MACKENZIE Investments | PRIMERICA

Investing 101

Our investor friendly guide includes an overview of investment options, retirement planning, tips for saving and budgeting

BE INVESTED

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Why invest with Mackenzie

Empowering Canadians for over 50 years

Since 1967, we've been helping Canadian families reach their goals by providing advisors with easy access to world-class investment opportunities and award-winning portfolio managers. This partnership is at the core of our culture and how we do business. With a belief that advice makes a difference, we create unshakeable relationships with advisors, so they can create unshakeable relationships with their clients.

We're on a mission to create a more invested world, together. That means helping Canadians become more invested, so that they worry less about their money and focus more on what matters to them. So they can be truly better off. We're invested in your success and are at your side, providing you with everything you need to help your clients on their financial journey.

Here's how

Partnership
Building strong relationships with advisors so they can do so with their clients

Choice
Performance-driven investments for all types of investors

Sustainability
Investments you can feel good about

Ease
Making investments easier to understand

Mackenzie at a glance

Canadian -owned

Founded in
1967

16 boutiques with distinct investment styles and expertise

Offices across
Canada and the globe

Part of the
Power Corporation of Canada

1 million+
investors served

June, 2022
an exciting, new partnership begins between **Primerica** and **Mackenzie Investments**.

$193.3B
assets under management*

*As of June 30, 2023

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Economic markets

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Investment emotional cycle

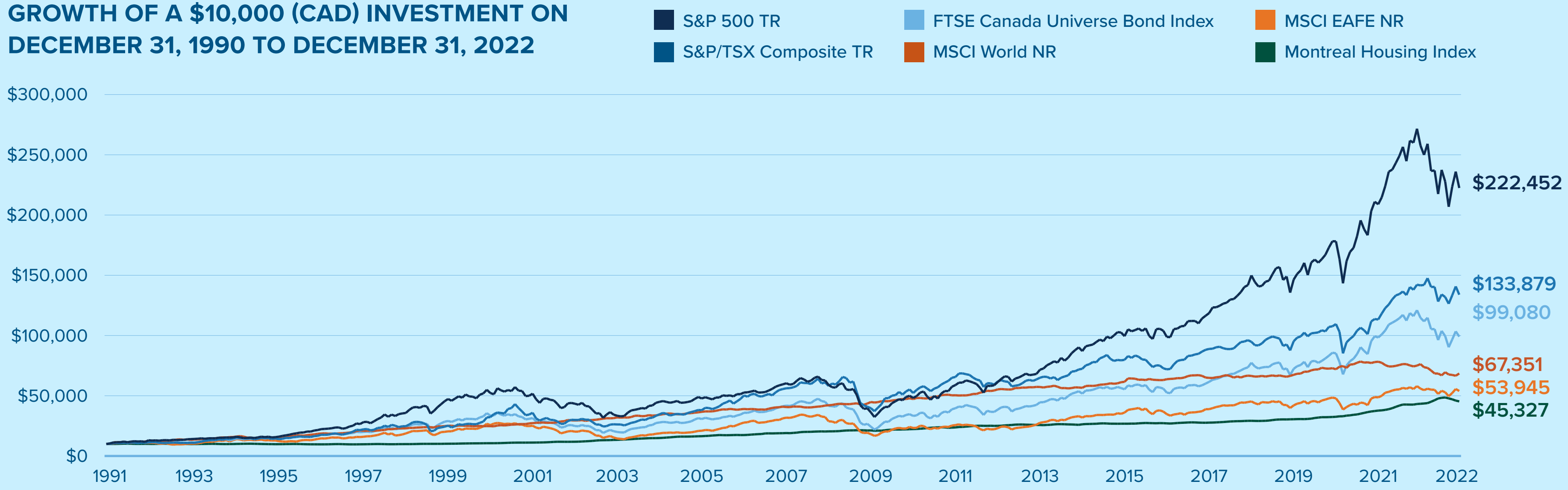
Emotions can compromise financial health

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

Market and economic charts

The importance of diversification is no great secret. The chart and table on this page illustrate how different markets and asset classes perform. Asset classes do not always move in tandem; stock prices may be up when bond prices are down and vice versa.

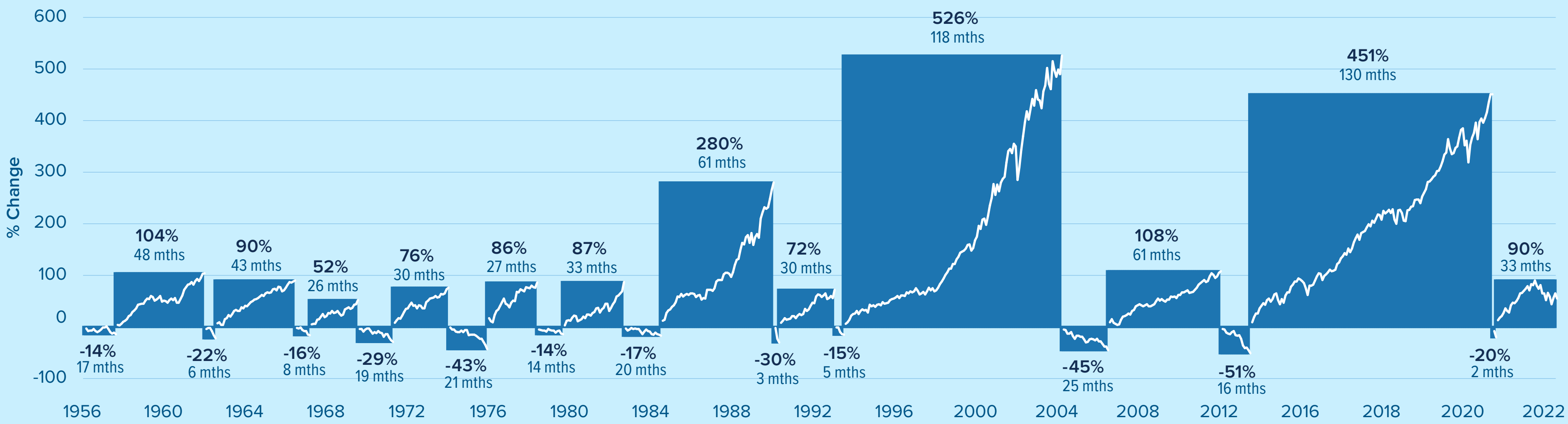
GROWTH OF A $10,000 (CAD) INVESTMENT ON DECEMBER 31, 1990 TO DECEMBER 31, 2022



Source: Mackenzie Investments

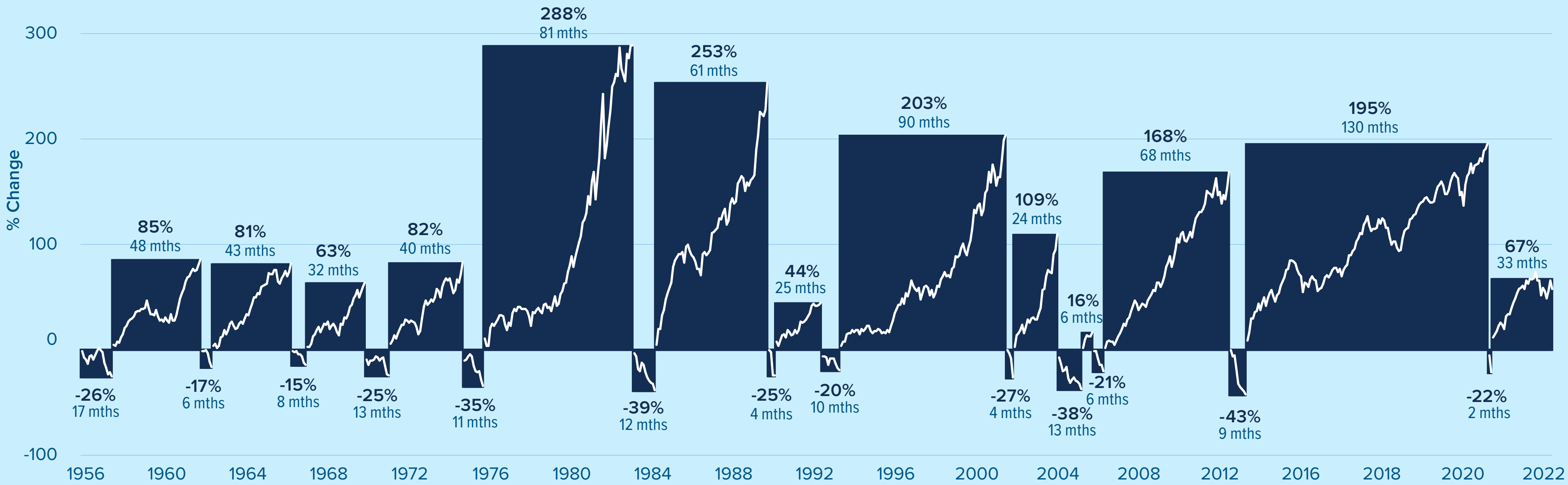
The charts on this page represent bull and bear markets in both the S&P 500 and the S&P/TSX indices. All bars above the line are bull markets; all bars below are bear markets. As can be seen in the charts, bull markets during that period have typically lasted longer and provided a more significant percentage change.

