	\$4,693.04	78	0.02017	814,115	0.4311	351,007	\$3,474.49	\$1,219.57
25	79	0.02141	797,233	0.4165	332,106	\$13,370.20	\$4,440.32	79	0.02141	797,233	0.4165	332,106	\$3,474.49	\$1,153.90
26	80	0.02267	779,705	0.4025	313,822	\$13,370.20	\$4,195.86	80	0.02267	779,705	0.4025	313,822	\$3,474.49	\$1,090.37
27	81	0.02597	760,854	0.3889	295,882	\$13,370.20	\$3,956.00	81	0.02597	760,854	0.3889	295,882	\$3,474.49	\$1,028.04
28	82	0.03120	739,278	0.3757	277,773	\$13,370.20	\$3,713.89	82	0.03120	739,278	0.3757	277,773	\$3,474.49	\$965.12
29	83	0.03715	714,206	0.3630	259,283	\$13,370.20	\$3,466.66	83	0.03715	714,206	0.3630	259,283	\$3,474.49	\$900.88
30	84	0.04469	685,218	0.3507	240,352	\$13,370.20	\$3,213.56	84	0.04469	685,218	0.3507	240,352	\$3,474.49	\$835.10
31	85	0.05380	651,753	0.3389	220,889	\$13,370.20	\$2,953.33	85	0.05380	651,753	0.3389	220,889	\$3,474.49	\$767.48
32	86	0.06442	613,542	0.3274	200,913	\$13,370.20	\$2,686.25	86	0.06442	613,542	0.3274	200,913	\$3,474.49	\$698.07
33	87	0.07649	570,656	0.3163	180,557	\$13,370.20	\$2,414.09	87	0.07649	570,656	0.3163	180,557	\$3,474.49	\$627.34
34	88	0.09006	523,499	0.3056	160,042	\$13,370.20	\$2,139.79	88	0.09006	523,499	0.3056	160,042	\$3,474.49	\$556.06
35	89	0.10524	472,761	0.2953	139,650	\$13,370.20	\$1,867.15	89	0.10524	472,761	0.2953	139,650	\$3,474.49	\$485.21
36	90	0.12207	419,422	0.2853	119,711	\$13,370.20	\$1,600.56	90	0.12207	419,422	0.2853	119,711	\$3,474.49	\$415.93
37	91	0.13705	365,402	0.2757	100,771	\$13,370.20	\$1,347.32	91	0.13705	365,402	0.2757	100,771	\$3,474.49	\$350.13
38	92	0.14955	313,281	0.2663	83,478	\$13,370.20	\$1,116.12	92	0.14955	313,281	0.2663	83,478	\$3,474.49	\$290.04
39	93	0.16338	264,496	0.2573	68,099	\$13,370.20	\$910.49	93	0.16338	264,496	0.2573	68,099	\$3,474.49	\$236.61
40	94	0.17884	219,463	0.2486	54,596	\$13,370.20	\$729.96	94	0.17884	219,463	0.2486	54,596	\$3,474.49	\$189.69
41	95	0.19528	178,613	0.2402	42,934	\$13,370.20	\$574.04	95	0.19528	178,613	0.2402	42,934	\$3,474.49	\$149.17
42	96	0.21277	142,352	0.2321	33,063	\$13,370.20	\$442.05	96	0.21277	142,352	0.2321	33,063	\$3,474.49	\$114.88
43	97	0.23130	110,902	0.2243	24,889	\$13,370.20	\$332.77	97	0.23130	110,902	0.2243	24,889	\$3,474.49	\$86.48
44	98	0.25089	84,297	0.2167	18,280	\$13,370.20	\$244.40	98	0.25089	84,297	0.2167	18,280	\$3,474.49	\$63.51
45	99	0.27152	43,746	0.2093	9,214	\$7,799.28	\$109.32	99	0.27152	43,746	0.2093	9,214	\$2,026.79	\$28.41
46	100	1.00000	0	0.2023	0	\$0.00	\$0.00	100	1.00000	0	0.2023	0	\$0.00	\$0.00
							\$255,841.75							\$66,485.13

(1) Figures are the average of 12 monthly amounts and will not precisely match qt figures. Period x represents the average from t to (t + 1).
 (2) Premium shown is the sum of monthly amounts which may not be equal to the annual equivalent.
 (3) These figures are exact calculations and will not precisely match calculations that use average figures from (2).

The Financial Plan

The attached is a copy of the revised financial plan. As detailed in the timeline section of this plan, what you are seeing is the most recent of several revisions.

PERSONAL FINANCIAL PLAN



Personal Financial Plan for



Prepared by:



April 25, 2018

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About This Plan

About This Plan

The First Step

Your financial plan represents the first and most important step in your holistic wealth management process. A well constructed financial plan serves as an audit of your current financial position, an assessment of the feasibility of your personal goals, and an opportunity to uncover potential options and opportunities.

Your financial plan will serve not only as the first step in the process, but also the key to subsequent steps. All of the following steps will be designed to support the goals outlined within this plan.

Plan Composition

When reviewing this plan it is important to note that the goals, recommendations, charts and numerical data presented within are specifically customized to your personal situation. The main body of the text is composed in more general terms.

Summary vs. Full Plan

This document is an executive summary of your complete plan. It seeks to summarize the salient points of the complete plan, which typically totals between 80-150 pages depending on the complexity of your personal situation. Should you wish to review the plan in its entirety we will provide you with a digital copy upon request.

Disclaimer

While great care has been taken to ensure the accuracy of all aspects of the document, it should be kept in mind that the projections are based on numerous assumptions, and as such it is unlikely that the future will unfold exactly as illustrated. The investment and/or life insurance values projected within this plan should not be construed as a prediction or guarantee of future performance. This document is designed to help you chart the appropriate course of action, and should be reviewed and revised when major life events occur and/or no less than every 3 years, to ensure its timeliness and relevance to your changing financial position.

Assumptions

The following are details of the key assumptions made with regard to your plan.

Inflation

Inflation is the rate at which the cost of living increases each year. It not only impacts expenses but also your income, pension benefits and market returns. For the plan, in keeping with the Bank of Canada target range, we assume an inflation rate of 2%.

Education Inflation

Over the last decade the tuition rates at Canadian post secondary institutions have increased between 6-8%/year. We factor this in along with the general rate of inflation on housing, food and books and utilize a return of 6% in our projections for tuition expenses.

Investment Returns

We utilize conservative long-term average rates of return for each of the 3 main asset classes: Cash, Bonds & Stocks. These numbers will at times not reflect recent/present/projected economic circumstances. However, given that this plan addresses a time period that spans the rest of your life, we assume these long-term averages in order to better reflect an average outcome over several market cycles. At present we use the following rate assumptions:

- Cash: 2%
- Bonds/Fixed Income: 4%
- Stock/Equity: 8%

Canada Pension Plan

Unless we have been provided with your CPP statement of contributions we will make the assumption that you will be entitled to 80% of the maximum benefit relative to income.

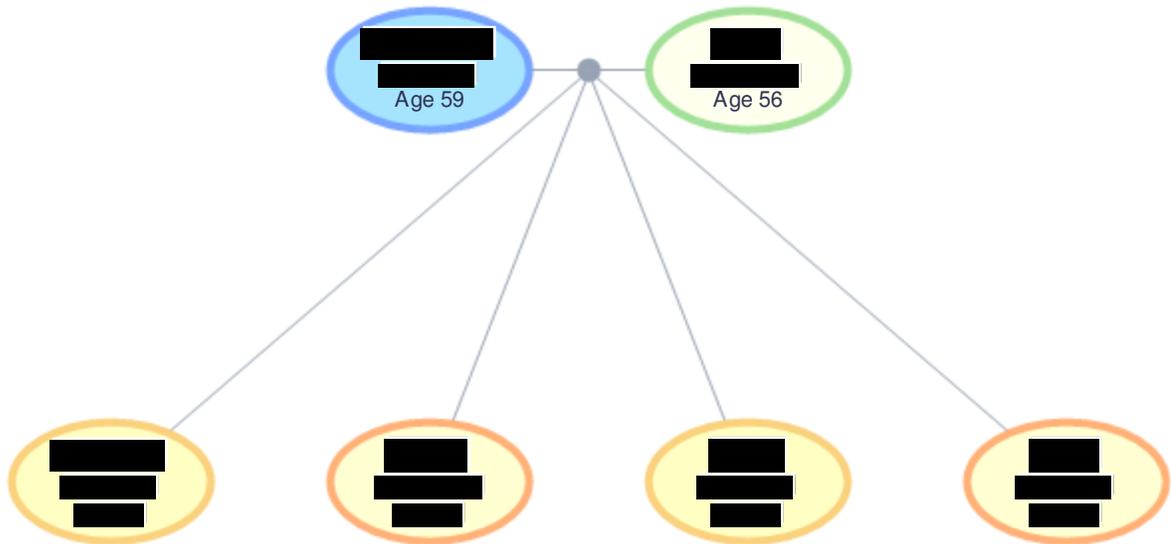
Life Expectancy

We project our plans to age 95. Although it is estimated that less than 5% of the population will see that age, it is important to project to this point just in case you are one of the 5%.

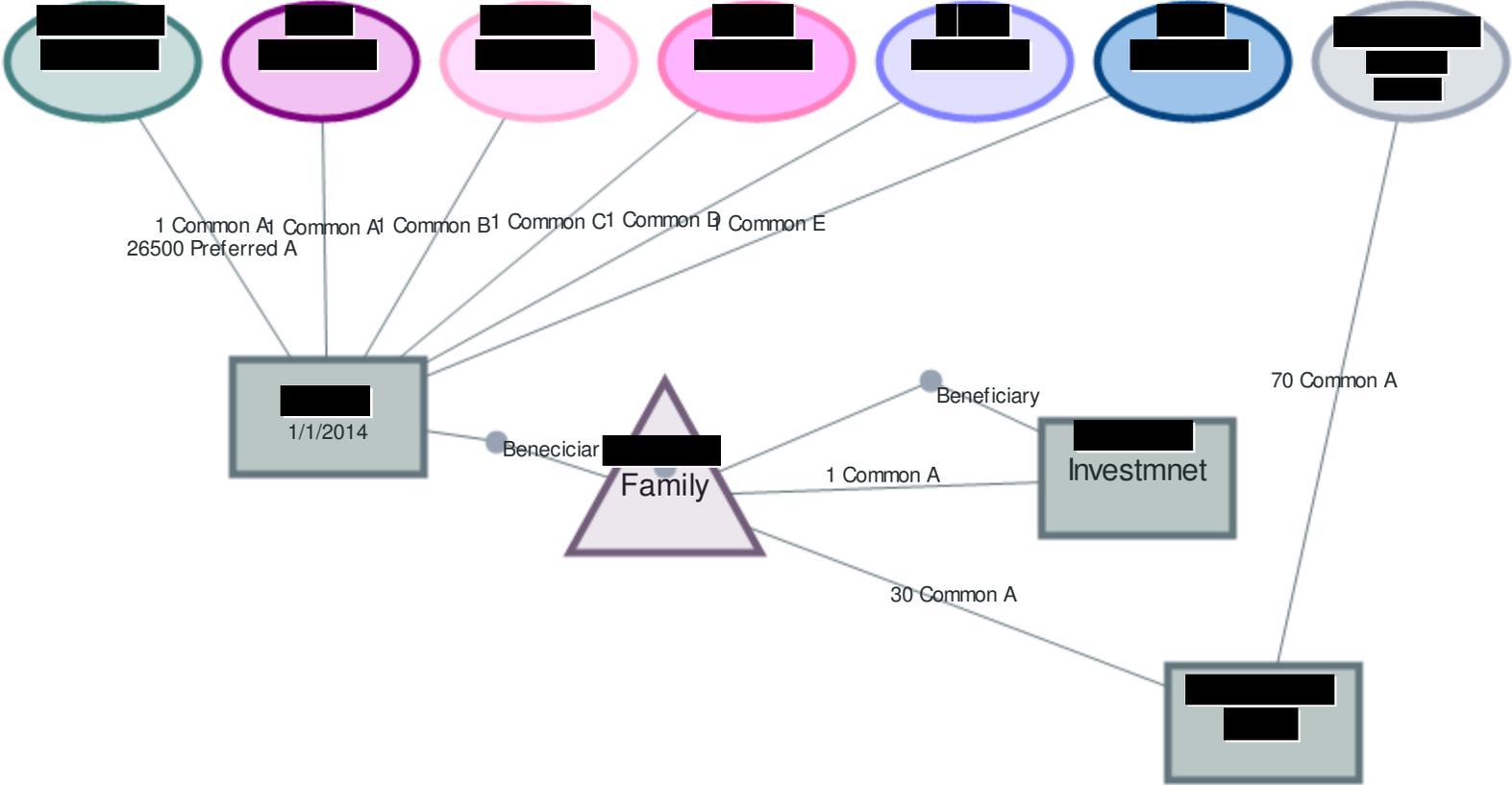
Spend vs. Save

For the sake of this plan we make the assumption that whatever you have told us you do not spend in a given year is available to be saved in said year.

Family Tree



Company Map



Objectives

Your goals and objectives are the primary reason for the composition of this plan. In order to test the feasibility of these goals we first need to break them down into specific, measurable, realistic and time- bound targets. Based on information provided by you we have identified the following list of your individual goals. Please note that all totals are in current year dollars.

- **Retirement:** You have no plans on retiring, but you would like to have the option of retirement no later than age 60 (\$60,000/year).
- **Car Purchases:** You would like to replace a cars every 4 years starting in 2022 (\$45,000/car).
- **Debt:** You would like to be out of debt as soon as possible.
- **Support Children:** You would like to continue to support your children financially until retirement, or longer if possible [REDACTED].
- **Tax Minimization:** You would like to minimize your personal and corporate tax bills.

Net Worth

Net Worth Statement

Your net worth is the value of what you own less the value of what you owe - assets less liabilities. Your net worth includes your possessions such as your home and your income assets such as your portfolios and RRSPs. The Net Worth Statement below is based on the values that you estimated. Your net worth is the starting point for your plan.

Work to 70 (Current Values)

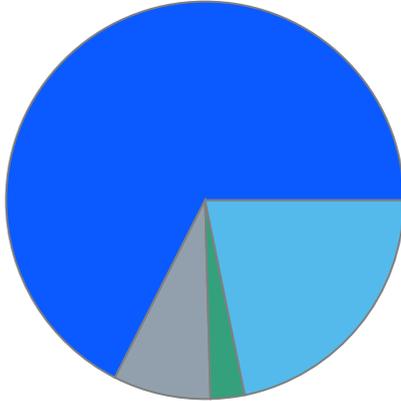
Assets and Liabilities		[REDACTED]	[REDACTED]	Total
Assets				
Homes	[REDACTED] Lane	\$437,500	\$437,500	
	<i>Subtotal</i>	<u>\$437,500</u>	<u>\$437,500</u>	\$875,000
Vehicles	2000 VW Golf	\$3,750	\$3,750	
	2012 VW Golf	\$7,500	\$7,500	
	2014 VW Jetta ([REDACTED])	\$5,186	\$5,186	
	2016 Dodge Ram 2500	\$34,802	\$34,802	
	<i>Subtotal</i>	<u>\$51,238</u>	<u>\$51,238</u>	\$102,476
Non-Reg. Portfolios	Accrual Account (accounting only)	\$13,341	\$13,341	
	Primary Account ([REDACTED])	\$9,291		
	<i>Subtotal</i>	<u>\$22,632</u>	<u>\$13,341</u>	\$35,973
Pension Plans	RRSP/LIRA ([REDACTED])	\$282,183		
	RRSP/LIRA ([REDACTED])		\$28	
	<i>Subtotal</i>	<u>\$282,183</u>	<u>\$28</u>	\$282,211
Private Companies	[REDACTED] [REDACTED] :: Common A	\$0		
	[REDACTED] [REDACTED] :: Common A	\$0		
	[REDACTED] [REDACTED] :: Common A			
	[REDACTED] [REDACTED] :: Preferred A	\$0		

Net Worth

Assets and Liabilities		[REDACTED]	[REDACTED]	Total
Assets				
	[REDACTED] [REDACTED]			\$0
	[REDACTED] Preferred A			
	[REDACTED] [REDACTED] :			
	[REDACTED] Preferred A			
	<i>Subtotal</i>	<u>\$0</u>		<u>\$0</u>
Total Assets		\$793,553	\$502,107	\$1,295,660
Liabilities				
Homes	[REDACTED] Lane - Scotia Mortgage 1	(\$274,180)	(\$274,180)	
	[REDACTED] Lane - Scotia Mortgage 2	(\$41,539)	(\$41,539)	
	<i>Subtotal</i>	<u>(\$315,719)</u>	<u>(\$315,719)</u>	<u>(\$631,438)</u>
Other	2016 Ram 2500	(\$15,416)	(\$15,416)	
	BMO LOC	(\$67,077)	(\$67,077)	
	BMO Personal Loan	(\$2,910)	(\$2,910)	
	BMO RRSP Readiline	(\$60)	(\$60)	
	RBC Visa	(\$8,029)	(\$8,029)	
	Scotiabank LOC	(\$46,335)	(\$46,335)	
	Scotiabank Value Visa	(\$4,334)	(\$4,334)	
	<i>Subtotal</i>	<u>(\$144,161)</u>	<u>(\$144,161)</u>	<u>(\$288,322)</u>
Total Liabilities		\$459,880	\$459,880	\$919,760
Net Worth		\$333,673	\$42,227	\$375,900

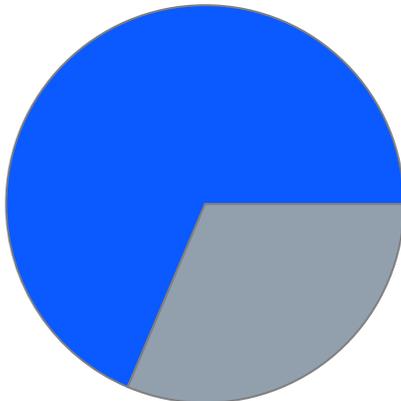
Net Worth

Total Assets Graph for 2018



Category	Amount	Percent
Homes	\$875,000	67.53
Vehicles	\$102,476	7.91
Non-Reg. Portfolios	\$35,973	2.78
RRSPs / Pension Plans	\$282,211	21.78
Private Companies	\$0	0.00
Total	\$1,295,660	100.00

Total Liabilities Graph for 2018



Category	Amount	Percent
Homes	\$631,438	68.65
Other	\$288,322	31.35
Total	\$919,760	100.00

Income & Cash Sources

Cash Sources (Income Plan)

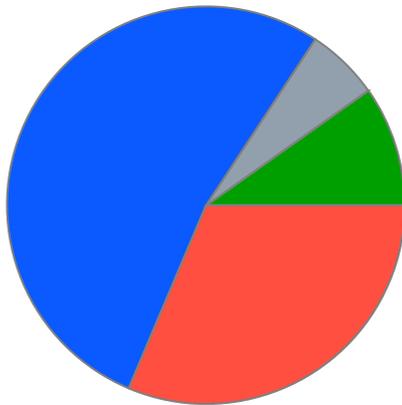
It is just as important to have an income plan as a spending plan. The table and graph below display your projected cash sources for the balance of this year and all of next year.

The stacked bar graphs and tables that follow display your projected sources over time. Asset sales and debt principal (mortgages and loans taken out) are **not** included.

Cash Sources Table: [REDACTED]

Category	Sub-Categories		Bal. 2018	2019
Career	Income	Receive a salary	\$112,500	\$153,000
Non-Reg. Portfolios	Primary Account	Dividends	\$93	\$98
Pension Plans	Receive CPP/QPP Retirement		\$0	\$9,937
Other Income	Other Non-Taxable	Shareholder Loan Repayment	\$68,000	\$35,190
Home Sales	[REDACTED] Lane		\$607,789	\$0
Debt Principal	Homes	[REDACTED]	\$360,000	\$0
Total			\$1,148,382	\$198,225

Cash Sources Graph for 2018: [REDACTED]



Category	Bal. Amount	Percent
Career	\$112,500	9.80
Non-Reg. Portfolios	\$93	0.01
Pension Plans	\$0	0.00
Other Income	\$68,000	5.92
Home Sales	\$607,789	52.93
Debt Principal	\$360,000	31.35
Total	\$1,148,382	100.00

Lifestyle Needs

Cash Uses (Spending Plan)

Once you have established your net worth and cash sources, you need to review your cash uses. Understanding them is key to building and keeping assets. If you intend to achieve your vision you should monitor your cash uses - your spending plan.

The table and chart below show your forecasted cash uses. They are sorted into general categories and sub-categories, so that you can better track them.

