



Developing a plan with your financial advisor

Do you need a plan to organize your finances and help you achieve your goals? Definitely! A financial advisor can help.

A financial plan is your first step on the road to financial security. Think of it as a map showing the route you need to take to get from your current situation to a set of future goals.

A financial plan goes far beyond a budget, and involves making decisions about savings strategies and your investment style, considering factors such as your investment objectives, risk profile and time horizon.

WHAT AN ADVISOR CAN OFFER

The best person to help you assemble a financial plan is a qualified independent financial advisor, preferably a certified financial planner. He or she can help you make decisions that are based on logic rather than on emotion.

A professional advisor brings valuable experience, education and skills to the table that can make a significant difference to the outcome of your plan. Your advisor can answer questions about decisions around major purchases, inheritances, wills, estate planning and investing.

An advisor will also review with you the essential components of a good financial plan, such as income sources, debt reduction, insurance requirements, savings strategies, emergency funds, tax considerations, estate planning and your will. Your advisor can help you figure out what your investment personality is by weighing your answers to questions like:

- How much risk can you tolerate?
- What are your investment goals?
- What is your time horizon?
- What is the right asset allocation for you?
- How much of your income should you contribute to your RRSP to meet your long-term objectives?





THINK LONG-TERM

The investments you choose should reflect your answers to these questions, with an asset allocation mix designed to help achieve your stated goals.

Once you and your financial advisor have determined your asset allocation, remember to give your portfolio a fair amount of time to produce results. For example, if your savings goal is retirement and you're still in your twenties, you have several decades to go before you'll need to rely on your savings. That means you have leeway to weather some volatility in the short term.

Be sure to measure your results within appropriate time frames – if you've chosen aggressive equity investments and have a minimum time horizon of five years, try not to be overly worried if those investments produce negative returns after the first year. Remember to focus on the bigger picture.

With experience, you'll arrive at a better sense of your own investment style and risk tolerance.

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