INVESTING ESSENTIALS

Quick Reference Guide 2019

Dynamic Funds®
Invest with advice.

A PICTURE IS WORTH A THOUSAND WORDS

With an abundance of investment options to choose from, your advice is more vital than ever to help investors reach their goals. This guide puts investing essentials at your fingertips to make investment conversations easier for investors to understand.

Many of the concepts found in this guide have stood the test of time as well as more recent market volatility. They can help you illustrate to investors the importance of discipline, patience, and the value of a balanced approach in meeting their investment needs and long-term financial success.

CONTENTS

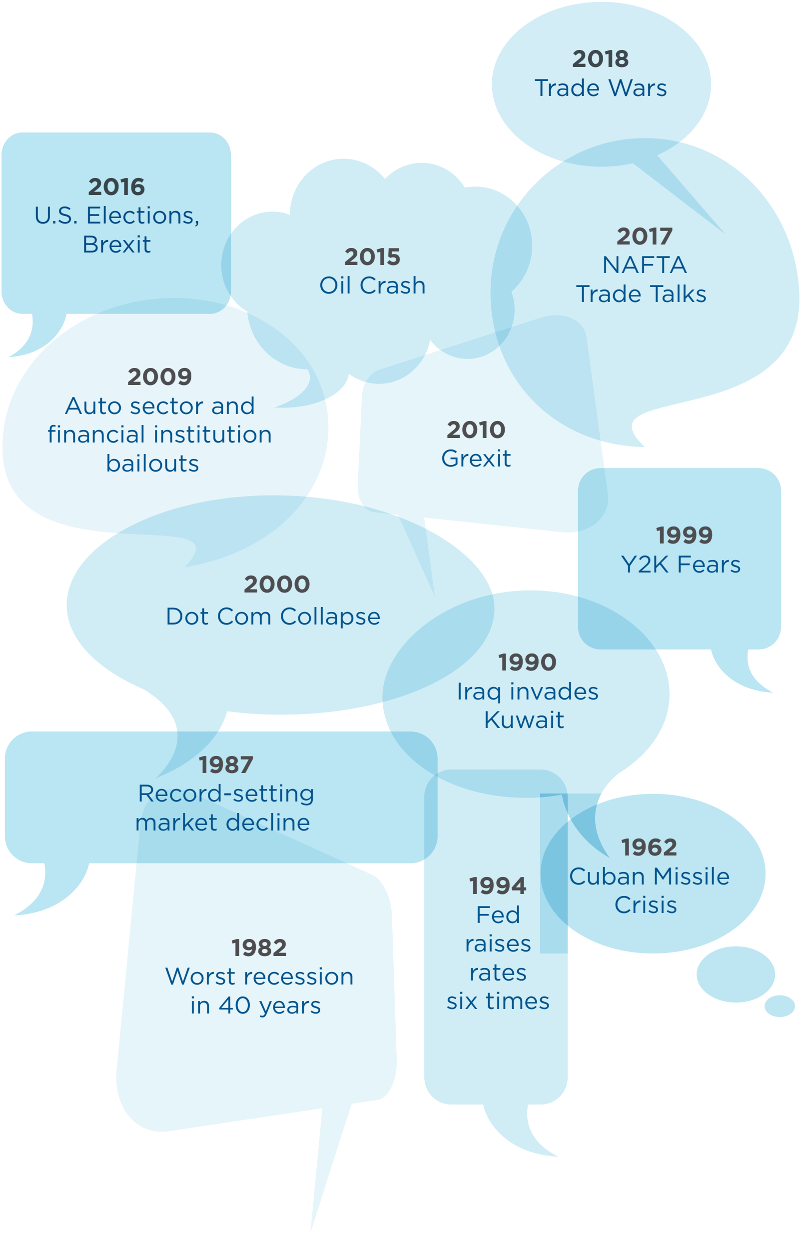
PART I: MARKET/ECONOMIC INFORMATION

LONG-TERM INVESTING

The chart on the next page shows the inferred growth of $1,000 invested in various asset classes for over 83 years. During this time, investors have had many excuses for not investing. However, by maintaining a long-term perspective, investors can let time work to their advantage.

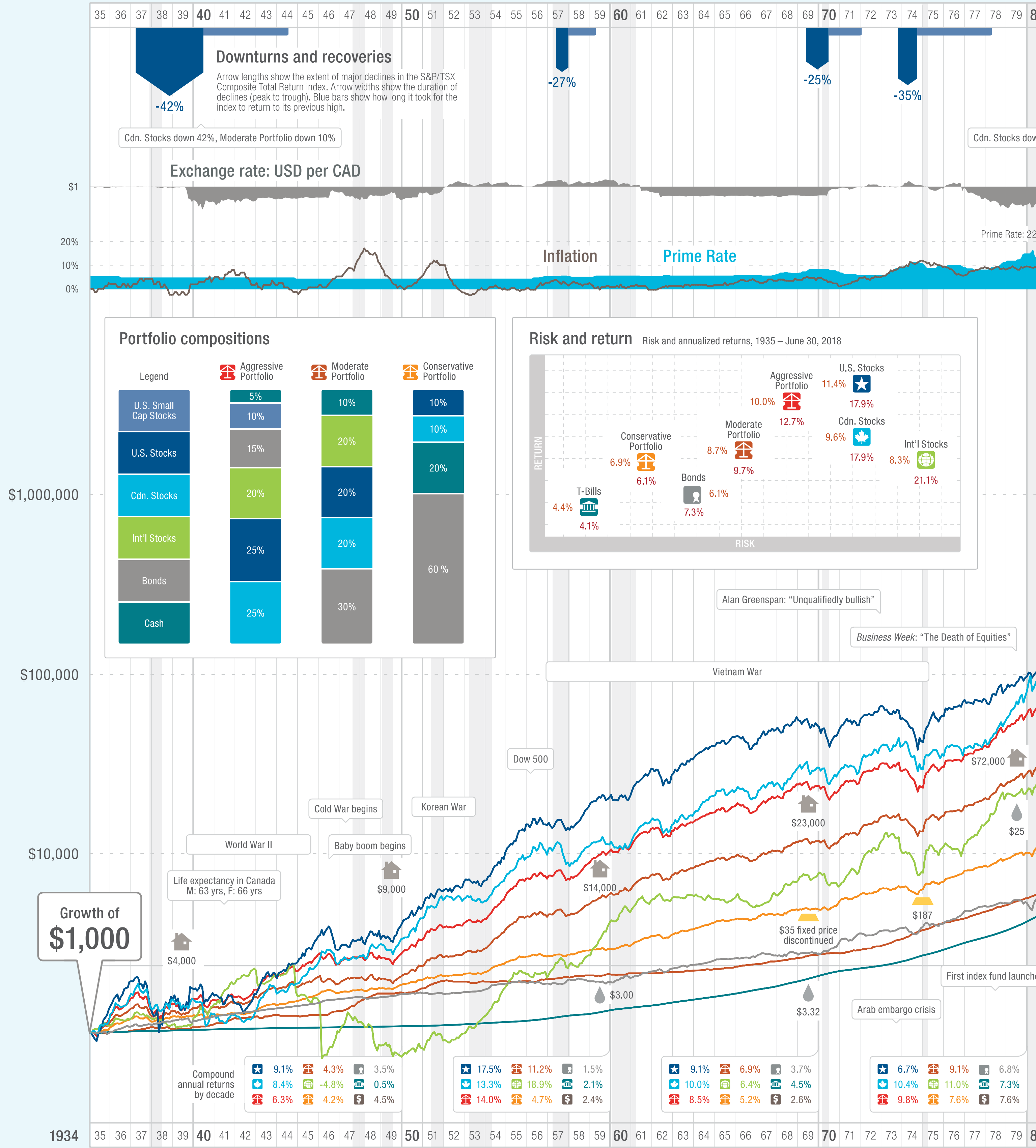
The chart is a great conversation starter. It can help address many investor concerns and illustrate concepts such as the impact of inflation, the relationship between major historical events and financial market performance, and how a diversified portfolio can be less volatile than a portfolio of stocks alone.

Past excuses for not investing



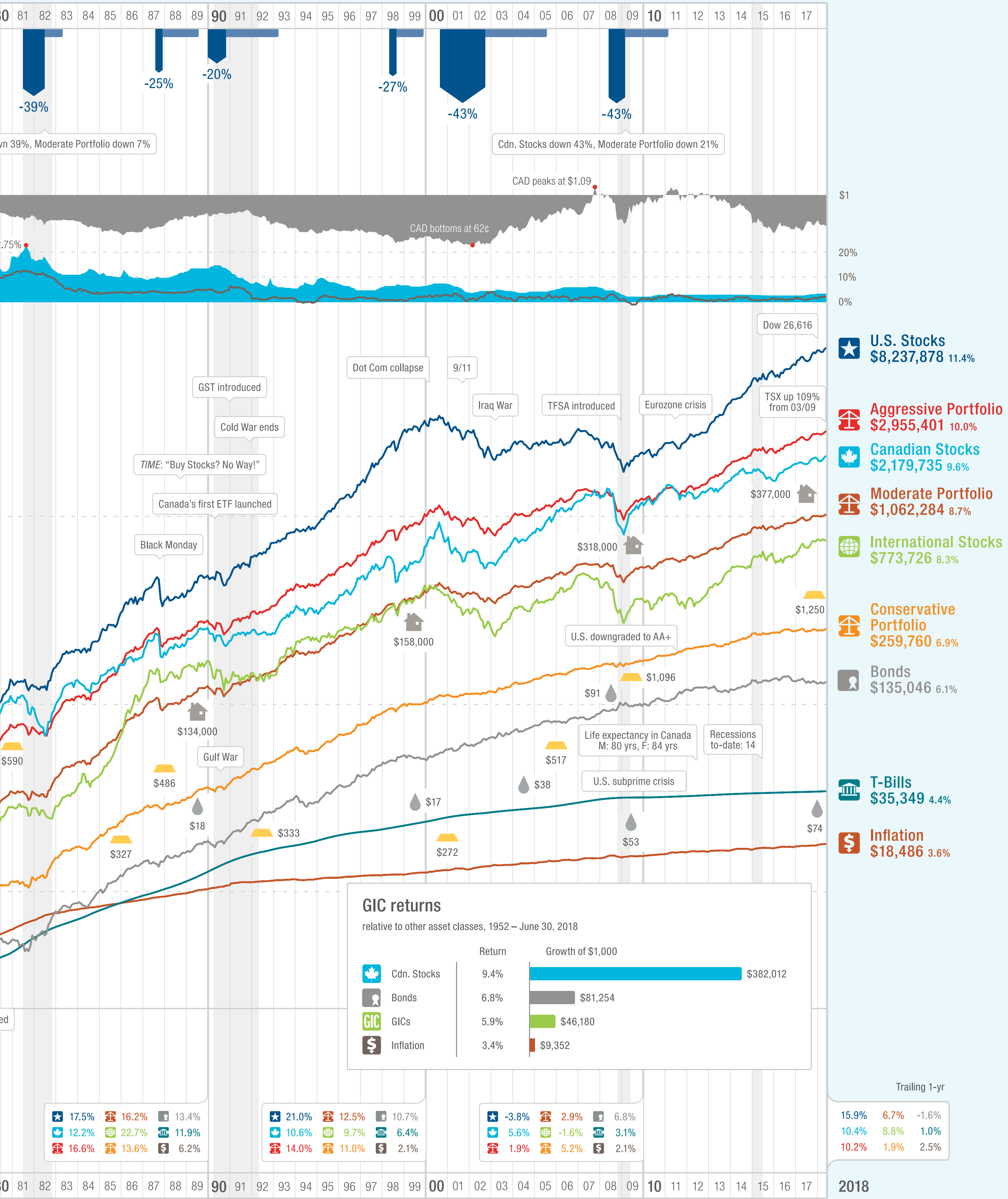
THE BIG PICTURE

Growth of $1,000 Invested in Various Asset Classes (January 1935 – June 2018)



This chart shows the inferred growth of one thousand dollars invested on January 1, 1935. This chart is for illustrative purposes only; it does not constitute investment advice and must not be relied on as such. Assumes reinvestment of all income and no transaction co
are monthly in frequency. All values are expressed in Canadian dollar terms, except oil and gold prices, which are in U.S. dollars.

