



THRIVE

Thrive Wealth Management Playbook

Quarter 1 – 2018

Registered Retirement Savings Plan

- What is a RRSP?
 - An investment registered with the Canada Revenue Agency
 - Used to save for retirement
- What investments are eligible to be used in a RRSP?
 - Mutual Funds
 - Savings Accounts
 - Stocks
 - Bonds
 - GIC's

Registered Retirement Savings Plan

- Advantages
 - Contributors deduct contributions against their income
 - For example, if a contributor's tax rate is 40%, every \$100 he or she invests in an RRSP will save that person \$40 in taxes, up to his or her contribution limit
 - The growth of RRSP investments is tax sheltered. This means that investments under RRSPs compound at a pretax rate. Tax is deferred to withdrawal in retirement when income is lower.

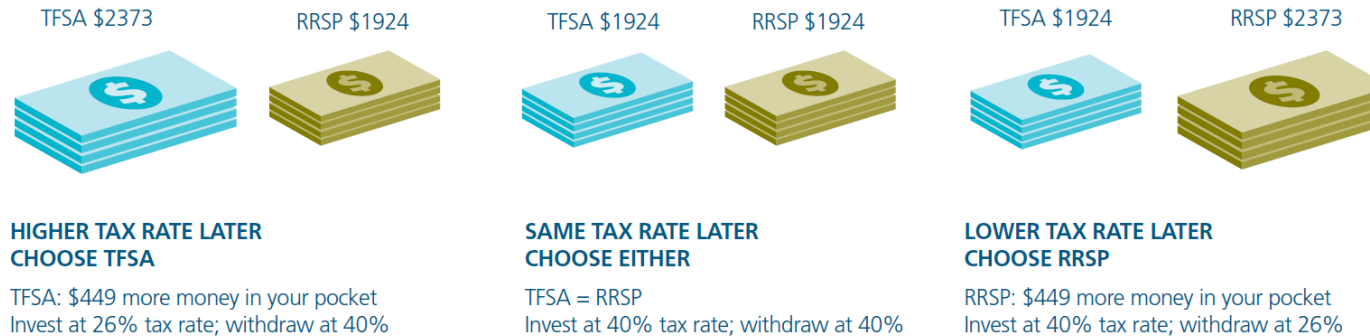
RRSP vs. TFSA

WEALTH CONCEPTS

For illustrative purposes only

TFSA vs. RRSP

YOUR TAX RATE AT THE TIME YOU INVEST vs. WITHDRAW, WILL DETERMINE YOUR BEST OPTION



* Assumes \$1,000 investment at 6% growth over 20 years.

INVESTMENT TIP

The TFSA and RRSP put the same amount of money in your pocket if your tax rate stays the same over time. But if you think your tax rate will be higher when you withdraw your money, a TFSA has the advantage. If you anticipate your tax rate will be lower, then an RRSP is a better choice.

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RRSP Investment Principals to Consider