Cash Uses Table: [REDACTED]

Category	Sub-Categories		Bal. 2018	2019	
Homes	[REDACTED] Lane	Improvements	\$5,215	\$0	
		Operating Expenses	\$2,327	\$0	
		Other	\$1,193	\$0	
		Property Taxes	\$148	\$0	
	Home Purchases	Huntsville Home	\$450,000	\$0	
		Huntsville Home			
	Lifestyle Expenses	Entertainment	Operating Expenses	\$2,917	\$5,100
			Other	\$900	\$918
			Property Taxes	\$3,097	\$5,416
			Repairs	\$3,600	\$3,672
Hobbies		Entertainment	\$600	\$816	
		Food & Restaurants	\$11,250	\$15,300	
		Transfers to kids	\$9,375	\$12,750	
		Board & Lessons	\$2,020	\$2,748	
		Pets	\$1,557	\$2,118	
		Sports & Hobbies	\$2,799	\$3,807	
Vehicles	2017 Golf 5	\$8,712	\$11,849		
Family Expenses	Medical	Medical Expenses	\$2,045	\$2,782	
Career	Contr. / Premiums	CPP/QPP Contributions	\$1,945	\$2,759	
		El premiums	\$643	\$858	
RRSPs / Pension Plans	Contributions	RRSP/LIRA ([REDACTED])	\$0	\$600	
Insurance	Premiums	1, 5, 10, 20 Term - Sun Life	\$390	\$546	
		OMA C ([REDACTED])	\$41	\$55	
		OMA Health Insurance	\$214	\$292	
		[REDACTED] Sun Life D ([REDACTED])	\$115	\$153	

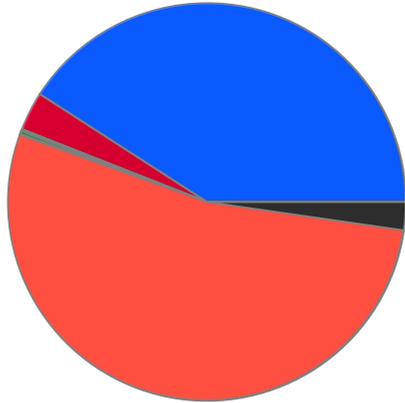
Lifestyle Needs

Cash Uses Table: [REDACTED]

Category	Sub-Categories	Bal. 2018	2019	
Debt Payments	Homes	Sun Life DI [REDACTED] Day	\$49	\$65
		Sun Life DI [REDACTED] Day	\$226	\$301
		Sun Life DI Overhead [REDACTED]	\$16	\$22
		[REDACTED] Lane - Scotia Mortgage 1	\$263,791	\$0
		[REDACTED] Lane - Scotia Mortgage 2	\$39,741	\$0
		[REDACTED]	\$109,736	\$62,217
	Other Personal / Student Loans	Jeep Cherokee Loan	\$18,280	\$0
		Mercedes Loan	\$5,011	\$7,515
		Scotia LOC 2	\$140,366	\$0
		Scotiabank LOC 1	\$31,453	\$0
Income Taxes	T1 General	VW Loan	\$2,466	\$3,699
			\$26,146	\$51,868
Total		\$1,148,384	\$198,226	

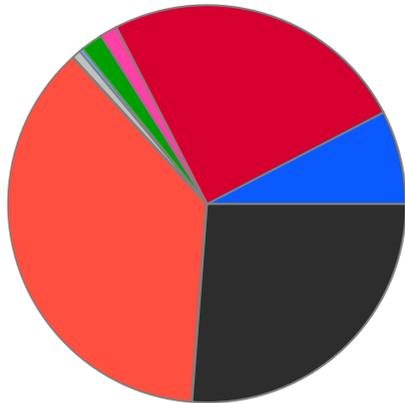
Lifestyle Needs

Cash Uses Graph for 2018: [REDACTED]



Category	Bal. Amount	Percent
Homes	\$469,397	40.87
Lifestyle Expenses	\$36,313	3.16
Family Expenses	\$2,045	0.18
Career	\$2,588	0.23
RRSPs / Pension Plans	\$0	0.00
Insurance	\$1,051	0.09
Debt Payments	\$610,844	53.19
Income Taxes	\$26,146	2.28
Total	\$1,148,384	100.00

Cash Uses Graph for 2019: [REDACTED]



Category	Amount	Percent
Homes	\$15,106	7.62
Lifestyle Expenses	\$49,388	24.91
Family Expenses	\$2,782	1.40
Career	\$3,617	1.82
RRSPs / Pension Plans	\$600	0.30
Insurance	\$1,434	0.72
Debt Payments	\$73,431	37.04
Income Taxes	\$51,868	26.17
Total	\$198,226	100.00

Investment Policy Statement

[REDACTED]

Total

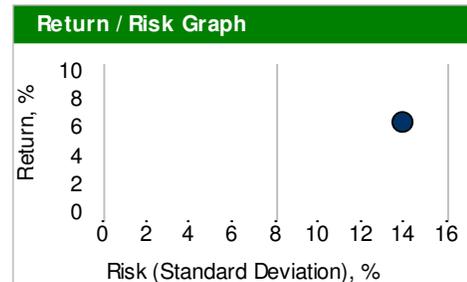
Portfolio Value **\$309,291**

Management Fees

Type	Current
MER / Fees	\$0

Return Assumptions

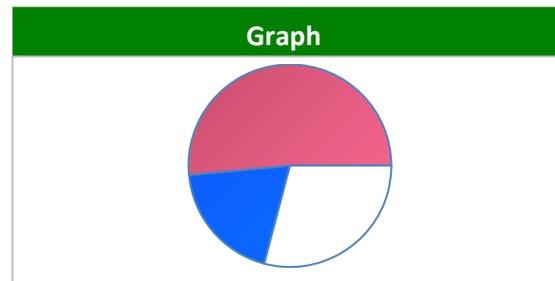
Return Assumptions	Current
Interest Return	1.55%
Dividend Return	0.61%
Foreign Dividend Return	1.16%
Capital Gains Return	1.16%
Net Asset Value Growth	1.91%
Return of Capital	0.00%
Total Return	6.40%
MER / Fees	0.00%
Net Return	6.40%



● Current Portfolio

Geography

Geography	Current
Canada	51.50%
U.S.	19.40%
Global	29.10%
Emerging Markets	0.00%
Total	100.00%

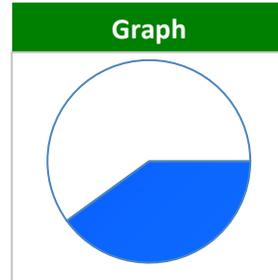


Investment Policy Statement

[REDACTED]

Sectors

Sector		Current
No Sector	<input type="checkbox"/>	60.00%
M/LT Fixed	<input checked="" type="checkbox"/>	40.00%
Total		100.00%

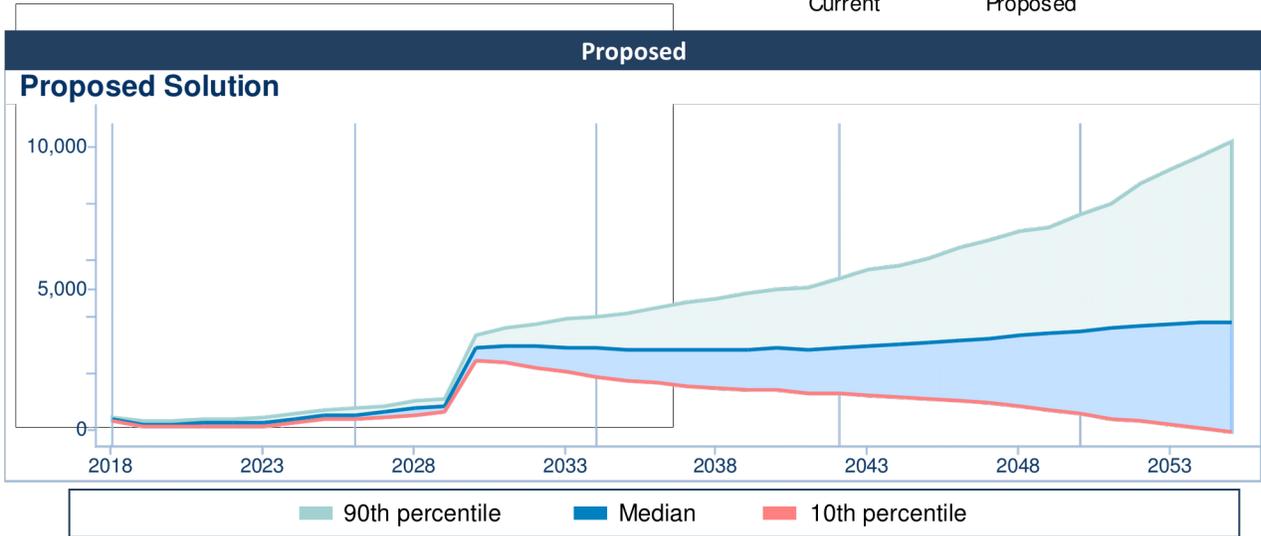
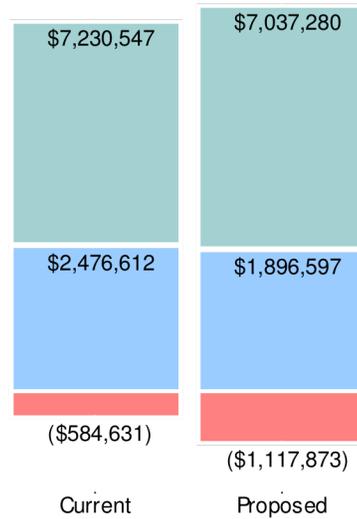


Investment Policy Statement

Monte Carlo

Investing in stock and bond markets come with risk. As such you experience can deviate from the projections in this plan. In order to ensure that this plan works in various market conditions we run an analysis of 500 different simulations in order to determine the probability of success in a variety of market conditions.

Probability of Success



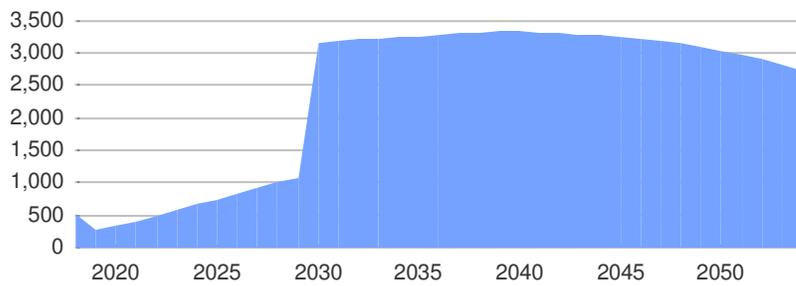
Net Worth Forecast

Net Worth Forecast

For a successful plan, your net worth must be positive at all times. Each year, you should strive to reach your net worth target. Of course, your annual target will change because your vision and financial situation will change.

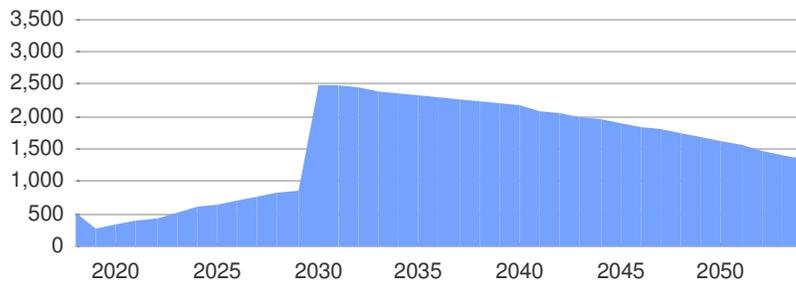
The following graphs and tables display the projected value of your net worth throughout your expected lifetime.

Net Worth (Actual / Inflated Dollars):



Year	Amount
2018	\$516,316
2019	\$279,755
2020	\$340,053
2021	\$409,301
2022	\$479,676

Net Worth (Today's / Constant Dollars):



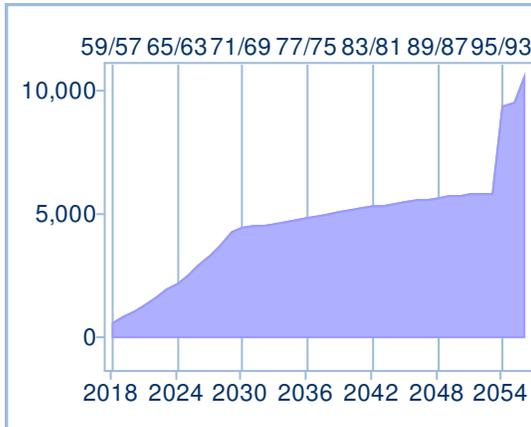
Year	Amount
2018	\$516,316
2019	\$274,270
2020	\$326,849
2021	\$385,693
2022	\$443,146

Comparison

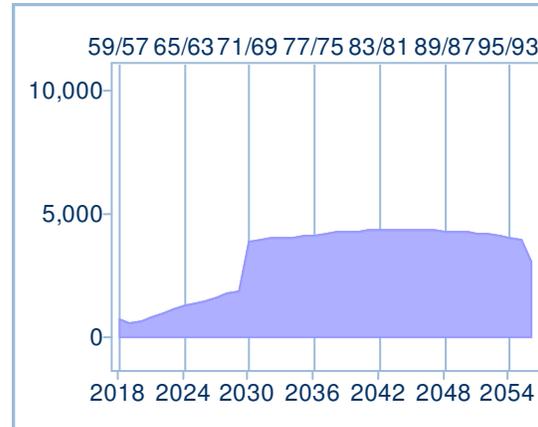
The impact of all of the actions you plan to take can be summarized by comparing the Net Worth and Income Assets projections of your current path with your plan.

Total Net Worth (\$000)

Work to 70



2018 Update



Recommendations

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

- Retire as scheduled! Your plan works (Required rate of return 3.5%).
- Reorganisation: Currently [REDACTED] owns the shares of [REDACTED] which are valued at \$1/share. The ownership of these shares should be changed to the following structure:
 - Establish a family trust named "The [REDACTED] Family Trust (2018)"
 - Settlor: TBD
 - Trustee:
 - Initial: [REDACTED]
 - Alternate: [REDACTED]
 - Secondary Alternate: The children equally, with a majority rules tie breaker.
 - Beneficiaries: The entire family, future issue, [REDACTED] Medicine Professional Corp and [REDACTED] Family investments (below).
 - Create a new corporation named "[REDACTED] Family Investments." This corporation will be both owned by and beneficiary of the trust.
 - [REDACTED] will sell her shares to the trust at market value, which currently equals the cost base. This will not result in any taxation.
 - End Result:
 - Capital Gains Exemption: The lifetime capital gains exemption on the sale of Canadian controlled private corporations will be increased from one person's exemption to no less than six (assuming no grandchildren are born prior to the sale). This increases the tax free capital gain on sale of the shares of [REDACTED] from \$848,252 to \$5,089,512. This will also increase with inflation to a maximum of \$6,000,000.
 - Dividends to Professional Corp: You will have the ability to transfer dividends from [REDACTED] to your Professional corp at your discretion. Note that this should be done solely for expense and debt repayment. Because your professional corp has unlimited liability, it is not advisable that you accrue assets within this corp.
 - Dividends to [REDACTED] Family Investments: The proposed structure will allow you to both pay and receive dividends from the family trust. Any

Recommendations

accrual of dividends should happen in this corporation to defer tax.

- Income Splitting Limitations: Due to new limitations on income splitting, we will unfortunately not be able to pay dividends to your children. However, given that [REDACTED] works more than 20 hours/week for your business, she will be able to receive dividends from the trust.
- Renegotiate Shareholders Agreement: Your current shareholders agreement effectively deals with dispute, disability, death, and funding, however I am concerned about the valuation formula outlined within it. The valuation formula is listed as “the value of capital stock + retained earnings + last 12 months net income - dividends paid.” I have concerns on several fronts. First of all, retained earnings already excludes dividends paid, as such this technically double counts them. Secondly, the stated desire is to pay out all retained earnings, as such the true value would be only the last 12 months net income. This is akin to selling the for a one times net income multiple. Given the recurring income nature of this business, this looks to be a very low valuation. I recommend you look to renegotiate this term of the deal to something that would reflect market value. For the sake of this plan, the current formula was used.
- Support of Children: Continue to support the children at a rate of \$25,000 until retirement. If you this expenses continues indefinitely, the plan will not work.
- Downsize: As per your plans, sell your \$1,200,000 home later this year and purchase a \$900,000 home (cost of move \$84,000).
- Income: [REDACTED] should draw \$150,000 of income going forward and [REDACTED] should draw \$100,000.
 - This was discussed and agreed to with the accountants as they assess the payment levels to be reasonable given [REDACTED] position.
- Policy Sale Loan: You still have over \$530,00 of the original \$717,000 loan owed to you by [REDACTED] that resulted from your sale of your life insurance policies to the corp. All after tax corporate income should flow to you tax free until this loan is fully “paid off.”
- RRSP: [REDACTED] should contribute \$50,000/year to his RRSP until all unused RRSP room has been used up. Once caught up, the IPP (below) will utilize all but \$600/year in room. This room should also be utilized going forward.
- IPP: Start an Individual Pension Plan for [REDACTED] in 2019. This will allow you to over time allow you to accumulate over 30% more to your retirement savings than a conventional RRSP. See the attached illustration for details. [REDACTED] limited and lower income history from the company limits the effectiveness of this strategy for her. The pension should not be done in 2018 as the focus for the year will be paying off and restructuring your debt. As well, dividends from [REDACTED] are not expected to start

Recommendations

flowing until next year. This additional cash flow will better enable you to meet the obligations of the Pension Plan.

- Debt:
 - Once the house is sold, consolidate all remaining debt, with the exception of the Volkswagen loan at 0% and the Mercedes Benz loan of 2.99%, under a new mortgage.
 - All free cash flow beyond what is required for lifestyle should be used to pay down your mortgage as aggressively as possible. Based on your income and expense projections, you are scheduled to be out of debt in 2023.
- Emergency Fund: until you are debt free, maintain line of credit in case of emergencies. Once debt free, set aside \$65,000 in a low risk corporate class short term bond fund.
- TFSA: Once your debt is paid off, all free cash flow should be used to fund both your TFSA contributions.
- Insurance Premiums: Pay for your disability and critical illness policies personally in order to ensure that the benefit will be tax-free on claim. The life insurance policies will now be paid for by the corporation.
- Investment Corporation: Once debt free, you should limit funds removed from your corporate structure to only what you require to maintain your lifestyle and funds TFSA contributions. All additional funds should flow through to [REDACTED] Investment Corporation.
- Taxable Investments: Invest all personal and corporate taxable investment accounts in corporate class mutual fund portfolios in order to convert income to capital gains and defer income until desired time of realization. Capital gains should then be triggered as needed to fund lifestyle.
- Capital Dividend Account: Realize any capital dividend account credits in the year they are generated.
- RDTOH: Any non-capital dividends paid from the corp should utilize any available Refundable Dividend Tax on Hand.
- CPP: Apply for CPP at age 60 and use the increased cash flow to pay down debt. While this will result in a reduction of 36%, the added cash flow will get you out of debt sooner. Continue contributing to CPP age 65, as legally obligated, but not beyond 65.
- OAS: Apply for OAS at 70. Given you will be subject to full clawback, there is no point in taking it sooner. Waiting until age 70 will also increase the benefit amount by 30%.

Recommendations

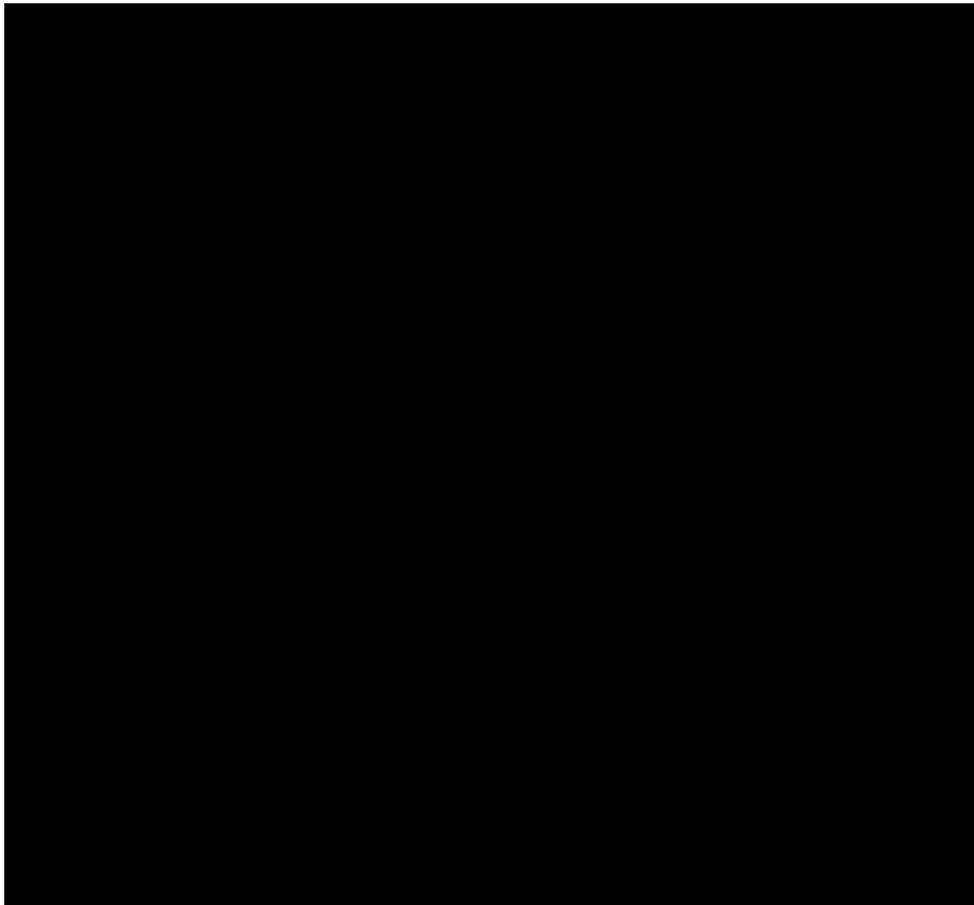
- Retirement Income: In retirement it will be necessary to review your various sources and forms of potential income (corporate dividend, investment returns, pension and RRSP income) to determine which sources should be drawn in which proportion.

Next Steps

The First Step

Now that you have received this plan, we recommend that you review it in order to ensure it's accuracy. Should anything appear incorrect please contact us to discuss so that we might provide you with a more accurate version of this plan.

Once you are comfortable with this plan we can move forward with the rest of the process. The next step will be to address the structure of your investment in your Investment Management Review.



Appendix

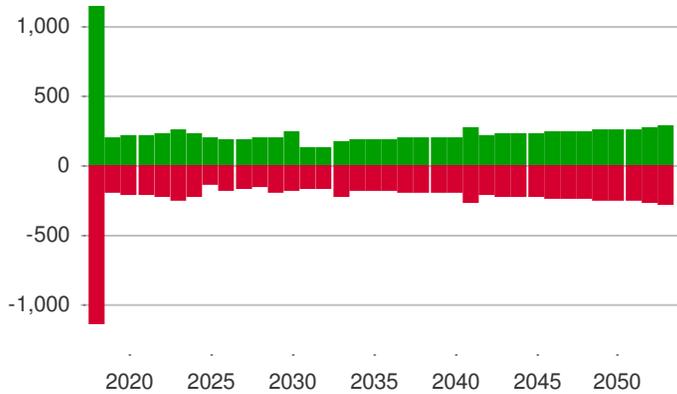
The following summarizes the plans cash flows over time.

