



Seen in this light, long-term performance becomes a primary consideration and the choice of your RSP is a critical one. Not all RSPs are created equal! Some are so superior in terms of flexibility and return that you really must consider them first. Such is the case with our self-directed **Portfolio RSP**.

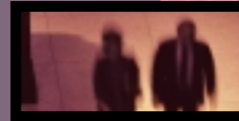
The **Portfolio RSP** is one of our family of RSPs, which includes the **Fully Guaranteed Investment RSP** (holding only 100%-guaranteed investments) and the **Transition RSP** (which allows you to combine guaranteed investments and mutual funds in a single account). Of the three, the **Portfolio RSP** gives you the most control over your investments, allowing you to diversify them and optimize your return. In short, it's the best RSP around. Inside, you will find eight reasons why you should choose such a plan. For further details, please feel free to contact one of our Investment Advisors.

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THE PORTFOLIO RSP

Superior returns,
maximum flexibility



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The retirement savings plan (RSP) is well known to all Canadians, and rushing out on the last day of February to buy an RSP in order to claim a tax deduction has become an annual ritual.

But the RSP should be seen as much more than just a yearly deduction. In fact, far more important than the deduction is the potential for deferring taxation on all the returns earned by your RSP for ten, twenty, thirty, or even forty years. Tax-sheltered compounding will make your savings grow up to twice as fast as unsheltered compounding, which is why the RSP is such an effective wealth-builder.



Professional guidance

Most financial institutions have taken to offering several different types of plans in the hope that one will interest you. Unfortunately, what they are not always able to deliver is informed, objective advice. Financial markets and the legislative framework of the RSP are becoming more complex with each passing year, so professional advice is one commodity that you can't afford to do without. When you open a **Portfolio RSP**, the most important part of the package is the ongoing services of one of our Investment Advisors. Professional guidance is never more than a phone call away, and ready access to this expertise ensures that you are in a position to make the most of your RSP.

Ask for copies of **Your Retirement Savings Plan** and **The RSP Express**. These publications are put out by us to help you integrate the RSP into your overall financial planning process and to keep you abreast of new contribution limits, legislative changes and ways to make your retirement savings grow. You may also consult our **web site** for a wealth of RSP information.

One size does not fit all

For some, retirement planning is a long-range affair, whereas for others, retirement is right around the corner. A forty-year-old who will be working for another twenty-five years should be taking a different approach to saving for old age than the sixty-year-old who looks forward to retiring in a few years. The **Portfolio RSP** gives you the flexibility and the tools you need to accommodate such differences. Your retirement savings will be invested according to your specific needs, and you won't have to settle for a compromise solution.

Objectivity

If you buy your RSP at a bank, trust company or insurance company, you will be offered proprietary products: the institution will be acting as the borrower when you choose a deposit instrument, and that same institution will manage the money if you opt for a mutual fund. It's quite different when you choose our **Portfolio RSP**: we are not beholden to a particular product since we don't "manufacture" any. Your Investment Advisor is free to recommend the most suitable types of investments. And once that decision is taken, he/she will shop around in order to be sure to offer you the best rate or product available.

Capital safety

With a conventional deposit-based RSP purchased at a bank or trust company, your plan is guaranteed by the Canada Deposit Insurance Corporation (CDIC) up to a maximum of \$60,000. If you have a large RSP, it must be split between several institutions in order to be fully covered by deposit insurance. When you opt for bonds, treasury bills or savings bonds issued by the Government of Canada or one of the provincial governments as investments in your **Portfolio RSP**, both the value at maturity and the rate of return of your investment will be unconditionally backed without limit by the federal or provincial government. Furthermore, CDIC coverage is limited to deposits with maturities of five years or less, whereas a **Portfolio RSP** allows you to choose from government-backed securities with maturities extending up to thirty years. And speaking of deposit insurance, our **Portfolio RSP** allows you to purchase GICs and term deposits from many different CDIC member-issuers, so you can benefit from multiple deposit insurance coverage while enjoying the convenience of having to manage only one RSP account.

Superior long-term returns

Diversification has always been the cornerstone of a sound investment strategy. By dividing your capital among several asset categories you can smooth out the volatility of each asset category and at the same time increase your long-term return. Asset mix is the basis of the investment strategy used by all major corporate and government pension funds, and there is no reason why your personal retirement savings

should be treated differently. The **Portfolio RSP** is a self-directed RSP: it is the best type of plan for getting both the flexibility and the choice of vehicles required to fully put this concept of diversification to use.

International diversification

Diversification can be by geographic region as well as by asset class. Canada offers less than 3% of the world's stock and bond investment opportunities when measured by market capitalization, and research has convincingly shown that geographically diversified portfolios offer higher, less volatile long-term returns than portfolios whose assets are concentrated in any one country. By their very nature, savings account and term deposit RSPs offer no possibility of international diversification. Certain mutual fund RSPs do give you foreign exposure, but at the expense of flexibility. Only a plan like our **Portfolio RSP** allows you to take full advantage of the many attractive investment opportunities available outside of Canada.

Account consolidation

RSPs are often opened haphazardly at the last minute because of a clever advertisement, or based on convenience. Even when you go back to the institution you dealt with last year, you may be opening a new RSP with your current contribution rather than adding to the old one. The result: a hodge-podge of plans held at different institutions, a multitude of statements to keep track of, many different maturity dates which are easily forgotten, and no idea of the overall return earned by your retirement savings. Our **Portfolio RSP** allows you to consolidate plans which you may be holding at various financial institutions into one easy-to-manage account. You have access to all the products you need, while enjoying the convenience of having to keep track of only one account.

Greater involvement

Obviously, a plan like the **Portfolio RSP** is not for everyone. Most people like to make their own decisions, or at least participate in the decision-making. Some feel more comfortable having decisions made for them. Others aren't even interested in considering various alternatives, preferring to opt for simplicity at the expense of suitability. We feel that by taking an active role in managing your retirement savings you will tend to pay more attention to your RSP. Ultimately, this will encourage you to become more involved in the overall retirement planning process, thus making better use of the opportunity afforded by the RSP. You want your retirement to be comfortable. We understand that, which is why we ask you to take your RSP seriously – and a **Portfolio RSP** is the best way to do so.

How much does all this cost?

*The annual administration fee for our **Portfolio RSP** is \$120 plus tax. A \$50 fee will be charged for a partial withdrawal or transfer, and a \$100 fee is charged for a complete withdrawal, or the plan's complete transfer to another financial institution.**

** Fees are subject to change*