S&P 500 BULL AND BEAR CHART



Source: Mackenzie Investments

S&P/TSX BULL AND BEAR CHART

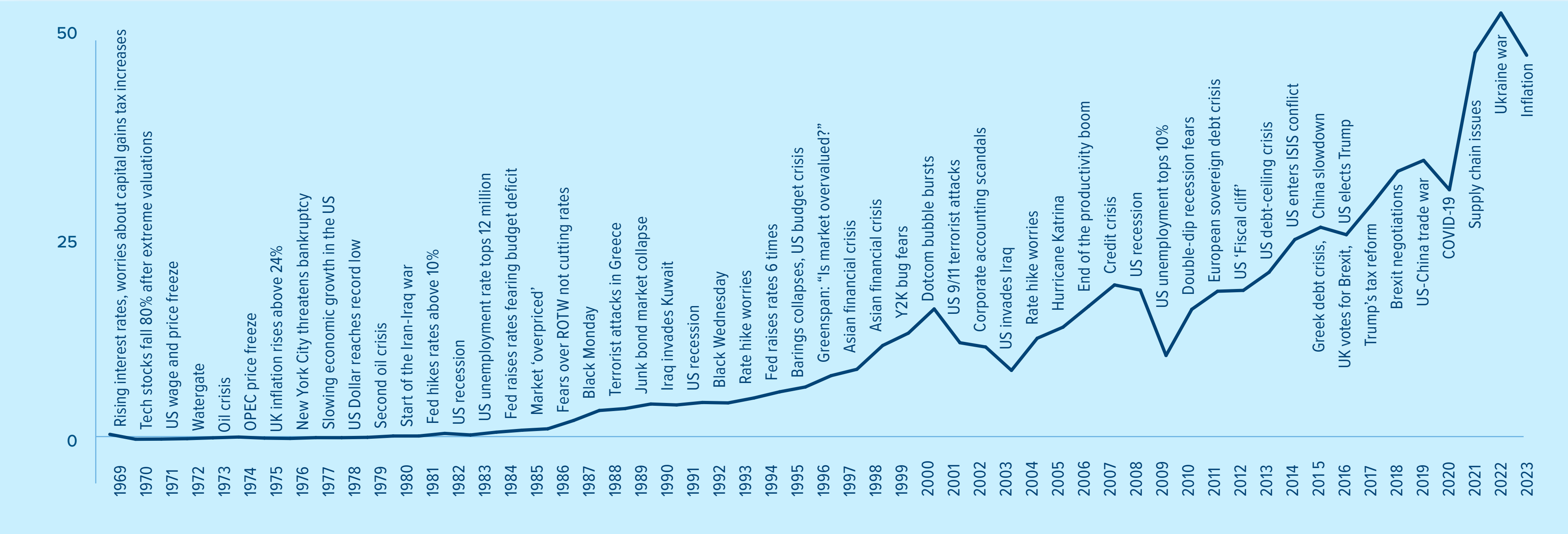


*Based on data since 1956.

Source: Mackenzie Investments (Bloomberg: month-end data points as at Dec 31, 2022; total return, local currency)

Evolution of $10,000 investment based on the MSCI World Index

An investment of $10,000 USD made on January 1, 1970, in the MSCI World Index NR USD would be worth $834,537 USD on February 28, 2023. Despite these disruptions, markets have delivered an average annual return of 10.5% since 1970.



Source: Mackenzie Investments

Market crisis and subsequent returns

Crisis	Market low	Related market decline	Months to recover	1 year later	2 years later
The Korean War	13-Jul-50	-14.00%	2	31.70%	49.70%
Cuban Missile Crisis	23-Oct-62	-26.40%	10	36.50%	59.20%
JFK Assassination	22-Nov-63	-2.80%	<1	23.90%	31.60%
1969 to 70 Market Break	26-May-70	-36.10%	21	43.70%	59.70%
1973 to 74 Market Break	06-Dec-74	-45.90%	67	33.50%	59.30%
1979 to 80 Oil Crisis	27-Mar-80	-17.10%	3	37.10%	14.00%
1987 Stock Market Crash	19-Oct-87	-33.20%	21	23.20%	54.40%
Desert Storm	11-Oct-90	-19.90%	4	29.10%	36.30%
Soviet Coup D'état Attempt	19-Aug-91	-3.60%	<1	11.10%	21.20%
Asian Financial Crisis	02-Apr-97	-8.10%	1	49.30%	72.50%
Dot-com Bubble crash	09-Oct-02	-49.10%	55	33.70%	44.50%
September 11th	21-Sep-01	-11.60%	1	-12.50%	7.30%
Invasion of Iraq	11-Mar-03	-14.70%	2	38.20%	49.90%

Snapshots in time of significant negative international events from 1950 to March 2020, and the subsequent change in market value from the stock market low in that calendar year to one and two years after.

Source: Datastream. Benchmark: S&P 500 Composite, US$ return.

MARKET CRISIS AND SUBSEQUENT RETURNS (CONT'D)

Crisis	Market low	Related market decline	Months to recover	1 year later	2 years later
North Korean Missile Test	17-Jul-06	-6.90%	2	25.50%	2.10%
Subprime Mortgage Crisis	09-Mar-09	-56.80%	47	68.60%	95.10%
US Debt Rating Downgrade	03-Oct-11	-19.40%	5	32.00%	52.20%
China Yuan Devaluation	11-Feb-16	-13.00%	3	26.60%	43.20%
2018 Global Recession Scare	24-Dec-18	-19.80%	4	37.10%	57.50%
COVID-19 Pandemic	23-Mar-20	-33.90%	4	74.80%	99.20%
Average		**-22.10%**	**16**	**31.60%**	**44.20%**

Snapshots in time of significant negative international events from 1950 to March 2020, and the subsequent change in market value from the stock market low in that calendar year to one and two years after.

Source: Datastream. Benchmark: S&P 500 Composite, US$ return.

Top performing markets change year to year

Having a well-diversified portfolio may give you a smoother ride.

Best performers

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
9.6%	58.2%	17.6%	10.2%	19.5%	41.3%	23.9%	21.6%	21.1%	23.0%	4.2%	24.8%	17.6%	27.6%	0.8%
9.0%	50.2%	15.1%	8.2%	16.5%	33.6%	10.6%	17.6%	15.7%	17.3%	1.9%	22.9%	16.3%	25.1%	-5.8%
5.7%	35.1%	10.9%	6.4%	14.2%	19.5%	9.4%	16.5%	9.9%	13.8%	1.5%	17.5%	8.7%	15.3%	-8.7%
0.2%	17.7%	10.1%	6.3%	13.4%	13.0%	9.3%	4.4%	8.1%	9.1%	1.1%	13.4%	8.7%	12.0%	-8.9%
-16.0%	16.8%	9.1%	4.6%	10.4%	11.7%	9.0%	3.8%	7.6%	7.5%	1.1%	13.3	7.8%	10.2%	-9.9%
-18.8%	16.3%	8.8%	3.3%	7.4%	10.5%	8.8%	2.7%	4.3%	6.7%	-0.0%	12.9%	6.0%	5.1%	-11.2%
-21.2%	15.6%	8.6%	2.1%	7.2%	7.9%	8.6%	1.9%	3.7%	5.6%	-2.8%	12.8%	5.7%	2.9%	-11.5%
-27.3%	15.3%	7.3%	-0.6%	6.5%	6.2%	8.5%	1.6%	3.7%	3.6%	-3.7%	8.1%	5.6%	-1.3%	-11.5%
-29.2%	7.4%	6.5%	-0.9%	6.2%	1.0%	7.6%	-0.2%	3.6%	3.4%	-4.4%	0.8%	5.3%	-1.4%	-11.9%
-30.7%	5.0%	5.0%	-8.7%	6.0%	0.8%	3.3%	-0.5%	1.3%	2.6%	-5.7%	7.4%	5.1%	-2.3%	-12.2%
-33.0%	1.6%	3.8%	-8.9%	5.4%	0.6%	2.5%	-2.0%	0.9%	2.2%	-7.2%	6.9%	3.5%	-2.3%	-12.3%
-33.0%	1.2%	-1.5%	-13.0%	2.6%	-2.0%	2.3%	-8.3%	-3.8%	1.8%	-8.9%	6.4%	0.2%	-3.0%	-12.8%

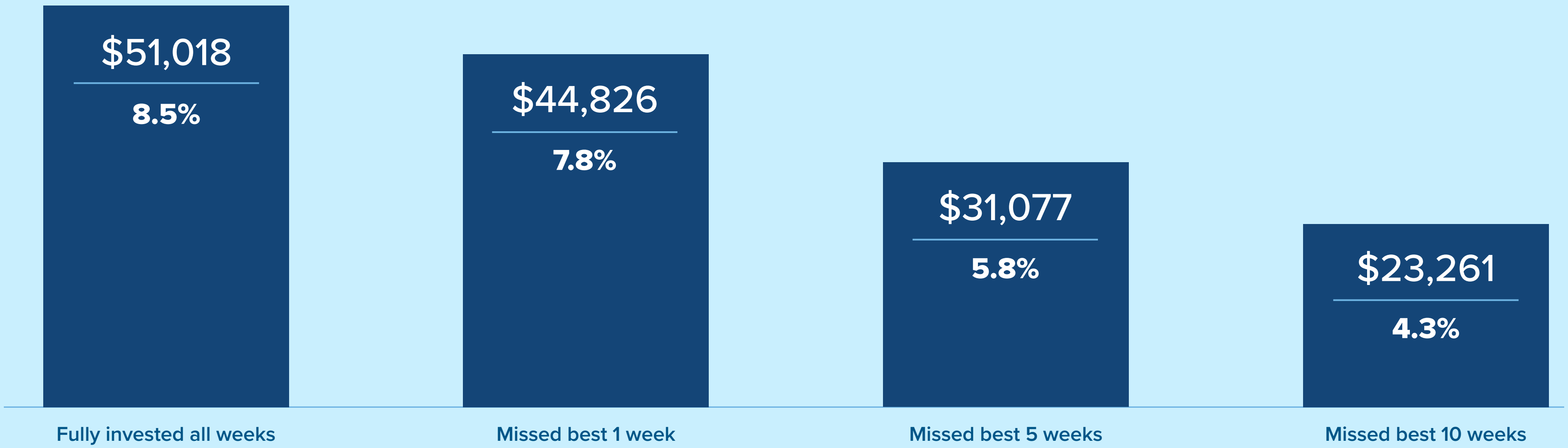
Worst performers

- Can Corp Bonds
- Can Govt Bonds
- Global Bonds
- Global Govt Bonds
- Global HY Bonds
- Asian Equity
- Can Equity
- European Equity
- US Equity
- Can Neutral Bal
- Global Neutral Bal
- Floating Rate Loans

Source: Morningstar, February 28, 2023

20 years of S&P/TSX: It's expensive to miss the best weeks

VALUE OF $10,000 INVESTED FROM DECEMBER 31, 2002 TO DECEMBER 31, 2022
IN 20-YEAR COMPOUND ANNUAL GROWTH RATE



Source: Bloomberg (Dec 2022)

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Savings and budget

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What strategies have you put in place to realize your dreams?