Net Cash Flow Forecast

Cash Sources and Cash Uses

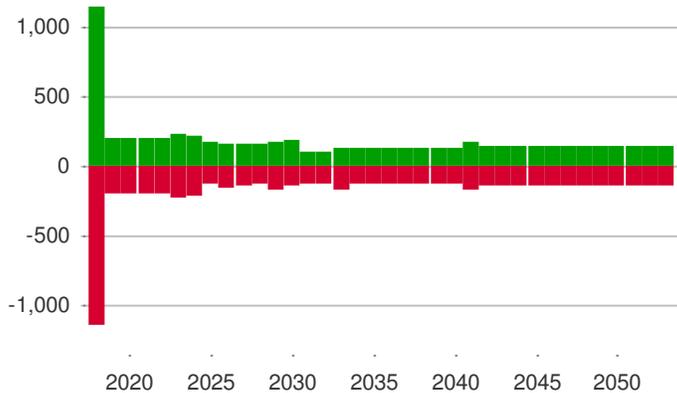
The following graphs and tables display your projected cash sources and cash uses. In some years, your net cash flow (sources minus uses) may be negative. This need not be a concern as long as your forecasted income assets are positive throughout your lifetime. For detail, refer to the Income Assets Forecast section.

Cash Sources and Cash Uses (Actual / Inflated Dollars): [REDACTED]



Year	Sources	Uses
2018	\$1,148,382	\$1,148,382
2019	\$198,225	\$198,225
2020	\$208,837	\$208,837
2021	\$215,670	\$215,670
2022	\$222,693	\$222,693
2023	\$259,721	\$259,721
2024	\$235,077	\$235,077
2025	\$196,223	\$145,374
2026	\$189,137	\$189,137
2054	\$293,167	\$293,167

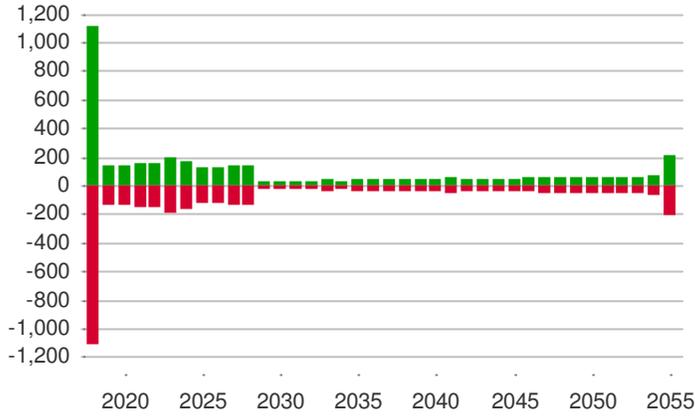
Cash Sources and Cash Uses (Today's / Constant Dollars): [REDACTED]



Year	Sources	Uses
2018	\$1,148,382	\$1,148,382
2019	\$194,339	\$194,339
2020	\$200,727	\$200,727
2021	\$203,231	\$203,231
2022	\$205,734	\$205,734
2023	\$235,238	\$235,238
2024	\$208,741	\$208,741
2025	\$170,824	\$126,557
2026	\$161,427	\$161,427
2054	\$143,717	\$143,717

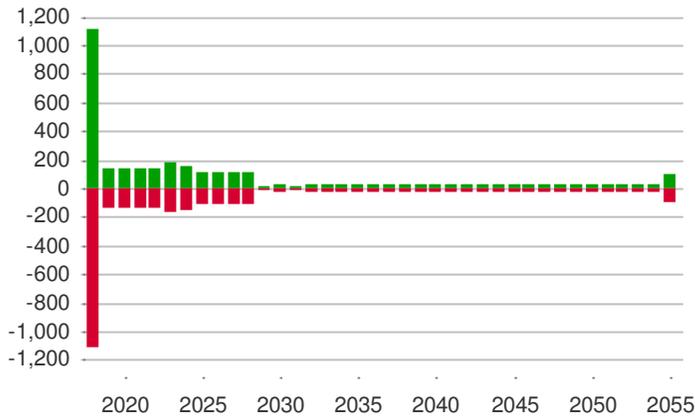
Net Cash Flow Forecast

Cash Sources and Cash Uses (Actual / Inflated Dollars): [REDACTED]



Year	Sources	Uses
2018	\$1,110,789	\$1,110,789
2019	\$137,190	\$137,190
2020	\$145,656	\$145,656
2021	\$151,222	\$151,222
2022	\$156,953	\$156,953
2023	\$192,662	\$190,079
2024	\$166,698	\$166,698
2025	\$121,859	\$121,859
2026	\$126,898	\$129,923
2056	\$328,256	\$1,092,624

Cash Sources and Cash Uses (Today's / Constant Dollars): [REDACTED]



Year	Sources	Uses
2018	\$1,110,789	\$1,110,789
2019	\$134,500	\$134,500
2020	\$140,000	\$140,000
2021	\$142,500	\$142,500
2022	\$145,000	\$145,000
2023	\$174,500	\$172,160
2024	\$148,023	\$148,023
2025	\$106,086	\$106,086
2026	\$108,307	\$110,888
2056	\$154,670	\$514,830

Net Cash Flow Forecast

Net Cash Flow Table (Actual / Inflated Dollars): Total

Category	Bal. of 2018	2019	2020	2030	2035	2040	2045	2050
Sources								
Career	\$187,500	\$255,000	\$260,100	\$0	\$0	\$0	\$0	\$0
Non-Reg. Portfolios	\$93	\$98	\$103	\$531	\$0	\$0	\$0	\$0
Other Accounts/Plans	\$0	\$0	\$0	\$8,769	\$31,348	\$21,898	\$5,957	\$6,647
Government Benefits	\$0	\$9,937	\$11,058	\$48,395	\$66,838	\$73,796	\$78,276	\$86,421
RRSPs / Pension Plans	\$0	\$0	\$0	\$3,330	\$123,013	\$151,042	\$197,098	\$217,623
Provincial Tax Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income	\$136,000	\$70,380	\$83,232	\$210,000	\$0	\$0	\$0	\$0
Home Sales	\$1,215,578	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Principal	\$720,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estate Residue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sources Subtotal	\$2,259,171	\$335,415	\$354,493	\$271,025	\$221,199	\$246,736	\$281,331	\$310,691
Uses								
Homes	\$938,793	\$30,212	\$30,817	\$37,565	\$41,475	\$45,792	\$50,558	\$55,820
Lifestyle Expenses	\$72,628	\$98,774	\$100,749	\$154,519	\$135,595	\$149,708	\$165,290	\$182,493
Family Expenses	\$2,045	\$2,782	\$2,837	\$3,458	\$3,818	\$4,216	\$4,655	\$5,139
Career	\$5,178	\$7,235	\$7,575	\$0	\$0	\$0	\$0	\$0
Other Accounts/Plans	\$0	\$0	\$0	\$15,056	\$2,354	\$132	\$0	\$0
RRSPs / Pension Plans	\$0	\$600	\$600	\$0	\$0	\$0	\$0	\$0
Insurance	\$1,135	\$1,550	\$1,589	\$418	\$400	\$442	\$488	\$539
Debt Payments	\$1,194,811	\$117,353	\$131,445	\$0	\$0	\$0	\$0	\$0
Income Taxes	\$44,581	\$76,910	\$78,880	\$87	\$37,556	\$46,446	\$60,385	\$66,578

Net Cash Flow Forecast

Net Cash Flow Table (Actual / Inflated Dollars): Total

<i>Uses Subtotal</i>	\$2,259,171	\$335,416	\$354,492	\$211,103	\$221,198	\$246,736	\$281,376	\$310,569
Total Net Cash Flow	\$0	(\$1)	\$1	\$59,922	\$1	\$0	(\$45)	\$122

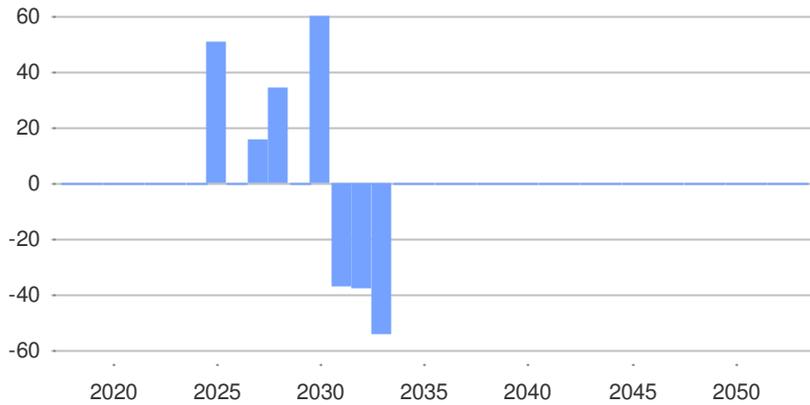
Net Cash Flow Forecast

Annual Savings (Net Cash Flow)

The value of your net worth and income assets depend in part on how much you save each year and your investment returns. For your non-registered portfolios to perform their role in your plan, you must save the indicated amounts. For details about your target investment rates of return, please refer to the Investment Policy Statement section.

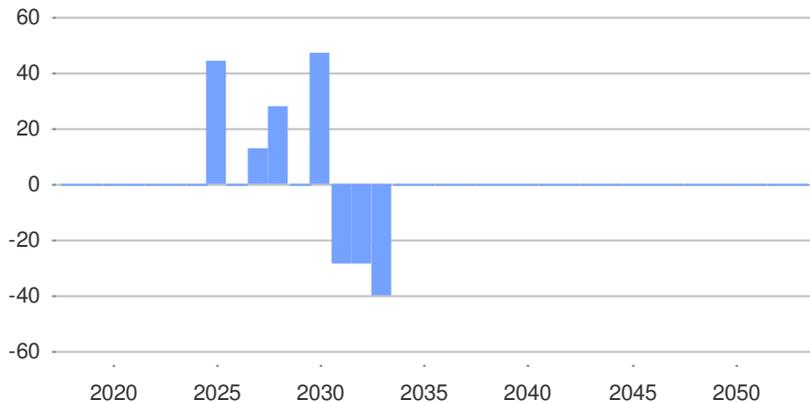
The graph below shows the forecasted amount of your annual savings. The related tables show ten-year targets. For detail, refer to the Cash Sources and Cash Uses Summary section.

Annual Savings (Actual / Inflated Dollars): [REDACTED]



Year	Amount
2018	\$0
2019	\$0
2020	\$0
2021	\$0
2022	\$0
2023	\$0
2024	\$0
2025	\$50,849
2026	\$0
2054	\$0

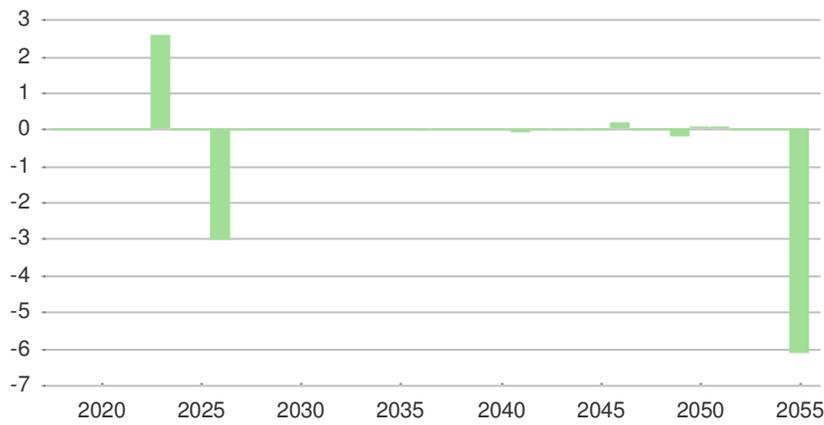
Annual Savings (Today's / Constant Dollars): [REDACTED]



Year	Amount
2018	\$0
2019	\$0
2020	\$0
2021	\$0
2022	\$0
2023	\$0
2024	\$0
2025	\$44,267
2026	\$0
2054	\$0

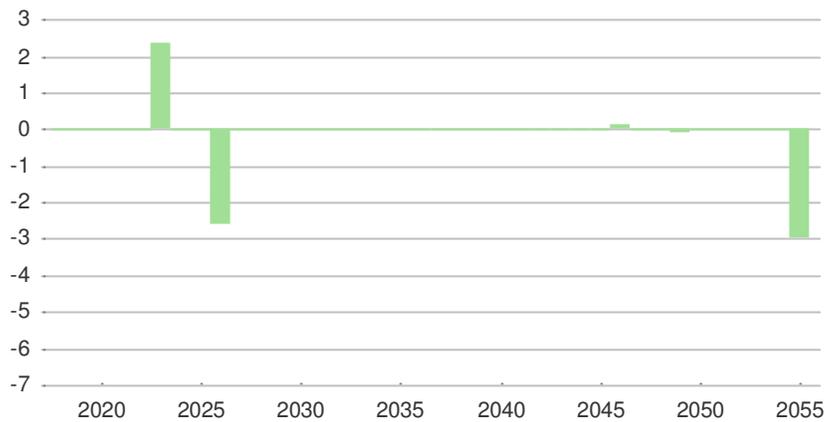
Net Cash Flow Forecast

Annual Savings (Actual / Inflated Dollars): [REDACTED]



Year	Amount
2018	\$0
2019	\$0
2020	\$0
2021	\$0
2022	\$0
2023	\$2,583
2024	\$0
2025	\$0
2026	(\$3,025)
2056	(\$764,367)

Annual Savings (Today's / Constant Dollars): [REDACTED]



Year	Amount
2018	\$0
2019	\$0
2020	\$0
2021	\$0
2022	\$0
2023	\$2,340
2024	\$0
2025	\$0
2026	(\$2,582)
2056	(\$360,160)

IPP Proposal

The attached is a copy of the quote provided by the actuaries for the implementation of an Individual Pension Plan by the client.

Individual Pension Plan

Dramatically boost your retirement assets with tax-deductible contributions



As a business owner, we want you to feel confident about your retirement. An Individual Pension Plan (IPP) is a defined benefit pension plan that allows you to increase your retirement savings and establish long-term financial security.

Are you a good candidate for an IPP?

An IPP is specifically designed for a business owner of an incorporated company, an incorporated professional or executive, age 40 and over, earning \$100,000+. That said, an IPP can be established for someone with lower earnings.

An IPP is NOT well suited for:

- Sole proprietors and partners of partnerships
- Business owners who rely on dividends and compensation other than T4
- Highly cyclical businesses

How an IPP works

An IPP is similar to an RRSP in that it uses an investment account to accumulate assets over time as retirement benefits. However, unlike the RRSP, an IPP allows for the accumulation of greater assets – up to 65% more than an RRSP, and like a traditional pension plan, sets your monthly income at retirement. An IPP also provides certain additional guarantees beyond an RRSP to further protect your financial future. Assets accumulated within an IPP are locked-in and may be used only for retirement purposes.

How are IPP contributions calculated?

IPP contributions are determined by a series of actuarial valuation reports in order to ensure you have sufficient assets at the time of your retirement. Your annual income at retirement age is calculated using:

- Your career T4 and T4PS earnings
- Your age
- Assumptions determined by the actuary, which are acceptable to Canada Revenue Agency (CRA)



Contributions are graduated by age, so the older you are, the more your company can contribute. IPP contributions first exceed RRSP contributions around age 40.

The annual contributions compounded at a 7.5% net annual rate of return will ensure your plan has adequate assets to provide for your retirement benefits.

Key benefits of an IPP

- An excellent way to increase your retirement assets and have your company make large tax deductible contributions
- Allows for significant additional tax deductible contributions at inception and retirement
- Safer investment rules and limitations compared to the RRSP
- Allows for additional tax-deductible contributions to be made by the company should the rate of return on plan assets be less than 7.5% a year
- Pension plan surpluses belong to the member
- Pre-determines retirement benefits
- 100% creditor proof
- No deemed disposition of plan assets upon death in certain situations. Plan assets remain in the plan to provide benefits to surviving members
- All costs associated with the pension plan are tax deductible to the company.

What happens when you retire?

Once you retire you will have a choice of retirement vehicles. These include a monthly pension from the plan, an annuity, a Life Income Fund (LIF), or a Locked-In Retirement Income Fund (LRIF).

If you decide to purchase an annuity, you should have your financial advisor obtain a market comparison and choose the insurer. The plan will then transfer funds from the IPP to the life insurance company to purchase the annuity. Annuities can be either single life, covering the life of the plan member only or, if married at date of retirement, a joint & survivor (J&S), with payments that may reduce on the death of the member. The J&S option usually includes a minimum guaranteed period of 5 years and subsequent payments to the surviving spouse in full or reduced by a percentage selected at the time of retirement.

Final things you need to know

- Assets within an IPP are locked-in and can, in most circumstances, only be withdrawn during retirement.
- There is little contribution flexibility – Shortfalls in asset values normally require further contributions to put the plan back on track. This tax-deductible additional funding can be made over several years.
- IPP will reduce or eliminate RRSP room in the year of setup, and in most situations, new RRSP room will be limited to \$600 per year moving forward.

To learn more about how your business can benefit from an IPP, contact a GBL representative today.



Building **your** future

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Individual Pension Plan (IPP) Benefit Analysis

For

[REDACTED]
of [REDACTED] Professional Corp

Prepared for: [REDACTED]

Company: [REDACTED]

QRN: F00563-01-ON IPP - GBL v2018.1.2

The information contained herein is intended for illustration purposes only. It is not intended to provide investment, tax, actuarial, legal or any other type of professional advice. Gordon B. Lang & Associates Inc. does not assume any responsibility for any loss or damage that any parties may suffer as a result of any use or reliance on the information contained herein. The information in this illustration may contain confidential or privileged information and is intended solely for the person or persons to which it was prepared for. If you are not the intended recipient or the person responsible to deliver the foregoing to the intended recipient, you are hereby notified that any use, distribution or duplication of the foregoing is strictly prohibited.



Building *your* future

How you can benefit from an IPP

An analysis of the pension plan for [REDACTED] of [REDACTED] Medical Professional Corp

An Individual Pension Plan (IPP) is a defined benefit pension plan tailored to business owners and highly paid executives. The IPP allows the sponsoring company to fund a defined benefit style plan. This result in a higher benefit for the members at retirement, and can yield greater company funding and increased retirement savings.

How much can be funded each year?

The annual funding (current service) is a percentage of earnings up to a maximum. Estimated IPP funding room compared to RRSP contribution room is as follows:

Year	IPP Funding Room (\$)	RRSP Funding Room (\$)	IPP Advantage (\$)
2018	39,500	26,200	13,300
2019	42,500	26,500	16,000
2020	45,700	28,000	17,700

In addition to the annual funding above, the company can also contribute on a tax deductible basis for any past service earnings with the sponsoring company.

How much can be funded for Past Service?

The past service funding is made up of two components:

- Company funding, which is a tax deductible contribution for the company
- Personal RRSP Transfer and/or Unused RRSP Room

Year	Past Service Funding (\$)	RRSP Transfer for (\$)	RRSP Room utilized for
2017	153,200	302,800	0

How much more can I save with an IPP?

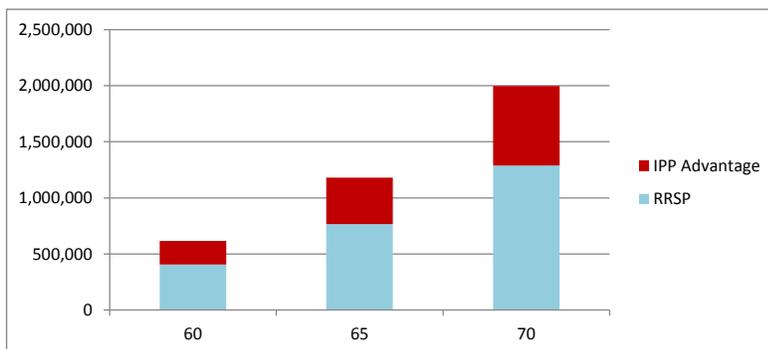
The IPP Advantage provides additional savings due to

- Past Service Funding
- Higher annual contribution room

The IPP allows you to save more , increasing your financial security in retirement. The difference between the IPP and a funded RRSP at various retirement ages is highlighted below.

Asset Accumulation

Age	IPP Investments (\$)	RRSP Investments (\$)	IPP Advantage (\$)
60	615,100	406,700	208,400
65	1,182,000	765,700	416,300
70	1,996,800	1,289,200	707,600



Notes:

The figures presented are estimates only. Actual amounts will vary based on actual experience. Assumptions are based on prescribed assumptions for designated plans as provided by CRA.

Additional IPP Analysis: IPP vs RRSP

██████ of ██████ Medical Professional Corp

How does the IPP compare to a traditional RRSP strategy?

The table below outlines, at each age, the difference between the annual IPP contribution room and RRSP contribution room. It also shows the projected accumulated amounts in both the IPP and RRSP. This highlights how much more will accumulate over time in the IPP due to Past Service funding and higher contribution room. The IPP Advantage columns show the benefit of the IPP. All projected amounts are estimates only, and will be subject to change based on actual future experience.

Year	Age	Projected T4 Earnings (\$)	IPP		RRSP		IPP Advantage	
			Eligible Contribution Room (\$)	Accumulated Investment Amount (\$)	Eligible Contribution Room (\$)	Accumulated Investment Amount (\$)	Eligible Contribution Room (\$)	Accumulated Investment Amount (\$)
Previous Plan Transfer			0					
Qualifying Transfer:			302,800		302,800			
Past Service Contribution:			153,200				153,200	
2018	59	175,000	39,500	531,200	26,200	352,700	13,300	178,500
2019	60	175,000	42,500	615,100	26,500	406,700	16,000	208,400
2020	61	175,000	45,700	708,700	28,000	466,200	17,700	242,500
2021	62	175,000	49,100	812,800	29,500	531,800	19,600	281,000
2022	63	175,000	50,500	926,100	31,100	603,900	19,400	322,200
2023	64	175,000	51,500	1,049,000	31,500	681,900	20,000	367,100
2024	65	175,000	52,400	1,182,000	31,500	765,700	20,900	416,300
2025	66	175,000	52,000	1,324,600	31,500	855,900	20,500	468,700
2026	67	175,000	50,800	1,476,700	31,500	952,700	19,300	524,000
2027	68	175,000	49,600	1,638,900	31,500	1,056,900	18,100	582,000
2028	69	175,000	48,400	1,812,000	31,500	1,168,800	16,900	643,200
2029	70	175,000	47,100	1,996,800	31,500	1,289,200	15,600	707,600
2030	71	175,000	45,800	2,194,100	31,500	1,418,500	14,300	775,600
TOTALS			1,080,900	2,194,100	696,100	1,418,500	384,800	775,600

Assumptions

Earnings are assumed to increase at 5.5% per annum

Accumulation assumes annual rate of return of 7.5%

Assumptions are based on prescribed assumptions for designated plans as provided by CRA. Actual experience may vary.