Sources: U.S. Stocks: S&P 500 Total Return Index; U.S. Small Cap Stocks: NYSE/NYSEMkt, NASDAQ Small Cap Index—Center for Research in Security Prices (CRSP). International Stocks: ex-U.S.A. Total Return Index; Bonds: Canada 10-year Total Return Government Bond In
Canada. Prime Interest Rate—Bank of Canada. House Prices: 1985-2013—Statistics Canada; all other years—U.S. Case/Shiller index used as proxy for trends in Canadian market. Gold prices—Kitco. Oil prices—InflationData.com. The reproduction of part or all of this pu



GIC returns

relative to other asset classes, 1952 – June 30, 2018

	Return	Growth of $1,000
Cdn. Stocks	9.4%	$382,012
Bonds	6.8%	$81,254
GICs	5.9%	$46,180
Inflation	3.4%	$9,352

sts or taxes. The portfolios shown are neither real, nor recommended. They were rebalanced each January. Risk is measured by the standard deviation (volatility) of annual returns. All returns are compound annual returns unless otherwise indicated. Rolling periods

ndex; Canadian Stocks: S&P/TSX Composite Total Return Index; T-Bills: 3-Month Treasury Bill Total Return Index; GICs: Canada 5-Year Guaranteed Investment Certificates; Exchange rates—Global Financial Data, Inc. Inflation: Consumer Price Index; Recessions—Statistics
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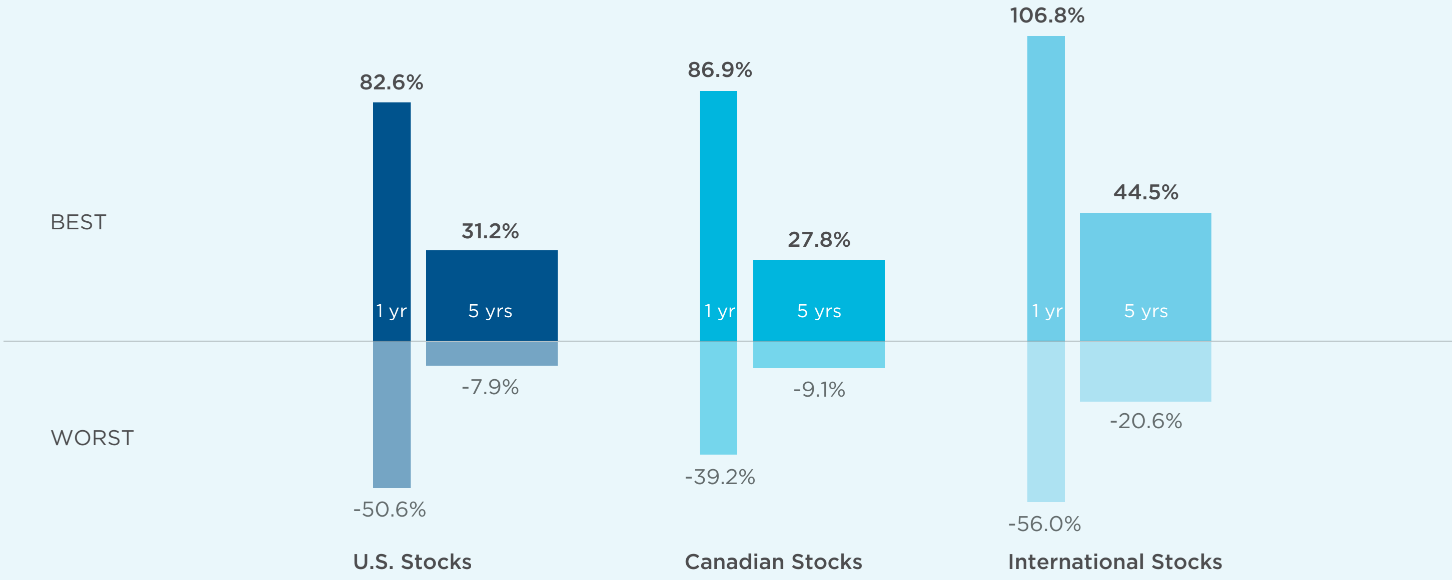
THE IMPACT OF TIME

When compared to more conservative asset classes like bonds, the performance of Canadian and foreign stocks can vary widely over shorter periods. Over longer periods (five years), the variance between the highs and lows shrinks considerably. A diversified portfolio approach aligned with your risk tolerance and time horizon is often the best approach.

Annualized Returns at month end

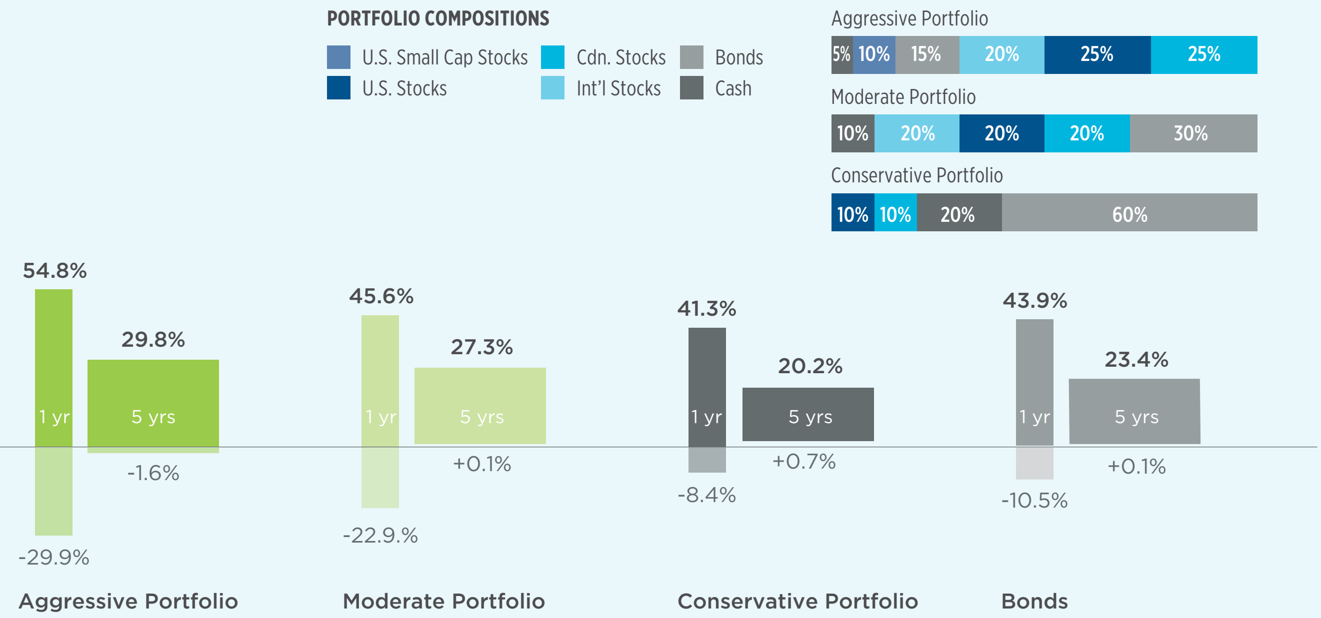
(January 1, 1935 – June 30, 2018)



CYCLE OF MARKET EMOTIONS

While the ups and downs of equity markets are largely unpredictable, their effects on investor behaviour can be observed. Many of us experience a rollercoaster of emotions when investing, which can translate into poor buy-and-sell decisions.

Source: Darst, David M. (Morgan Stanley and Companies, Inc.). The Art of Asset Allocation, 2003.

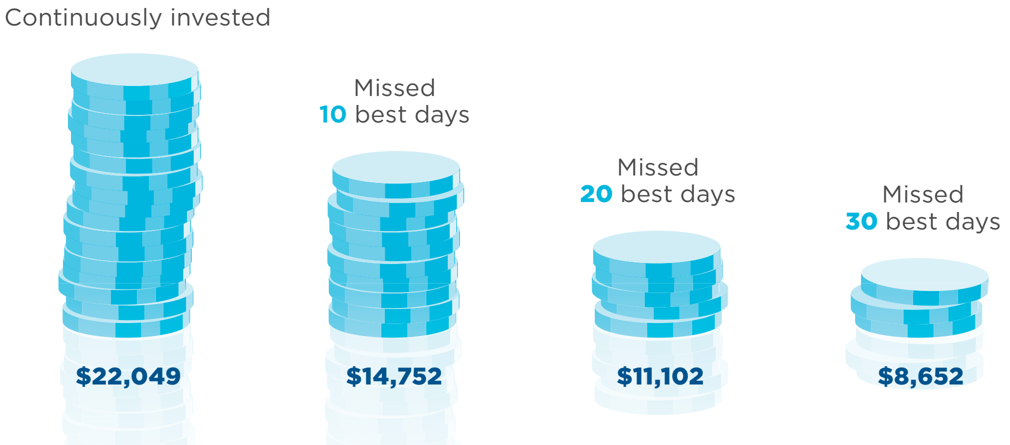


Source: Investments Illustrated, Inc., The Big Picture, 1935-2018. U.S. Stocks: S&P 500 Total Return Index; U.S. Small Cap Stocks: NYSE/NYSEMkt, NASDAQ Small Cap Index—Center for Research in Security Prices (CRSP). International Stocks: ex-U.S.A. Total Return Index; Bonds: Canada 10-year Total Return Government Bond Index; Canadian Stocks: S&P/TSX Composite Total Return Index. The reproduction of part or all of this publication without prior written consent from Investments Illustrated, Inc. is prohibited. The Big Picture, and the Investments Illustrated name and logo, are registered trademarks. Past performance is not an indicator of future performance. © 2018 Investments Illustrated, Inc. All Rights Reserved.

THE VALUE OF STAYING INVESTED

Trying to time the ups and downs of the market is a bit like rolling the dice. Consider the impact of missing the best 10, 20 and 30 days on the value of $10,000 invested in Canadian stocks over the past 10 years. Staying invested can potentially translate into a better outcome for investors.

$10,000 investment from Nov. 2008 – Nov. 2018

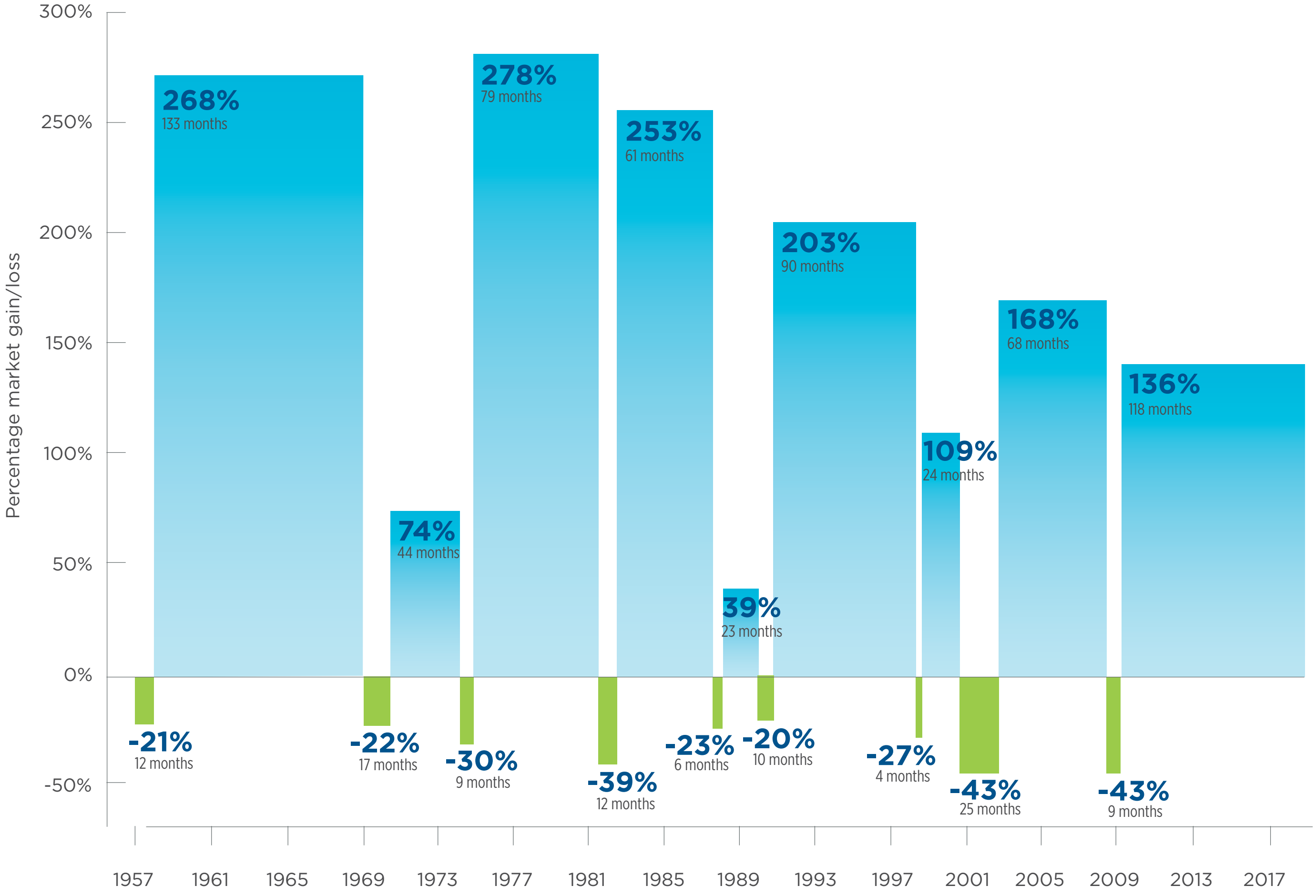


Source: Bloomberg. S&P/TSX Composite Total Return Index, November 30, 2008 to November 30, 2018. It is not possible to invest directly in an index. Assumes reinvestment of all income and no transaction costs or taxes. Value of investment calculated using compounded daily returns. Missing 10, 20 and 30 best days, excludes the top respective return days.

BULLS AND BEARS

Since 1957, there have been nine bull markets and bear markets for Canadian stocks. Historically, bull markets have lasted longer than bear markets. The average bull market increase was 139% over an average duration of 71 months. Conversely, the average bear market decline was 30% over an average duration of 12 months.