Are you planning to buy a house/condo/rental property/cottage soon?

Do you have expenses regarding home renovations, changing/buying a car, a wedding?

Tell me about your dream...

When will it happen?

How much it is going to cost?

Do you already have strategies in place to make sure you reach you objective/timeline?

How to plan for a dream:

1. Define the dream and its cost.
2. Determine the horizon.
3. Determine your investor profile.
4. Implement an investment strategy to meet your objective (example: Set up a regular and pre-authorised savings plan).

Source: Mackenzie Investments

The benefits of investing at a young age

Scenario: Both people are planning for retirement at the age of 65

	Early bird	Snoozer
Age at beginning of investment	25	40
Initial deposit	0	
Annual recurring deposits	$2,500	
Duration of the investment	25	
Rate of return	5%	
Value after 25 years of investment	$125,284	
Age at the end of investment	50	65
Years to age 65	15	0
Extra interest earned until age 65	$135,172	$0
Value at the age of 65	**$260,456**	**$125,284**

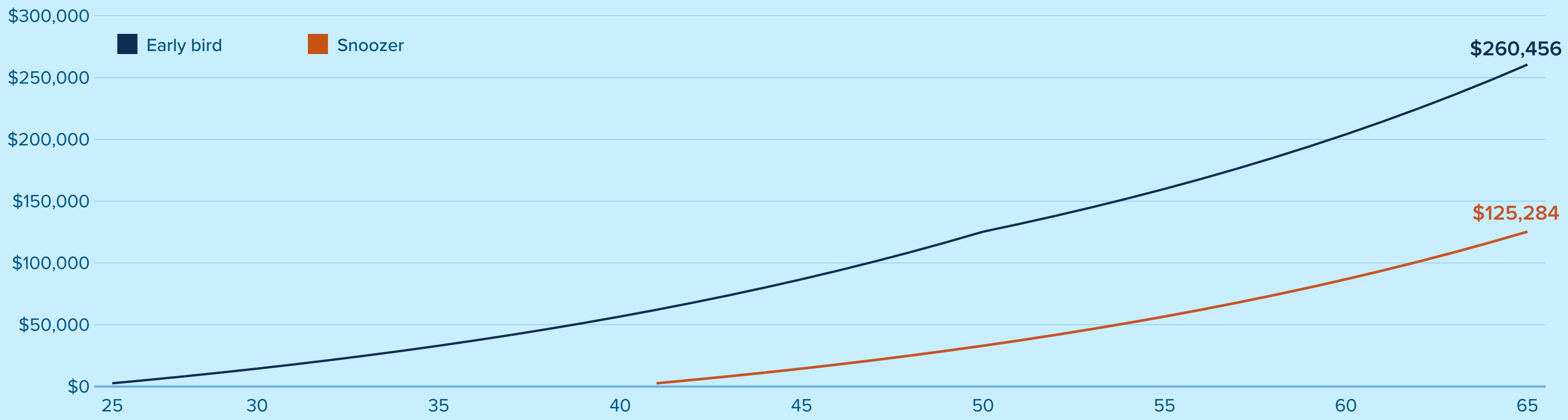
With the same amount of annual investment, the early bird can benefit from the power of compounding to earn extra value towards retirement!

To have the same amount of money at age 65, the snoozer would have to invest $2700 more per year.

The information above is provided for indicative purposes only. Actual returns will differ from those assumed and change over time which will impact how assets may compound.

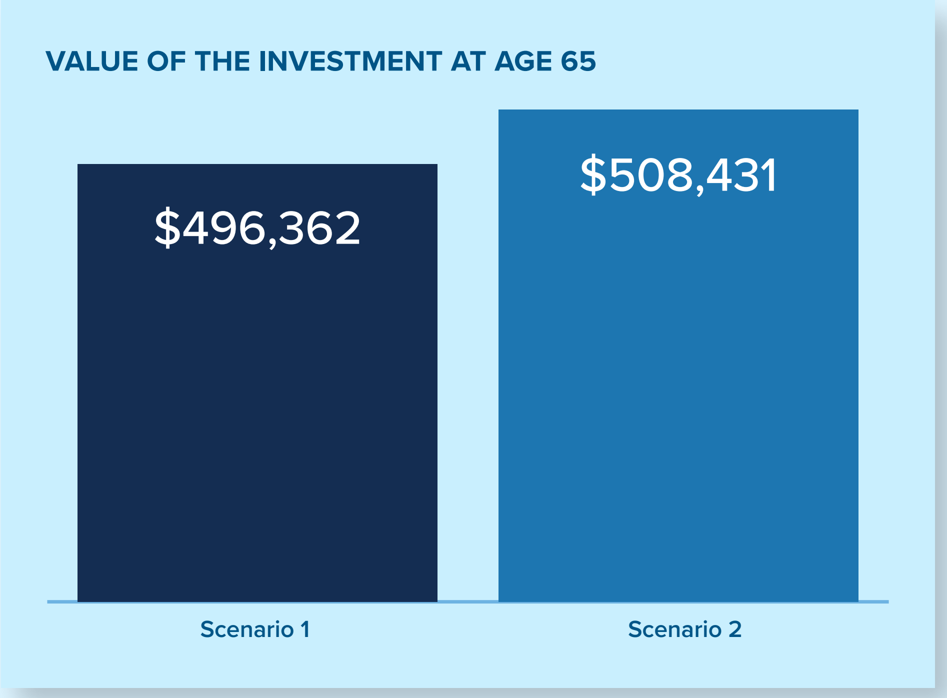
Source: Mackenzie Investments

VALUE OF THE INVESTMENT FROM BEGINNING TO AGE OF 65



The benefits of weekly contribution vs. annual contributions

	Scenario 1	Scenario 2
Age at beginning of investment	40	40
Age at the end of the investment	65	65
Initial deposit	$0	$0
Recurring deposits	$10,400	$200
Deposit frequency	Annual	Weekly
Rate of return	5%	5%
	Results	
Total deposits	$260,000	$260,000
Growth	$236,362	$248,431
Total value	**$496,362**	**$508,431**



Rates of return are used only to illustrate the effects of compound growth and are not intended to forecast future values or returns on investment in any mutual fund.
*We assume the same initial investment at different frequencies.
Source: Mackenzie Investments

Have you put some funds aside for emergencies?

The importance of an emergency fund

How much are your monthly expenses?

Do you have an emergency fund?

Does your emergency fund represent three to six months of your monthly expenses?

What would happen if you were told you wouldn't get your next paycheque?

Where would your income come from in case of unforeseen events?

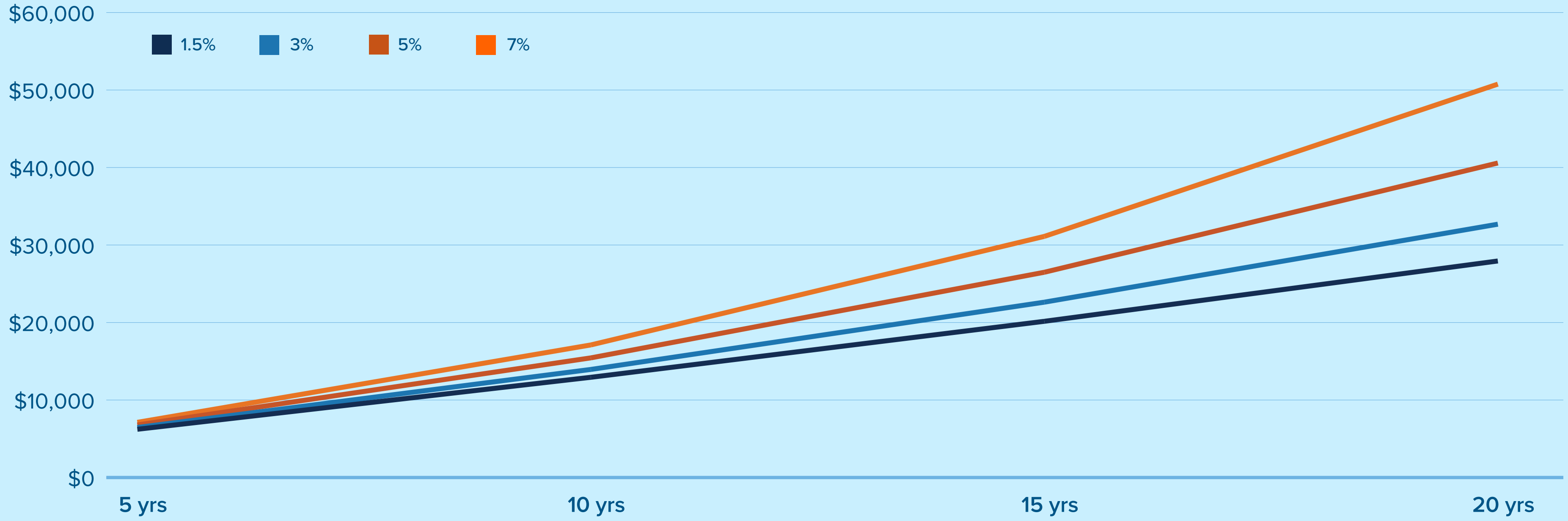
How to set up an emergency fund:

- Make a budget.
- Open a savings account.
- Set up a regular and pre-authorized savings plan.