Additional IPP Analysis: Benefits on Retirement or Termination

■■■■■ of ■■■■■ Medical Professional Corp

What happens when I retire?

When a plan member retires, there are two options:

Option 1: The plan can remain active and pension payments are taken directly from the IPP.

The pension plan provides an income for life outlined below as the **Lifetime Pension**. In addition, if you retire prior to age 65, the plan can also provide a Bridge Pension payable to age 65 to supplement early retirement income. At retirement there is an opportunity for the company to make additional contributions, known as **Terminal Funding**, which is also outlined below.

Option 2: Terminate the plan

In this case the benefit is settled either through an annuity or a lump sum payment. There is a limit on the amount of the lump sum payment that can be rolled over taxed deferred on termination, the **CRA Maximum Locked-in RRSP Transfer**, and the remaining amount is paid as a **Taxable Lump Sum Payment**. Both of these amounts are shown below.

All projected amounts are estimates only, and will be subject to change based on actual future experience.

Age	IPP Accumulated Investment Amount (\$) From IPP vs RRSP table	Option 1: Retirement in the IPP				Option 2: Termination		
		Lifetime Pension (\$) Payable for Life (Benefit)	Bridge Pension (\$) Payable to 65 (Benefit)	Optional		Maximum Assets at Retirement (\$) with Top Up Funding (Total)	CRA Maximum Locked-in RRSP Transfer (\$) Tax Deferred Roll Over	Taxable Lump Sum Payment (\$) Paid to member
				Terminal* Funding (\$) Top up at Retirement (Cost)	Retirement (\$)			
59	531,200	37,100	6,300	184,600	715,800	419,600	111,600	
60	615,100	43,500	5,700	193,900	809,000	500,100	115,000	
61	708,700	49,200	6,300	182,200	890,900	575,200	133,500	
62	812,800	55,300	7,100	163,000	975,800	663,800	149,000	
63	926,100	61,900	8,100	134,700	1,060,800	754,700	171,400	
64	1,049,000	68,800	9,400	95,600	1,144,600	852,700	196,300	
65	1,182,000	76,000	N/A	44,000	1,226,000	943,000	239,000	
66	1,324,600	87,300	N/A	48,100	1,372,700	1,047,400	277,200	
67	1,476,700	99,700	N/A	51,900	1,528,600	1,166,700	310,000	
68	1,638,900	113,500	N/A	55,300	1,694,200	1,282,600	356,300	
69	1,812,000	128,800	N/A	58,300	1,870,300	1,416,900	395,100	
70	1,996,800	145,800	N/A	60,900	2,057,700	1,545,600	451,200	
71	2,194,100	164,700	N/A	63,100	2,257,200	1,696,600	497,500	

*Terminal Funding includes funding for the bridge pension and early retirement if applicable, and enhancement to post retirement indexing

Assumptions

Earnings are assumed to increase at 5.5% per annum

Accumulation assumes annual rate of return of 7.5%

Assumptions are based on prescribed assumptions for designated plans as provided by CRA. Actual experience may vary.



Building your future

INDIVIDUAL PENSION PLAN (IPP) DATA COLLECTION WORKSHEET & AUTHORIZATION

FEE SCHEDULE	
PLAN SET UP & REGISTRATION Inclusive of provincial filing fees and HST	\$2,058
<ul style="list-style-type: none"> • Individual Consultation and Plan Design • Board Resolution & Plan Text • Trust Agreement • Actuarial Valuation Report • Cost Certificate • Registration Forms 	
ANNUAL ADMINISTRATION - BILLED JANUARY OF EACH YEAR Subject to provincial filing fees and HST	\$1,600 /year
<ul style="list-style-type: none"> • Pension adjustments • Pension indexing • Plan financial statements • Annual information return • Other government requested forms • Government reviews & audits • Requests for available plan funding • Plan amendments • Triennial Actuarial Report 	
For items and/or events that are not included on the above fee schedule Gordon B. Lang and Associates Inc. will charge on a fee for service basis.	
CLIENT SIGNATURE	
<p>I [REDACTED], hereby agree to the attached Terms and Conditions and authorize Gordon B. Lang & Associates to proceed with the Set Up and Registration of the IPP. I certify that all of the information presented on the attached Data Collection Worksheet is accurate and correct to the best of my knowledge. I understand that documents will be issued only after the attached invoice has been paid.</p>	



SCHEDULE A: GENERAL TERMS AND CONDITIONS

The provisions of this Schedule A apply to and govern the terms and conditions of all agreements, dealings and contracts with GBL with respect to products and services (collectively, the "**Services**") unless GBL expressly agrees otherwise in writing. This Schedule A forms part of the written agreement between Client and GBL. This Agreement is between Gordon B. Lang & Associates Inc. ("**GBL**") and the entity ("**Client**") who signs or accepts any one or more of the following: consulting agreement, click-through form, Authorization Form, or other agreement or request for Services of any kind executed or made between GBL and Client, whether via an online form or by paper copy. Client accepts all the terms and conditions of this Schedule A. References in this Schedule A to "**Agreement**" include this Schedule A and any other written documentation between Client and GBL, including any Authorization Form or master services agreement. This Agreement may not be varied or terminated other than as expressly provided herein. In the event of any conflict between this Schedule A and any other Authorization Form, master services agreement, schedule or other written instrument between Client and GBL, the provisions of this Schedule A shall prevail, except where such other provision is expressly stated in writing by GBL, as confirmed by an authorized signatory of GBL, to prevail or operate notwithstanding this Schedule A. Where asked to do so by GBL, Client agrees to contract electronically with GBL and to be bound by all electronic contracts and transactions between GBL and Client, including via email.

TERMS AND CONDITIONS:

1. DEFINITIONS Capitalized words and phrases in this Agreement shall have the following meanings, unless otherwise expressly defined elsewhere in this Agreement: "**Confidential Information**" means any information whether oral, or written, of a secret, proprietary or confidential nature, concerning either Party or its business operations, and includes proprietary aspects of the Services and Client Data. "**Client Data**" means any information provided by Client to GBL, or collected by GBL about Client in the course of providing the Services. "**Party**" means either Client or GBL, and "**Parties**" means both Client and GBL. "**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organization, trust, trade union, governmental body, public body or other legal entity in each case whether or not having a separate legal identity.

2. BILLING AND PAYMENT Each Authorization Form will set out the applicable fees for the Services described in such Authorization Form. Client's payments shall be due upon receipt of invoice. Interest is charged at the rate of twelve per cent (12%) per annum on any balance unpaid after thirty (30) days from the invoice date; unless stated otherwise. Client shall be responsible for any and all applicable P.S.T., H.S.T., G.S.T. or comparable taxes assessed or imposed upon the Services provided or the amounts charged under this Agreement. Client consents to GBL's collection, use and disclosure of Client's personal information for billing and payment purposes. Invoices will be sent to Client's billing address as stated in the applicable Authorization Form and may be delivered by email. All payments to GBL will be made by cheque, direct deposit, or credit card. Where the Services include the delivery of certain products, services or work, and Client rejects or refuses to accept same, Client agrees that it shall in all cases remain liable to pay GBL all costs and fees related to such products, services or work, notwithstanding Client's rejection thereof. In cases of non-payment by Client for the Services, GBL may suspend provision of the Services, or access to the Services by Client, unless otherwise prohibited by professional standards, until Client's account is paid in full, including any late fees or other charges. Upon any default in payment, Client agrees that GBL shall have the right to pursue collection by any lawful means, including collection agencies and legal proceedings, and in either case Client shall be fully liable to GBL for all costs of collection, including all collection agency fees, costs and disbursements, and all legal costs and disbursements on a solicitor client basis, both before and after judgment. To the full extent such use and disclosure is not already permitted without notification or consent by applicable privacy laws, privacy legislation, or other laws or legislation, Client consents to the use and disclosure of personal information by GBL and its agents or legal counsel as reasonably required to collect any debt owing to GBL. Client further consents to GBL obtaining reports from time to time, and at any time, from credit reporting agencies with respect to Client's creditworthiness and credit history.

3. INTERPRETATION AND ENFORCEMENT a) This Agreement will be governed and interpreted according to the laws of Alberta, Canada, and the laws of Canada applicable in Alberta. Regardless of Client's location, residence or domicile, Client irrevocably attorns to the exclusive jurisdiction of the courts of Alberta, sitting at Calgary, without regard to the conflicts of law rules or principles of such courts. Client agrees to not commence any such action or proceeding except in Calgary, Alberta, Canada, and Client agrees to not commence any action by way of class proceedings or class action. b) The section headings in this Agreement are solely for convenience and will not be considered in its interpretation. c) Each Authorization Form made pursuant to this Agreement is hereby incorporated by reference as if set forth in this Agreement and may be executed without any further amendment to this Agreement. d) In performing the Services, GBL is an independent contractor and consultant and shall not be relied on for tax or legal advice. Client acknowledges, agrees and represents to GBL that it is responsible to obtain its own independent advice relating to legal, tax and financial implications of the Services. In any event, this Agreement shall not be construed strictly against GBL. e) Neither GBL nor its employees, dealers, agents or subcontractors shall be deemed to be partners, employees, or subcontractors of Client. f) GBL may amend this Agreement at any time upon thirty (30) days notice in writing (which may include email) to Client of such amendment. g) GBL will not be bound by any terms or conditions included in any purchase order or other correspondence from Client unless GBL expressly accepts such terms or conditions in writing.

4. CLIENT AGREEMENT WITH GBL a) Client agrees that it will comply in all respects with all provisions of this Agreement, and all obligations to pay money owing to GBL. b) Client agrees, and warrants and represents to GBL that: (i) Client has all requisite legal or corporate capacity, legal authority and all required consents and approvals permitting Client to enter into and be bound by this Agreement, and to perform Client's obligations hereunder; (ii) by entering into this Agreement or by receiving the Services, or by performing Client's obligations hereunder, or by providing Client Data, Client will not be in breach of any obligation or duty to any Person, whether legal, equitable, fiduciary or otherwise, or any applicable statute or regulation; and (iii) all Client Data provided by Client will be complete, accurate, truthful, legal, subject to all legally required consents, and fully in compliance with this Agreement. In the event that Client Data changes, is modified, or becomes no longer timely or accurate, Client will immediately notify GBL of any and all such changes.

5. SERVICES a) Except as otherwise expressly stated in written documentation signed by GBL, the Services are provided for Client's benefit or use, and not that of any third party, and are licensed not sold. GBL retains exclusively all rights not expressly granted to Client under this Agreement. b) The Services will be provided or made available to Client on a commercially reasonable basis. c) Client acknowledges and agrees that certain aspects of the Services are, or may be, supplied by, provided by or made available by third parties and GBL has no control over the actions of such third parties. GBL shall have the right to terminate, without liability, all or any portion of the Services where the actions, errors or omissions of any one or more third parties make the Services or such portion thereof no longer available or otherwise commercially unreasonable to provide. GBL will make commercially reasonable efforts to provide Client with notice of any termination or change pursuant to the foregoing but Client acknowledges and agrees that GBL may not receive notice from such third parties and therefore may not be able to provide notice to Client. d) In the event GBL is requested by Client to render services, deliver products, or incurs costs in relation to matters not included in the Services, provided GBL is willing and available to perform such services, and Client agrees to pay for such services in a form acceptable to GBL, GBL may invoice Client at GBL's then standard time and materials rate for such non-included services. Client agrees to pay all such payments promptly as provided herein. GBL expressly accepts no obligation to perform any such non-included services. e) GBL, together with any associated, trade names, logos, graphics or designs, are trademarks and the exclusive property of GBL, all rights reserved. f) Where GBL agrees to accept materials related to the Services from a third party by transfer to GBL, Client agrees to pay, in addition to all Fees due to GBL, any extra costs of GBL in accepting such transfer, and Client agrees that GBL will have no liability to Client of any kind related to GBL accepting any such transfer.

6. CONFIDENTIALITY Each Party agrees to exercise no less than reasonable care to prevent the unauthorized use or dissemination of the other Party's Confidential Information and agrees to use the Confidential Information of the other Party only for purposes related to the performance of this Agreement. The following information shall not constitute Confidential Information: (i) information which is generally known or available by publication, commercial use, or otherwise, or becomes generally known through no fault or breach of the Party receiving the information; (ii) information which was known by the receiving Party prior to receiving the information from the other Party through no wrongdoing; (iii) information which is independently developed by the receiving Party without the use of Confidential Information; or (iv) information which is lawfully obtained from a third party without violation of a confidentiality obligation to the disclosing Party. Either Party may disclose the other Party's Confidential Information (i) if compelled to do so by a court or government agency having jurisdiction, provided that, unless prohibited by law from doing so, the Party subject to disclosure shall immediately notify the other Party so that the other Party may take steps to resist disclosure or obtain a protective order; and (ii) to such service providers, subcontractors, agents, and dealers as may require Confidential Information for the performance of the Services, as long as such third parties have agreed to maintain the Confidential Information as confidential in a manner similar to that contemplated in this Agreement.

7. TERMINATION This Agreement may be terminated by either Party upon written notice of termination. On notice of termination and written direction from the Client, GBL will provide all relevant materials to an authorized third party or appointed agent.

8. PRIVACY Client Data may consist of personal information ("**Personal Information**"), as defined under the Alberta or British Columbia *Personal Information Protection Acts* or the *Personal Information Protection and Electronic Documents Act* (Canada), about the Client or a third party as an identifiable individual. Client hereby consents to the collection and use, and reasonably related disclosures by GBL, subject to and as specified in GBL's General Privacy Policy, a copy of which is available from GBL on request, as may be amended from time to time. Client also hereby represents and warrants that to the extent that Client provides GBL with Personal Information about another individual, Client has all legally required rights and authority to provide such information for the purposes for which it is provided to GBL.

9. DISCLAIMERS AND LIMITATIONS Under no circumstances and under no legal theory, whether in tort (including negligence), contract, product liability or otherwise, shall GBL or any of its affiliates, employees, agents, officers or directors, be liable to Client for any indirect, special, incidental, exemplary,

10. NOTICE All notices, invoices, consents and other communications under this Agreement from GBL to Client shall be delivered in writing and may be delivered by mail, email or fax. Client's address, fax number and email address for notice and billing is stated in the Authorization Form. Email sent by GBL to Client will be deemed received immediately upon sending by GBL unless GBL receives a message stating that email to Client has not been delivered. Client agrees to maintain a valid and operational email address for the purposes of this Agreement. Facsimiles sent by GBL will be deemed to be delivered upon receipt by GBL of a transmission confirmation receipt. Notices to GBL from Client may be delivered in writing by mail, 130, 5720 4th Street SE Calgary, AB T2H 1K7; by facsimile (403) 246-2431 or email: info@gbllnc.ca.

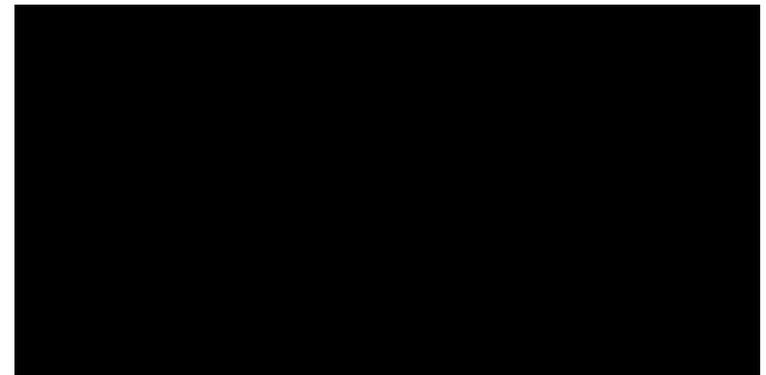
11. GENERAL PROVISIONS a) Client will not assign all or any part of this Agreement without the prior written consent of GBL. GBL may assign or subcontract all or any part of its rights and obligations under this Agreement or the Services without notice to Client or Client's consent. b) This Agreement will enure to the benefit of and will be binding on and enforceable by Client and GBL and their respective successors and permitted assigns. c) If any part of this Agreement is void, prohibited or unenforceable, such part will be severed from this Agreement, and the rest of this Agreement will continue in force and effect and will be construed as if such part as severed had never been part of this Agreement. d) The failure of GBL to exercise any right under this Agreement, or GBL's failure to insist upon strict or full performance of Client's obligations under this Agreement will not constitute a waiver of GBL's rights hereunder or a relinquishment of any provision of this Agreement. In order to be binding upon GBL, any such waiver must be express and in writing signed by GBL. The rights of GBL under this Agreement are cumulative and not alternative. e) Any provision of this Agreement that, expressly or by its nature, extends beyond the termination of this Agreement will survive any termination of this Agreement. Without limitation, Sections 6 and 9 shall survive any termination or expiry of this Agreement, howsoever caused, and shall continue in full force and effect.

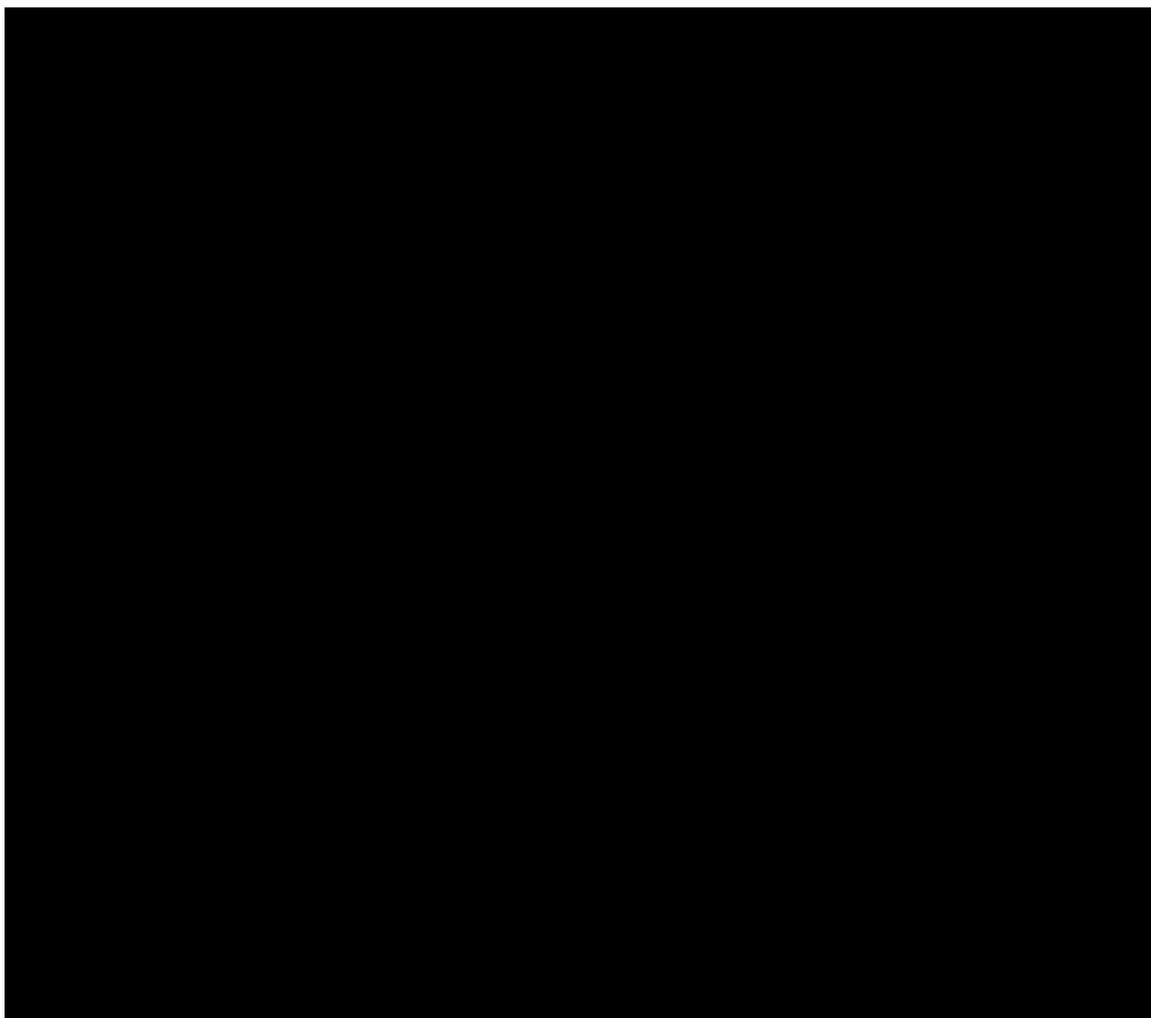
The Investment Management Review

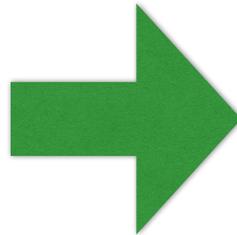
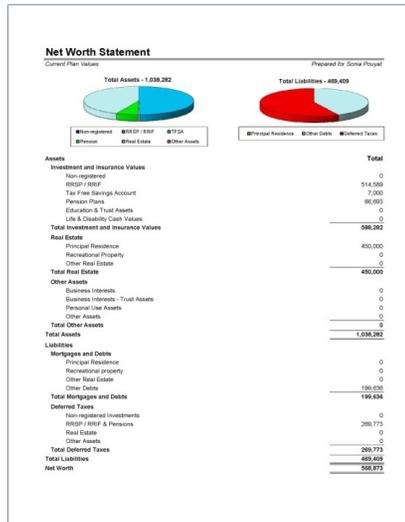
What follows is the content produced for the investment management review and an IPS for the solution the client selected.