Pay Yourself First

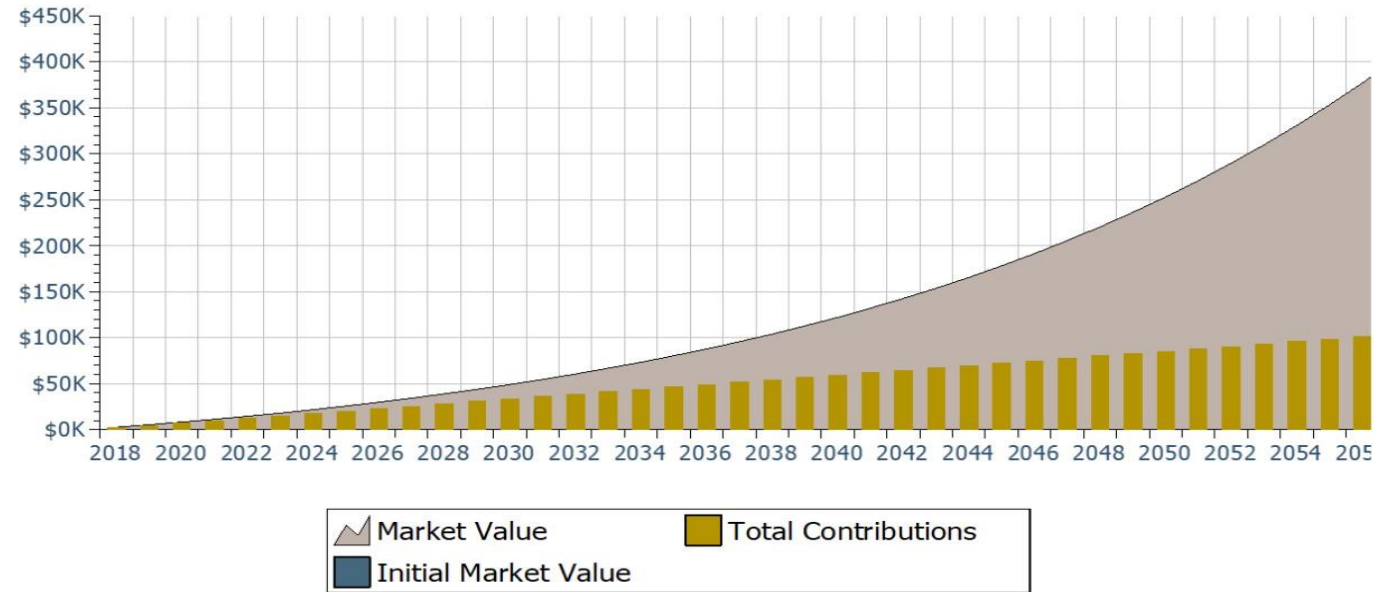
- Basic investment principal is to pay yourself first
- Save then spend to achieve financial wellness



Regular Contributions (PAC's)

RRSP Savings

This report shows how your RRSP contributions will grow over time.



Compounding Growth in a RRSP

- Compounding growth is generating earnings from previous earnings.

Compounding Growth Example:

- You invest \$10,000 in a mutual fund which earns 10% = \$11,000
 - The next year you earn another 10%
 - Your \$11,000 grows to \$12,100
 - After 10 years earning 10% that \$10,000 will be worth over \$100,000

Dollar Cost Averaging

Clients can benefit from Dollar Cost Averaging regardless of market conditions



Units Purchased: 1,664
Total Value: \$16,647
Average Unit Price: \$7.50
Gain On Investment: \$4,630



Units Purchased: 4,809
Total Value: \$24,045
Average Unit Price: \$3.02
Gain On Investment: \$12,045



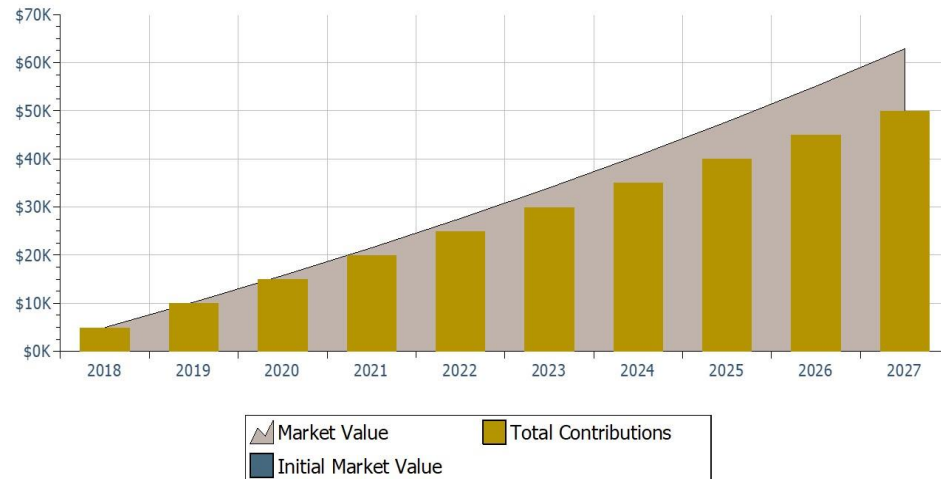
Units Purchased: 1,879
Total Value: \$18,795
Average Unit Price: \$6.74
Gain On Investment: \$6,795

