Core Financial Concepts

Prepare for your Future

WFG

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Charting your financial future begins with these core concepts.

The Six Steps to Financial Independence[1]

Are you asking the right questions and making the right moves for your future?

Cash Flow

- Earn additional income
- Manage expenses

Debt Management

- Consolidate debt
- Strive to eliminate debt

Emergency Fund

- Save at least 3-6 months' income
- Prepare for unexpected expenses

Proper Protection

- Protect against loss of income
- Protect family assets

Build Wealth

- Strive to outpace inflation and reduce taxes

Preserve Wealth

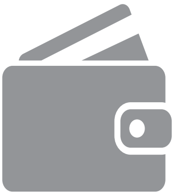
- Reduce taxation
- Build a family legacy

Life Insurance

How much do you need?

Age, health, debts, dependents, income and a variety of other factors should all be considered.[2]

However, the basic rule of thumb is approximately **10x** your annual family income.

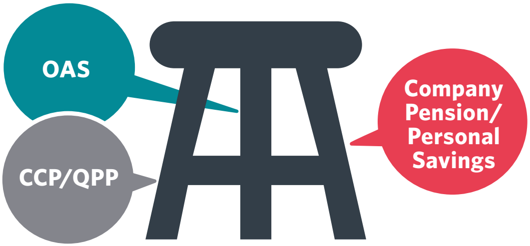


The Three Pillars of Retirement

Income during retirement typically comes from three main sources:

- The Canada Pension Plan (CPP) or Quebec Pension Plan (QPP)
- The Old Age Security (OAS)
- Employer-sponsored pension plans as well as personal savings and investments[3]

However, 72 percent of Canadians say it's prohibitively expensive to save for retirement, and among working Canadians, one-third have never set aside any money for retirement.[4] A solid financial plan includes understanding your personal savings options so you won't have to make major trade-offs to enjoy the retirement lifestyle you desire.

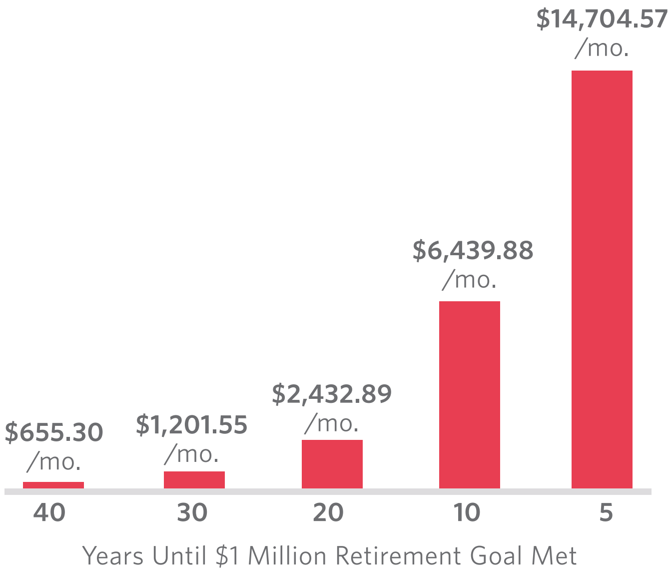


The High Cost of Waiting

Time: Your worst enemy or greatest ally[5]

Here is a hypothetical example of how the monthly amount required to reach $1 million for retirement changes with how much time you have to hit that goal in an 5% tax-deferred account.[3]

The best way to put time on your side is to start saving today.



Power of Time

Time can be your greatest ally or your worst enemy. If you haven't started saving for your future, start now.

An example of saving $2,500 per year, for 25 years, in a product earning 5% per year.[6]

	Person A	Person B	Difference
Age Started Investing	30	40	10 years
Principal Invested (25 years)	$62,500	$62,500	$0.00
Age Stopped Investing	55	65	10 Years
Total Accumulation at age 65	$204,074	$125,284	$78,790

The Rule of 72

Divide 72 by an annual interest rate to calculate approximately the number of years it takes for money to nearly double assuming the interest is compounded annually. Keep in mind that this is just a mathematical concept. Interest rates will fluctuate over time, so the period in which money can double cannot be determined with certainty.

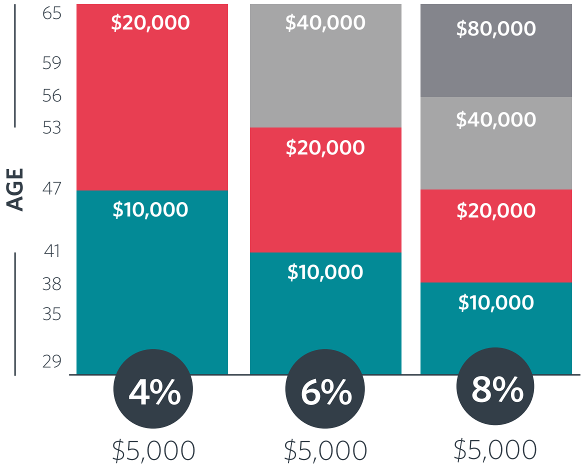
Scan to watch the Rule of 72

Additionally, this hypothetical example does not reflect any taxes, expenses or fees associated with any specific product. If these costs were reflected the amounts shown would be lower and the time to double would be longer.[7]