INVESTMENT POLICY STATEMENT


January 2017







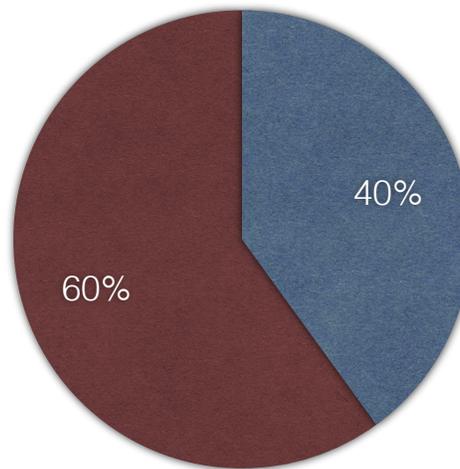
Retirement

Retirement

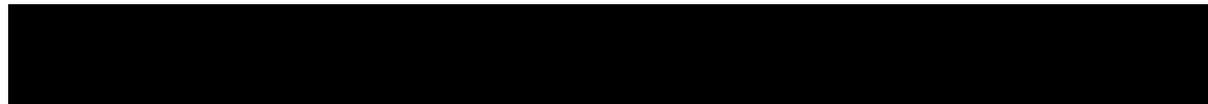
Current Savings: \$283,000

Investment: 

RRSP



Portfolio Options



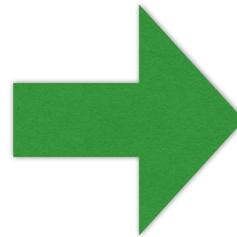


	Vanguard	BMO	CI Investments	
Structure	ETF Portfolio	Mutual Fund ETF Portfolio	Fund of Funds	Custom Portfolio Service
Style	Passive	Passive	Active	Active & Passive
Performance	Market - Fee	Market - Fee	Goal: Outperform Benchmark	Goal: Outperform Benchmark
Fee	1.57%	1.91%	2.43%	2.51% + trading
Woodgate Fee	1.15%	1.15%	1.15%	1.00%

Cash Flows

- RRSP:
 - \$50,000/year
 - To be revisited once accountants changed and cash flow plan developed

Goals



Investments

Savings

Account



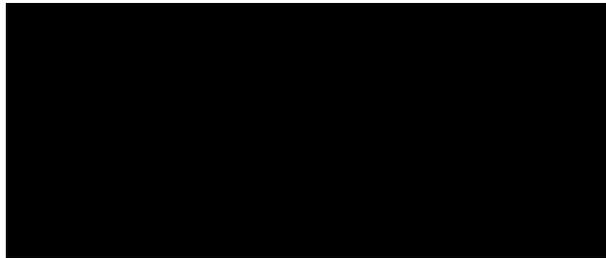
Investment Strategy Proposal

For:



Date:

Presented by:



Introduction

I am pleased to present you with this Proposal detailing your  investment strategy. The portfolio we recommend has been designed to align with your investment objectives, goals, values and investment preferences. This Proposal:

- documents our understanding of your personal investment objectives and risk tolerance. It takes into consideration your investment knowledge, experience and time horizon;
- ensures we have a clear understanding of your level of comfort for the fluctuation in investment values that can occur over the short, medium, and long term;
- provides you with a recommended investment solution based on our analysis of your personal investor profile; and
- outlines the costs associated with your recommended portfolio.

As you review this proposal, please feel free to contact me should you have any questions and/or require additional clarification.

[REDACTED] [REDACTED]

KEY FEATURES AND BENEFITS OF [REDACTED]

As an investor with [REDACTED] you will gain from the following key benefits:

Access to a Diverse Investment Universe

[REDACTED] is a sophisticated discretionary management solution that gives you access to higher levels of active money management.

Using a Unified Managed Account structure, you will have the flexibility to consolidate various types of investments in one account. This includes holdings such as cash, bonds, exchange-traded funds, mutual funds and separately managed accounts through which you will own individual stocks.

Your optimized portfolio will be crafted by the [REDACTED] Portfolio Management Team. This Team is comprised of investment experts who have many years of experience and in-depth knowledge in the field of investment management.

Your portfolio will be built to maximize its investment efficiency. The Portfolio Management Team will evaluate, research, and monitor asset allocation trends, new investment opportunities, and market trends using quantitative and qualitative research data. Based on their research findings, they will optimize your portfolio's asset allocation structure to achieve its investment objectives and expectations for returns. The portfolio's asset allocation may be rebalanced when a new investment opportunity that may enhance the risk-return profile of your portfolio is identified.

The Portfolio Management Team hires the independent investment specialists who manage each mandate within your portfolio. To hire the right investment specialist, the Team objectively evaluates and selects a manager based on various factors, including their expertise and knowledge within a given geographic market, asset class, or investment style. All investment specialists are rigorously monitored to track their adherence to their mandates. If necessary, an investment specialist may be replaced.

Active Management plus Added Portfolio Oversight

The investment specialists hired under [REDACTED] make the day-to-day security recommendations for your portfolio. Their decisions are based on robust analysis and knowledge of the market, industry or asset class that they specialize in.

With [REDACTED] an Overlay Portfolio Manager actively monitors daily trades and transactions to tailor and implement personalized tax strategies for your portfolio. This means, they will identify opportunities to "harvest" capital losses. These losses may then be used to off-set realized capital gains to reduce the associated tax payable.



Your portfolio will be regularly reviewed for rebalancing opportunities, and adjustments will be made when they are deemed appropriate and cost effective. This helps us ensure that your portfolio will remain true to your objectives.

Dedicated Attention from Our Team

As your Advisor, we remain your primary point of contact for all matters related to your overall wealth management strategy. We will work with you to continuously evaluate the changes in your life to understand how they impact your current strategy and make recommendations to look after all areas of your financial planning needs.

Consolidating your Accounts

You can choose to consolidate all of your investment accounts, including select family accounts under the  umbrella. When you do this, you take a structured approach to managing your overall investments, giving you the opportunity to improve the overall risk management of your investments.

When you opt to consolidate your personal or family accounts, you will also streamline the management of your investments. This will give you and your family the opportunity to lower the percentage rate of your overall investment cost.

You can choose to simplify the monitoring of your family's investments by asking us to consolidate the reporting for all your accounts within a single statement.

Clear Communications and Regular Reporting

We are committed to keeping you updated on your investment strategy at all times. You will receive regular reports that clearly summarize your holdings, transactions, income, performance, and investment costs. In addition, you will receive reporting that can be used to assist you with the preparation of your income taxes. You will also have access to your account information online at all times.

With these combined benefits, you can be confident that your portfolio will be expertly managed to build and protect your wealth.

Investor Profile

ASSETS, INCOME AND NET WORTH

- Your investable assets included in developing this proposal total approximately

This will be invested as follows:

Account Type	Amount (\$)	Client Name
		[REDACTED]

- Your household's approximate annual income from all sources is
- Your estimated total net worth is

This segment of the Proposal is based on the personal and financial information provided by you in the [REDACTED] Investment Questionnaire completed on

INVESTMENT OBJECTIVES

You describe your investment needs as wanting investments that provide mostly long-term growth.

CASH FLOW

You would like to start making withdrawals from your portfolio in 11 to 20 years.

INVESTMENT TIME HORIZON

You anticipate that you will have withdrawn a total of 25% or more of your original capital in less than three years.

INVESTMENT KNOWLEDGE

You describe your knowledge about investing as sophisticated. This would include those individuals who have traded in most types of investment securities. This would include knowledge of options, commodities, speculative and short selling strategies and an appreciation of the risks and rewards involved in trading these securities. These individuals have experienced the effects of a full investment market cycle on their portfolio.

RISK TOLERANCE

You strongly agreed with the statement that you are comfortable with investments that periodically decline in value as long as there is potential to adequately meet your financial goals.

Knowing the gains and losses of three investments over a longer term (in this example, 8 years) you indicated a comfort level with an investment having a high of 12.8% and a low of -7.5% averaging 5% annually.

If, over the past year, the value of your well-diversified portfolio declined by 30%, despite four years of strong performance, you said you would invest more while the prices are low.

UNIQUE CONSTRAINTS AND ADDITIONAL NOTES OR COMMENTS

Other information you feel may be pertinent (such as your tax situation, legal considerations, and anticipated changes to your lifestyle) at this time.

Investment Strategy Recommendation

In this section we will be recommending the  Wealth Portfolio that we would like to implement for you. Our objective is to provide a recommendation that closely aligns with your stated investment objectives, risk tolerance and time horizon¹.

In portfolio construction, the following elements are taken into consideration:

1. Portfolio Investment Objectives
2. Portfolio Composition and Target Asset Allocation
3. Portfolio Risk Profile
4. Portfolio Time Horizon
5. Portfolio Asset Class Weighting
6. Portfolio Geographic Allocation
7. Investment Types
8. Portfolio Sub-Advisor

The information in the Investment Strategy Recommendation serves as an illustration, and the percentages shown are subject to change. The recommendations herein are current as of the date of this document and may change as your circumstances change.

Throughout our discovery process with you, we have developed a comprehensive overview of your unique financial goals, objectives and values. Based on this:



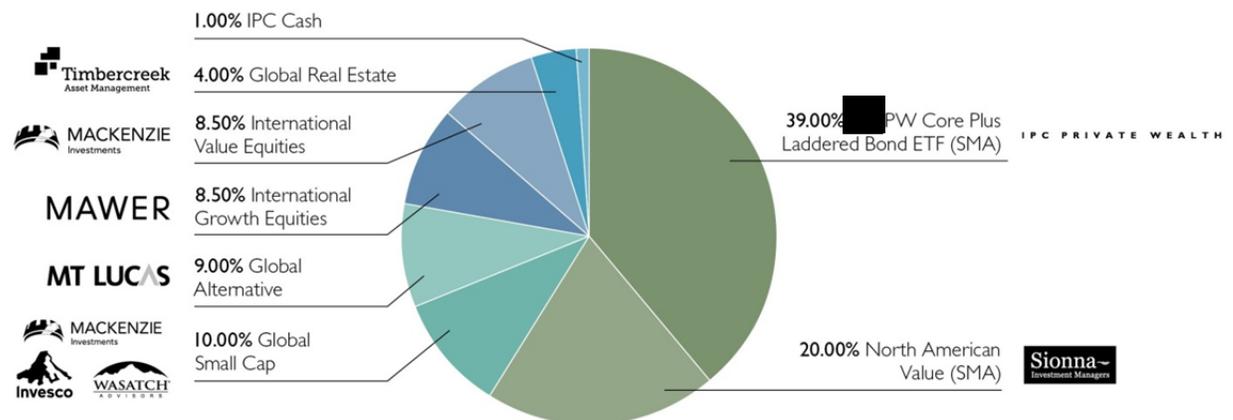
¹ This Investment Strategy Recommendation is only valid for six months from the date of its delivery and conditional on the assumption that no material changes in your circumstances described herein have taken place.

Private Wealth Income and Growth I Portfolio

Investment Objectives

The objective of the portfolio is to provide for capital appreciation as a hedge against inflation and to generate a stream of current income.

Composition and Target Asset Allocation



Portfolio Characteristics	
Investment Objective	40% income, 60% growth
Risk Profile	40% low, 60% medium
Base Currency	Canadian
Time Horizon	6 to 10 years
Geographic Allocation*	39% Canada, 26% U.S., 35% International
Asset Class Weighting*	1% cash, 39% fixed income, 47% equity, 13% alternatives

* This is the Portfolio's target neutral asset allocation weighting and is subject to change.

Benchmark	
FTSE TMX Short Term Bond	40.00%
S&P / TSX TR	10.00%
MSCI World TR	50.00%



Income and Growth I Portfolio

(continued)

Investment Types

This Portfolio may invest, either directly or through securities of mutual funds, pooled funds, exchange traded funds and American Depository Receipts, in a broad range of equity and fixed income securities anywhere in the world.

Sub-Advisor

The Portfolio Sub-Advisor may add or remove asset allocation mandates and mutual fund investments, and may vary the target allocations at any time and without notice to you depending on prevailing market conditions, provided the changes are consistent with the Portfolio's investment objectives.

Fee Schedule

Net Asset Value*	Management Fee (Annual)	Administrative Fee (Annual)	Program Fee (Annual)
On the first \$500,000	1.16%		
On the next \$500,000	0.81%		
On the next \$1,000,000	0.61%		
On the next \$1,000,000	0.56%		
On the next \$2,000,000	0.56%		
On the balance	0.56%		

* Net Asset Value means the aggregate value of the Account or Account Group, as applicable, determined as follows:

1. The value of any security which is listed or dealt with on a stock exchange or traded on an over-the-counter market shall be (A) in the case of a security which was traded on the day as of which the net asset value of the Portfolio is being determined, the closing sale price, (B) in the case of a security which was not traded on the day as of which the net asset value of the Portfolio is being determined, the price of which is the average of the closing recorded bid and asked prices, or (C) if no bid or asked price is available, the price last determined for such security for the purposes of calculating the net asset value of the Portfolio;
2. The value of interlisted securities shall be computed in accordance with directions laid down from time to time by IPCSC;
3. The value of treasury bills and other short-term debt obligations will be their amortized cost, where this approximates market value;
4. The value of any security or other asset for which a market quotation is not readily available will be its fair value as determined by IPCSC; and
5. The value of mutual funds shall be based on the net asset value of the fund, computed daily, and expressed in Canadian dollars.

Program Fee

The Program Fee consists of a Management Fee and an Administrative Fee. It will be calculated as a percentage of the net asset value of the portfolio, and is payable monthly.

The Management Fee covers the following services:

- Performance measurement and transaction reporting
- Portfolio design optimization
- Overlay Portfolio Management
- Access to leading investment specialists
- Portfolio rebalancing
- Asset custody and record keeping
- Tax Loss Harvesting

The Administrative Fee includes, among other things:

- Advisor compensation
- Related services

Fees may be tax deductible for non-registered plans. Any investments in mutual funds, exchange traded funds, pooled funds and other securities may be subject to the management fees, and/or administrative costs associated with these securities. Other administrative services (if applicable) are set out in an *Information Services and Relationship Disclosure Document* provided to you at the time you open your account.

Exceptions:

The following exceptions are made exclusively for the clients of ■■■■

1) You do not pay the annual Trustee Fees for ■■■■

- RRSP accounts (including spousal, locked-in, LIRA)
- RRIF accounts (including spousal, locked-in, LIF)
- TFSA and RESP accounts

2) Brokerage commissions (also known as trade costs) in addition to the Total Program Fee are applied on investment transactions at the preferred rate of \$9.95 per trade².

All cost information will be clearly outlined in your ■■■■ Client Agreement, which you will receive prior to opening an account. The implementation of this Investment Strategy Proposal is contingent upon the opening of an ■■■■ account and conditional upon meeting the minimum account funding requirements.

NEXT STEPS

Upon acceptance of this Investment Strategy Proposal, we will be pleased to present you with your personalized Investment Policy Statement and Managed Account Agreement.

² Brokerage commissions may change at any time without notice and are charged in the currency of the trade.

The Value of Advice

The costs and benefit of partnering with

At we are committed to providing our clients with comprehensive and customized financial planning and consulting services. As part of our process we work with you to develop financial, investment, risk, tax and estate plans to meet your needs. This document addresses the fees and costs associated with working with us. As a firm, we have committed ourselves to a fee structure that is transparent, competitive and provides a fair value of the costs incurred. Fees are subject to change in the future, but will not be modified without your consent.

New Client First Year Fee

New clients are charged a first year fee of \$5,000 + HST to cover the cost of developing your initial plan. Half the fee is due at the initiation of the planning process with the balance due upon completion of the financial plan.

Investment Management Fees

Investment management fees cover the cost of role in the investment process as well as all future update to your financial, investment, risk, tax and estate plans. Management fees are charged annually and there are no charges for the buying and selling of your investments. We utilize programs from several suppliers and as such cannot provide one unified fee schedule. The following summarizes the fees payable to Additional fees are payable to cover the investment program selected, administrative costs and taxes. Please see the opposite side of this page for a customized fee quote.

Amount Invested	Total Invested	&
First \$500,000	\$0 - 500,000	1.15%
Next \$500,000	\$500,000 - 1 million	0.95%
Next \$2 million	\$1 - 3 million	0.80%
Next \$3 million	\$3 - 5 million	0.60%
Over 5 Million	\$5+ million	0.00%

Insurance Commissions

The first year commission on products and suppliers varies but is typically equal between 90-170% of the first years premium. Renewal commissions for the next three to five years are typically equal to between 5-10% of premiums. Thereafter the renewal commissions tend to be a low single digit percentage of the premium. Should you cancel a policy within the first few years, will be required to rebate a portion of commissions received.

Referral Fees

is entitled to receive a referral fee from any banking and mortgage product recommended.

Other Professionals

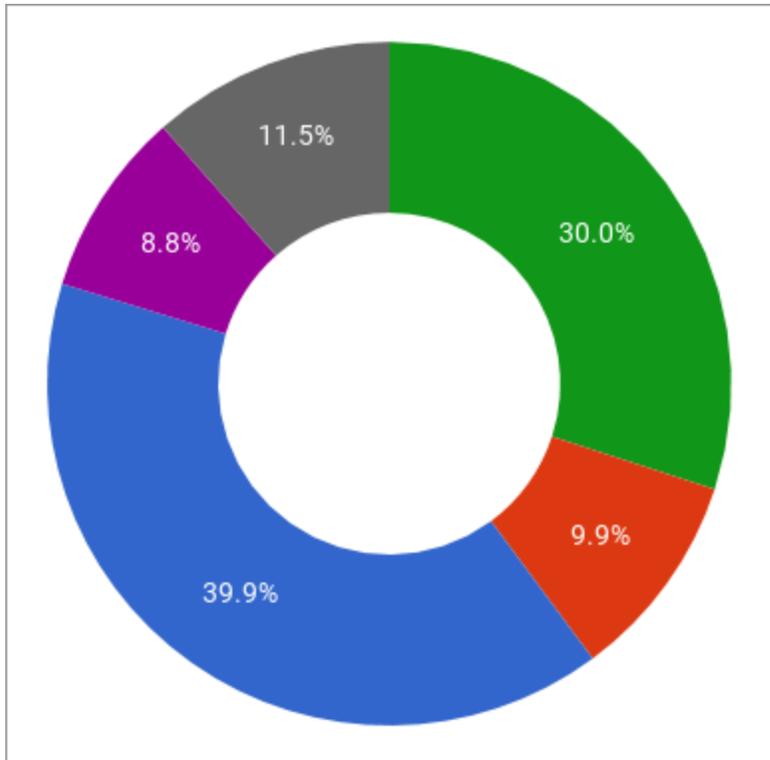
Any other professionals referred to by (Accountants, Lawyers, etc.) will bill you directly. does NOT receive any compensation or referral fee for making these referrals.

Other Compensation

Some suppliers make it a practice to reward advisors/firms with incentives such as trips, gifts and tickets to events. DOES NOT ACCEPT any compensation beyond scheduled fees/commissions. The only exception to this policy is when the gift or tickets are to be donated to charitable events and fundraisers.

Your Investment Management Fees

The fee listed below is based on your current level of assets invested with us. This fee decreases along a sliding scale on the opposite side of this document. The more you have invested with us, the lower your total fee. Therefore the total fee will change along with market conditions. This quote reflects the fee being paid based on the investment total listed below, and provides a breakout of the services provided by each party in exchange for listed fee. Any assets that are exceptions to this fee are noted below.



Invested	\$300,000
Fee	Party & Service
0.75%	Financial, Investment, Insurance, Tax & Estate Planning
0.25%	Regulatory Oversight & Administrative Support
1.00%	Fund Manager
	Investment & Portfolio Management
0.22%	Administration
	Custody & Record Keeping
0.29%	HST
2.51%	Total
	Previous Fee
2.51%	Change vs Previous Fee

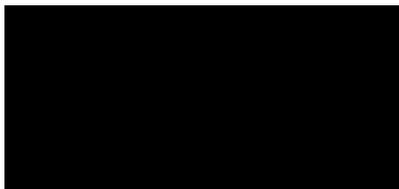
Other Costs

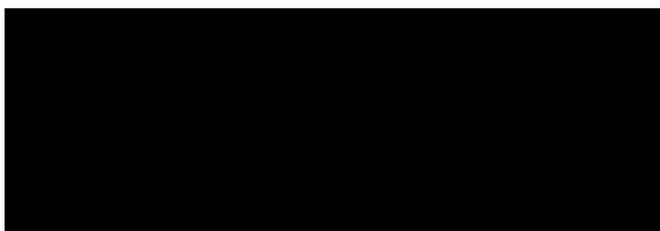
Trading cost of \$9.99/trade not included in the above fee.

Exceptions & Notes

Your Investment Management Fees

I acknowledge that the fee stated above is for the amount listed in the illustration. I also acknowledge that this fee will vary in accordance with the previously listed fee schedule as my total assets invested change with market performance. This advisor fee portion of this schedule is subject to change in the future, but will not be altered without my consent.





Risk Management Review

The following is the risk management review report presented to the client. The findings were summed up in the meeting and a collaborative discussion was had about which of the recommended strategies and policies should be put in place. Please note: This is one of 3 places where the need for life insurance is discussed. Here it is presented solely for its protection benefits. Tax and estate benefits are examined later.

Risk Management Review

Prepared for:

██████████ ██████████ & ██████████ ██████████

September 2017

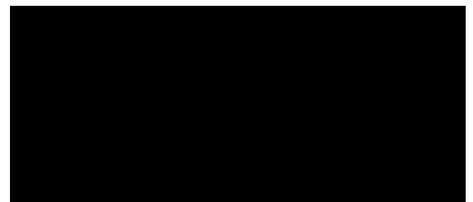


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About This Review

Hope for the Best, Prepare for the Worst

So far we have discussed how to achieve your goals and organize your savings and investments to reach your objectives. Now we address risks to your financial plan and what we can do to protect your goals should an unfortunate turn of events befall you and your family. It is essential that we address them all in order to protect you, your family and your financial plan.

Composition of this Review

This report serves primarily as an educational piece that informs you of:

- Risk to which you are exposed
- Current exposure to said risk
- Deficiencies in your current coverage
- Your options for full protection

We will make recommendations throughout this plan.

Partial vs. Full Coverage

Please note that in the majority of cases, the cost of protecting yourself from every risk listed in this review may be prohibitive. We are not recommending that you obtain every form of coverage included in this report. Instead, as part of our meeting with you we will analyze which risks are the most pressing based on your financial situation. Your final risk management mix will be within the budgetary constraints set out by your financial plan.

Changes Over Time

As with your financial plan, changes over the course of your lifetime will lead to shifts in the risks affecting you and your plan. This risk management review will need to be updated every few years to adjust any recommendations within.