Source: Mackenzie Investments

Pre-authorized savings plan

$100 INVESTED MONTHLY FOR 5, 10, 15 AND 20 YEARS AT DIFFERENT INTEREST RATES

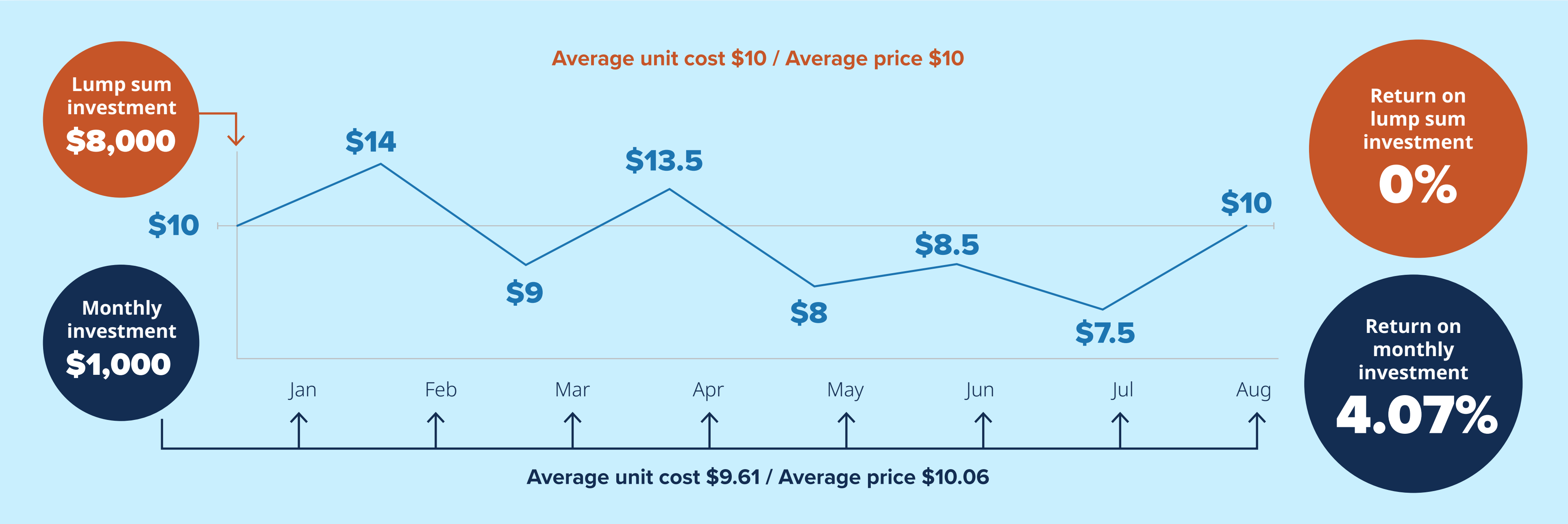


Rates of return are used only to illustrate the effects of compound growth and are not intended to forecast future values or returns on investment in any mutual fund. Actual returns will differ from those assumed and change over time which will impact how assets may compound.

Source: Mackenzie Investments

The power of dollar cost averaging

DCA involves buying equal dollar amounts of a given investment on a regular basis. Rather than investing all your money at once, making a commitment to invest a smaller amount on a regular basis may lower your average cost per unit by purchasing more units at lower prices.



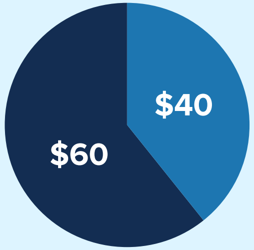
Source: Mackenzie Investments
Fictional example provided solely for information purposes, based on an investment in mutual funds.

Not all income is taxed the same

TAX CONSEQUENCES FOR EVERY $100 RECEIVED IN INCOME

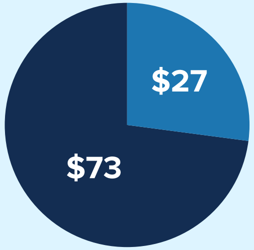
Amount you keep in your pocket after tax   Taxes paid

Interest income



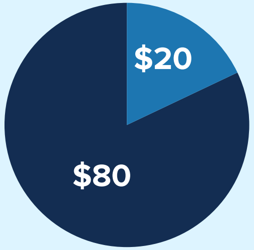
Fully taxable at investor's marginal tax rate.

Dividend income



Income subject to dividend gross up and dividend tax credit also applies. Tax credits vary by province.

Capital gains



Taxed at 50% of investor's marginal tax rate.

Return of capital

Not immediately taxable. Deferred until units/shares sold or adjusted cost based depleted.

Assumes average national tax rates:
Interest income = 40%, capital gains = 20% eligible dividends = 27%

Least — **Tax efficient** — Most

Source: Mackenzie Investments

How much is at risk?

	Standard GIC	Market-linked GIC	Mutual Funds
Risk	Inflation	Limited return	Financial market risk*
Capital	Guaranteed	Guaranteed	Not Guaranteed
Yield	Guaranteed	Varies	Varies
Potential return	Modest	Better	Greater

Source: Mackenzie Investments
*Other risks need to be considered when investing in mutual funds

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Plan types

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How well do you know your investments?

Talk to me about your investment strategy (asset & geographic allocation, return of your portfolio in the last five years, etc.)

What is your investor risk profile?

What are your expectations regarding the rate of return on your investments and are you achieving that goal?

Why have you decided to do business with other financial institutions?

What is important for you? (Rate of return, service, proximity of the branch, retirement plan, withdrawn strategy, tax efficiency, etc.)

STEPS FOR AN INVESTMENT REVIEW

1

Regroup all recent investment statements held with other financial institutions.

2

Review of the investor risk profile.

3

Analysis completed by the financial advisor.

4

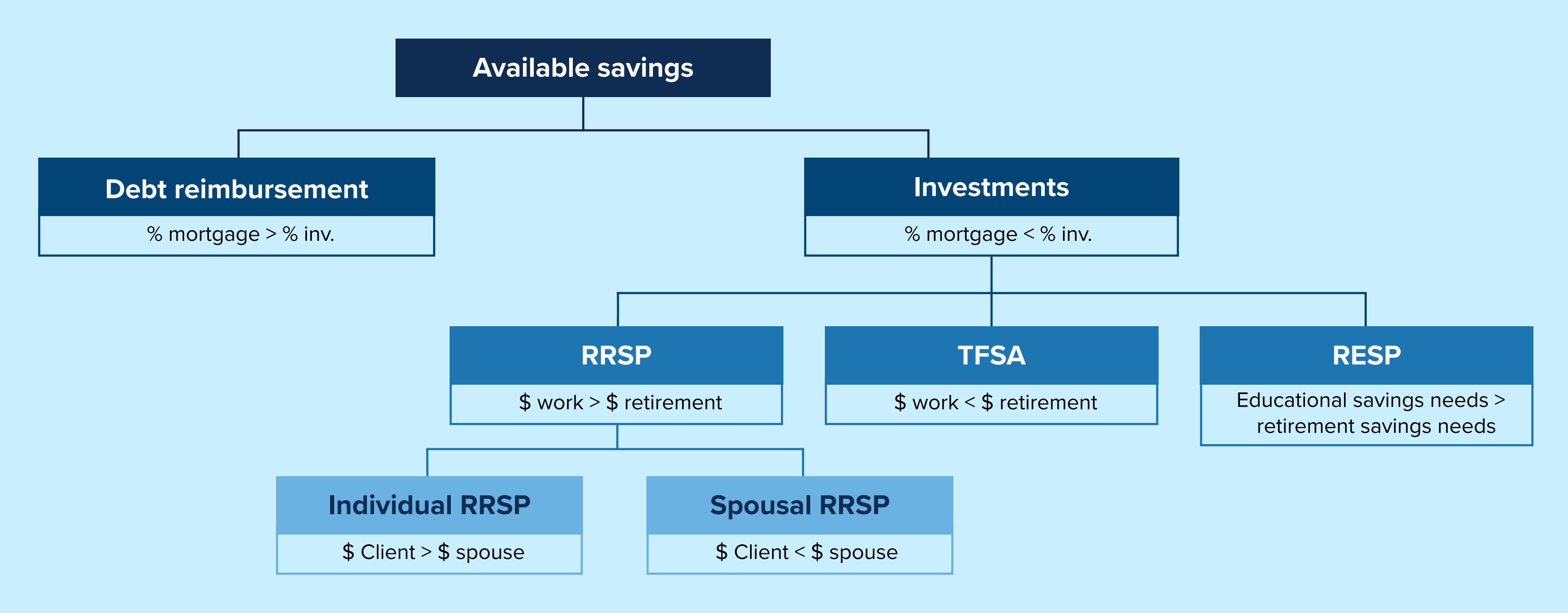
Present the results of the analysis.

5

Put in place an action plan and a review process.

Source: Mackenzie Investments

Preferred plans – decision tree



Source: Mackenzie Investments

Overview of the different plan types

Plan type	RESP	TFSA	RRSP	RDSP	Non registered
Contributions	Net	Net	Deductible - reimbursement / tax savings	Net	Net
Grants	**CESG, QESI, CLB (minimum 30%)**	None	None	Yes	None
Taxation during accumulation phase	None	None	None	None	Yes – depending on type of revenue
Taxation at withdrawl phase	Government grants and income in the hands of the beneficiary	None	At the marginal tax rate	Yes – depending on type of revenue	Yes – depending on type of revenue
Principal advantage	Government grants and income in the hands of the beneficiary	Tax free	Immediate tax deduction, tax deferral	Government grants and oncome in the hands of the beneficiary	Capital losses against capital gains

Source: Mackenzie Investments

Do you have a plan/vision for your children's education?

Are you planning to help pay/participate in the post-secondary education of your children?

How are you planning to pay for your children's studies and how much will it cost?

What kind of program and where do you wish your children study?

Are you taking fully advantage of the government grants by maximizing your contributions?

How to plan for a child's education:

1. Establish available cash flow.
2. Determine the cost of the child's education program.
3. Open an RESP account.
4. Determine your investor risk profile.
5. Implement a tailored investment strategy with pre authorised savings plan.