Investing \$100/month over a ten year period at an initial unit value of \$5

Reinvest tax return

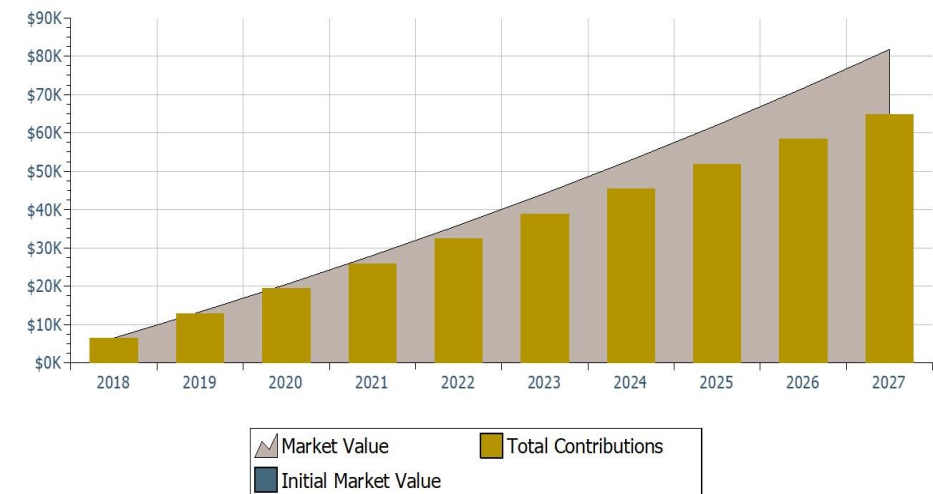
RRSP Savings

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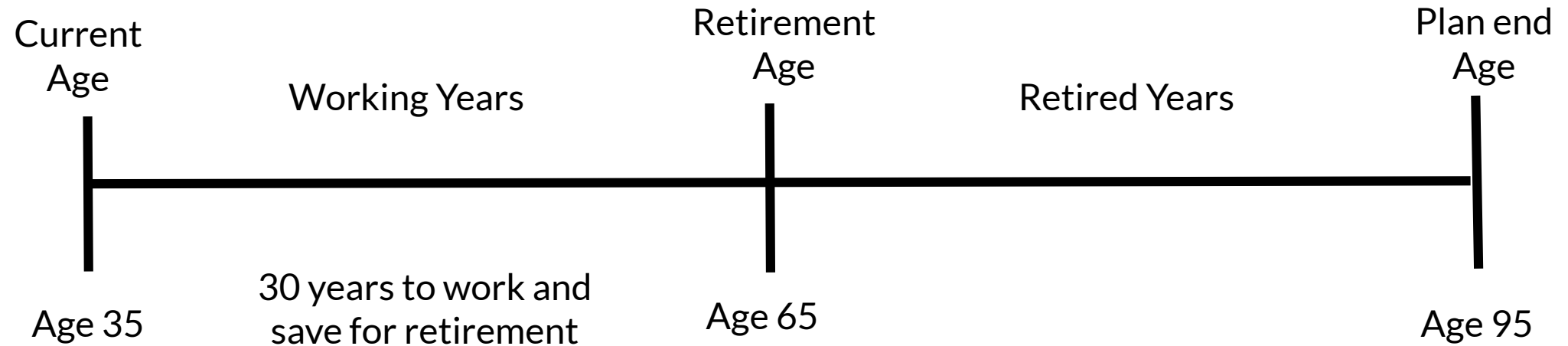


Re-investing Tax Return

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Retirement Timeline



Q & A