Assumptions

The risk assessment and recommendations within were based on information provided by you as part of the financial planning process. Calculations and assumptions for each particular need are listed in the corresponding sections of this review.

Insurance Disclosure

Many of the solutions recommended in this plan are insurance based. As such we are required to disclose the following:

Provincial Licensing:

██████████ Financial Inc.'s advisors are licensed to sell Insurance in Ontario & British Columbia.

Compensation:

██████████ Financial is entitled to receive a commission for the sale of insurance. Each insurance company sets their own commission schedule. These schedules are relatively standard across the industry so that there is little difference in commissions paid for the same product offered by two different companies. ██████████ Financial has no discretion over what is charged nor are we legally allowed to rebate any commissions earned to our clients.

The first year commissions vary but are approximately equal to or more than the first year's premium. Commissions for the next three to five years of the life of a policy are typically equal to between 5-10% of annual premiums. After that the renewal commissions tend to be a low single digit percentage of the premium. Should you cancel a policy within the first few years, ██████████ Financial will be required to rebate a portion of commissions received by the insurance company.

Insurance companies make it a practice of rewarding top performing advisors/firms with incentives such as trips, gifts and tickets to events. ██████████ Financial makes it a policy to NOT ACCEPT any compensation beyond scheduled commissions. The only exception to this policy is when the gift or tickets are donated to charitable events and fundraisers.

Our Pledge to You:

We believe that any fees and compensation earned by ██████████ Financial in service of your needs should be reflective of ongoing service to you. Unfortunately the Canadian insurance industry only supports a structure of "up front" compensation. As such, to address this conflict of interest we pledge the following:

- To disclose to you in writing, a schedule of compensation prior to your insurance application
- To only recommend policies and coverage required per your needs
- To "shop the market" for the best combination of product quality and lowest premium to meet your needs.
- To provide service to you over the life of the policy regardless of renewal compensation.

Related Parties

██████████ Financial and the advisors acting on its behalf are associated with several Managing General Agencies (MGAs). MGAs provide administrative support to insurance advisors. ██████████ Financial is currently contracted with the following MGAs and independent carriers:

- IPC Estate Services
- PPI Solutions
- Benecaid
- Best Doctors
- Hunter McCorquodale

Carriers Available

Through the above MGAs, ██████████ Financial's advisors have access to insurance solutions from the following insurance carriers:

- | | | |
|--------------------------|------------------------|-----------------------------|
| - Assumption Life | - Desjardins Financial | - Lloyd's of London |
| - Benecaid | - Edge Benefits | - Mackenzie/Great West Life |
| - Best Doctors | - Empire Life | - Manulife Financial |
| - Blue Cross | - Equitable Life | - RBC Life |
| - BMO Insurance | - Foresters | - Reliable Life |
| - Canada Life | - Humania | - SSQ |
| - Canada Protection Plan | - Industrial Alliance | - Sun Life |
| - CI/Sun Life | - Ivari | |
| - Custom Care | - La Capital | |

Primary Carriers

While we have access to the above listed carriers, the majority of our business is placed with a few select companies based on a combination of product quality, price, and service.

Our primary carriers are as follows:

- Term Life: BMO Insurance, Canada Life, Foresters, Ivari, Manulife Financial, Sun Life
- Universal Life: BMO Insurance, Canada Life, Ivari, Manulife Financial, Sun Life
- Whole Life: Canada Life, Sun Life
- Critical Illness: Canada Life, Manulife Financial, Sun Life
- Critical Care: Best Doctors
- Long Term Care: Sun Life
- Segregated Funds: CI/Sun Life, Manulife Financial
- Health & Dental: Manulife Financial
- Health Spending Accounts: Benecaid, Custom Care
- Travel: Manulife Financial

The Risks

Life is full of many risks. This review will focus on risks that have a statistical probability of happening to you and your loved ones. These risks are as follows:

Cash Emergency

The risk that an unexpected event will be a financial drain on you and your family.

Premature Death

The risk of passing away and leaving your loved ones in financial hardship.

Disability

The risk that you will not be able to work due to a mental or physical ailment.

Critical Illness

The risk that you become afflicted with a critical illness.

Critical Care

The risk that you will need/choose to seek medical treatment outside of Canada.

Long Term Care

The risk that you will need regular home or facility care.

Longevity

The risk that you will outlive your savings.

Health & Dental

The risk of unexpected medical/dental costs.

Travel Medical

The risk of suffering an emergency medical condition outside of Ontario or Canada.

How Insurance Premiums Work

The fee that you pay to an insurance company to provide you with protection is known as a premium. Your premiums will depend on several factors including age, health, family medical history, type of coverage, the probability of occurrence and pricing type. There are two types of insurance pricing: Temporary and Permanent.

Temporary Pricing

Temporary pricing stays at the same level for a set amount of time after which time it typically renews at a higher rate or cancels. The more common name for this form of insurance is Term insurance.

Term policies renew after a set number of years (1, 5, 10, 15 or 20 years). They renew again after the same amount of time has passed until they are cancelled or terminate at a certain age. Alternatively, other term policies are priced at a level price until a certain age (term to 65, 70 or 75). Once that age is reached the policy terminates.

As the name indicates, term insurance eventually ends. Its advantage is that it is often the lowest cost option, with the shorter terms being the most affordable. The downside is not only will it cancel, but also the renewal premiums will become progressively more expensive.

We recommend that temporary coverage is used primarily to cover temporary needs. Such as a mortgage and your children's education.

Permanent Pricing

Permanent pricing is simply one price for life and will never cancel. While more expensive than term options at first, over time, permanent pricing is typically the lower cost option when looking at coverage exceeding 20-30 years. We recommend permanent insurance for permanent needs like taxes due on death.

Conversion

Many term policies can be converted/exchanged for a permanent policy any time before a set age, with no medical questions or tests. The premium charged for this new policy will be based on your age at the date of conversion.

What type of pricing is right for you?

The correct type of pricing will depend on the kind of insurance, your needs and your financial situation. Our recommendations will identify the policy, coverage, premium and pricing type.

What are we protecting?

What's really at issue here is protecting you, your family and your goals which have all been spelled out in the financial plan. We can't prevent you from getting sick or passing away. However, we can help you protect your wealth to ensure that you, your family, and your goals will remain viable in the face of an unforeseen event.

Your wealth can be broken up into two categories:

- Financial Capital: The wealth you have accumulated
- Human Capital: The future wealth you will generate in the future through work

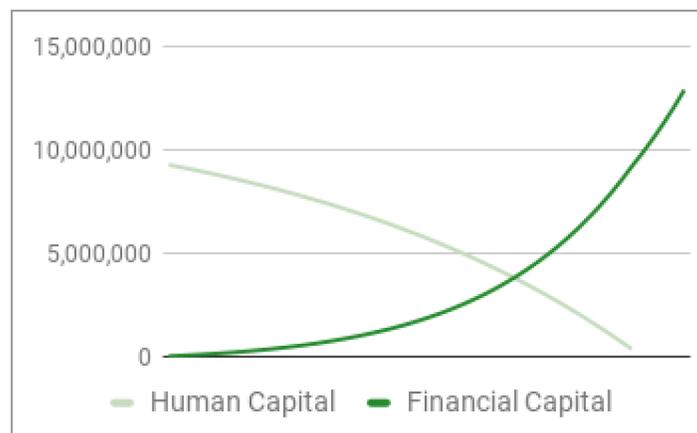
Financial Capital

Your financial capital represents your net worth. As we learned when we completed your financial plan your net worth is approximately:

\$97,362

Human Capital

Your human capital is the sum of all future income that you will receive between now and retirement. This number varies based on many factors including age, income and projected retirement date. At the beginning of your working life your human capital is at its maximum. Over time you convert this human capital to financial capital through earnings and savings. As your financial capital grows your human capital diminishes.



Assuming your income keeps pace with inflation, we estimate your total human capital to be worth approximately:

██████████	\$6,001,368.12
██████████	\$0.00
<hr/>	
Total	\$6,001,368.12

The Goal

The question we must answer in this report is: What needs to be done to protect both forms of capital from the various risks discussed?

Cash Emergency

What is it?

Life is filled with unexpected events. From accidents to job loss no one knows with certainty what the future will hold. When unforeseen events happen, a safety net of cash will often create options for you or even potentially solve the problem outright.

What are the odds?

While we can't tell the future, what we can say from experience is that the odds that something unexpected will happen, that will require money is approximately:

100%

How can you protect yourself?

How you can protect yourself depends on your situation:

If you have debt:

We recommend that you maintain a home equity line of credit and focus on paying down your debt. Should an emergency occur, you can draw on the line of credit, then concentrate on paying it off.

If you are debt-free:

We recommend you save six months worth of expenses in a low risk and very low volatility investment that is easily accessible.

What many people don't consider when they keep a "rainy day fund" while they are in debt is that the accounts/investments you would put this capital in pay a lower rate of interest than you would pay on your mortgage, car loan and credit card debt. Once you factor in taxes on the interest the situation is even worse. So every day that you choose not to use this fund to pay off your debt you are systematically losing money!

Ex: High interest account paying 1%. Tax rate of 40%. Mortgage rate of 4%.

$$1\%(1-.4)-4\% = -3.4\% \text{ loss/ year}$$

Recommendation

Maintian a Home Equity Line of Credit until debt free.

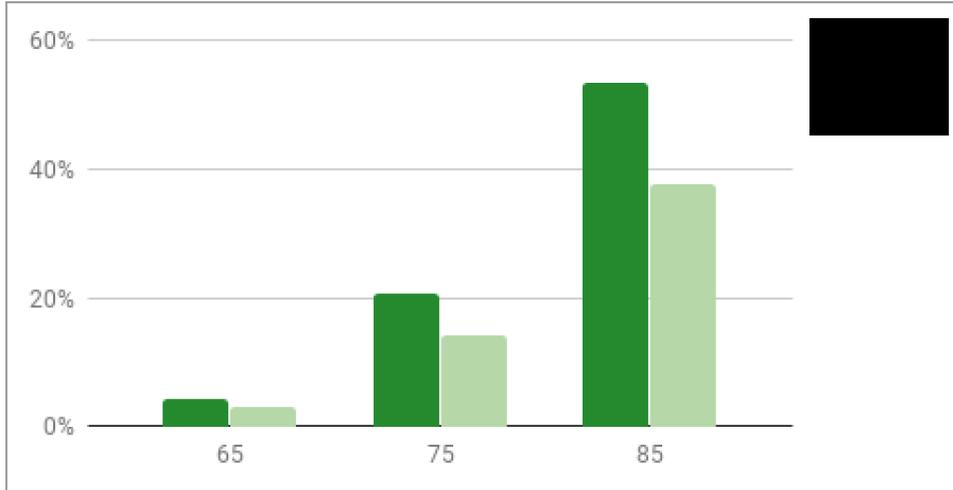
Premature Death

What is it?

Premature death is the risk of dying before what one would normally consider a typical lifespan. Premature death could jeopardize the financial plan for the survivors due to the loss of your Human Capital while working and the possible loss/reduction of pension benefits once retired.

What are the odds?

No one lives forever. The odds of dying are clearly 100%. But the odds of premature death for you are: ¹



How can you protect yourself and your family?

Life insurance is simple and straightforward. You pay premiums for a set amount of coverage. When you die, the policy pays a tax-free benefit to your beneficiaries. Benefits can be used to replace your lost Human Capital and pay off debt, pay for final expenses, support your family, pay for child care and post secondary education for your children, pay taxes and make charitable donations.

How much protection do you need?

Your life insurance needs will change over time. The analysis on the next page details the amount of coverage you need right now to ensure that your family will not suffer financial hardship should you pass away prematurely.

Recommendations:

█ You should continue paying for your current coverage.

█ You should continue paying for your current coverage.

Need on the death of:

Debt Elimination	Mortgage	\$1,252,638	\$1,252,638
	Other Debts		
	Total Debts	\$1,252,638	\$1,252,638
Final Expenses	Burial/Cremation ¹	\$25,000	\$25,000
	Fees & Taxes		
	Total Final Expenses	\$25,000	\$25,000
Children	Child Care ²	\$0	\$0
	Education ³	\$0	\$0
	Total Children	\$0	\$0
Income Support	Annual Income Needed ⁴	\$79,800	\$79,800
	Less: Partner Income	\$0	\$245,753
	Less: CPP & Pension Benefit	\$12,352	\$12,352
	Annual Shortfall	\$67,448	\$0
	Total Income Support ⁵	\$1,823,873	\$0
Other	Gifts & Bequests		
	Other Needs		
	Total Other	\$0	\$0
Needs Summary	Debt Elimination	\$1,252,638	\$1,252,638
	Final Expenses	\$25,000	\$25,000
	Children	\$0	\$0
	Income Support	\$1,823,873	\$0
	Other	\$0	\$0
	Total Needs	\$3,101,511	\$1,277,638
	Less: Existing Insurance	\$3,150,000	\$1,375,000
	Less: Existing Assets	\$250,000	\$250,000
	Less: CPP Death Benefit	\$2,500	\$2,500
	Total Life Insurance Need	\$0	\$0

1 - Burial amount is a recommended amount. Estimated fees and taxes data was calculated in your financial plan.

2 - Child care is estimated to be \$1,000/month until the oldest child reaches the age of 14.

3 - Education expenses estimated to be \$30,000/year for four years per child.

4 - After tax annual income needed is the estimated amount required by the surviving family members based on results of the financial plan.

5 - Present value calculation assuming a 2% after tax real rate of return to age 95

Disability

What is it?

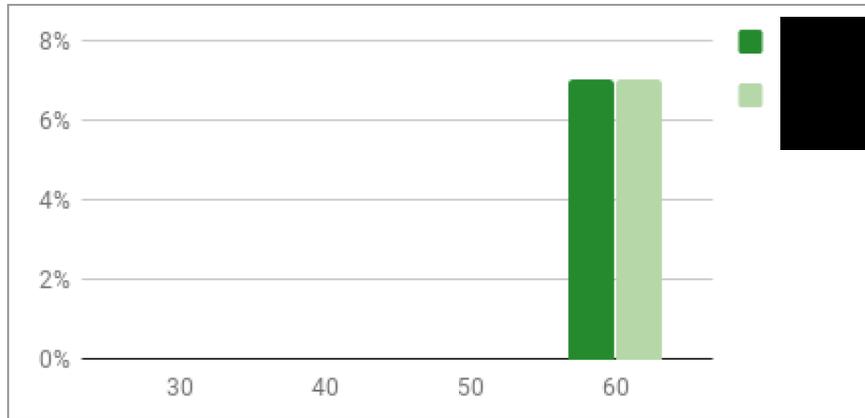
Disability risk is the risk that either a mental or physical issue will prevent you from working. When you are unable to work, you lose Human Capital as you are unable to work and earn money. Worse yet, unlike with premature death, your expenses continue. In your case the human capital we are trying to protect amounts to:

██████████ \$8,471,951.82

██████████ \$1,270,792.77

What are the odds?

The table below summarizes the probability that you will be disabled for greater than 90 days prior to age 65 (lasting on average 2.9 years) is:



How can you protect yourself, your family and your Human Capital?

Should you be unable to work, disability insurance can provide you with a monthly benefit and will pay you for a set amount of time (typically to age 65).

How much protection do you need?

Monthly After Tax Income	\$20,479	██████████	\$0
Current Coverage	\$13,000	██████████	
Current Replacement Ratio	63.48%	██████████	
Maximim Coverage	\$15,900	██████████	
Max Replacement Ratio	77.64%	██████████	
Coverage Gap	\$2,900	██████████	

Recommendation

██████████ Consider \$2,900/month of T65 coverage with RBC for \$195.64/month.

██████████ Do nothing.

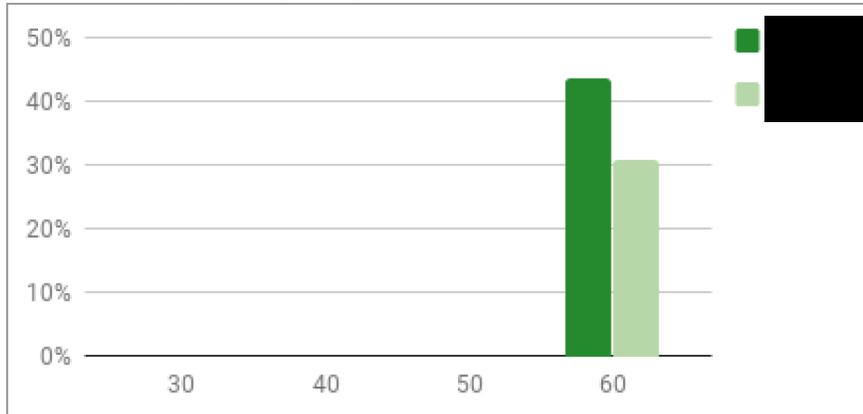
Critical Illness

What is it?

Critical Illness risk is the risk of being diagnosed with a life threatening disease or suffering a life altering medical event. This risk differs from the risk of disability as there are many critical illnesses that will not prevent you from working but will increase your cost of living. Increased costs could include medication, therapies, home renovation or treatment. Critical illnesses endanger both your Financial and Human Capital.

What are the odds? ¹

The table below summarizes the probability that you will contract one of 22 critical illness before age 75:



How can you protect yourself and your family?

A critical illness insurance policy can help protect you and your family in the event of a life altering medical event. Unlike disability, payment is not dependent upon your ability to work. Should you ever be diagnosed with a critical illness and survive 30 days from the date of diagnosis, you will receive a tax-free lump sum payment to be used at your discretion. You can use these funds to cover the cost of treatment, medication or lost wages. Conditions covered by all policies include: life-threatening cancer, heart attack, stroke, open heart surgery, multiple sclerosis and over a dozen more.

How much protection do you need?

How much money do you need if you are sick? It's impossible to say. We like to say as much as you can reasonably afford. Our typical recommendation will depend on cost, your age, your health and will range from \$50,000 for clients over 50 to \$250,000 for clients under 30.

Recommendation

You should continue paying for your current coverage.

Do nothing.

1 - Standard life & Munich Re. Disability Probability calculator based on 22 covered conditions.

Critical Care

What is it?

Critical care risk is the risk of requiring medical treatment for a life-threatening condition and having to wait a prolonged period for treatment in Canada. This risk endangers your life and Human Capital. Should you opt to travel to another country for treatment this will potentially put your Financial Capital at risk. Traveling out of province and paying for treatment can be costly and is not an affordable option for everyone.

What are the odds?

In Ontario, the government provides for universal health care on a priority basis. That means that if you are an urgent case you are “bumped” to the front of the line. On the other hand, if you are not an urgent case you will have to wait. Wait times in Ontario are publicly available on the Ministry of Health website and vary based upon treatment and location. Some recent Ontario wait time examples include:

- MRI: average 102 days ¹
- Prostate cancer surgery: average 79 days
- Breast cancer surgery: average 29 days
- Bypass surgery: average 60 days

How can you protect yourself and your family?

A Best Doctor's Global Medical Care policy can provide you with options. Under this type of coverage, should you require medical treatment for any medical concern, you can opt to be treated anywhere in the world. This policy will cover up to US\$5,000,000 with a deductible of your choosing between \$500 to \$20,000. Opting for this type of coverage depends entirely upon on how you feel about the healthcare system in Canada and how you would feel if you were told you had to wait. If you had the means, would you go elsewhere? If so, you should consider this type of coverage.

How much protection do you need?

This type of policy comes with a standard US\$5,000,000 benefit. The only optional feature is the deductible which varies from \$500 to \$20,000. We advise that you take the \$20,000 option. This higher deductible keeps the premium cost low and your emergency fund should be enough to take care of the deductible.

Recommendation

■■■■ Consider a Best Doctor Global Medical Plan for \$2,152/year (yearly renewable).

■■■■ Consider a Best Doctor Global Medical Plan for \$173/year (yearly renewable).

1 - Ontario Minsitry of Health & Long Term Care website: June 2017.

Longevity

What is it?

Longevity risk is the risk that you will outlive your money. The life expectancy of Canadians continues to increase. For many, their greatest risk will not be dying young but rather outliving their Financial Capital and not being able to maintain their standard of living.

What are the odds?

We are able to estimate your probability of not running out of money in your lifetime by running what is known as a Monte Carlo Analysis on your Financial Plan. A Monte Carlo Analysis tests for your probability of running out of money by testing your plan against several hundred randomly generated patterns of return over the course of your life. This is done in order to simulate the randomness of market returns. Ideally your odds of success should exceed 90%. Your odds are estimated to be:

Probability Of Success	80%
Probability Of Failure	20%

How can you protect yourself and your family?

There are several options available that can increase your probability of success. These include annuities and guaranteed minimum withdrawal benefit funds (GMWBs) that can guarantee an income for life regardless of market conditions. Alternatively, choosing to live a more modest lifestyle and increasing tax efficiency can also help to stretch your financial capital for longer.

How much protection do you need?

The amount of financial capital that should be allocated to annuities and guaranteed income products is whatever is required to push your probability of success above 90%.

Recommendation

■ You should consider this type of coverage after age 60.

■ You should consider this type of coverage after age 60.

Health & Dental

What is it?

Health & Dental risk is the risk that you will have unexpected health and dental expenses that impact your planned savings.

What are the odds?

Provincial governments provide varying levels of coverage under their universal health care plans. Typically they do not cover other expenses such as dental care, prescription drugs and other medical expenses. It is unlikely that any of us will live a full life without having some out of pocket cost at some point for health care. As such, we estimate the odds of occurrence to be:

100%

How can you protect yourself and your family?

Most people rely upon employer-sponsored group insurance plans. While most of these still require an out-of-pocket contribution they typically cover between 60-100% of expenses. For those whose employers do not offer such plans, an individual plan or health spending account can provide some protection.

How much protection do you need?

There is no “one size fits all” plan. Individual health and dental plans are very flexible and we will work with you to develop one that is custom tailored to your needs.

Recommendation

■ You should continue paying for your current coverage.

■ You should continue paying for your current coverage.

Travel

What is it?

The risk that you will require medical care while traveling out of province. Many countries do not provide universal health care coverage to foreign travelers. Even when traveling to another province there are often fees for non-residents of that province. Costs in some countries can very quickly mount to tens if not hundreds of thousands of dollars. Even when crossing the border to shop or attend a sporting event for a few hours, you are putting yourself at risk.