Source: Mackenzie Investments

RESP at a glance

Deduction of contributions	None
Taxation	Contributions are tax free upon withdrawal
At withdrawal	The return and government grant portion are included in the beneficiary's income at the time of withdrawal
Annual contribution limit	None
Cumulative lifetime contributions	$50,000
Maximum duration	35 years
Canadian Education Savings Grant (CESG)	20% of annual contributions, up to a maximum of $500 annually and $7,200 in a lifetime
Additional CESG	10% to 20% of the first $500 of annual contributions, depending on family income
Canadian Learning Bond (CLB)	$500 at opening and $100 per year for 15 years, subject to family income threshold
Québec Educational Savings Incentive (QESI)	10% of annual contributions, up to a maximum of $250 annually and $3,600 in a lifetime
Specific rule for beneficiaries aged 16-17 years old	Grant entitlement at age 16/17, must have contributed before the age of 15 for this beneficiary either $2,000 or 4 times $100 per year

Source: Mackenzie Investments

Which to prioritize: Individual or family plan

	Individual	Family
Advantages	No blood or adoption relationship required Can change beneficiary anytime (if other beneficiary eligible for grants) Avoids “the net” QESI issue	Allows grants to be withdrawn as soon as the first child goes to school Allows grants to be redistributed according to the needs of the siblings Only one account to manage
Disadvantages	One account per beneficiary Beneficiary must go to school to receive grants Complex beneficiary transfer (administratively and the substitute must have enough “rights”)	Only for brothers and sisters (blood-related or adoption) Net QESI on withdrawals of older children Must be under 21 years of age when named beneficiary Maximum term of 35 years
When to prioritize	When there is a significant age difference between recipients	When unsure which beneficiary will go to school

Source: Mackenzie Investments

Summary of withdrawal types

Types of withdrawals	Payment is made up of	Withdrawal trigger (or condition)	Implications
Educational Assistance Payments (EAP)	Grant/bond and Income	Educational purposes only	Beneficiary pays tax on EAP – T4A (EAP)
Post-Secondary Education Payments (PSE)	Capital	Educational purposes only	No taxes on withdrawal
Non-educational Return of Capital	Capital	Can withdraw for any purposes	Must repay some or all grants/bond
Accumulated Income Payment (AIP)	Income	Withdraw earnings if beneficiary doesn't go to post-secondary school	Withholding tax rates apply. Additional tax of 20% if taken in cash unless rolled over to RRSP. Will cause repayment of grants/bond
Payment of Designated Education Institution (PEI)	Income	Withdraw earnings if an RESP subscriber or beneficiary doesn't qualify for an AIP	Not eligible for deduction (not considered a charitable donation). Will cause repayment of grants/bond

Source: Mackenzie Investments

Withdrawals for education

Full-time program in Canada
A course of study that lasts at least three weeks in a row, with at least 10 hours of instruction or work per week.

Full-time program outside Canada
A program at a foreign educational institution with a duration of at least 13 weeks.

Part-time program in Canada
An educational program at post-secondary school level that lasts at least three consecutive weeks, and that requires a student to spend not less than 12 hours per month on courses in the program.

Programs that qualify include apprenticeships as well as programs offered by

- CEGEPs;
- trade schools;
- colleges;
- universities; and
- other institutions certified by the Minister of Employment and Social Development

Withdrawals begin when a beneficiary begins post-secondary education

Maximum EAP withdrawal of $5,000 for the first 13 weeks

Up to 6 months after the end of the program to make withdrawals

Withdrawals can be used to pay for educational related expenses
(no bills are required)

Source: https://www.canada.ca/fr/services/prestations/education/epargne-etudes/reee/utilisez.html

TFSA facts

Since January 1, 2009, Canadian residents who are 18 years of age or older with a valid SIN are eligible to contribute to a Tax-Free Savings Account.

TFSA contribution room accumulates every year, if at any time in the calendar year you are 18 years of age or older and a resident of Canada. You do not have to set up a TFSA or file a tax return to earn contribution room.

The $6,500 TFSA dollar limit is indexed based on the inflation rate, and rounded to the nearest $500.

The TFSA contribution room is made up of your TFSA dollar limit ($6,500 per year plus indexation), unused TFSA room carried from previous years and the value of any withdrawals made in the previous year, or years.

If you over-contribute beyond your TFSA contribution room in a given year you will be subject to a tax equal to 1% of the highest excess TFSA amount per month.

CONTRIBUTION ROOM

Year	TFSA contribution room
2009	$5,000
2010	$5,000
2011	$5,000
2012	$5,000
2013	$5,500
2014	$5,500
2015	$10,000
2016	$5,500
2017	$5,500
2018	$5,500
2019	$6,000
2020	$6,000
2021	$6,000
2022	$6,000
2023	$6,500
Total	**$88,000**

Source: Mackenzie Investments

RRSP facts

RRSP contribution limits
18% of earned income (minus an individual's pension adjustments) up to the annual maximum (see below).

Age limit
RRSP contributions can be made until December 31st of the year an individual turns 71.

Deadline
60 days after the year end.

2023 tax year deadline
February 29, 2024.

Carry-forward
Unused contribution room from 1991 and onwards can be carried forward. Total allowable carry-forward contribution can be found on an individual's most recent Notice of Assessment.

Over-contribution
Individuals over 18 can maintain an over-contribution of $2,000 in an RRSP at any time.

Penalty: The penalty for over-contribution over $2,000 is 1% per month, starting at the end of the first month in which the limit has been exceeded.

	2023	2024
Annual RRSP limit	$30,780	$31,560

WITHHOLDING TAX RATES FOR RRSP/RRIF WITHDRAWALS (AS OF DECEMBER 2022)

Amount withdrawn	Québec	Federal	Total for the province of Québec	Total other provinces ex. Québec
Up to $5,000	15%	5%	20%	10%
$5,001 – $15,000	15%	10%	25%	20%
Over $15,000	15%	15%	30%	30%

Source: Mackenzie Investments

RRIF facts

Age
No later than the year after the individual turns 71.

Withdrawals
There is no required withdrawal amount in the first calendar year a RRIF is funded (see below).

RRIF MINIMUM WITHDRAWALS (AS OF DECEMBER 2022)

Age	Withdrawal
60	3.33%
61	3.45%
62	3.57%
63	3.70%
64	3.85%
65	4.00%
66	4.17%
67	4.35%
68	4.55%
69	4.76%
70	5.00%
71	5.28%
72	5.40%
73	5.53%
74	5.67%
75	5.82%
76	5.98%
77	6.17%

Age	Withdrawal
78	6.36%
79	6.58%
80	6.82%
81	7.08%
82	7.38%
83	7.71%
84	8.08%
85	8.51%
86	8.99%
87	9.55%
88	10.21%
89	10.99%
90	11.92%
91	13.06%
92	14.49%
93	16.34%
94	18.79%
95+	20.00%

*A Qualifying RRIF is a RRIF that was opened before 1993 and has not accepted any funds after 1992; or
after 1992 and has had only funds transferred from another Qualifying RRIF.
Source: Mackenzie Investments

Why RDSPs are the best way to save?

Anyone can contribute to an RDSP with written consent of the account holder.

The total lifetime contribution for each beneficiary is $200,000, with no annual contribution limits.

Contributions can be matched, based on family net income, up to $3,500 a year in Canada Disability Savings Grants (CDSG), and up to $1,000 a year in Canada Disability Savings Bonds (CDSB).

The money you contribute grows tax free.

Savings and withdrawals do not affect federal or many provincial income-tested benefits.

Carry forward on CDSG and CDSB back to the date of diagnosis, to a maximum of 10 years. The maximum grant for a single year per account is $10,500 and maximum bond is $11,000.

Who qualifies for an RDSP?

- Be a recipient of the Disability Tax Credit
- A resident of Canada
- Less than age 60
- Have a valid Social Insurance Number

How to open an RDSP account

If you haven't already, apply for the Disability Tax Credit (see www.cra-arc.gc.ca/disability) or see your financial advisor to open an RDSP.

How the Canadian government can help

Canada Disability Savings Grant

Through the CDSG, the government deposits money into your RDSP, providing matching grants of 300%, 200% or 100%, depending on the amount contributed and the beneficiary's family net income. The maximum is $3,500 per year, with a lifetime limit of $70,000.

Canada Disability Savings Bond

Through the CDSB, the government deposits money into the RDSPs of low and modest-income Canadians. If you qualify for the bond, you could receive up to $1,000 a year, with a lifetime limit of $20,000.

Withdrawing your money

RDSP withdrawals must begin by the end of the year the beneficiary turns 60. You may withdraw funds earlier, but be sure to note that once a withdrawal of any amount is made, $3 worth of federal grants and bonds paid into the RDSP in the previous 10 years must be repaid for every $1 withdrawn.

Withdrawals will consist of non-taxable contributions, taxable government monies and taxable growth.

Employer pension plan

	Defined benefit plan (DB Plan)	Defined contribution plan (DC Plan)	Group RRSP	Deferred profit sharing plan (DPSP)	Voluntary retirement savings plan (VRSP)
Employer contributions	Employer contributions are essential to finance the annuity. The sums are immobilized and unseizable.	The employer must contribute a minimum of 1% of payroll. The sums are immobilized and unseizable.	Contributions are not mandatory and are at the discretion of the employer.	Varies according to the plan. Not immobilized. They can be seized.	The employer is not obligated to contribute. Immobilized if there is an employer contribution.
Employee contributions	Employee contributions may be mandatory or optional depending on the employer's decision. They are immobilized and unseizable.		Not mandatory, the employer has the choice to join the plan or not. Not immobilized.	The employee does not contribute to this type of plan.	Voluntary. The contributions are not immobilized. They are unseizable.
Equivalence factor	Yes	Yes	No	Yes	Yes
Withdrawal / transfer while still at work	Not allowed	Normally not allowed. To verify with the employer.	Generally not allowed unless specified by the employer.	Generally allowed unless specified by the employer.	Allowed
Withdrawal / transfer at end of employment	The employer gives the different options to their employees at the end of employment.				

Source: Mackenzie Investments

PFSL Investing 101

Retirement planning

MACKENZIE Investments | PRIMERICA

The importance of planning for retirement

Where do you plan to live during retirement: in your home, with your children or in a seniors' residence?

At what age do you want to retire?

What lifestyle do you want to have?

Do you want to plan your retirement with your partner in mind?

Do you know your sources of income at retirement (group pension, OAS/QPP, part-time employment, rental income, savings, etc.)?

Have you made a projected budget for your retirement?

What strategies do you already have in place to reach your retirement goals?

Why do you have investments scattered between different financial institutions (service, yield, proximity, retirement plan etc.)?