S&P/TSX Composite Total Return Index



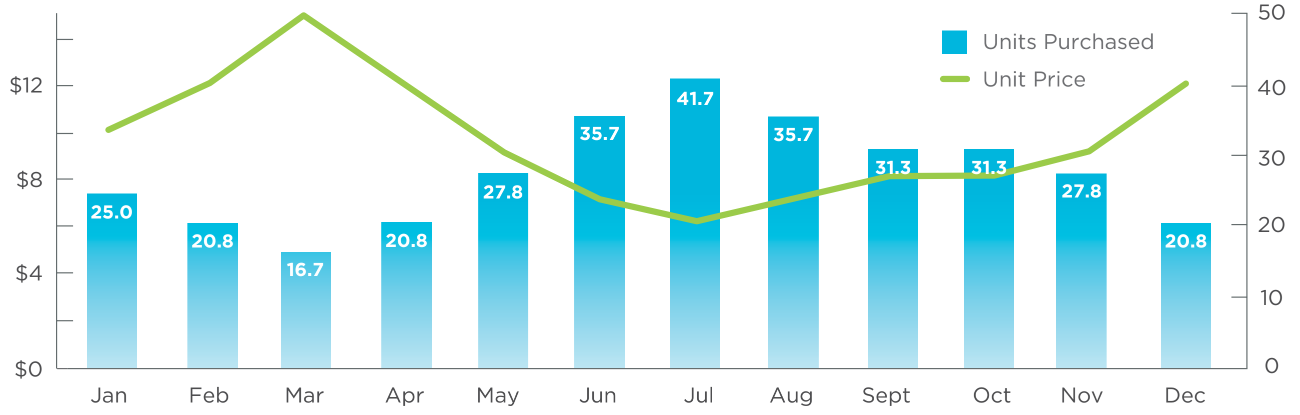
Source: Bloomberg. Percentage market gain/loss based on monthly compounded returns from the S&P/TSX Composite Total Return Index from December 31, 1956 to December 31, 2018. Returns are calculated in Canadian currency. Assumes reinvestment of all income and no transaction costs or taxes.

The terms bull market and bear market describe upward and downward market trends, respectively. Bull markets are movements in the stock market in which prices are rising and the consensus is that prices will continue moving upward. Bear markets are the opposite – stock prices are falling, and the view is that they will continue falling. In the above illustration, the generally accepted measure of a price increase or decline of 20% or more, respectively, over any given period, has been adopted.

MARKET VOLATILITY CAN WORK FOR YOU

Pre-Authorized Contributions can ease the stress of trying to come up with a lump sum of money to invest. Over the long term, they can also take advantage of market volatility and lower the average cost of your investments through dollar-cost averaging.

	Monthly Pre-Authorized Contributions	Lump Sum at Beginning of the Year
Total invested by year end	$3,000	$3,000
Total number of units purchased by year end	335.40	300
Unit price at year end	$12.00	$12.00
End value of portfolio at year end	$4,024	$3,600
Gain at year end	$1,024	$600
Average cost per unit for the year	$8.95/unit	$10.00/unit



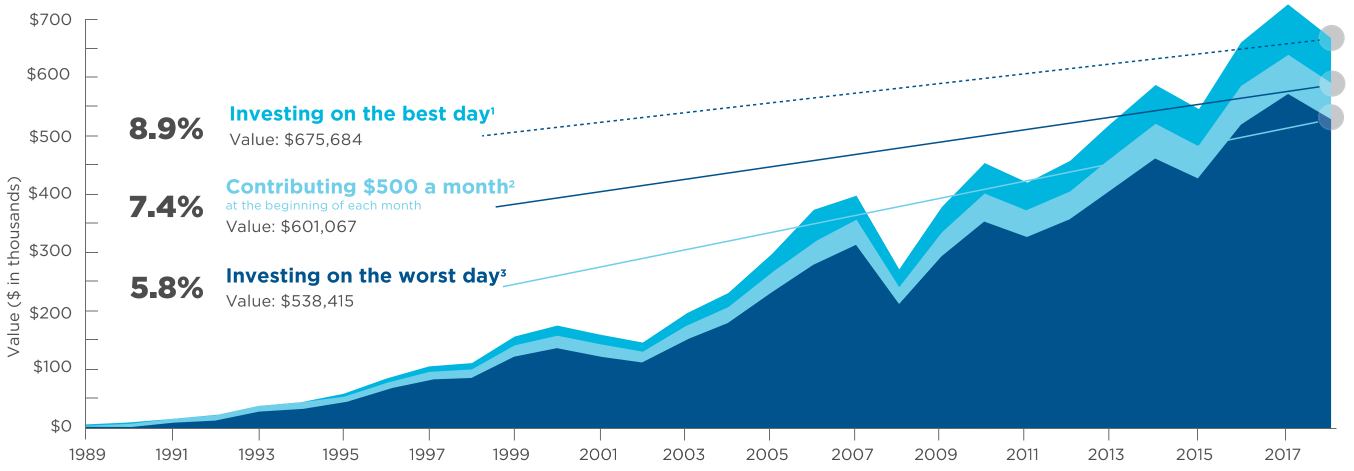
For illustration purposes only and does not represent the performance of an actual mutual fund. The above chart illustrates regular monthly contributions of $250 at the beginning of each month. As the unit price fluctuates from month to month, the quantity of units purchased also changes. Because of these fluctuations, the monthly pre-authorized contributions can take advantage of dollar cost averaging. The table above highlights how pre-authorized contributions are able to benefit more when compared to a lump sum contribution during periods of market volatility.

TIME, NOT TIMING, IS WHAT MATTERS

Even investing on the worst days over the long term can potentially generate positive results. That's because the longer an investment is held, the smaller the impact market highs and lows will have on your total return.

Annualized Compounded Returns (of various investments)

Contributing $6,000 each year since 1989 (as of Dec. 31, 2018)

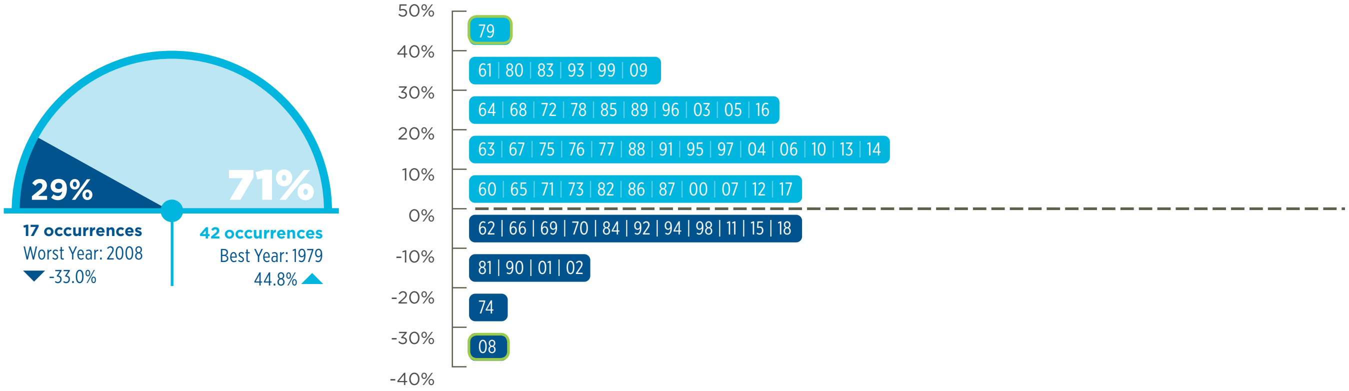


The above chart is for illustrative purposes only and does not reflect the actual results, future returns or future value of a mutual fund or any other investment. The S&P/TSX Composite Total Return Index has been used to represent the market. The illustration shows how a $6,000 annual investment made at the year's market low[1], the year's market high[3], or a $500 monthly contribution made at the beginning of each month during the year[2] would have performed between 1989 and 2018. Indices are not managed and it is not possible to invest directly in an index. Assumes reinvestment of income and no transaction costs, fees or taxes. Source: Morningstar

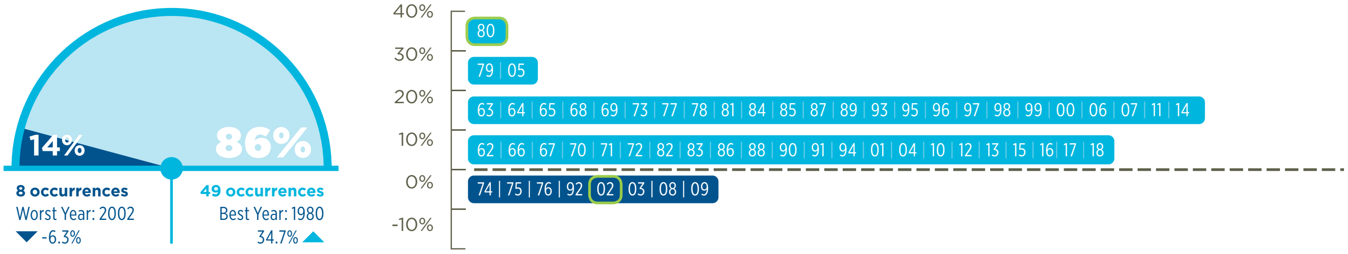
MANAGE RISK, DON'T AVOID IT

Investing and risk are a package deal. The keys to long-term investment success are to manage your exposure to risk by using time and diversification to your advantage.

Calendar-Year Returns of an All Equity Portfolio[1]



3-Year Rates of Return of an All Equity Portfolio[2]



5-Year Rates of Return of an All Equity Portfolio[3]

Source: Morningstar. Returns are calculated in Canadian currency. Assumes reinvestment of all income and no transaction costs or taxes. Best and worst year rate of returns based on each time period specified. The portfolios are hypothetical and for illustrative purposes only. It is not possible to invest directly in an index.

[1] Based on the calendar year returns of the S&P/TSX Composite Total Return Index from 1960 to 2018.

[2] Based on 3-year annualized returns ending December 31 of the S&P/TSX Composite Total Return Index from 1960 to 2018.

[3] Based on 5-year annualized returns ending December 31 of the S&P/TSX Composite Total Return Index from 1960 to 2018.

[4] Based on the calendar year returns of a portfolio of 50% the S&P/TSX Composite Total Return Index and 50% Canadian Fixed Income Composite from 1960 to 2018.

Risk can’t be avoided...

While the performance of an all equity and balanced portfolio can swing significantly each year, the overwhelming majority of past occurrences were positive.

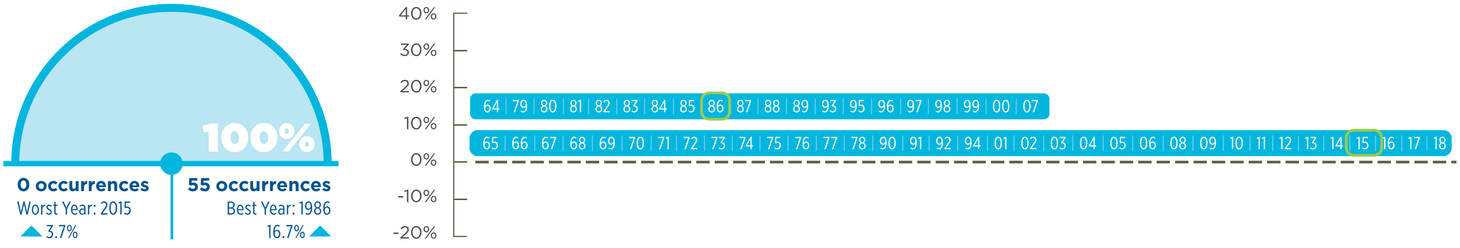
...but it can be managed.

When the time frame was increased, the occurrence of negative rate of returns significantly decreased.

Calendar-Year Returns of a Balanced Portfolio[4]

3-Year Rates of Return of a Balanced Portfolio[5]

5-Year Rates of Return of a Balanced Portfolio[6]



[5] Based on 3-year annualized returns ending December 31 of a portfolio of 50% the S&P/TSX Composite Total Return Index and 50% Canadian Fixed Income Composite from 1960 to 2018.

[6] Based on 5-year annualized returns ending December 31 of a portfolio of 50% the S&P/TSX Composite Total Return Index and 50% Canadian Fixed Income Composite from 1960 to 2018.

Canadian Fixed Income Composite consists of 80% FTSE Canada LT Bond & 20% FTSE Canada Residential Mortgage Index from 1960 to 1979; 100% FTSE Canada Universe Bond Index from 1980 to 2018.