What are the odds?

Statistics on the probability of requiring medical assistance while traveling are unfortunately not forthcoming. What we can say with certainty is that the probability exists and given the cost of care outside Canada, such an event can be devastating.

How can you protect yourself and your family?

Travel insurance plans are available from many sources including group insurance plans, credit cards and direct from insurance companies. One needs to be careful and aware of the length period of time you are covered under these plans and the total amount of coverage.

How much protection do you need?

You should be aware of any limitations to your plans. All plans limit the number of travel days for which they will provide coverage and the maximum benefit they will pay out. If your plan covers you for less time than you are planning on traveling and for less than several millions of dollars you should look to purchase additional coverage.

Recommendation

■ You should continue paying for your current coverage.

■ You should continue paying for your current coverage.

Property & Casualty

What is it?

At ██████ Financial we are only licensed to sell Life and Health and Insurance and not Property and Casualty Insurance (P&C). P&C insurance includes various forms of insurance related to protecting you and your property from accidents, natural disasters, crime and lawsuits. This type of coverage includes but is not limited to home, auto, boats, planes, business operational risk, crime and several other types. The idea of this type of insurance is to protect these assets or operations from unforeseen damage and lawsuits from actions that result in a loss. ██████ does not sell nor do we offer advice on these types of products. However, we have compiled the below tips when buying some of the most conventional types of P&C insurance.

Home

For most people your home and other real estate properties are either the largest asset you own or one of the largest assets, so protecting them and their contents from fire, flood, and other forms of damage makes a lot of sense. The following are four tips for insuring your home and contents (Insurance Bureau of Canada):

- Insure for rebuilding costs.
- With severe weather on the rise, confirm the accurate replacement value of the home and contents.
- Review your home inventory each year when renew your policy.
- For high-value jewelry and fine art, considered separate endorsements.

Auto

Auto insurance is not only required by law but is also a wise investment. Insuring your car protects you, your car, other and their property. Provinces set minimum standards for coverage that include mandated minimums for third party liability, property damage, medical costs, funeral expenses, disability income, death benefits, pain and suffering and economic loss. While this type of coverage can overlap with other benefits outlined in this document, they should not be considered a replacement to life or disability insurance as they only protect you if the event is related to a car accident. While the minimum standards are suitable for many, be sure to review options for additional coverage at the time of application to ensure your specific needs are met. (Insurance Bureau of Canada)

Business Liability

In business, mistakes happen. These errors may be benign or may end up hurting you, your employees or your customers. To order to protect your business from being sued, business owners should consider the following types of coverage (Canada Business Network):

- General Liability: Covers injuries to clients and employees.
- Product Liability: Provides protection in the event your products are defective or cause harm.
- Professional Liability: Protection against being sued for errors, omissions or negligence when providing services.

Umbrella Liability ¹

An umbrella liability policy a policy that provides additional liability coverage to your primary home and auto policy and covers other liabilities not covered by your primary policies. It provides additional funds for losses and claims beyond the maximums of your primary policies. Unlike the other policies which cover you for one property or liability, this type of coverage augments all of them in one package. This type of coverage can be of value to everyone but becomes more important as you increase the number of real estate properties and vehicles you own and the more you travel. Be sure to talk to a qualified advisor about this type of coverage.

Employee Assistance, Wellness, Second Opinion & Treatment Programs

What is it?

Wellness, Diagnosis, Second Opinion and Treatment plans are not risks; they are programs that offer benefits. The below programs are either offered on a stand-alone basis or are embedded in various solutions discussed in this review. These programs help reduce your risk of a medical issue, provide a second opinion and offer you advice and options for treatment.

Employee Assistance Programs

Wellness plans are commonly known as Employee Assistance Plans (EAP). They are often provided through group health benefits and are frequently embedded within Critical Illness Insurance policies. They provide services to help you stay healthy such as wellness information, diet and smoking cessation counseling, and psychiatric counseling. We encourage you to utilize these programs as needed.

Wellness Programs

██████████ Financial has established an affiliation with two of the country's most respected private medical clinics: Deerfields and Medcan their program provides patients with a comprehensive medical assessment aimed at wellness, early diagnosis, and prevention of medical issues. If you are interested in learning more about this program and it's pricing or are interested in a free consultaiton please let us know.

Second Opinion

Second Opinion programs provide a second opinion from a top medical authority should you be diagnosed with a serious medical issue. These opinions can confirm, refine or refute the previous diagnosis. They are often available through group plans and are embedded in Critical Illness Insurance Policies.

Treatment

Treatment plans provide opinions on where to best obtain care for severe medical conditions. They are often available through group plans and are embedded in Critical Illness Insurance and Long Term Care Policies.

Coverage & Recommendation Summary

The following summarizes your current coverage and the recommendations we have made throughout this plan.

Current Coverage

Type	Insured	Benefit	Pricing	Premium	Replace?
Life	████	\$2,400,000	T100	\$1,158.04	No
Life	████	\$1,000,000	T100	\$283.75	No
Group Life	████	\$750,000	T5	\$520.01	No
Group Life	████	\$375,000	T10	\$111.25	No
Disability	████	\$13,000	T65	\$541.25	No
Critical Illness	████	\$50,000	T10	\$51.54	No
Group Health & Dental	████	Family	YRT	\$319.24	No
Group Travel	████	\$5,000,000	YRT	\$0.00	No

Total **\$2,985.08**

Proposed Coverage

Type	Insured	Benefit	Pricing	Premium	Priority
Life	████	\$2,400,000	T100	\$1,158.04	Current
Life	████	\$1,000,000	T100	\$283.75	Current
Group Life	████	\$750,000	T5	\$520.01	Current
Group Life	████	\$375,000	T10	\$111.25	Current
Disability	████	\$13,000	T65	\$541.25	Current
Critical Illness	████	\$50,000	T10	\$51.54	Current
Group Health & Dental	████	Family	YRT	\$319.24	Current
Group Travel	████	\$5,000,000	YRT	\$0.00	Current
Critical Care	████	\$5,000,000	T5	\$179.33	Med
Critical Care	████	\$5,000,000	T5	\$173.00	Med

Total **\$3,337.41**

Completing this Stage

In this report we have outlined our recommendations for coverage. It is now up to you to determine how you would like to proceed. Should you opt to pursue coverage we will help you implement said coverage. This involves going through the underwriting process in order to be approved for coverage.

The Underwriting Process

Should you opt to proceed with our recommendations you will be contacted by our office to begin the underwriting process. The process is as follows:

- 1 - Pre-meeting: You will receive an email from us confirming the coverage for which you will be applying and what to bring to the meeting.
- 2 - Meeting held to complete applications.
- 3 - Medical Evidence: A nurse will contact you to book an appointment.
- 4 - Doctors Report: Requested by the insurance company as needed.
- 5 - Result
- 6 - Delivery of the policy

Depending on how long it takes to obtain all relevant information the process can typically take anywhere from 30-90 days. We will be in contact periodically to update you on the status of your application.

The Decision

Once the insurance company has received all of the required information, they will get back to us with a decision. The decision will be one of the following:

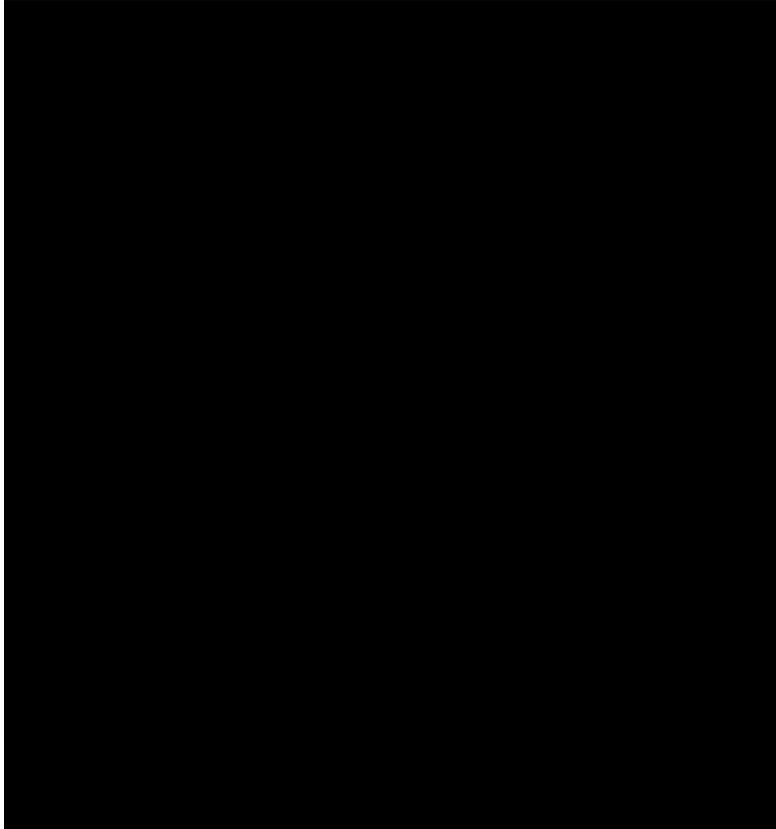
- Approved:
 - As applied for.
 - At a lower premium (in the case of some life policies).
 - With a rating (i.e. higher premium).
 - At a lower level of coverage.
 - With exclusions: will not cover some issues.
- Postponed until pending test completed etc.
- Declined either temporarily or permanently.

In instances of ratings, exclusions, postponements and declines, these decisions are often not final. Some of these issues may be temporary; others may only simply require that additional information be provided. We will work with you to help resolve any issues that come up during the underwriting process.

Next Steps

Once you have come to a decision as to how you wish to proceed with the recommendations within this review, we can move on to the next stage: the Tax Planning Review (TPR).

The TPR will be an opportunity to provide you with education on how the Canadian tax system works and clear up some tax myths. We will also walk you through your tax situation and show you how the steps we have put in place to date have helped to reduce your tax burden. Lastly it will provide us with an opportunity to discuss other tax planning strategies that may be beneficial to your situation.



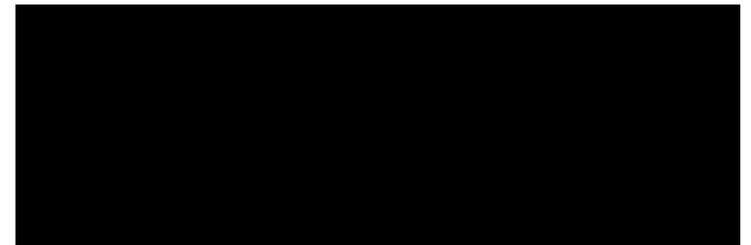


Tax Planning Review

Tax planning takes place at every step of the process. During this meeting a presentation is made where three things are accomplished. 1, we establish the fundamentals of the Canadian Tax system. 2, We review and assess the current tax planning done to date. 3, we discuss other strategies that may be of interest.

TAX PLANNING REVIEW


February 2017



Tax Rates

Marginal: Next Dollar

Average: Total as a % of Income

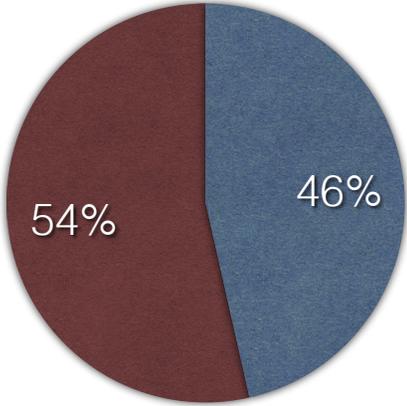
Ontario

Income Range	Marginal Tax Rate
Under 10,171	0%
10,172 - 11,635	5.05%
11,636 - 42,201	20.05%
42,202 - 45,916	24.15%
45,917 - 74,313	29.65%
74,314 - 84,404	31.48%
84,405 - 87,559	33.89%
87,560 - 91,831	37.91%
91,832 - 142,353	43.41%
142,354 - 150,000	46.41%
150,001 - 202,800	47.97%
220,800 - 220,000	51.97%
Over 220,000	53.53%

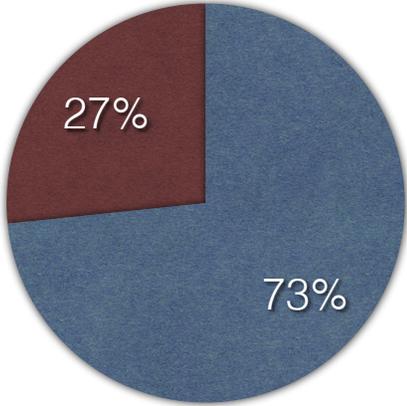
Ontario

Income	2017 Tax Payable	Average Tax Rate
\$50,000	\$8,311	16.62%
\$75,000	\$15,735	20.98%
\$100,000	\$24,931	24.93%
\$150,000	\$46,864	31.24%
\$200,000	\$70,849	35.42%
\$500,000	\$231,014	46.20%
\$1,000,000	\$498,662	49.87%

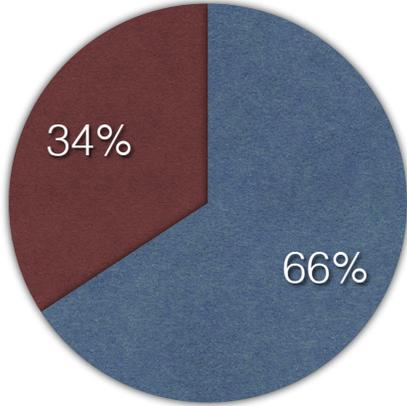
Types of Income



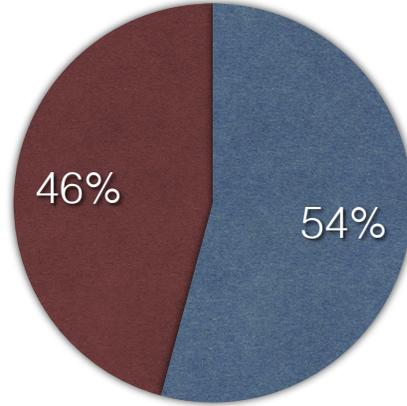
Employment
Interest
Foreign Dividend



Capital Gains



Qualified
Dividends

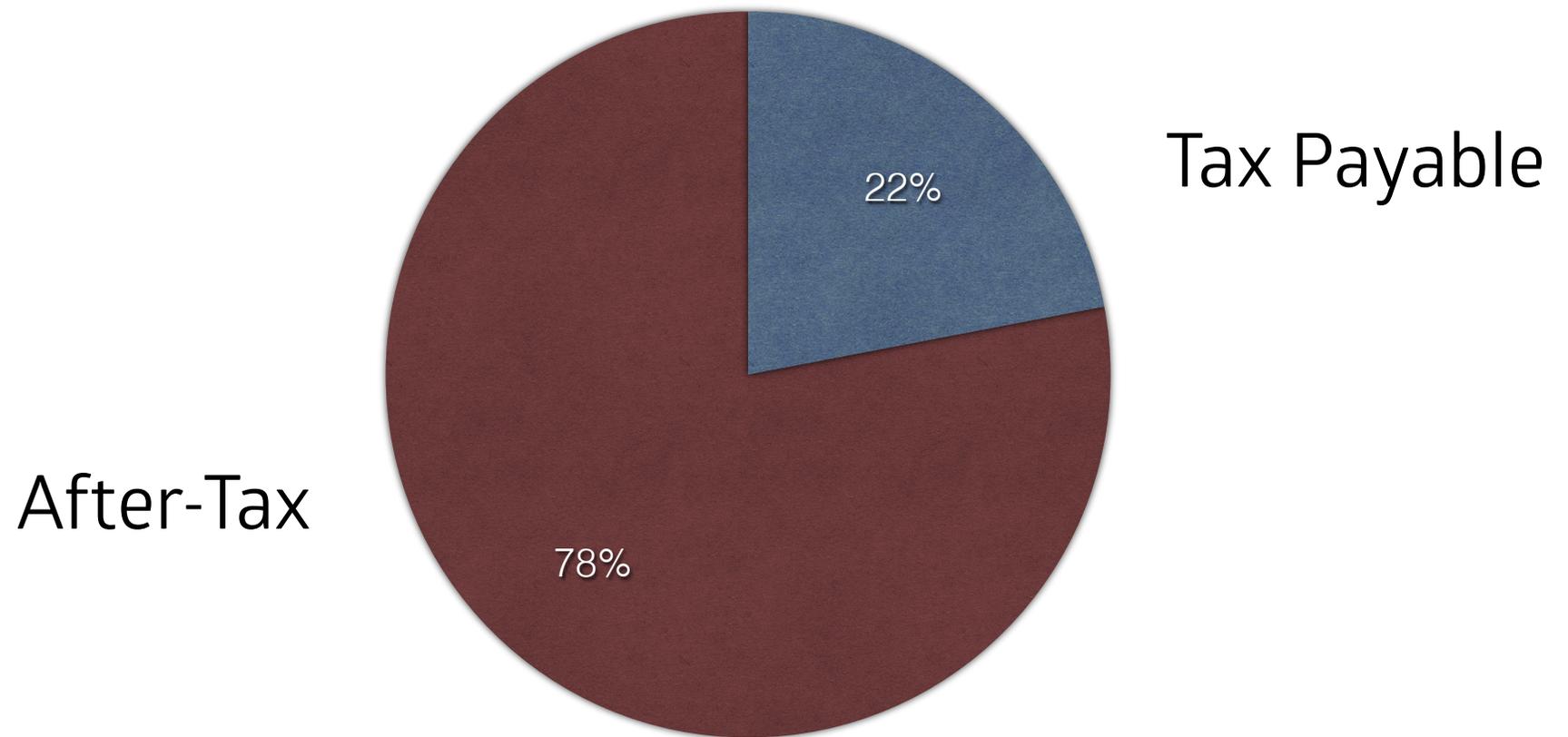


Non-Qualified
Dividends

Your Situation

	██████	██████	Corp
Annual Income	\$150,000	\$50,000	\$150,000
Tax Bill	\$46,864	\$8,311	\$23,250
Marginal	46.84%	25.32%	15.5%
Average	31.24%	16.62%	15.5%

Your Situation



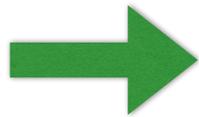
Tax Evasion is illegal...

Tax Avoidance is not

Deduct



Defer



Credit



Convert



Split Save



Tax Advantaged Accounts

Taxable Accounts

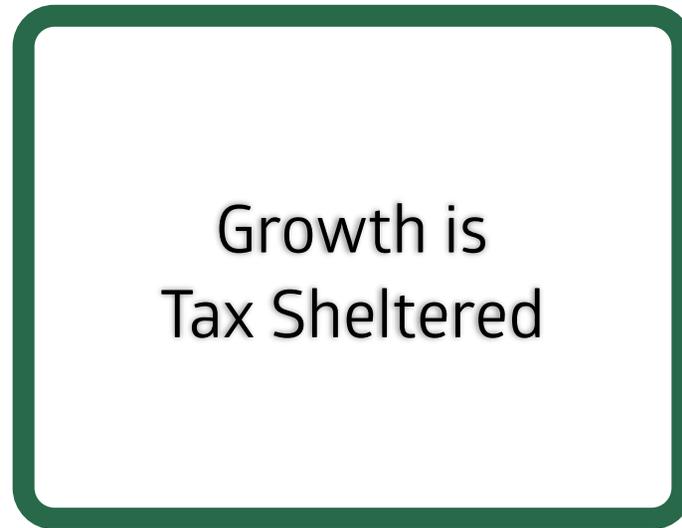
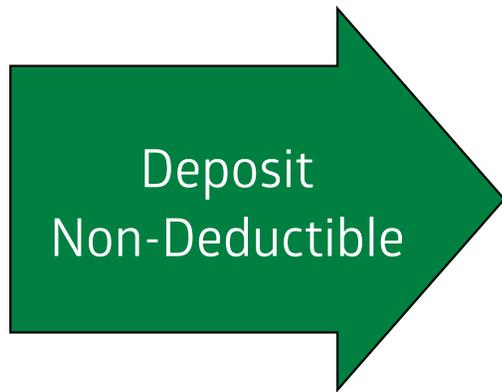