What is your disbursement strategy at retirement (disbursement sequence, QPP and OAS optimization, etc.)?

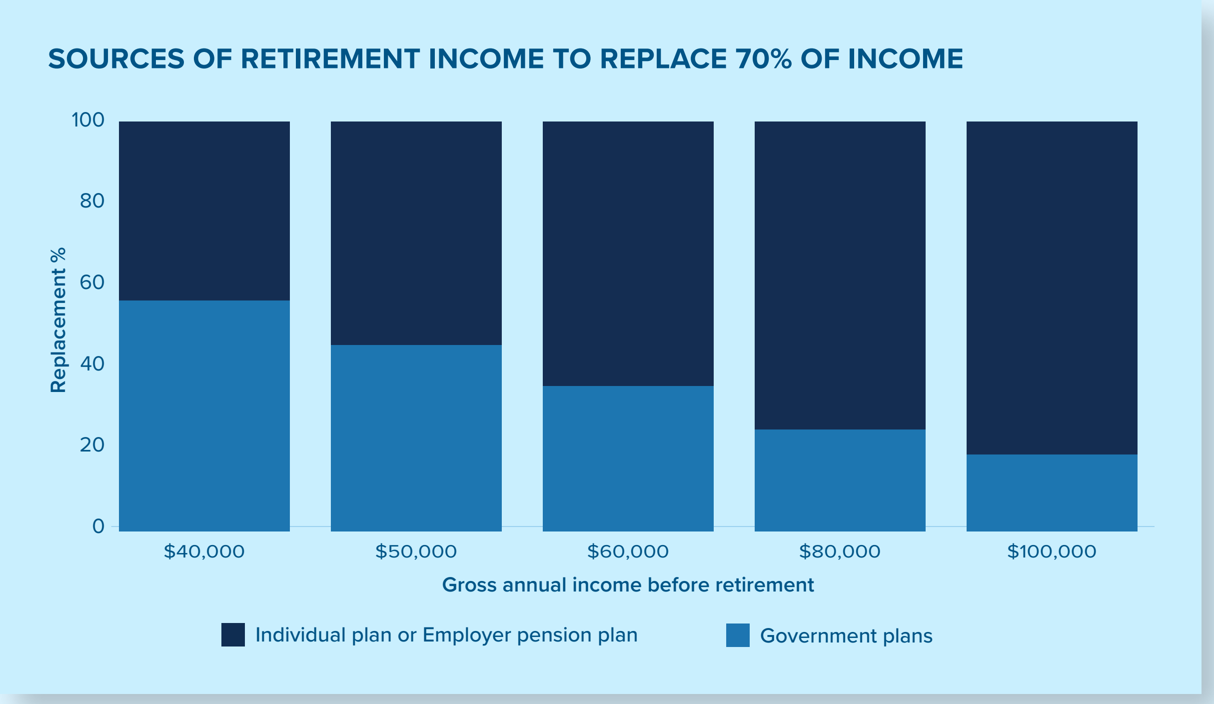
Have you planned your intergenerational wealth transfer while living or upon death?

Source: Mackenzie Investments

How to plan for retirement

1 Determine your monthly cost of living at retirement.
2 Evaluate your different sources of income at retirement.
3 Make a retirement projection plan to see if you are on the right path to retire at the desired age.
4 Implement a retirement plan in order to achieve your objective.
5 Determine which financial institution will best support you for your retirement needs.
6 Ideally, consolidate your assets at a single financial institution to facilitate updates and execution of your retirement/disbursement plan.
7 Subsequently, plan your intergenerational wealth transfer while living or upon death.

Are the government plans sufficient for your retirement?



You will likely have to save in order to have a comfortable retirement. The higher your income, the more money you will need to invest to reach your retirement goal.

Note: This is based on hypothetical data
Source: Mackenzie Investments

Retirement age: how to approach it

Retirement age determines how much time a person has to save for retirement goals, which is why it's important to focus on it.

KNOW THE AVAILABILITY OF DIFFERENT SOURCES OF RETIREMENT INCOME FOR MORE IN-DEPTH DISCUSSIONS.

	Under 55 years old	60 years old	65 years old	65 years +	70 years old
Old Age Security (OAS)	No	No	Yes	Yes, optimized	Yes, maximized
Guaranteed Income Supplement (GIS)	No	No	Yes	Yes	Yes
Canadian Pension Plan (CPP)/ Québec pension plan (QPP)	No	Yes, but reduced	Yes	Yes, optimized	Yes, maximized
Defined benefit registered pension plan	Possible	Possible	Yes	Yes	Yes
Defined contribution registered pension plan	Yes	Yes	Yes	Yes	Yes
Personal savings (RRSP, TFSA, non- registered)	Yes	Yes	Yes	Yes	Yes

Source: Mackenzie Investments

Desired income: knowing the cost of living in retirement

Expenses	Eliminated	Diminished	Fixed	Increased
Housing			●	
Food			●	
Clothing		●		
Health care				●
Social and recreational activities (leisure)				●
Income tax		●		
Transportation costs		●		
Vehicle maintenance			●	
Travel expenses				●
Telecommunications			●	
CPP/QPP contirbutions	●			
Employment Insurance premiums	●			
Contributions to a registered pension plan	●			
Savings	●			
Professional dues	●			
Union dues	●			

Source: Mackenzie Investments

Possible solutions to bridge the retirement planning gaps

	Advantages	Disadvantages
Increase personal savings • Start with evaluating the client's available savings capacity. • Review the budget: what trade-offs or sacrifices is the client willing to make to achieve their initial objectives / re-evaluate certain expenses / variable and even fixed costs.	• Be in control of current monthly income and expenses. • Analyze expenses that can be reduced and/or eliminated. • Increase savings for retirement goals.	• Having to tighten the budget.
Delay the expected retirement age	• Have the desired cost of living to adequately fund retirement projects. • Take advantage of employer-sponsored plans for as long as possible, if applicable. • Benefit from the QPP pension enhancement. • In some cases, manage the age difference in the couple. Do we want to wait for the younger spouse?	• Feeling compelled to work longer. • Is the desire still there?

Source: Mackenzie Investments

MARKET CRISIS AND SUBSEQUENT RETURNS (CONT'D)

	Advantages	Disadvantages
Reduce desired retirement income	• Retire at the right time to have time to fulfill certain dreams while health permits. • Relief, especially if we were no longer happy.	• Having to tighten the budget.
Evaluate the possibility of selling assets later (example: sale of principal residence)	• Maximize your different investment vehicles to give you flexibility. • Take advantage of the proceeds of the sale immediately to retire as you've always dreamed. • Prevent the estate from managing/selling the property.	• Quality of life? Depending on whether it is the primary or secondary residence that is sold • Less money bequeathed to heirs.
Check if plans are optimized	• Amount in bank account, RRSP, TFSA, spousal RRSP, etc. • Maximize contributions to the employer's pension plan • Strategy such as reorganization of liabilities, deregistration, income splitting, etc.	• Generate saving capacity.
Assess the possibility of reviewing the asset allocation in the portfolio	• Review investment portfolios to see if your goals have changed. • See if the composition of your investments still meets your investor profile. • Optimize your asset allocation to maximize potential returns.	• Possible tax impact (if change in a non-registered account).

Source: Mackenzie Investments

The power of optimized contributions

The power of adding your anticipated RSP tax reimbursements to your RSP contributions

MAXIMIZED CONTRIBUTION

RRSP contribution to make	$5,000
Additional RRSP contribution	$2,952
Maximized RRSP contribution	$7,952
Tax saving that could cover your additional contribution	$2,952
Additional RRSP amount at retirement	$147,918

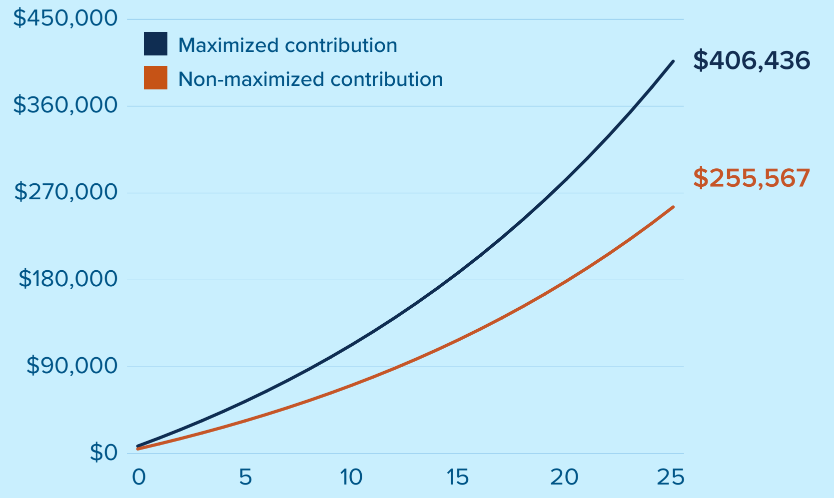
Rates of return are used only to illustrate the effects of compound growth and are not intended to forecast future values or returns on investment in any mutual fund. Request a personalized analysis from your advisor with the advisor tool “Simulateur REER”.

Source: Mackenzie Investments

Source: Scenario based on the following assumptions: Annual taxable income of $60 000 per year, $5 000 annual RRSP contribution, expected tax savings, rate of return of 5% and time horizon of 25 years. This is provided for illustrative purposes only and is not intended to be construed as tax advice.

Leveraging increases the risk of losses and is more risky than purchasing a mutual fund using your own money. Not all investors have the capacity to borrow to invest. You must have a certain level of risk tolerence, a good financial situation, a long-term investment time horizon, a stable income, etc. You should also know that you could end-up losing money and you would still have to pay back the loan plus interests.