72 ÷ 2% = 36 At 2% money doubles nearly every 36 years		**72 ÷ 4% = 18** At 4% money doubles nearly every 18 years		**72 ÷ 6% = 12** At 6% money doubles nearly every 12 years	
YEARS	**AMOUNT**	**YEARS**	**AMOUNT**	**YEARS**	**AMOUNT**
Initial Amount	$10,000	Initial Amount	$10,000	Initial Amount	$10,000
35	$19,999	18	$20,258	12	$20,122
70	$39,996	36	$41,039	24	$40,489
		53	$79,941	36	$81,473
				48	$163,939

How many times will your money double?

Notice how a $5,000 investment at age 29 doubles more often as the rate of return increases.



That’s exciting to think about. But consider the interest rate on your credit card. Is it 18%? Higher? The Rule of 72 can work against you just as powerfully as it can work for you. Debt management is still important.

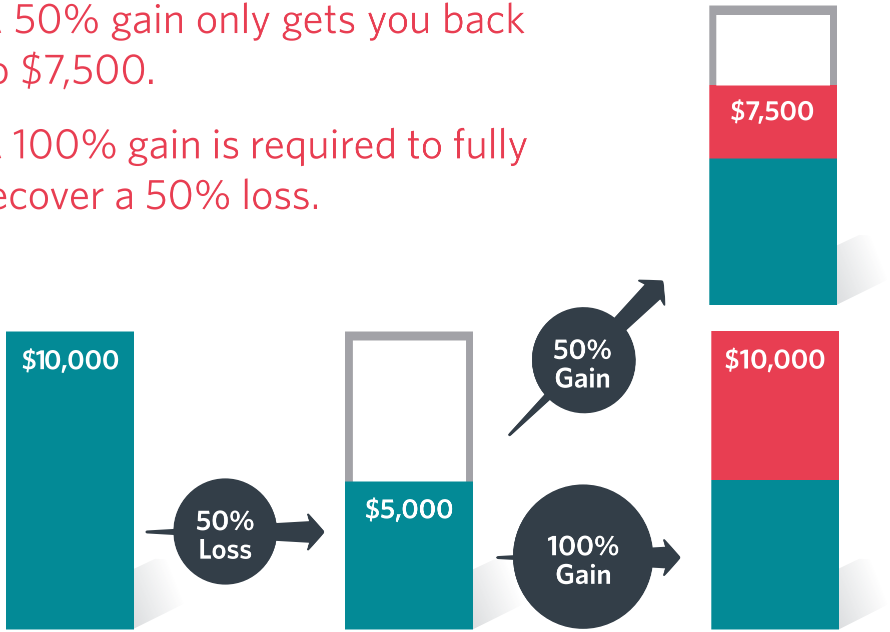
The **Impact** of Losses

It hurts more than you think

If you lose 50% of $10,000, what rate of return does it take to get back to $10,000?

A 50% gain only gets you back to $7,500.

A 100% gain is required to fully recover a 50% loss.



What Does Your **Future** Hold?

Which one is right for you?

Client

- If you are satisfied with your career and discretionary income, consider becoming a client.
- Take advantage of our strategies to help you chart your path to financial independence.

Part-time Career

- Licensing, commissions, technology and great mentoring programs are offered by WFGIA.
- Control your time and create a career on your terms.
- Enjoy the benefits of being an independent contractor.

Full-time Career

- Build a business as big as your commitment and vision.
- Earn incentives like bonus pools, supervisory overrides, and renewals and trails.

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1 When investing, there are certain risks, fees, charges and limitations that one must take into consideration.

2 There are many variables that affect your life insurance needs. You may need more or less insurance depending on any existing savings, assets, retirement funds and whether the purpose of the death benefit is to replace income or for estate planning.

3 "Sources of Retirement Income," Financial Consumer Agency of Canada, www.Canada.ca, May 11, 2021.

4 "2022 Canadian Retirement Survey," Abacus Data commissioned by Healthcare of Ontario Pension Plan.

5 In this hypothetical example, a 5% compounded rate of return is assumed on hypothetical monthly investments over different time periods. The example is for illustrative purposes only and does not represent any specific investment. It is unlikely that any one rate of return will be sustained over time. This example does not reflect any taxes or fees and charges associated with any investment. If they had been applied, the period of time to reach a $1 million retirement goal would be longer. Also, keep in mind that income taxes are due on any gains when withdrawn.

6 All figures are for illustrative purposes only and do not reflect an actual investment in any product. Additionally, they do not reflect the performance risks, taxes, expenses or charges associated with any actual investment, which would lower performance. This illustration is not an indication or guarantee of future performance. Contributions are made at the end of the period. All accumulation figures are rounded to the nearest dollar.

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