RRSP



\$306,000 - Deferral: \$153,000

TFSA



Other Tax Strategies

Principal Residence



Gains are 100%
Tax Free

\$1,200,000
Tax Free: \$24,000/year

Incorporation

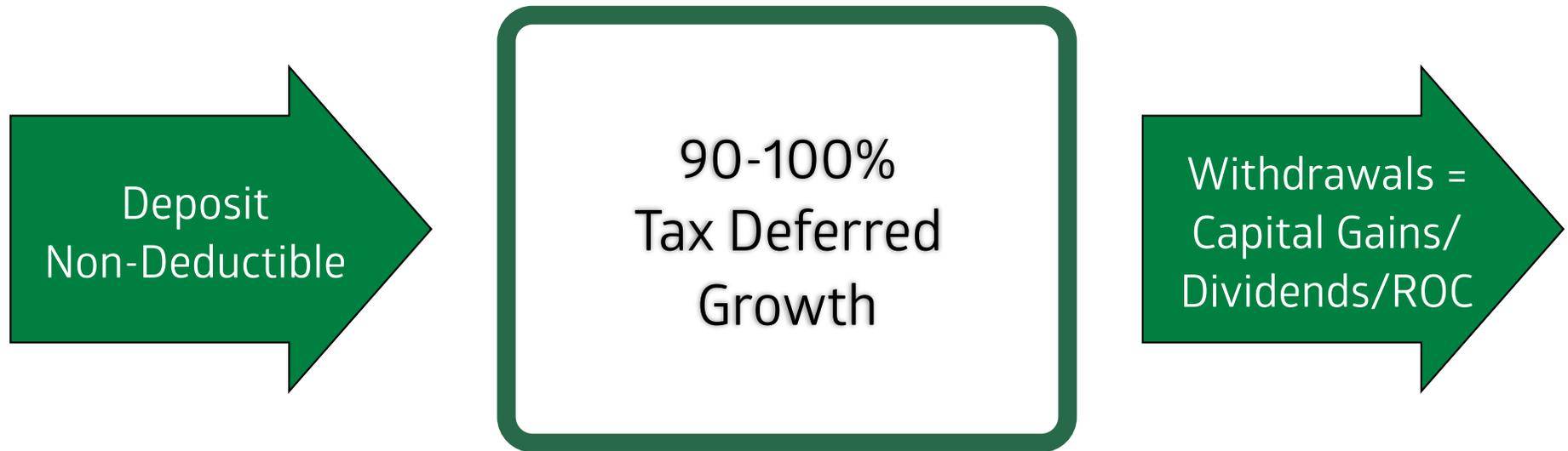


53.53% Personal

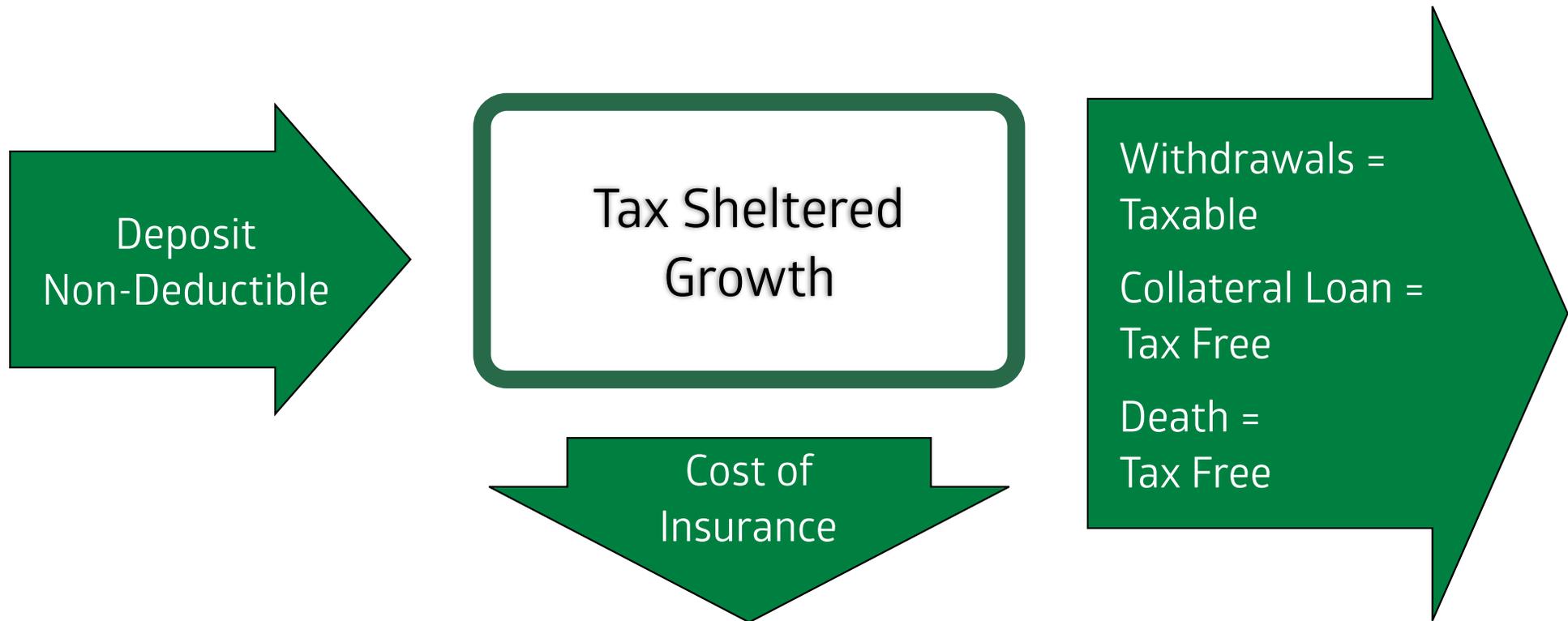
vs

14.5% Corporate (first \$500k)*

Corporate Class Funds



Insured Retirement Plan



Leveraged Investing



- * Fixed Cost vs Variable Return
- * Larger Gains & Losses
- * Higher Risk Profile

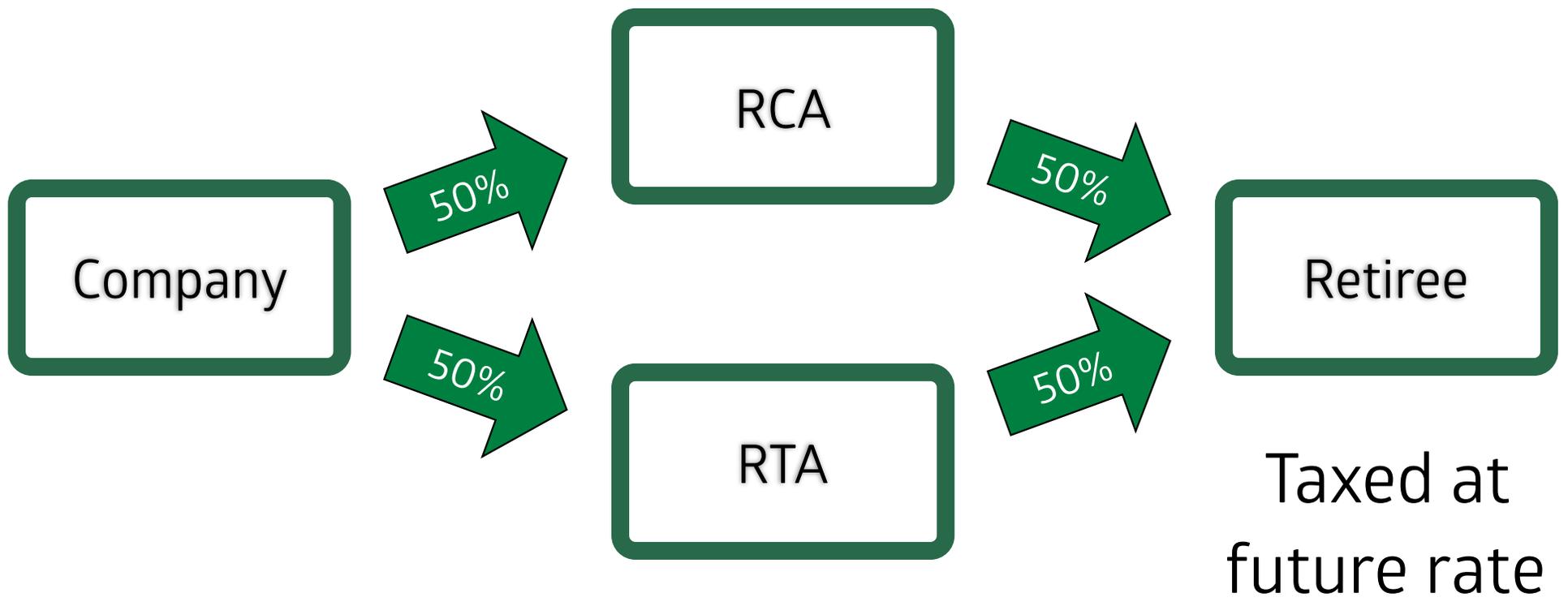
Individual Pension Plans



Supercharged RRSP
Fee Deductibility
Lumps Sums in Down Markets
Creditor Proof

33% more than an RRSP

Retirement Compensation Agreements



Health & Welfare Trusts



Tax Efficient Medical Care Funding
Deductible to Corp
Tax Free to Beneficiary

24% taxes and transaction fees
vs. 46% tax

Charitable Giving



First \$200 = 20.05% Credit

>\$200 = 40.16% Credit

Limit: 75% of Tax Bill, 100% on Death

Charitable Foundations: \$25,000 min

What to Avoid



- Offshore
- Complex
- Flips: Pay \$1 save \$2
- Increased Risk

Your Situation: Current

- RRSP
- TFSA
- RESP
- Corporation
- Home

Your Situation: Proposed

- Corporate Class
- IPP
- HAWT

Estate Planning Review

The clients current wills are 12 years old and make references to people they are no longer in contact with. As such, they can be largely ignored. The following outlines recommendations for a new estate plan based on discussions with the client.

Estate Planning Memorandum

April 2018

Status of Current Estate Documents

As per our conversation, they are out of date. As such they need to be replaced.

The following recommendations are based on our discussion of your estate goals and my professional opinion. This does not constitute the opinion of a lawyer. The final estate plan must be reviewed by a lawyer prior to implementation.

Power Of Attorney for Personal Care:

- Primary: Each other
- Secondary: All four children equally
- Tie breaker rule: Flip coin.
- Restrictions: No gifting.

Power Of Attorney for Health Care:

- Primary: Each other
- Secondary: All four children equally
- Tie breaker rule: Majority rule
- Heroic measures: None. Majority rule.
- In the case said condition that puts you in this state and you own a critical illness policy and would qualify for the benefit if you survived for 30 days, you wish to be kept alive for 31 days.

Assets

- **Tax Bill:** The only assets that would generate an income tax liability on death are [REDACTED]'s RRSP, and [REDACTED]'s shares in [REDACTED]. This tax bill would only be due on second death. Your current insurance coverage is sufficient to cover the current liability on second death.
- **Assets Outside the Estate:**
 - All assets owned by the [REDACTED] Family Trust (2018), including your shares in [REDACTED] and in [REDACTED] Investment Corp are owned by the trust and as such would pass outside your estate. No tax bill would be triggered by your deaths and the assets of the trust could be passed along to your children at cost base.
 - All of your registered accounts (RRSP, TFSA, IPP) will transfer to the beneficiaries outside of your estate and not be subject to probate.
 - On first death your home, which is held jointly, will transfer to the survivor and not be subject to probate.

- **Dual Wills:** In Ontario, one can create two wills: one to deal with assets that are probatable, and one for the remaining assets. The only asset of note that you own which is not subject to probate is the shares of your professional corp. Given the current value of it is negative due to the corporate line of credit, and the plan is to accrue investment assets in an investment corp, there is little need for dual wills. As such I recommend that single wills for both of you.
- **The Will:**
 - **Executors:**
 - Primary: Each other
 - Secondary: All four children equally.
 - Tie breaker: Flip coin
 - **Bequests:**
 - To be determined
 - **Registered Assets:**
 - [REDACTED] is to be named the beneficiary of [REDACTED] RRSP, TFSA and IPP.
 - [REDACTED] is to be named the beneficiary of [REDACTED] TFSA.
 - The contingent beneficiaries in all cases, are the kids equally.
 - **Beneficiaries of Estate Residue:**
 - On 1st death: To each other in a spousal trust.
 - On second death:
 - The estate residue may be kept in the graduated rate estate for up to three years, to the discretion of the Executors.
 - The estate is to be divided evenly into four separate parts:
 - 1 part to a trust where [REDACTED] will be the trustee. Beneficiaries will be [REDACTED] and all current and future issue.
 - 1 part to a trust where [REDACTED] will be the trustee. Beneficiaries will be [REDACTED] and all current and future issue.
 - 1 part to a trust where [REDACTED] will be the trustee. Beneficiaries will be [REDACTED] and all current and future issue.
 - 1 part to a trust where [REDACTED] will be the trustee. Beneficiaries will be [REDACTED]. Should he predecease and all current and future issue.
 - Should any beneficiary qualify as disabled at the time of distribution from the estate to the trusts, said trust will be amended to qualify as a Henson's trust.
 - In the event one or more of your children predeceases you and leaves no issue, their share is to be divided equally among the survivors.
 - In the event of a common disaster:
 - You have yet to determine the split between remaining family members.

Action Plan

The following is the current action plan based on the enclosed financial plan.

Action Plan

April 20,2018

Action	Responsible Party	Due date
Reorganization of corporations	[REDACTED]	May 2018
Partnership agreement completion	[REDACTED]	May 2018
Completion of will and powers of attorney	[REDACTED]	May 2018
Establish pac into RRSP	[REDACTED]	May 2018
Home sale and downsize	[REDACTED]	June 2018
Consolidate higher rate debt	[REDACTED]	June 2018
Establish IPP	[REDACTED]	Jan 2019

Client Testimonial

The following testimonial was provided by the client.

Testimonial

[REDACTED] <[REDACTED]@deerfields.ca>

Mon, Mar 19, 2018 at 7:27 AM

To: [REDACTED]

[REDACTED]

Everyone needs good financial advice. The problem is that you need more than finance advice for your personal, financial and occupational security and wellbeing: investment management, risk management, tax planning and estate planning are integral to generating a true situational awareness and strategy for success. I realized how important these components are individually and collectively when I met [REDACTED]. For the first time, I had a trusted advisor who understood a wide spectrum of my needs and I have been more than satisfied.

Shortly after our first consultation, [REDACTED] discovered a tax savings that directly put \$750,000 back into my pocket, that had been completely missed not because I did not have a financial advisor, or a life insurance agent, but these were two different professionals, and Jason was able to review both of these products independently and discover a solution that provided me with a dramatic return very quickly.

As a busy physician and business owner, I realise that I need a specialized generalist, who can see my whole picture and still dig down deeply into the details, with knowledge, skill and clarity I had not previously encountered. It all starts with a plan. From there prospering and preserving wealth and security flows with confidence.

Cheers,

[REDACTED]

[REDACTED]

[Quoted text hidden]

Regulatory Disclosures

What follows are disclosures documents provided to the client. The one document that has not been provided is a 30 page related party disclosure. Redacting this document would have taken several hours. The organizers of the CFPA instructed me to simply mention it here instead of including it.

OTHER PRODUCTS AND SERVICES DISCLOSURE

Client Acknowledgement Regarding (Advisor):



[REDACTED] and **[REDACTED]**

You, as the client, acknowledge and understand the following:

1. Your Advisor are registrants of **[REDACTED]**, a member of the Investment Industry Regulatory Organization of Canada (IIROC). For Quebec clients, your Advisor is also registered with the Autorité des Marchés Financiers (AMF). This registration allows your Advisor to provide you with securities related products and services. Any other products or services offered by your Advisor are done on their behalf and are considered outside activities.
2. Activities other than those specifically related to **[REDACTED]**, as noted above, do not involve **[REDACTED]**; and is not responsible in any way for them. **[REDACTED]** assumes responsibility and liability for **[REDACTED]** business interests only. All outside business activities, community service or volunteer positions undertaken by your Advisor(s) that are not specifically designated as **[REDACTED]** business activities are not the responsibility of **[REDACTED]**, nor does **[REDACTED]** assume any liability for such activity.
3. You are consenting to the sharing of information with **[REDACTED]** pertaining to the other products and services provided by your Advisor.
4. As a client of Mr. **[REDACTED]** I confirm that I am not a current student of his associated with **[REDACTED]**. If at any time in the future the information in the foregoing acknowledgment would no longer be accurate I will immediately notify the Advisor of such changes.
5. Your Advisor provides the following other products and services:

[REDACTED]

- Provides Life Insurance Sales, Group Insurance, Segregated Funds and other insurance products/services
- Provides Private Health Services Plans (PHSP) products/services
- Provides Fee for Service Financial Planning
- **[REDACTED]**
- **[REDACTED]**

[REDACTED]

- **[REDACTED]**

[REDACTED]

- **[REDACTED]**

[REDACTED]

[REDACTED]

6. You have a shared responsibility, with your Advisor, to educate yourself regarding these products and services and make the right financial decisions for you.
7. By signing below I am acknowledging that I have received and read this "Outside Activity disclosure document" and that I fully understand that **[REDACTED]** is not responsible for overseeing, or liable for, the outside activities of the Advisor.

Shared Premises:

By signing below I acknowledge that I have received, read and understand the shared premise disclosure as outlined in the [REDACTED] Account Information and Relationship Disclosure Document.



Protecting Investors and Fostering Fair and Efficient Capital Markets across Canada.



An Investor's Guide to Making a Complaint

www.iiroc.ca

Tel. 1 877 442-4322

Investment Industry Regulatory
Organization of Canada

Organisme canadien de réglementation
du commerce des valeurs mobilières

Montréal

5 Place Ville Marie, Suite 1550
Montréal, Quebec H3B 2G2

Toronto

Suite 2000, 121 King Street West
Toronto, Ontario M5H 3T9

Calgary

255 - 5th Avenue S.W.
Suite 800 - Bow Valley Square 3
Calgary, Alberta T2P 3G6

Vancouver

Suite 2800 - Royal Centre
1055 West Georgia Street
P.O. Box 11164
Vancouver, British Columbia V6E 3R5



Protecting Investors and Fostering Fair and Efficient Capital Markets across Canada.

The Investment Industry Regulatory Organization of Canada (IIROC) regulates all investment dealers in Canada. We set high quality regulatory and investment industry standards to protect investors and strengthen market integrity.

IIROC sets and enforces rules regarding:

- * the business and financial conduct of dealer firms and their registered employees; and
- * trading activity on all of Canada's equity marketplaces.

We also set proficiency standards. IIROC can bring disciplinary proceedings which may result in penalties including fines, suspensions and permanent bans or terminations for individuals and firms.

This brochure provides information on:

- ❖ How to Make a Complaint to an IIROC-regulated firm;
- ❖ How to Make a Complaint to IIROC; and
- ❖ Compensation options for investors.

This information and more is also available at www.iiroc.ca



Don't Delay

When making a complaint to IIROC or a firm, do so as quickly as possible after the event.

Making your complaint to the firm

IIROC-regulated firms must comply with IIROC standards for handling client complaints.



For service complaints, IIROC rules require firms to respond in writing to all written complaints.

For complaints that involve possible rule infractions regarding a client's account, IIROC rules require firms to:

- ❖ Acknowledge your complaint within 5 business days
- ❖ Provide their final decision within 90 calendar days, along with:
 - A summary of your complaint;
 - The results of their investigation;
 - An explanation of their final decision, and
 - Options for seeking compensation available to you, if you are not satisfied with the firm's response.

If a firm cannot provide a response within 90 days, you must be informed of the delay, the reason for the delay and the expected new response time.

Making your complaint to IIROC

You don't need to wait until the firm responds to your complaint before filing your complaint with IIROC. You can do so simultaneously or at any time.

IIROC encourages clients to inform us of your complaints. It's important so we can take regulatory action where rule infractions have occurred.

We can take disciplinary action to address undesirable behaviour by individuals or firms. Actions range from issuing a warning to launching an investigation and bringing a formal proceeding and hearing.

There are two ways to file a complaint with IIROC.

- 1** Call our Info/Complaint Line, **1 877 442-4322**, for inquiries or to have a Customer Complaint Form mailed to you
- 2** Complete a Customer Online Complaint Form at www.iiroc.ca

Generally, IIROC will notify you to acknowledge receipt of your complaint and will update you after an initial assessment or when a decision has been made whether to proceed with an investigation of a complaint involving a dealer or its registered staff. (In some cases, the entire investigation process must remain confidential until it becomes a matter of public record.)

You may be contacted by an IIROC staff member to provide additional information. If we do not pursue an investigation we may suggest, where possible, other ways of resolving the issue and will keep the information on file for reference.

Have your details ready

IIROC can help you best if we receive accurate and complete information, including:

- Your name and contact information;
- The name and contact information of any individual or firm mentioned in your complaint;
- Specific details of how, why and when you encountered problems; and
- All the relevant documentation, including any notes of meetings and/or discussions.

Investor options for seeking compensation

You can:

- ❖ Consider the free mediation service offered by the Autorité des marchés financiers (AMF) for Québec residents
- ❖ Go to Arbitration
- ❖ Take your case to the Ombudsman for Banking Services and Investments (OBSI)
- ❖ Pursue legal action

AMF Mediation Service

Québec residents may also consider free mediation services offered by the Autorité des marchés financiers (AMF), Québec's financial sector regulator.

After having dealt with your firm, you can ask that a copy of your complaint file be transferred to the AMF, who may offer a free mediation service. Participation is voluntary and requires the consent of both the firm and client.

For more information on mediation services:

1 877 525-0337

www.lautorite.qc.ca

renseignementsconsommateur@lautorite.qc.ca

It's up to you ...

IIROC rules require firms to participate in arbitration or OBSI when the client chooses either of those options.

Arbitration

IIROC has designated two independent arbitration organizations for resolution of disputes between Dealer Members and clients.

Arbitrations are conducted by a sole arbitrator. The arbitrator guides the proceedings, reviews the case presented by each party, and arrives at a binding decision.

Parties are permitted to retain legal counsel.

The arbitrators for this program are empowered to award up to \$500,000, plus interest and legal costs.

At the outset in a proceeding, an investor has the option to leave the discretion on awarding legal costs to the arbitrator or to choose to have the two parties pay their own legal costs and not be liable to a ruling that they would have to cover some or all of the other party's legal costs. It is still possible for the arbitrator to overrule that option and retain the right to award costs if he or she determines that one party has acted in bad faith or in an unfair, vexatious or improper manner, or has unnecessarily prolonged proceedings.

Arbitration fees (administrative fees, disbursements of the arbitration organization and the arbitrator's fees) are divided equally between the parties unless the arbitrator chooses to reallocate those amounts.

Please contact:

ADR Chambers

1 800 856-5154

www.adrchambers.com

Arbitration for clients resident in Québec

Please contact:

Canadian Commercial Arbitration Centre

1 877 909-3794

www.ccac-adr.org

Ombudsman for Banking Services and Investments (OBSI)

OBSI is a free, independent service for resolving investment disputes impartially. You have up to 180 days after receiving your firm's response to submit your complaint to OBSI. OBSI can recommend compensation of up to \$350,000.

1 888 451-4519
ombudsman@obsi.ca
www.obsi.ca

If you decide not to accept OBSI's recommendation, you can still seek redress through the IIROC arbitration program or the courts.

Legal Action

You also have the option of going to court.

Statute of Limitations

You should be aware that there are legal time limits for taking legal action. A lawyer can advise you of your options and recourses. Once the applicable limitation period expires, you may lose rights to pursue some claims.

Keep a file

As with all financial matters, it's important to keep a file. Retain documents such as account application forms, agreements and statements. Document the steps you take to resolve your complaint. Keep copies of letters, faxes, emails and notes of conversations.

Manitoba, New Brunswick and Saskatchewan:

Securities regulatory authorities in these provinces have the power to, in appropriate cases, order that a person or company that has contravened securities laws in their provinces pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgement of the superior court in that province.

Manitoba Securities Commission:
www.msc.gov.mb.ca

New Brunswick Securities Commission:
www.nbsc-cvmnb.ca

Saskatchewan Financial Services Commission:
www.sfsc.gov.sk.ca



In Closing

I hope that my taking the time to assemble the materials in this manner provided you what you needed in order to make your assessment. Thank you for your time and consideration.