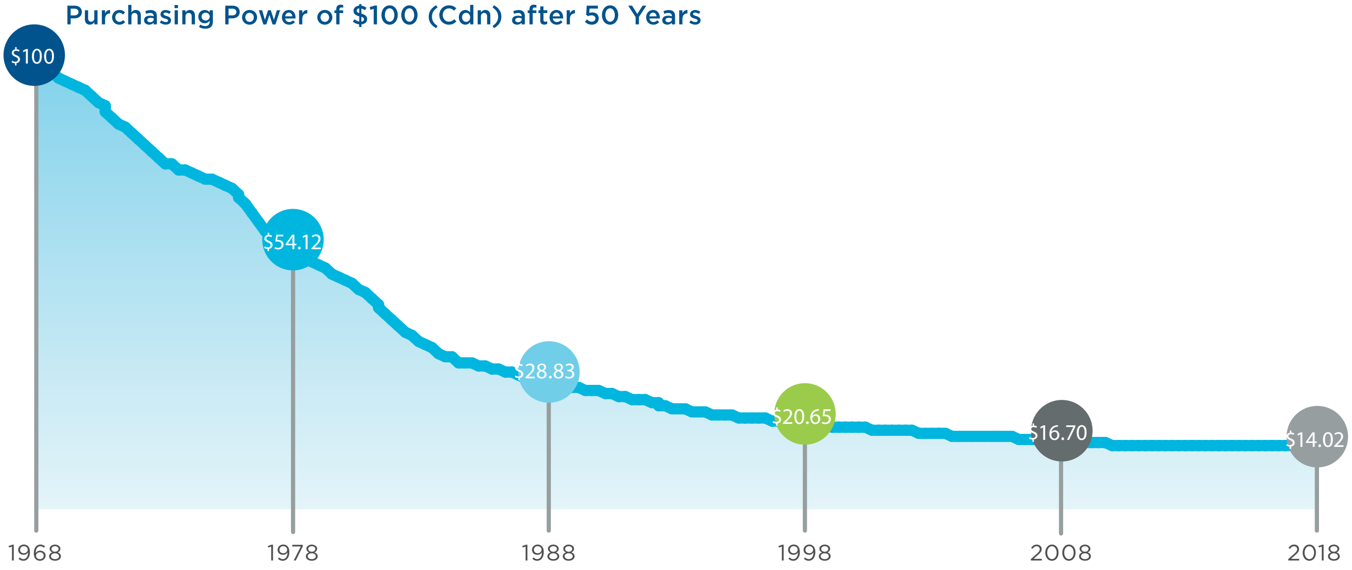
Best and worst year rate of returns based on each time period specified.

The examples are hypothetical and for illustrative purposes only. It is not possible to invest directly in an index.

THE IMPACT OF INFLATION

Investors who earn less than the rate of inflation on their investments are challenged by reduced purchasing power when the investments are converted back to cash. Over the long term, this means that the cost of a comfortable retirement may keep climbing.

Purchasing Power of $100 (Cdn) after 50 Years



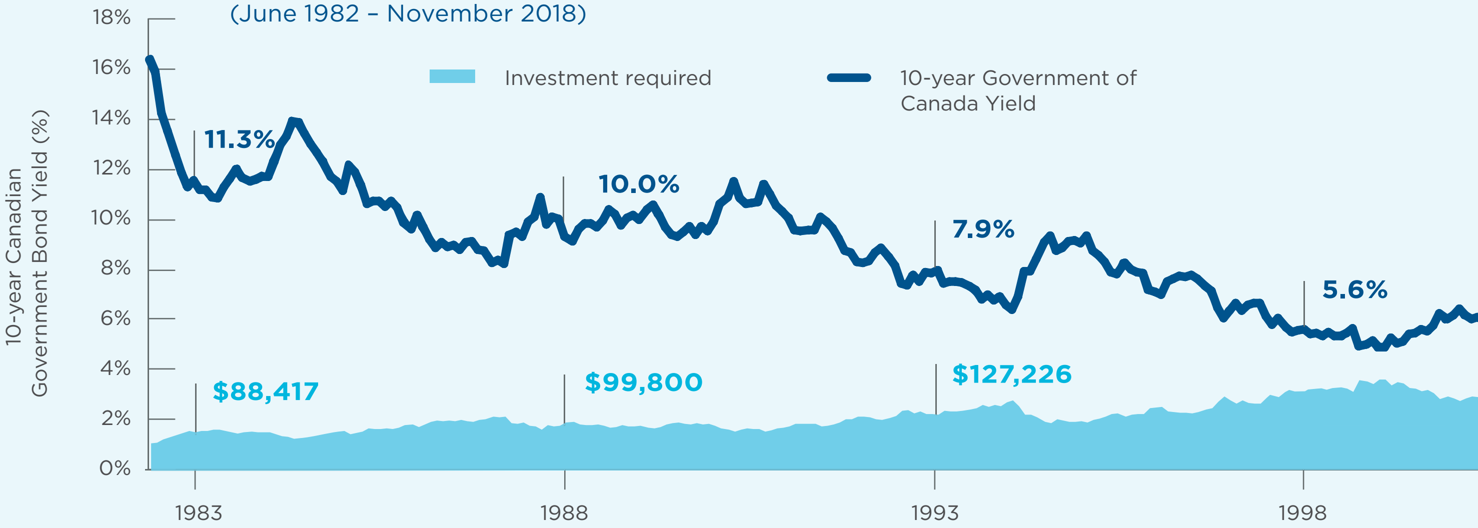
Source: Statistics Canada. Core Canadian CPI from December 31, 1968 to November 30, 2018.

THE COST OF INCOME

As interest rates steadily declined, the impact on bond investors has been twofold. The first is healthy capital gains and higher overall total returns. The second is the slow erosion of yields, and in turn, an increasing amount of capital required to generate a set amount of income.

Investment Required to Generate $10,000 of Income

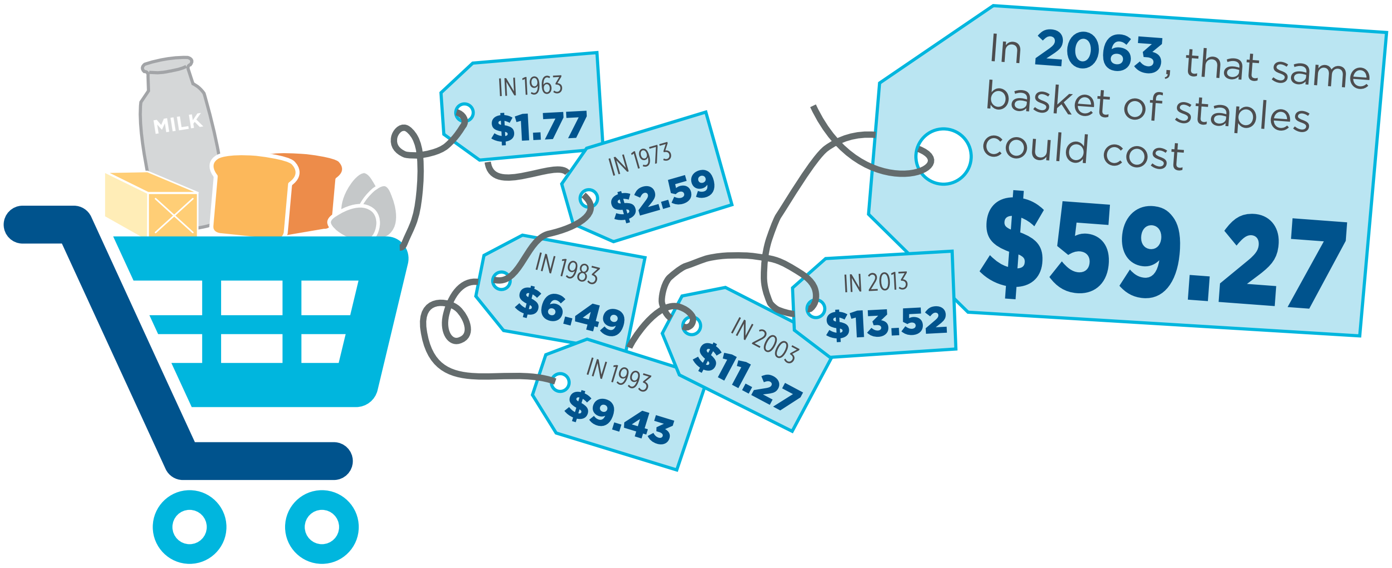
(June 1982 – November 2018)



Source: Government of Canada benchmark bond yields – 10 year | Bank of Canada

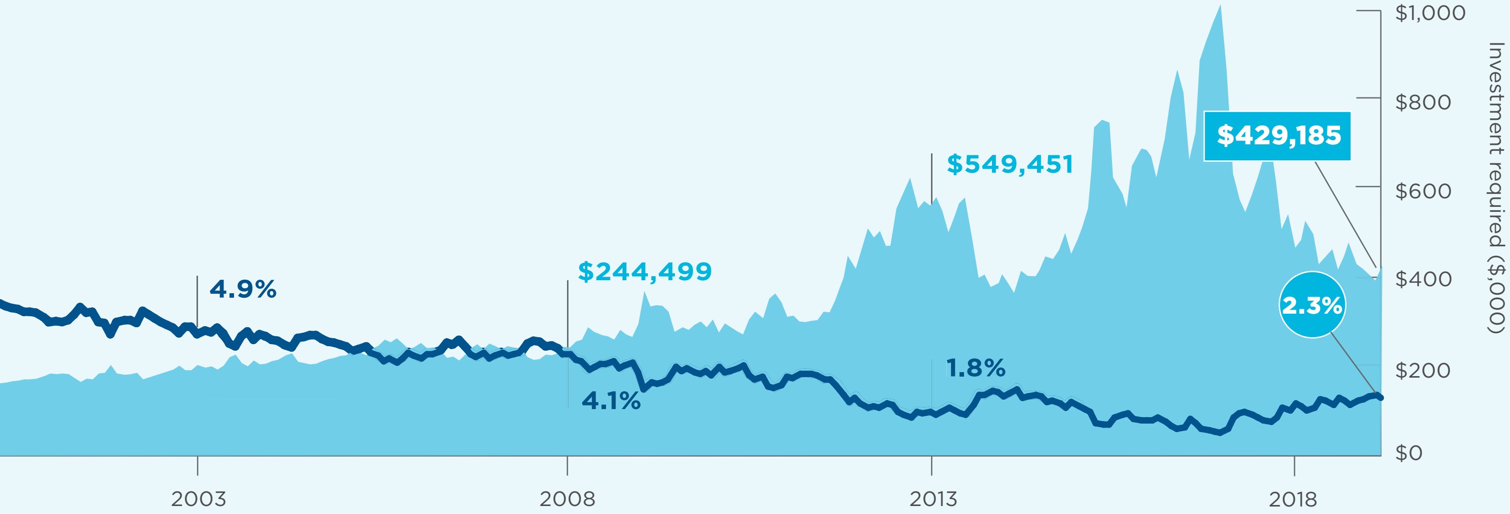
INFLATION CAN BE COSTLY (AT THE REGISTER)

For the most part, inflation is felt at the cash register. When planning for the long term, it's important to keep in mind the value of goods, not just in today's dollars, but in the future as well.



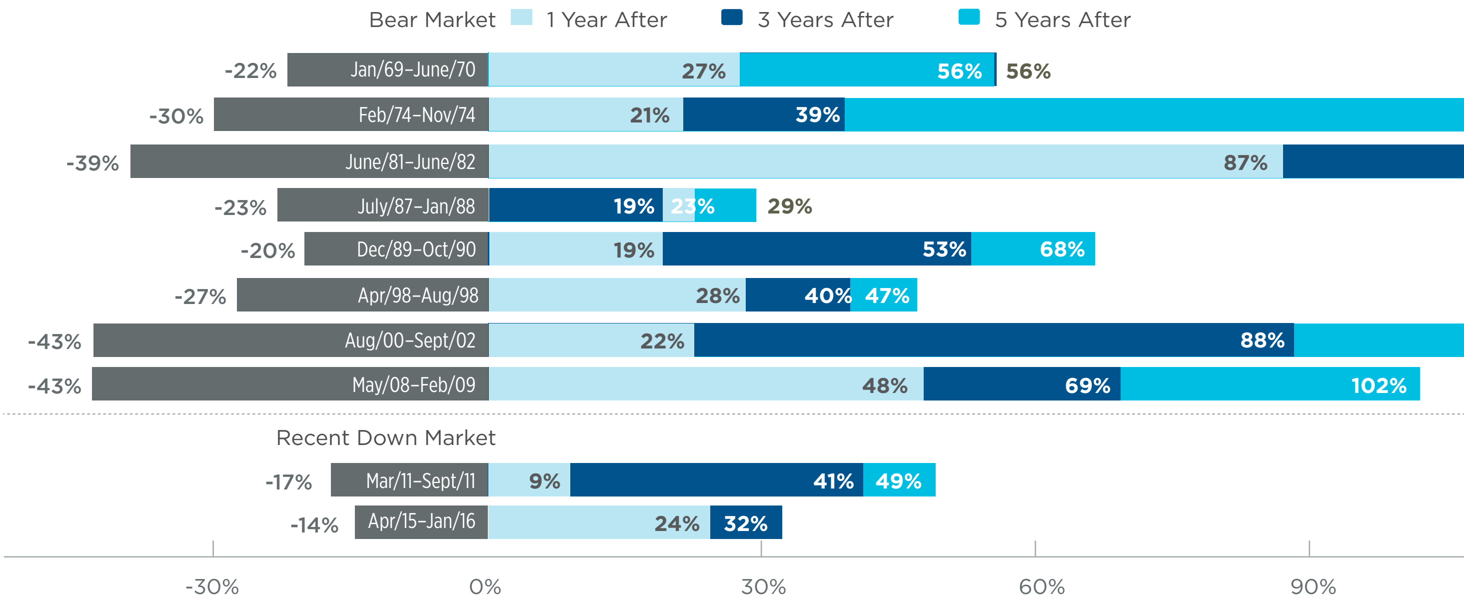
Source: Bank of Canada Inflation Calculator

For example, on December 31, 1982, an investor would have required a $88,417 annual income investment in 10-year Government of Canada Bonds to generate $10,000 in income annually versus a $429,185 investment to generate the same amount of income in November 2018.



