

The Wealth Planning Process at ScotiaMcLeod: Navigating Towards Your Financial Future.

Few things in life are as important as planning for the future. Yet, not many of us actually take the time to plan for life's major events. At ScotiaMcLeod, wealth planning is a process that we use to work with you to ensure that preparing for these events is given paramount importance. For some, the term "wealth planning" conjures up visions of calculators, spreadsheets and decisions about rates of return. However at ScotiaMcLeod, wealth planning involves taking the time to think about what you want out of life (financially and otherwise), to plan how you're going to get there, and to determine whether or not you're headed in the right direction.

Wealth planning helps us find the answers to questions such as:

- "When I retire, will I be able to live according to my needs?"
- "Will I be able to support the educational needs of my children/grandchildren?"
- "Can my family support themselves if I'm no longer able to?"
- "What is the best way to structure my assets to minimize or defer tax?"

While these decisions are yours to make, many clients turn to their financial advisor for assistance and direction. In particular, your advisor can facilitate this process by helping you:

- Understand your current situation
- Set goals and objectives
- Identify opportunities
- Allocate resources to meet these goals
- Invest resources in a tax efficient manner

While this can be an informal process, many investors benefit from a more formal process involving a comprehensive financial plan prepared by their ScotiaMcLeod Advisor.

A Formal Plan Helps You Get To Where You Want To Go

Wealth Planning is traditionally viewed as consisting of four components:

- Retirement Planning
- Tax Planning
- Estate Planning
- Investment Planning

Each of these components helps form the support for the overall financial plan, acting as an independent building block, while also remaining dependent on the others. In fact, building a financial plan is not unlike building a house; it is virtually critical to have a blue print as a guide. A financial plan will act as your blue print and will help you measure your achievement towards your various retirement, estate, tax, and investment goals and objectives.



The Wealth Planning Process

Wealth planning typically involves six stages:

1. In the first stage, you will meet with your ScotiaMcLeod advisor who will explain the overall wealth planning process to you and then, with your assistance, will set expectations as to the timing and the level of plan detail to be delivered.
2. Once these expectations are established, the next stage involves gathering the necessary financial information about you and your spouse, including your goals and objectives for both the present and future. It is at this stage that you have a great deal of impact on the planning process, as your advisor will be relying on you to provide complete and accurate information.
3. This stage of the process involves your advisor analyzing the information that you have provided, so as to assess your current financial situation and to be able to identify opportunities for additional or alternate strategies and recommendations. It is here that your advisor develops your plan, taking into account key assumptions such as inflation, rates of return, taxes and life expectancy.
4. During this stage, the plan is presented to you with the appropriate supported detail and a specific action plan that will give you a clear understanding of the next steps to be taken.
5. In this important stage, your advisor will work with you to implement the recommended strategies, keeping in mind that the plan is only as good as the action that is taken as a result.
6. The last stage of the process involves both you and your advisor working together to monitor the plan regularly. Revisions may be necessary due to changes in your and your family's life, or to changes in external factors.


Different Needs May Result in a Different Approach

Of course, not everyone needs a comprehensive financial plan. Some individuals may be close enough to retirement or other life events (5 years or less) that all that is really required are detailed but specific stand alone projections.

For example, your main source of retirement funds may be your RRSP. As a result, your primary concern may be whether or not income from your RRSP will sustain you throughout your retirement at the level you require. In this case, your ScotiaMcLeod advisor would be able to project how long the RRSP would last, if a predetermined amount of funds were withdrawn from the account every year.

Alternatively, you may be interested in finding out what it will take to be able to fund your child's post-secondary education. In this case, your advisor could help you determine how much has to be saved on a monthly basis in order to meet a predetermined educational goal (e.g. \$10,000/yr. for 4 years). If appropriate, your ScotiaMcLeod advisor also has the ability to demonstrate the advantage of contributing to an RESP (Registered Education Savings Plan) over a regular non-registered strategy.





Your need for insurance can also be measured. Although usually part of a comprehensive plan, your advisor can analyze whether you are adequately, over or under insured. The insurance needs projection thoroughly analyzes your insurance requirement by comparing your immediate lump sum and annual living needs to the assets you have together with the income abilities of your beneficiaries.

The Level of Service You Receive Depends on Your Need

Whether you need a comprehensive financial plan or are interested in a plan directed at one specific financial goal, your ScotiaMcLeod advisor is fully prepared to meet all of your wealth planning needs. Whatever your situation or desired level of service, working with your advisor through the ScotiaMcLeod Wealth Planning Process ensures that your goals and objectives will be properly recognized and analyzed.

Most importantly, your advisor is ready to work with you and your family towards developing an action plan that will help you meet your goals for the future.

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