TOTAL VALUE OF INVESTMENT AFTER 25 YEARS



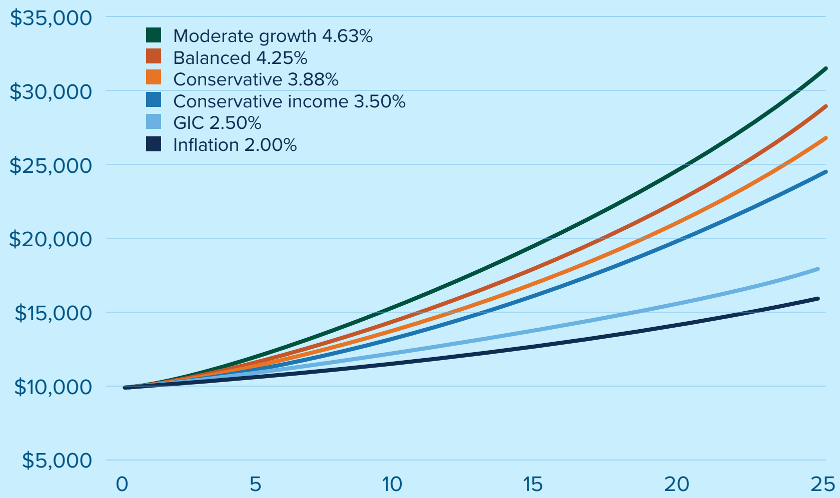
Retirement risk: inflation

For long-term investments, the rate of return can have a major impact on purchasing power.

Investor profile	Accumulated value ($)	Difference vs. inflation ($)	Gain vs. inflation (%)
Moderate growth	$31,003	$14,597	89%
Balanced	$28,308	$11,901	73%
Conservative	$25,900	$9,494	58%
Conservative income	$23,632	$7,226	44%
GIC 2.50%	$18,539	$2,133	13%
Inflation 2.00%	$16,406	$0	0%

WHY WINNING AT INFLATION MATTERS

$10,000 invested for 25 years according to different investor profiles



Rates of return are used only to illustrate the effects of compound growth and are not intended to forecast future values or returns on investment in any mutual fund.

Actual returns will differ from those assumed and change over time which will impact how assets may compound.

Source: Mackenzie Investments

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Government plans

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Canadian pension plan (CPP)/ Québec pension plan (QPP)

Normal retirement date
65 years old

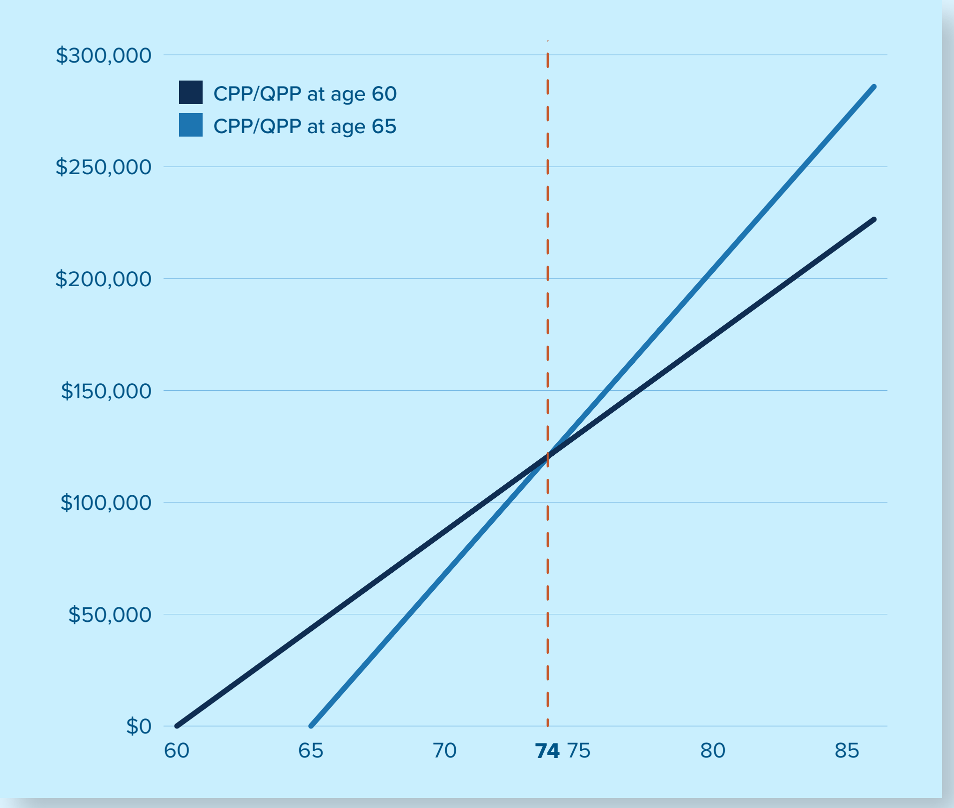
Early retirement (between 60 and 65)
The pension will be reduced by 0.6% per month before your 65th anniversary.

Note: this reduction can be modified to 0.5% if the amount is little (if the individual has a low income).

Late retirement (between 65 and 70 years old)
The pension will be increased by 0.7% for each month after your 65th anniversary.

At what age should I take my CPP/QPP (age 60 vs. age 65)?
The break-even age for an individual choosing to collect CPP/QPP at age 60 versus age 65 is approximately 74 years, assuming the benefits are spent or not otherwise invested. Therefore, assuming an individual lives past age 74, they could receive more in retirement benefits by waiting to age 65 to start receiving CPP/QPP.

Other elements to consider
Life expectancy, return on investment, life quality, other sources of revenue.



Source: Mackenzie Investments

Old age security (OAS)

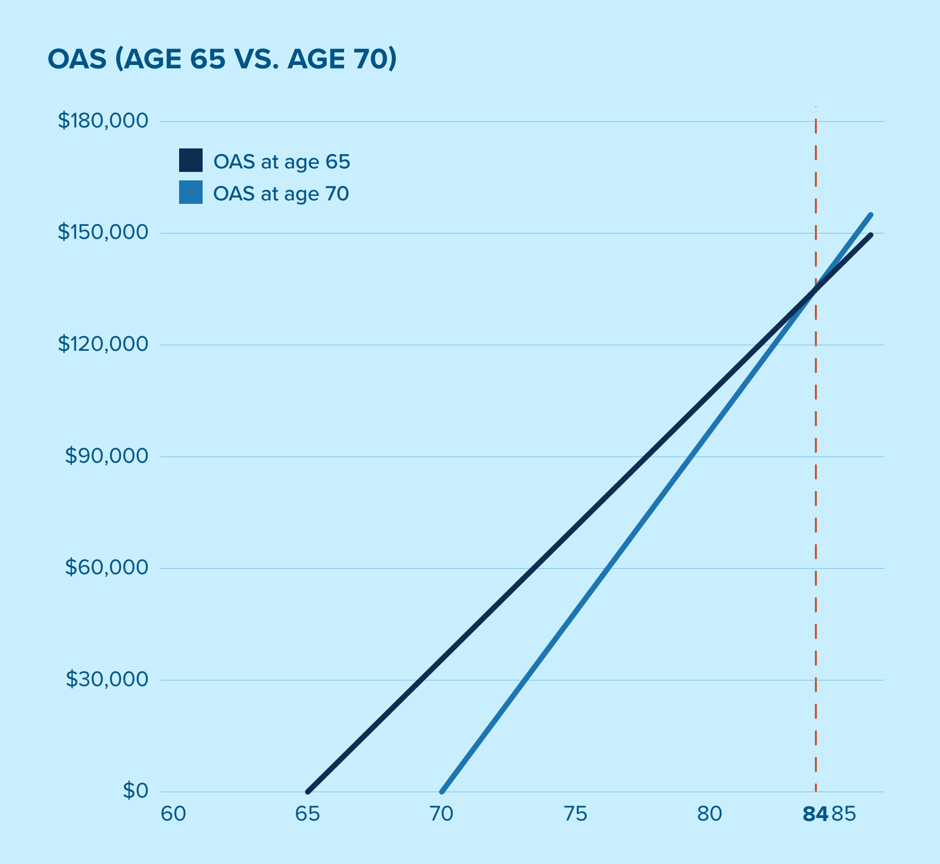
Normal retirement date
65 years old.

Early retirement
Not possible.

Late retirement (between 65 and 70 years old)
The pension will be increased by 0.6% for each month after your 65th anniversary.

At what age should I take my OAS (age 65 vs. age 70)?
The break-even age for an individual choosing to collect OAS at age 65 versus age 70 is approximately 84 years, assuming the benefits are spent or not otherwise invested. Therefore, assuming an individual lives past age 84, they could receive more in retirement benefits by waiting to age 70 to start receiving OAS.

Other elements to consider
Life expectancy, return on investment, life quality, other sources of revenue.



Source: Mackenzie Investments

When's the best time to start collecting CPP/QPP and OAS?

For many Canadians, deciding on when to start receiving CPP/QPP and OAS benefits is a major decision. Getting it right is a challenge and can have lasting consequences for your retirement income.

The Canada Pension Plan (CPP)/Quebec Pension Plan (QPP) is available starting at age 65. However, CPP/QPP retirement benefits can begin as early as age 60 or as late as age 70. Choosing to take CPP/QPP benefits earlier means that pensioners will receive up to 36% lower benefits if taken the full five years early, however they'll receive it over a longer period of time.

For QPP, the reduction factor is 0.5% per month before their 65th birthday if the individual's pension is small and will be up to 0.6% if the individual is receiving the maximum pension.

Old Age Security (OAS) is available starting at age 65. OAS may also be deferred up to age 70.

Alternatively, benefits deferred past age 65 will be increased by 0.7% for each month and result in a 42% higher payment if taken the full five years later. As a result, Canadians will need to decide whether it is in their best interests to take their CPP benefits early or choose to defer.

Factors to consider when deciding to take CPP/QPP

Early or late (or, in the case of OAS, whether to delay receiving payments).

- Life expectancy
- Cash flow needs
- Impact on income-sensitive benefits
- Consume or invest?
- Disability impact
- Current and future tax rates

Life expectancy

One of the most significant factors impacting this decision is life expectancy. Generally, the longer the life expectancy, the more advantageous it is to defer CPP/QPP and collect it as late as possible. Alternatively, the lower the life expectancy, the more advantageous it is to start collecting CPP/QPP early.