SHORT-TERM PAIN, LONG-TERM GAIN

While volatile markets can create anxiety for investors, those who are disciplined and patient have historically been rewarded over the long run. The chart below illustrates that major declines have generally been followed by major recoveries.



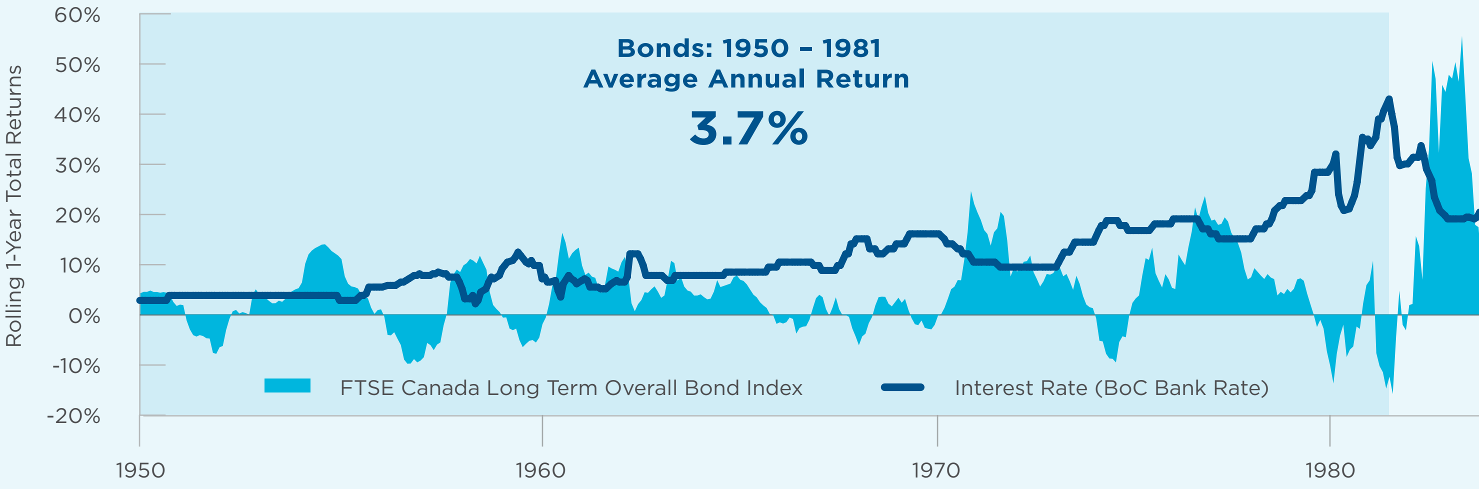
Source: Bloomberg. For illustrative purposes only. Indices are not managed and it is not possible to invest directly in an index. Assumes reinvestment of all income and no transaction costs, fees or taxes. Percentage market gain/loss based on monthly compounded returns from the S&P/TSX Composite Total Return Index from January 31, 1957 to January 31, 2019. Returns are calculated in Canadian currency. In the above illustration, the generally accepted measure of a market decline of 20% or more over any given period has been adopted to characterize a bear market.

AN INTERESTING TAKE ON BONDS

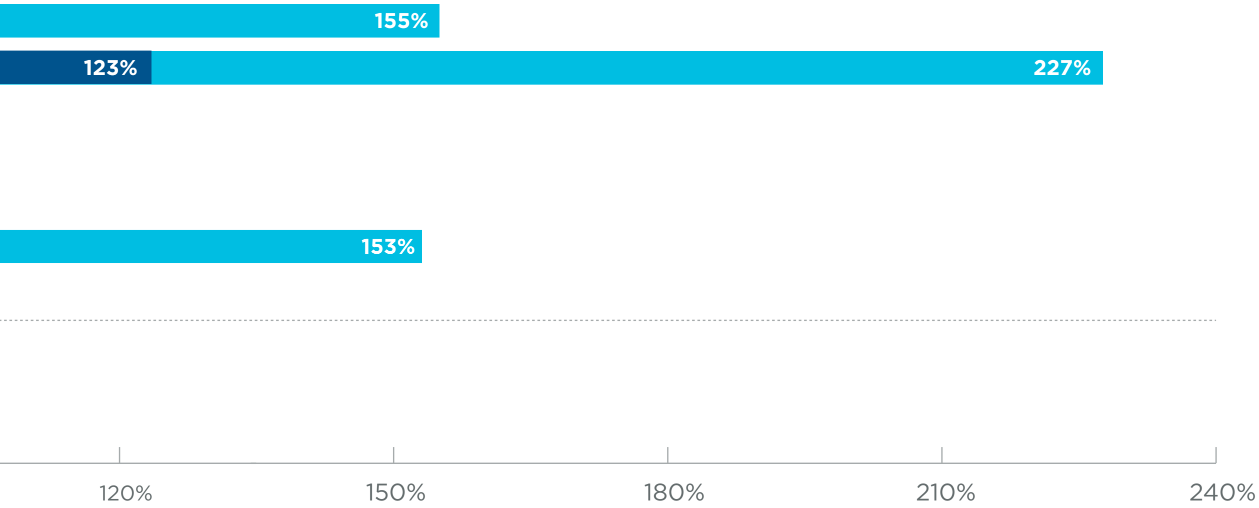
This chart illustrates two distinct performance periods for bonds. The first period (1950 to 1981) is marked by a modest average annual return of 3.7% – mostly originating from the interest income generated by bonds. The second period (1982 to 2018) enjoyed an 10.5% average annual return largely

FTSE Canada Long Term Overall Bond Index vs. Bank Rate

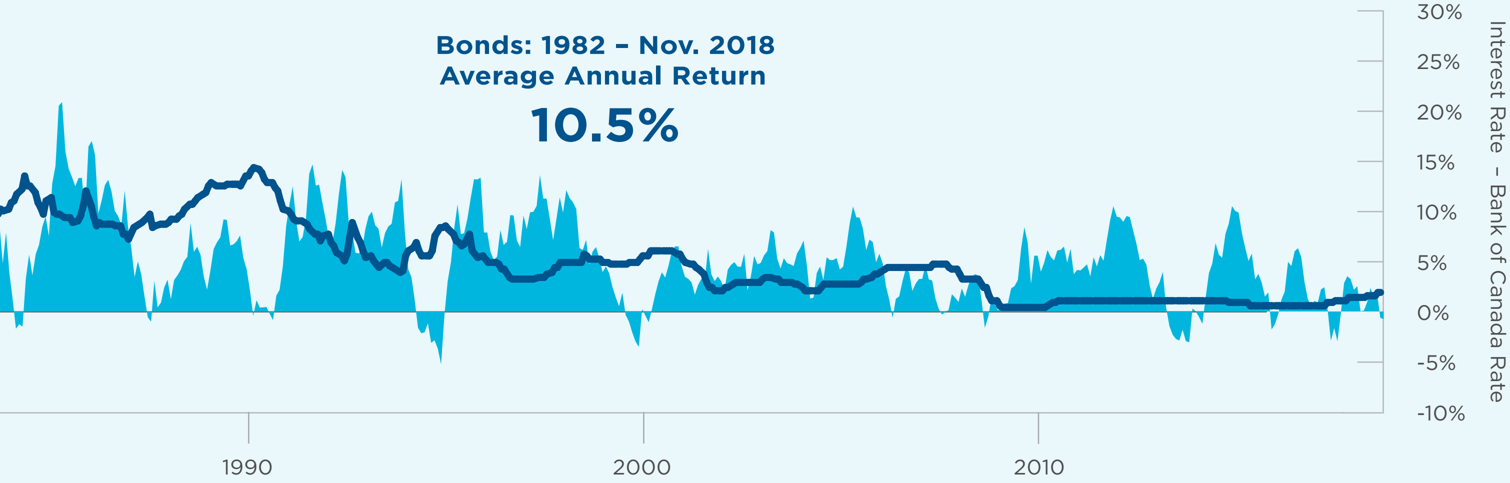
(January 1950 – November 2018)



Source: Bank Rate – Bank of Canada, FTSE Canada Long Term Overall Bond Index 1-Year Rolling Returns – Morningstar. Returns are calculated in Canadian currency. Assumes reinvestment of all income and no transaction costs or taxes. It is not possible to invest directly in an index.

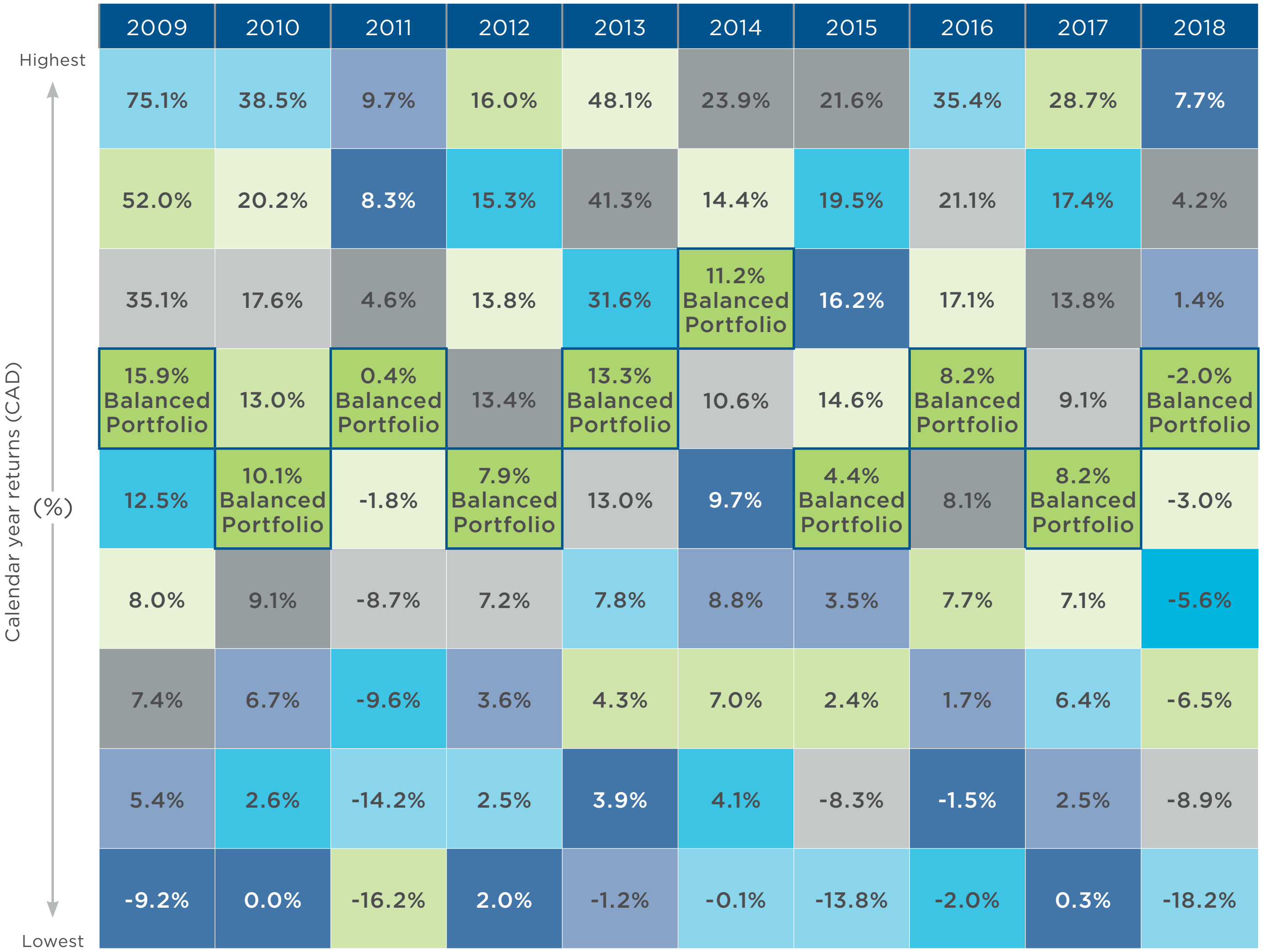


due to the capital gains resulting from steadily declining interest rates. With interest rates at historical lows and limited room for further declines, and in turn capital gains, the importance of maintaining a well-diversified, long-term portfolio that includes exposure to stocks has never been greater.



PUT DIVERSIFICATION TO WORK

No single asset class is consistently among the top performers, and the best and worst performers can change from one year to the next. A diversified portfolio of different asset classes provides the opportunity to participate in potential gains of each year's top asset classes while aiming to lessen the negative impact of those at the bottom.



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
75.1%	38.5%	9.7%	16.0%	48.1%	23.9%	21.6%	35.4%	28.7%	7.7%
52.0%	20.2%	8.3%	15.3%	41.3%	14.4%	19.5%	21.1%	17.4%	4.2%
35.1%	17.6%	4.6%	13.8%	31.6%	11.2% Balanced Portfolio	16.2%	17.1%	13.8%	1.4%
15.9% Balanced Portfolio	13.0%	0.4% Balanced Portfolio	13.4%	13.3% Balanced Portfolio	10.6%	14.6%	8.2% Balanced Portfolio	9.1%	-2.0% Balanced Portfolio
12.5%	10.1% Balanced Portfolio	-1.8%	7.9% Balanced Portfolio	13.0%	9.7%	4.4% Balanced Portfolio	8.1%	8.2% Balanced Portfolio	-3.0%
8.0%	9.1%	-8.7%	7.2%	7.8%	8.8%	3.5%	7.7%	7.1%	-5.6%
7.4%	6.7%	-9.6%	3.6%	4.3%	7.0%	2.4%	1.7%	6.4%	-6.5%
5.4%	2.6%	-14.2%	2.5%	3.9%	4.1%	-8.3%	-1.5%	2.5%	-8.9%
-9.2%	0.0%	-16.2%	2.0%	-1.2%	-0.1%	-13.8%	-2.0%	0.3%	-18.2%

	ASSET CLASS	INDEX
■	Canadian Small Cap	BMO Small Cap Index
■	U.S. Equities	S&P 500 Index
■	Canadian Equities	S&P/TSX Composite Total Return Index
■	Canadian Bonds	FTSE Canada Universe Bond Index
■	International Equities	MSCI EAFE Index
■	Emerging Markets	MSCI Emerging Markets Free Index
■	U.S. Small Cap	Russell 2000 Index
■	Global Bonds	Barclays Global Aggregate Bond Index
🟩	Balanced Portfolio	40% FTSE Canada Universe Bond Index, 30% S&P/TSX Composite Total Return Index, 30% MSCI World Index

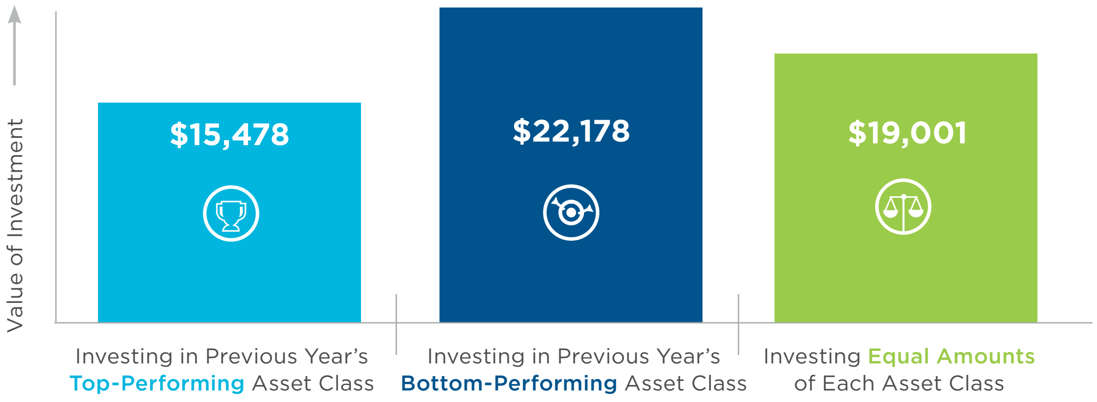
Source: Morningstar. Priced in Canadian currency, as at December 31, 2018. Assumes reinvestment of all income and no transaction costs or taxes. Annual returns compounded monthly.

The asset classes are represented by their indicated indices and the balanced portfolio is hypothetical in nature. This information is for illustrative purposes only. It is not possible to invest directly in an index.

CHASING WINNERS CAN BE COSTLY

Over time, chasing performance can have a negative impact on the value of a long-term portfolio. This chart shows that consistently investing in the previous year's top-performing asset class can have a significant drag on performance versus investing equally in each asset class.

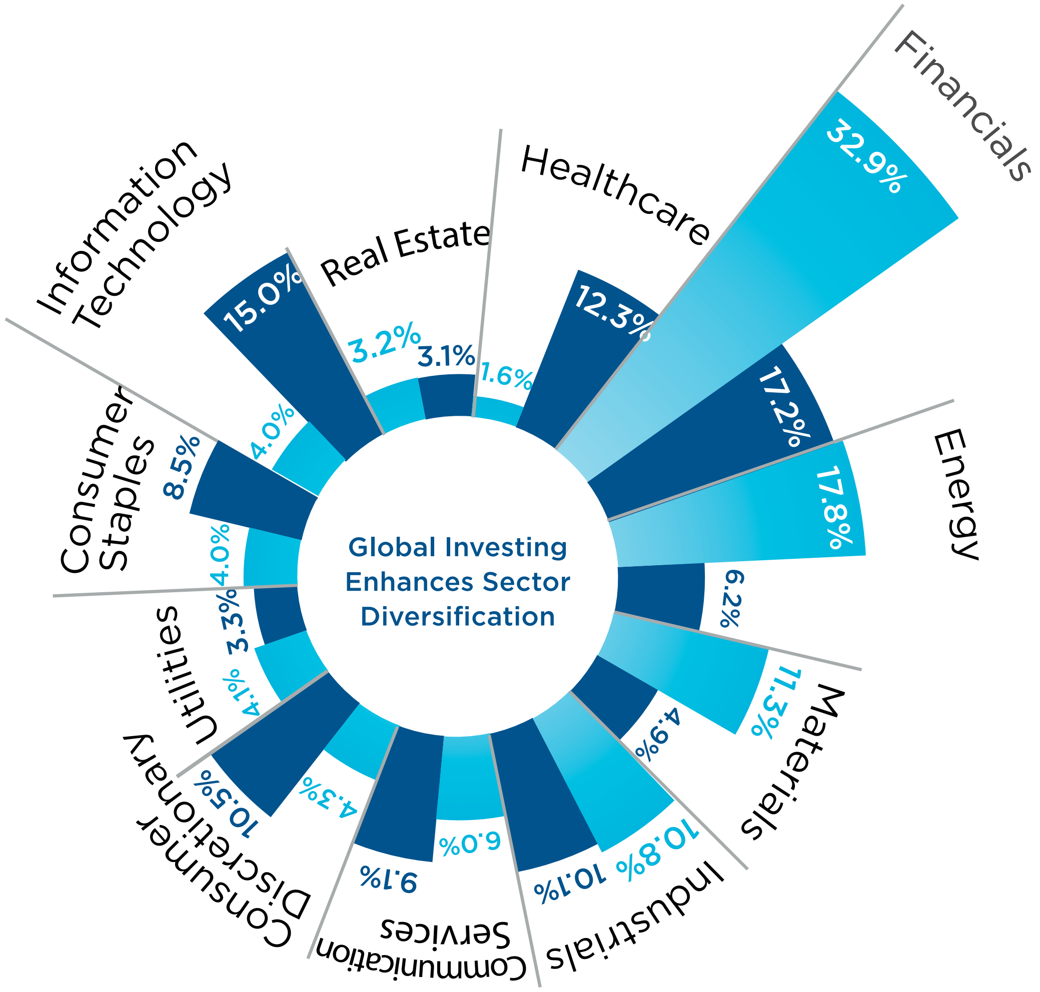
$1,000 invested each year over a 10-year period



Source: Morningstar. For illustrative purposes only. Hypothetical investment value as of December 31, 2018. Assumes reinvestment of all income and no transaction costs or taxes. Calculated in Canadian dollars. It is not possible to invest directly in an index.

GOING GLOBAL

At less than 5%, Canada represents a tiny portion of the global stock market, and is dominated by the financials, energy and materials sectors. A diversified portfolio that includes foreign stocks can take advantage of greater sector diversification.



🟦 Canada (S&P/TSX Composite Index)

🟦 World (MSCI All-Country World Index)

For illustrative purposes only. Chart demonstrates sector weightings in the respective index. Sources: Morningstar. MSCI All-Country World Index as at December 31, 2018. S&P/TSX Composite Index as at December 31, 2018.

THERE'S NO PLACE LIKE HOME (UNLESS YOU'RE INVESTING)

While not without its bright spots, recent domestic performance offers investors a compelling reason to shed some of their home bias in favour of a more global perspective.

Better performance

2011	2012	2013	2014	2015	2016	2017	2018
🇺🇸	🇨🇳	🇺🇸	🇺🇸	🇯🇵	🇧🇷	🇨🇳	🇺🇸
🇪🇺	🇪🇺	🇯🇵	🇨🇳	🇺🇸	🇨🇦	🇪🇺	🇧🇷
🇨🇦	🇺🇸	🇪🇺	🇨🇦	🇪🇺	🇺🇸	🇧🇷	🇯🇵
🇯🇵	🇨🇦	🇨🇦	🇯🇵	🇨🇳	🇨🇳	🇺🇸	🇪🇺
🇨🇳	🇯🇵	🇨🇳	🇪🇺	🇨🇦	🇯🇵	🇯🇵	🇨🇳
🇧🇷	🇧🇷	🇧🇷	🇧🇷	🇧🇷	🇪🇺	🇨🇦	🇨🇦

Source: Morningstar. Annual total returns in Canadian currency as of December 31, 2018. Assumes reinvestment of all income and no transaction costs or taxes. Annual returns compounded monthly.

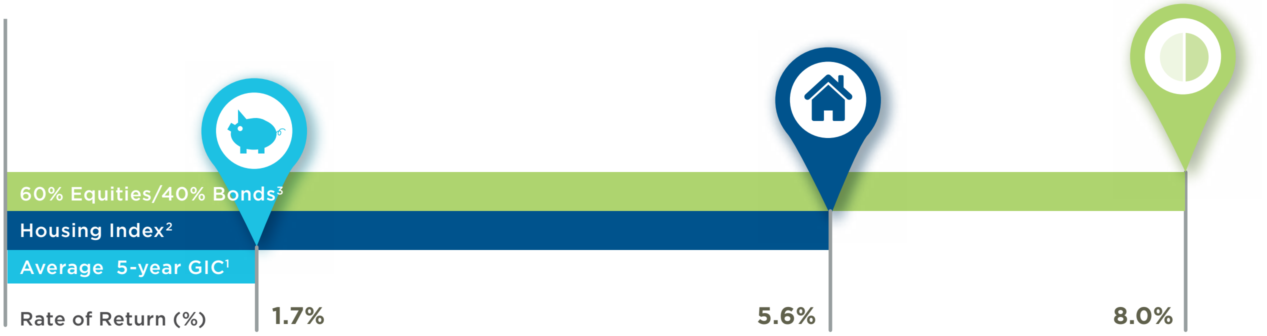
The information is for illustrative purposes only. It is not possible to invest directly in an index.

🇨🇦	S&P/TSX Composite Total Return Index
🇺🇸	S&P 500 Index
🇧🇷	MSCI EM Latin America Index
🇪🇺	MSCI Europe Index
🇨🇳	MSCI AC Asia ex Japan IMI Index
🇯🇵	MSCI Japan Index

IS OWNING YOUR HOME ENOUGH?

Owning a home can be a great investment, but relying exclusively on the equity from your home to fund your golden years can leave you with fewer options when you retire. A diversified mix of investments can provide you with more flexibility during the retirement years.

15-Year Rate of Return (of various investments)
(Dec. 2002 – Nov. 2018)



Compounded monthly calculations based from the period of December 1, 2008 to November 30, 2018.

Sources: [1] GIC Rate – Morningstar. [2] Teranet - National Bank National Composite House Price Index – Composite 11. [3] Balanced Portfolio consists of 30% S&P/TSX Composite Total Return Index/30% MSCI World Index/40% FTSE Canada Universe Bond – Morningstar, portfolio is rebalanced on an annual basis. The balanced portfolio is hypothetical and for illustrative purposes only. It is not possible to invest directly in an index. Assumes no transaction costs, fees or taxes.

THE BENEFITS OF COMPOUNDING

You don’t always need a lot of money to make a lot of money. The tables below show how monthly contributions – boosted by the power of compound growth – can accumulate significantly over time.