Cash flow needs

The decision to start collecting the CPP/QPP retirement benefit early or late needs to be part of a larger retirement income plan. A clear, accurate assessment of what expenses will be incurred in retirement needs to be evaluated against what sources of income and cash flow are available.

Where the gap is narrow or negative, retirees may choose to receive CPP/QPP as early as possible.

Impact on income-sensitive benefits

Another factor in determining the optimal time to collect CPP/QPP/OAS is the impact that receiving these payments may have on income sensitive benefits as well as certain tax credits. These include:

The spousal amount.

Age amount.

Other dependent-related credits based on income levels.

Determining life expectancy will require

- An analysis of family history.
- The state of the individual's current health, social and environmental factors.
- A best guess as to one's own mortality.

While it's impossible to predict the exact timing of an individual's death, it shouldn't be ignored when evaluating the decision on when to start collecting CPP/QPP.

For example, a high-income earner with a spouse or common-law partner (CLP) who has little or no income may be eligible for a spousal amount, which is a non-refundable tax credit with respect to supporting a spouse/CLP with low income. In addition, for those aged 65 and older and receiving OAS, these benefits are subject to a recovery tax (OAS repayment) if net income exceeds a certain threshold.

If the lower-earning spouse at age 60 chooses to start receiving the CPP/QPP retirement benefit early, the high-income-earning spouse may lose entitlement to some or all of this valuable credit. This is an additional cost that needs to be assessed when choosing the right time to collect CPP/QPP.

Here are a few strategies that impact the timing of CPP/QPP/OAS benefits as they relate to tax minimization and the optimization of benefits:

Canadians aged 65 with net income near the OAS recovery tax threshold may consider deferring their CPP/QPP/OAS benefits to a later age in order to avoid exposure to the OAS recovery tax.

Canadians at age 60 should evaluate the impact of CPP/QPP benefits over the longer term. By choosing to collect CPP/QPP as early as possible, the lower monthly benefits may help to keep the income levels as low as possible, to stay below the OAS recovery tax thresholds. This may be particularly beneficial if income levels and tax rates are expected to remain constant over retirement

Other income-tested benefits that may impact the CPP decision include the Guaranteed Income Supplement (GIS) as well as the Allowance and Allowance for the Survivor.

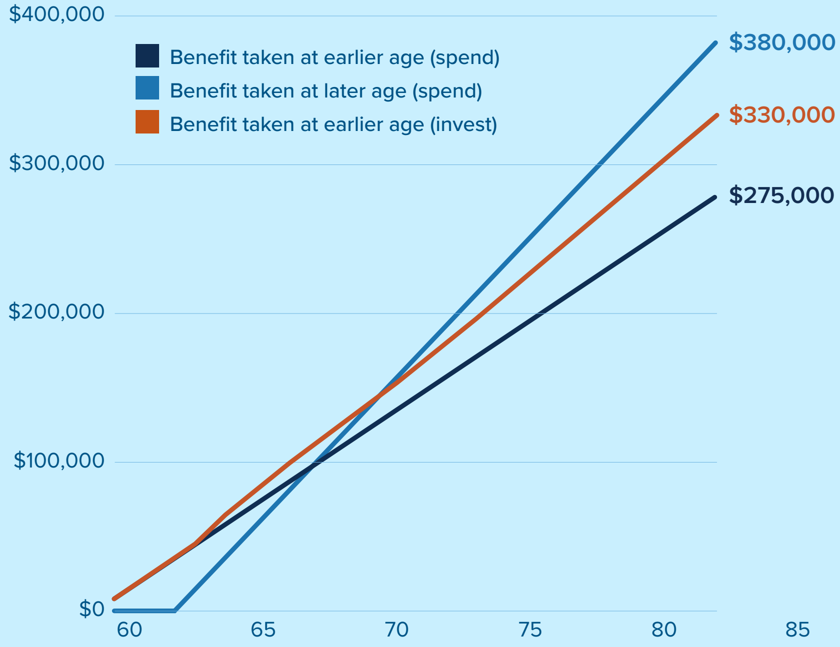
Consume or invest?

Another important factor in the decision of CPP/QPP/OAS timing is the use of the funds. Will the funds be used to cover retirement expenses, or is there an opportunity to invest the funds for future consumption?

The rate of return will have a significant impact on the break-even analysis. Quite simply, the greater the expected rate of return a Canadian retiree can earn, the higher the break-even age. The later the break-even age, the more advantageous it may be to consider taking CPP early.

The retiree will have accumulated more in benefits and savings by starting early than they would ever accumulate by starting at age 65. As a result, the decision to take CPP/QPP early is largely impacted by whether or not the funds are invested, how those funds are invested, tax rates, the asset allocation decisions (that is to say, the type of income earned) and the asset location (registered versus nonregistered).

BREAK-EVEN COMPARISON BETWEEN SPEND AND INVEST SCENARIOS



Disability impact

Canadians with disabilities may be eligible for the CPP disability benefit (CPPD). CPPD benefits are designed to provide partial income replacement to eligible CPP contributors who are under age 65 with a severe and prolonged disability, as defined in the Canada Pension Plan legislation.

For 2023, the maximum monthly CPP disability benefit is $1,538.67. This benefit is higher than the maximum CPP retirement benefit of $1,306.57 (2023). Also, the CPPD automatically converts to a CPP retirement pension at age 65. There is no requirement or need to apply for the retirement pension.

Therefore, Canadians eligible for the CPPD at age 60 are also eligible for the higher benefit that will automatically convert to the retirement benefit at age 65 and generally may not consider taking the CPP retirement benefit early as the higher benefits (up to age 65) will provide enhanced income.

Current and future tax rates

Comparing current tax rates to expected future tax rates may assist in the decision of when to take CPP/QPP.

However, if tax rates change through retirement, then the breakeven age will also change, as will the timing of collecting the CPP/QPP retirement benefit.

For example, consider an individual aged 60 who is still working and in a high tax bracket.

This individual may earn higher after-tax retirement benefits if they defer their CPP/QPP benefits to the age at which they expect to be in a low tax bracket.

Alternatively, if an individual is expected to be in a higher tax bracket in retirement, they may have an incentive to start receiving the CPP/QPP retirement pension as early as possible.

Tax rates may change over time, which will affect the decision on CPP/ QPP timing. While the future is difficult to predict, estimating future tax rates is valuable and will help make the best financial decision on when to start collecting the CPP/QPP retirement benefit.

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Annex

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2023 personal income tax table (Québec residents)

Taxable income	Federal tax	Marginal rate	Provincial tax	Marginal rate	Combined tax	Combined effective rate	Combined marginal rate
$14,000	$0	0.00%	$0	0.00%	$0	0.00%	0.00%
$15,000	$0	12.53%	$0	0.00%	$0	0.00%	12.53%
$17,183	$273	12.53%	$0	15.00%	$273	1.59%	27.53%
$20,000	$626	12.53%	$423	15.00%	$1,049	5.25%	27.53%
$30,000	$1,879	12.53%	$1,923	15.00%	$3,802	12.67%	27.53%
$40,000	$3,131	12.53%	$3,423	15.00%	$6,554	16.39%	27.53%
$49,275	$4,293	12.53%	$4,814	20.00%	$9,107	18.48%	32.53%
$50,000	$4,384	12.53%	$4,959	20.00%	$9,343	18.69%	32.53%
$53,359	$4,804	17.12%	$5,631	20.00%	$10,435	19.56%	37.12%
$60,000	$5,941	17.12%	$6,959	20.00%	$12,900	21.50%	37.12%
$70,000	$7,653	17.12%	$8,959	20.00%	$16,612	23.73%	37.12%

Source: Government of Canada and Québec

2023 PERSONAL INCOME TAX TABLE (QUÉBEC RESIDENTS) (CONT'D)

Taxable income	Federal tax	Marginal rate	Provincial tax	Marginal rate	Combined tax	Combined effective rate	Combined marginal rate
$80,000	$9,365	17.12%	$10,959	20.00%	$20,324	25.41%	37.12%
$98,540	$12,538	17.12%	$14,667	24.00%	$27,205	27.61%	41.12%
$100,000	$12,788	17.12%	$15,017	24.00%	$27,805	27.81%	41.12%
$106,717	$13,938	21.71%	$30,567	24.00%	$44,505	41.70%	45.71%
$119,910	$16,802	21.71%	$19,796	25.75%	$36,598	30.52%	47.46%
$165,430	$26,685	24.21%	$31,517	25.75%	$58,202	35.18%	49.96%
$200,000	$35,056	24.21%	$40,419	25.75%	$75,475	37.74%	49.96%
$235,675	$43,694	27.56%	$49,605	25.75%	$93,299	39.59%	53.31%
$300,000	$61,604	27.56%	$66,169	25.75%	$127,773	42.59%	53.31%

Source: Government of Canada and Québec

2023 Personal income tax table (Ontario residents)

Taxable income	Marginal tax rates (%) Interest and regular income	Capital gains	Non-eligible Canadian dividends	Eligible Canadian dividends
$0 to $15,000	-	-	-	-
$15,001 to $17,291	15.00	7.50	6.87	-0.03
$17,292 to $22,716	25.10	12.55	11.63	-13.69
$22,717 to $49,231	20.05	10.02	9.25	-6.86
$49,232 to $53,359	24.15	12.08	13.96	-1.20
$53,360 to $86,696	29.65	14.83	20.28	6.39
$86,697 to $98,463	31.48	15.74	22.39	8.92
$98,464 to $102,139	33.89	16.95	25.16	12.24
$102,140 to $106,717	37.91	18.96	29.78	17.79
$106,718 to $150,000	43.41	21.10	36.10	25.38
$15,001 to $165,430	44.97	22.48	37.90	27.53
$165,431 to $220,000	48.29	24.15	41.71	32.10
$220,001 to $235,675	49.85	24.93	43.51	34.26
$235,676 and over	53.53	26.77	47.74	39.34

Ontario dividend tax credits and gross-up

GROSS-UP

Eligible dividends	38.00%
Non-eligible dividends	15.00%

DIVIDEND TAX CREDIT

Eligible dividends	10.00%
Non-eligible dividends	2.99%

Source: Government of Canada and Ontario