3% Compound Annual Return

Monthly Contribution	$50	$100	$150	$200	$250	$300	$400	$500
5 Years	$3,237	$6,474	$9,711	$12,948	$16,185	$19,422	$25,896	$32,370
10 Years	$6,990	$13,979	$20,969	$27,958	$34,948	$41,938	$55,917	$69,896
15 Years	$11,340	$22,680	$34,020	$45,359	$56,699	$68,039	$90,719	$113,399
20 Years	$16,383	$32,766	$49,149	$65,532	$81,915	$98,298	$131,064	$163,830
25 Years	$22,229	$44,459	$66,688	$88,918	$111,147	$133,377	$177,835	$222,294
30 Years	$29,007	$58,014	$87,021	$116,028	$145,035	$174,042	$232,056	$290,070
35 Years	$36,864	$73,728	$110,592	$147,456	$184,320	$221,185	$294,913	$368,641
40 Years	$45,973	$91,945	$137,918	$183,890	$229,863	$275,836	$367,781	$459,726

5% Compound Annual Return

Monthly Contribution	$50	$100	$150	$200	$250	$300	$400	$500
5 Years	$3,405	$6,809	$10,214	$13,618	$17,023	$20,427	$27,236	$34,045
10 Years	$7,750	$15,499	$23,249	$30,998	$38,748	$46,498	$61,997	$77,496
15 Years	$13,295	$26,590	$39,886	$53,181	$66,476	$79,771	$106,361	$132,952
20 Years	$20,373	$40,746	$61,119	$81,492	$101,864	$122,237	$162,983	$203,729
25 Years	$29,406	$58,812	$88,218	$117,624	$147,030	$176,436	$235,248	$294,060
30 Years	$40,935	$81,870	$122,805	$163,740	$204,674	$245,609	$327,479	$409,349
35 Years	$55,649	$111,298	$166,947	$222,596	$278,245	$333,894	$445,192	$556,489
40 Years	$74,428	$148,856	$223,285	$297,713	$372,141	$446,569	$595,426	$744,282

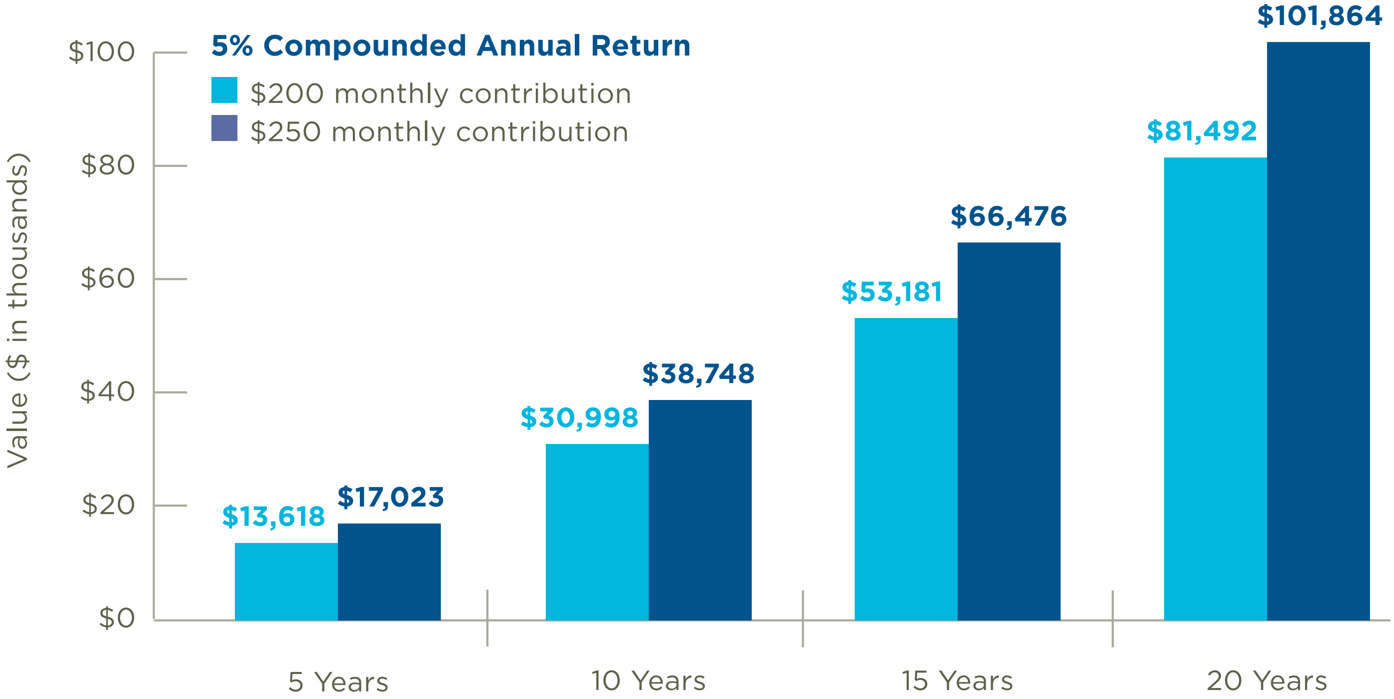
7% Compound Annual Return

Monthly Contribution	$50	$100	$150	$200	$250	$300	$400	$500
5 Years	$3,580	$7,160	$10,740	$14,320	$17,900	$21,480	$28,639	$35,799
10 Years	$8,601	$17,202	$25,803	$34,404	$43,005	$51,606	$68,808	$86,009
15 Years	$15,643	$31,286	$46,930	$62,573	$78,216	$93,859	$125,146	$156,432
20 Years	$25,520	$51,041	$76,561	$102,081	$127,602	$153,122	$204,162	$255,203
25 Years	$39,373	$78,747	$118,120	$157,494	$196,867	$236,241	$314,988	$393,735
30 Years	$58,803	$117,606	$176,410	$235,213	$294,016	$352,819	$470,426	$588,032
35 Years	$86,055	$172,109	$258,164	$344,218	$430,273	$516,327	$688,436	$860,545
40 Years	$124,276	$248,552	$372,827	$497,103	$621,379	$745,655	$994,207	$1,242,758

Rates of return are used for illustrative purposes only and are not intended to forecast future returns on any investment.

THE POWER OF PACS

Investing on a regular basis through Pre-authorized Contributions can help investors build their savings easily and automatically. Even small increases to PAC contributions can help investors reach their long-term goals faster. The chart below illustrates the impact of adding $50 to a monthly contribution over time.

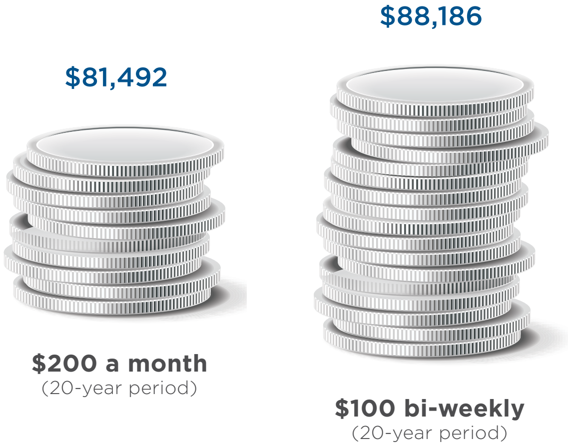


Benefits of Pre-Authorized Contribution Plans:

- Helps your clients stick to your plan.
- Makes saving easy and convenient.
- Takes advantage of compound growth.
- Eliminates the guesswork of when to invest.
- Helps avoid the rush of yearly RRSP contributions.
- Works with almost any budget.

MAKE IT BI-WEEKLY AND SAVE MORE

Changing contributions from a monthly basis to a bi-weekly basis can really add up. It's a small change that can have a big impact over the long term.



For illustrative purposes only. Assumes a 5% rate of return and is not intended to reflect an actual rate of return or reflect the returns or future value of an actual mutual fund or any other investment. Compounding simulation is used to demonstrate the effects of compound growth on a fixed monthly contribution over various periods of time. Excludes any applicable taxes, fees, the impact of inflation and based on current dollars.

WITHDRAWALS MADE EASY

An Automatic Withdrawal Plan (AWD) is ideal for regular flow of income during retirement. An AWD can also allow the investment to grow as long as the amount withdrawn does not exceed the annual average return of the underlying investments.

$500,000 Initial Investment:

	3% Compound Annual Return	
	$500/Month Withdrawal	$1,000/Month Withdrawal
Year 1	$508,903	$502,806
Year 2	$518,073	$505,696
Year 3	$527,518	$508,673
Year 4	$537,247	$511,739
Year 5	$547,267	$514,897
Year 6	$557,588	$518,150
Year 7	$568,218	$521,500
Year 8	$579,168	$524,951
Year 9	$590,446	$528,505
Year 10	$602,062	$532,166
Year 11	$614,027	$535,937
Year 12	$626,351	$539,821
Year 13	$639,044	$543,822
Year 14	$652,119	$547,942
Year 15	$665,585	$552,186
Year 16	$679,456	$556,558
Year 17	$693,742	$561,060
Year 18	$708,457	$565,698
Year 19	$723,614	$570,475
Year 20	$739,225	$575,395

$500,000 Initial Investment:

	5% Compound Annual Return	
	$500/Month Withdrawal	$1,000/Month Withdrawal
Year 1	$518,839	$512,677
Year 2	$538,619	$525,989
Year 3	$559,389	$539,966
Year 4	$581,197	$554,641
Year 5	$604,096	$570,051
Year 6	$628,139	$586,231
Year 7	$653,385	$603,220
Year 8	$679,893	$621,058
Year 9	$707,726	$639,788
Year 10	$736,951	$659,455
Year 11	$767,638	$680,105
Year 12	$799,858	$701,788
Year 13	$833,690	$724,555
Year 14	$869,213	$748,460
Year 15	$906,512	$773,561
Year 16	$945,677	$799,916
Year 17	$986,799	$827,589
Year 18	$1,029,978	$856,646
Year 19	$1,075,315	$887,156
Year 20	$1,122,920	$919,191

Rates of return are used for illustrative purposes only and are not intended to forecast future returns on any investment.

PART II: REGISTERED PLANS – KEY FACTS

REGISTERED PLAN TYPES

The following tables provide some of the most important facts and figures of registered investment plans.

	Tax-Free Savings Account (TFSA)	Registered Retirement Savings Plan (RRSP)
Contribution room	$6,000 – 2019 limit (plus any available accumulated contribution room since 2009)*	18% of prior year's income (minus any pension adjustment) to a maximum of $26,500** (2019) plus any unused contribution room
Carry-forward of unused contribution room	Indefinite	Until the year the contributor or eligible spouse turns 71
Annual contribution deadline	December 31	March 1, 2019 (2018 tax year) March 2, 2020 (2019 tax year)
Plan opening age requirement	Age of majority in province/territory – no maximum age	Any age until the end of the calendar year in which the contributor turns 71
Tax-deductible contributions	No	Yes – reduces taxable income
Tax on income/ capital gains	No	Tax deferred until withdrawn
Tax on withdrawals	No	Taxable income in year withdrawn
Plan conversion age requirement	No	Yes – by end of year planholder turns 71
Over-contribution penalty	Yes – excess subject to 1% penalty per month	Yes – excess subject to 1% penalty per month if exceeds more than $2,000
Contribution by spouse	Yes	Yes

* $5,000 maximum contribution limit for each year from 2009-2012. $5,500 maximum contribution limit for 2013-2014, 2016-2018. $10,000 maximum contribution limit for 2015. The TFSA annual room limit will be indexed to inflation and rounded to the nearest $500. Applicable for Canadian residents age 18 or older since 2009. Subject to CRA rules and conditions.

** $26,230 maximum contribution limit for 2018. $26,010 maximum contribution limit for 2017. $25,370 maximum contribution limit for 2016.

Source: Canada Revenue Agency, Government of Canada.

Did You Know?

- Withdrawals from a TFSA can be re-contributed in the year withdrawn if there is sufficient contribution room. Otherwise, the contribution room for the following year will be increased by the amount withdrawn.
- Customers over the age of 71 can contribute to a Spousal RRSP if the spouse is RRSP eligible.

	Registered Education Savings Plan (RESP)	Registered Disability Savings Plan (RDSP)
Contribution room	$50,000 lifetime per beneficiary – no annual maximum	$200,000 lifetime maximum – no annual maximum
Plan opening/ contribution age minimum	N/A	No minimum age, however, before the end of the calendar year in which contributor turns 59 years of age is the maximum age to open a plan.
Plan date end requirement	By December 31 of the 35th year from the date the plan was opened, or By the end of February of the year following the date that the first Accumulated Income Payment (AIP) was made from the plan.	By December 31 following the calendar year in which the beneficiary (i) dies, or (ii) When the beneficiary is no longer considered to have a severe or prolonged impairment in physical or mental functions that qualify him or her for the disability amount and an election to extend the period for which an RDSP may remain open is not filed.
Annual contribution deadline	December 31	December 31
Tax deductible contributions	No	No
Tax on income/capital gains	Tax deferred until withdrawn	Tax deferred until withdrawn
Tax on withdrawals	Yes – taxable income for the beneficiary in year withdrawn	Yes – taxable income for the beneficiary in year withdrawn
Plan types	Individual or Family	Individual
Family Plan subscriber restrictions	Parents, grandparents and siblings only	N/A
Government grants[*]	Canada Education Savings Grant (CESG): 20% of annual contributions, up to $500 per year per beneficiary ($7,200 lifetime maximum). Canada Learning Bond (CLB): Subject to income-based eligibility requirements. Quebec Education Savings Plans (QESI): 10% of the net annual contributions, up to $250 per year per beneficiary ($3,600 lifetime maximum). Subject to residency requirements of the beneficiary during the tax year. Saskatchewan Advantage Grant for Education Savings (SAGES): As of January 1, 2018, the program has been suspended by the Government of Saskatchewan. British Columbia Training and Education Savings Grant: One-time $1,200 grant to eligible children born on or after 2006. Generally, applications may be made after the child turns 6 years but must be received before they turn 9 years. Exceptions apply.[**]	Canada Disability Savings Grant (CDSG): Subject to family income-based eligibility requirements ($70,000 lifetime maximum). Canada Disability Savings Bond (CDSB): Subject to family income-based eligibility requirements ($20,000 lifetime maximum).

	Registered Retirement Income Fund (RRIF)
RRSP conversion/ maturity deadline	By December 31 of year in which the planholder turns 71
Tax on income/ capital gains	No – tax deferred until withdrawn
Minimum annual withdrawal requirement	Yes (except for first year) – age-based calculation
Maximum withdrawal amount	No limit
Tax on withdrawals	Yes – taxable income in year withdrawn

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[*] An RESP beneficiary could receive up to an additional $500 of CESG in a year if they have carry-forward room, provided they contribute up to an additional $2,500. Additional CESG is given at 20% or 10% on the first $500 contributed depending on family income (i.e. $100 or $50 per year).

[**] Eligible beneficiaries born in 2006 have an extension until August 14, 2019. Eligible beneficiaries born in 2007-2009 have an extension until August 14, 2018, or the day before their 9th birthday, whichever is later.

RRIF Minimum Withdrawal Amounts

Age on Jan. 1	General	Qualifying RRIFs
65	4.00%	4.00%
66	4.17%	4.17%
67	4.35%	4.35%
68	4.55%	4.55%
69	4.76%	4.76%
70	5.00%	5.00%
71	5.28%	5.26%
72	5.40%	5.40%
73	5.53%	5.53%
74	5.67%	5.67%
75	5.82%	5.82%
76	5.98%	5.98%
77	6.17%	6.17%
78	6.36%	6.36%
79	6.58%	6.58%
80	6.82%	6.82%
81	7.08%	7.08%
82	7.38%	7.38%
83	7.71%	7.71%
84	8.08%	8.08%
85	8.51%	8.51%
86	8.99%	8.99%
87	9.55%	9.55%
88	10.21%	10.21%
89	10.99%	10.99%
90	11.92%	11.92%
91	13.06%	13.06%
92	14.49%	14.49%
93	16.34%	16.34%
94	18.79%	18.79%
95 and over	20.00%	20.00%

Notes: Fair market value of RRIF multiplied by prescribed factors above. RRSPs must be converted by December 31 of year in which the planholder turns 71; for ages below 71, the formula is 1/(90-age); a qualifying RRIF is generally a Registered Retirement Income Fund entered into before 1993.

RRSP/RRIF Withdrawal Withholding Tax Rates

Amount	All Provinces Excluding Quebec	Québec
Up to $5,000	10%	(5% + 15%) = 20%
$5,000.01 – $15,000	20%	(10% + 15%) = 25%
Above $15,000	30%	(15% + 15%) = 30%

Notes:

- There is no withholding tax on RRIF minimum payment amounts.
- Quebec applies a flat 15% withholding tax on all RRIF withdrawals excluding RRIF minimum payment amounts. Federal withholding tax rates will be added on RRIF withdrawals in excess of RRIF minimum payments of up to $5,000 (5%), $5,000.01 to $15,000 (10%), and over $15,000 (15%), respectively.

PENSION PLANS

Canada Pension Plan

The Canada Pension Plan (CPP) provides pension and benefits when the contributor retires, becomes disabled, or passes away. Most Canadians who work in Canada contribute to the CPP.

Old Age Security

The Old Age Security (OAS) pension is a monthly payment available to most Canadians 65 years of age who meet the Canadian legal status and residence requirements.

	Canada Pension Plan (CPP) Quebec Pension Plan (QPP)	Old Age Security (OAS)
Maximum Benefit (2019) at age 65	$1,134.17/month (for 2018)	$601.45/month (for 1st Quarter) (Adjusted quarterly)
Clawback Thresholds	Not applicable	Net income above $75,910 in 2018 is required to repay part or all of the maximum OAS amount. The OAS is completely eliminated when net income in 2018 exceeds $123,386 (maximum)
Note	• Removal of the Work Cessation Test • Increase in the General Low Earning Drop-Out (to 16% in 2012 and 17% in 2014) • Working beneficiaries to participate in the CPP (Mandatory before 65 and voluntary after 65) • Improved Fairness in the Pension Adjustments for Early and Late CPP Take-Up (done over a period of 5 years starting in 2012 & 3 years starting in 2011 respectively)	The age of eligibility of OAS will gradually increase from 65 to 67, the increase in age of eligibility begins April 2023, with full implementation by 2029. • People born between Apr. 1, 1958 and Jan. 31, 1962, are eligible to receive benefits between the ages of 65 and 67, depending on their date of birth**. • People born on or after Feb. 1, 1962 will be eligible to receive their OAS benefits at age 67. As of July 2013, a voluntary deferral of the OAS pension allows you to delay receipt of your OAS pension by up to 60 months after the first date of eligibility in exchange for a higher monthly amount.

Pension Income Splitting Rules

For people age 65 and older, eligible pension income includes annuity and registered retirement income fund (including life income fund) payments, registered retirement savings plan (RRSP) annuity payments (not withdrawals), the taxable part of life annuity payments from a superannuation or pension fund or plan and if they are received as a result of the death of a spouse or common-law partner.

For individuals younger than 65, eligible pension income includes the taxable part of life annuity payments from a superannuation or pension fund or plan and if they are received as a result of the death of a spouse or common-law partner.

Source: Government of Canada, Canada Revenue Agency

PART III: TAX FACTS

2018 COMBINED FEDERAL, PROVINCIAL AND TERRITORIAL INCOME TAX FOR INDIVIDUALS*

(Ordinary Income Only, July 5, 2018)

Taxable Income ($)	Federal Income Tax	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Québec
20,000	1,229	1,714	1,337	1,642	2,375	1,716	1,774
30,000	2,729	3,720	3,837	4,192	4,955	3,721	4,527
40,000	4,229	5,734	6,337	6,742	7,694	5,726	7,279
50,000	5,915	8,191	9,024	9,574	10,656	8,206	10,535
60,000	7,965	11,011	12,074	12,874	13,981	11,171	14,247
70,000	10,015	13,831	15,124	16,174	17,361	14,136	17,958
80,000	12,065	16,669	18,174	19,474	21,151	17,181	21,670
90,000	14,115	19,769	21,224	22,774	24,941	20,462	25,538
100,000	16,539	23,402	24,647	26,448	29,105	24,626	29,961
150,000	29,704	43,661	43,250	46,279	50,970	46,496	53,746
200,000	44,204	66,561	64,212	68,029	74,170	70,481	78,728
250,000	60,471	91,227	87,428	91,545	99,136	96,700	105,186
300,000	76,971	116,127	110,928	115,295	124,336	123,465	131,838
400,000	109,971	165,927	158,853	162,795	174,736	176,995	185,143
500,000	142,971	215,727	206,853	210,295	225,136	230,524	238,448
1,000,000	307,971	464,727	446,853	447,795	477,136	498,172	504,973

* This table cannot be used if taxable income includes Canadian dividends.

* Tax includes federal, provincial and territorial tax (and surtax, where applicable), but does not take into account minimum tax.

* In calculating tax, only the basic personal non-refundable tax credits, both federal and provincial/territorial, have been considered. The non-refundable credits for EI and CPP/QPP contributions, the northern resident deduction, low income tax reductions, and credits and refunds of GST and provincial sales taxes have not been considered.

Top Marginal Tax Rates (%)**

Type of Income	Federal Income Tax	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Québec
Ordinary income	33.00%	49.80%	48.00%[1]	47.50%	50.40%	53.53%[2]	53.31%
Non-eligible dividends	27.57%	44.64%	42.56%[1]	40.37%	46.67%	47.40%[2]	46.25%
Eligible dividends	24.81%	31.44%	31.71%[1]	29.64%	37.78%	39.34%[2]	39.99%
Capital gains	16.50%	24.90%	24.00%[1]	23.75%	25.20%	26.76%[2]	26.65%

** Dividends and proceeds from the disposition of taxable Canadian property earned by non-residents are subject to a federal withholding tax of 25% and the rate of such withholding may be lowered where a tax treaty applies.

** Generally, eligible dividends are paid from income which is subject to the general corporate tax rate, excluding investment income.

** Generally, non-eligible dividends are those paid by CCPCs from income eligible for the Small Business Deduction or from investment income.

** A taxpayer's ability to claim the full dividend tax credit will be dependent on the other sources of income earned, with the higher rate applying if the taxpayer has no other income.

** A non-resident will pay tax on taxable income below $12,069 if the non-resident does not qualify for the federal personal basic tax credit.

** Non-resident rates for interest and dividends apply only in limited cases; generally, interest (other than most interest paid to arm's-length non-residents) and dividends are subject to Part XIII non-resident withholding tax.

** Applies to incomes over $210,371 – i.e. highest federal tax bracket, unless the highest provincial tax bracket applies as otherwise indicated.

New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland and Labrador	Yukon	Northwest Territories	Nunavut	Canadian Non-Resident^
2,192	1,977	2,340	2,164	1,753	1,554	1,496	4,440
4,660	4,408	4,820	4,534	3,893	3,644	3,396	6,660
7,128	7,456	7,621	7,082	6,033	5,734	5,296	8,880
10,211	10,690	10,687	10,219	8,448	8,221	7,549	11,376
13,743	14,302	14,117	13,719	11,398	11,131	10,299	14,410
17,275	18,072	17,722	17,219	14,348	14,041	13,049	17,444
20,807	21,815	21,442	20,799	17,298	16,951	15,799	20,478
24,452	25,532	25,162	24,429	20,248	20,062	18,572	23,512
28,528	29,681	29,277	28,433	23,700	23,705	21,895	27,099
50,144	51,596	51,628	49,770	42,421	43,206	39,698	46,584
74,687	76,596	75,313	73,074	63,321	64,731	59,948	68,044
101,103	103,363	100,764	98,491	85,987	88,023	81,965	92,118
127,753	130,363	126,449	124,141	108,887	111,548	104,215	116,538
181,053	184,363	177,819	175,441	154,687	158,598	148,715	165,378
234,353	238,363	229,189	226,741	200,487	205,648	193,215	214,218
500,853	508,363	486,039	483,241	440,487	440,898	415,715	458,418

* This table does not include health premium contributions.

^ Assumes the non-resident will not qualify for the basic personal tax credit. A non-resident can only claim this credit if all or substantially all (i.e., 90% or more) of their worldwide income is included in taxable income earned in Canada for the year.

^ In lieu of provincial / territorial tax, non-residents pay an additional 48% of basic federal tax on income taxable in Canada that is not earned in a province or territory.

New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland and Labrador	Yukon	Northwest Territories	Nunavut	Canadian Non-Resident
53.30%	54.00%	51.37%	51.30%	48.00%[3]	47.05%	44.50%	48.84%
47.75%	48.28%	45.22%	44.59%	42.17%[3]	36.82%	37.79%	39.63%
33.51%	41.58%	34.23%	42.62%	28.93%[3]	28.33%	33.08%	36.72%
26.65%	27.00%	25.69%	25.65%	24.00%[3]	23.53%	22.25%	24.42%

[1] Incomes over $314,928

[2] Incomes over $220,000

[3] Incomes over $500,000

As of November 2018 prior to spring 2019 provincial budgets

SOURCES OF INCOME

Type of Distribution	Description	Tax Treatment	Tax Slip
Interest and Other Income	Interest earned from debt securities such as bonds, GICs, money market and bond funds typically make up this type of distribution. Other income also includes income from certain derivatives.	Taxed at the unitholder's marginal tax rate.	Interest income and other income earned and distributed is identified in Box 26 of a T3 slip and Box G of a RL16 slip.
Foreign Source Income	Income from non-Canadian sources, such as dividends from foreign corporations.	Taxed at the unitholder's marginal tax rate. Investors may be entitled to foreign tax credits with respect to related foreign withholding taxes.	Foreign source income is reported in Box 24 and Box 25 of a T3 slip and Box E and Box F of a RL16 slip. Foreign taxes are reported in Box 33 and Box 34 of a T3 slip and Box K and Box L of a RL16 slip.
Dividends	Dividends represent a distribution of a company's earnings to shareholders. Income, dividend and Canadian equity funds will typically make this type of distribution.	The dividend income received or deemed received from a taxable Canadian corporation is grossed up by 38% for dividends designated as eligible dividends and 17% (for 2017 and 16% for 2018) for dividends other than eligible dividends, to which a dividend tax credit is applied.	The amount investors have to report as dividend income from Canadian sources is shown in Box 32 and Box 50 of a T3 slip, Box I of a RL16 slip and Box 11 and Box 25 of a T5 slip. The federal dividend tax credit entitlement is the total of Box 39 and Box 51 of a T3 slip, Box J of a RL16 slip and Box 12 and Box 26 of a T5 slip.
Capital Gains	A distribution of the profit that results when the proceeds from the sale of a fund's security exceeds the cost. A broad range of funds, including fixed income, balanced and equity funds, will typically have this type of distribution.	Fifty percent of realized capital gains are included in income and taxed at the investor's marginal tax rate.	Distributions of capital gains made by the fund will appear on Box 21 of a T3 slip, Box A of a RL16 slip and Box 18 of a T5 slip; capital gains realized on the redemption of units must be calculated by the individual investor.
Return of Capital (ROC)	Return of capital is not an actual distribution of investment income, but a payment from the capital of the fund. Mutual funds that provide fixed monthly distributions are most likely to have this type of distribution.	Generally it is not taxable. ROC reduces the cost base of the unitholder's investment in the fund, increasing the capital gain or decreasing the capital loss on the unitholder's investment upon disposition.	Even though there are no immediate tax consequences for a ROC distribution, any amount paid still appears on Box 42 of a T3 slip or Box M of a RL16 and on the summary of a T5 slip.

PART IV: OTHER RESOURCES

YOUR SOURCE FOR TIPS, TOOLS AND INSIGHTS TO HELP YOU AND YOUR BUSINESS.

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DXO	**Dynamic iShares Active Crossover Bond ETF**
EQUITY	
DXP	**Dynamic iShares Active Preferred Shares ETF**
DXC	**Dynamic iShares Active Canadian Dividend ETF**
DXU	**Dynamic iShares Active U.S. Dividend ETF**
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